

Property, Plant and Equipment valuation estimate

Question	Management response
1. Were any risks identified relating to the material accuracy of this accounting estimate for the financial year and, if so, how were these risks addressed?	Kendal Town Hall / South Lakeland House were closed to the public and undergoing renovation for part of the year: KTH has now largely reopened (subject to Covid restrictions) while the top and ground floor of SLH are now being renovated with the first floor now complete and reopened (subject to Covid). As a result the Town Hall has been treated as an Assets Under Construction. No other risks identified – the external valuer (LSH) has been provided with the valuation schedule and has valued all assets requested. Last year the valuer included a material valuation estimation uncertainty clause: no such clause has been applied for 2020/21.
2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used? Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the external valuer and related RICS guidance and CIPFA requirements together with internal staff knowledge and experience of assets. No changes.
3. How do management select the assumptions used in respect of this accounting estimate? Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the external valuer and related RICS guidance together with staff knowledge and experience of assets. No changes.
4. How do management select the source data used in respect of this accounting estimate? Were any changes made to this source data in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the external valuer and related RICS guidance together with staff knowledge and experience of assets. No changes.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	External valuers procured as part of the Council's property services contract as an OJEU tender exercise.
6. How do management monitor the operation of control activities in relation to this accounting estimates, including the control activities at any service providers or management experts?	We utilise the knowledge and expertise of the internal staff in the property, legal and finance teams.
7. In management's opinion, are their adequate controls in place over the calculation of this accounting estimate, including those at any service provider or management expert used, and if so how is the robustness of the key controls assessed?	Yes we believe there are adequate controls in place through the contract and instructions provided to the external valuer. We utilise the knowledge and expertise of the internal staff in the property, legal and finance teams.
8. Were any changes made to the key control activities this year? If so please provide details.	No changes

9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	We rely on the expertise of the external valuer and related RICS guidance together with property, legal and finance staff.
10. How do management consider the sensitivity of the estimate to the methods and assumptions used and identify the range of reasonably possible outcomes for disclosure in the financial statements?	We have included a sensitivity analysis in the accounts based on +/- 10% valuation change.

Pension liabilities valuation estimate

Question	Management response
1. Were any risks identified relating to the material accuracy of this accounting estimate for the financial year and, if so, how were these risks addressed?	No risks currently identified.
2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used? Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the Cumbria Pension Fund's appointed Actuary and related guidance, together with CCC's Pensions Committee and Senior Pensions Officers. No changes.
3. How do management select the assumptions used in respect of this accounting estimate? Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the Pension Fund Actuary and related guidance together with CCC' pension's team, as above. No changes.
4. How do management select the source data used in respect of this accounting estimate? Were any changes made to this source data in 2020/21, and if so what was the reason for the change?	We rely on the expertise of the Pension Fund Actuary and related guidance together with CCC' pension's team, as above. No changes.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	The Actuary was appointed through a procurement exercise undertaken by the Cumbria Pension Fund.
6. How do management monitor the operation of control activities in relation to this accounting estimates, including the control activities at any service providers or management experts?	We rely on the knowledge and expertise of the Actuary, the CCC Pensions Committee, Senior Pensions Officers plus the external audit opinion of the pension fund (from previous financial years).
7. In management's opinion, are their adequate controls in place over the calculation of this accounting estimate, including those at any service provider or management expert used, and if so how is the robustness of the key controls assessed?	Yes we believe there are adequate controls in place. We utilise the knowledge and expertise of CCC's Pensions Committee and Senior Pensions Officers
8. Were any changes made to the key control activities this year? If so please provide details.	No changes.

9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	We rely on the expertise of the actuary and related guidance together with CCC's Pension's team. As above
10. How do management consider the sensitivity of the estimate to the methods and assumptions used and identify the range of reasonably possible outcomes for disclosure in the financial statements?	We have included a sensitivity analysis in the accounts based on +/- 1% change in: <ul style="list-style-type: none"> • Real discount rate. • Salary rate. • Pension rate

Depreciation estimate

Question	Management response
1. Were any risks identified relating to the material accuracy of this accounting estimate for the financial year and, if so, how were these risks addressed?	No risks identified
2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used? Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?	The useful lives of buildings and related plant and equipment are provided by the external valuer and standalone vehicles, plant and equipment are provided by the asset owner. No changes
3. How do management select the assumptions used in respect of this accounting estimate? Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?	The useful lives of buildings are provided by the external valuer and plant and equipment by the asset owner. No changes.
4. How do management select the source data used in respect of this accounting estimate? Were any changes made to this source data in 2020/21, and if so what was the reason for the change?	The useful lives of buildings are provided by the external valuer and plant and equipment by the asset owner. No changes.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	RICS qualified valuers procured as part of the Council's property services contract as an OJEU tender exercise
6. How do management monitor the operation of control activities in relation to this accounting estimates, including the control activities at any service providers or management experts?	We utilise the knowledge and expertise of the property and finance staff.
7. In management's opinion, are their adequate controls in place over the calculation of this accounting estimate, including those at any service provider or management expert used, and if so how is the robustness of the key controls assessed?	Yes we believe there are adequate controls in place through the contract and instructions provided to the external valuer for the material element related to property. We utilise the knowledge and expertise of the internal property and finance teams.
8. Were any changes made to the key control activities this year? If so please provide details.	No changes

9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	For property which is the material element, we rely on the expertise of the external valuer and related RICS guidance together with the internal property and finance teams.
10. How do management consider the sensitivity of the estimate to the methods and assumptions used and identify the range of reasonably possible outcomes for disclosure in the financial statements?	Impact of changes in values and asset lives on depreciation are reviewed on the basis of materiality. The impact of a change of all asset lives has been calculated.