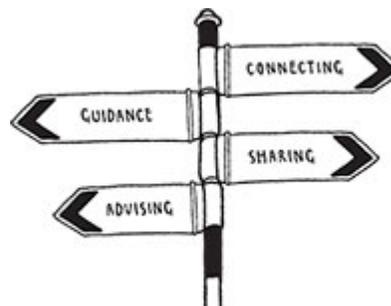


Finance Advisory Network Newsletter (Non-Subscriber)



February 2021

Advisor Update

Welcome to the February FAN Newsletter for practitioners in organisations that don't subscribe to the FAN service.

We are rapidly approaching a new subscription year, so if FAN membership is of interest please do get in touch. FAN membership gets you access to all subscriber newsletters and our past event documentation and slides on the website, as well as access to the FAN team for any technical accounting questions.

English FAN membership for 2021/22 also includes the two 2020/21 Collection Fund toolkits developed by Caroline, which if you have read the article written by Caroline below and concluded you are having problems with your collection fund, you might find useful. Caroline is also starting to take bookings for remote review of 2020/21 collection fund accounts. Please do get in touch if you would like to book your slot as it is first come first served.

In this month's newsletter we have details of two important CIPFA consultations as well as details of our upcoming events.

Finally, don't forget we can still deliver any of our [Essentials](#) 'Introduction to...' events exclusively for your authority, so do get in touch if interested in a 'local' delivery.

As usual, we hope you find the newsletter helpful.

Events

Introduction to Accounting for Groups and Collaborative Arrangements

[1 March, Webinar](#)

Introduction to Housing Investment Modelling

[2 March, Webinar](#)

Completing and Accounting for NNDR 3 2020/21

[15 March, Webinar](#)

[17 March, Webinar](#)

[22 March, Webinar](#)

[24 March, Webinar](#)

Understanding and Using the Collection Fund Accounting Models

[18 March, Webinar](#)

[25 March, Webinar](#)

Introduction to Financial Planning

[31 March, Webinar](#)

Introduction to Budgeting

[27 April, Webinar](#)

Best wishes,

David, Caroline and Sandra

[FAN Home](#)

Network and CIPFA News

Introduction to Housing Investment Modelling - 2 March 2021

This course will help you to plan for major housing regeneration and new build projects and make the right investment decisions going forward – how many new homes can you build after taking into account your HRA's financial resilience and the other commitments you face with your existing stock? How can development opportunities encompass a mix of house building opportunities such as market homes, private rented as well as council and housing association homes for social rent.

During the day, it will cover:

- A general public sector and housing topical update.
- The funding options for housing investments.
- An introduction to housing investment modelling.
- Real life case studies of housing developments and how they are being delivered.

Throughout the course there will be plenty of opportunity for participation, discussion and debate - with a focus on interaction to get the most from the sessions.

See events listing to book.

Completing and Accounting for NNDR 3 2020/21

This series is structured around the sections of the NNDR 3 form, how these should be completed and what the accounting implications are for each section. It also considers the implications from finalising the NNDR 3 entries such as the collection fund surplus/deficit; S31 grants including the extended retail, nursery and newspaper reliefs; the revised safety net and levy calculations; income compensation calculations; and briefly the requirements for pooling and pilot authorities.

They are designed for anyone new to Collection Fund Accounting for 2020/21 or requiring a refresher, including accounting and revenue practitioners directly involved in the completion of the NNDR 3 form 2020/21, production of the Collection Fund for Business Rates and subsequent General Fund Accounting, or practitioners responsible for undertaking quality assurance reviews on the NNDR 3 completion and/or the related accounting.

Accounting and revenues colleagues from the same authority may find it beneficial to attend together to get a better understanding of each other's responsibilities and support needs.

For more details, including the benefits of attending, please follow the link in the events listing.

Understanding and Using the Collection Fund Accounting Models

FAN produces the spreadsheet Collection Fund Accounting Models for its subscribers (and non-subscribers who wish to purchase) to assist practitioners with the complexities of accounting for council tax and business rates. The models do not constitute official guidance but are intended to support practitioners in their understanding of the collection fund and subsequent general fund year-end accounting requirements.

If you are contemplating whether to join FAN to get access to the models, or even just to purchase them stand-alone and want to see what they can do, this event will basically give you a demonstration. These practical events guide users through completing the models and understanding the mechanics of how they work and what they produce so as to maximise their benefit, not only as a closedown tool (bearing in mind quicker closedown) but also in financial planning. The events use worked examples to walk step-by-step through both the Council Tax and NDR Models, led by FAN's Caroline Newman, who developed them.

The 2020/21 models are being updated for the impact of all government policy decisions around Covid-19 and the Collection Fund e.g. 75% income compensation, NDR safety net and levy regulation changes.

For more details, including the benefits of attending, please follow the link in the events listing.

Code of Practice on Local Authority Accounting in the United Kingdom – Housing Revenue Account (HRA) Tenancies and Leasing Standards and COVID-19 Related Rent Concessions

This [Code consultation](#) relates to two issues: HRA tenancies and the application of the leasing standards and COVID-19-related rent concessions.

The HRA tenancies consultation focuses principally on IFRS 16 Leases but also considers the impact for the HRA under IAS 17 Leases. The changes and feedback requested in the Invitation to Comment (ITC) on the Code relate to the following areas:

- Whether the leasing standards apply to HRA tenancy agreements (ie whether they meet the definition of a lease under both IAS 17 and IFRS 16)
- If the leasing standards do apply, whether they are operating or finance leases
- Dependent on the classification decided on, what disclosure requirements will be needed by the users of local authority financial information relating to housing tenancies and the related assets.

The COVID-19-related rent concessions consultation seeks feedback on whether it would be useful to local authority stakeholders if provisions were included in the Code to provide guidance on the accounting treatment for COVID-19-related rent concessions, following the recent changes to accounting standards.

The consultation closes on 12 March 2021.

Prudential Code / Treasury Management Code Consultation now live

As flagged in last month's newsletter, CIPFA has now issued two consultations on the two codes as part of a wider review of the Prudential Framework. This follows the recommendations of the reports from the National Audit Office and the House of Commons Public Accounts Committee into local authority commercial investments. Details of the proposed changes are available from CIPFA's [consultation web page](#).

Financial Resilience Index

CIPFA has updated the [Financial Resilience Index](#). This dashboard provides data on several key indicators around the financial sustainability of a local authority.

Financial Management Code Update and AGS Bulletin 06

A recent published [statement on the CIPFA website](#) (under 'What's going on') confirms CIPFA's position on the Code. The Code was designed to allow organisations to consider their own circumstances and allows flexibility for an authority to do this. In [AGS bulletin 06](#) we provide further guidance and consider that commentary within the 2020/21 Annual Governance Statement may be used to demonstrate local decisions and the progress made in the shadow year.

Are you suffering from collection fund accounting issues?

Caroline has written an [article for CIPFA Thinks](#) on the common problems that local authorities seemed to encounter with their 2019/20 Collection Fund accounting. It's more of a checklist of questions you should be asking yourself for assurance that you are happy with your own approach. Hopefully you are confident in your approach but if not, we have also added a [collection fund support page](#) to the FAN website detailing all the different support options we offer in this area. Bookings are already being taken for consultancy support and external reviews for 2020/21 collection fund closedown, so do get in touch with Caroline if either of these is something you would be interested in.

Get up to speed on ethics: new e-learning free to all members and students

As part of CIPFA's commitment to supporting our members, students and the wider public finance profession, we have developed a short, accessible e-learning module on ethics. Using videos, Q&As, case studies and background reading, it offers a practical insight into how ethics can impact public finance professionals. It also highlights the additional resources on ethics that are available from CIPFA. The e-learning is free of charge for all CIPFA members and students – to access it, please login to the website and complete your purchase using your member role.

When your purchase is complete, you will be able to access the module via the 'CIPFA Learning' button in the top right corner of the CIPFA website. [Learn more](#).

Additional COVID-19 advice and support for local authorities

CIPFA has an [online hub for COVID resources](#).

Essential guidance for local authorities on all aspects of the coronavirus support can be found on the [GOV.UK website](#).

CIPFA Thinks

Don't forget to periodically check [CIPFA Thinks](#) to see the latest set of articles, comments and publications covering topical aspects of public finance and also those issues specific to [local government](#).

Follow FAN on Twitter and connect to us on LinkedIn

David, Sandra and Caroline regularly tweet details of relevant news stories, FAN event updates, CIPFA consultation alerts, COVID-19 updates, etc. We encourage subscribers to follow us on Twitter for the latest news, so even if you don't 'tweet' yourself, it's a great way to keep updated on key issues affecting local authority finance and accounting. Click to find [David Sandra](#) and [Caroline](#) on Twitter, or search for all our network advisor tweets using the hashtag [#cipfanetworks](#).

We can also be found on LinkedIn and increasingly use social media for additional FAN updates, so if you are on LinkedIn then please feel free to connect to us: [David](#), [Sandra](#) and [Caroline](#).

LinkedIn Discussions

CIPFA has its own [LinkedIn group](#) where you can find up to date announcements and discussions on all the latest issues in the public sector. Why not join in one of the discussions or start a conversation of your own?

News Roundup

This service is for subscribers only

Publications

[**IFRS 16 Leases: An Early Guide for Local Authority Practitioners**](#)

[**Service Reporting Code of Practice for Local Authorities 2020/21**](#)

[**Code of Practice on Local Authority Accounting in the United Kingdom 2020/21**](#)

[**Prudential Property Investment**](#)

[**Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for 2020/21 Accounts**](#)

[**IFRS 9 Financial Instruments: A Guide for Local Authority Practitioners**](#)

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