

## Briefing Note

### Buckinghamshire County Council Statement of Accounts 2016/17

BCC's obligation to fund the unfunded element of the Teachers' Pension Scheme was included in error in figures sent to the Actuary to calculate BCC's asset and liabilities in relation to the Local Government Pension Scheme. This has resulted in incorrect figures being presented in the draft BCC's accounts. Below are details of the main changes.

- £3.030m Employer Contributions included in error. The effect is an additional charge to the Comprehensive Income and Expenditure Statement. This effects each Service line to a total of £3.030m due to the Employer Contributions being less than the Current Service cost (see table below). This charge is then reversed out through Note 3 – Adjustments between Accounting Basis and Funding basis under Regulations. This is an accounting adjustment and does not have an effect on the General Fund.

Final Statement of Accounts		Draft Statement of Accounts		Change
administration expenses	514.00	administration expenses	514.00	-
IAS19 Current Service cost	30,758.00	IAS19 Current Service cost	30,758.00	-
Employer contrib	29,894.00	Employer contrib	32,924.00	3,030.00
<b>Net debit charge to the services</b>	<b>1,378.00</b>	<b>Net credit charge to the services</b>	<b>- 1,652.00</b>	<b>- 3,030.00</b>

- Remeasurement of the net assets/ (defined liability). Amended from £248.738m to £195.373m, a change of £53.365m. This affects the lower half of the Comprehensive Income and Expenditure Statement on the Remeasurement of the defined benefit liability / asset line. This is then reversed out through Note 3 – Adjustments between Accounting Basis and Funding basis under Regulations. This is an accounting adjustment and does not have an effect on the General Fund.
- Net interest of the defined liability / asset. Amended from £18.712 to £18.766, a change of £0.054m. This affects the lower half of the Comprehensive Income and Expenditure Statement on the Financing and Investment Income and Expenditure line. This is then reversed out through Note 3 – Adjustments between Accounting Basis and Funding basis under Regulations. This is an accounting adjustment and does not have an effect on the General Fund.
- The above changes have had a net impact of £50.281m on the Pensions Liability, reducing the liability of £804.224m presented in the draft accounts to £753.943m presented in the final accounts. This is reversed through the unusable reserves which results in a nil effect to the Balance Sheet.
- The notes that have been amended due to this change are as follows:-
  1. Comprehensive Income and Expenditure Statement
  2. The Balance Sheet
  3. Note 1 – Expenditure and Funding Analysis
  4. Note 2 – Expenditure and Income analysed by Nature
  5. Note 3 – Adjustments between Accounting Basis and Funding Basis under Regulations
  6. Note 6 – Financing and Investment Income and Expenditure
  7. Note 14 – Defined Benefit Pension Schemes
  8. Note 26 – Unusable Reserves