

Report to: Audit & Governance Committee Meeting 24 April 2024

Director or Business Manager Lead: Nick Wilson, Business Manager Financial Service

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services, ext 5523

Report Summary	
Report Title	<i>UNDERLYING VALUATION ASSUMPTIONS FOR 2023/2024 STATEMENT OF ACCOUNTS</i>
Purpose of Report	<i>To provide Members with information regarding the assumptions made by the Valuers in calculating the figures to be reported in the 2023/24 Statement of Accounts, as per the revaluation model approach taken by the Council under IAS 16 (International Accounting Standard 16 – Property, Plant and Equipment).</i>
Recommendations	<i>Members note and approve the assumptions used in the calculation of asset valuation figures for 2023/2024.</i>

1.0 Background

- 1.1 IAS 16 – Property, Plant and Equipment is one of the financial reporting standards with which the Council must comply with when producing its annual Statement of Accounts.
- 1.2 IAS 16 outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost and is then subsequently measured using a revaluation model. Under the revaluation model, the assets are included in the Balance Sheet at current value on the basis recommended by CIPFA and in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors (RICS).
- 1.3 Assets included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum once every five years.
- 1.4 The Council appointed an external valuation consultant, Wilks Head and Eve, who performed the independent valuation of the list of assets. Attached at **Appendix A** is their valuation report, on assets excluding the Council Dwellings, which includes all their assumptions used to ascertain a valuation figure.

- 1.5 The list of assets, excluding the Council Dwellings, which have been identified for revaluation during 2023/24 is attached at **Appendix B**.
- 1.6 The Council's dwelling assets are revalued every year due to the volatility and the group value of the assets nature. Each financial year a desktop review will be undertaken to account for the changes in the valuations, however once every five years a full revaluation will take place on a beacon basis. Financial year 2023/24 is a desktop review year as the previous financial year was a full revaluation for the Council Dwellings. Attached at **Appendix C** is their valuation report which includes all their assumptions used to ascertain a valuation figure.

Background Papers and Published Documents

Nil