

Estimate	Method/model used to make the estimate	Controls used to identify estimates	Use of management expert	Underlying assumptions: Assessment of degree of uncertainty/ use of alternative estimates	Change in method/model in 2021/22.
Property, plant & equipment valuations	Valuations are performed by a qualified valuer (RICS/CIB Member) in line with our 5-year rolling programme of asset valuations. A review of assets not revalued in the year is undertaken to determine the potential risk of material movement in the valuation of asset categories not revalued in year.	The specific requirements in respect of year end asset valuations are communicated to our expert valuers through a detailed work instruction (issued in January 2022). A review of draft values is performed by management to challenge and understand any unusual or significant changes in valuation. The results of this review are discussed with the valuer prior to issue of the final valuation report and inclusion in the financial statements.	Y – We have appointed RICS registered firm Wilks Head & Eve LLP to undertake our asset valuations in 2021/22.	A detailed exercise is undertaken to quantify and document our assessment of risk in respect of the assets not revalued in the year to conclude whether there is risk of material misstatement of asset values. This is informed by BCIS construction data, historic movements in land values and local/sector information. We consider the uncertainty relating to asset valuations in the context of information provided by our expert valuers alongside our local and market knowledge and input from relevant individuals across the Council.	No changes in valuation methods in 2021/22.

				<p>An estimate of the Council's exposure to this uncertainty in respect of impairment losses and revaluation losses is quantified and disclosed in the notes to the accounts.</p> <p>In 2021/22 we will consider RICS guidance, and information provided by our expert valuer, to determine any potential uncertainty as a result of the impact of COVID-19 on asset values.</p>	
Estimated remaining useful lives of PPE	The estimated remaining useful lives of PPE assets are reviewed by our expert valuer and service representatives.	Asset lives are reviewed by the expert valuers as part of our 5-year rolling programme and are considered by Directorates as part of year-end procedures.	Y – in respect of assets revalued in year.	Variations to the estimated useful life of an asset will alter the amount of depreciation charged to the Comprehensive Income & Expenditure Statement. The impact of this is minimised by the review of asset lives performed at each formal valuation as well as year-end procedures.	There are no changes to the method/models used in 2021/22.

Impairments	Assets are assessed at each year-end to determine whether there is an indication that an asset may be impaired.	Evidence of impairment is considered by the expert valuers as part of our 5-year rolling programme and by Directorates as part of year-end procedures.	Y – in respect of assets revalued in year.	Where indicators of impairment are identified, and the impact is deemed to be material, the recoverable amount of the asset is estimated and there less than the carrying value of the asset, an impairment loss is recognised for the shortfall.	There are no changes to the method/models used in 2021/22.
Depreciation and Amortisation	Depreciation is provided for on PPE assets over their useful lives, with major components depreciated separately. Assets without a determinable life (e.g. freehold land and certain community assets) or those not yet available for use (e.g. Assets under Construction) are not depreciated. Depreciation is calculated on a straight-line basis over	Depreciation is calculated based on asset values and estimated useful lives as noted above.	Y – in respect of assets revalued in year.	Variations to the estimated useful life of an asset will alter the amount of depreciation charged to the Comprehensive Income & Expenditure Statement. The impact of this is minimised by the review of asset lives performed at each formal valuation as well as year-end procedures.	There are no changes to the method/models used in 2021/22.

	<p>the remaining useful life of the asset, as determined by our expert valuer. Newly acquired assets are depreciated from the mid-point of the year. Vehicles are depreciated over the life of the asset; equipment is generally depreciated over a 5year estimated useful life; IT equipment is depreciated over 3 years.</p>				
Measurement of Financial Instruments	<p>The Council values its financial instruments at fair value, as informed by the advice of external and independent Treasury Management advisors and Investment Fund Managers.</p>	<p>Fair values are estimated by calculating the present value of cash flows that take place over the remaining term of the instruments, as provided by management experts.</p>	Y	<p>Management consider the exposure of each of its categories of financial instruments to credit, liquidity and market risks and, as per previous financial year, we will consider any additional credit risks arising as a result of the COVID-19 pandemic. Risks to accounting estimates used in our measurement of financial instruments</p>	<p>There are no changes to the method/models used in 2021/22.</p>

				are managed through our Treasury Management Strategy and the Council's overall risk management procedures which focus on the unpredictability of financial markets to minimise potential adverse effects on the resources available to fund sources.	
Provisions for liabilities	Provisions are made whenever an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.	Information to support the calculation of provisions for liabilities is provided by our expert legal team and by Directorate teams as part of year-end procedures. Liabilities are subject to review by Service Finance Leads and challenge by Central Finance.	N	Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.	There are no changes to the method/models used in 2021/22.

## Appendix

<p>PFI schemes and similar contracts</p>	<p>PFI and similar contracts are agreements to receive services, where the responsibility for making available or improving the asset to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, it carries the assets used under the contracts on its Balance Sheet as part of PPE. The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.</p>	<p>Accounting transactions in year are based upon the initial assessment as informed by expert advisors. We ensure continuity and expertise of qualified accountancy staff to undertake accounting entries consistent with previously audited figures.</p>	<p>N</p>	<p>There is no exposure to risk of material uncertainty in respect of PFI transactions and balances.</p>	<p>There are no changes to the method/models used in 2021/22.</p>
<p>Non Adjusting events – events after the reporting date</p>	<p>The Council's s151 officer performs an assessment of events</p>	<p>A review of activity in the period between the balance sheet date</p>	<p>N</p>	<p>Uncertainty in respect of estimated financial impact is considered by</p>	<p>There are no changes to the method/models used in 2021/22.</p>

	<p>after the reporting period. Where events provide evidence of conditions that existed at the end of the reporting period, the financial statements are adjusted. If an identified event is indicative of conditions that arose after the balance sheet date, this is a non-adjusting event and where the effect is considered to be material, disclosure is made of the nature of the event and the estimated financial impact.</p>	<p>and formal sign off of the statement of accounts is performed by the s151 officer to identify events requiring disclosure or adjustments.</p>		<p>the s151 officer in the context of the identified event.</p>	
Accruals	<p>Accruals are prepared to reflect the costs of goods and services received and the income generated for goods and services supplied up to and including the period ending 31 March 2022. Accruals of income and expenditure are</p>	<p>All accruals are reviewed and signed off by finance. Additional controls are in place for accruals over £100k and working papers are maintained to support and evidence the calculation of the accrual.</p>	N	<p>Uncertainty in respect of accrued income and expenditure is considered on an individual basis and assumptions and risk are documented as part of supporting working papers.</p>	<p>There are no changes to the method/models used in 2021/22.</p>

	calculated for amounts greater than £5k.				
Valuation of defined benefit pension amounts and disclosures	The valuation of assets and liabilities in respect of defined benefit obligations are calculated by the independent firm of actuaries. Liabilities are assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels. The LGPS has been assessed by Mercer Ltd and estimated for the Council's fund are based on the latest full valuation of the scheme as at 31 March 2019.	The Council's Pension & Investments Manager communicates with externally appointed actuaries throughout the year and the year-end report is considered by management prior to inclusion in the financial statements.	Y	The principal assumptions used by the actuary are in respect of mortality (longevity at 65 for current and future pensioners) and financial assumptions: rate of CPI inflation, rate of increase in salaries, rate of increase in pensions and rate for discounting scheme liabilities. We consider the sensitivity of the estimate based on reasonably possible changes in the assumptions occurring at the end of the reporting period.	There are no changes to the method/models used in 2021/22.
Pension Fund Actuarial Gains/Losses	The actuarial gains and losses are calculated by the independent firm of actuaries. These	The Council's Pension & Investments Manager communicates with	Y	As noted above.	There are no changes to the method/models used in 2021/22.



	figures are based on making percentage adjustments to the closing value of assets and liabilities. The Council relies on expert advice from our actuaries and all key assumptions are considered by management and disclosed in the financial statements.	externally appointed actuaries throughout the year and the year-end report is considered by management prior to inclusion in the financial statements.			
--	---	--	--	--	--