

Valuation estimates for Other Land & Buildings; Investment Properties; (and if material: Surplus Assets and Assets Held for Sale)

Question	Management response
<p>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?</p>	<p>The valuation estimate has been provided in the form of a report by an independent expert valuer in accordance with RICS approved methodologies. The overall valuation has not been judged to be subject to material valuation uncertainty although the valuation of specific trading related assets/sectors such as car parks has remained subject to that classification.</p>
<p>2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used?</p> <p>Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?</p>	<p>The methods used are in line with RICS approved approaches.</p> <p>Where land values have been used to inform valuations, the valuation approach for 2020/21 has changed from using information specific to particular areas within the city to one that uses values gained across the city as a whole. The former method made it more difficult to gain up to date information in all cases due to a lack of relevant transactions.</p>
<p>3. How do management select the assumptions used in respect of this accounting estimate?</p> <p>Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?</p>	<p>Assumptions used are in line with RICS approved approaches.</p> <p>The only key change to assumptions is that the material valuation uncertainty applied as a global factor in 2019/20 is now restricted to one specific area of the portfolio.</p>
<p>4. How do management select the source data used in respect of this accounting estimate?</p> <p>Were any changes made to this source data in 2020/21, and if so what was the reason for the change?</p>	<p>The source data is taken from the Council's property records.</p> <p>No changes to the source of the data were made for 2020/21.</p>
<p>5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?</p>	<p>Yes, expert valuation advice was taken from Wilks Head and Eve who were appointed through a competitive tender process.</p>
<p>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?</p>	<p>Whilst significant reliance is placed on the work of the valuer, the results have been critically challenged by officers within the Property and Finance functions based on significant historical involvement in providing equivalent valuations.</p>
<p>7. In management's opinion, are there 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?</p>	<p>In our opinion there are adequate controls in place. The appointment of an expert valuer working to industry standard guidelines provides significant assurance which is backed up by the challenge provided by City Council officers.</p>
<p>8. Were any changes made to the key control activities this year? If so please provide details.</p>	<p>This is the first year that an external valuation has been sought.</p>
<p>9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?</p>	<p>The Council is advised of estimates on several elements within the external valuation report and will rely heavily on the advice of the valuer. Council officers review the report for reasonableness and can challenge and discuss any</p>

	points of interest including any significant differences to previous valuation results.
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?	Subject to the challenge and discussion referred to above, the valuations contained within the RICs compliant valuation report will be used as discrete figures rather than the starting point to explore a range of possible outcomes.

Valuation estimate for depreciation, including assessment of useful lives

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
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 methods and models used are in line with the Accounting Code of Practice and industry best practice. There have been no changes to these methods or models during 2020/21.
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?	Depreciation is provided on all assets with a determinable finite life by allocating the value of the asset over the periods expected to benefit from their use. Exceptions to the application of depreciation are made for assets for which there is no determinable finite life (e.g. land). There have been no changes to these assumptions during 2020/21.
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 source data relates to asset values held on the balance sheet. There have been no changes to the nature of the source data selected during 2020/21.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	For Operational Properties the Asset Lives are assessed and updated by an Internal Property Surveyor who has extensive knowledge of our properties and the current condition of these. For Infrastructure Assets we take advice from our Highways team as to the standard UEL and they are guided by current industry advice.
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?	Once an accurate set of base data has been established the accounting estimate is a relatively straightforward exercise.

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. Once an accurate set of base data has been established the accounting estimate is a relatively straightforward exercise.
8. Were any changes made to the key control activities this year? If so please provide details.	There were no changes to the key control activities during 2020/21.
9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	The calculation of depreciation itself is not subject to significant estimation uncertainty – significant changes in depreciation value are driven by changes to asset values.
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?	The calculation of depreciation is a relatively mechanistic exercise driven by changes to asset values and this is where consideration of sensitivity is focused.

Valuation estimate for the net defined benefit pensions liability

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?	The accounting estimate has been provided in the form of a Pension accounting disclosure by an independent expert actuary in accordance with IAS19. No risks have been identified relating to the material accuracy of the report.
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 methods and models used will be ones used across a range of similar employers who are part of the West Midlands Pension Fund. We are not aware of any fundamental changes to methods or models for 2020/21.
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 assumptions are standard ones applied across similar employers within the Fund and these are set out in detail within the IAS19 report. These include changes with regard to life expectancy, discount rate, pension increases and salary increases. Changes are made in line with standard practice to update observed changes in conditions each year.
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 source data is selected by the actuary. We are not aware of any significant changes in the year.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	The estimates were produced by an independent expert actuary appointed through the West Midlands 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?	There is significant reliance placed on the work of the actuary. The actuary is appointed through the West Midlands Pension Fund which in effect represents the interests of all of its employers in the fund as an intelligent client in terms of the relationship with the actuary.
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?	In our opinion there are adequate controls in place. The appointment of an expert actuary with a national presence and representation on our behalf by the West Midlands Pension Fund are fundamentally sound arrangements.
8. Were any changes made to the key control activities this year? If so please provide details.	None that we are aware of.
9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	Considerable reliance is placed on the expertise of the external actuary and their judgement is relied upon to select the precise estimates to use.
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?	Sensitivity analysis is provided by the actuary and published within the financial statements showing plus/minus 0.1% swings in the key assumptions.

Valuation estimates for long term investments in subsidiaries; associates and joint ventures

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?	Work to identify the value of these investments is underway but has not yet been completed. It is anticipated that any risks will be identified as part of this work. All of the material investments will be undertaken by or subject to advice from independent valuation experts.
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?	See above. All of the material investments will be undertaken by or subject to advice from independent valuation experts who will provide guidance on the model used. External valuations will be provided for the first time in relation to the Friargate JV, Tom White Waste limited and Coombe Abbey Park Limited.
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?	See above.
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?	See above.

5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	See above. Valuations in relation to Birmingham Airport and Coventry and Solihull Waste Disposal Company will be obtained on the council's behalf by Solihull Council. Valuations in relation to the Friargate JV, Tom White Waste Limited, Coombe Abbey Park Limited and UKBIC have been procured in line with the Council's procurement rules.
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?	The Council will place significant reliance on the work of the external experts but will seek to understand the logic of the valuations and discuss any aspect that does not match our expectations of current conditions.
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?	The appointment of external valuation experts provides additional comfort in the calculation of these estimates.
8. Were any changes made to the key control activities this year? If so please provide details.	See above.
9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	Guidance on this will be provided by the external advisors and the expectation is that the point estimate will be within a reasonable range of possible outcomes. The results of this work do not have an impact on the Council's actual financial position and there is no external pressure influencing the outcome of the point estimate.
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?	See above. The work of the external valuation experts will be relied upon.

Expected credit losses and impairment allowances 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?	The Council's approach recognises the risk to recovering debts posed by the Covid pandemic. In addition the Council has taken decisions leading to a greater number and higher value of long-term debts. The risks and the need to impair any debts are being addressed by evidence based impairment assessments in each category of debt (Council Tax, Business Rates, short-term debts, long term debts, loans and lease arrangements).
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?	Methods are tailored to each category. Mostly the approach will be guided by historical patterns. Other contextual information will be used (covenant strength, security arrangements) where appropriate for longer-term loans etc. There have been no fundamental changes in methods but changed observable patterns that have developed in 2020/21 will be taken into account.

<p>3. How do management select the assumptions used in respect of this accounting estimate?</p> <p>Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?</p>	<p>As far as possible any assumptions will reflect historical patterns plus further evidence gathered during the financial year in relation to more recent conditions. This will include the impact of Covid where there is a clear rationale for doing so.</p> <p>Detailed work on longer-term loans etc will include a range of assumptions which flex each financial year.</p>
<p>4. How do management select the source data used in respect of this accounting estimate?</p> <p>Were any changes made to this source data in 2020/21, and if so what was the reason for the change?</p>	<p>The source data is available from the relevant systems for monitoring Business Rates and Council Tax plus the financial ledger.</p>
<p>5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?</p>	<p>No external support has been procured for this purpose.</p>
<p>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?</p>	<p>These activities are undertaken largely within the finance function so no monitoring of external work is required. The approach has been refreshed for 2020/21.</p>
<p>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?</p>	<p>The controls in place are assessed to be adequate. Approaches and calculations are subject to internal testing and challenge. The ultimate test lies in whether credit losses and impairments exceed provisions set aside. No major issues have been encountered in this regard.</p>
<p>8. Were any changes made to the key control activities this year? If so please provide details.</p>	<p>No. Although some approaches have been revamped this hasn't affected the fundamental control environment.</p>
<p>9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?</p>	<p>We operate a series of evidence based assessments. These are conducted within a general tendency to err of the side of prudence (i.e. allowing for a greater than expected level of downside uncertainty).</p>
<p>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?</p>	<p>The evidence based assessments on the whole population generally produce a modest range of outcomes in the financial statements. Any material credit losses or impairments that appear to be crystallising for a specific debt will be the subject of an equivalent provision.</p>

Accruals for income and expenditure

Question	Management response
<p>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?</p>	<p>No specific risks have been identified.</p>

<p>2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used?</p> <p>Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?</p>	<p>Accruals should be evidence based with relatively limited scope for estimation uncertainty. The Council deploys a de minimis basis for excluding lower value accruals as time elapses beyond the year-end.</p>
<p>3. How do management select the assumptions used in respect of this accounting estimate?</p> <p>Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?</p>	<p>Accounting estimation plays little part in the Council's accruals approach. There have been no changes to assumptions.</p>
<p>4. How do management select the source data used in respect of this accounting estimate?</p> <p>Were any changes made to this source data in 2020/21, and if so what was the reason for the change?</p>	<p>Accruals are all based on known transactions/events.</p>
<p>5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?</p>	<p>None used.</p>
<p>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?</p>	<p>Not relevant.</p>
<p>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?</p>	<p>Not relevant.</p>
<p>8. Were any changes made to the key control activities this year? If so please provide details.</p>	<p>No.</p>
<p>9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?</p>	<p>Not relevant.</p>
<p>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?</p>	<p>Accruals are all based on known transactions/events and as such there will be little or no sensitivity to the methods used.</p>

Allocation of overheads across cost of services

Question	Management response
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<p>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?</p>	<p>Overhead charges are set as part of budget setting therefore no in year changes or variances.</p>
<p>2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used?</p> <p>Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?</p>	<p>Methods are selected depending on the nature of the service. Direct charges are applied where possible based on the level of service directly attributable to an area (e.g. Legal Services, ICT applications, Customer Services/Business Services and Corporate Communications).</p> <p>There were no changes for 2020/21.</p>
<p>3. How do management select the assumptions used in respect of this accounting estimate?</p> <p>Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?</p>	<p>Overheads are allocated on a detailed basis subject to the most appropriate basis for each service charged out.</p> <p>There were no changes for 2020/21.</p>
<p>4. How do management select the source data used in respect of this accounting estimate?</p> <p>Were any changes made to this source data in 2020/21, and if so what was the reason for the change?</p>	<p>Data is based on budgets. Service area budgets are set by end of December with overhead calculations then based on these budgets and calculated in January prior to the budgets being finalised for April.</p> <p>There were no changes for 2020/21.</p>
<p>5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?</p>	<p>Only service area knowledge required – therefore for direct charges the service manager of the charging areas are liaised with to ensure the data is correct and up to date.</p>
<p>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?</p>	<p>These activities are undertaken largely within the finance function so no monitoring of external work is required.</p>
<p>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?</p>	<p>The controls in place are assessed to be adequate. Approaches and calculations are subject to internal testing and challenge.</p>
<p>8. Were any changes made to the key control activities this year? If so please provide details.</p>	<p>No fundamental changes.</p>
<p>9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?</p>	<p>Any estimation uncertainty will not result in material changes to allocations given that it is subject to a broadly stable evidence based approach.</p>
<p>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?</p>	<p>Any sensitivity is set within a relatively narrow parameters and therefore a narrow material range of outcomes in the financial statements.</p>

Provisions for liabilities

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?	There are risks relating to the provision for Business Rates (BR) appeals. This is an area with underlying volatility and one which is likely to be affected by revised assessment in the light of Covid.
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 key BR provision is driven by a well-established method based on historical appeal trends. Insurance provisions are based on detailed analysis of the current insurance caseload and an assessment of the likelihood of loss in particular categories. No changes made to these methods or models in 2020/21.
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?	Long-term BR patterns tend to stay within modest parameters and lend themselves to a presumption that they are broadly reasonable. The Government has moved to limit the use of material change of circumstances provisions to reduce BR liabilities in 2020/21. No changes have been made.
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?	Source data is taken directly from the BR system and insurance caseload records. No changes were made for 2020/21.
5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	No external skills/knowledge were procured.
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?	Analytical review is an automatic part of the process via comparison to prior year calculations.
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?	The controls in place are assessed to be adequate. Approaches and calculations are subject to internal testing and challenge.
8. Were any changes made to the key control activities this year? If so please provide details.	No.
9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	Estimates are based partly on evidence based assessments of previous patterns plus assumptions about future trends. These are conducted within a general tendency to err of the side of prudence (i.e. allowing for a greater than expected level of downside uncertainty) but within what is considered to be a reasonable range of expectations.

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?	The historical patterns used as a point of reference help to provide a stabilising factor in the potential range of reasonably possible outcomes.
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Fair value measurements for financial instruments

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?	<p>Debt – Fair Value (FV) estimates are based on well-established approaches in respect of PWLB and other debt, in the main by applying current comparable interest rates to arrive at the FV of fixed rate debt (City Council debt is almost exclusively fixed rate).</p> <p>Treasury Investments – where these are short term cash deposits the FV will not vary significantly from the nominal value. Pooled funds experience greater fluctuations in capital value. Market valuation statements are provided for each of these as at 31st March 2021, based on observable market data.</p> <p>Service Loans – where these are fixed rate, FV is based on comparable current interest rates.</p> <p>Shares – separate external valuations have been commissioned for material investments.</p>
<p>2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used?</p> <p>Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?</p>	<p>Most of the models are either industry standard or similar (e.g. FV of PWLB loans) or adapted to be applied to other financial instruments (e.g. service loans), based on common principles such as factoring in the impact of the movement in interest rates. Also, see 4 and 5 below re external treasury advice.</p> <p>The only area where any significant changes have been made is in the extent of external valuations in respect of share investments, although the principle of using such valuations is not new.</p>
<p>3. How do management select the assumptions used in respect of this accounting estimate?</p> <p>Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?</p>	<p>The main assumptions are based on the established market principle of the impact of the movement in interest rates on fixed interest instruments. The bulk of City Council financial instruments are fixed rate: PWLB on the debt side and, on the asset side, several service loans. Pooled treasury funds are based on observable market data as at 31st March 2021.</p>
<p>4. How do management select the source data used in respect of this accounting estimate?</p> <p>Were any changes made to this source data in 2020/21, and if so what was the reason for the change?</p>	<p>The data source most relevant to the financial instrument is used e.g. in respect of PWLB, current PWLB rates are used. In respect of PFI liabilities an AA Corporate Bond Yield Curve (Bloomberg) is used. Where appropriate gilt rates are used.</p> <p>The City Council's treasury advisors, Arlingclose, provide advice in respect of FV estimates, including the use of the most appropriate interest rate.</p>

<p>5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?</p>	<p>External valuations of significant City Council shareholdings are being undertaken by RSM.</p> <p>Arlingclose provide advice per 4 above. CCC periodically seeks tenders for treasury advice.</p>
<p>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?</p>	<p>The Council will place significant reliance on the work of the external experts but will seek to understand the logic of the valuations and discuss any aspect that does not match our expectations of current conditions.</p>
<p>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?</p>	<p>Corporate finance staff review the output provided from external valuation exercises, for example for reasonableness and consistency.</p>
<p>8. Were any changes made to the key control activities this year? If so please provide details.</p>	<p>No.</p>
<p>9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?</p>	<p>Where there is a significant impact, an assessment of reasonableness will be applied to any estimation uncertainty.</p>
<p>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?</p>	<p>Sensitivity analysis is explicitly built into several FV assessments, in some cases for inclusion in the statement of accounts e.g. in setting out the impact of a 1% variation in interest rates as part of the section on market risk in the Financial Instruments note.</p> <p>In financial management terms, uncertainties surrounding FV are managed through the Council's MTFS, for example in considering setting aside reserves to meet the potential impact of valuation uncertainties such as in respect of pooled investment funds and service loans.</p>