Feedback Request

[Comments Requested by 7 November 2014]

Community Safety Expenditure:

Service Expenditure Analysis Classification

September 2014

Background

1. A meeting of the Local Financial Returns (LFRs) Review Group, hosted by the Scottish Government with local government practitioner representation, noted potential inconsistency regarding the treatment of community safety expenditure. In particular this relatedg to

    - Community safety (especially following the transfer of police and fire & rescue services)
    - Community wardens (Instance cited of being responsible for monitoring the local environment including litter clearance requirements)
    - CCTV

2. LASAAC considered the matter on 13 August, noting that the intention was to ensure alignment between the financial statements requirements (as expressed in SeRCOP: Service Expenditure Analysis [the SEA]) and the Local Financial Returns.

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3. It was agreed that the treatment in England should be considered as a basis for proposals to amend the SEA. The English classifications are provided in Appendix A. It should be noted that, from the warnings included in the guidance, there appears to be scope for some inconsistency in the application of the English requirements.

4. In part the difficulties of definition may be considered to arise from the principle that all local authority expenditure is, in essence, community based expenditure.

Implications for Grant Aided Expenditure (GAE) Assessment

5. The Scottish Government have noted that expenditure on the following items is used as secondary indicators for GAE purposes:

    - Trading Standards
    - Environmental Health

6. Reclassifying any expenditure that is currently recorded by authorities within these categories may affect GAE calculations and therefore grant distribution arrangements. The impact will depend on the value of expenditure reclassified.

Potential Classification in Scotland

7. Proposed service classification:

Proposed SEA Service: Environmental Services
Proposed since: • Community safety can be most directly regarded as investment in the local environment. A parallel may be drawn with the inclusion of 'Environmental Health' (including pollution reduction, pest control etc) under this Service since these also contribute to minimising, on a routine basis, the dangers and risks faced by local communities. • This is the approach adopted in other UK territories. • An alternative Service category could be 'Planning' however the majority of items within this heading relate to the development and implementation of control regimes, rather than the potentially more reactive (routine operation) based services expected to be included within 'community safety'.

8. Proposed Mandatory Sub-Division classification:

Proposed Mandatory Division of Service: Community Safety
Proposed since: • This appears to be the main area of uncertainty identified. • Although wider 'community' or 'community development'

expenditure divisions could be considered these would represent a much more significant change to the existing classification approach. This would more materially affect the use of historic data (eg previous benchmarking and use for trend analysis).

- Although the English classification requires mandatory separation of community safety expenditure into Crime Reduction, CCTV and Safety Services it is not clear that the scale of spend, and nature of services provided, in Scotland warrants this level of detail. Therefore initially a single 'Community Safety' division is proposed.

9. Proposed Guidance on the Community Safety Division

Proposed Guidance on the Community Safety Division

The guidance below, primarily based on that for England, is proposed as an initial basis for consideration. Since application will fall to authority practitioners suggestions for improvement would be particularly welcome. This is particularly the case where Scottish specific requirements have not been adequately addressed.

The Community Safety division of service should include material identified expenditure specifically on Community Safety that does not fall within the definition of any other specific SEA classification.

Community Safety expenditure that an authority identifies as specifically benefitting HRA tenants and which is, per "Guidance on the Operation of Local Authority Housing Revenue Accounts (HRAs) in Scotland" (Scottish Government), to be funded by HRA tenants should be excluded from the Community Safety division of service.

i.e. **Exclude** any items that can be coded to a specific service or the HRA.

A wide range of community safety services may be provided. The following services are specifically expected to be included:

- Crime Reduction e.g.
  - Fees paid to police forces to secure extra police officers for a particular area
  - Providing crime prevention advice.

- Non-service specific CCTV
  - For example, CCTV cameras in car parks should be coded to Parking Services. Cameras providing security to schools should be accounted for in Education. Cameras operated to promote economic development should not be included. Only specifically community based CCTV cameras should be included in Community Safety.

- Safety Services
  - Community lighting in non-highway areas (except HRA items)
  - Provision of safety railings
  - Providing home safety advice.

10. Please note that unless otherwise agreed, or the amount is immaterial, the application of a new classification for community safety expenditure would be considered to require restatement of comparative (prior) year SEA figures in the Comprehensive Income and Expenditure Statement.

Factors for Consideration

11. In providing feedback on the potential future classification of community safety expenditure respondents may wish to consider the following factors:

a. Would the adoption of a new classification eliminate or reduce the potential for inconsistent reporting of expenditure and income on Community Safety? If not:
   - How should the proposed classification be amended?, or
   - How should the guidance for the existing Scottish SEA be improved to minimise inconsistency?

b. How significant is the scale of spend on community safety?

c. Would there be a significant change to reported expenditure for either Trading Standards or Environmental Health which might affect GAE calculations?

d. Would any Community Safety spend be specifically related to (for the exclusive benefit of) HRA tenants? If so how should spend be treated in the Scottish SEA?

e. How would the implementation of a new classification affect the current SOLACE benchmarking process?

f. Does the potential exist for a significant amount of expenditure to be classified as 'Community Safety' by default rather than in accordance with the proposed definition?

g. Would the expansion of innovative service delivery (e.g. multi-service / multi-disciplinary teams with a wide variety of different SEA service responsibilities) cause difficulties in applying the proposed definition(s) in future years?

h. Would the implementation of a revised categorisation for the 2014/15 annual accounts prove problematic, or would it be preferable to delay any change to 2015/16?

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Comments Requested by Friday 7 November 2014

12. All comments are welcome. Please provide comments by 7 November to lasaac@cipfa.org .

13. If you have any queries please e-mail or call the LASAAC Secretary (lasaac@cipfa.org, Gareth Davies, 0131 550 7534).

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Appendix A

Community Safety Expenditure in the English SEA

In England Community Safety expenditure appears to be primarily recorded as follows:

Service	Mandatory Division	Classification Guidance
Environmental and Regulatory Services	Community Safety (Crime Reduction)	The Community Safety division of service has been split to assist authorities in separately identifying community safety expenditure in accordance with the requirements of the CLG RO forms. Include Community Safety (Crime Reduction) expenditure that cannot be clearly or properly allocated to a specific service. Examples of types of expenditure to include here are: Fees paid to police forces to secure extra police officers for a particular area Providing crime prevention advice. **Exclude any items that can be coded to a specific service or the HRA.**
Environmental and Regulatory Services	Community Safety (CCTV)	**Exclude any items that can be coded to a specific service or the HRA.** For example, CCTV cameras in car parks should be coded to Parking Services. Cameras providing security to schools should be accounted for in Education
Environmental and Regulatory Services	Community Safety (Safety Services)	The Community Safety division of service has been split to assist authorities in separately identifying community safety expenditure in accordance with the requirements of the CLG RO forms. Include Community Safety (Safety Services) expenditure that cannot be clearly or properly allocated to a specific service. Examples of types of expenditure to include here are: . Lighting in non-highway areas (except HRA items) . Provision of safety railings . Providing home safety advice.

It should be noted that the English SEA is significantly different to the Scottish SEA. In particular the English SEA also includes the following which may affect the usage and definition of the Community Safety divisions noted above:

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Other Relevant Community Expenditure classifications in the English SEA

Service	Mandatory Division	Classification Guidance
Planning Services	Community Development	Include the costs of initiatives to build community structures rather than the more physical structures above. The indications are that this is still a maturing activity. The area of expenditure is likely to develop as authorities increase their capacity to perform the new duty to promote economic and social wellbeing under the Local Government Act 2000. **It is important to note that not all community expenditure should be recorded here**, eg if the expenditure incurred is Economic Development, Community Education, Library Service or any other area of the SEA, then it should be allocated to the appropriate division of service. As this is an area that is still in its early stages of development, no subdivisions of service are proposed. Costs will include: „. Community strategy formulation and development „. Specific community development initiatives „. Social inclusion „. Projects with community groups „. Projects with voluntary groups and associations „. Promoting e-functionality in the community „. Neighbourhood resources.
Public Health	Miscellaneous Public Health services	Subdivision includes "Community safety, violence prevention and social exclusion" with guidance being: Outreach workers, targeted preventative activities, and victim support for activities tackling crime and disorder, community safety and new entrants to the youth justice system. Specialist services for victims of domestic violence. Specific support for families with multiple problems (note: only include contribution from public health grant, ie exclude spend from other sources), Specific public health initiatives to tackle social isolation.

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LASAAC [The Local Authority (Scotland) Accounts Advisory Committee] is constituted of volunteer members representing the four funding bodies: CIPFA, ICAS, Audit Scotland and the Scottish Government. LASAAC is primarily concerned with the development and promotion of proper accounting practice for Scottish local government. A key task in achieving this is LASAAC's representation on CIPFA-LASAAC which produces the UK-wide 'Code of Practice on Local Authority Accounting in the United Kingdom'.

Further information about LASAAC can be obtained at http://www.cipfascotland.org.uk/technical/lasaac.cfm

The Chartered Institute of Public Finance and Accountancy (CIPFA) provide secretariat support for LASAAC. If you would like to contact LASAAC please communicate with

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