

Report to: Audit & Accounts Committee Meeting 22 April 2026
 Director or Business Manager Lead: Nick Wilson, Business Manager Financial Service
 Lead Officer: Andrew Snape, Assistant Business Manager Financial Services, ext 5523

| Report Summary | |
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| Report Title | <i>UNDERLYING VALUATION ASSUMPTIONS FOR 2025/2026 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 2025/26 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 2025/2026.</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 The Code has been updated for the 2025-26 financial period to prescribe that revaluations should only be undertaken once every five years or on a five-year rolling basis supported by annual indexation in the intervening years.
- 1.4 As outlined in more detail elsewhere on the agenda within the report titled ‘*Statement of Accounting Policies 2025/2026*’, the revised requirements mean that assets not revalued during the financial year must be adjusted using the appropriate indices.

1.5 In accordance with the category-based approach and the recommendations set out in CIPFA Bulletin 22 – Indexation Application Guidance, the following indices will be adopted for indexation purposes:

- Specialised Property. Percentage movement from All-In TPI published by BCIS (National).
- Offices. Percentage movement from Co Star and MSCI data (Regional).
- Retail. Percentage movement from Co Star and MSCI data (Regional).
- Industrial. Percentage movement from Co Star and MSCI data (Regional).
- Residential. Percentage movement from the Land Registry HPI index (Regional).
- Land. Percentage movement informed from published reports provided by KF / LSH / Savills etc (National) covering:
 - o Agricultural Land
 - o Residential Land
 - o Commercial Land
 - o Amenity Land

1.6 In addition, certain asset types may not have an appropriate index available and would therefore be subject to the three-year desktop valuation approach. At present, it is anticipated that car parks may require valuation on this basis; however, this will need to be confirmed in consultation with the external valuer and external auditors.

1.7 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.

1.8 The list of assets, excluding the Council Dwellings, which have been identified for revaluation during 2025/26 is attached at **Appendix B**.

1.9 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 2025/26 is a desktop review year as the financial year 2023/24 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.

2.0 **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 |

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|--------------------------|----|---------------------|----|
| Digital & Cyber Security | NA | Safeguarding | NA |
| Sustainability | NA | Crime & Disorder | NA |
| LGR | NA | Tenant Consultation | NA |

Background Papers and Published Documents

Nil