



Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG

## **QUESTIONS AT ANY TIME TO CABINET PORTFOLIO HOLDERS**

Response by the Cabinet Member:

### **Breakdown of the £938m assets by category:**

The table below provides a breakdown by Category. It should be noted that of the £938m, just under £272m is attributable to the Housing Revenue Account (HRA).

<b>Category</b>	<b>Balance Sheet Value 31st March 2023</b>
Assets Under Construction	46,144,411
Community	1,569,219
Heritage	1,210,499
Infrastructure	169,242,432
Land & Buildings	435,520,031
Plant / Vehicles / Equipment	24,735,521
Surplus	1,540,979
Council Dwellings	258,711,648
<b>Total</b>	<b>938,674,740</b>

For the list of assets, the values on the balance sheet and council accounts in the majority of cases is **not** the market (fair) value. The following provides a summary how the values are derived for each of the categories.

**Assets Under Construction** – Historic Cost (Costs incurred to date on these schemes).

**Community** - Historic Cost.

**Heritage** - Historic Cost.

**Infrastructure** - Historic Cost with depreciation applied to reflect the consumption of the asset.

**Land & Buildings** – These are valued on a five-year cycle with the valuation method depending on the type of asset, valuation methods include Depreciated replacement cost (DRC), Existing use value, Fair Value with depreciation applied to reflect the consumption of the asset.

**Council Dwellings** - Existing use value – social housing (EUV–SH).

**Surplus** - Fair value.

The definitions provided by CIPFA for each of the valuation type is provided below.

**Depreciated replacement cost (DRC)** is a method of valuation that provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation.

Where DRC is used as the valuation methodology, authorities should use the ‘instant build’ approach at the valuation date and the choice of an alternative site will normally hinge on the policy in respect of the locational requirements of the service that is being provided.

**Existing use value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

**Existing use value – social housing (EUV–SH)** is the estimated amount for which a property should exchange, on the date of valuation, between a willing buyer and a willing seller, in an arm’s-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, subject to the following further assumptions that:

- the property will continue to be let by a body and used for social housing.
- at the valuation date, any regulatory body, in applying its criteria for approval, would not unreasonably fetter the vendor’s ability to dispose of the property to organisations intending to manage their housing stock in accordance with that regulatory body’s requirements.
- properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession.
- any subsequent sale would be subject to all of the above assumptions.

**Fair value** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### Capital Receipts

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 to date
School	104,000	637,500	50,000	0	120,000	606,000
Youth Centre	0	165,000	0	0	0	390,503
Day Centre	0	130,000	0	130,000	0	0
Market	0	75,000	175,000	0	0	0
Offices	63,000	135,000	460,000	290,000	0	130,000
Workshops	0	0	0	0	0	481,710
Library	65,000	560,000	80,000	100,000	0	0
Community Centre/Hall	52,500	207,500	0	0	0	0
Toilets	0	10,200	0	0	0	47,000
Outdoor Centre	0	0	180,000	0	0	0

County Farms	714,070	3,244,000	730,000	400,000	2,095,500	406,000	
Other Land	0	45,500	0	40,000	0	0	
Depot	250,000	30,000	423,000	240,000	247,000	0	
Housing Revenue Account	1,005,500	90,150	0	3,200	388,525	0	
<b>Total</b>	<b>2,254,070</b>	<b>5,329,850</b>	<b>2,098,000</b>	<b>1,203,200</b>	<b>2,851,025</b>	<b>2,061,213</b>	<b>Excludes Vehicles</b>
Check	0	0	0	0	0	0	