

Report to: Audit & Accounts Committee Meeting 22 April 2026

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Report Summary	
Report Title	STATEMENT OF ACCOUNTING POLICIES 2025/2026
Purpose of Report	<i>To provide Members with updates made to the Council's accounting policies in relation to the closedown of the 2025/2026 financial year.</i>
Recommendations	<i>Members approve the amended Statement of Accounting Policies for 2025/2026.</i>

1.0 Background

- 1.1 Prior to the completion of the Statement of Accounts for 2025/2026 it is important that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies will be applied to the treatment of all transactions that make up the figures in the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2026.
- 1.2 The 2025/2026 Statement of Accounts will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 (the Code) which is based on International Financial Reporting Standards (IFRS).

2.0 Updates to the Statement of Accounting Policies

- 2.1 The relevant key accounting changes in the 2025/2026 Code include:
- 2.2 A substantial and significant accounting change in this financial year's edition of the Code is due to CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes included in the Code are:
- A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in

intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available.

- Intangible assets to be held at historical cost only.
- Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.
- To assist authorities, an existing adaptation has been removed to allow both options permitted by IAS 16 for the treatment of accumulated depreciation when assets are revalued. This aligns with existing arrangements in the FReM.
- A clarification to ensure that undertaking a full revaluation should not be a default process to demonstrate there has not been a material impairment of an asset and to comply with IAS 36.

2.3 Other key changes and updates in this edition of the Code include the following:

- Minor updates have been made to Section 1.4 to reflect the amendment to publication dates in England as a result of the Accounts and Audit (Amendment) Regulations 2024.
- Section 3.7 has been updated to reflect the change in content of the annual governance statement following the publication of Delivering Good Governance in Local Government: Framework – Addendum covering the annual review of governance and the annual governance statement (2025).
- Minor updates have been made to Section 3.8 to reflect the amendment to publication dates in England as a result of the Accounts and Audit (Amendment) Regulations 2024.
- Minor updates have been made to Section 4.1 to reflect the statutory override for infrastructure assets in England and Wales being extended to 31 March 2029 and extended to 31 March 2027 in Scotland.
- Section 4.2 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases and to reflect IPSAS 43 Leases becoming applicable from 1 January 2025.
- Section 4.3 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases.
- A minor update to Section 4.10 to reflect IPSAS 45 Property, Plant and Equipment becoming applicable from 1 January 2025.
- Updates have been made to Section 7.1 to reflect the statutory override for pooled investments in England and Wales being extended to 31 March 2029 for pooled investments entered into by 1 April 2024.
- Appendix A of the Code has been updated to reflect the adoption of IFRS 17 and amendments to IAS 21.
- Confirmation in Appendix C (Changes in accounting policies: disclosures in the 2024/25 and 2025/26 financial statements) of the transitional reporting requirements of the new standards introduced in the 2025/26 Code.
- Confirmation in Appendix D (New or amended standards introduced to the 2025/26 Code) of the new standards introduced to the 2025/26 Code.

2.4 The accounting change referred to in paragraph 2.2 has resulted in revisions to the Council's accounting policies relating to property, plant and equipment. These policies have been updated to ensure compliance with the relevant accounting standards. Further detailed information is provided in Appendix B, which contains CIPFA Bulletin 22 – Indexation Application Guidance.

2.4 The relevant other changes listed at 2.3 do not impact on the Councils accounting policies. A complete set of the Accounting Policies for 2025/2026 are attached at **Appendix A**. Please note this is a full set of accounting policies however those marked with an * in their title will not be included within the Councils Statement of Accounts, under IAS1 presentation of financial statements, due to their materiality.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Implications Considered			
Yes – relevant and included / NA – not applicable			
Financial	NA	Equality & Diversity	NA
Human Resources	NA	Human Rights	NA
Legal	NA	Data Protection	NA
Digital & Cyber Security	NA	Safeguarding	NA
Sustainability	NA	Crime & Disorder	NA
LGR	NA	Tenant Consultation	NA

Background Papers and Published Documents

Code of practice on local authority accounting in the United Kingdom – Guidance notes for practitioners 2025/26 accounts