

# Cheltenham Borough Council

## Audit, Compliance & Governance Committee – 22

April 2026

### Draft Accounting Policies 2025-26

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member for Finance and Assets

**Accountable officer:**

Adele Taylor, Interim Director of Finance and Operations & S151 Officer

**Ward(s) affected:**

All

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**Key Decision:** No

**Executive summary:**

To update Members on the council's draft accounting policies which will be included in the 2025/26 Statement of Accounts, providing Members with the opportunity to review these policies before the unaudited accounts are published on 30 June 2026.

**Recommendations: that Audit, Compliance and Governance:**

- 1. notes the content of these draft accounting policies and make any comments as necessary.**
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#### **1. Implications**

##### **1.1 Financial, Property and Asset implications**

*The financial implications are contained throughout the report.*

**Signed off by:** Jon Whitlock, Head of Finance Deputy S151 Officer,  
[jon.whitlock@cheltenham.gov.uk](mailto:jon.whitlock@cheltenham.gov.uk)

## 1.2 Legal implications

The Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts. This is the first stage in delivering the draft Statement of Accounts for 2025/26.

**Signed off by:** One Legal, [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

## 1.3 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Securing our future
- Quality homes, safe and strong communities
- Reducing carbon, achieving council net zero, creating biodiversity
- Reducing inequalities, supporting better outcomes
- Taking care of your money

**Signed off by:** Ann Wolstencroft, Director of Corporate Services,  
[ann.wolstencroft@cheltenham.gov.uk](mailto:ann.wolstencroft@cheltenham.gov.uk)

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## 2 Background

2.1 The Committee is requested to review the Council's accounting policies, as included in the Statement of Accounts, on an annual basis. The Council's auditors have previously recommended that this review take place prior to the review and sign-off of the Council's final audited Statement of Accounts. This approach supports the Committee's understanding of the accounting policies adopted and their application within the financial statements.

2.2 This report therefore includes the draft accounting policies included in the draft statement of accounts. It should be noted that the MHCLG timetable for the publication of unaudited Statement of Accounts is set at 30 June 2026.

2.3 The deadline for the publication of the final audited Statement of Accounts is currently proposed as 31 January 2027. The accounting policies will be reviewed again by the Committee when the audited accounts are presented for approval.

2.4 As the 2024/25 Statement of Accounts received a disclaimed audit opinion, a significant programme of additional work is being undertaken. This includes further preparation and audit procedures to provide assurance over the opening and comparative balances disclosed in the 2024/25 Statement of Accounts,

which is necessary to support the audit of the current year's financial statements.

### **3 Accounting Policies**

3.1 The Statement of Accounts are prepared in accordance with proper accounting practices and regulations by following the CIPFA Code of Practice on Local Government Accounting ('The Code'), supported by International Financial Reporting Standards (IFRS's) and International Accounting Standards (IAS's).

3.2 The Council's accounting policies outline the relevant accounting principles and methodologies adopted by the Council, in order to meet these statutory requirements. They can be used to aid understanding of the statements as well as providing a comparison to other organisations. Any changes to accounting policies from previous financial years are disclosed as a separate note to the accounts.

3.3 The accounting policies have been reviewed in 2025/26 to ensure they are up to date and relevant to the statements, a copy of which is included as Appendix 1 to this report.

### **4 Changes to Accounting policies for 2025/26**

#### **Property, Plant and Equipment (PPE)**

4.1 The Code introduces a revised approach to the measurement of non-investment property assets, following HM Treasury's Thematic Review on Non-Investment Assets. From 2025/26, the Council's accounting policy has been updated to confirm that:

- Property assets will be formally revalued at least once every five years (or on a rolling five-year basis).
- Indexation will be used in the intervening years between full valuations.
- Full revaluations will not be undertaken solely to demonstrate the absence of impairment, reducing unnecessary valuation work while remaining compliant with accounting standards.

#### **Intangible Assets**

4.2 The 2025/26 Code removes the option to revalue intangible assets. The Council's accounting policy has been updated to confirm that:

- All intangible assets, such as software and IT systems, are measured at historical cost less amortisation and impairment.
- Intangible assets are not carried at fair value.

4.3 This change has no practical impact on valuations, as the Council already accounts for intangible assets on a cost basis.

## **5 Reasons for recommendations**

5.1 It should be noted that the draft accounting policies may be updated as part of the final audited Statement of Accounts. The Committee will have the opportunity to review the final version as part of the approval of the audited Statement of Accounts for 2025/26.

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### **Report author:**

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### **Appendices:**

i. Draft Accounting Policies 2025/26

### **Background information:**

Code of Practice on Local Authority Accounting in the UK 2025/26