

# Public Document Pack



Coventry City Council

## Agenda

### Cabinet

---

#### **Time and Date**

2.00 pm on Tuesday, 6th January 2026

#### **Place**

Committee Room 3 - Council House, Coventry

---

#### **Public business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 8)
  - (a) To agree the minutes from the meeting of Cabinet on 16<sup>th</sup> December 2025
  - (b) Matters arising
4. **Outcomes of the Fair Funding Consultation 2026/27** (Pages 9 - 52)  
Report of the Director of Children's and Education Services
5. **The 2026/27 Council Tax Base Report** (Pages 53 - 64)  
Report of the Director of Finance and Resources
6. **Brandon Wood Nature Reserve** (Pages 65 - 92)  
Report of the Director of Regeneration and Economy
7. **Gas Contract Renewal** (Pages 93 - 110)  
Report of the Director of People and Facilities Management
8. **Outstanding Issues**  
There are no outstanding issues
9. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

#### **Private business**

Nil

---

Julie Newman, Director of Law and Governance, Council House, Coventry

Monday, 22 December 2025

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett, Governance Services, Email: [suzanne.bennett@coventry.gov.uk](mailto:suzanne.bennett@coventry.gov.uk)

**Membership**

**Cabinet Members:**

Councillors N Akhtar, L Bigham, R Brown, K Caan, G Duggins (Chair), P Hetherton, A S Khan (Deputy Chair), J O'Boyle, K Sandhu and P Seaman

**Non-voting Deputy Cabinet Members:**

Councillors P Akhtar, S Agboola, B Christopher, G Hayre, S Nazir and D Toulson

**By invitation:**

Councillors J Gardiner, P Male, E Reeves and G Ridley (Non-voting Opposition representatives)

**Public Access**

Any member of the public who would like to attend the meeting in person is encouraged to contact the officer below in advance of the meeting regarding arrangements for public attendance. A guide to attending public meeting can be found here: <https://www.coventry.gov.uk/publicAttendanceMeetings>

**Suzanne Bennett**  
**Governance Services**  
**Email: [suzanne.bennett@coventry.gov.uk](mailto:suzanne.bennett@coventry.gov.uk)**

# Agenda Item 3

## Coventry City Council

### Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 16 December 2025

#### Present:

##### Cabinet Members:

Councillor A S Khan (Chair)  
Councillor N Akhtar  
Councillor L Bigham  
Councillor R Brown  
Councillor K Caan  
Councillor P Hetherton  
Councillor J O'Boyle  
Councillor K Sandhu  
Councillor P Seaman

##### Non-Voting Deputy

##### Cabinet Members:

Councillor S Agboola  
Councillor P Akhtar  
Councillor B Christopher  
Councillor G Hayre  
Councillor S Nazir  
Councillor D Toulson

##### Non-Voting Opposition

##### Members:

Councillor J Gardiner  
Councillor P Male  
Councillor S Gray (Substitute for Councillor E Reeves)  
Councillor G Ridley

##### Other Non-Voting

##### Members:

Councillor R Lakha  
Councillor G Lloyd

#### Employees (by Directorate):

##### Chief Executive

Julie Nugent (Chief Executive)

##### City Services

M Adams (Director for City Services), M O'Connell

##### Finance and Resource

B Hastie (Director for Finance and Resources), P Helm,  
T Pinks

##### Innovation

C Knight (Director for Innovation)

##### Law and Governance

J Newman (Director for Law and Governance), M Salmon,  
C Taylor

##### Policy and Communications

N Hart

##### Apologies:

Councillors G Duggins, A Jobbar, L Kelly, E Reeves, R Singh

## Public Business

### 42. Declarations of Interest

There were no disclosable pecuniary interests.

### 43. Minutes

The minutes of the meeting held on 4<sup>th</sup> November 2025 were agreed and signed as a true record. There were no matters arising.

### 44. Pre-Budget (Consultation) Report 2026/27

Cabinet considered a report of the Director of Finance and Resources that set out the pre-budget position for the Council for 2026/27.

The Council's financial plans were heavily dependent on the allocation of Government grant resources, Government decisions which dictated councils' tax-based income streams and the significant pressures seen primarily in social care in recent years. Following significant sector lobbying, including ourselves and the wider West Midlands, the Government consulted during 2025 on a set of 'Fair Funding' proposals intended to reform the distribution of resources on a more equitable basis.

The implication of the proposals was expected to be positive for Coventry, however until such time as the provisional settlement was provided, we were not able to accurately estimate the level of additional resources which the Council would benefit from. The Government were urging Council's to wait for the Provisional settlement, which was expected to be published in late December 2025, after the date of this report. Once received, it would provide a stronger indication of the likely position for the year ahead and two subsequent years.

There were no service cost reduction options contained in the report, contrary to the custom of recent years. However, section 2.5 of the report discussed policy priority themes for potential investment in services to further the achievement of the priorities as set out in the One Coventry Plan. The report sought approval to formally consult on these themes, the views of stakeholders from which would be reflected in the proposals in the final Budget Report in February 2026.

The report also seeks approval to consult on the potential level of Council Tax and Adult Social Care Precept increases for 2025/26.

A Medium-Term Financial Strategy (MTFS) was intended to be presented alongside the final Budget Report in February 2026. In addition to an updated 3-year funding position, this would include the current financial context facing the Council in relation to a continued impact of a higher than planned inflationary environment, together with the ongoing difficult market conditions faced within both adults and children's social care.

The report also detailed a minor change to the Council's Council Tax Support scheme with an associated Equality Impact Assessment included in Appendix 1 to the report.

Also included was an indication of the Council's prospective Capital Programme for 2026/27 based on current knowledge. This would be updated in the February 2026 Budget Report, reflecting the most up to date programme information available. The draft programme was based overwhelmingly on pre-existing decisions and patterns of expenditure.

**RESOLVED that Cabinet:**

- 1) Notes the position with regard to the Governments funding settlement.**
- 2) Approves the Capital Programme proposals in sections 2.6 to 2.8 of the report.**
- 3) Approves as a basis of consultation for a six-week period, the contents of this report as set out in sections 1 and 2.**
- 4) Approves a six-week public consultation period to commence on 17th December 2025 on proposed (minor) amendments to the council tax support scheme as detailed in the report and in Appendix 1, in accordance with The Local Government Finance Act 1992 (as substituted by the 2012 Act).**

**45. 2025/26 Second Quarter Financial Monitoring Report (to September 2025)**

Cabinet considered a report of the Director of Finance and Resources, that would also be considered by the Audit and Procurement Committee on 2<sup>nd</sup> February 2025, which advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2025. The net revenue forecast position after management action was for spend in 2025/26 of £3.3m over budget. Whilst not a wholly comparable position, at the same point in 2024/25, there was also a projected overspend of £10.2m.

The Council continued to face budget pressures within Adults Social Care, Property Services and Development, City Services and Regeneration and Economic Development. These financial pressures were being caused by a combination of continued service demand, complexity and market conditions in social care, legacy inflation impacts, and income shortfalls due largely to the economic climate.

The Council's capital spending was projected to be £184m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the city. Although prevailing inflation rates looked to be stabilising, legacy inflationary pressures continued to affect capital projects. The Council would continue to monitor the position and ensure projects were delivered within available resources.

**RESOLVED that Cabinet:**

- 1) Approves the Council's 2025/26 second quarter revenue monitoring position.**

- 2) Approves the revised forecast capital outturn position for the year of £184m incorporating: £1.4m net increase in spending relating to approved/technical changes and £5m of net programme rescheduling of expenditure to future years.

46. **Coventry Very Light Rail**

Cabinet considered a report of the Director of Innovation, that would also be considered at the meeting of Council on 13<sup>th</sup> January 2026, on the Coventry Very Light Rail research and development project

The Coventry Very Light Rail (CVLR) demonstration in the city centre during Summer 2025 was a major success. The mission was to create a tram system that could be installed quickly and at less than half the cost of conventional tram systems: the ground-breaking track was installed in just over eight-weeks and proved that the Council were on target to achieve the target installation cost of circa £10m/km.

The purpose of the report was to seek approval for the construction of an 800m twin track City Centre Demonstrator (CCD) that would operate in a live traffic environment from Coventry Railway Station to Coventry University Technology Park (see Appendix 1 to the report for the route plan). The demonstration phase built on everything learned in the summer and would help to lay the foundations for the first commercial route by:

1. Operating the CVLR vehicle with live traffic – including the installation of an autonomous ready vehicle control system integrated with the city's traffic signal control system.
2. Providing rides for the public and stakeholders to demonstrate how the vehicle has evolved since the On Road Test (ORT) in June 2025 and to take feedback on the system.
3. Demonstrating at scale, using the learnings from the ORT, the speed of installation and affordability of the CVLR track.
4. Expediting the design and delivery process.
5. Utilising learning to inform the business case and design of Coventry's first commercial route and, more widely, to continue to stimulate national and global commercial interest.

The 800m route was intended to form part of the proposed first commercial route (subject to business case approval) running from the railway station to the West Midlands Investment Zone (Greenpower Park), with potential to extend northwards from the railway station through the city centre to connect to Pool Meadow, University Hospital Coventry and Warwickshire (UHCW) and to a Park and Ride at Ansty Park. The 800m demonstrator section would be delivered using allocated grant funding from the City Region Sustainable Transport Funding (CRSTS) and was scheduled to be constructed by March 2027. Further funding would be sought from the Transport for City Region (TCR) fund, which replaced CRSTS from 1 April 2027.

As an added benefit, in October 2027 the Intelligent Transport Systems (ITS) World Congress was being staged at the NEC. This provided an excellent opportunity to showcase, to a global audience the benefits of CVLR using it to carry delegates to the National Transport Design Centre (on the Technology Park) to showcase Coventry's ground-breaking transport innovations.

**RESOLVED that Cabinet recommends that Council approves:**

- 1) The installation of the CVLR slab track and a short period of operation, of the City Centre Demonstrator (CCD) from Coventry Railway Station to Coventry University Technology Park in a live traffic environment will follow the release of the next phase of approved funding by the DfT.**
- 2) Delegated authority to the Director of Innovation, following consultation with the Director of Law and Governance, the Director of Finance and Resources, the Director of Regeneration and Economy, and Cabinet Member for Jobs, Regeneration and Climate Change, to operate CVLR in a live traffic environment subject to risks being appropriately mitigated.**
- 3) Delegated authority to the Director of Innovation to secure the necessary Statutory approvals to construct CCD.**
- 4) Delegated authority to the Director of Innovation, following consultation with the Director of Law and Governance, the Director of Finance and Resources, the Director of Regeneration and Economy, and Cabinet Member for Jobs, Regeneration and Climate Change, to enter into all necessary legal agreements for the CCD.**
- 5) Delegated authority to the Director of Innovation, following consultation with the Director of Law and Governance, the Director of Finance and Resources, Director of Regeneration and Economy and Cabinet Member for Jobs, Regeneration and Climate Change, to agree the award of contract(s) and for the Council to enter into all necessary contracts, including but not limited to constructing and operating the CCD.**
- 6) Delegated authority to the Director of Innovation, following consultation with the Director of Law and Governance, the Director of Finance and Resources, the Director of Regeneration and Economy, and Cabinet Member for Jobs, Regeneration and Climate Change, to enter into the appropriate lease agreements for associated infrastructure required to deliver a modified, enhanced CVLR system and its potential to facilitate the construction of conventional tramways to prove out the advanced slab track capabilities.**
- 7) Delegated authority to the Director of Innovation, following consultation with the Director of Law and Governance, the Director of Finance and Resources, the Director of Regeneration and Economy, and Cabinet Member for Jobs, Regeneration and Climate Change, to, subject to the necessary funding being secured, initiate the business case work for a commercial route in Coventry.**

## 47. **Highways Maintenance Contract - 2026**

Cabinet considered a report of the Interim Director of City Services on Coventry's utilisation of the Highways Maintenance Contract 2016 (HMC16) collaborative contract between Warwickshire County Council (WCC), Solihull Metropolitan Borough Council (SMBC), and Coventry City Council (CCC), for specialist highways treatments and significant carriageway resurfacing projects, which would end on 5 May 2026. The report sought approval for Coventry City Council's use of the future highways contract from 5 May 2026 (period 7-year core term plus potential extensions up to a further 6 years) for the works outlined in the report.

WCC have carried out a tender process for a future highways contract to meet all their highways needs. The Council could be a party to this for elements of its Highways work which provided a legally compliant procurement framework where delivery of works was to be undertaken outside the use of the Highways Direct Labour Organisation (DLO) team.

### **RESOLVED that Cabinet:**

- 1) Subject to Procurement Board approval, approves the Council's use of Warwickshire County Council's Highways Maintenance Contract 2026 for the contract period (7-year core term plus potential extensions up to a further 6 years) from 05 May 2026 for the works outlined in the report.**
- 2) Delegates authority to the Interim Director of City Services, to undertake all necessary due diligence to enter into the contract, including but not limited to:**
  - Finalising the terms of Coventry City Council's participation in the Highways Maintenance Contract 2026; and**
  - entry into the contract on behalf of the Council.**

## 48. **Outstanding Issues**

There were no outstanding issues.

## 49. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at: 2:45pm)



Cabinet

6 January 2026

**Name of Cabinet Member:**

Cabinet Member for Education and Skills – Councillor Dr K Sandhu

**Director approving submission of the report:**

Director of Children's and Education Services

**Ward(s) affected:**

All

**Title:**

**Outcomes of the Fair Funding Consultation 2026/27**

---

**Is this a key decision?**

No - although the proposals affect more than two electoral wards, the impact is not expected to be significant.

---

**Executive summary:**

This report sets out the results of the 2026/27 Fair Funding Consultation and seeks approval for recommended changes to the Fair Funding Scheme of Delegation and recommended operation of the 2026/27 Fair Funding Formula.

**Recommendations:**

Cabinet is requested to:

- (1) Approve the recommended operation of the 2026/27 Fair Funding Formula and changes to the Fair Funding Scheme of Delegation, which are summarised in section 2 of the report.
- (2) Delegate authority to the Director of Children's and Education Services, following consultation with the Cabinet Member for Education and Skills, to:
  - a) make (subject to prior consultation with the Schools Forum) such minor and technical variations to the Fair Funding Scheme of Delegation as is deemed necessary; and

- b) make any necessary amendments to the final detail of these recommended changes, in order to comply with the School Finance (England) Regulations once full detail of the schools funding settlement has been published by the Department for Education for 2026/27. Any such changes will be made following discussion with the Schools Forum as appropriate.

**List of Appendices included:**

The following appendices are attached to the report:

Appendix 1 – Fair Funding Consultation 2026/27: Summary of Responses

Appendix 2 – De-delegation levels approved for 2025/26

Appendix 3 – Fair Funding Consultation 2026/27

**Background papers:**

None

**Other useful documents**

Draft Fair Funding Scheme of Delegation available on the Coventry City Council website:

[Fair Funding Scheme of Delegation - September 2025](#)

**Has it or will it be considered by Scrutiny?**

No

**Has it or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Outcomes of the Fair Funding Consultation 2026/27**

### **1. Context (or background)**

- 1.1 Under Section 48 of the School Standards and Framework Act 1998, Local Authorities (LAs) are required to have schemes of delegation which set out the financial controls and arrangements that will operate between maintained schools and the LA. Any proposed revisions to these schemes and/or the Fair Funding Formula (which impacts all mainstream schools) must be the subject of consultation and require approval by the Schools Forum.
- 1.2 The Department for Education (DfE) introduced its National Funding Formula (NFF) for LAs in 2018/19, whereby mainstream school allocations for LAs were determined under the NFF approach, but LAs retained a level of flexibility over how they choose to distribute that funding amongst their schools. In Coventry the decision since 2018/19 has been to mirror the NFF allocation for schools as far as possible (subject to overall affordability). In the future it is expected that local flexibility will be removed from LAs, and our approach will minimise funding volatility when this occurs.
- 1.3 In a standard funding cycle indicative NFF allocations and operational guides are published in July. Final NFF allocations are issued in December. This year LAs were informed that 2026/27 indicative NFF allocations would not be published in July and instead would be delayed until November. In recognition of this delay, to support schools and LAs with financial planning the DfE published a policy note in June. In this they confirmed there would not be any significant changes to the operation of the mainstream school NFF in 2026/27 compared to 2025/26.
- 1.4 The Coventry Fair Funding Consultation document was circulated on the 7<sup>th</sup> November to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, relevant Councillors, Trade Unions, Diocesan authorities, the Coventry Governors Association and members of the Schools Forum. The consultation period ended after 2 weeks on the 21<sup>st</sup> November.
- 1.5 Stakeholder groups were briefed throughout the consultation period. These included Primary Finance representative Head Teachers and the Schools Forum. The consultation document also seeks to act as an information document to school stakeholders regarding anticipated cost pressures.

### **1.6 Context of the National Funding Formula**

- 1.6.1 The National Funding Formula continues to be in a 'soft' phase. This means that the DFE will run the NFF for each individual school and the total of Coventry schools' allocations will become the total budget available for schools in Coventry. The LA is still required to go through the usual budget setting process and run the local schools funding formula for maintained schools and academies to distribute the resource. Our expectation is the DFE will eventually operate a direct NFF, through which it will allocate funding directly to mainstream schools without LA involvement. Timescales for this are unclear. In a recent letter sent to the Secretary of State for Education by the Leader, Cabinet Member for Education and Skills and Chair of the Coventry Schools Forum

regarding the financial challenges facing schools, it was highlighted that local decision-making flexibility adds value and should be maintained.

1.6.2 Mainstream schools are receiving two additional or supplementary grants in 2025/26 over and above their NFF allocations. These are:

- Schools Budget Support Grant (SBSG)  
To support the cost of officers and teachers pay awards in 2025/26
- National Insurance Contributions (NICs) grant  
To fund the increase in employer national insurance contributions from April 2025

The DfE have confirmed that from 2026/27 the above will be rolled into the NFF meaning they will no longer be received as separate grants. The SBSG will be annualised to reflect the fact that there was only a part year impact of the September 2025 teachers pay award in 2025/26. The annualisation of SBSG will result in additional funding in 2026/27 compared to 2025/26, however it is important to note that schools will have to fund the full year effect of the September 2025 pay award from this.

Excluding the rolling in of existing supplementary grants and the annualisation of SBSG, the indicative 2026/27 NFF factor values will increase by ca. 2.1% on average compared to 2025/26. The equivalent figure in 2025/26 was an increase of 0.5%.

1.6.3 It remains the case that the pure NFF (without any protection) delivers less resource for Coventry schools as there are still some schools in Coventry who are on the funding floor and are receiving protection funding. The DFE's policy note confirms that for 2026/27 the Minimum Funding Guarantee (MFG) which protects schools against significant year-on-year change in pupil led funding must be set between -0.5% & 0%. This is the same level as was prescribed in 2025/26. Alongside the MFG, LAs must also include a Minimum per Pupil Levels (MPPLs) protection mechanism in their formula which guarantees a minimum amount of funding for every pupil. It is not clear what protection arrangements will be in place after 2026/27 although we do not anticipate that the full protection would be immediately removed from 2027/28 as any significant reductions would be likely to have a detrimental impact on school financial sustainability. Any changes will be subject to further DFE announcements.

1.6.4 Further background and full details of the following proposals can be found in the Fair Funding Consultation 2026/27 which is included in this report at Appendix 3.

## **2. Options considered and recommended proposal**

### **2.1. Fair Funding Formula Options**

2.2. As a result of the continued application of the National Funding Formula (NFF), we consulted on a preferred option in relation to the application of the local schools funding formula:

Proposal Continue to mirror, as closely as possible, the allocations and protection arrangements set out in the NFF; meaning some schools will see their funding remain equal to 2025/26 per pupil funding levels plus the annualisation of the Schools Budget Support Grant (subject to affordability).

Under this option, all schools would see the funding they receive in 2026/27 stay at the level they received in 2025/26 on a per pupil basis (plus the annualisation of the Schools Budget Support Grant), with the majority of schools receiving an increase above 2025/26 funding levels as these schools would be on the NFF (i.e. above the floor).

Our ability to maintain funding at the 2025/26 level (set a 0% MFG) will depend on the level of change in overall eligibility for pupil led formula factors in the Oct-25 census data compared to the Oct-24 census data. This is because NFF allocations are received based on Oct-24 but the regulations require the LA to fund schools based on Oct-25.

2.3. The consultation document asked stakeholders whether they agreed with the proposal and to feedback any general comments. The consultation responses received were unanimously in favour of the recommended option. Please see Appendix 1 to the report for a summary of the responses.

2.4. Whilst schools support the LA's approach to distributing the funding received from the DfE they did comment that their budgets are under significant pressure, and the financial situation remains challenging. They also commented that funding received is based on the number of pupils on roll, and the financial protection mechanisms set by the DfE (MFG and MPPL's) are based on per pupil funding, rather than overall levels of funding. This means that for those schools with falling rolls, particularly across lower age groups, they are likely to see a reduction in overall funding for 2026/27. Other feedback received was in relation to SEND, and the challenges associated with an increasing number of children with EHCP's in mainstream schools.

## 2.5. De-delegated Services

2.6. Previous school funding reforms have required several former centrally held budgets to be delegated to schools through the NFF. Maintained schools then have the option to 'de-delegate' these amounts back to the LA, pooling this resource to allow continued delivery of a central service. The areas covered by Coventry's current de-delegation arrangements are listed below:

- administration of free school meals eligibility
- staff costs or supply cover (includes statutory parental payments and trade union representation)
- support for newly arrived learners where English is an Additional Language (EAL) – referred to as the New Arrivals Fund

2.7. De-delegation items must be approved by primary maintained members on Schools Forum. In 2025/26 primary maintained members opted to pool resources for all de-delegated services offered. The table within Appendix 2 shows these values approved for de-delegation.

2.8. The same de-delegation arrangements will be made available in 2026/27. Schools Forum will consider and vote on de-delegation arrangements at the January 2026 meeting.

2.9. The consultation document asked stakeholders whether they agreed with the proposal and to feedback any general comments. The consultation responses were unanimously in favour of de-delegating funding for these services. Please see Appendix 1 for a summary of the responses.

## 2.10. Fair Funding Scheme of Delegation

2.11. Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act set out that LAs should have a Scheme of Delegation. LAs are required to publish schemes for financing schools setting out the financial relationship between the LA and the schools they maintain.

2.12. In making any changes to their schemes, local authorities must consult all maintained schools in their area and receive the approval of the members of their Schools Forum representing maintained schools. Local authorities must follow <sup>1</sup>DfE statutory guidance when they revise their schemes, in consultation with the Schools Forum.

2.13. The proposed changes to the scheme for 2026/27 are detailed below.

2.14. **Section 2.5.3 (Virement Limits)** has been updated to show that the limit whereby budget virements require Governing Body Approval must not exceed £13,000. This limit was previously £10,000 and has not been updated since 2019. The increase of £3,000 mirrors inflation levels since 2019.

---

<sup>1</sup> [Schemes for financing local authority maintained schools](#)

2.15. **Section 2.10.3 (Procurement Directives)** has been updated to show the relevant regulations have been updated. This section in the previous Fair Funding Scheme of delegation read as follows:

European Procurement Directives 2014 and Public Contract Regulations 2015 require the City Council to operate a tendering process and appoint suppliers for those goods and services where the total value of the business places by the City Council exceeds a given amount. All parts of the City Council are obliged to use those suppliers, or comply independently with European Procurement Directives and Public Procurement Legislation. Failure to do so can jeopardise the City Council's eligibility for grant funding, incur challenges through court injunctions potentially leading to contracts being revoked with substantial fines and damages.

The proposed way forward is for this section to now read as follows:

The Procurement Act 2023 and associated Procurement Regulations 2024 require the City Council to operate a tendering process and appoint suppliers for those goods, services and works where the total value of the business placed by the City Council exceeds public sector thresholds. Additionally, the Council is required to adhere to the Health Care Services (Provider Selection Regime) Regulations 2023 with regards to the procurement of healthcare related services. All parts of the City Council are obliged to adhere to public sector legislation and the Council's internal Contract Procedure Rules, embedded within its Constitution. Failure to do so can jeopardise the City Council's eligibility for grant funding, incur challenges through court injunctions potentially leading to contracts being revoked with substantial fines and damages.

2.16. **Section 2.10.10 (Governing Body's Own Purchasing Arrangements)** has been updated to show how 5 written quotations must be sought (up from 3 written quotations received) and thresholds where procedures in the Procurement Act 2023 or Health Care Services Regulations 2023 must be followed has increased from £181,302 for goods & services and £4,551,413 for works to £214,904 & £5,372,609 respectively.

Previously this section read as follows:

Purchasing Procedure	Order Value
At the discretion of the Governing Body	Up to £10,000
At least 3 written quotations (where appropriate, a minimum of two should be local)	£10,001 to £50,000
Competitive Tendering process, which must be advertised. Minimum of 3 tenders received.	£50,001 to EU Thresholds*
Advert in OJEU and procedures defined in the Public Contract Regulations 2015.	EU Thresholds* & above

\*2018 EU thresholds: £181,302 for Goods and Services; £4,551,413 for Works

The proposed way forward is for this section to now read as follows:

Purchasing Procedure	Order Value
At the discretion of the Governing Body	Up to £10,000
Seek at least 5 written quotations (where appropriate, a minimum of two should be local)	£10,001 to £50,000
Competitive Tendering process, which must be advertised. Minimum of 5 tenders sought.	£50,001 to threshold*
Advert in Central Digital Platform and procedures defined in the Procurement Act 2023 or Health Care Services (Providers Selection Regime) Regulations 2023.	Threshold* & above

\*2025 thresholds: £214,904 (inclusive of VAT) for Goods and Services; £5,372,609 (inclusive of VAT) for Works. There are no thresholds in relation to the procurement of healthcare related services captured by the Provider Selection Regime, and as such, any such identified procurement must follow the processes set out by the legislation.

- 2.17. **Section 2.14.7 (Capital Spending from Budget Shares)** has been updated to show that where planning permission is not required for proposed works on premises owned by the City Council (including Voluntary Controlled Schools), the LA will require at least 4 week's notice prior to commencement.
- 2.18. **Section 4.9.6 (The Deficit Recovery Plan)** has been updated to include an extra example of when suspension of governing body financial delegation powers could be considered. This example is information is not provided within timescales set by the City Council.
- 2.19. **Section 6.2.8 (Circumstances in which charges may be made to the school budget share)** has been updated to remove the Board of Inland Revenue & include the Environment Agency as examples of bodies whereby penalties imposed can be recovered by charging the school budget share.
- 2.20. **Section 6.2.9 (Circumstances in which charges may be made to the school budget share)** has been updated to include the example of pension deductions as an error in calculating charges that can be corrected by charging the school budget share.
- 2.21. Previous years **Section 6.2.20 (Circumstances in which charges may be made to the school budget share)** has been removed as it is no longer included in the DfE guidance. Below is the section that has been removed:

Costs of successful claims made against the City Council under the Late Payment of Commercial Debts (Interest) Act 1998, where liability for that claim has arisen due to a school's failure to process invoices within the given credit period.

2.22. **Section 6.2.20 & 6.2.21 (Circumstances in which charges may be made to the school budget share)** have been added due to updated DfE guidance. These sections read as follows:

Costs incurred by the local authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations).

2.23. **Section 13.2 (Community Facilities – Consultation with the LA – Financial Aspects)** has been updated to show that schools no longer have to consult with the City Council when establishing community facilities. Previously, this section read as follows:

School governing bodies are required to consult the City Council before exercising their community facilities power, and have regard to advice given to them.

Before exercising community facilities power a business and financial plan approved by the full Governing Body should be submitted at least 12 weeks before the facility is due to begin. This plan should detail:

- the nature of the community facility
- the funding arrangements
- a detailed costing of how the project including income projections
- an explanation of how the project will comply with relevant Health and Safety and Child Protection legislation

The City Council will provide advice to the school governing body within 6 weeks of being consulted on the proposal. The school governing body are required to inform the City Council of the action taken following receipt of this advice before the commencement of the project.

The proposed way forward is for this section to read as follows:

Schools no longer need to consult the City Council when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by the City Council.

However, as public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make.

2.24. The link to the consultation version of the Fair Funding Scheme of Delegation is:

[Fair Funding Scheme of Delegation - September 2025](#)

2.25. The fair funding consultation document asked stakeholders to feed back any general comments on the revised scheme. The responses were unanimously in favour of adopting the proposed changes. Please see Appendix 1 to the report for a summary of the responses.

2.26. When discussing the proposed changes, maintained schools asked for further clarity on some of the procurement aspects and implications. A response will be provided to schools in due course.

### **3. Results of consultation undertaken**

- 3.1. The Fair Funding Consultation is annual. All LAs are required by the DfE to consult with all relevant stakeholders on the proposed operation of their local fair funding formula.
- 3.2. The consultation document was circulated on the 7<sup>th</sup> November 2025 to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, relevant Councillors, Trade Unions, Diocesan authorities, the Coventry Governors Association and members of the Schools Forum. The consultation period ended on the 21<sup>st</sup> November 2025.
- 3.3. In addition, stakeholder consultative groups were briefed. These include Primary Finance representative Head Teachers and the Schools Forum.
- 3.4. The result of the consultation is set out in Appendix 1 to the report and summarised under each proposal within section 2 of this report.

### **4. Timetable for implementing this decision**

- 4.1. The Council is required to submit a proforma to the DfE by 21<sup>st</sup> January 2026 confirming how the Fair Funding Formula will operate in Coventry. Once the proforma is checked for compliance and approved by the DfE, the formula will be effective from April 2026 for maintained schools and September 2026 for academy schools.
- 4.2. De-delegation arrangements will be effective from April 2026.
- 4.3. Changes to the Fair Funding Scheme of Delegation will be effective from April 2026.

### **5. Comments from Director of Finance and Resources and Director of Law and Governance**

- 5.1. Financial Implications on Schools
- 5.2. Schools will face significant cost pressures in 2026/27 resulting from general inflation and increased staffing costs which are likely to be higher than the funding increases announced, with some schools not seeing an increase to the funding they received in 2025/26 other than the annualisation of SBSG. At this stage there is no indication that there will be any supplementary grants to support with pay awards in 2026/27, therefore schools should be planning on that basis. It is therefore key that schools

continue to evaluate their financial positions, especially in these times of rising costs, to ensure they have sustainable budgets over the medium term and not have a reliance on the use of reserves. Where schools have concerns about this, they need to be scenario planning and managing vacancies sensibly so that they are able to take swift informed decisions to manage expenditure should these be necessary.

- 5.3. Mainstream schools will continue to be subject to MFG protection arrangements in 2026/27. The MFG seeks to protect schools against significant year-on-year change in per pupil led funding for the purposes of stability. The level of the MFG in 2026/27 will be set at 0%, subject to affordability as discussed in 2.2. In recent years there has been an affordability gap on the formula (for context this was £1.3M in 2025/26) and in this scenario we will reduce all school per pupil funding gains, on an equivalent % basis until the affordability gap is bridged. If there was still an affordability gap once all gains had been reduced to zero the MFG protection level would have to be set at a value lower than 0%. The MFG protection mechanism operates on a per pupil basis, therefore schools may see a funding reduction if they are experiencing falling pupil numbers.
- 5.4. Within the National Funding Formula (NFF) there is a level of protection being applied to school budgets compared with the pure NFF allocations. It is not clear what protection arrangements will be in place for schools after 2026/27 as these will be subject to future announcements. We do not anticipate that the full protection will be immediately removed, but schools must be made aware of the level of protection included within their funding allocations, so that they can begin to scenario plan and manage vacancies so that they are prepared to take swift informed decisions should the level of protection reduce in 2027/28 or beyond.

##### **5.5. Financial implications on the LA**

- 5.6. De-delegation arrangements are reviewed and approved by the Schools Forum on an annual basis. Should schools choose not to de-delegate this funding the LA would need to look at how it would exit from the service delivery and there may be some costs associated with this.
- 5.7. The financial climate over recent years has resulted in additional cost pressures on schools. The high levels of general inflation, high levels of pay inflation and small increases to school funding levels means that school budgets will continue to be under pressure.
- 5.8. This could result in a number of schools needing to carry out restructures and make potential staffing redundancies, which could create a financial pressure for the LA, as in some circumstances we are required to fund these costs for maintained schools. Work to mitigate this is continually discharged through the LAs Schools Finance function, working with schools on scenario planning and vacancy management in order to reduce the likelihood that redundancies are required. Although given the potential level of cost increase that may materialise, some of these costs may be unavoidable.

## 5.9. Legal Implications

5.10. S48 (1) of the School Standards and Framework Act 1998 requires Local Authorities (LAs) to maintain and publish schemes connected with the financing of maintained schools. The Council must adhere to the School and Early Years Finance (England) Regulations 2025 and take into account the DfE Schools Operational Guide 2025/26.

5.11. The LA is required to consult the governing body and head teacher of every school maintained by the authority and to submit the proposals for approval to the Schools Forum.

5.12. Public authority decision makers are under a duty to have due regard to 1) the need to eliminate discrimination: 2) advance equality of opportunity between people who share a protected characteristic and those who do not: 3) foster good relations between persons who share a relevant protected characteristic and people who do not (public sector equality duty - s 149(1) Equality Act 2010). The applicable protected characteristics are disability, gender reassignment; race, religion or belief, sex; sexual orientation, pregnancy or maternity.

5.13. Decision makers must be consciously thinking about these three aims as part of their decision-making process with rigour and with an open mind. The duty is to have "due regard", not to achieve a result but to have due regard to the need to achieve these goals. Consideration being given to the potential adverse impacts and the measures needed to minimise any discriminatory effects.

## 6. **Other implications**

### 6.1. **How will this contribute to the One Coventry Plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

A clear and transparent method of allocating funding to schools across Coventry is a key enabler, which supports them to improve the lives of those who are educated here.

It is important to ensure that the financial relationship between the Council and the schools it maintains is clear and transparent, and this is set out in the Fair Funding Scheme of Delegation.

### 6.2. **How is risk being managed?**

The consultation document is sent to all relevant stakeholders within Coventry.

The Council has a statutory responsibility to ensure maintained schools can balance their budget, and the Department for Education (DfE) has a statutory responsibility to ensure academies are setting balanced budgets. The Council also has a moral obligation to support all Coventry's children and young people.

Any potential school deficit or long-term sustainability issues will be reported back to the Council as early as possible to ensure plans are put in place to achieve a balanced

budget. This will include liaising with the DfE where the school is an academy, and the problem is brought to our attention.

The updated Fair Funding Scheme of Delegation will enable Schools and Council officers to clearly understand and uphold the financial responsibilities of each organisation.

### **6.3. What is the impact on the organisation?**

If there is a requirement for maintained schools to restructure, then full consultation will be undertaken with both Coventry City Council staff and the trade unions in accordance with Council policies.

### **6.4. Equalities / EIA?**

The proposals in this report are designed to be compliant with DfE statutory guidance.

The DfE carried out an Equality Impact Assessment on the significant changes caused by the introduction of the National Funding Formula. The details of this EIA can be obtained via the link below:

[National Funding Formula for Schools: Equalities Impact Assessment](#)

The DfE has also carried out an Equality Impact Assessment specifically on the changes to their funding formula for 2026/27. Details of this EIA can be found in Annex B obtained via the link below:

[2026/27 National Funding Formula: Equalities Impact Assessment](#)

Overall, the DfE expects the impact of the increases to the 2026/27 schools NFF factor values to be positive, in comparison with the 2025/26 NFF. Additional needs factors in the NFF are increasing by a higher percentage in 2026/27 than in 2025/26, which will tend to have a positive impact on pupils with disabilities, whilst the funding floor remains at the same level as in 2025/26

### **6.5. Implications for (or impact on) climate change and the environment?**

There is no impact on climate change and the environment as a result of this report.

### **6.6. Implications for partner organisations?**

There are no implications for partner organisations, other than schools.

**Report author(s):**

Sarah Kinsell

Finance Manager – Children's &amp; Education Services

**Service Area:**

Financial Management

**Tel and email contact:**

Tel: 024 7697 6885

Email: Sarah.Kinsell@coventry.gov.uk

Enquiries should be directed to the above person

<b>Contributor/approver name</b>	<b>Title</b>	<b>Service Area</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Suzanne Bennett	Governance Services Coordinator	Law and Governance	28/11/25	01/12/25
Paul Hammond	Lead Accountant	Financial Management	28/11/25	28/11/25
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Barry Hastie	Director of Finance and Resources	Financial Management	28/11/25	05/12/25
Legal: Oluremi Aremu	Head of Legal & Procurement Services	Law and Governance	28/11/25	05/12/25
Director: Sukriti Sen	Director of Children's and Education Services	-	28/11/25	05/12/25
Members: Cllr. Dr Kindy Sandhu	Cabinet Member for Education and Skills	-	28/11/25	30/11/25

This report is published on the council's website: [www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

**Fair Funding Consultation 2026/27 - Summary of Responses****1 Introduction**

- 1.1 This Appendix provides a summary of responses received to the consultation paper that was issued to all schools and other stakeholders on 7<sup>th</sup> November 2025. All responses that were received have been analysed and the results are summarised in this paper.
- 1.2 A total of 6 responses were received, with 2 of those received from groups and therefore representing multiple stakeholder views.

<b>Respondent</b>	<b>Responses Received</b>
Primary	4
Secondary	0
Special	0
Early years	0
Stakeholder Consultative Groups (SCG)	2
Trade Unions	0
<b>Total</b>	<b>6</b>

- 1.3 The results and comments are summarised below. The full responses can be made available on request.

**2 RESULTS****2.1 Proposal 1 – Fair Funding Formula options**

- 2.1.1 This proposal recommends that Coventry continues to use the local funding formula in 2026/27 to mirror the National Funding Formula as closely as possible.
- 2.1.2 We asked stakeholders whether they agreed with this proposal and for general comments.

<b>Sector</b>	<b>Agree</b>	<b>Disagree</b>	<b>Blank or N/A</b>
<b>Primary</b>	3	0	1
<b>Secondary</b>	0	0	0
<b>Special</b>	0	0	0
<b>Early Years</b>	0	0	0
<b>SCG</b>	2	0	0
<b>Trade Unions</b>	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>1</b>

Respondents	General Comments
Primary (3)	<b>Agree:</b> We support the recommendation
SCG (2)	<b>Agree:</b> We support the recommendation

## 2.2 Proposal 2 – De-delegated Services

2.2.1 Funding for some centrally provided services must be allocated direct to schools through the formula but can then be returned to the LA by maintained schools via local de-delegation agreement. This Proposal highlights the de-delegation decision will need to be agreed by Schools Forum.

2.2.2 We asked stakeholders for general comments on this proposal.

Respondents	General Comments
Primary (2)	<b>Agree:</b> Continue to support the de-delegation of services
SCG (2)	<b>Agree:</b> Continue to support the de-delegation of services
Primary (1)	No comments were made due to academy status
Primary (1)	No comments were made

## 2.3 Proposal 3 – Fair Funding Scheme of Delegation

2.3.1 This section covers the changes that are being made to the Fair Funding Scheme of Delegation to reflect updated national and local policies.

2.3.2 We asked stakeholders for general comments on this proposal.

Respondents	General Comments
Primary (4)	<b>Agree:</b> Agree with the proposed changes, however, obtaining 5 quotes for works over £10,000 will be challenging and time consuming
SCG (2)	<b>Agree:</b> Agree with the proposed changes, however, obtaining 5 quotes for works over £10,000 will be challenging and time consuming

## 2.4 Fair Funding Consultation General Comments

<b>Respondents</b>	<b>General Comments</b>
Primary (1)	<p>Please bear in mind that schools that are not in deprived areas and do not have many pupil premium children are also struggling due to low budgets not meeting their needs</p>
SCG (2)	<p>Primary Finance commented that School budgets are currently in a very challenging situation. Falling pupil numbers in some schools (particularly across younger age groups) are having an impact and reducing funding. This has a particularly significant impact given all protection mechanisms in the National Funding Formula are based on per pupil funding, not overall funding. Other feedback received was in relation to SEND, and the challenges associated with an increasing number of children with EHCP's in mainstream schools.</p> <p>Schools Forum also commented that School budgets are currently in a very challenging situation. There was also a comment from a maintained representative, saying they continue to welcome the close working relationship they have with the LA.</p>

This page is intentionally left blank

## Appendix 2

<b>2025/26 De-delegated Amounts</b>	
	<b>Primary</b>
Free School Meal eligibility	12,619
Statutory Parental Payments	634,125
Trade Union Facility	76,812
EMAS (New Arrivals Fund)	170,150
<b>Total</b>	<b>893,706</b>

This page is intentionally left blank

# **Fair Funding Consultation 2026/27**

DOCUMENTS ENCLOSED: Consultation on Proposed Changes to the Fair Funding Formula and Scheme of Delegation (including a Response Form)

# Consultation on Proposed Changes to the Coventry Fair Funding Formula and Fair Funding Scheme of Delegation

---

## Contents

<b><i>Fair Funding Consultation 2026/27 .....</i></b>	<b>1</b>
1    Purpose of Consultation.....	3
2    Executive Summary .....	4
3    Dedicated Schools Grant (DSG) Budget Implications .....	6
<b><i>Schools Block &amp; Local Formula Changes .....</i></b>	<b>8</b>
4    Schools Block National Funding Formula .....	8
5    Proposal 1 – Fair Funding Formula options .....	10
6    Proposal 2 – De-delegated Services.....	12
<b><i>Fair Funding Scheme of Delegation .....</i></b>	<b>Error! Bookmark not defined.3</b>
7    Proposal 3: Fair Funding Scheme of Delegation changes .....	133
<b><i>Appendices.....</i></b>	<b>188</b>
Appendix A – Response Form .....	188

## 1 Purpose of Consultation

- 1.1 Under Section 48 of the School Standards and Framework Act 1998, Local Authorities (LAs) are required to have schemes of delegation which set the financial controls and arrangements that will operate between schools, nursery providers, and the LA.
- 1.2 Any proposed revisions to these schemes and/or the Fair Funding Formula<sup>1</sup> must be the subject of consultation and require approval by the Schools Forum.
- 1.3 **The purpose of this document is to seek your views on proposed changes to the Fair Funding Scheme of Delegation and the Fair Funding Formula from April 2026. It also provides information in relation to funding changes and / or issues affecting funding in 2026/27.**
- 1.4 After the consultation period, the Director of Finance and the Director of Children's and Education Services will make recommendations to Cabinet in January 2026 and the LA will submit the Authority Pro-forma Tool to the DfE later that month.
- 1.5 It is important that you respond to the Consultation, as responses are taken into consideration in the report to Cabinet and Schools Forum.
- 1.6 A summary of responses will be made available to Cabinet Members, and all relevant stakeholders.
- 1.7 **The closing date for responses to the consultation is Friday 21<sup>st</sup> November 2025.** It will not be possible to take account of responses after this date. Please send responses to [lisa.thomas@coventry.gov.uk](mailto:lisa.thomas@coventry.gov.uk)
- 1.8 If you have any queries regarding the proposals, please contact Paul Hammond (Lead Accountant) on 024 7697 2635 or email [Paul.Hammond@coventry.gov.uk](mailto:Paul.Hammond@coventry.gov.uk).

---

<sup>1</sup> The Fair Funding Formula is used to fund maintained schools, and calculate DSG recoupment from LA for academies. The DfE mirror the LA Funding formula to fund academies.

## **2 Executive Summary**

### **2.1 Background**

2.1.1 In June, the Department of Education (DFE) published a summary policy document for schools National Funding Formula (NFF) 2026/27 to confirm that the 2026/27 schools NFF will use the same factors as the 2025/26 NFF. According to the Department, the NFF allocation will be published in late November.

2.1.2 The Schools Budget Support Grant (SBSG) and the National Insurance Contributions (NICs) grant will be rolled into the 2026/27 NFF. This means these grants will no longer be separate grants for mainstream schools in 2026/27.

2.1.3 The table below identifies which proposals within this consultation could potentially have a direct effect on each sector from the start of the 2026/27 financial year.

<b>Proposal</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>FE</b>
1	No	Yes	Yes	No	No
2	No	Yes	No	No	No
3	No	Yes	No	Yes	No

Please note proposal 3 relates to Hillfields Nursery School but no other early years provider.

### **2.2 Brief Description of Proposals**

#### **2.2.1 Proposal 1: Fair Funding Formula options**

This proposal recommends that Coventry continues to use the local funding formula in 2026/27 to mirror the National Funding Formula as closely as possible.

This proposal in Section 5 requests that schools feedback general comments.

#### **2.2.2 Proposal 2: De-Delegated services**

De-delegated services must be approved annually. We will be seeking approval at Schools Forum in January 2026 in relation to 2026/27 de-delegated services. This proposal in Section 6 sets out the information we will be sharing with the Schools Forum.

#### **2.2.3 Proposal 3: Fair Funding Scheme of Delegation changes**

Section 7 covers the changes that are being made to the Fair Funding Scheme of Delegation to reflect updated national and local policies.

### 2.3 Consultation Response

Please respond to this consultation using the consultation response form that you will find at [appendix A](#). This should be returned electronically as per the instructions on the response form.

### **3 Dedicated Schools Grant (DSG) Budget Implications**

#### **3.1 Context**

3.1.1 This section is to provide early, high-level information to schools and other stakeholders on the emerging issues that will affect budget levels and financial positions in 2026/27 and beyond. Due to the nature of national policy development and the timing of published information & allocations, this will progress further as we work on the DSG budget setting process between now and March 2026. Stakeholders should refer to Schools Forum papers, and relevant head teacher briefings, for further developments during that time.

#### **3.2 Cost Pressures**

##### **Pay Inflation**

3.2.1 The officers' pay award from April 2025 was an increase of 3.2%. Current assumptions are that there will be an additional 3% increase from April 2026.

3.2.2 The teachers pay award for September 2025 was an increase of 4% across all pay points and allowances. Current assumptions are that there will be an additional 3% increase across the pay bands from September 2026. The Secretary of State for Education has requested a recommendation from the School Teachers Review Body (STRB) by February 2026 on teachers pay awards for September 2026 and September 2027.

3.2.3 The National Insurance Contribution (NICs) grant which supported the change in employer National Insurance (NI) contributions from April 2025 will be rolled in the Schools NFF for 2026/27.

3.2.4 The Schools Budget Support Grant which supported schools with increased costs in 2025/26, including officers' pay award and teachers pay award will be rolled into the Schools NFF for 2026/27.

##### **Pensions**

3.2.5 The Local Authority employer superannuation contribution rate for officers in the Local Government Pension Scheme (LGPS) is 21.2% in 2025/26. This is the final year of a 3-year valuation cycle, and we are therefore expecting a rate change from April 2026. We have not had confirmation on what the rate will be, however we are expecting a rate reduction. The final employer superannuation contribution rate will be communicated in due course.

- 3.2.6 Changes to non-teaching staff employer pension contributions for academies and free schools will be dependent on the schemes employees are in, and their own scheme review date.
- 3.2.7 The employer superannuation contribution rate for teachers in the Teachers' Pension Scheme (TPS) is 28.6% from April 2024. We do not have any information regarding changes to this during 2026/27.

### **Price Inflation**

- 3.2.8 The largest part of a school's expenditure is staffing, so changes within that area of expenditure are by far the most significant, however the general inflation level will also affect other areas of expenditure within schools. For your information please note that the Consumer Price Index (CPI) inflation measure is currently running at 4.1%.
- 3.2.9 Please also note that any increases to officers' pay, teachers pay, energy inflation and general inflation (detailed above) will also affect other providers and services; this is likely to result in higher fees for these services.

## **4 Schools Block National Funding Formula**

*The below is a high-level summary of the impact of the National Funding Formula on Coventry's Dedicated Schools Grant allocation, including changes for 2026/27 and an indication of how this may impact on schools.*

### **4.1 The Schools Block National Funding Formula**

- 4.1.1 The school and education system is funded from the Dedicated Schools Grant (DSG), which is a ring-fenced grant. In 2025/26 the total amount of grant for Coventry is £475M, and this is spent across 4 areas/blocks: Early Years, Schools, Central Schools Services and High Needs (including special school provision). The majority of this resource funds provision (including all schools) for children and young people across the city.
- 4.1.2 From April 2018 the Government introduced a new "National Funding Formula" (NFF) for school funding which set nationwide funding formula values and determined the overall level of Schools Block funding for each Local Authority.
- 4.1.3 The government's stated intention behind the NFF is to "introduce a funding formula that addresses the long-standing inequalities in school funding that have existed for many years". Under the NFF, 18 out of 107 mainstream schools in Coventry were on the NFF funding floor in 2025/26.
- 4.1.4 At the time of publication, the DfE have not published Schools Block NFF factor values therefore we have no further information on funding levels for schools in 2026/27.
- 4.1.5 Since 2018/19, in consultation with schools, Coventry has taken the decision to mirror the NFF as closely as possible.

### **4.2 The NFF in Coventry**

- 4.2.1 The NFF is currently in a 'soft' phase, meaning that the DFE will run the NFF for each school, and then the total of the Coventry schools' allocations will become the Schools Block DSG allocation for Coventry to use in its own formula. We then need to go through the usual budget setting process and decide the local funding formula and minimum funding guarantee (MFG) arrangements that we will use to calculate budget shares for Coventry schools.
- 4.2.2 Whilst most of the Schools Block funding is based on the NFF factors, funding for premises factors (i.e. Rates) is based on historic allocations. The extent to which our premises costs in 2026/27 are higher or lower than the allocation we receive, will

impact on the affordability of the formula - i.e. whether we are able to afford the maximum MFG funding floor.

- 4.2.3 The October 2025 census will inform the level of funding we are required to distribute for 2026/27 and we will therefore not be able to fully understand the financial implications and affordability of Coventry's funding formula until we have the finalised October 2025 census data and received the final Schools Block DSG settlement in December 2025.
- 4.2.4 The pupil led factors within the City Council's 2026/27 funding will be based on the October 2024 census, however, the City Council must pay out funding to schools based on the October 2025 census. This can result in the City Council having to pay out to schools more than it receives from the DfE via the NFF.
- 4.2.5 We will be working with the Schools Forum, in consultation with Headteacher Partnerships, to understand financial implications and to implement the appropriate formula changes to deliver school funding allocations for 2026/27.

## 5 **Proposal 1 – Fair Funding Formula options**

This proposal recommends that Coventry continues to use the local funding formula in 2026/27 to mirror the National Funding Formula protection levels as closely as possible.

### 5.1 Background

- 5.1.1 Despite the National Funding Formula announcements and shadow school allocations published by the Department for Education (DFE), the LA is still required to operate its local funding formula within a strict legal framework which does not allow the flexibility to simply allocate funding to schools at the NFF level.
- 5.1.2 However, since 2018/19, in consultation with schools, Coventry has taken the decision to mirror the NFF as closely as possible.
- 5.1.3 As set out in section 4.2 the LA retains flexibility in how it sets the school funding formula and could choose to move away from mirroring the NFF protection levels, instead protecting all schools with a blanket protection %.
- 5.1.4 It has been the consensus to mirror the NFF during the past eight years, therefore we have again decided to put only one 2026/27 formula approach forwards for consultation, and we welcome your views on this proposal.

### 5.2 Proposed Option: Continue to mirror the National Funding Formula (NFF) protection levels as closely as possible (subject to affordability).

- 5.2.1 This would mean all schools would receive the higher of their NFF increase or the Minimum Funding Guarantee protection level. This is subject to overall Schools Block affordability.
- 5.2.2 Should it not be affordable to deliver this option in full (see 4.2.2 – 4.2.4 for context) we will reduce all school per pupil funding gains, on an equivalent % basis until the affordability gap is bridged.
- 5.2.3 Should there still be an affordability gap after capping gains, we would then have to reduce allocations of those schools who have not gained via the NFF. The reduction would not fall below the minimum funding protection level set by DfE.

### 5.3 Consultation

*Please indicate whether you agree with this proposal and feedback any general comments you may have on this proposal.  
(Please respond on the Consultation Response Form - [Appendix A](#))*

## 6 Proposal 2 – De-delegated Services

*Funding for some centrally provided services must be allocated direct to schools through the formula but can then be returned to the LA by maintained schools via local de-delegation agreement. This Proposal highlights that the de-delegation decision will need to be agreed by Schools Forum.*

### 6.1 Background

- 6.1.1 The budgets for a number of centrally provided services have to be delegated to schools through the funding formula but can be de-delegated for maintained schools. This means that maintained schools can choose to pool resources to continue delivery of a service. Academies are not able to opt into de-delegation but can choose to buy back into the services if offered.
- 6.1.2 In 2025/26 Primary maintained schools opted to pool resources for all of the de-delegated services offered by the LA.

### 6.2 Proposed way forward

- 6.2.1 The pooling arrangements must be approved by Primary representatives within the School Forum.
- 6.2.2 We will be seeking approval from the School Forum in January in relation to de-delegated services. The table below shows the values approved for de-delegation in 2025/26. (These figures are subject to in-year change, where LA maintained schools convert to academies). There are no longer any maintained secondary schools within Coventry therefore de-delegation decisions will only be taken by maintained primary school representatives.

<b>2025/26 De-delegated Amounts</b>	
	<b>Primary</b>
Free School Meal eligibility	12,619
Statutory Parental Payments	634,125
Trade Union facility	76,812
EMAS (new arrivals fund)	170,150
<b>Total</b>	<b>893,706</b>

### 6.3 Consultation

*Please feedback general comments on de-delegated services. We will report the overall response at the Schools Forum (SF) meeting. Schools can also make representation to their SF representative.*

*(Please respond on the Consultation Response Form - [Appendix A](#))*

## 7 **Proposal 3: Fair Funding Scheme of Delegation changes**

*This section covers changes that are being made to the Fair Funding Scheme of delegation to reflect updated national and local policies.*

### 7.1 Background

- 7.1.1 Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act set out that Local Authorities should have a Scheme of Delegation.
- 7.1.2 Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain.
- 7.1.3 In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the schools forum.
- 7.1.4 The link to the draft consultation version of Fair Funding Scheme of Delegation is available at

<https://www.coventry.gov.uk/downloads/file/45972/fair-funding-scheme-of-delegation-september-2025>

### 7.2 Proposed way forward

- 7.2.1 **Section 2.5.3 (Virement Limits)** has been updated to show that the limit whereby budget virements require Governing Body Approval must not exceed £13,000. This limit was previously £10,000 and has not been updated since 2019. The increase of £3,000 mirrors inflation levels since 2019.
- 7.2.2 **Section 2.10.3 (Procurement Directives)** has been updated to show the relevant regulations have been updated. This section in the previous Fair Funding Scheme of delegation read as follows:

*European Procurement Directives 2014 and Public Contract Regulations 2015 require the City Council to operate a tendering process and appoint suppliers for those goods and services where the total value of the business places by the City Council exceeds a given amounts. All parts of the City Council are obliged to use those suppliers, or comply independently with European Procurement Directives and Public Procurement Legislation. Failure to do so can jeopardise the City Council's eligibility for grant funding, incur challenges*

*through court injunctions potentially leading to contracts being revoked with substantial fines and damages.*

The proposed way forward is for this section to now read as follows:

*The Procurement Act 2023 and associated Procurement Regulations 2024 require the City Council to operate a tendering process and appoint suppliers for those goods, services and works where the total value of the business placed by the City Council exceeds public sector thresholds. Additionally, the Council is required to adhere to the Health Care Services (Provider Selection Regime) Regulations 2023 with regards to the procurement of healthcare related services. All parts of the City Council are obliged to adhere to public sector legislation and the Council's internal Contract Procedure Rules, embedded within its Constitution. Failure to do so can jeopardise the City Council's eligibility for grant funding, incur challenges through court injunctions potentially leading to contracts being revoked with substantial fines and damages.*

7.2.3 **Section 2.10.10 (Governing Body's Own Purchasing Arrangements)** has been updated to show how 5 written quotations must be sought (up from 3 written quotations received) and thresholds where procedures in the Procurement Act 2023 or Health Care Services Regulations 2023 must be followed has increased from £181,302 for goods & services and £4,551,413 for works to £214,904 & £5,372,609 respectively. Previously this section read as follows:

Purchasing Procedure	Order Value
At the discretion of the Governing Body	Up to £10,000
At least 3 written quotations (where appropriate, a minimum of two should be local)	£10,001 to £50,000
Competitive Tendering process, which must be advertised. Minimum of 3 tenders received.	£50,001 to EU Thresholds*
Advert in OJEU and procedures defined in the Public Contract Regulations 2015.	EU Thresholds* & above

\*2018 EU thresholds: £181,302 for Goods and Services; £4,551,413 for Works

The proposed way forward is for this section to now read as follows:

Purchasing Procedure	Order Value
At the discretion of the Governing Body	Up to £10,000
Seek at least 5 written quotations (where appropriate, a minimum of two should be local)	£10,001 to £50,000
Competitive Tendering process, which must be advertised. Minimum of 5 tenders sought.	£50,001 to threshold*
Advert in Central Digital Platform and procedures defined in the Procurement Act 2023 or Health Care Services (Providers Selection Regime) Regulations 2023.	Threshold* & above

\*2025 thresholds: £214,904 (inclusive of VAT) for Goods and Services; £5,372,609 (inclusive of VAT) for Works. There are no thresholds in relation to the procurement of healthcare related services captured by the Provider Selection Regime, and as such, any such identified procurement must follow the processes set out by the legislation.

7.2.4 **Section 2.14.7 (Capital Spending from Budget Shares)** has been updated to show that where planning permission is not required for proposed works on premises owned by the City Council (including Voluntary Controlled Schools), the LA will require at least 4 week's notice prior to commencement.

7.2.5 **Section 4.9.6 (The Deficit Recovery Plan)** has been updated to include an extra example of when suspension of governing body financial delegation powers could be considered. This example is *information is not provided within timescales set by the City Council.*

7.2.6 **Section 6.2.8 (Circumstances in which charges may be made to the school budget share)** has been updated to remove the Board of Inland Revenue & include the Environment Agency as examples of bodies whereby penalties imposed can be recovered by charging the school budget share

7.2.7 **Section 6.2.9 (Circumstances in which charges may be made to the school budget share)** has been updated to include the example of pension deductions as an error in calculating charges that can be corrected by charging the school budget share

7.2.8 Previous years **Section 6.2.20 (Circumstances in which charges may be made to the school budget share)** has been removed as it is no longer included in the DfE guidance. Below is the section that has been removed:

*Costs of successful claims made against the City Council under the Late Payment of Commercial Debts (Interest) Act 1998,*

*where liability for that claim has arisen due to a school's failure to process invoices within the given credit period.*

7.2.9 **Section 6.2.20 & 6.2.21 (Circumstances in which charges may be made to the school budget share)** have been added due to updated DfE guidance. These sections read as follows:

*Costs incurred by the local authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.*

*The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations).*

7.2.10 **Section 13.2 (Community Facilities – Consultation with the LA – Financial Aspects)** has been updated to show that schools no longer have to consult with the City Council when establishing community facilities. Previously, this section read as follows:

*School governing bodies are required to consult the City Council before exercising their community facilities power, and have regard to advice given to them.*

*Before exercising community facilities power a business and financial plan approved by the full Governing Body should be submitted at least 12 weeks before the facility is due to begin. This plan should detail:*

- *the nature of the community facility;*
- *the funding arrangements;*
- *a detailed costing of the project including income projections;*
- *an explanation of how the project will comply with relevant Health and Safety and Child Protection legislation.*

*The City Council will provide advice to the school governing body within 6 weeks of being consulted on the proposal. The school governing body are required to inform the City Council of the action taken following receipt of this advice before the commencement of the project.*

The proposed way forward is for this section to read as follows:

*Schools no longer need to consult the City Council when establishing community facilities under Section 27 of the*

*Education Act 2002. Nor do they have to have regard to advice given to them by the City Council*

*However, as public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make.*

### 7.3 Consultation

*Please feedback any general comments on the Fair Funding Scheme of Delegation. Please respond on the Consultation Response Form - [Appendix A](#)*

## Response Form

# Consultation on Proposed Changes to the Fair Funding Scheme of Delegation and Formula 2026/27

Name of Respondent: .....

Name of setting: .....

Position: .....

Responding as (please ✓ the box)

Group

Individual

**Stakeholder Group:** (please ✓ the box)

- Trade Union Representatives
- Diocesan Church Authorities
- Governors Associations
- Head Teachers
- Chairs of Governors/Governing Body
- Schools Forum
- Councillor

*PLEASE RETURN BY 21<sup>st</sup> November 2025 to:*

E-mail: [lisa.thomas@coventry.gov.uk](mailto:lisa.thomas@coventry.gov.uk)

## **Proposal 1 Response**

### **Fair Funding Formula options**

(for further information see the Fair Funding Consultation, [section 5](#))

*This proposal recommends that Coventry continues to use the local funding formula in 2026/27 to mirror the National Funding Formula protection levels as closely as possible.*

*Please indicate whether you agree with this proposal and feedback any general comments you may have on this proposal.*

**Please indicate whether you Agree or Disagree with this proposal**

**Agree**

**Disagree**

### **Proposal 1: Comments**

## **Proposal 2 Response**

### **De-delegated Services**

(for further information see the Fair Funding Consultation, [section 6](#))

*Funding for some centrally provided services must be allocated direct to schools through the formula but can then be returned to the LA by maintained schools via local de-delegation agreement. This proposal highlights the de-delegation decision that will need to be agreed by Schools Forum.*

*Please feedback general comments on de-delegated services. We will report the overall response at the Schools Forum meeting.*

### **Proposal 2: Comments**

## **Proposal 3 Response**

### **Fair Funding Scheme of Delegation**

(for further information see the Fair Funding Consultation, [section 7](#))

*This section covers the changes that is being made to the Fair Funding Scheme of delegation to reflect updated national and local policies.*

*Please feedback any general comments on the Fair Funding Scheme of Delegation.*

### **Fair Funding Scheme of Delegation changes: Comments**

**Other General Comments:**

**Fair Funding Consultation 2026/27: Comments**

### **Circulation List**

Trade Union Representatives  
Diocesan Church Authorities  
Governors Associations  
Head Teachers  
Chairs of Governors  
Schools Forum  
Cabinet Member for Education & Skills  
Cabinet Member for Finance & Resources

This page is intentionally left blank

---

Cabinet

6 January 2026

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

**Director approving submission of the report:**

Director of Finance and Resources (Section 151 Officer)

**Ward(s) affected:**

All

**Title:**

**The 2026/27 Council Tax Base Report**

---

**Is this a key decision?**

Yes – This report deals with income in excess of £1m

---

**Executive summary:**

The main purpose of this report is to establish the 2026/27 Council Tax base for tax setting purposes.

The Council Tax base is the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represents the estimated number of Band D equivalent chargeable dwellings for the year. It also takes into account the authority's estimated Council Tax collection rate.

This report does not set the actual level of Council Tax in Coventry; that will be set by Council on the 24 February 2026.

**Recommendations:**

The Cabinet is recommended to:

1. Approve that the Council Tax collection rate for 2026/27 be set at 97.6%

2. That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amounts calculated by the City Council for 2026/27 shall be:

a net tax base of 91,413.3 for the whole of the City Council area made up as follows:

Allesley Parish	498.7
Finham Parish	1,587.2
Keresley Parish	744.4
All Other Coventry City Council Wards	<u>88,583.0</u>
<b>TOTAL</b>	<b>91,413.3</b>

3. That the following grant payments should be made to parish councils to reflect the impact in 2026/27 of Council Tax reductions on their tax bases.

Allesley Parish	£2,183
Finham Parish	£2,514
Keresley Parish	<u>£1,840</u>
<b>TOTAL</b>	<b>£6,537</b>

**List of Appendices included:**

Appendix A Tax Base Calculation for 2026/27 Tax Setting (Coventry)  
Appendix B Tax Base Calculation for 2026/27 Tax Setting (Allesley)  
Appendix C Tax Base Calculation for 2026/27 Tax Setting (Finham)  
Appendix D Tax Base Calculation for 2026/27 Tax Setting (Keresley)  
Appendix E Grant payments to parish councils

**Has it or will it be considered by Scrutiny?**

No

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**  
**The 2026/27 Council Tax Base Report**

**1. Context**

**1.1 Council tax base**

- 1.1.1 The Council tax base is the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represents the estimated number of Band D equivalent chargeable dwellings for the year. It also takes into account the authority's estimated Council Tax collection rate.
- 1.1.2 This report makes the necessary calculations in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 to establish the Council Tax base for the City Council and its parishes. These regulations include the impact of the Council Tax Support Scheme (also known as the Council Tax Reduction Scheme).
- 1.1.3 The Council Tax base for the City Council will be used by major preceptors when setting their precepts.
- 1.1.4 Under the Support Scheme, the Council Tax base is reduced according to the amount of reductions awarded under the scheme, as the authority will be foregoing the relevant Council Tax income, and instead will receive partial compensation via an adjustment within the Local Government Finance Settlement calculations. These reductions are reflected in the calculation of the Council Tax base, in order to calculate the correct amount of Band D Council Tax for the billing authority (Coventry City Council), the major preceptors (West Midlands Police and Crime Commissioner, the West Midlands Fire and Rescue Authority and the West Midlands Combined Authority), and the local precepting authorities (Allesley Parish Council, Finham Parish Council and Keresley Parish Council).
- 1.1.5 It is estimated that the effect on the tax base of the Council Tax Support (CTS) scheme in 2026/27 will be to reduce it by 11.5%. The financial impact of the reduction in tax base will be partially offset by an element of the overall funding settlement from Government.
- 1.1.6 The tax bases for the parishes of Allesley, Finham and Keresley will also be reduced by 11.5% as a result of the Council Tax Support Scheme. It is proposed that the Council transfers an element of the compensation described above to offset the impact of the reduced tax base on tax income for the parish councils. Recommendation 3 proposes that Allesley, Finham and Keresley receive payments of £2,183, £2,514 and £1,840 respectively to offset the effect of the tax base reduction. These payments have been calculated to offset 90% of the effect of the tax base reduction, in keeping with the compensation percentage adopted when the scheme was first introduced. The details of the calculations are provided in Appendix E.

- 1.1.7 This report does not set the actual level of Council Tax in Coventry; that will be set by Council on the 24 February 2026. The determination of the tax base is one part of the process and must occur before 31 January each year.
- 1.1.8 The technical nature of this report reflects the fact that the tax base calculation is prescribed by statute. The tax base measures all properties in an area, relative to a band D property even though this is not representative of the typical domestic property in Coventry. In fact, 87% of properties in Coventry fall into Bands A to C, which attract lower bills than Band D properties.

## **2. Options considered and recommended proposal**

### **2.1 Calculation of the Council tax base**

- 2.1.1 The regulations specify in detail the calculations required. The basic formula is  $A \times B$ , where:
  - 'A' is the number of "Band D equivalent" properties estimated to be applicable for the forthcoming financial year. This is referred to as the 'gross tax base'. The calculation and exact definition are explained in section 2.1.3 below.
  - 'B' is the City Council's estimate of the Council Tax collection rate for those Band D equivalent properties as explained in section 2.2 below.
- 2.1.2 The calculation of the number of Band D equivalent properties is set out in full in Appendix A. This provides a gross tax base figure (**A**) of **93,661.2** for the City of Coventry.
- 2.1.3 The gross tax base is derived for each band by taking the valuation list as at the 30 November in the current financial year, adjusted for the effect of exemptions, discounts, reliefs and premiums, as well as estimated changes throughout the year. The tax base is also adjusted for the estimated effect of Council Tax Support discounts. The calculation of each band is then weighted to the equivalent of a Band D property and added together to give the gross tax base.
- 2.1.4 Calculation of the gross tax base considers an estimate of the change in tax base that is likely to occur during the forthcoming financial year. This includes the anticipated effect of retrospective amendments. Most of these amendments relate to properties that are exempt from Council Tax (e.g. student accommodation), where the exemption is only made known to the Council at a later date.
- 2.1.5 For the purposes of calculating the 2026/27 tax base, an adjustment of **-1.0%** has been made, based on existing experience, to consider the anticipated effect of these amendments.

### **2.2 The Calculation of the Collection Rate**

- 2.2.1 The City Council also has to estimate the likely rate of collection of Council Tax (referred to as 'B' in 2.1.1 above). This determines the amount of tax due which the Council believes it can collect after allowing for bankruptcies, absconders and

other non-collectable sums. The collection rate is applied to the gross tax base to give the net tax base, used for the purpose of setting Council Tax.

- 2.2.2 Reductions or increases in the collection rate lower or raise the net tax base and hence the amount of Council Tax available to fund services. A 0.25% variation in the collection rate would reduce or increase the amount of Council Tax to meet the budget requirement by approximately £0.5m.
- 2.2.3 This report recommends an assumed eventual collection rate of 97.6% for determining the 2026/27 tax base. This rate is based on an assessment of recent arrears collection performance and the pattern of write offs. Collection performance will be monitored throughout the forthcoming year and the rate reviewed as part of the determination of 2027/28 tax base.
- 2.2.4 Multiplying the gross tax base (A) of 93,661.2 by the collection rate (B) of 97.6% gives a recommended net tax base of **91,413.3** for the City Council.

## **2.3 Calculation of Tax Base for the Parish Councils**

- 2.3.1 The City Council is also required to calculate a tax base for each part of its area on which parish precepts are to be levied. Accordingly, the net tax bases for Allesley (Appendix B), Finham (Appendix C) and Keresley (Appendix D) parishes have been calculated as: 498.7; 1,587.2; and 744.4 respectively.

## **3. Results of consultation undertaken**

None

## **4. Timetable for implementing this decision**

The tax base assumed within this report relates to financial year 2026/27.

## **5. Comments from the Director of Finance and Resources (section 151 Officer) and the Director of Law and Governance**

### **5.1 Financial Implications**

- 5.1.1 The contents of this report are driven by a statutory framework and as such the Council is governed by this framework in relation to the contents of the report. Council Tax collection performance is the key area that will dictate whether the Council achieves the eventual collection rate of 97.6% assumed within this report. This matter is subject to regular performance monitoring.
- 5.1.2 The net tax base directly influences the level of Council Tax levied and therefore the resources available to the City Council. This will be dealt with as part of the Council Tax Setting and Budget Reports that will be considered by Council on 24 February 2026.

## 5.2 Legal Implications

- 5.2.1 As stated in section 1 above, the tax base calculations for a particular financial year must comply with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 and be determined by no later than 31 January in the preceding financial year. This is a statutory function and also a legal requirement. These regulations have been made under the Local Government Finance Act 1992, as amended (LGFA 1992).
- 5.2.2 The Local Government Finance Act 2012 (LGFA 2012) includes several amendments to the LGFA 1992 that affect the calculation of the Council Tax base. These amendments require councils to operate a Council Tax Support Scheme (as a replacement of Council Tax benefit) and gave powers to determine further discounts and set premiums.
- 5.2.3 The Tax Base for the City Council will be used by the West Midlands Police and Crime Commissioner, the West Midlands Fire and Rescue Authority and the West Midlands Combined Authority when setting their 2026/27 precepts in February 2026. It will also be used to set the City Council's element of the Council Tax for 2026/27, at the full Council meeting on 24 February 2026.

## 6. Other implications

### 6.1 How will this contribute to the One Coventry Plan?

This report is technical in nature and its implications do not have any direct bearing on these matters.

### 6.2 How is risk being managed?

Regular monitoring of performance will ensure that the Council can take appropriate management action in the area of Council Tax collection.

### 6.3 What is the impact on the organisation?

The report affects the potential Council Tax resources available to the City Council and, as such, impacts on the 2026/27 budget setting process.

### 6.4 Equalities / EIA?

There are no equalities implication arising from this report. Every effort will be made to ensure that Council Taxpayers, particularly those who are from disadvantaged groups, receive prompt and accurate council tax bills, and that those who are eligible for exemptions and discounts - such as disabled people, single people and those on low incomes, are encouraged to claim them.

### 6.5 Implications for (or impact on) climate change and the environment

No impact

## 6.6 Implications for partner organisations?

The Council Tax base for the City Council will be used by the by the West Midlands Police and Crime Commissioner, the West Midlands Fire and Rescue Authority and the West Midlands Combined Authority when setting their 2026/27 precept.

### Report author(s):

#### Name and job title:

Phil Baggott, Lead Accountant

#### Service Area:

Finance

#### Tel and email contact:

Tel: 024 7697 2629

Email: phil.baggott@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate	Date doc sent out	Date response received or approved
<b>Contributors:</b>				
Suzanne Bennett	Governance Services Officer	Law and Governance	15/12/25	18/12/25
Tina Pinks	Corporate Finance Manager	Finance and Resources	15/12/25	16/12/25
<b>Names of approvers:</b> (officers and members)				
Oluremi Aremu	Head of Legal & Procurement Services	Law and Governance	15/12/25	18/12/25
Barry Hastie	Director of Finance and Resources (Section 151 Officer)		15/12/25	16/12/25
Councillor Richard Brown	Cabinet Member (Strategic Finance and Resources)		15/12/25	16/12/25

This report is published on the council's website: [www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

**Appendix A Tax Base Calculation for 2026/27 Tax Setting (COVENTRY)**

Band	A Entitled To Disabled Relief	A	B	C	D	E	F	G	H	TOTAL	
Properties on Valuation List		63,793	44,500	25,371	10,816	5,301	2,644	1,490	185	<b>154,100</b>	
Percentage of Total		41.4%	28.9%	16.5%	7.0%	3.4%	1.7%	1.0%	0.1%	<b>100.0%</b>	
Adjustments:											
Exempt Dwellings (B to W)	181	(6,984)	(1,354)	(980)	(702)	(279)	(187)	(55)	(49)	<b>(10,590)</b>	
Disabled Persons Relief - Additions		296	189	94	72	41	22	19		<b>914</b>	
Disabled Persons Relief - Deletions		(181)	(296)	(189)	(94)	(72)	(41)	(22)	(19)	<b>(914)</b>	
Number of Chargeable Dwellings on Valuation List	I	181	56,924	43,039	24,296	10,092	4,991	2,438	1,432	<b>143,510</b>	
Percentage of Total		0.1%	39.6%	30.0%	16.9%	7.0%	3.5%	1.8%	1.0%	<b>100.0%</b>	
<u>25% Discounts</u>											
Single Person Discount (25%)	37	25,638	13,972	6,718	2,379	894	398	181	8	<b>50,225</b>	
Dwellings entitled to 25% discount due to all	12	638	604	321	128	57	22	8	2	<b>1,792</b>	
Total no. of dwellings with 25% discount	II	49	26,276	14,576	7,039	2,507	951	420	189	<b>52,017</b>	
<u>50% Discounts</u>											
Dwellings entitled to 50% discount due to all residents being disregarded for council tax purposes		0	117	93	23	45	19	16	28	<b>353</b>	
Dwellings classed as empty homes and		0	0	0	0	0	0	0	0	<b>0</b>	
Total no. of dwellings with 50% discount	III	0	117	93	23	45	19	16	28	<b>353</b>	
<u>Premiums</u>											
Properties subject to a 100% premium		1,095	346	192	91	38	17	7	2	<b>1,788</b>	
Properties subject to a 200% premium		38	15	9	0	2	3	0	1	<b>68</b>	
Properties subject to a 300% premium		21	13	6	2	0	0	0	0	<b>42</b>	
Total equivalent number of chargeable dwellings subject to premiums	IV		1,234	415	228	97	42	23	7	<b>2,050</b>	
Total equivalent number of chargeable dwellings after discounts, exemptions and disabled persons relief											
[Calculation: I-(II x 0.25) - (III x 0.5) + IV]	V	168.75	51,530.50	39,763.50	22,752.75	9,539.75	4,785.75	2,348.00	1,377.75	112.50	<b>132,379.25</b>
Anticipated change in taxbase during the year including the effect of retrospective amendments											
Change in equivalent number of chargeable	VI	(1.69)	(515.31)	(397.64)	(227.53)	(95.40)	(47.86)	(23.48)	(13.78)	(1.13)	<b>-1.0% (1,323.82)</b>
Total equivalent number of dwellings after accounting for retrospective amendments	VII	167.06	51,015.19	39,365.86	22,525.22	9,444.35	4,737.89	2,324.52	1,363.97	111.37	<b>131,055.43</b>
Estimated Effect of Council Tax Support Scheme											
Change in equivalent number of chargeable dwellings as a result of estimated Effect of Council Tax Reduction scheme	VIII	(19.21)	(5,866.75)	(4,527.07)	(2,590.40)	(1,086.10)	(544.86)	(267.32)	(156.86)	(12.81)	<b>(15,071.37)</b>
Total equivalent number of dwellings after accounting for retrospective amendments		147.85	45,148.44	34,838.79	19,934.82	8,358.25	4,193.03	2,057.20	1,207.11	98.56	<b>115,984.06</b>
[Calculation: VII + VIII]											
Ratio of Band to Band D (where Band D = 9)		5	6	7	8	9	11	13	15	18	
<b>Gross Tax Base (to 1 decimal place)</b>		82.1	30,099.0	27,096.8	17,719.8	8,358.2	5,124.8	2,971.5	2,011.9	197.1	<b>93,661.2</b>
<b>Collection Rate</b>											<b>97.6%</b>
<b>Net Tax Base (to 1 decimal place)</b>											<b>91,413.3</b>

**Appendix B Tax Base Calculation for 2026/27 Tax Setting (ALLESLEY)**

Band	A Entitled To Disabled Relief	A	B	C	D	E	F	G	H	TOTAL	
Properties on Valuation List		42	24	72	78	101	114	89	3	523	
Percentage of Total		8.0%	4.6%	13.8%	14.9%	19.3%	21.8%	17.0%	0.6%	100.0%	
Adjustments:											
Exempt Dwellings (B to W)		(1)	0	0	0	(3)	(2)	(2)	0	(8)	
Disabled Persons Relief - Additions	0	0	0	0	2	1	1	0	0	4	
Disabled Persons Relief - Deletions		0	0	0	0	(2)	(1)	(1)	0	(4)	
Number of Chargeable Dwellings on Valuation List	I	0	41	24	72	80	97	112	86	515	
Percentage of Total		0.0%	8.0%	4.7%	14.0%	15.5%	18.8%	21.7%	16.7%	100.0%	
<b>25% Discounts</b>											
Single Person Discount (25%)		0	20	14	27	20	26	28	11	146	
Dwellings entitled to 25% discount due to all residents being disregarded for council tax purposes		0	1	0	0	0	0	1	0	2	
Total no. of dwellings with 25% discount	II	0	21	14	27	20	26	29	11	148	
<b>50% Discounts</b>											
Dwellings entitled to 50% discount due to all residents being disregarded for council tax purposes		0	0	0	0	0	0	0	2	2	
Dwellings classed as empty homes and Total no. of dwellings with 50% discount	III	0	0	0	0	0	0	0	0	0	
<b>Premiums</b>											
Properties subject to a 100% premium		0	1	1	0	1	0	0	0	3	
Properties subject to a 200% premium		0	0	0	0	0	1	0	0	1	
Properties subject to a 300% premium		0	0	0	0	0	0	0	0	0	
Total equivalent number of chargeable dwellings subject to premiums	IV	0	1	1	0	1	2	0	0	5	
Total equivalent number of chargeable dwellings after discounts, exemptions and disabled persons relief											
[Calculation: I-(II x 0.25) - (III x 0.5) + IV]	IV	0.00	35.75	21.50	66.25	75.00	91.50	106.75	83.25	2.00	482.00
Anticipated change in taxbase during the year including the effect of retrospective amendments											
Change in equivalent number of chargeable dwellings	V	0.00	(0.36)	(0.22)	(0.66)	(0.75)	(0.92)	(1.07)	(0.83)	(0.02)	-1.0% (4.83)
Total equivalent number of dwellings after accounting for retrospective amendments	VI	0.00	35.39	21.28	65.59	74.25	90.58	105.68	82.42	1.98	477.17
Estimated Effect of Council Tax Support Scheme											-11.5%
Change in equivalent number of chargeable dwellings as a result of estimated Effect of Council Tax Reduction scheme	VII	0.00	(4.07)	(2.45)	(7.54)	(8.54)	(10.42)	(12.15)	(9.48)	(0.23)	(54.87)
Total equivalent number of dwellings after accounting for retrospective amendments		0.00	31.32	18.83	58.05	65.71	80.16	93.53	72.94	1.75	422.30
Ratio of Band to Band D (where Band D = 9)		5	6	7	8	9	11	13	15	18	
<b>Gross Tax Base (to 1 decimal place)</b>		0.0	20.9	14.6	51.6	65.7	98.0	135.1	121.6	3.5	511.0
<b>Collection Rate</b>											97.6%
<b>Net Tax Base (to 1 decimal place)</b>											498.7

**Appendix C Tax Base Calculation for 2026/27 Tax Setting (FINHAM)**

Band	A Entitled To Disabled Relief	A	B	C	D	E	F	G	H	TOTAL	
Properties on Valuation List		2	217	587	591	250	231	51	1	1,930	
Percentage of Total		0.1%	11.2%	30.4%	30.6%	13.0%	12.0%	2.6%	0.1%	100.0%	
Adjustments:											
Exempt Dwellings (B to W)	0	0	(3)	(8)	(6)	(4)	(5)	0	0	(26)	
Disabled Persons Relief - Additions		3	1	7	2	3	1	0	0	17	
Disabled Persons Relief - Deletions		0	(3)	(1)	(7)	(2)	(3)	(1)	0	(17)	
Number of Chargeable Dwellings on Valuation List	I	0	5	212	585	580	247	224	50	1,904	
Percentage of Total		0.0%	0.3%	11.1%	30.7%	30.4%	13.0%	11.8%	2.6%	100.0%	
<b>25% Discounts</b>											
Single Person Discount (25%)	0	2	96	153	159	39	44	13	0	506	
Dwellings entitled to 25% discount due to all	0	0	3	7	7	4	2	1	0	24	
Total no. of dwellings with 25% discount	II	0	2	99	160	166	43	46	14	530	
<b>50% Discounts</b>											
Dwellings entitled to 50% discount due to all residents being disregarded for council tax purposes	0	0	1	0	0	0	1	0	0	2	
Dwellings classed as empty homes and	0	0	0	0	0	0	0	0	0	0	
Total no. of dwellings with 50% discount	III	0	0	1	0	0	0	1	0	2	
<b>Premiums</b>											
Properties subject to a 100% premium		0	3	4	3	0	1	0	0	11	
Properties subject to a 200% premium		0	0	0	0	0	0	0	0	0	
Properties subject to a 300% premium		0	0	0	0	0	0	0	0	0	
Total equivalent number of chargeable dwellings subject to premiums	IV	0	3	4	3	0	1	0	0	11	
Total equivalent number of chargeable dwellings after discounts, exemptions and disabled persons relief											
[Calculation: I-(II x 0.25) - (III x 0.5) + IV]	IV	0.00	4.50	189.75	549.00	541.50	236.25	213.00	46.50	1.00	1,781.50
Anticipated change in taxbase during the year including the effect of retrospective amendments											
Change in equivalent number of chargeable	V	0.00	(0.05)	(1.90)	(5.49)	(5.42)	(2.36)	(2.13)	(0.47)	(0.01)	-1.0% (17.83)
Total equivalent number of dwellings after accounting for retrospective amendments	VI	0.00	4.45	187.85	543.51	536.08	233.89	210.87	46.03	0.99	1,763.67
Estimated Effect of Council Tax Support Scheme											-11.5%
Change in equivalent number of chargeable dwellings as a result of estimated Effect of Council Tax Reduction scheme	VII	0.00	(0.51)	(21.60)	(62.50)	(61.65)	(26.90)	(24.25)	(5.29)	(0.11)	(202.82)
Total equivalent number of dwellings after accounting for retrospective amendments		0.00	3.94	166.25	481.01	474.43	206.99	186.62	40.74	0.88	1,560.85
Ratio of Band to Band D (where Band D = 9)		5	6	7	8	9	11	13	15	18	
<b>Gross Tax Base (to 1 decimal place)</b>		0.0	2.6	129.3	427.6	474.4	253.0	269.6	67.9	1.8	1,626.2
<b>Collection Rate</b>											97.6%
<b>Net Tax Base (to 1 decimal place)</b>											1,587.2

**Appendix D Tax Base Calculation for 2026/27 Tax Setting (KERESLEY)**

Band	A Entitled To Disabled Relief	A	B	C	D	E	F	G	H	TOTAL	
Properties on Valuation List		125	184	254	114	189	65	20	6	957	
Percentage of Total		13.2%	19.2%	26.5%	11.9%	19.7%	6.8%	2.1%	0.6%	100.0%	
Adjustments:											
Exempt Dwellings (B to W)	0	(4)	(5)	(2)	(2)	(1)	(1)	0	0	(15)	
Disabled Persons Relief - Additions		0	1	0	1	1	0	1	0	4	
Disabled Persons Relief - Deletions		0	0	(1)	0	(1)	(1)	0	(1)	(4)	
Number of Chargeable Dwellings on Valuation List	I	0	121	180	251	113	188	63	21	942	
Percentage of Total		0.0%	12.9%	19.1%	26.6%	12.0%	20.0%	6.7%	2.2%	100.0%	
<b>25% Discounts</b>											
Single Person Discount (25%)	0	57	93	65	22	10	6	0	1	254	
Dwellings entitled to 25% discount due to all	0	1	2	3	1	1	0	0	0	8	
Total no. of dwellings with 25% discount	II	0	58	95	68	23	11	6	0	262	
<b>50% Discounts</b>											
Dwellings entitled to 50% discount due to all residents being disregarded for council tax purposes	0	0	1	0	0	0	1	0	0	2	
Dwellings classed as empty homes and		0	0	0	0	0	0	0	0	0	
Total no. of dwellings with 50% discount	III	0	0	1	0	0	1	0	0	2	
<b>Premiums</b>											
Properties subject to a 100% premium		0	0	1	0	1	0	0	1	3	
Properties subject to a 200% premium		0	0	0	0	0	0	0	0	0	
Properties subject to a 300% premium		0	0	0	0	0	0	0	0	0	
Total equivalent number of chargeable dwellings subject to premiums	IV		0	0	1	0	1	0	1	3	
Total equivalent number of chargeable dwellings after discounts, exemptions and disabled persons relief											
[Calculation: I-(II x 0.25) - (III x 0.5) + IV]	IV	0.00	106.50	155.75	235.00	107.25	186.25	61.00	21.00	5.75	878.50
Anticipated change in taxbase during the year including the effect of retrospective amendments											
Change in equivalent number of chargeable	V	0.00	(1.07)	(1.56)	(2.35)	(1.07)	(1.86)	(0.61)	(0.21)	(0.06)	-1.0% (8.79)
Total equivalent number of dwellings after accounting for retrospective amendments	VI	0.00	105.43	154.19	232.65	106.18	184.39	60.39	20.79	5.69	869.71
Estimated Effect of Council Tax Support Scheme											-11.5%
Change in equivalent number of chargeable dwellings as a result of estimated Effect of Council Tax Reduction scheme	VII	0.00	(12.12)	(17.73)	(26.75)	(12.21)	(21.20)	(6.94)	(2.39)	(0.65)	(100.02)
Total equivalent number of dwellings after accounting for retrospective amendments		0.00	93.31	136.46	205.90	93.97	163.19	53.45	18.40	5.04	769.69
Ratio of Band to Band D (where Band D = 9)		5	6	7	8	9	11	13	15	18	
<b>Gross Tax Base (to 1 decimal place)</b>		0.0	62.2	106.1	183.0	94.0	199.4	77.2	30.7	10.1	762.7
<b>Collection Rate</b>											97.6%
<b>Net Tax Base (to 1 decimal place)</b>											744.4

**Appendix E - Grant payment to Parish Councils**

		Allesley	Finham	Keresley
a	Tax Base without the effect of Council Tax reductions	563.5	1,793.4	841.1
b	Effect of Council Tax reductions	-11.5%	-11.5%	-11.5%
c	Tax Base change as a result of Council Tax reductions a x b	-64.8	-206.2	-96.7
d	Tax Base	a + c	498.7	1,587.2
e	Band D parish precept from previous year	£37.43	£13.54	£21.13
f	Loss of Income from Council Tax reductions	c x e	-£2,426	-£2,793
<b>g</b>	<b>Grant payment (90% of lost income)</b>	<b>f x 90%</b>	<b><u>£2,183</u></b>	<b><u>£2,514</u></b>
				<b><u>£1,840</u></b>
<b>TOTAL</b>				<b><u>£6,537</u></b>



Cabinet  
Council

6<sup>th</sup> January 2026  
13<sup>th</sup> January 2026

**Name of Cabinet Member:**

Cabinet Member for Jobs, Regeneration and Climate Change - Councillor J O'Boyle

**Director Approving Submission of the report:**

Director for Regeneration and Economy

**Ward(s) affected:**

None

**Title:**

**Brandon Wood Nature Reserve**

---

**Is this a key decision?**

Yes - expenditure is in excess of £1m

---

**Executive Summary:**

Coventry City Council has a unique opportunity to repurpose the former Brandon Wood Golf Course as a nature reserve, creating rich habitats to support wildlife and developing a new visitor destination for people to enjoy. The UK is one of the most nature depleted nations in the world, with one in six species at risk of extinction. The Council made a commitment in the Climate Change Strategy (2024-2030) to take action to support nature recovery, and this site presents a significant opportunity to do this at scale. The former golf course is 64ha, which means it will be able to support a huge variety of habitats through the creation of wetlands, grassland and shrub. A much bigger opportunity is also unlocked as it will join up a number of parcels of land already being managed for nature covering 356ha in total (see plans in Appendix 1-3). Together this would create the biggest area of land managed for nature anywhere in the West Midlands, and at 6km from the city centre, it will be the closest nature reserve of this scale to a city centre in England.

The golf course was closed to the public in 2020 and a number of options have been assessed to identify the most appropriate future use of the site. The golf course was managed by Coventry Sports Trust, but the site is prone to regular flooding which limited the accessibility of part of the site. It has now been deemed financially unviable to continue as a golf course. In 2024 Defra introduced a new mechanism whereby new developments are required to offset any biodiversity loss through the purchase of 'Biodiversity Net Gain' (BNG) units, which provides a significant new income stream for creating and maintaining areas for nature conservation for 30 years. The business case for the new nature reserve

is based on a sustainable finance model whereby up to 304 BNG units are created that would generate income to cover costs of creating and managing the nature reserve, with no Council funding required.

The BNG units are likely to rely on offset from development taking place outside of the city, including Warwickshire, the West Midlands and potentially nationally, rather than Coventry developments. This is due to Council policy which requires any Coventry developments deliver BNG within the immediate area or close by and within the city boundary as a default position, contributing to an increase in biodiversity rather than being offset elsewhere. This will help to improve the quality of the city's green spaces and waterways and help create new urban nature networks and green corridors across the city for local people to enjoy. Brandon Wood Nature Reserve will provide an experience where people can immerse themselves in nature in a wilder landscape. Any surplus income generated through the sale of BNG units at the nature reserve will be allocated to activities that support biodiversity gain.

Biodiversity Net Gain is still a relatively new market and there is a lot of regional and national variation in unit values, demand and selling of units. Whilst we can be confident there is a pipeline of development in the sub-region and wider region that equates to demand for units, there is less certainty in terms of timing of units being required. However, if this land is not provided by public bodies such as local authorities, it is likely private landowners will directly benefit from selling units which we are already seeing in the sub-region. To help mitigate this risk, a new Natural Capital Investment Strategy (NCIS) has been developed by Warwickshire County Council (WCC), which creates a new partnership between the County, Solihull Metropolitan Borough Council (SMBC) and Coventry City Council to enable us to plan and manage BNG and emerging nature markets more strategically through a collaborative approach. This could help unlock funding to support habitat creation and maintenance for BNG sites. Formal approval to join the NCIS partnership is therefore sought as part of this report. We are also working with WMCA to explore similar opportunities, to ensure we maximise the opportunities to grow nature markets and can directly influence and benefit from where investment is delivered. Given the relatively immature state of BNG market at present, it is proposed that delegated authority is given to continue to work up the investment plan, working with NCIS, WMCA and wider markets to provide a clear pipeline of investment and phase delivery on site accordingly. Works could start as early as the second half of 2026, subject to planning and legal agreements.

The project has been developed with Warwickshire Wildlife Trust, who already lease a significant area of land for nature surrounding the golf course, including their headquarters next door Brandon Marsh Nature Reserve which is a Site of Special Scientific Interest. It is proposed that the Warwickshire Wildlife Trust Group will enter into a property transaction with the Council, bringing their expertise to maintain the site as part of the wider landscape to maximise a range of diverse habitats that support nature alongside creation of a seamless visitor experience so that people can enjoy visits to the new nature reserve and adjacent sites.

Work has been undertaken to look at how we can maximise visitor experience to the site and encourage local people to connect with nature. It is proposed to undertake improvements to site infrastructure to enhance the visitor experience, which will include upgraded and accessible footpaths, a new car park, benches and wayfinding. The former club house will be demolished, which will help save the Council costs related to security

and business rates. There is also a further opportunity to enhance the visitor experience through creation of new outdoor education, training and wellbeing hub on the site, which could be located on the site of the former club house.

This is currently at concept stage but could be a fantastic opportunity that will complement the Council's other outdoor education facilities in the city and Plas Dol Y Moch and provides a significant natural site on the doorstep of the city for learning and skills. It is proposed that this option is developed in conjunction with Warwickshire Wildlife Trust and is brought back for a decision following due governance process date once a viable business case is developed. This would reduce the extent of the site where BNG units could be delivered by around a third. However, it would provide a significant boost to visitor experience and an opportunity to share associated infrastructure costs. It is therefore recommended that this option is continued to be developed and subject to a future governance decision within the next 12 months, with a backstop position that if this doesn't come forward this part of the site will be part of the wider nature reserve. The financial modelling that supports this decision sets out the potential income that relates to this part of the site and demonstrates that the business case for the nature reserve still remains viable if this section wasn't included in the sale of BNG units.

### **Recommendations:**

#### **Cabinet is requested to recommend that Council:**

- 1) Approve the in principal change of use of Brandon Wood Golf Course to a nature reserve and a registered Biodiversity Net Gain habitat bank, including demolition of the former golf club house subject to a formal planning process via Rugby Borough Council to deliver proposed changes to the Site (as shown in Appendix 1 and 3 to the report) and land appropriation within the Council between service areas;
- 2) Delegate authority to the Director of Regeneration and Economic Development, following consultation with the Director of Property Services and Development, the Director of Finance and Resources (s151 Officer), and the Director of Law and Governance and the Cabinet Member for Jobs, Regeneration and Climate Change to:
  - 2a) Enter into the appropriate legal agreements (including but not limited to a property transaction) and to make necessary variations from time to time between the Council and Warwickshire Wildlife Trust Group for up to thirty years for the Site.
  - 2b) Undertake all necessary due diligence including the investment strategy and subsequent phasing of the project and enter into necessary legal agreements (and make necessary variations from time to time) to maximise Biodiversity Net Gain Units for the whole Site up to £8m.
  - 2c) Enter into appropriate legal agreements to enable the Council to join the Nature Capital Investment Strategy partnership with Warwickshire County Council and Solihull Metropolitan Borough Council, including acceptance of funding to support delivery of BNG on the Site if this becomes available through the partnership, subject to formal governance processes.

- 2d) Accept up to £2m in the sale of BNG units to deliver the initial phase of delivery of the Site.
- 2e) Approve the addition of up to £1.4 million for the purposes of delivering the Project (subject to the financial mitigations set out in the financial implications).
- 3) Approve that all Biodiversity Net Gain income from the Site is ringfenced and reinvested in biodiversity and enabling activities.

**Council is recommended to:**

- 1) Approve the in principal change of use of Brandon Wood Golf Course to a nature reserve and a registered Biodiversity Net Gain habitat bank, including demolition of the former golf club house subject to a formal planning process via Rugby Borough Council to deliver proposed changes to the Site (as shown in Appendix 1 and 3 to the report) and land appropriation within the Council between service areas;
- 2) Delegate authority to the Director of Regeneration and Economic Development, following consultation with the Director of Property Services and Development, the Director of Finance and Resources (s151 Officer), and the Director of Law and Governance and the Cabinet Member for Jobs, Regeneration and Climate Change to:
  - 2a) Enter into the appropriate legal agreements (including but not limited to a property transaction) and to make necessary variations from time to time between the Council and Warwickshire Wildlife Trust Group for up to thirty years for the Site.
  - 2b) Undertake all necessary due diligence including the investment strategy and subsequent phasing of the project and enter into necessary legal agreements (and make necessary variations from time to time) to maximise Biodiversity Net Gain Units for the whole Site up to £8m.
  - 2c) Enter into appropriate legal agreements to enable the Council to join the Nature Capital Investment Strategy partnership with Warwickshire County Council and Solihull Metropolitan Borough Council, including acceptance of funding to support delivery of BNG on the Site if this becomes available through the partnership, subject to formal governance processes.
  - 2d) Accept up to £2m in the sale of BNG units to deliver the initial phase of delivery of the Site.
  - 2e) Approve the addition of up to £1.4 million for the purposes of delivering the Project (subject to the financial mitigations set out in the financial implications)
- 3) Approve that all Biodiversity Net Gain income from the Site is ringfenced and reinvested in biodiversity and enabling activities.

**Appendices:**

- Appendix 1 - Site Plan
- Appendix 2 - Landscape wide plan
- Appendix 3 - Proposed Interventions

**Background papers:**

None

**Other useful documents:**

Cabinet Report December 2024: [Agenda item - Climate Change Strategy 2024 - 2030 - Coventry City Council](#)

[Climate Change Strategy – Coventry City Council](#) and [Climate Change Action Plan – Coventry City Council](#)

Warwickshire Local Nature Recovery Strategy. Warwickshire, Coventry and Solihull Local Nature Partnership, 2025  
<https://www.wcslnp.co.uk/lnrs>

Environmental Improvement Plan 2025, DEFRA, 2025 (useful background, project contributes to many targets)

<https://www.gov.uk/government/publications/environmental-improvement-plan-2025>

[The BNG Report: Pricing and Key Insights October 2025, Biodiversity Units UK](#)

All of the above are available from the Council's website:

<http://moderngov.coventry.gov.uk/ieListMeetings.aspx?CommitteeId=124>

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes

**Report title:** Brandon Wood Nature Reserve

## 1. Context (or background)

### Restoring Nature

- 1.1 The UK is one of the most nature depleted countries in the world; this has implications for the environment, for society and for the economy. Restoring nature is a priority for the UK Government to boost biodiversity has significant wider benefits by creating places that people can enjoy nature is important for health and well-being; a thriving natural environment will help us respond better to climate change; and nature also provides significant economic value.
- 1.2 The UK government is committed to halt the extinction of threatened species and reverse nature loss with the effective recovery and conservation of habitats, with a critical target being to conserve and manage 30% of land, inland waters, coasts, and oceans by 2030. This goal is referred to as '30 by 30'. For Coventry, this currently stands at around 11% and a key challenge is to identify where the extra 19% (or 1874 hectares) is going to be found, given the city's urban geography and limitations on available land. The 64 hectare former Brandon Wood Golf Course site is owned by the Council on the edge of the city boundary, and whilst geographically sits in Warwickshire presents a significant opportunity to support nature on the city's doorstep and connect the site to the wider 293 hectare landscape already being managed for nature to create a fantastic asset for residents and visitor destination (see Appendix 2 to the report).
- 1.3 The West Midlands Combined Authority is one of 48 'Responsible Authorities' across England producing a Local Nature Recovery Strategy (LNRS); a statutory requirement through the Environment Act 2021. The aim is to address the issue of nature depletion as part of a country-wide Nature Recovery Network. The West Midlands LNRS identifies 10 priorities and 62 actions for nature recovery, developed in conjunction with regional stakeholders, including the 7 constituent authorities. Separately Warwickshire is developing a LNRS which Coventry is also responding to, recognising the importance of creating cross-border nature networks. The creation of a new nature reserve on the former golf course will deliver new habitats to support nature conservation that aligns closely with both LNRS. The site will contribute to several national and regional priority habitats featured in the LNRS including wet woodland and reedbed. Potentially this would help reverse the loss of species such as willow tit and numerous invertebrates. Visitors could encounter reintroduced beavers and otters. Ospreys have started to investigate the area, hopefully they will nest on the Wildlife Trust site and will be easily viewed from the new nature reserve without disturbance.
- 1.4 Coventry's Climate Change Strategy (2024-2030) sets out the city's ambitions to support nature recovery and better connect local people to nature. The Strategy was developed in conjunction with the city's Climate Change Board, with recommendations for the city's Nature Pathway provided by key stakeholders including Warwickshire Wildlife Trust, the Environment Agency, Canal and Rivers Trust, informed by extensive public consultation which identified that nature and green space being very important to local people who responded – wanting to see the Council and city go much further in terms of enhancing and expanding spaces

for nature. The Climate Change Action Plan sets out how we are going to deliver the Strategy, which includes a priority action for the delivery of a landscape-scale nature restoration project. The creation of Brandon Wood Nature Reserve will deliver on this action and provides a significant opportunity to go further by working with partners to maximise opportunities for helping wildlife thrive across the wider 293 hectare landscape it sits within.

- 1.5 This will mean better connectivity between the site and surrounding parcels of land already manged for nature, which is part of the Wildlife Trust's Dunsmore Living Landscape project including adjacent Brandon Marsh Nature Reserve Site of Special Scientific Interest (SSSI), Wolston Fields and Steetley Meadows south of the railway line, and to the north Brandon Wood, Brandon Reach, Piles Coppice, alongside Claybrookes Marsh Site SSSI in Binley which can be accessed by foot under the A46. There is also opportunity to better connect the sites to Coombe Abbey in the north. This will create a connected mix of rich habitats for nature to thrive, with improved wayfinding and access for people to explore and enjoy. Much of this natural space already exists on the city's doorstep but is underutilised by local people and this provides a real opportunity to address that, alongside helping to attract visitors from further afield.
- 1.6 Delivering landscape scale interventions to support nature is one of the key priorities in the Climate Change Action Plan, but this must be done in parallel to improving green and blue spaces across the city to support nature, increase climate resilience and for local communities to enjoy. This includes improving the quality and quantity of nature reserves in the city, alongside changing management techniques to create new opportunities to support nature across our parks and open spaces. This includes creating new green corridors to connect natural spaces through tree planting on streets to increase canopy cover across the city and creation of sustainable urban drainage or rain gardens, and could also include green walls, roofs and bus stops with planted areas on roofs, coupled with enhancing the city's water courses through restoring waterways, de-culverting and sustainable urban drainage. These interventions will create more climate resilient streets, help reduce flood risk, provide shade and improving air quality. All BNG income generated at Brandon Wood will be ringfenced and reinvested in biodiversity, alongside this the Council is pursuing other BNG sites to support biodiversity in the city boundary which will help deliver the priorities within the Climate Change Action Plan.
- 1.7 The Council adopted a BNG Supplementary Planning Document (SPD) in December 2022. The purpose of the SPD is to give more detailed guidance on Local Plan Policy GE3: Biodiversity, Geological, Landscape and Archaeological Conservation and its aims to:
  - a. lead to a net gain of biodiversity, where appropriate, by means of an approved ecological assessment of existing site features and of the impacts of development;
  - b. protect or enhance biodiversity assets and secure their long term management and maintenance;
  - c. avoid negative impacts on existing biodiversity;
  - d. preserve species which are legally protected, in decline, are rare within Coventry or which are covered by national, regional or local Biodiversity Action Plans.

Biodiversity Net Gain is an approach to development that aims to leave the natural environment in a measurably better state than it was beforehand. From 2024, the Environment Act 2021 required that all developments provide a minimum of 10% biodiversity gain, managed for a minimum of 30 years. Net gain is assessed using a nationally adopted metric developed by DEFRA. By providing more details around Policy GE3 and the Environment Act 2021, the SPD helps protect and enhance biodiversity in the city by giving clear and understandable advice to people who want to develop in Coventry, which could otherwise reduce the city's biodiversity. This detail includes a more specific breakdown of how different developments can avoid biodiversity loss where possible and then offset other losses either on or off site.

- 1.8 Spending time in nature provides significant health benefits for people's physical and mental wellbeing. Natural England guidelines recommend that everyone should be able to access green space or a waterway within a 15-minute walk from their home. Inequities exist across Coventry in terms of access to green space, which can exacerbate health inequalities. Data shows us that global majority groups are less likely to spend time in nature in comparison to people from white backgrounds. Coventry is a hugely diverse city, with over 40% of our population coming from a global majority background, many of whom live in some of the city's least green areas. We must ensure that access to nature is inclusive and better understand the barriers and enablers to engagement. The Council has recently received nearly £1m Nature Towns and Cities Fund to deliver 'Green for All' to address inequalities and inequities in terms of resident access to nature. This project will enable us to work with communities, targeting those with the least access to nature and global majority communities to better understand barriers to accessing nature. We will work with communities to identify opportunities to improve local green spaces which will enable more residents to connect with nature and develop a funding strategy so that we can use natural capital markets such as BNG to support our most deprived communities. We will also take the learnings from Green for All to consider how we can encourage residents from all backgrounds to visit Brandon Wood Nature Reserve and enjoy the benefits of connecting with nature at scale. This means creating accessible and inclusive visitor facilities, alongside developing opportunities for volunteering, training and education on the site.

## **The Proposal**

- 1.9 The proposals at Brandon Wood Nature Reserve will deliver a new 64ha nature-rich site, creating up to 304 Biodiversity Net Gain units which can be sold to offset developments. There will be a variety of habitats delivered, which includes mixed woodland, hedgerows and a variety of grassland and scrub, alongside wetlands, including ponds, scrapes and reedbeds. To open the site up to visitors, the former golf club house which is in a poor state of disrepair will be demolished, and it's proposed that new facilities created including upgraded car park, toilets, accessible paths and picnic areas, alongside benches on nature routes. There will be routes created so visitors can also access Brandon Marsh from the site.
- 1.10 The site will be managed by Warwickshire Wildlife Trust (via TNS Limited a subsidiary wholly owned by WWT) on behalf of the Council, allowing seamless integration between adjacent Brandon Marsh Nature Reserve next door. The Wildlife Trust will

be responsible for creating and managing the new habitats, which will be done through a range of techniques, including introducing a herd of cattle on the site for natural grazing. The Wildlife Trust will be responsible for delivering the Habitat Management and Monitoring Plan for the site, which is a requirement of BNG to ensure habitats are created and maintained for 30 years. The BNG will be monitored via a conservation covenant between Coventry City Council and Warwickshire County Council.

- 1.11 It is recognised that at present the site is difficult to access by any other means than car. The project will work with stakeholders to bring forward active travel opportunities to the site and surrounding area, including walking and cycling routes, public transport and look at wider connectivity and safety of routes. There are some quick wins that can be delivered to improve wayfinding and accessibility, as people can technically walk from Claybrookes Marsh in Binley directly to Piles Coppice, Binley Woods and onwards, however routes are not clearly signed or promoted. In the medium term, the project will seek to secure funding to deliver a pedestrian crossing on Brandon Lane to help create a safe crossing point to connect the sites together, a more informal crossing currently exists between Brandon Marsh and Brandon Reach. Grant and developer funding will be sought to fund active travel routes which will be part of longer-term plans, with opportunities to connect to Binley Road cycle route and consider wider connectivity to Coombe in the north and Ryton in the south.
- 1.12 Accessibility within the new Brandon Wood Nature Reserve itself will be enhanced, with the creation of dedicated disabled parking and nearby picnic area for visitors to enjoy, a changing place toilet and upgraded paths on the site that are suitable for wheelchairs and hire out all-terrain wheelchairs for visitors keen to explore areas beyond the main path network. A wheelchair accessible viewing platform will also be created in the southern part of the site overlooking the wetland area.
- 1.13 Coventry Outdoors, the Council's Outdoor Education Service, has rapidly expanded over the last four years in response to a significant rise in demand. The current main local base at Coombe Abbey presents constraints that limit further growth and restrict the service's ability to ensure the hub remains able to develop and thrive. As a result, the service has begun exploring opportunities for the development of a new Outdoor Education, Training and Wellbeing Hub that would act as the central operational base, while still retaining some educational delivery and activities at Coombe. A key aim of this development is to strengthen the long-term financial sustainability of Plas Dol-y-Moch—recognising the limitations on capital investment and commercial development at the Plas Dol-y-Moch site itself. Establishing a financially robust hub in Coventry is therefore essential to protecting and securing the future of this highly valued residential outdoor education centre. The proposed Brandon Wood Nature Reserve has been identified as a potential location for the new hub. The proposed development would complement the wider nature reserve by offering outdoor education programmes, adventure and activity sessions, training courses, and wellbeing initiatives. It would also introduce additional on-site facilities for visitors, enabling workshops, classes, and events for a diverse range of users. This enhanced offer would help attract more visitors, increase engagement with nature and the outdoors, and further strengthen the overall outdoor learning ecosystem within Coventry.

- 1.14 At present, the opportunity to create a new facility on the site is still at concept stage and requires further development, which will be done working closely with Warwickshire Wildlife Trust. If a new facility is to be located on the new nature reserve site it would have to be located on the site of the golf club house and activities constrained to the top third of the site. This would result in the loss of up to 90 BNG units and associated income but could present a significant opportunity to raise revenue to the Council through the new facility as well as generate wider benefits to children, young people and residents across Coventry, building on the success of the service delivery and ensuring future demand can be met. A range of funding options for the development are currently being explored, including the potential to secure external investment and partnerships to support the delivery of a high-quality, sustainable facility
- 1.15 The outdoor education hub would also help to enhance the site as a visitor destination, as would offer the potential for a cafe and more visitor facilities and activities on site and provides the opportunity to increase footfall through attracting visitors to the site for courses, activities and events. This would need to be achieved in a way that complements the existing offer provided by Warwickshire Wildlife Trust across the wider landscape. This would create huge opportunity to connect people with nature, enhancing wellbeing and promoting sustainability. The business case would need to consider loss of income by not delivering BNG in this part of the site, however it would also offset and reduce some of the infrastructure and overhead costs that the nature reserve would need to cover and helps to create a compelling business case. It is proposed that this proposal is brought back to Cabinet as a separate report for consideration, within 12 months of this report. If this is not viable, the land will be used instead for BNG as part of the nature reserve.
- 1.16 Before arriving at this option, the Council has explored several different uses for the future of the site. The Brandon Wood site was a municipal golf course before closing in 2020 during Covid. This presented an opportunity to review the viability of the site, as golf activities on the site were often constrained by flooding on the southern half of the course often resulting in closure of a number of the golf holes. In its current form it was not considered financially viable to continue without significant investment. Options were explored to identify how golf could be made viable on the site, but these were at significant cost and deemed commercially unviable without substantial capital investment from the Council. Whilst it's recognised that this is a loss of a golf facility in the city, there are alternative golfing provisions.
- 1.17 Other potential uses for the site that have been explored include a hotel, glamping, solar farm and gravel extraction. Options were assessed for viability, however discounted for various reasons including lack of commercial viability and planning and environmental grounds.

## **Business Case**

- 1.18 Biodiversity Net Gain was introduced by Defra in 2024 as a mechanism whereby new developments are required to offset any biodiversity loss through the purchase of 'Biodiversity Net Gain' (BNG) credits, which provides a significant new income stream for creating and maintaining areas for nature conservation for 30 years. This is the basis of the business case for creating a nature reserve at the Brandon Wood, the 64 ha site will generate up to 304 BNG units. The value of units is based on is not

fixed and varies based on market supply and demand but typically ranges from £20,000 to £35,000 per unit. Factors like habitat quality, location, and size influence the final price. Assumptions have been made for the purposes of the commercial model, with units costed at a conservative flat rate of £25,000, however there is potential that they could sell for more or less than this, however we can have a level of confidence given some of the habitats being created are of high value e.g. wetlands which demand far higher unit prices which can be in excess of £50,000.

- 1.19 The income generated from the sale of units will be based on demand from developers seeking to offset biodiversity. Council BNG policy seeks for developments within Coventry to be offset in the city boundary as a default position wherever possible, therefore it is likely that BNG income for Brandon Wood Nature Reserve will be generated from sites outside the city. Whilst we have a good idea of the pipeline of development for the wider region in the coming years that informs there is likely to be a high level of demand for the units, it's more difficult to guarantee timescales of sales particularly as this is a relatively new market. The potential 304 BNG units at the site which would be used to offset development taking place outside of the city, including Warwickshire, the West Midlands and potentially nationally.
- 1.20 Finance Earth have calculated that the demand pipeline for the West Midlands equates to 1323 units in the next 17 years linked to development plans, of which 774 units will be required to be offset in the next seven years. In addition, Warwickshire will require approximately 220 units to be offset in the next five years, some of which could be utilised at Brandon Wood Nature reserve which could be made possible through Coventry joining the Warwickshire and Solihull Natural Capital Investment Strategy Partnership.
- 1.21 Other opportunities for offset include Green Power Park, as they seek to offset BNG funding linked to the development. In summary, we can be confident that the market is there to create demand for all 304 units in the next 5-10 years, generating income to cover habitat creation, management and the majority of infrastructure costs to enhance the visitor experience.
- 1.22 Given the uncertainty regarding the timing of BNG sales, a phased development approach is recommended based on availability of capital up front to avoid the Council having to borrow to cover costs and reduce risk. One route to help alleviate this risk is through Coventry City Council joining a sub-regional Natural Capital Investment Strategy (NCIS) partnership with Warwickshire and Solihull, which this report seeks approval to enter into.
- 1.23 The benefits of joining NCIS mean that the Council will be in a stronger position to secure sales of BNG units at the nature reserve, offsetting developments in Warwickshire and Solihull where off-site habitat banks are sought, subject to Coventry signing up to the NCIS partnership and the associated governance processes.
- 1.24 There is a lack of regional supply of publicly owned BNG sites that are currently registered. If this land is not provided by public bodies such as LAs, it is likely private landowners will directly benefit from selling units which we are already seeing in the subregion. These may well be sites that aren't accessible to the public. Brandon

Wood nature reserve provides a significant opportunity to offset BNG and create a publicly accessible site for people to enjoy. It is proposed that the site could be used to offset existing developments that Warwickshire are seeking to identify BNG sites for, alongside future developments such as Greenpower Park where significant offset of units is required.

- 1.25 Other benefits of joining NCIS mean that we can pool resources and expertise with the other respective authorities, get support with developing BNG markets in Coventry and can work to help regulate BNG market rates across the sub-region and maximise the benefits of improving natural sites locally. We will also work together to explore opportunities to establish other nature markets based on carbon, nutrients, water quality and flood risk within time. There is robust governance in place to manage the partnership, and flexibility for Coventry to decide which sites it seeks to put forward into NCIS. This is important so Coventry can maintain control of how it manages BNG and can ensure that Coventry developments are offset within the city boundary to improve biodiversity across the city.
- 1.26 Separately, West Midlands Combined Authority is exploring the potential of establishing a regional habitat bank to support delivery of the biodiversity enhancements across the region. WMCA have highlighted that there are currently very few opportunities to buy credits in the West Midlands and therefore credits are being purchased for schemes elsewhere in the country. In order to retain the benefits of BNG within the West Midlands, a regional habitat bank special purpose vehicle is being developed, and Local Authorities will be consulted on this over the next few months. It is in Coventry's interest to join this, to ensure we maximise opportunities to market credits for Coventry sites in the wider region as appropriate. The agreement with NCIS won't provide exclusivity and will enable Coventry to also sign up to the WMCA's habitat bank, subject to due diligence.
- 1.27 Several options have been modelled for the commercial case, which include the full site (304 units) and part of the site excluding the northern part of the site which could be used by Outdoor Education, reducing the volume of units to 214. Both scenarios are viable, but it is recommended that the development is phased incrementally to manage cashflow and investment in the site, with a focus on delivery of BNG units initially to create the assets we can sell, alongside demolition of the club house which is currently costing the Council in excess of £70k annually to maintain and is in a poor state of repair.

## **2. Options considered and recommended proposal**

### **Option 1: Do nothing (Not recommended)**

One option is to continue doing nothing with the site. This means the Council will still need to pay annual maintenance costs which are in the region of £50-100k, but the public won't benefit as the site will remain closed. There are still benefits to nature by doing nothing as the site has started to effectively rewild itself, however this option would rule out creating habitats to support BNG credits so would result in a significant loss of potential income to manage the site and means we wouldn't maximise the benefits for wildlife and people. The site currently experiences anti-social behaviour and fly tipping, therefore Council is required to undertake regular patrols and clean-up operations – this would be required to continue.

### **Option 2: Deliver a nature reserve/habitat bank on part of the site (interim option) (Not recommended)**

The starting point for the project where a viable business case already exists means we could proceed with establishing the BNG for the southern part of the site, delivering 214 units. This option would benefit biodiversity and raise income through BNG in order for the site to be managed for nature. As set out in Option A in the financial table in Section 5, this option could generate a surplus income of around £1.8m for the site if the 214 units were sold, that would be reinvested in biodiversity and infrastructure at the site.

As part of the site enabling works, we would seek to demolish the former golf club house and surrounding buildings. The building is subject to regular anti-social behaviour and criminal damage, which is costly and also attracts business rates, equating to annual costs to the Council of around £70k. The buildings are in a very poor state of disrepair, and it is not sustainable to maintain them. This would cost the authority approximately £0.4m It is recommended to proceed with demolition of the club house as soon as possible to reduce financial burden to the Council

This is a viable standalone option, however, this would be a real lost opportunity to create a visitor destination, as well as losing out on the opportunity to make the site more accessible and connected with the wider 293ha landscape which should be a significant asset for local people to enjoy alongside creating an attractive visitor destination. It is therefore proposed that this option is treated as an interim option whilst a decision is taken with regards to the development of the northern part of the site and visitor infrastructure, which is addressed in Options 3 and 4.

### **Option 3: Deliver a nature reserve and create a visitor destination (Not recommended)**

This option assumes that the whole site would be developed as a nature reserve, generating income through the creation of 304 units as shown in Option B in the financial table in Section 5. This option would also deliver infrastructure to create a visitor destination and assumes that no outdoor education facility is delivered on the site. The additional costs for infrastructure to create a visitor destination and operating costs for 30 years are approximately £3.1m, which includes upgrading the car park, accessible footpaths, street furniture, toilet facilities and site management. The total cost to deliver this combined option is £8.1m, which would leave a pressure of around £0.5m. It is expected that the pressure could be managed through a number of options to avoid additional investment by the Council, which includes increasing the unit rate of BNG, phasing the infrastructure delivery incrementally based on income generated and demand, and generating income from other activities such as car park operations and seeking grants or potentially private sector sponsorship to cover some of the interventions.

This option would enable the site to be built out incrementally and be financially sustainable, with investment only taking place once BNG credits are sold to developers to avoid the Council having to invest to cover costs up front. Therefore, if the Council received income in year one by selling units upfront, this will cover demolition of the club house and development of the nature reserve with respect to initial habitat creation costs and management costs. Visitor infrastructure would need to be prioritised and link to funding available through BNG, with delivery of key

infrastructure such as car park and footpath upgrades phased earlier and then build out to include toilets and site ranger as funding becomes available. A monitoring group will be established to manage this process, with regular gateway reviews to inform investment decisions to be made in accordance with delegated authority.

This option delivers the objectives, however, is unlikely to provide any surplus income that could be reinvested in biodiversity. It also wouldn't provide facilities on site to deliver outdoor education which offers a unique opportunity to connect young people and residents with the site, which could also be used to support events, training, conferences etc and provide an enhanced visitor experience through facilities such as a café.

#### **Option 4: Deliver a nature reserve and create a visitor destination, with outdoor education hub (Recommended option)**

This option will deliver a nature reserve and enhanced visitor experience through making provision for an outdoor education hub on the site, offering users a unique opportunity for young people and residents to connect with nature through outdoor learning and well-being sessions. This would reduce the amount of BNG delivered on the site by 90 units which does reduce the amount of income BNG will generate on the site, but provides an opportunity to share some of the infrastructure costs referenced in Option 3 and removes the need for separate toilets to be delivered and associated staffing, which reduces the amount of BNG income that would need to be invested in the site, leaving a surplus which could be reinvested in biodiversity and associated activities.

This option would be delivered in 2 stages. This first stage would be to approve the creation of 214 units to the bottom two thirds of the site which would start on site in the second half of 2026, subject to planning. The former club house would be demolished in the north of the site, and the Council would work closely with Warwickshire Wildlife Trust on the development of the business case for the outdoor education facility over the next 12 months. At that stage a political decision will be required whether to proceed with the outdoor education facility, if that didn't go ahead the project would revert to option 4.

As with Option 3, this option would see the site built out incrementally and be financially sustainable, with investment only taking place once BNG credits are sold to developers to avoid the Council having to invest to cover costs up front.

Therefore, if the Council received income in year one by selling units up front, this will fund initial habitat creation to enable development of 214 units on the site. No work would take place on the northern third of the site until a decision is taken around on the outdoor education facility, save for demolition of the club house to reduce ongoing liabilities to the Council as this will be required whether Option 3 or 4 is pursued.

This option will allow more flexibility to accommodate an Outdoor Education facility if a decision is taken to proceed on the site, which would be subject to a further Cabinet decision. Decisions would need to be taken to review how costs are apportioned between the hub and nature reserve as part of the business case development. A monitoring group will be established to manage this process, with regular gateway reviews to inform investment decisions to be made in accordance with delegated authority.

### **3. Results of consultation undertaken**

- 3.1 The proposals respond to consultation undertaken as part of the city's Climate Change Strategy, where a significant amount of feedback from respondents felt nature was an important issue the city need to take more action on, citing a range of reasons related to wildlife and well-being. The Nature Pathway within the Climate Change Strategy directly responds to the challenges we face as a city and sets out clear recommendations for action required to support nature recovery, which includes landscape scale nature restoration projects such as this one.
- 3.2 Consultation has been undertaken with Warwickshire Wildlife Trust Trustees as part of the scheme development, who are very much supportive of the nature reserve proposals. The Wildlife Trust is involved in early discussions regarding the Outdoor Education options and principles have been agreed which outline how the organisations will work together to explore this opportunity, ensuring that it complements and adds value to the outdoor education offer the Trust currently deliver at Brandon Marsh.
- 3.3 The project has been developed in consultation with Warwickshire County Council with regard to habitat creation and opportunities to offset units through the Natural Capital Investment Strategy partnership.

### **4. Timetable for implementing decisions**

- 4.1 Work would begin immediately on preparing a planning application for a decision in the first half of 2026, with an expectation that work would commence by the second half of 2026 and take 18 months to complete. During this period, there will be opportunities for local people to have guided tours of the site in development and volunteers to take part in some of the habitat creation works. It is anticipated that all works would be complete and the site fully open to the public by the end of 2027, this will be subject to phasing of the project aligned to the investment plan.

### **5. Comments from the Director of Finance and Resources and the Director of Law and Governance**

#### **5.1 Financial Implications**

The business case for this project is proposed to be financially sustainable, with BNG income anticipated to offset costs over 30 years and no investment required. Several scenarios have been modelled to test the variables in terms of visitor infrastructure alongside the impact of introducing the outdoor education hub on the site.

The financial model assumes that the project will receive at least £1.5m investment in year one through selling BNG units up front. This is based on 60 units being purchased for 30 years and cover the costs for habitat creation of 214 units and maintenance of the site for a period until further units are sold.

There are two models presented below, these being:

Option A: this model demonstrates the starting position for the project and aims to create BNG on the lower part of the site only, whilst options for the top part of the site are considered – this aligns with Option 2 above.

This option does not create any visitor experience as this is deemed unnecessary until a decision on how the top part of the site will be utilised (either the Outdoor Education Hub or further BNG units).

This model assumes that the club house will be demolished during prestart activities to ensure that ongoing costs are not incurred for managing repairs, antisocial behaviour etc.

The model demonstrates that this option is financially viable as a standalone project, however the option does not maximise the use of the site for BNG, Outdoor Education or the wider visitor experience.

Option B: this model builds on Option A and considers creating BNG on the remaining part of the site. This option would be further developed if a viable business case for the Outdoor Education Hub is not able to be created. This aligns with Option 3 above.

This option involves the creation of an additional 90 BNG units on the top part of the site, which would bring the total BNG units for sale to 304.

Under this option, the site would be adapted to include a full visitor experience, with a car park, basic visitor facilities and upgraded accessible pathways and viewing platform, as funding to support the project became available through the sale of BNG units. The current model shows a financial pressure of £0.5m. These are currently estimated costs, and the establishment of the project team will work to reduce costs or bring in additional resources to ensure the project remains self sufficient

A model which includes the Outdoor Education Hub (Option 4 above) has not been included, as the infrastructure cost sharing basis for this model has not yet been developed. This business case will be worked on over the coming 12 months and brought forward for consideration as appropriate.

Option	A	B
No. BNG Units Created	214	304
	<b>BNG Site (no visitor Experience) Demolition of the Club House</b>	<b>Full Visitor Experience (No Outdoor Education Facility - site fully BNG) Clubhouse Demolished</b>
BNG Unit creation and maintenance	2,771,436	4,025,201
Golf Club House Demolition	487,902	487,902
Visitor Experience Costs (including infrastructure and staffing)	30,000	2,799,672
Support Costs	74,241	74,241
Business Rates		320,810
Contingency	168,179	385,391
<b>Total Costs</b>	<b>3,531,758</b>	<b>8,093,217</b>
Up front modelled income	(1,500,000)	(1,500,000)
Balance remaining to fund BNG for 30 years	2,031,758	6,593,217
Income from remaining units at £25,000 per unit	(3,850,000)	(6,100,000)
<b>(Surplus)/Deficit</b>	<b>(1,818,242)</b>	<b>493,217</b>

The preferred option would be to deliver the nature reserve and visitor experience, with reduced infrastructure costs as a result of the Outdoor Education Hub occupying the top part of the site. This is the option that the project will work towards modelling, through a phased development approach, and providing a suitable business case can be created, will come forward for consideration within the next 12 months.

The project will seek to further improve any financial the position through:

- a) **BNG units costs** currently the rate of £25k applied is considered cautious, particularly as the site will be creating some high value wetland units which can sell for upwards of £50k each (as demonstrated in the latest [BNG Pricing Report \(October 2025\)](#))

It is proposed that further sensitivity testing is undertaken to refine the BNG rates applied to the site, which could help to offset the existing pressure shown in option B.

When considering the creation of BNG on the lower part of the site only (214 units in total), if the selling price is increased, additional income from the remaining 154 units (214 units created less the 60 which could be purchased up front) could be as follows:

Additional units sold at £/unit	Additional income achievable
30,000	(770,000)
35,000	(1,540,000)
40,000	(2,310,000)

- b) **Other income generation opportunities** this could include the potential to charge for the car park, which will need to be an operational as well as financial decision as part of the phased development approach, as this will need to be balanced with encouraging visitors to the site.
- c) **Business rates** the current profile for business rates assumes an annual cost of nearly £21k until the clubhouse is demolished, with this dropping to a car park only rateable value in the future. There is an opportunity to reduce this and get up to 80% rate relief if WWT operated the car park and toilet, which the project will explore.

## Financial Risk

If option A is implemented, which would have an expected 30-year expenditure profile of £3.5m for the delivery and management of 214 BNG units, demolition of the existing club house and relevant other costs, then we would have a liability to maintain the 60 units involved in this initial transaction for the 30 years.

If a scenario arose where the Council were unable to find an active market for the remaining 154 units, at the point at which the decision was made to no longer keep these BNG units available for sale, there would be no ongoing liability to maintain these units.

Whilst there is not a direct correlation between the management of 60 units vs 214, it is anticipated that due to renegotiation of the BNG management programme, a reduction of around a third of the current anticipated costs for habitat management and maintenance could be achieved. If this decision was made in year 10 for example, the total anticipated reduction in liability for the remaining term for the units sold up front is £580k. After achieving the initial income modelled this would leave a gap of £1.4m for which the Council would be liable for costs as funder of last resort.

However, if this scenario was to occur, there are some mitigations which could be investigated, such as, if there is a relevant clause in the Conservation Covenant which allowed the Council to detach or remove part of the site from the BNG scheme (keeping the scheme in place for where BNG has been sold and needs to be delivered for the 30 years) funding from agricultural grants from the government could be considered.

Therefore, to reduce the risk the management cost burden could be relieved (but not to the scale of BNG) by allowing the delivery partner to enter into countryside stewardship funding and this could be taken off the annual management fee. A point to note is that you cannot access these schemes on land delivering BNG so this couldn't happen as well as BNG.

A worked example is that if annual management of the site could be offset by funding for 30 hectares that has been retired to enter stewardship funding, this could reduce the annual management fee burden by £18k potentially, which could reduce the total exposure by up to £360k.

Given the demand for BNG units already exists and is growing, this is considered to be a limited risk to the Council and will be mitigated through robust governance and further developing the investment strategy and phasing to limit exposure as far as possible.

## 5.2 Legal Implications

There are several legal implications to be considered in regard to this project.

### Biodiversity Net Gain

BNG is a mandatory requirement on all new developments under the Environment Act 2024. BNG requires demonstration of a net gain in biodiversity, maintaining these levels for 30 years after creation via a conservation covenant deed. Units will need to be registered on the national BNG register, and a Conservation Covenant put in place with a Responsible Body, which in this case will be Warwickshire County Council, to monitor the habitat management and monitoring plan, to ensure that BNG duties are fulfilled. Management of BNG falls within Ecology Team, as part of the Planning Service, with support from legal and finance services. The Council would have liabilities to WCC as the responsible body. A bond or other security may be required to guarantee the obligations in the conservation covenant deed. A conservation covenant is binding on any successors in title. The Conservation Covenant Deed will be a legal agreement which needs to be entered into to deliver the Project.

### Natural Capital Investment Strategy Partnership

This report seeks approval to enter into a sub-regional Natural Capital Investment Strategy Partnership with Warwickshire and Solihull. This will require Coventry to enter into a contract with the authorities to join the partnership, and officers to actively participate in the partnership through attending meetings which include strategic, technical, finance and legal aspects of the governance. The partnership will provide the opportunity for Coventry to secure funding for the creation of BNG units at Brandon Wood Nature Reserve, up to a value of £2m funds that Warwickshire have already secured for biodiversity offset from developments that have already taken place. This will be subject to legal due diligence.

### Legal arrangements with Warwickshire Wildlife Trust

The Council will need to enter into a formal agreement with Warwickshire Wildlife Trust Group to deliver habitat creation and maintenance in line with the habitat monitoring and management plan for up to 30 years as Tenant obligations under a property transaction. A Heads of Terms will be created to support the development of the legal arrangements between the organisations, with external legal support involvement as required. Any such agreement with WWT Group thereof that

constitutes a property disposal will need to be undertaken in accordance with Section 123 of the Local Government Act 1972.

#### Site restrictions

The only access to the site is via Brandon Lane and over a Network Rail bridge. An agreement is in place between British Railways Board and the Council that allows the Council and those authorised by it access over the bridge for the purpose of gaining access to and egress from the Council's golf course and clubhouse. The agreement is for 60 years from 1.1.1977 so it will expire in 2037, for payment of a small annual fee, however the terms of the agreement state that if the Council shall at any time sell or otherwise dispose of their said Municipal Golf Course (other than to another Local Authority) or if planning permission is granted to change the user of the Golf Course then any rights over the bridge etc will automatically cease on any of the above scenarios. Therefore, an agreement will be sought with Network Rail at the earliest opportunity to ensure access to the site can be maintained for the change in use. This is considered low risk, however if a situation arose that Network Rail didn't grant access an alternative access would need to be created using adjacent land owned by the Warwickshire Wildlife Trust, subject to their agreement and support from Trustees.

There is a covenant in place on the site to allow maintenance access to a telecoms mast which is managed by the Council's operational property team. The project will ensure to continue to provide access as per the covenant agreement.

#### Procurement Implications

There will be separate procurement exercises undertaken for delivery of enabling and infrastructure works which will be procured in accordance with the Council's Contract Procedure Rules and compliance with Procurement Act 2023. This will include a contract to demolish the club house.

#### Subsidy Control

This Biodiversity Net Gain project with the Wildlife Trust is a not-for-profit environmental restoration initiative. All income from BNG units is ring-fenced and reinvested into habitat creation, monitoring and long-term management. No profit is made and no commercial return is sought. As the activity is fully cost-recovery and delivers a public-good environmental function, it is classified as non-economic under the Subsidy Control Act 2022 and therefore sits outside the definition of a subsidy.

### 6. Other implications

#### 6.1 How will this contribute to the Council Plan [www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/)?

This will contribute to the One Coventry Plan through delivering interventions at the golf course that will support nature restoration and help to tackle the causes and consequences of Climate Change. This project will directly deliver one of the priority actions within the Climate Change Strategy and Action Plan, supporting landscape-

scale nature recovery and contribute towards Coventry's '30by30' target and delivering against the West Midlands and Warwickshire Local Nature Recovery Strategies. It also provides a potential income stream to support delivery of nature-restoration projects within the city boundary, helping to deliver benefits to the city's more green-deprived neighbourhoods to support the Council's drive to deliver more equal access to green space across Coventry.

The project will also contribute towards the One Coventry priority of financial sustainability, through the proposed funding model which requires no Council investment in the project and provides the capital and revenue funding to support the site for 30 years.

In addition, the project would contribute to the Rugby Local Plan (June 2019), with the site forming part of the Princethorpe Biodiversity Opportunity Area (Policy NE2).

## 6.2 How is risk being managed?

There are some key risks associated with this project around which include uncertainty of timing of BNG income being generated, variables regarding plans for the northern part of the site, planning requirements, development of license and lease arrangements with the Wildlife Trust, potential issues around access and ensuring that the plans support the area becoming an accessible visitor destination.

However, all of the identified risks can be managed and mitigated with robust governance in place to steer the project, support timely decision making and make the project a success.

A Council Steering Group is already in place which has overseen business case development, this will be expanded to include legal and property teams, alongside Warwickshire Wildlife Trust. There is a clear work programme in place over the next 6 month which will deliver key activities to help de-risk the project as far as possible. This will include:

- Development of Heads of Terms with WWT, leading to development of license agreement with external legal advice to support on structure and terms.
- Planning submitted for demolition of the club house and for habitat creation on site
- Contract awarded for demolition of the club house and works underway
- Further sensitivity testing on commercial model and BNG market to inform investment strategy and phasing via a gateway process, to support delegated authority decision making
- Enter into a legal agreement with Warwickshire County Council to formally join the Natural Capital Investment Strategy Partnership to unlock initial investment and actively participate in NCIS governance
- Apply for Conservation Covenant through Warwickshire County Council and registration of the site for BNG to enable us to start selling units by month 6
- Commence negotiation with Network Rail regarding access to the site over the rail bridge.
- Working with Coventry Outdoors and Warwickshire Wildlife Trust on the development of the outdoor education facility.

No work will commence on site until all of the above activities are complete.

### 6.3 What is the impact on the organisation?

#### HR Implications

It is proposed to manage delivery of the project within existing resources, with some funding allocated within the initial 2 years to support project delivery within the Climate Change service, Ecology, Finance, Property and Legal teams.

If the outdoor education facility doesn't go ahead in the future there may be a requirement to also recruit a site ranger to take responsibility for management of the site for visitors, including car park, toilets etc. This has been accounted for in the commercial model.

### 6.4 Equalities / EIA

The nature reserve will be developed to be an inclusive and accessible site for visitors. There will be dedicated accessible parking bays, accessible paths, alongside opportunity to hire all-terrain wheelchairs to enable visitors to visit a wider range of the site. There will also be accessible toilet facilities, including a changing places toilet, on the site. There will be benches alongside key routes to provide resting spaces for visitors to enjoy the views. There is also an ambition to create an accessible viewing platform over the southern end of the site where visitors can enjoy wetland views. It is acknowledged that not all of this infrastructure is likely to be delivered in the initial project stages, but the introduction of accessible infrastructure will be prioritised as part of the incremental development of the site, with car park and footpath upgrades and benches being key to helping create a site that is accessible for all.

In addition to improving infrastructure for accessibility on site, the project has considered how access can be improved to the area, which is currently only really accessible by car. Some options have been explored that the project would seek to take forward, including safety improvements and a crossing point on Brandon Lane, opportunities for public transport connectivity to the area which we will seek to influence and upgrading walking and cycle infrastructure to enable access from the Binley Cycle route through to the site and connecting to the wider area, including an aspiration to connect up to Coombe Abbey to the north. There is also the opportunity to restore a pedestrian footbridge over the River These measures have not been included in the commercial case for the project, but funding opportunities will be pursued to bring these forwards.

The Council will seek to create an inclusive nature reserve and take the learnings from the Nature Towns and Cities Green for All initiative to consider how we can encourage residents from all backgrounds to visit Brandon Wood Nature Reserve and enjoy the benefits of connecting with nature at scale. This means creating accessible and inclusive visitor facilities, alongside developing opportunities for volunteering, training and education on the site.

An EIA will be completed for the project and will be regularly reviewed and updated.

## 6.5 Implications for (or impact on) the environment

This project will help to deliver objectives of the Council's Climate Change Strategy, through supporting nature recovery and reducing emissions.

This ambitious project has the potential to create significant benefits to biodiversity at the former golf course site, creating a substantial uplift in the quality of habitats to support nature to thrive. The site is currently woodland and grassland, a mix of habitats will be introduced ranging from wetlands, scrub and higher quality woodland and grassland to support a wide variety of species on the site and create corridors to connect to the wider landscape that is already managed for nature conservation. This is a significant step for Coventry to progress towards '30by30' and aligns with the objectives of the West Midlands and Warwickshire Local Nature Recovery Strategies. The opportunity to reinvest surplus income from the Site in biodiversity will help further boost wildlife and support enabling infrastructure to improve access and facilities at the site to provide more opportunity to connect people with nature.

Nature provides a natural carbon sink. The proposed enhancements at the golf course deliver will help to sequester up to 550 tonnes of carbon annually, which will help in the city's drive to reduce carbon emissions in line with UK government requirements.

## 6.6 Implications for partner organisations?

This project relies on partner organisation, Warwickshire Wildlife Trust delivering the nature reserve and managing it for 30 years. WWT already lease part of adjacent Brandon Marsh Nature Reserve which is owned by the Council and have been managing it successfully for over three decades. The Trust has been working closely with the Council to develop the project over the last 2 years, and key principles have been agreed in terms of the project structure, governance, habitat creation and management. The Wildlife Trust has consulted with their Board of Trustees who are supportive of the project and will continue to be engaged as heads of terms and legal agreements are developed.

**Report author:**

**Name and job title:**

Rhian Palmer,  
Strategic Lead Green Futures

**Directorate:**

Regeneration and Economy

Email: [Rhian.Palmer@coventry.gov.uk](mailto:Rhian.Palmer@coventry.gov.uk)

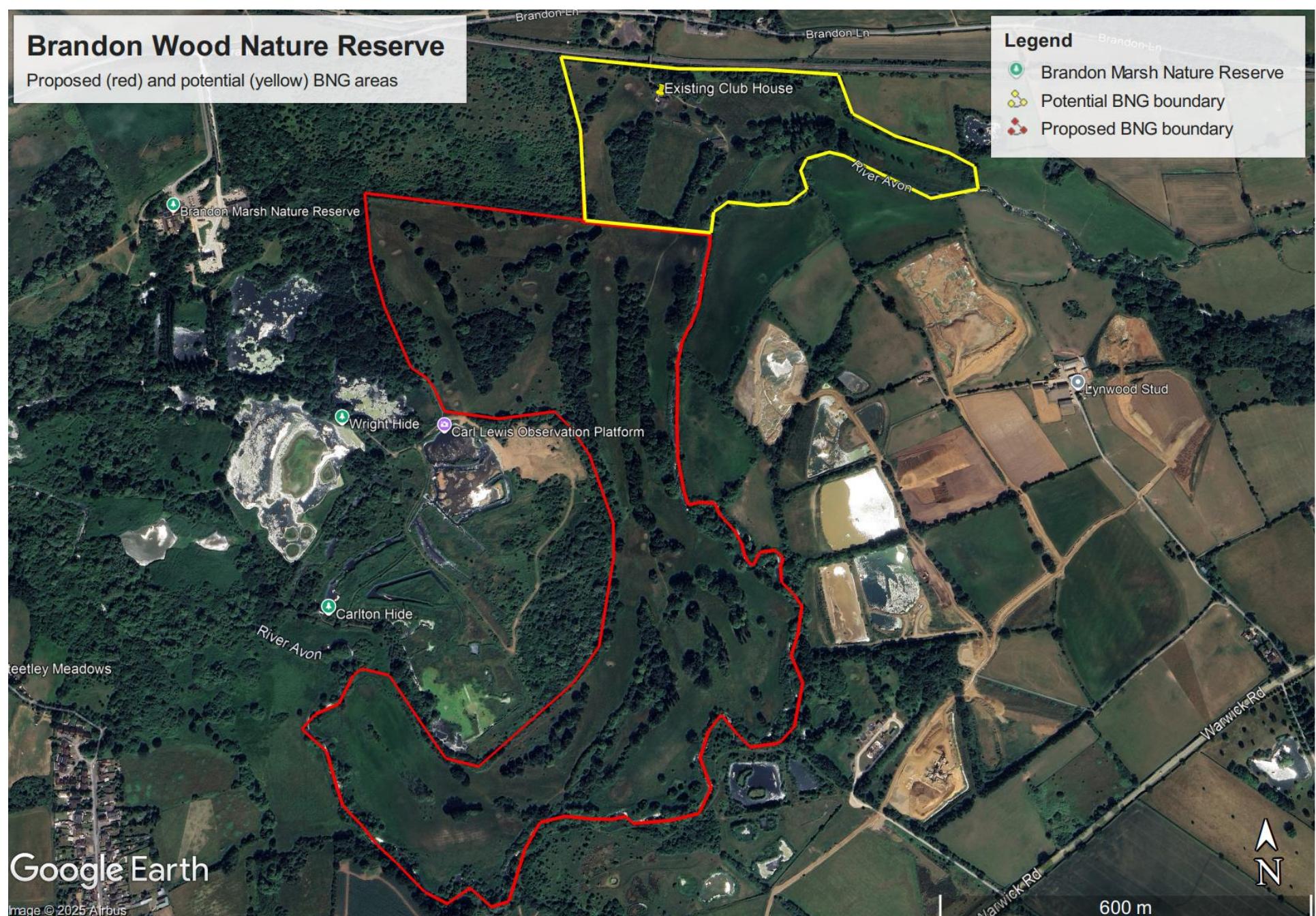
Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Simon Newell	Ecology Manager	Regeneration and Economy	1/12/25	2/12/25
Gurbinder Singh Sangha	Major Projects Commercial Lawyer	Law and Governance	1/12/25	4/12/25
Faye Parklen		Children's and Education Services	1/12/25	2/12/25
Helen Williamson	Finance Manager	Finance and Resources	1/12/25	4/12/25
Suzanne Bennett	Governance Services Officer	Law and Governance	09/12/25	09/12/25
<b>Names of approvers for submission:</b> (officers and members)				
Barry Hastie	Director of Finance and Resources	-	4/12/25	5/12/25
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	4/12/25	4/12/25
Richard Moon	Director for Property Services	-	03/12/25	03/12/25
Andy Williams	Director for Regeneration and Economy	-	5/12/25	05/12/2025
Councillor J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	8/12/25	10/12/25

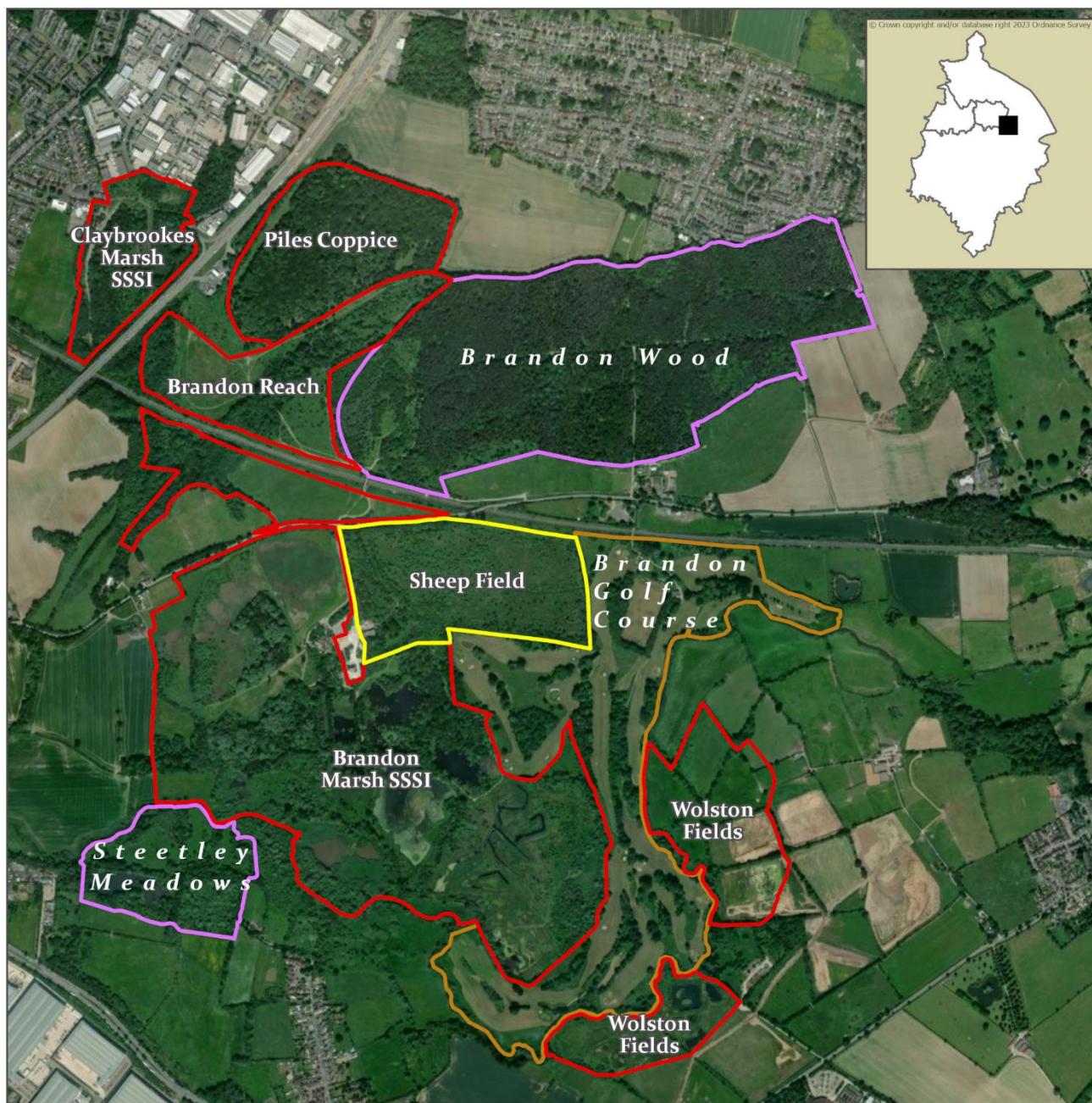
This report is published on the council's website: [www.coventry.gov.uk/council-meeting](http://www.coventry.gov.uk/council-meeting)

## Appendix 1 – Site Plan

The plan is of the whole site that occupies Brandon Wood Golf Course. The area outlined in yellow indicates the part of the site that is referred to in the report (including Option 4) where a potential outdoor education facility could be located - if it doesn't proceed will revert to ~ 90 BNG units. The area outlined in red is the land proposed for 214 BNG units.

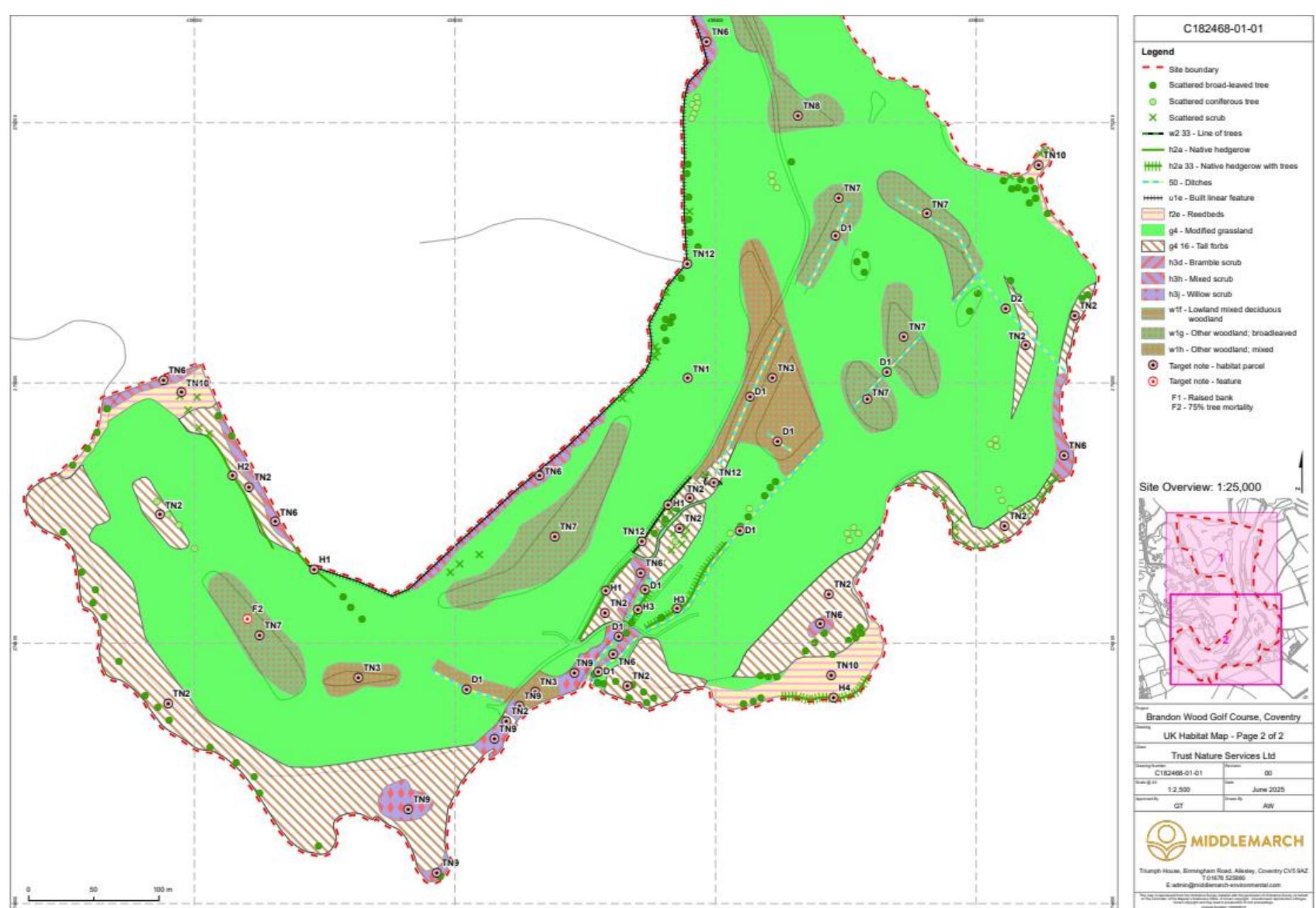


## Appendix 2 – Landscape Wide Plan



### Appendix 3

#### Proposed interventions to be delivered at Brandon Wood Nature Reserve produced by Warwickshire Wildlife Trust Group





**Visual of proposed wetlands, provided by Warwickshire Wildlife Trust Group**



Cabinet

6<sup>th</sup> January 2026

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

**Director approving submission of the report:**

Director of People and Facilities Management

**Ward(s) affected:**

All

**Title: Gas Contract Renewal**

---

**Is this a key decision?**

Yes

Yes - the proposals involve financial implications in excess of £1m a year

---

**Executive summary:**

Coventry's Climate Change Strategy (2024-2030) sets out the Council's decarbonisation ambitions, which includes increasing clean energy supply and increasing the energy efficiency of our estate, alongside helping to facilitate partners to do the same. A significant amount of work has gone into decarbonising the Council's estate over the last decade. Over 40 buildings have been upgraded which includes increasing renewable energy generation through installation of solar pv, decarbonisation of heat through installation of heat pumps and connecting a number of the Council's buildings to the district heat network, alongside improving insulation, glazing etc. The Council has also appointed E.ON as its Strategic Energy Partner (SEP) over the next 15 years, to help increase the scale and pace of decarbonisation across the city. One of the first activities the SEP completed was production of the Coventry Energy Plan, which looks at how the city could decarbonise energy infrastructure over the next 15 years. This includes moving away from gas and creating more locally produced electricity. At present, we are in a transition phase and the purchase of gas is an unavoidable activity that has in recent years had increasing financial implications for the Council. Since 2021 the annual gas spend for both corporate and independent sites has varied between £1.6m and £3.3m per year due to significant global events that have impacted

the gas markets. The corporate contract currently covers over 60 Council gas supplies but also supports more than 80 related 3rd party gas supplies including schools and community centres.

The Council's current gas contract is not set to expire until 31 March 2027. But by engaging early, the chosen supplier will have a longer period over which to buy gas ahead of the contract start date. This approach is widely used and is known as "flexible procurement". It involves purchasing blocks of gas over time when the cost is lower which reduces the risk of being subject to shock price increases.

The Council has been using the flexible procurement approach to gas since 2009. This approach has been successful in mitigating the impact on the Council from the unprecedented volatility in the gas market.

This report sets out the Council's gas requirements as well as the anticipated financial implications on Council budgets. It is important to note that the proposed gas contract allows flexibility to reduce gas demand during the contract period, which is anticipated as energy efficiency improvements are made to more buildings across the city.

### **Recommendations:**

Cabinet is recommended to:

- 1) Approve the proposal to enter into a Gas Framework up to £6.3million for the supply of gas up to 31 March 2031.
- 2) Delegate authority to the Director of People and Facilities Management, following consultation with the Director of Finance and Resources and the Director of Law and Governance to finalise the legal due diligence and terms and conditions of the Gas Framework and any other legal agreements required to facilitate delivery of the gas supply and its ancillary services.
- 3) Delegate authority to the Head of Energy Services, following consultation with the Director of People and Facilities Management, to oversee the ongoing management of the wholesale purchasing strategy during the term of the contract.

### **List of Appendices included:**

None

### **Background papers:**

None

### **Other useful documents**

Pan Government Energy Project Reports (OGC)  
National Energy Category Strategy for Local Government 2022 (LGA)

**Has it or will it be considered by Scrutiny?**

No

**Has it or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Gas Contract Renewal**

### **1 Context (or background)**

#### **1.1 Policy Context**

The Climate Change Strategy (2024-2030) sets out clear ambitions for decarbonisation across the city, with the Council leading from the front and helping to facilitate change across the city. In 2023, the Council appointed E.ON as its Strategic Energy Partner (SEP), to bring expertise and commercial support to escalate the scale and pace of decarbonisation, in a first of its kind partnership in the UK. The SEP developed the Coventry Energy Plan, which identifies the current barriers and opportunities to decarbonisation, alongside interventions required to support the city's transition to a clean resilient energy system. This is important to unlock growth and support investment and jobs alongside helping to reduce the city's carbon footprint.

The Council has made significant progress with the decarbonisation of our estate over the last 10 years, retrofitting more than 40 buildings to improve energy efficiency and increase renewable energy generation. This includes installation of solar panels on some of our largest buildings such as the Council House, and connecting buildings such as the Council House and Friargate to the city's district heat network.

Much of this work has relied on grant funding but new commercial models are being explored through the Council's Strategic Energy Partnership to identify how we can increase the scale and pace of decarbonisation in the city. This includes the city's schools and public estate, which means we can expect to reduce gas demand in the coming years.

However, it is recognised that there is still a requirement to purchase gas while the estate transitions to low carbon energy sources. The proposed new gas contract provides flexibility to reduce demand over the four-year contract period. This is important as it allows retrofit to happen without facing any financial penalty.

#### **1.2 Council Gas Demand**

The Council's demand for gas is used for space and water heating and in the cremation process. The quantity of gas that the Council consumes on an annual basis has been decreasing, largely due to a range of decarbonisation projects.

Last three years usage

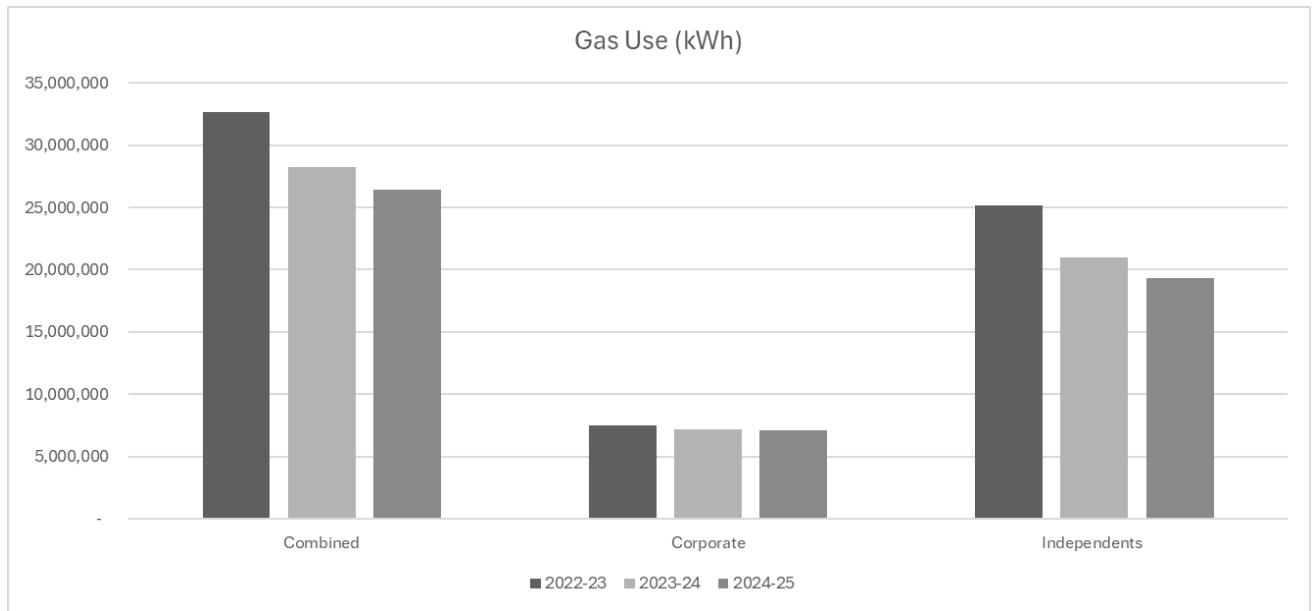


Figure 1 - Historic Gas Consumption for Coventry City Council Gas Portfolio

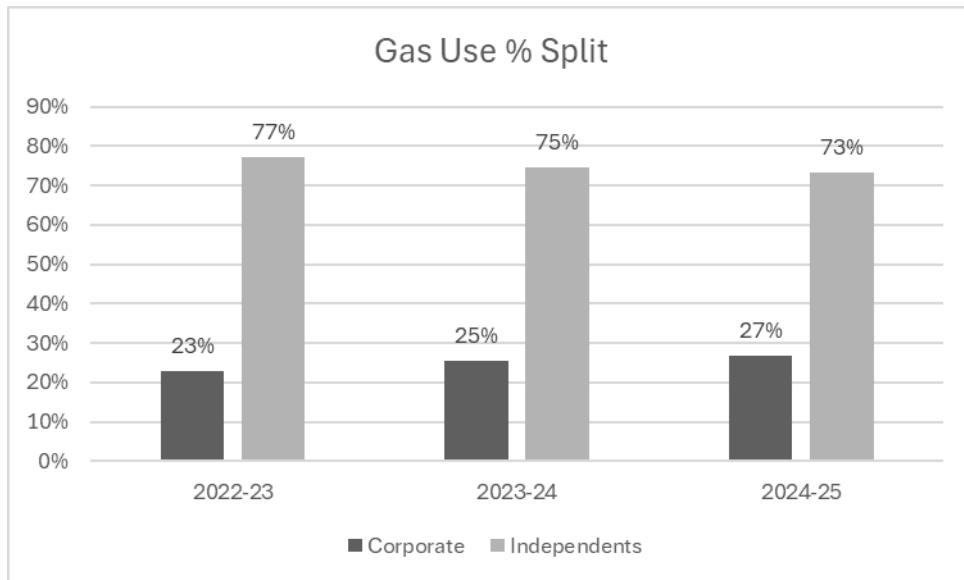


Figure 2 - Historic Proportions of Gas Consumption between Council and Independent Buildings.

### Forecast Usage

Forecasts take into account recent retrofit programmes such as Moat House Leisure Centre as well as forthcoming West Midlands Retrofit Pilot and school rebuilding program.

Importantly, to align with the Climate Change Plan, the contract does not restrict the Council from removing further buildings in future.

Contract Year	CCC consumption (kWh)	Independent Consumption (kWh)	Total Consumption (kWh)
2027-28	5,638,233	16,536,588	22,174,821
2028-29	5,638,233	14,162,588	19,800,821
2029-30	5,638,233	14,162,588	19,800,821
2030-31	5,638,233	14,162,588	19,800,821

*Table 1 - Forecast Gas Consumption for the Proposed Contract Term*

### 1.3 Council Gas Costs

The cost of gas has seen significant increases over recent years due to global geo-political events and changing UK policies. The unit price of gas is made up from four main components: wholesale costs, network costs, social and environmental costs and supplier costs broadly as follows:

Wholesale cost = between 76-82%

Network costs = around 11%

Other charges including supplier margin = 7%

There are also daily standing charges that depend on the size of meter and estimated annual consumption of gas at a particular site.

Turmoil in the market has seen gas costs almost 300% higher than the recent average. Using a flexible procurement approach has protected the Council from the high cost peaks with procured rates peaking at 165p/therm, much lower than the market high of 430p/therm.

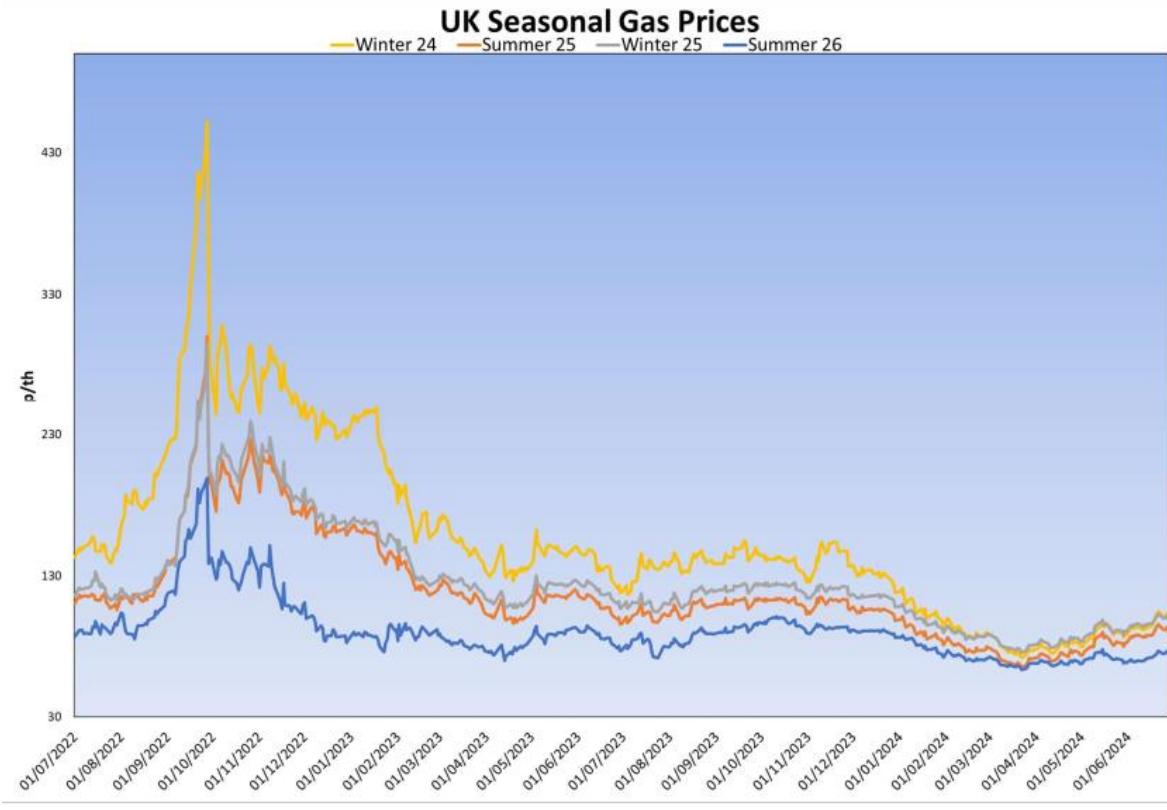


Figure 3 - Historic Wholesale Gas Prices

The supplier costs associated with the cost of gas are only a very small proportion of the overall cost of gas. .

#### 1.4 Contract Value

Forecasting the spend on each year of the contract accurately is practically impossible due to the number of variables, but actual spend will depend on both how consumption varies as well as how the various cost elements vary over the term of the contract. The recent volatility in energy markets, inflation and government policies all add additional uncertainty in the overall contract value.

The following estimate of annual spend has been based on current gas consumption levels, a forecasted downward trend relating to known energy efficiency projects in the pipeline and available market intelligence.

Contract Year	CCC Cost (£)	Independent Cost (£)	Total Cost (£)
2027-28	439,595	925,265	1,364,860
2028-29	452,783	816,206	1,268,989
2029-30	466,366	840,692	1,307,059
2030-31	480,357	865,913	1,346,271
Total Contract Term	1,839,102	3,448,076	5,287,178

Table 2 - Forecast Gas Spend for the Proposed Contract Term

It is recommended a 20% buffer to overall contract value is considered. Therefore, the contract value approved should consider spend up to £6.3m.

Not entering contract by 31 January 2026 will reduce the ability for ESPO to start trading for our gas on the wholesale market when pricing historically begins to fall. Not entering the contract by 31 March 2027 would result in the Council, and its associated independents, being charged variable deemed rates which would potentially more than double the forecast spend.

#### 1.5 Energy Contract Types

There are generally three types of gas contract available: Fixed Price Contracts, Flexible Fixed Priced Contracts and Flexible Variable Price Contracts. Each option has its own benefits and drawbacks.

Fixed Price Contracts set prices for the entire contract duration at a single point in time based on the wholesale market at that time. These contracts provide complete certainty of pricing but place risk on what the prevailing market conditions are on the day they are entered into.

Flexible Fixed Price Contracts are where all energy is purchased in advance over a defined period with prices finalised at the start of each contract year. This allows greater flexibility as to when gas is purchased and therefore enables prices to be locked in early if prices are rising or locked in late if prices are falling. This approach also provides a level of certainty as the prices become fixed at the start of each contract period.

Flexible Variable Price Contracts are where some gas is purchased in advance over a defined period with the remainder purchased within the contract year. The amount of forward purchase is agreed in advance and determines how frequently the prices are locked in during the contract year. This approach maximises the opportunity to achieve lower prices (particularly in a falling market) but reduces budget certainty as prices can rise or fall during the course of the contract year.

#### 1.6 Additional Considerations

Gas usage is currently the third largest contributor to the Council's CO2 emissions.

Green gas is an option. Typically, green gas is based on biomethane produced by anaerobic digestion plants such as the one in Brinklow. It is significantly more expensive due to its limited supply and doesn't directly impact local emissions as gas is still burnt at properties. It also doesn't actually improve the overall UK emissions levels as the renewable gas is already blended into the national gas mix.

Therefore, the Council can continue to make greater environmental impact by focusing on opportunities to actively reduce gas consumption such as the continued electrification of heating or hot water in our buildings.

Currently schools and some community organisations are invited to benefit from the Council energy contracts. This means they benefit from lower prices and although they will be required to enter into a Service Level Agreement with Coventry City Council in order to access the contract, the ultimate liability to the supplier for any default sits with

the Council. The Energy Management Service further mitigates this risk through continuous monitoring of all accounts on the contract and intervenes should any aged debt begin to accrue. To date there have not been any cases of the Council having to settle 3<sup>rd</sup> party debts relating to the gas contracts.

## 2 Options considered and recommended proposal

### 2.1 Call-off Public Sector Framework via a Public Buying Organisation (Recommended)

There are a number of Public Sector Frameworks available for the procurement of gas supplies. Through this route the Public Buying Organisation (PBO) undertakes the procurement of the framework supplier, price negotiation, manages the contract with the supplier and usually manages the trading decisions on behalf of the organisations using the framework. The framework terms and management practices align with the best practice recommendations of the Pan Government Energy Project. This option is recommended, and it requires delegation of purchasing decisions within pre-agreed parameters to the respective trading team within the PBO.

The main PBOs with energy frameworks and the associated supplier and framework availability is shown below:

PBO	Supplier	Contract Term	Note
ESPO	Total Energies	April 27 to March 31	Current Provider
LASER	Corona Energy	April 25 to March 29	Max 2 year contract
NEPO	Corona Energy	April 26 to March 31	3yr + 1 year extension possible
West Mercia	Total Energies	April 26 to March 30	Max 3 year contract
YPO	Corona Energy	April 25 to March 29	Max 2 year contract
CCS	TBC	TBC	No Framework Confirmed Yet

Table 3 - List of Available PBO Frameworks for Gas

Due to the difference in Contract Period for each of the frameworks moving between them can result in a period of fixed price rates. Only two frameworks are currently open that can provide the Council with a 4-year contract term, NEPO and ESPO. Switching to NEPO would however also involve additional significant administrative costs for migrating the 164+ gas supplies to a new supplier without clear financial benefits from doing so. As such, if the PBO option is chosen, it is recommended that the Council continues with ESPO for the next framework period.

These frameworks historically have derived significant savings associated with the scale of purchasing being undertaken.

The contract terms and conditions are expected to allow the reduction of gas by up to 100% over the contract term, without the Council receiving a financial penalty. Once final versions of the terms and conditions are received they will be reviewed and if a

reduction in line with corporate commitments isn't allowed without financial penalty, this will be flagged.

## 2.2 Standalone Procurement of Gas Supplier or Broker (Not recommended)

The Council could run a stand-alone procurement activity to directly appoint a gas supplier or broker. Whilst this approach would give the Council full access to the gas supplier market it would add significant additional risk and resourcing requirements to facilitate the process.. The benefit of direct contracting is that the Council would be in control of the strategy used to procure gas however contract management would also be solely down to the Council.

Whilst the Council has significant experience with running complex procurement activities it is not envisaged that deploying significant additional resource into such an option would deliver a markedly improved position compared to the other options.

Whilst this option doesn't require any delegation of purchasing decisions to a trading team, fixed prices usually are extremely time limited (sometimes a matter of hours) meaning that pre-defined approval limits are required before knowing what the confirmed price is but little options remain other than to accept the best offered price even if it exceeds expected forecasts. It has also been the case recently that contract offers have been suspended due to market volatility resulting in organisations defaulting to deemed rate tariffs at great cost.

For these reasons this option is not recommended.

## 2.3 Bespoke Contract Call-off from Strategic Energy Partner Contract (Not recommended)

The Council has the opportunity to call off the Strategic Energy Partner (SEP) Contract with E.ON UK as an alternative and bespoke route to market.

However, the focus of the SEP is on decarbonisation of the city's energy systems, and whilst E.ON could provide an alternative route to market, the SEP gateway process has concluded there is no added value to procurement via this route for gas, therefore this route is not recommended.

## 2.4 Value for Money Evaluation

### Supplier Costs

Of the total bill, supplier costs make up less than 3% of the total spend. These are however set by the supplier and therefore can be directly compared.

PBO's are generally similar in their supplier fee structures.

### Wholesale Costs

With Wholesale Costs making up the majority of the spend a key decision is whether there is confidence in the trading team to effectively procure energy against a defined risk strategy to minimise the overall cost of energy. ESPO has shown ability to deliver against the strategy and this has benefitted the council for a number of years.

### Non-Commodity Costs

These costs are not within the control of the supplier but make up an increasing proportion of the bill. Government forecasts this could increase by as much as 15% (not adjust for CPI inflation) which is why the contract value should include a 20% buffer.

## 3 Recommendations

Following the value for money assessment, the recommendation is to continue using the ESPO framework to procure gas and award contract to Total Energies for the period April 2027 to March 2031.

There is a considerable amount of financial, legal and administrative burden switching suppliers as well as a great deal of disruption across the portfolio as almost all gas meters would need to be changed as part of the switching process. Coventry City Council completed a comprehensive exchange programme which took more than 24 months to complete previously. The accuracy of the billing via Total is very high, with more than 98% of invoices raised correctly and the level of data being received from the meters is industry leading.

## 4 Results of consultation undertaken

- 4.1 The possible options for gas supply were consulted with the 2 primary service areas that currently rely on the contract: Corporate Property and Education. The benefits and drawbacks of each option were discussed, and all services agreed that the proposed recommendation of awarding via ESPO presented the best solution to their respective needs.

## 5 Timetable for implementing this decision

- 5.1 If approval is given by Cabinet, commitment would be given to ESPO once final terms and conditions have been agreed. We are aiming to complete the contracting by 31 January 2026 to enable forward purchasing of gas to begin as soon as the winter weather and wholesale market eases.
- 5.2 The gas delivery period relating to the contract would start on 1 April 2027.

## 6 Comments from Director of Finance and Resources and Director of Law and Governance

### 6.1 Financial Implications

By entering into the supply contract at the values indicated, this does not fix the contract cost based on a fixed unit price or level of activity which can be subject to fluctuation dependent on annual gas consumption and any changes to the asset base supported. If the total contract value at any time was expected to be above that indicated, further approval would need to be sought.

The contract values assumed in this report are in line with the budget proposals considered by Council in 2025. The Council reviews its energy budgets annually in line

with the budget setting process and will reflect any changes to consumption, asset base and price as part of this process over the life of the contract.

The values assumed within the contract reflect an estimate of potential growth and inflationary increase which if realised will form the basis of future budget considerations. The total contract value also includes costs of gas of schools and other independents within the city that enables them to purchase from the same contract. As highlighted in the legal implications, these organisations will be required to sign contracts with the council to ensure financial risk of this part of the contract is managed.

Of the overall contract value, 27% is for the estimated Council cost of the contract over the contract period with the balance of 73% representing schools and independents.

## 6.2 Legal Implications

The Council has the power to enter into the gas supply contract under section 1 of the Localism Act 2011 ("LA 2011"), which broadly gives the Council the power to do: -

- anything that an individual may do;
- for a commercial purpose or otherwise for a charge; and
- for the benefit of other areas than the Council's administrative areas,
- such power generally being known as the "General Power of Competence" or "GPC" for the purpose of this report.

The Council will also be purchasing gas on behalf of schools and independents to help achieve greater savings across Coventry. The Council will enter into contracts with schools and other independents who participate in this gas contract.

The Council as part of purchasing gas on behalf of the Schools and Independents will provide the following services: -

- Procurement Management
- Contract Management
- Drafting the Service Level Agreements and entering into the necessary agreements
- Bill Validation and Query Support
- Provision of Data Management/Record Management
- Site Works Support

The cost of providing this will be recovered through an administration charge for the costs incurred by the Council on a cost recovery basis.

The Council has several powers to directly provide and charge for services including for the Schools and Independents: -

- (1) s93 of the Local Government Act 2003 ("LGA 2003") – which provides the Council with the power to charge for discretionary services; and
- (2) s1 of the Local Authorities (Goods and Services) Act 1970 ("LAA 1970") which allows the Council to provide and charge for goods and services (including administrative, professional and technical services).

- (3) s93 of the LGA 2003 only allows the Council to charge on a 'cost-recovery basis'; and
- (4) s1 of the LAA 1970 only permits trade with other public bodies.

Legal services will work with service area to review the terms and conditions of the ESPO Mains Gas Framework as part of the legal due diligence and ensure that such terms and conditions are reflected in the SLA's.

### **6.3 Procurement Compliance**

The ESPO Mains Gas framework is fully compliant with UK public procurement regulations, providing a legally sound and transparent route for public sector organisations to source mains gas. It has been established under an open procedure in accordance with the Public Contracts Regulations 2015.

The main published CPV Code is 09121200 Supply of Mains Gas.

From a value for money perspective – the offer provides the following:

#### **Compliant tendering process**

A compliant tendering process has been undertaken by ESPO in line with the Public Procurement Regulations 2015 (PCR15). ESPO are acting in the capacity of a Central Purchasing Body (CPB), as defined in the regulations.

#### **Economies of scale**

ESPO are procuring on behalf of a large portfolio under a wide range of public sector organisations. The published framework contract value is £400,000,000 over 4-years.

#### **Wholesale access**

Due to the high volumes going through the framework, it allows ESPO access to the Wholesale market, which is used by the utilities industry for purchasing energy.

#### **Risk Management Strategy and dedicated expertise**

ESPO have a team of dedicated experienced Traders, some of which have previously worked for major Energy companies, who monitor the markets on a daily basis. They are then able to respond rapidly to sudden dips in energy costs due to Worldwide market events. The strategic approach is based on hedging, which allows prices to be locked in for a future period, with the concept of providing protection from market volatility.

#### **Budget Certainty**

This approach also allows prices to be fixed for a period of time, giving budget certainty.

#### **Open and Transparent process**

Supplier margins are agreed at framework level. The make-up of the costs is checked and validated by ESPO these are then available to each Local Authority.

## 7 Other implications

### 7.1 How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This approach ensures that all parts of the Council can benefit from a coordinated and managed gas supply contract. The proposed approach looks to continue using a known and trusted organisation that have delivered considerable savings against alternative approaches such as direct awards and fixed term contracts. This also allows for the Council to act as an enabler to provide other Coventry organisations such as schools and community organisations to access the route to market should they wish to participate.

The contract allows for a reduction in gas consumption, which would support the Council's existing Climate Change Strategy commitments. This will reduce the Council's impact on Climate Change as a result of its activities and support the One Coventry Plan key priority of tackling the causes and consequences of climate change.

### 7.2 How is risk being managed?

The basis of Flexible Procurement for gas purchasing is the key risk management consideration in the proposal. Furthermore, the proposal utilises the trading experience within the ESPO to guide and support the Council through the complex wholesale market environment in a transparent manner. The proposal also includes for a series of governance and performance management measures that will enable the Council to support contract management and delivery of the service. This helps to support the aims and objectives of Coventry City Council.

The contract is to be managed by the Council's Energy Management Services team within People and Facilities Management Directorate. What is the impact on the organisation?

The approach enables the Council to have a level of flexibility and control of outcome without requiring significant additional resource to be identified and funded. Making use of ESPO will help to reduce costs for delivering an effective gas supply contract.

### 7.3 Equalities / EIA?

This project does not have any direct impact on the Council's equality responsibilities although it is anticipated to assist with the continuation of broader service delivery through mitigation of cost implications with provision of gas.

### 7.4 Implications for (or impact on) climate change and the environment?

Whilst it is recognised that the city needs to move away from gas, it is recognised that there remains a role for gas as energy transitions to low carbon sources. The contract doesn't preclude further decarbonisation of the estate to take place to reduce gas demand over the contract period. It also is indirectly supporting the furthering of actions that help to address and mitigate the causes of climate change, as the contract allows

for the provision of granular consumption data which will enable the Council to understand gas use more deeply and identify opportunities to reduce consumption.

#### 7.5 Implications for partner organisations?

Schools and community centres are two examples of organisations that will have the ability to benefit from the contract.

Report author:  
Adam Yarnall  
Energy Manager

Service Area:  
Facilities Management

Tel and email contact:  
Tel: 07701 022 757  
Email: [adam.yarnall@coventry.gov.uk](mailto:adam.yarnall@coventry.gov.uk)

Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
<b>Contributors:</b>				
Gurbinder Singh Sangha	Major Projects Commercial Lawyer	Lawa and Governance	27/11/2025	05/12/2025
Helen Williamson	Finance Manager	Finance and Resources	27/11/2025	04/12/2025
Lowell Lewis	Head of Energy Management Services	People and Facilities Management	27/11/2025	27/11/2025
Rachael Sugars	Head of Education Improvement and Standards	Children'e and Education Services	27/11/2025	05/12/2025
Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	27/11/2025	04/12/2025
<b>Names of approvers for submission:</b> (officers and members)				
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	05/12/2025	12/12/2025
Sukriti Sen	Director of Children's and Education Services	-	05/12/2025	11/12/2025
Barry Hastie	Director of Finance and Resources	-	05/12/2025	12/12/2025

Susanna Chilton	Director of People and Facilities Management	-	05/12/2025	08/12/2025
Councillor K Sandhu	Cabinet Member for Education and Skills	-	05/12/2025	14/12/2025
Councillor J. O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	05/12/2025	12/12/2025
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	05/12/2025	12/12/2025

This report is published on the council's website: [www.coventry.gov.uk/council-meetings](http://www.coventry.gov.uk/council-meetings)

This page is intentionally left blank