

7.3 ACCOUNTING FOR FINANCIAL ASSETS AFTER INITIAL RECOGNITION

7.3.3 Impairment and Uncollectability of Financial Assets

Regulations/statutory guidance on impairment of financial assets

7.3.3.11 Regulations or statutory guidance (see part 2 of Appendix B for the legislative basis) permitted authorities to defer the impact of the impairment of certain investments on the General Fund until no later than 2010/11 [in England and 2011/12 in Wales](#). [Statutory guidance issued by the Scottish Government sets out the value of impairment of certain investments which is charged to the General Fund.](#)

PART 2 – LEGISLATIVE BASIS FOR STATUTORY ACCOUNTING SECTIONS OF THE CODE

Chapter/section	England and Wales	Scotland	Northern Ireland
2.3 Government Grants	<p>This is as a consequence of the capital control regime requiring capital expenditure to be financed as part of the capital financing requirement (as defined in CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>) unless other resources are set aside to finance the expenditure.</p> <p>Part 1 Local Government Act 2003. SI 2003/3146 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. SI 2003/3239 (W.319) The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p>	<p>This is as a consequence of the capital control regime requiring capital expenditure to be financed as part of the capital financing requirement (as defined in CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>) unless other resources are set aside to finance the expenditure.</p> <p>Part 7 Local Government in Scotland Act 2003, refer to: SSI 2004/29: The Local Government Capital Expenditure Limits (Scotland) Regulations 2004. Scottish Government Finance Circular 3/2004. Scottish Government Finance Circular 6/2011</p>	<p>Councils follow all relevant accounting and disclosure requirements in the <i>Code of Practice on Local Authority Accounting</i> under an Accounts Direction from the Department of the Environment. Prudential Code arrangements are under consideration for the new council structure from 2011.</p>
4.3	Use of Capital Receipts to meet	Use of Capital Receipts to	Not applicable.

Chapter/section	England and Wales	Scotland	Northern Ireland
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PPP and PFI Schemes	<p>Liability:</p> <p>SI 2003/3146 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.</p> <p>SI 2003/3239 (W.319) The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p> <p>Depreciation, Impairment and Revaluation Gains and Losses:</p> <p>As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance).</p> <p>Item 8 Credit and Item 8 Debit (General) Determinations.</p> <p>Minimum Revenue Provision:</p> <p>SI 2008/414 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.</p>	<p>meet Liability:</p> <p>-Under consideration; refer to guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular No 4/2010).</p> <p>Depreciation, Impairment and Revaluation Gains and Losses:</p> <p>Guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular No 4/2010).</p> <p>Repayment of Liability:</p> <p>Guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular No 4/2010) as amended by Scottish Government Circular No 6/2011).</p>	
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4.4 Investment Property	<p>Gains and Losses on Disposal:</p> <p>As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).</p>	<p>Gains and Losses on Disposal:</p> <p>As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see SSI 2004/29 requiring adherence</p>	<p>Gains and Losses on Disposal and Movements in Fair Value:</p> <p>Councils follow all relevant accounting and disclosure requirements in Code of Practice on Local Authority Accounting under an Accounts Direction from the</p>
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Chapter/section	England and Wales	Scotland	Northern Ireland
	<p>Movements in Fair Value:</p> <p>As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).</p> <p>Minimum Revenue Provision:</p> <p>SI 2008/414 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.</p>	<p>to CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>).</p> <p>Scottish Government Finance Circular No 7/2011.</p> <p>Movements in Fair Value:</p> <p>As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see SSI 2004/29 requiring adherence to CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>).</p> <p>Scottish Government Finance Circular No 7/2011.</p> <p>Loans Fund:</p> <p>Schedule 3 paragraph 15(1) of The Local Government (Scotland) Act 1975 and related statutory guidance.</p>	<p>Department of the Environment.</p> <p>Loans Fund:</p> <p>Section 72 of the Local Government Act (Northern Ireland) 1972.</p>
7.3 Accounting for Financial Assets (in respect of impairment of investments in Icelandic banks)	<p>SI 2009 No 321 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2009.</p> <p>SI 2009 No 560 (W.52) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2009.</p>	<p>Scottish Government Finance Circular No 4/2009.</p> <p>Scottish Government Finance Circular No 5/2011.</p>	Not applicable.