

Appendix A

KEY ACCOUNTING ISSUES AND CHANGES TO THE ACCOUNTS IN 2025/26

Area of accounts	Issue	Action taken
Property, Plant & Equipment	<p>In the 2025/26 CIPFA Code of Practice there is an accounting change due to CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes included in the Code are:</p> <ul style="list-style-type: none"> • 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. • 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. 	The Council is reviewing its valuation processes to ensure compliance with these new requirements. It is not anticipated that a significant change in the valuation process will be required.
Infrastructure Assets	<p>There is a national issue with local authority treatment for infrastructure assets. This relates to the way components of infrastructure expenditure are derecognised when new expenditure is incurred. A statutory override came into force in December 2022 that allowed LA's to assume that the carrying amount to derecognise is zero. This enabled auditors to give an unqualified audit opinion on LA accounts. This override is in force until 31st March 2029. The council will utilise the override again for the 2025/26 accounts but will need to put measures in place for when the override expires.</p>	Work is taking place to identify what information is required to account for infrastructure assets. This will ensure the Council is compliant when the override expires.
Schools converting to academy	<p>During the course of 2025/26 (up to November 2025), a further primary school and a secondary school have converted to academies. The impact on the Council's balance sheet and income and expenditure has yet to be determined but is likely to be material.</p>	The Narrative Report will highlight the impact.