

## Notes to core financial statement

## Appendix 1

### 1 Critical Judgements In Applying Accounting Policies

In applying the accounting policies set out in Section 3, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statements of Accounts are:

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

### 2 Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	<p>Asset valuations for the council's property portfolio are based on market prices and are reviewed annually to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31 March 2026.</p> <p>The carrying value of Property, Plant and Equipment at 31 March 2026 is £357m.</p> <p><i>These figures are subject to amendment until final accounts are finalised.</i></p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and/or a loss as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement and/or Revaluation Reserve of approximately of £35.7m.</p> <p><i>These figures are subject to amendment until final accounts are finalised.</i></p>

## Notes to core financial statement

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	<p>Estimation of the net pension liability depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. An independent firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied, although ultimate responsibility for forming these assumptions remains with the Authority.</p> <p>The carrying amount of the net pension liability at 31 March 2026 is £15.628m.</p> <p><i>These figures are subject to amendment until final accounts are finalised.</i></p>	<p>The effects on the net pensions liability are included in Note 29. The Council's actuaries provide an annual statement of the pension liabilities and assets, which includes the liability linked to leisure staff that were transferred to Everyone Active In May 2019.</p> <p><i>These figures are subject to amendment until final accounts are finalised.</i></p>

<p>Business Rates Appeals Provision</p>	<p>Since the 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in proportion to their share (40%).</p> <p>There was £23k outstanding in the 2017 list of appeals with the Valuation Office Agency at 31 March 2026.</p> <p>An appeals provision of £7.19 m is held in the Collection Fund currently to counter the potential impact of successful appeals in future years.</p> <p><i>Please note that these figures are based on the 2024-25 financial accounts; they will be updated upon the completion and finalisation of the 2025-26 accounts.</i></p>	<p>If the estimated success rate of existing appeals increased in monetary value by 10%, then this would require the Council to increase its share of the provision for appeals by an approximate £290k.</p> <p><i>Please note that these figures are based on the 2024-25 financial accounts; they will be updated upon the completion and finalisation of the 2025-26 accounts.</i></p>
<p>Arrears</p>	<p>Each year the Council reviews the significant balances for Council Tax, Business Rates and sundry debtor arrears. Officers make a judgement on the likelihood of these debts being repaid in the future based on a number of factors, including the age of debts, past experience and the economic climate. We cannot be certain that the current allowance will be sufficient.</p> <p><i>Please note that these figures are based on the 2024-25 financial accounts; they will be updated upon the completion and finalisation of the 2025-26 accounts.</i></p>	<p>If collection rates were to deteriorate, a doubling of the amount of impairment of doubtful debts would require an additional £0.95m for Council Tax debts, and £0.5m for business rates to be set aside as an allowance.</p> <p><i>Please note that these figures are based on the 2024-25 financial accounts; they will be updated upon the completion and finalisation of the 2025-26 accounts.</i></p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

---