



Finance and Corporate Services Scrutiny Board (1)

Time and Date

10.00 am on Wednesday, 5th November, 2025

Place

Diamond Rooms 1 and 2 - Council House

Public Business

1. **Apologies and Substitutions**
2. **Declarations of Interest**
3. **Minutes**
 - (a) To agree the minutes of the meeting held on 10 September 2025 (Pages 3 - 6)
 - (b) Matters Arising
4. **Commercial Investments and Income Generation** (Pages 7 - 26)
Briefing Note
5. **Local Taxation Collection Performance 202425 and Government Consultation on Modernising Council Tax Administration** (Pages 27 - 34)
Briefing Note
6. **Work Programme 2025-26 and Outstanding Issues** (Pages 35 - 38)
Report of the Scrutiny Co-ordinator
7. **Any other items of Public Business**

Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved

Private Business

Nil

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

Tuesday, 28 October 2025

Note: The person to contact about the agenda and documents for this meeting is Carolyn Sinclair, Governance Services email: carolyn.sinclair@coventry.gov.uk

Membership: Councillors J Blundell, J Innes, A Jobbar (Chair), R Lakha, P Male, K Maton, J McNicholas, CE Thomas and A Tucker

By invitation: Councillors R Brown, P Hetherton

Public Access

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Carolyn Sinclair, Governance Services
email: carolyn.sinclair@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 10 September 2025

Present:

Members: Councillor A Jobbar (Chair)
Councillor J Blundell
Councillor J Innes
Councillor R Lakha
Councillor K Maton
Councillor J McNicholas

Other Members: Councillor R Brown, Cabinet Member for Strategic Finance and Resources

Employees:

Finance and Resources: B Hastie, T Pinks

Law and Governance: G Holmes, C Sinclair

Apologies: Councillors P Male and CE Thomas

Public Business

9. Declarations of Interest

There were no declarations of interest.

10. Minutes

(a) The Minutes of the meeting held on 16 July were agreed and signed as a true record.

(b) Matter arising - Minute 5 (Procurement Strategy), the Board requested an update from the Cabinet Member for Strategic Finance and Resources on Recommendation (b) relating to the contract with Palantir. Officers confirmed that this would be followed up with the Cabinet Member.

11. Revenue and Capital Outturn 2024-25

The Board considered a briefing note setting out details for Members to consider whether they wished to further scrutinise any aspect of the Council's financial position.

The Council's Revenue and Capital Outturn report 2024/25, which had been considered by Cabinet, the Audit and Procurement Committee and Council, was appended to the briefing note.

The overall financial position included the following headline items:

- An underspend of £1.8m, balanced by a contribution to earmarked reserves.
- Capital Programme expenditure of £128.8m
- A small increase in the level of available Council revenue reserves from £118m to £119m

The Council had faced significant pressures within both Adults and Children's social care and City Services, reflecting national issues in most cases. Other overspends were also being reported in Regeneration and Economic Development, Legal and Governance and People and Organisational Development. These financial pressures were being caused by a combination of continued increases in service demand, complexity of cases and social care market conditions, legacy inflation impacts, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

Good practice in financial scrutiny recommended that financial scrutiny takes place at a service level. It was therefore recommended that the Finance and Corporate Services Scrutiny Board (1) identify any further areas identified in the report for further for further discussion.

The Board explored areas where further scrutiny at a service level could be valuable. Members expressed concerns regarding the significant overspend against Corporate Parenting and Sufficiency, what steps had been taken to address this and reasons that Members were not notified earlier. In response, officers explained the volatility of the market, nationally recognised to be broken and gave assurance that they make every effort to forecast accurately using a complicated model. It was not just placement costs that were volatile, but also activity levels and demand for placements. It was noted that a balanced budget was forecast for Q1 for 2025/26.

The Board also asked questions on Godiva Festival financing and costs relating to the decision to reinstate street lighting at night. In respect of the costs and complexity in care for children and young people the Board noted that an agenda item on this matter would be discussed at the next meeting of the Education and Children's Services Scrutiny Board and Members asked Officers to report back on the outcome of that discussion.

RESOLVED that the Board:

- (a) Note the content of the financial position of the Council as shown in the Revenue and Capital Outturn 2024/25 Report at Appendix 1.**
- (b) Request that following the Finance and Corporate Services Scrutiny Board (1) meeting on 11 September 2025, this Board receive an update from on the discussions and any resolutions in respect of the agenda item on 'Children in Care Placements.'**

12. Proposals for Task and Finish Group

The Board had been asked to identify a topic area to be pursued as a task and finish group for the municipal year 2025/26. It was therefore proposed that the Board support the Ethics Committee in their work to tackle and mitigate the impact

of abuse and intimidation that Councillors may encounter by considering a task and finish group on Ending Abuse in Public Life.

At their meeting on 25th September 2025 Ethics Committee would receive a report recommending that they request the Finance and Corporate Services Scrutiny Board (1) to establish a task and finish group as outlined above.

Councillor Innes agreed to Chair the Task and Finish Group and Members were asked to volunteer if they were interested in sit on the Group.

RESOLVED that the Board note the content of the Briefing Note and agree in principle to establish a task and finish group to look at the support offered to Members to tackle and mitigate the impact and risk of abuse and intimidation.

13. **Work Programme and Outstanding Issues**

The Work Programme for 2025-26 was noted.

There were no outstanding issues.

14. **Any other items of Public Business**

There were no other items of public business.

(Meeting closed at 10.50 am)

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To: Finance and Corporate Services Scrutiny Board 1

Date: 5 November 2025

Subject: Commercial Investments and Income Generation

1 Purpose of the Note

- 1.1 This note sets out the Council's approach to making commercial investment decisions, the statutory framework that the Council needs to work within and the policy basis. It also sets out details of the overall commercial portfolio and performance.

2 Recommendations

- 2.1 The Finance and Corporate Services Scrutiny Board 1 is recommended to:
- 1) Note the content of the report and appendices
 - 2) Endorse the Council's approach to making commercial investment decisions
 - 3) Identify any further recommendations to the Cabinet Member

3 Policy and Regulatory Background

- 3.1 The One Coventry Plan provides the broad policy basis for the Council's service delivery. The Plan's three delivery priorities are: increasing the economic prosperity of the city and region; improving outcomes and tackling inequalities within our communities and; tackling the causes and consequences of climate change. Fundamental to this note is that one of the two enabling priorities identified within the Plan is the continued financial sustainability of the Council.
- 3.2 Like many local authorities across the country the Council's medium term financial position forecasts revenue funding gaps. The 2025/26 Budget Report (February 2025) identified gaps of £3m and £10m for 2026/27 and 2027/28, whilst the most recent 2025/26 revenue expenditure monitoring report to Cabinet for the first quarter year has highlighted further budgetary pressure which indicates that the position both for the Council and the wider sector is still very challenging.
- 3.3 The ongoing need to balance budgets in the face of significant funding reductions over a long period, has led many councils to adopt commercial approaches and initiatives to improve their financial positions, in order to help maintain service quality as far as possible. This activity can take many forms including:
- charging for local services to citizens and service users,

- providing and charging for traded services as an extension to in-house provision,
 - acting as a landlord for a commercial property portfolio,
 - providing loan finance to local organisations,
 - establishing/acquiring external companies to complement the delivery of strategic objectives
 - commercialisation through more speculative capital investment outside of municipal boundaries or on a disproportionately large scale to deliver financial returns.
- 3.4 The Council undertakes all these activities to a greater or lesser degree with the exception of the final one, which is of significantly greater risk. Charges to local citizens and service users and for traded services is not covered in detail in this report but a list of income categories in relation to these activities is included at Appendix 1.
- 3.5 Recent years have witnessed increased activity at a national level of a more speculative nature and a small but not insignificant number of financial failures as a result. Councils such as Thurrock, Slough and Woking amongst others have suffered very large financial losses which have led to the issuing of a Section 114 Notice.
- 3.6 A S114 Notice is extremely serious as it is an indication that the revenue expenditure of an authority will exceed the revenue resources for the year, resulting in no new expenditure being permitted, with the exception of that to fund statutory services. The current financial climate within which Local Authorities operate continues to be challenging such that the risk from normal operations remains high, and that resilience to shocks as a sector is reduced.
- 3.7 Consequently, in order to avoid a s114 notice, a number of Local Authorities have found themselves in need of Extraordinary Financial Support (EFS) which requires government permission to generate one off resources through capital disposals or new borrowing to support the balancing of a revenue budget.
- 3.8 There is therefore a significant regulatory & advisory framework for council financial activity in areas such as borrowing (the Prudential Code), treasury management & investment, Minimum Revenue Provision, the Public Works Loans Board (PWLB) and capital strategies. In response to the sector failures referred to above, the Government increased intervention and regulation aimed at reducing the risk of future such occurrences. This has led to the introduction of commercial investment strategies, revisions to the Prudential Code (requiring proportionality) and changes to rules for borrowing from the PWLB (preventing investing primarily for yield).

4 The Council's Approach

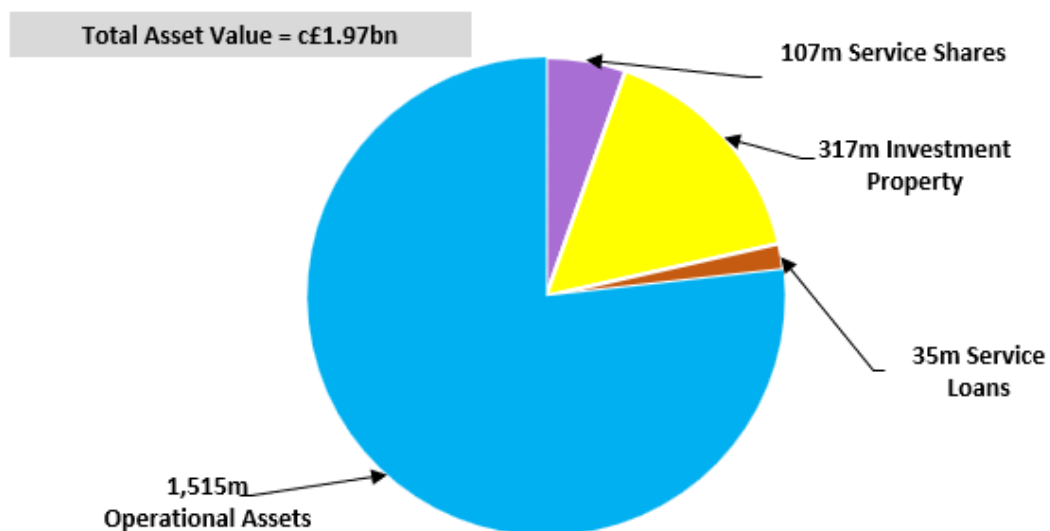
- 4.1 Whilst it is difficult to definitively benchmark, it is considered that the Council sits somewhere "within the pack" in relation to the income it generates from charging for services and traded services. These are activities that occur mostly as a result of 'business as usual' activity, including charging for discretionary services.
- 4.2 Coventry continues to hold a large commercial property portfolio compared with other councils, and the Council has historically been active in terms of providing external loan finance on commercial terms. There are also a significant number of company shareholdings compared with other authorities. It is these types of activity that have a higher risk profile and have prompted the interest of regulators in recent years.

- 4.3 Like other councils, our approach has been informed by the need for us to generate new income streams to help offset historic government funding reductions, support our budgetary position and protect services. Importantly however, at a local level, each commercial intervention made by the Council has also had strong policy, service and/or risk mitigation justifications.
- 4.4 Such activities have a direct impact on the Council's balance sheet and are therefore required to be measured/revalued periodically. This measurement is helpful in establishing whether the activity is proportionate in comparison to the Council's overall asset base and the scale of overall risk of each activity type, as is required by the prudential code. This is explored in the following section.

5 The Council's Commercial Activity

- 5.1 The following chart shows the latest estimate of the key categories of long-term assets on the Council's balance sheet, totalling almost £2bn. 77% (c£1.5bn) of the value is held in the form of operational assets which is essentially the land, buildings and infrastructure owned by the Council from which services are delivered. A further 16% (£317m) is represented by investment property which generates an on-going commercial rent and whose valuation is essentially driven by that rent. The remaining 7% is held in the form of long-term loans to third parties (£35m) and shares in external companies (£107m).

Figure 1: Long-Term Assets at 31 March 2025



- 5.2 Three of the categories above also represent a source of revenue income to the Council on an ongoing basis. The latest financial returns for the financial year 2024/25 are shown in the table below and represent an average overall 6.6% rate of return on asset value for the whole portfolio.

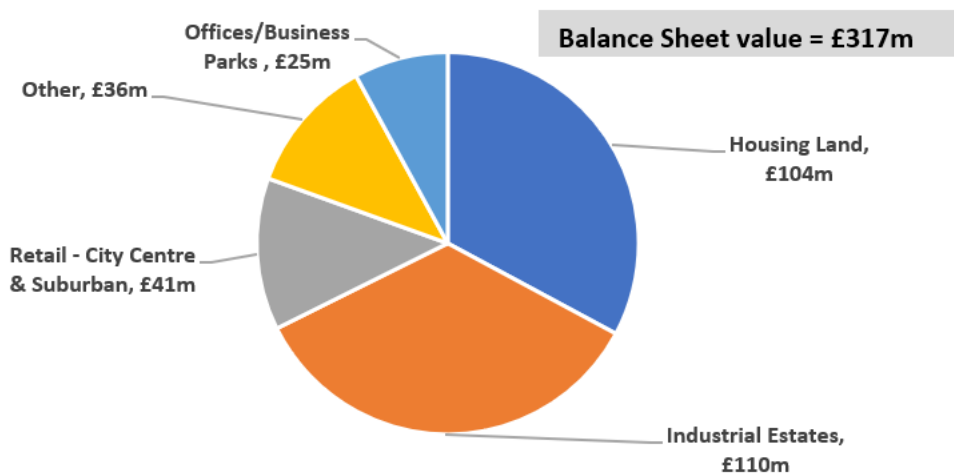
Table 1: Commercial Income 2024/25 (per Commercial Investment Indicators)

Investment Category	203/24 Income £000	2024/25 Income £000	2025/26 Income £000
Service Loans (interest received)	(1,554)	(2,139)	(2,147)
Service Shares (Dividends)	(8,200)	(12,372)	(15,894)
Investment Property (Rental income net of voids & service charges)	(13,768)	(12,597)	(12,298)
Total Commercial Assets	(23,522)	(27,108)	(30,339)

- 5.3 It is important to recognise some of the risks that are involved in owning these types of assets. One key risk is the capital value. For example, an organisation to which the council has provided a loan might not pay the Council the full amount owed. Similarly, the value of an investment (shareholding or property) might decrease in certain circumstances. This was witnessed during the Covid pandemic, and since then in times of higher interest rates, but can also apply during other periods of financial downturn or due to specific circumstances such as an entity's trading performance. In these events, there may be a need to notionally revalue amounts on the Councils balance sheet or in some cases write off values to revenue. The reverse is also the case in that valuations can increase in stronger economic circumstances.
- 5.4 A further set of risks can be categorised as revenue or income risks. The respective assets might return less income in the form of interest (loans), dividends (shares) or rents (property). If any of these asset classes have been purchased by borrowing, then an additional risk would arise because the Council will need to continue to repay its borrowing despite any falls in income received. For an organisation like the Council, there can be reputational risk due to their position in the public eye and the fact that transactions involve public money – the bar set for publicly funded organisations is often much higher than for private organisations in this respect.
- 5.5 The following sections look at some of the asset categories in more detail.

Investment Property

Figure 2: Investment Property at 31 March 2025



- 5.6 The Council's investment property represents the largest share of its commercial assets, £317m of the £459m long-term assets set out in Figure 1 on the previous page. The values are subject to revaluation each year. The balance sheet value and the £12.3m (see table 1) revenue income stream achieved in 2024/25 identify it as the single largest area of benefit or risk for the Council's commercial portfolio (in budget terms).
- 5.7 This is however not regarded as a high financial risk to the Council. The vast majority of the assets are ones that have been owned by the Council for many years, have been purchased by means other than borrowing, and values are higher now than as at the date of acquisition. Therefore, the Council is not faced with the need to meet a repayment cost for the assets and has a commercial asset base worth significantly more than debt liabilities.
- 5.8 In addition, over the medium to long-term, historic patterns show that property is a reliable investment with a strong likelihood of values increasing which would strengthen the Councils balance sheet further.
- 5.9 The overall value of the investments, whilst substantial, is not disproportionate to the overall size of the Council's balance sheet and reflects a strategy of ownership plus organic growth over many years rather than because of an extra-ordinary recent intervention. Additionally, commercial assets are spread across a range of classes with the largest class representing around one-third of the overall value. This means that a financial shock which had a disproportionate impact on a particular class might have a limited impact elsewhere within the portfolio.

6 Service Loans

- 6.1 Table 2 below sets out the loans that the Council has made with the large majority of these approved over the past 7 years.

Table 2: External Loans (Resources Invested or Committed) 2024/25

Major Loans	Actual Q2 £m	Commitments £m	Total £m
Coombe	8.7	0.2	8.9
Friargate	4.2	0.0	4.2
CWRT	2.1	0.0	2.1
MRF - Domestic	15.2	0.0	15.2
Other	4.8	0.0	4.8
Total	35.0	0.2	35.2

- 6.2 Although these loans are all of a service or strategic nature, they are all constructed to deliver a commercial return. The Council is bound by Subsidy Control regulations which demand that loans have a (commercial) market rate of interest. Table 1 on page 4 shows that whilst the Council is currently receiving income in the form of interest payments (£2.1m in 2024/25) this is very low in comparison to the Council's overall budget and is not considered a primary motivation for making such loans. Instead, it is of paramount importance that loans are aligned to the Council's existing policy priorities and delivery of service objectives and any decision by the Council to approve such loans is driven by this as the primary motivation.

- 6.3 These loans are of course at risk of non-repayment and potentially write off. Each formal decision to make a loan, together with the interest rate set, is subject to consideration of these risks and the mitigations including securities in place to control them. In totality, the overall level of loans is significant, but each individual loan is modest in proportion to the overall size of the Council.

7 Company Shares

- 7.1 The Council's company shareholdings are valued at c£106m per the latest set of valuations undertaken at 31st March 2025. This reflects the market (fair) value which is calculated broadly in relation to the financial activity and performance of each company. The component parts of the Coventry Municipal Holdings Ltd Group have been disaggregated for the purpose of this report.

Table 3: Company Shareholding Values

Shares	Resource Invested £m
Birmingham Airport Holdings Ltd	11.6
The Coventry and Solihull Waste Disposal Company Ltd	0.0
Tom White Waste Ltd	14.9
Coventry Municipal Holdings Ltd	0.0
Coventry Regeneration Ltd	0.0
Coventry Technical Resources Ltd	0.0
Coombe Abbey Park Ltd	9.1
Friargate Joint Venture Project Limited	10.5
UK Battery Industrialisation Centre Ltd	0.0
Sherbourne Recycling Ltd	0.2
Total	46.3

Revaluation Balance (increase)	60.3
Balance Sheet Value	106.6

- 7.2 The table also shows the initial amount invested by the Council. The difference between this and the Balance Sheet Value is the result of market revaluations undertaken on a regular basis which can increase or decrease the assessed value of individual companies and is not linked to the initial acquisition price. An initial amount invested of £10m for the Coventry and Warwickshire Waste Disposal Company (CSWDC) is not reflected. This was in the form of preference shares issued as part of the initial investment in CSWDC which were later redeemed as part of a company re-structure.
- 7.3 The 2024/25 dividend income shown in Table 1 came from CSWDC and Birmingham Airport Holdings. Dividends have been received previously from Tom White Waste Ltd, Coombe Abbey Park Ltd (CAPL), all of which were affected historically by the

covid pandemic, but more recently the inflationary operating environment and cost of living crisis affecting the economy but are in the process of recovery.

- 7.4 From a purely financial perspective, the diversity of shareholdings, and indeed the wider commercial portfolio is designed to protect the Council from a concentration of dividends or income from one source although the degree of financial shock from Covid was clearly not one that could have been easily anticipated. Birmingham Airport has returned to profitability, declaring a large dividend in 2024/25 and it is expected that CMH and SRL will following the near future. CMH have specifically indicated that a material dividend is likely as a result of 25/26 performance to date.
- 7.5 It is important to note that the Council's acquisition or establishment of each company will be strongly aligned to its policy and service objectives. Between them CSWDC, TWW, and SRL provide strong synergies with the Council's existing waste collection, management and recycling responsibilities, protect the Council from some of the volatility in waste markets, provide the opportunity to rationalise some of the costs of waste management and enable the production of a local source of green energy from waste. CAPL provides strong synergies with the existing country park facilities at Coombe and protect large existing rental income streams. The Friargate Joint Venture Project enables the Council to manage a long-term regeneration plan within the Friargate District.
- 7.6 Notwithstanding that some of these companies have lost value compared with the resources initially invested, the Council's shareholdings should be viewed as long-term assets and it can reasonably be expected that values can increase in line with performance improvements. The Council would only seek to dispose of such assets if this was seen to be advantageous from both a financial and policy perspective. In this sense the current balance sheet valuations are not a significant factor in terms of the Council's day-to-day financial position.

Appendix 1: Fees and Charges
Appendix 2: Presentation

Phil Helm
Head of Finance
phil.helm@coventry.gov.uk

Appendix 1: 2025/26 Fees and Charges

	2025/26 Budget £m
Fees - Social Care	(26.3)
Fees - Housing	(12.0)
Fees - Bereavement Services	(5.5)
Fees - Corporate Services	(5.4)
Fees - Car Parks	(4.9)
Fees - Parking Enforcement	(4.6)
Fees - Waste	(3.9)
Fees - Planning	(2.8)
Fees - Transportation & Highways	(2.7)
Fees - Licensing	(2.6)
Fees - Facilities & Property Services	(1.9)
Misc. Sales income	(1.6)
Fees - Register Office	(1.2)
Fees - Education	(1.2)
Godiva Festival Income	(1.0)
Fees - Planning & Regulatory Services	(1.0)
Fees - Leisure Activities	(0.9)
Outdoor Education Centre income (non schools)	(0.7)
Commercialisation - Sponsorship Activities	(0.7)
Fees - Fleet Services	(0.6)
Fees - Other External	(0.6)
Fees - Training	(0.4)
Fees - Pest Control	(0.4)
Outdoor Education Service – In City Offer	(0.3)
Fees - Land Search	(0.3)
Fees - Adult Education	(0.2)
Fees - Streetpride & Parks	(0.2)
Fees - Legal	(0.2)
Fees - HR/Employment	(0.1)
Fees - Libraries, Advice, Health & Information Services	(0.1)
Fees - Environmental Services	(0.1)
Fees - Post	(0.1)
Total	(75.9)

Excludes rents and dividends and Business Rates and Council Tax Collection Fund surpluses.



Commercial Investments

Finance & Corporate Services Scrutiny Board

November 2025



Background

- Councils have historically sought to protect financial position (and services), or make strategic interventions through 'commercial' investment
- Investment in the sector had some successes but also some high profile failures
- Regulatory change – Government intervention and regulation change aimed at preventing future instances of investing for yield
- MTFS position – 26/27 (onwards) Council Resources & Reserves will remain under pressure
- Capital position – finite resources, flexibility through prudential borrowing for business case-based investment.
- One Coventry Plan – green and financial sustainability plus economic prosperity

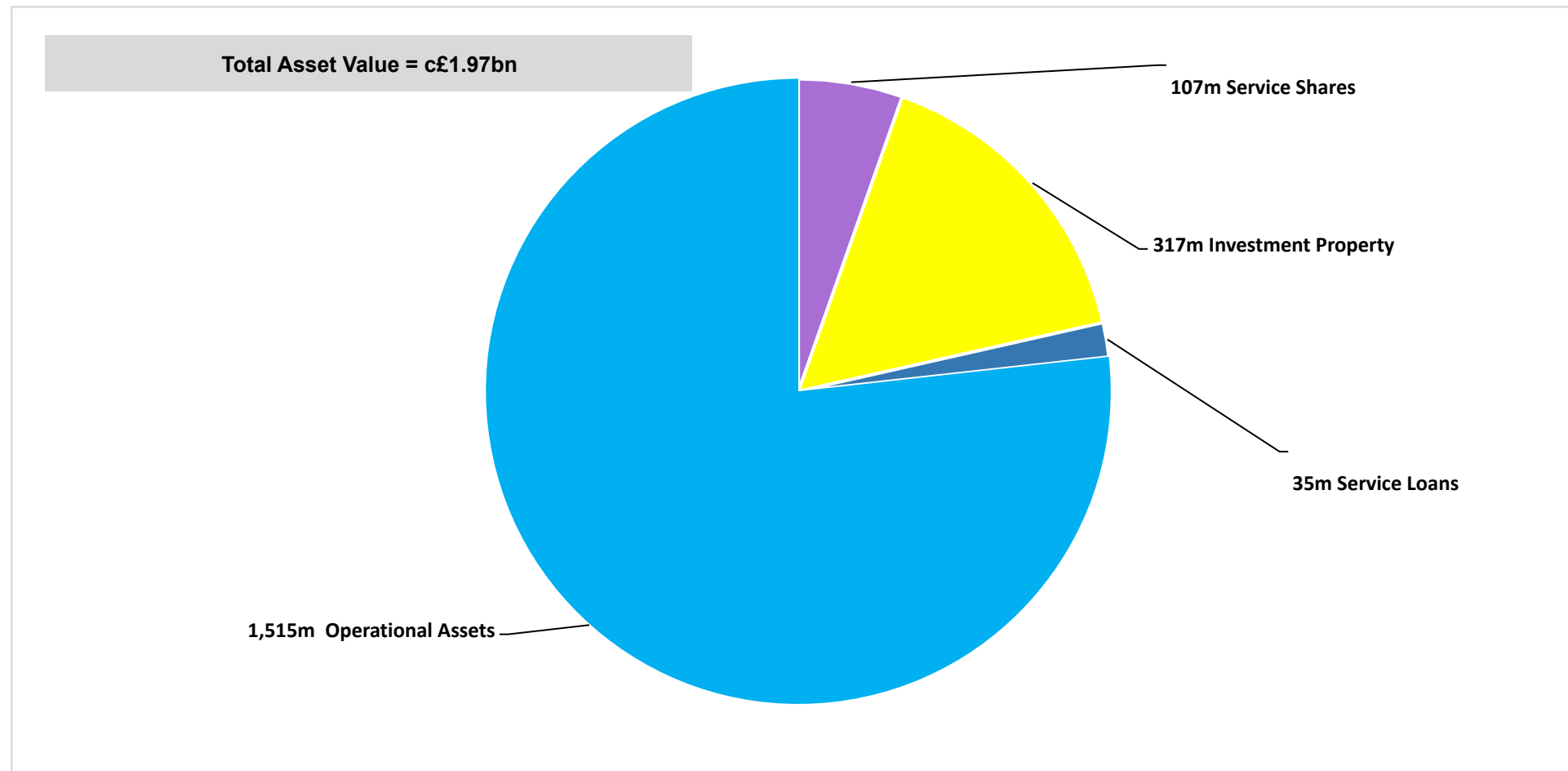


CCC Investment Portfolio

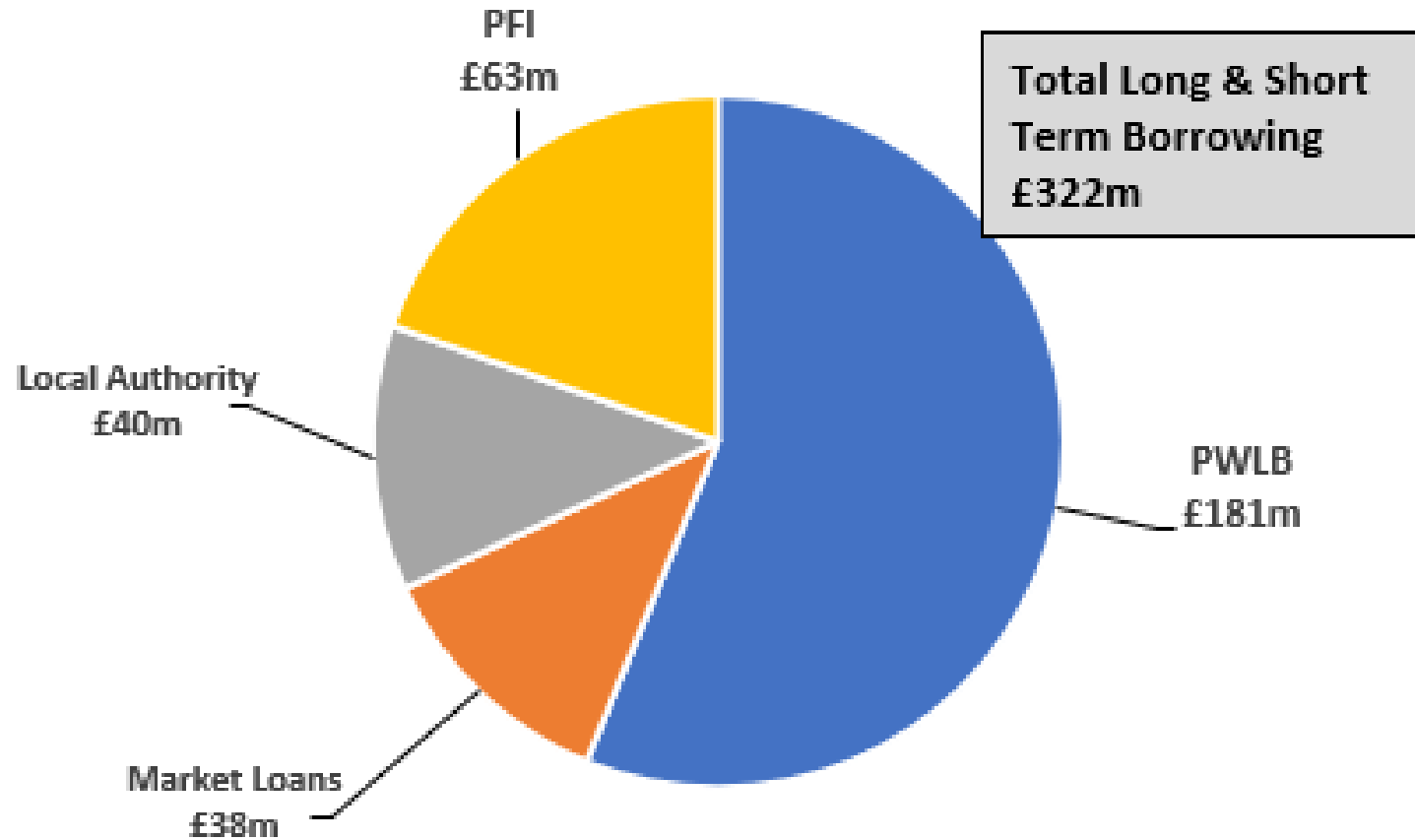
- Comprises :
 - Loans
 - Shares
 - Investment property
- Objective – includes strong service or strategic dimension e.g. local, regeneration or economic benefits
- Valuations updated every year
- Accounting – difference between latest value and original investment
- Vast majority of CCC total assets are operational (77%)



CCC Total Assets at 31 March 2025



CCC Liabilities at 31 March 2025



CCC Liabilities at 31 March 2025

- Actual borrowing is significantly lower than underlying 'need' to borrow (Capital Financing Requirement or CFR = £505m)
- Strong cash balances enable us to use instead of external loan
- There is likely a medium-term borrowing need
- Published LA debt figures show Coventry at (184th of 317), well below the England average per capita (£697 vs £1,641)
- Compared to similar Met/Unitary's Coventry are 10th lowest (90th of 99), significantly lower than average per capita (£697 vs £1,661)
- For comparison, high profile LA's are in some cases over 10x these levels

CCC Return on Investments

- Over the last 3 years the following returns on investments have been achieved:

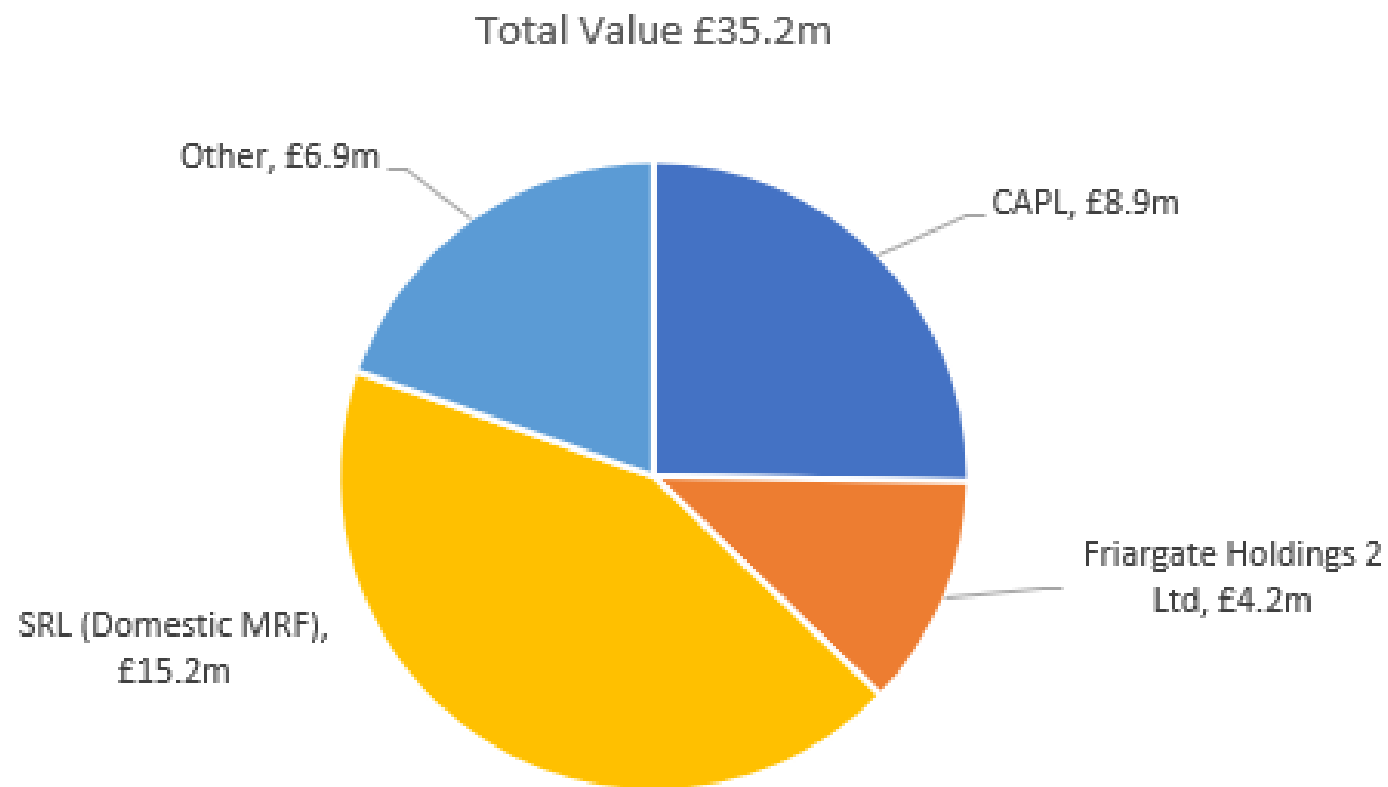
Investment Category	2022/23 Return on Investment %	2023/24 Return on Investment %	2024/25 Return on Investment %
Service Loans (i)	3.9%	5.8%	6.1%
Service Shares (ii)	6.6%	10.6%	14.9%
Investment Property (iii)	4.3%	4.2%	3.9%
Total Commercial Assets	4.8%	6.0%	6.6%

(i) Interest received and accrued

(ii) Dividends

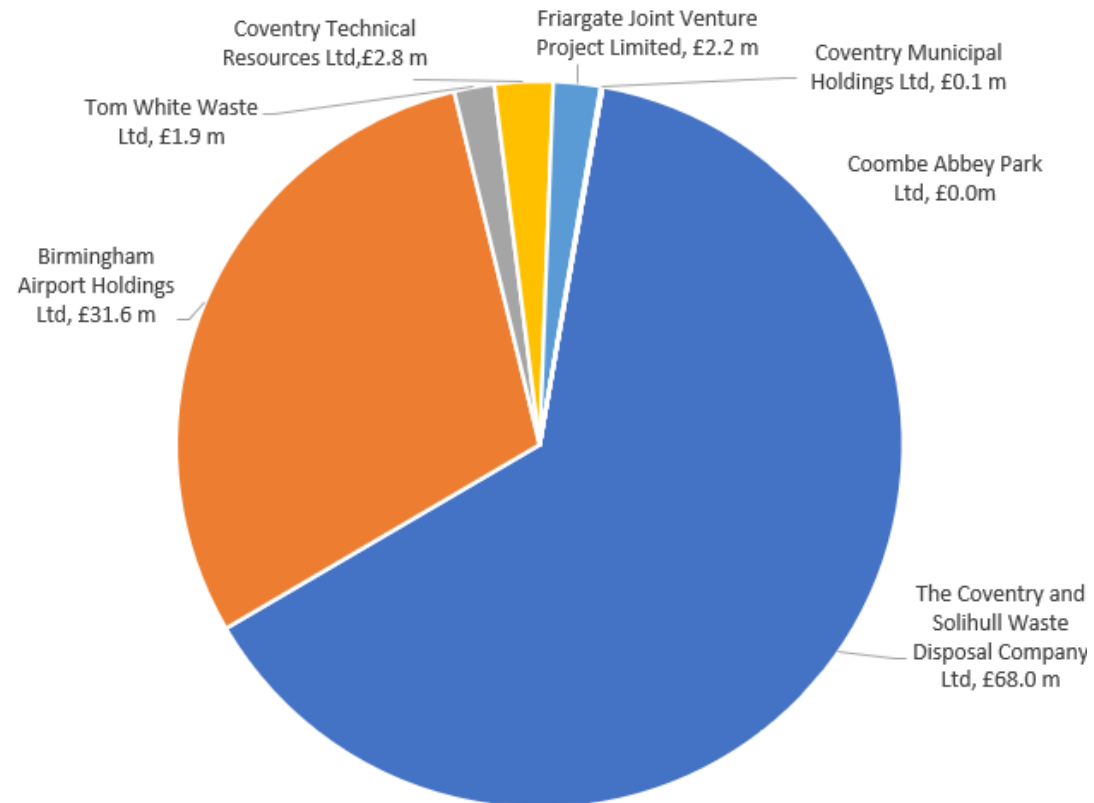
(iii) Rental income net of service charge, voids & other direct costs

CCC Service Loans & Commitments

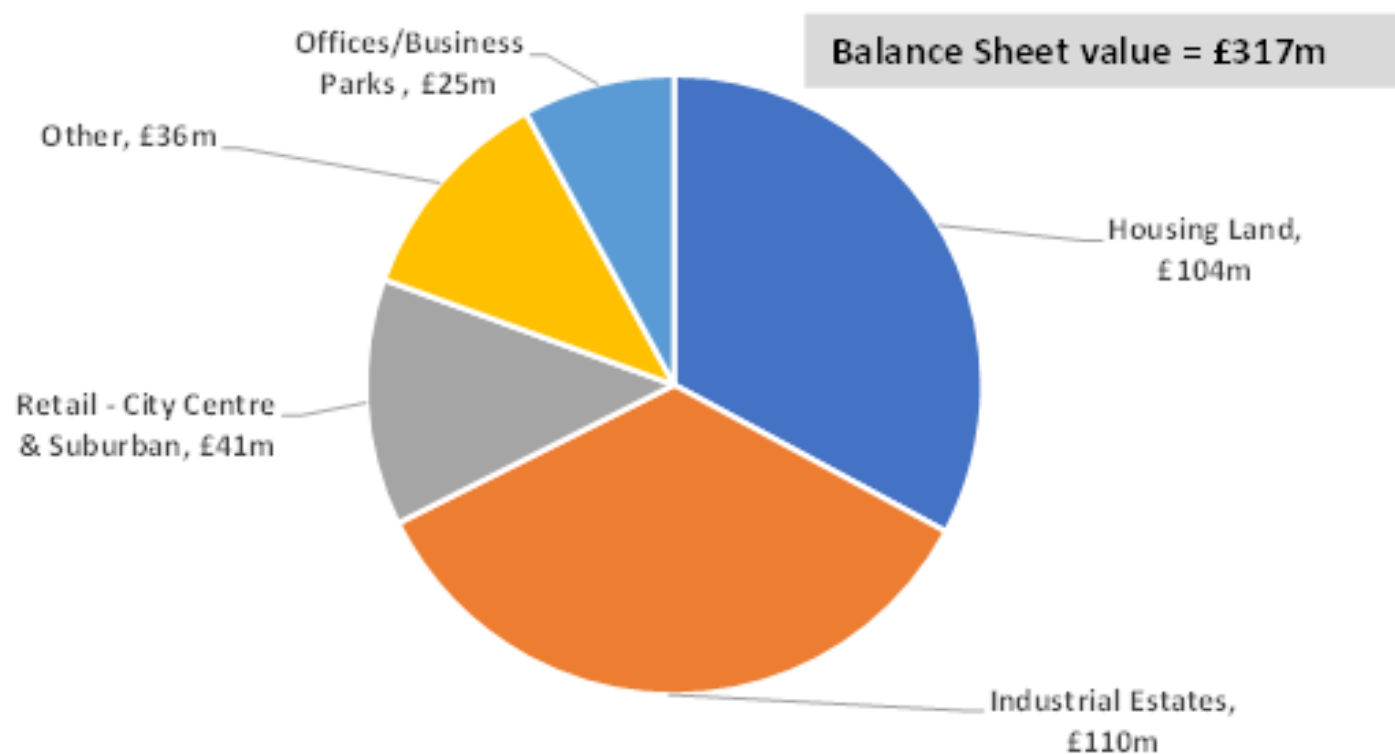


CCC Service Shares

Balance Sheet Value (£106m):



CCC Investment Property



Regulatory Framework

- Wider framework – existing guidance with strong risk focus including Prudential Code; Investment Guidance; Minimum Revenue Provision; PWLB; Treasury Management; Capital strategies
- In recent history, Govt & CIPFA had concerns re investment risk - Debt funding (Coventry well below National average per capita); Losses and capitalisation
- Response: PWLB rule changes; Prudential Code changes;
- Revised Prudential Code - Risks should be **proportionate**; **must not borrow to invest**. Investments classed as treasury; service and commercial (for yield)
- PWLB Rules - No access if the authority plans to invest **primarily for yield** but LA's can invest for service objectives
- Commercial Investment Strategy - part of budget setting report since 2018; sets out the Council's approach to risk, liquidity and proportionality; sets limits for loans & shares



Commercial Investment Risk

- Capital value/Price Risk:
- Revenue/Income Risk:
- Other risks e.g. reputational
- Income Risk includes:
 - share dividend income from small number of shareholdings
 - service loan interest (but security exists for larger loans)
 - property income (but importantly is diversified across sectors & all local)
- Total Capital Risk of over c£100m
- Diversification – some concentration in waste area through shares, loans, potential guarantees





Coventry City Council

Briefing note

To
Finance and Corporate Service Scrutiny Board
(Scrutiny Board 1)

Date: 5 November 2025

Subject:
Local taxation collection performance 2024/25
and Government Consultation on modernising
council tax administration.

From
Barrie Strain
Head of Revenues and Benefits

Purpose of the note

- 1 To update the Finance and Corporate Services Scrutiny Board (1) on Coventry's business rates and council tax collection performance in 2024/25 relative to other English billing authorities.
- 2 To summarise details of the Government's consultation on modernising council tax administration.

Recommendations

- 3 The Finance and Corporate Services Scrutiny Board (1) is recommended to acknowledge the content of the report and agree to receive a further report in the new municipal year 2026/27 to detail outturn performance for the tax year 2025/26.

Background

- 4 The Council, as a statutory billing authority, collects council tax revenue of £229 million from 154,000 domestic properties and business rates of £143 million from 9,000 commercial properties.
- 5 The Ministry for Housing, Communities and Local Government (MHCLG) publish performance data annually for council tax and business rates collection. This note outlines Coventry's council tax and business rates performance over three main themes and across three comparator groups.

Themes

- In year collection rates;
- Levels of and collection of arrears;
- levels of debt written off.

Comparator groups

- All England;
 - All Metropolitan authorities;
 - CIPFA nearest neighbour comparators group (based on area demographics etc.).
- 6 It is helpful to provide collection and arrears data within the context of comparator Authorities given the various localised factors which can influence the level of collection in a locality, including:
- Levels of deprivation;
 - Levels of transience;
 - The composition of the council tax base – Coventry has a higher than average proportion of band A properties and such properties tend to be occupied by lower income residents and are more likely to experience high levels of transience;
 - Levels of student populations – whilst many students are eligible for a student exemption, some are liable to pay council tax. Equally, a student has to *apply* for an exemption. Many students fail to do so and simply ignore council tax bills. Ultimately this results in council tax being written off when it probably wasn't a true liability in the first place;
 - The level of support provided under a Council's council tax support scheme;
 - Local trading conditions and economic prosperity.

Council Tax

- 7 The average in year council tax collection rate for the whole of England in 2024/25 was 95.9 per cent – unchanged from the previous year. Coventry ranked 263rd of all English Councils with a collection rate of 93.5 per cent – a 0.2 percentage point reduction on the 2023/24 collection performance of 93.7 per cent.
- 8 Collection rates nationally remain significantly below pre pandemic levels which averaged approximately 97 per cent for in year council tax collection.
- 9 The average collection rate for the 36 metropolitan authorities was 93.6 per cent – again unchanged from the previous year. Coventry ranks 25th of 36 metropolitan authorities – unchanged from our prior year ranking.
- 10 There has been a longstanding focus on in year collection rates for performance purposes. For accounting purposes, a more salient figure is the eventual council tax collection rate. This is the percentage of council tax collected in the fullness of time. In Coventry, the eventual collection rate is 97.6 per cent. This means that whilst 93.5 per cent of council tax falling due in a tax year may be collected within that tax year, over the longer term, 97.6 per cent of what was due will be collected with 2.4 per cent being written off.
- 11 Whilst Coventry has experienced a reduction in in-year council tax collection, charts 1 and 2 below show that Coventry remains broadly average when compared to other metropolitan authorities and when compared to our CIPFA nearest neighbours.

Chart 1

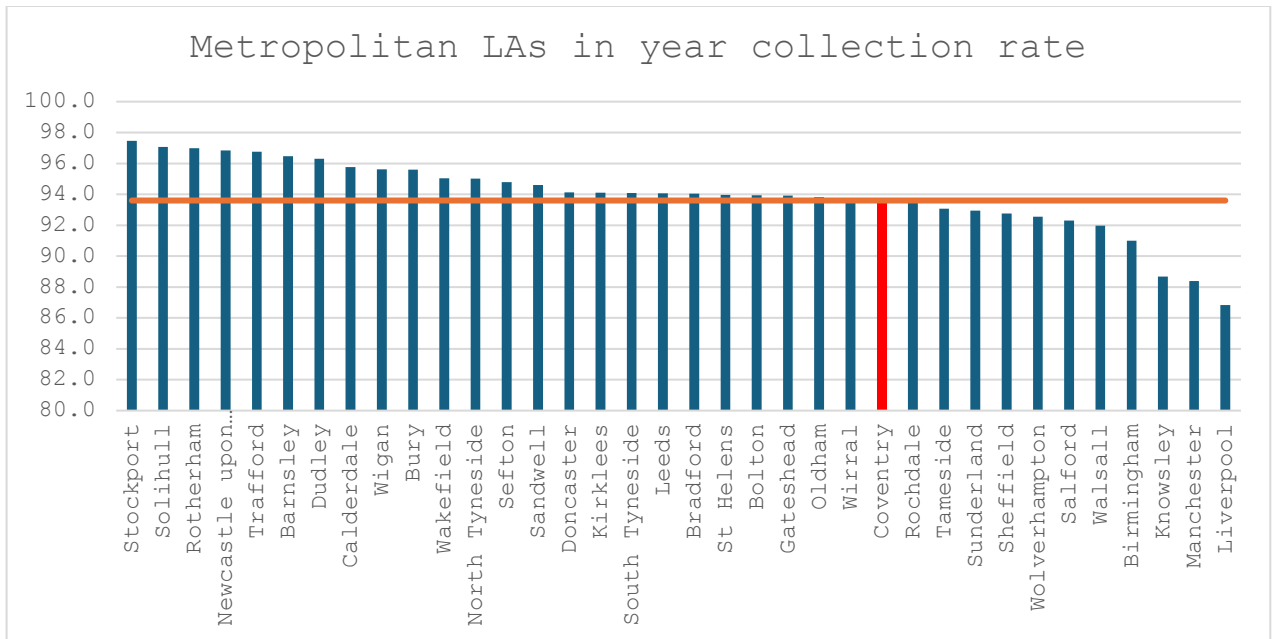
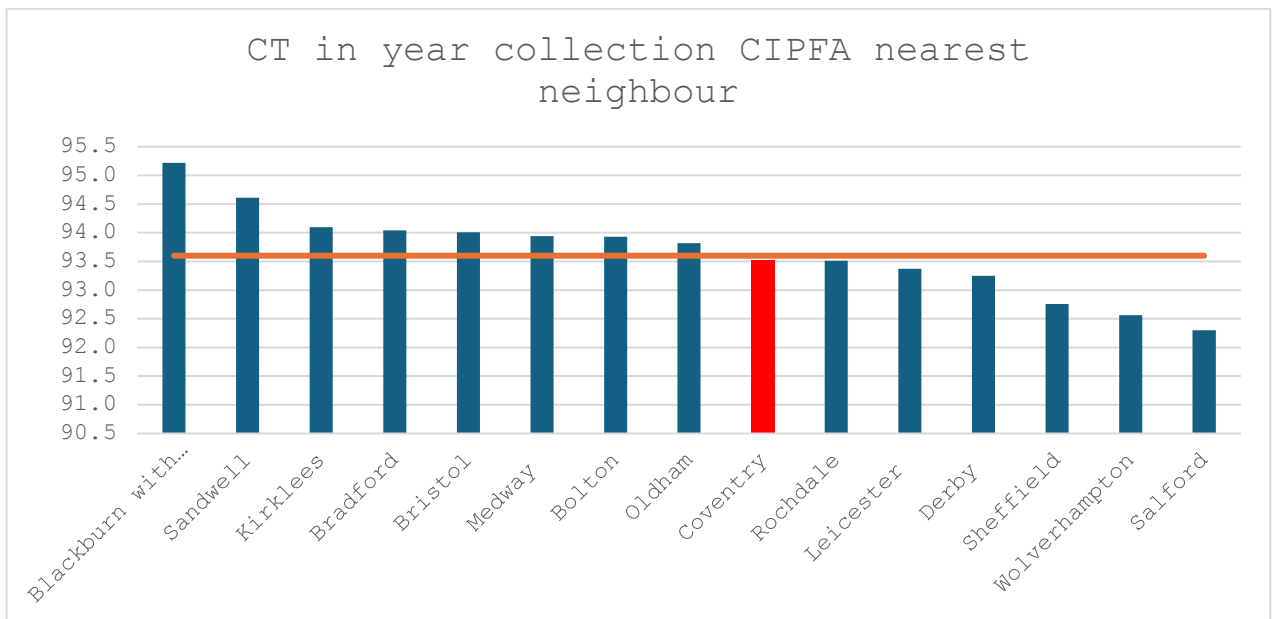
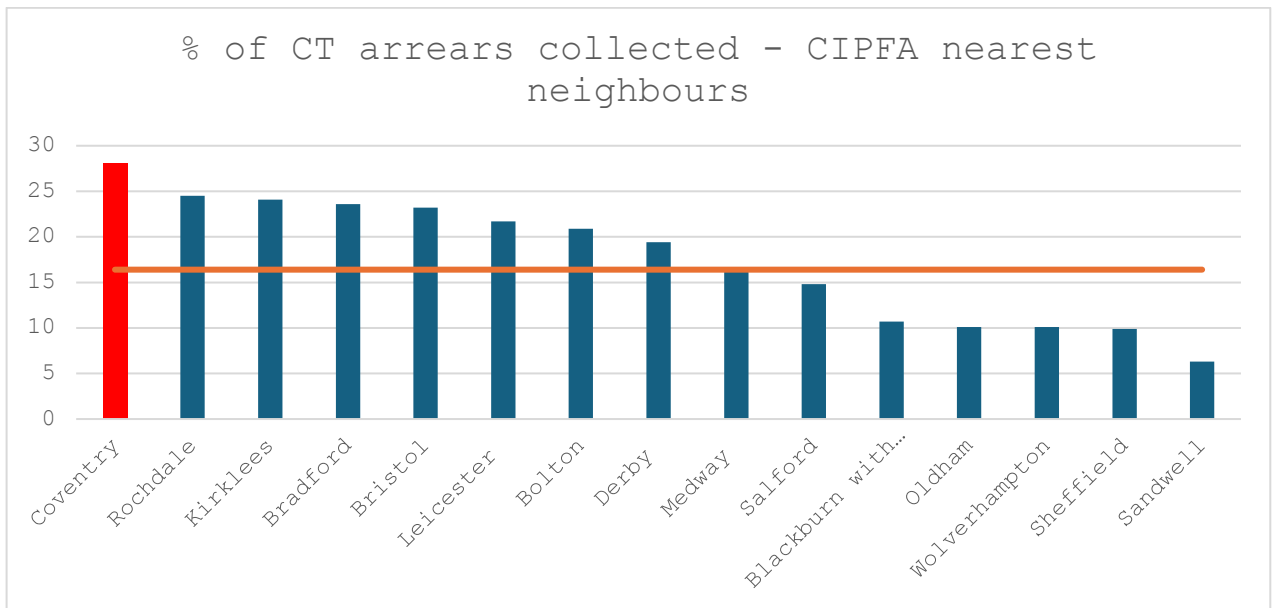


Chart 2



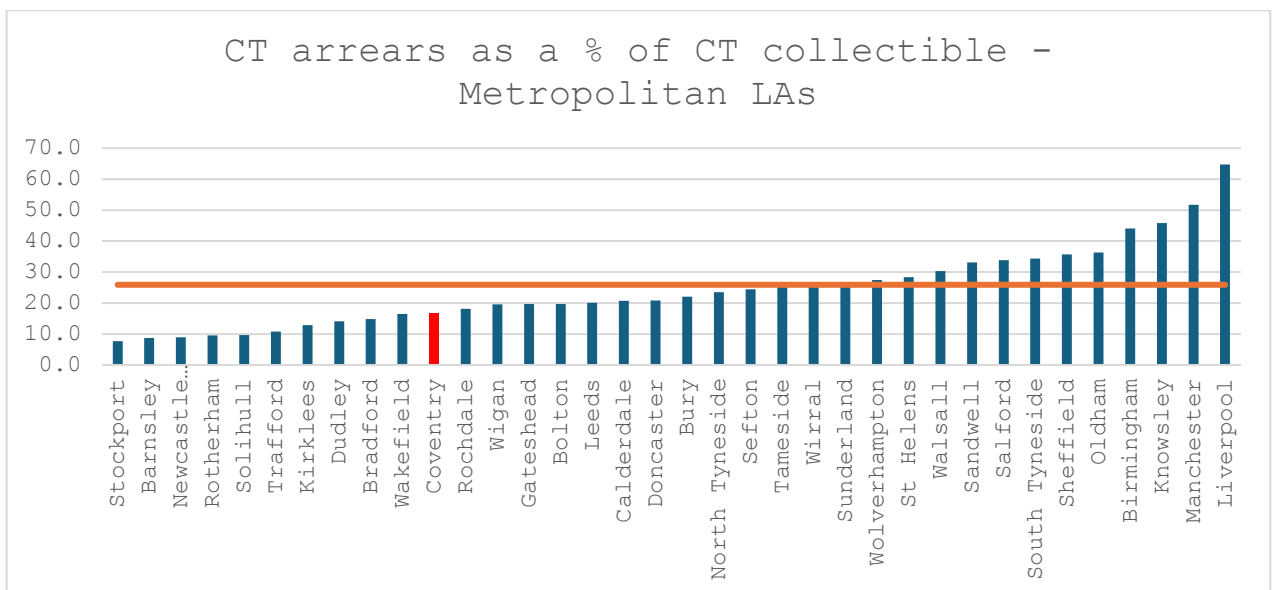
12 Furthermore, chart 3 below shows that Coventry's performance on the collection of prior year balances (council tax arrears) is the strongest of our nearest neighbour comparators and well above the average for the group. Coventry is also the fifth strongest collector of council tax arrears of the 36 metropolitan LAs.

Chart 3



13 When we consider the level of council tax arrears as a percentage of the overall tax base, Coventry, with arrears of £35 million (or 17 per cent of our tax base), compares favourably to other metropolitan authorities. Chart 4 below shows Coventry below the average for the 36 metropolitan authorities with the 11th lowest level of council tax arrears as a proportion of tax base.

Chart 4



- 14 Expressed as a percentage of annual council tax collectible, Metropolitan Councils wrote off an average of 1.0 per cent of council tax – Coventry wrote off 1.2 per cent and ranked 26 of the 36 metropolitan Councils.

Ongoing collection activity

- 15 Coventry continues to seek a balanced approach between robust enforcement measures to collect public funds but also recognising and responding to the challenging circumstances of some of our most vulnerable residents.
- 16 Coventry uses all enforcement remedies legally available in the shortest timeframe permitted. This includes obtaining liability orders, attachments of benefits, attachments of earnings, the use of enforcement agents, bankruptcy, charging orders and ultimately asking the court to commit someone to prison. Coventry is one of few authorities nationally to seek committal orders for non payment of council tax.
- 17 Coventry makes use of available technology to target council tax arrears, including the use of automated SMS, email and voice broadcasting functionality to elicit contact from debtors.
- 18 The Council uses Experian credit reference searches to trace debtors where their whereabouts are unknown.
- 19 A significant investment has been made in automation technology which has helped to improve our response times over the past 12 months. We know that delays in billing and responding to customer contact can ultimately make collection more challenging. Between September 2024 and September 2025 we reduced our average customer response times from 20 weeks to just one week.

Protecting vulnerable residents

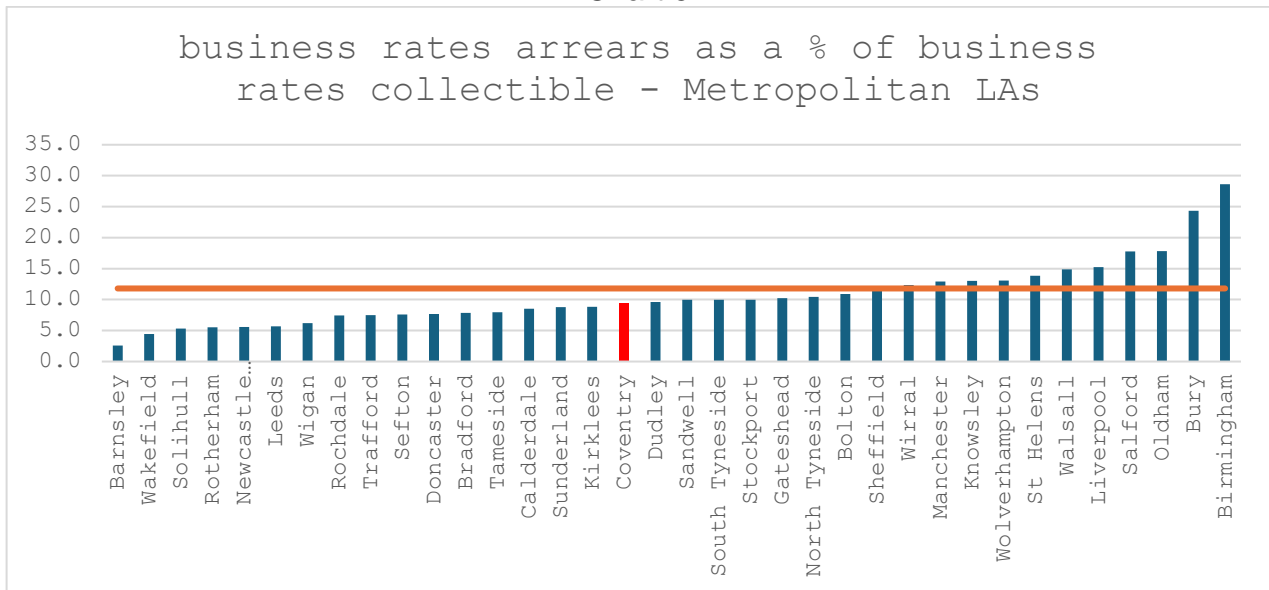
- 20 Whilst taking a robust approach to the collection of public funds, the Council is sensitive to its responsibilities to protect Coventry's most vulnerable residents.
- 21 Coventry's Council Tax Support scheme provides up to 80 per cent council tax relief for low income working age households and 100 per cent relief for those of pension age.
- 22 Coventry publishes a Revenues Collection and Vulnerability Policy which sets out the measures taken by the Council to protect our most vulnerable residents. The Council is also a signatory to the Citizen's Advice Council Tax Protocol which sets out best practice in council tax collection.
- 23 Amongst the measures taken to protect vulnerable residents and maintain ethical collection practices are:
- Vulnerability Panel – Senior Officers, including the Head of Service, meet monthly to review vulnerable cases and determine whether debts should be pursued or written off
 - Committal Approval Panel – like the Vulnerability Panel, any case progressing to committal stage must be approved by a panel which includes the Head of Service. All cases proceeding to committal stage will have been subject to checks with Adult Social Care to determine any vulnerability

- Financial data - In reviewing vulnerable cases the Council makes use of third party financial data to assess the ability to pay
- Quarterly advice sector review meetings – attended by Council officers, advice agencies and the Council’s appointed enforcement agents. These meetings help to maintain constructive working relationships between the partners and ensure any concerns about collection practices are quickly addressed
- Discretionary Relief Policy – this policy exists in addition to the council tax support scheme and provides for relief of up to 100 per cent for the most vulnerable residents. This scheme is used particularly to support care leavers and families with no recourse to public funds.
- Court costs – the Council does not apply for court costs if it has to seek a liability order against someone who receives council tax support
- Benefit deductions – the Council will always try to make deductions from someone’s benefit before a debt is referred to an enforcement agent
- Flexible payment arrangements – once a person loses the right to pay by instalments the Council has the right to demand the balance in full. Council officers are encouraged to make affordable, flexible payment arrangements wherever possible. In cases where there is limited ability to pay and the taxpayer has significant arrears, officers can recommend that historical debt is written off on the condition that ongoing payments are made. This can help taxpayers to avoid or emerge from the debt spiral.

Business rates

- 24 The average in year business rates collection rate for the whole of England in 2024/25 was 97.3 per cent - an increase of 0.1 percentage points from 2023/24. Coventry experienced a 1.4 percentage point fall in business rates collection with an in year collection rate of 94.2 per cent.
- 25 The average collection rate for the 36 Metropolitan authorities was 96.4 per cent and Coventry ranked 34th of 36.
- 26 Whilst Coventry’s in year collection outturn was disappointing for 2024/25, chart 5 below shows Coventry remains comfortably below the Metropolitan average with the 17th lowest level of arrears of the 36 metropolitan authorities.
- 27 Coventry’s overall business rates arrears position, and a traditionally strong track record on in year collection, suggests Coventry is seeing some localised and acute temporary collection challenges.
- 28 Business rates collection is far more volatile than council tax and subject to significant year on year fluctuations. In part, this is due to the quantum’s involved. In 2024/25, Coventry’s collection rate was hampered by the impact of some high profile failed companies – including the multi million pound impact from an insolvency at a large warehouse in Walsgrave.
- 29 Coventry wrote off approximately £3.3 million in business rates in 2024/25 with approximately 92 per cent of that amount attributable to companies being liquidated or ceasing to trade. In these circumstances the Council has no alternative but to write off the debt.

Chart 5



Council tax consultation

30 MHCLG recently conducted a consultation on modernising and improving the administration of Council Tax. The consultation included several proposals and calls for evidence – the most salient of which are set out in the table below. The table also sets out officer observations in respect of each proposal.

Proposal	Officer view
Introduce a 12 month payment profile as standard (currently residents have the right to request a 12 month profile but 10 months is more common)	<p>Approximately 14 per cent of residents currently pay over 12 instalments. Introducing a 12 month default approach will increase this over time and make it more challenging to collect amounts in year for those who default.</p> <p>There is also an income/cashflow consideration with spreading payments over a longer period of time. If every tax payer moved to a 12 month profile then the Council, in theory, would lose approximately £1 million per annum in interest.</p> <p>However, the proportion of residents paying over 12 months is increasing incrementally year on year anyway as residents currently have the option to spread payments.</p>
Rename the Severe Mental Impairment disregard to Significant Cognitive Impairment	Officers agree with the proposal

Increase the amount of time after a default that Councils can require the full balance to be paid and/or apply for a liability order (currently 7 days)	In reality, CCC rarely insists on the full balance being paid and would seek to agree an affordable payment arrangement. Elongating the process will give residents fewer instalment dates over which to make a payment arrangement. Ultimately this change could increase council tax arrears and write offs.
Capping court costs for liability orders	Officers agree, in principle, with this proposal which will provide consistency on the level and approach to determining court costs nationally. However, anything less than the current £78.50 per summons would represent a reduction in council general fund revenue.
Review the enforcement options available to Councils to ensure they are proportionate (suggestion of abolishing committal to prison as an option as they have done in Wales)	Very few people are sent to prison for failing to pay council tax. But the sanction does serve as a deterrent and as a final resort after all other options have been exhausted. Without this option, those who do not own their property, are not on PAYE and who do not open their door to an enforcement agent, can in theory continue to avoid paying council tax without any further consequence. Again, over time this will only increase council tax arrears.

- 31 Whilst the Council would agree that council tax requires modernisation, it is fundamentally a regressive form of taxation. The proposals are superficial without addressing some of the core issues with the council tax system. There is a risk that the current proposals will negatively impact general fund and collection fund revenue whilst making little material difference to the overall operation of the council tax system.

Summary

- 32 In year collection rates continue to be significantly lower than pre COVID/cost of living crisis levels. However, the national data suggests that Coventry continues to compare relatively well with other similar authorities in terms of council tax and business rates arrears.
- 33 Overall the collection and recovery of local taxation across council tax and business rates remains challenging and we are yet to fully understand the longer term impact of the arrears built up during the COVID pandemic and cost of living crisis. For the most part however, there is nothing to suggest currently that Coventry has been disproportionately impacted despite some volatile in year collection fluctuations.
- 34 Coventry continues to maintain a robust and proportionate approach to the collection of local taxation – fully utilising all available enforcement options whilst being responsive to the circumstances of our most vulnerable customers.

Please see page 2 onwards for background to items

16 July 25
Cabinet Member Portfolio Priorities Reserves Position Procurement Strategy 2025-2030 SME/VCSE Inclusion 2024/25
10 September 25
Revenue and Capital Outturn 2024/25 Proposals for a Task and Finish Group for 25/26
5 November 25
Council Investment Portfolio Outturn Performance for the Tax year 2024/25
3 December 25 (moved from 10th)
Diversity and Inclusion, and Community Inclusion Staff Survey Results CIPFA Financial Management Code Annual Governance Statement
11 February 26
Recruitment, Retention and Sickness. Distribution of Government funding
25 March 26
Update following Implementation of the Spending, Saving and Council Tax Proposals 25/26 Learning & Development Home to School Transport – August 2025
2025/26
Task & Finish Group

Date	Title	Detail	Cabinet Member/ Lead Officer
16 July 25	Cabinet Member Portfolio Priorities	To invite Cllr Brown to identify his priorities for the coming year to identify future items and hold Cabinet Members to account	Cllr Brown
	Reserves Position	Reserves position 23/24 statement – During Q4 (July)	Barry Hastie / Cllr Brown
	Procurement Strategy 2025-2030	The procurement strategy builds on the previous strategy and reflects significant legislative changes.	Cllr Brown / Rob Amor
	SME/VCSE Inclusion 2024/25	First SME and VCSE inclusion report	Cllr Brown / Rob Amor
10 September 25	Revenue and Capital Outturn 2024/25	Update following on from the final revenue and capital outturn position for 2024/25, and reviews treasury management activity and 2024/25 - Following Council in September. An opportunity to look in further detail of the position	Barry Hastie / Cllr Brown
	Proposals for a Task and Finish Group for 25/26	Discussion with Members of the Board regarding potential topic areas for Task and Finish Group Review for 25/26	
5 November 25	Council Investment Portfolio	Update on risk and returns - Income figures to be provided in future reports relating to companies owned by the Council.	Barry Hastie / Phil Helm / Cllr Brown
	Outturn Performance for the Tax year 2024/25	To look at Council Tax collection rates	Barrie Strain / Cllr Brown
3 December 25 (moved from 10th)	Diversity and Inclusion, and Community Inclusion	Identified at Scrucro on the 5th of June following Cabinet Member Portfolio Priorities to also include Workforce KPI's	Susanna Chilton Cllr Brown

Date	Title	Detail	Cabinet Member/ Lead Officer
	Staff Survey Results		Susanna Chilton / Cllr Brown
	CIPFA Financial Management Code	At their meeting last year the Board agreed to consider this on an annual basis	Phil Helm Cllr Brown
	Annual Governance Statement		
11 February 26	Recruitment, Retention and Sickness.	To include agency staff and staff sickness – performance reports of sickness and agency use	Cllr Brown Susanna Chilton
	Distribution of Government funding	Investigate adding an item on distribution of Government funding which had been identified in the 2024 Autumn Budget., plus progress on 3-year settlement and parity of funding	Cllr Brown Phil Helm
25 March 26	Update following Implementation of the Spending, Saving and Council Tax Proposals 25/26	Update report on the outcomes and impacts of implementation, be submitted to the Board in 12 months' time. (March/April 2026)	Barry Hastie / Barri Strain Cllr Brown
	Learning & Development		Susanna Chilton Cllr Brown
	Home to School Transport – August 2025	Progress report on the Home to School Travel arrangements in the municipal year 2025-26 to review the changes and lessons learned ahead of the new procurement round prior to the next academic year.	Rob Amor / Jeanette Essex Cllr Brown
2025/26			
	Task & Finish Group		

Work Programme Decision Flow Chart

