Coventry City Council

Agenda

Finance and Corporate Services Scrutiny Board (1)

Time and Date
2.00 pm on Wednesday, 9th September, 2026

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 15 July 2026 (Pages 3 - 6)

   (b) Matters Arising

4. **Cabinet Member Priorities** (Pages 7 - 8)

   Briefing note.

5. **Commercial Investments and Income Generation** (Pages 9 - 28)

   Briefing note

6. **Reserves Balances 1 April 2026** (Pages 29 - 40)

   Briefing note

7. **Work Programme 2026-27 and Outstanding Issues** (Pages 41 - 46)

   Report of the Scrutiny Co-ordinator

8. **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, Governance and Safer Communities, Council House, Coventry

Tuesday, 1 September 2026

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

Membership: Councillors H Rehman (Chair), A Albert, A Bryant, A Kaur, J Lepoidevin and S Nazir

By invitation: Councillor R Brown

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

Carolyn Sinclair
carolyn.sinclair@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held at 2.00 pm on Wednesday, 15 July 2026

Present:

Members:	Councillor H Rehman (Chair)
	Councillor A Bryant Councillor A Kaur Councillor J Lepoidevin Councillor S Nazir Councillor C Phillips (substitute for Councillor A Albert)
Other Members:	Councillor R Brown, Cabinet Member for Strategic Finance and Resources

Employees:

Finance and Resources:	B Hastie (Director), T Pinks
Governance Services:	E Jones, C Sinclair, A West

Apologies:	Councillor A Albert

Public Business

1. **Declarations of Interest**

There were no declarations of interest.

2. **Minutes**

The Minutes of the meeting held on 25 March 2026 were noted and accepted as a true record.

3. **Revenue and Capital Outturn 2025-26**

The Board considered the Revenue and Capital Outturn 2025/26 report which had been considered by the Cabinet at their meeting on 7 July 2026 and was presented to the Board to consider whether further scrutiny of the Council's financial position was required.

The report set out the overall financial position and included the following headline items:

- An underspend of £3.2m, balanced by a contribution to earmarked reserves.
- Capital Programme expenditure of £154.3m
- An increase in the level of available Council revenue reserves from £119m to £145m

The Council had faced significant pressures within Adult Social Care and Regeneration & 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 underlying revenue position had improved by £4.8m since Quarter 3 where an overspend of £1.6m was being forecast. The majority of the improved position related to improvements in City Services within both Environmental Services & Highways, as well as an improved position in Property Services and Development following the recognition and removal of the City Centre South demolished properties from the National Non-domestic Rates (NNDR) rating list by the Valuation Office, and finally significant improvements realised in demand for Temporary Accommodation. These improvements are set out in section 2.1.4 in the report at Appendix 1.

Good practice in financial scrutiny recommended that financial scrutiny takes place at a service level. It was therefore recommended that the Board identify any further areas within the report for further discussion.

During consideration of the report and presentation, the Board questioned Officers and received responses on a number of matters including the following:

- In respect of the £3.2m underspend, Members questioned whether this could be used in Wards in order to resolve any outstanding matters raised by residents.
- The financial assumptions for this year in respect of Adult Services.
- Management of risk and due diligence in place to protect the City Council's Commercial investments.

Arising from discussion in respect of the last point above relating to commercial investments, Officers agreed to bring further information on this matter to the next meeting of the Board.

RESOLVED that the Board note the financial position of the Council as shown in the Revenue and Capital Outturn 2025/26 report and agree to receive further information on the Council's Commercial Investments at their next meeting to be held on 9 September 2026.

4. **Work Programme and Outstanding Issues**

The Board noted the Work Programme 2026/27.

There were no outstanding issues.

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

There were no other items of public business.

(Meeting closed at 2.40 pm)

This page is intentionally left blank

Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board

Date: 9 September 2026

Cabinet Portfolio: Cabinet Member for Strategic Finance & Resources

Subject: Cabinet Member Priorities 2026-27

1 Purpose of the Note

1.1 To provide an overview of the Cabinet Member priorities which sit with the remit of Finance and Corporate Services Scrutiny Board to identify potential work programme items.

2 Recommendations

2.1 The Finance and Corporate Services Scrutiny Board is recommended to:

1) Consider the information that is presented by the Cabinet Member at the meeting
2) Identify any items for the work programme 2026-27

3 Information and Background

3.1 One of Scrutiny's roles is to hold the Executive to account by reviewing decisions made by the Cabinet before they are implemented (pre-scrutiny) or after they are enacted.

3.2 Finance and Corporate Services Scrutiny Board has the responsibility of scrutinising the portfolio of the Cabinet Member for Strategic Finance & Resources.

3.3 Each scrutiny committee/board has a work programme which is determined by that committee/board, where items for scrutiny are identified for the municipal year.

Elan Jones
Scrutiny Co-ordinator
Law and Governance
Elan.jones@coventry.gov.uk

This page is intentionally left blank

Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board 1

Date: 9 September 2026

Subject: Commercial Investments and Income Generation

1 Purpose of the Note

1.1 This report 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 Resources Scrutiny Board is recommended to:

1) Note the content of the Commercial Investments and Income Generation Report and Appendices 1 and 2.
2) Identify any points for further discussion
3) Identify any further recommendations for the Cabinet Member for Strategic Finance and Resources

3 Background and Information

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 For several years the Council had been operating in a context whereby it was seeing revenue funding gaps in its medium-term financial position. The impact of the Fair Funding review was positive, such that no new savings proposals were required for 2026/27. However, the Council's finances will continue to face pressures including the high cost of social care, demand for services and inflation.

3.3 The 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 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.

The Council undertakes all these activities to a greater or lesser degree except for 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 in Appendix 1.

3.4 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 (s114) notice.

3.5 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.

3.6 Consequently, in order to avoid a s114 notice, several 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.

3.7 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 mid-range 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.

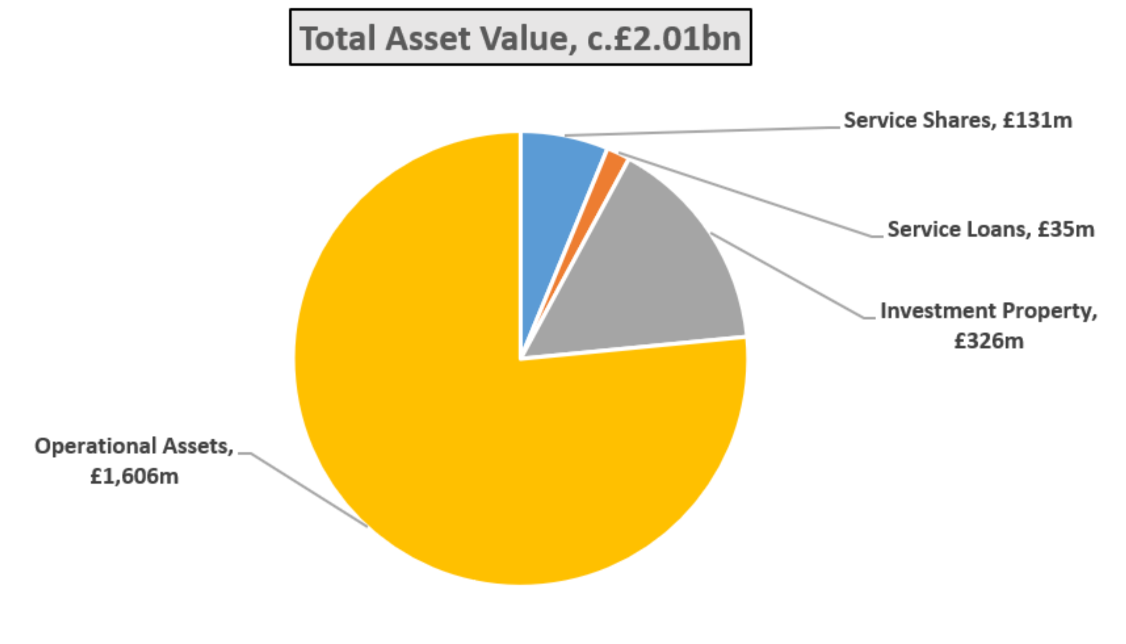
4.3 Like other councils, our approach has been informed by the need for us to generate new income streams to help offset historic government funding reductions, support our budgetary position and protect services. Importantly however, at a local level, each commercial intervention made by the Council 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 c.£2.01billion. 77% (c.£1.6billion) 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% (£326m) is represented by investment property which generates an on-going commercial rent and whose valuation is essentially driven by that rent. The remaining 8% is held in the form of long-term loans to third parties (£35m) and shares in external companies (£131m).

Figure 1: Long-Term Assets at 31 March 2026



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 2025/26 are shown in the table below and represent an average overall 5.7% rate of return on asset value for the whole portfolio.

Table 1: Commercial Income 2025/26 (per Commercial Investment Indicators)

Investment Category	2023/24 Return on Investment £000	2024/25 Return on Investment £000	2025/26 Return on Investment £000
Service Loans (interest received)	(2,139)	(2,147)	(1,926)
Service Shares (Dividends)	(12,372)	(15,894)	(12,079)
Investment Property (Rental income net of voids & service charges)	(12,597)	(12,298)	(14,435)
Total Commercial Assets	**(27,108)**	**(30,339)**	**(28,440)**

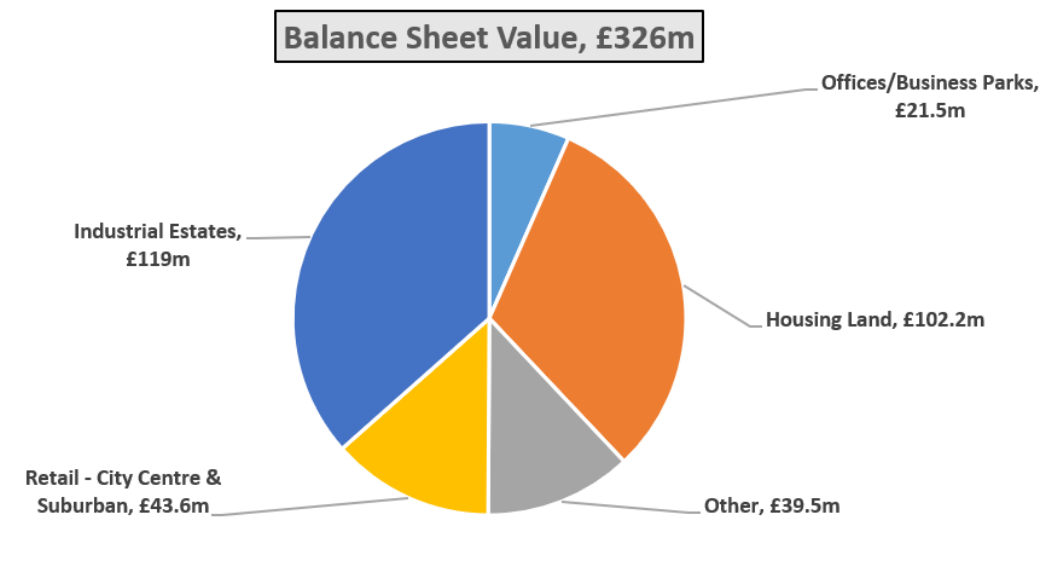
5.3 It is important to recognise some of the risks that are involved in owning these types of assets. One key risk is the capital value. For example, an organisation to which the council has provided a loan might not pay the Council the full amount owed. Similarly, the value of an investment (shareholding 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 Council's 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 2026



5.6 The Council's investment property represents the largest share of its commercial assets, £326m of the £492m long-term commercial assets set out in Figure 1 on the previous page. The values are subject to revaluation each year. The balance sheet value and the £14.4m (see table 1) revenue income stream achieved in 2025/26 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 8 years.

Table 2: External Loans (Resources Invested or Committed) Q1 2026/27

Major Loans	**Actual Q1 £m**	**Commitments £m**	**Total £m**
Coombe Abbey Park Ltd	8.1	0.2	8.3
Friargate	4.5	0.0	4.5
Coventry and Warwickshire Reinvestment Trust	2.0	0.0	2.0
Sherbourne Recycling Ltd (Domestic MRF)	15.0	0.0	15.0
Other	5.6	0.0	5.6
Total	**35.2**	**0.2**	**35.4**

6.2 These loans are all of a service or strategic nature and although they are structured to deliver a commercial return, income generation is not considered the primary reason for making them. 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 (£1.9m in 2025/26) this is very low in comparison to the Council's overall budget. 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.£131m per the latest set of valuations undertaken at 31st March 2026. 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
University of Warwick Science Park Business Innovation Centre Ltd	0.2
Total	**46.5**
Revaluation Balance (increase)	**84.5**
Balance Sheet Value	**131.0**

7.2 The table above shows the initial amount invested by the Council (£46.5m). The difference between this and the Balance Sheet Value (£131m) 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 of £10m invested for The Coventry and Warwickshire Waste Disposal Company (CSWDC) in 1995 is not reflected. This was in the form of preference shares issued as part of the initial investment in CSWDC which were later redeemed under pre-agreed terms at the discretion of the company between 2013 and 2016.

7.3 The 2025/26 dividend income shown in Table 1 came from CSWDC and Birmingham Airport Holdings. Dividend income has previously been received from Tom White Waste Ltd (TWW), Coombe Abbey Park Ltd (CAPL), all of which were affected historically by the Covid pandemic and 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.

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 Sherbourne Recycling Ltd (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 is reasonable to expect 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.

Appendices:
Appendix 1: 2026/27 Fees & Charges Table
Appendix 2: Presentation Slides

Aimee Proctor
Finance Manager – Projects, Capital & Commercial
Aimee.Proctor@coventry.gov.uk

Appendix 1: 2026/27 Fees & Charges

Fee Type	**2026/27 Budget £m**
Other External	(27.2)
Social Care	(23.2)
Bereavement Services	(6.1)
Car Parks	(5.9)
Service Level Agreement	(5.4)
Parking Enforcement	(4.3)
Waste	(4.1)
Training	(2.8)
Planning	(2.7)
Licensing	(2.6)
Highways	(2.4)
Register Office	(1.2)
Building Regulations	(0.9)
Repairs & Maintenance	(0.5)
Leisure Activities	(0.5)
Pest Control	(0.4)
Land Search	(0.3)
Legal	(0.2)
Post	(0.1)
Libraries	(0.0)
Total	**(90.9)**

This analysis excludes rents, dividends, Business Rates and Council Tax Collection Fund surpluses.

Commercial Investments

Finance & Corporate Services Scrutiny Board

September 2026

Coventry City Council

ONE COVENTRY

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.
- Capital position – finite resources, flexibility through prudential borrowing for business case-based investment.

CCC Investment Portfolio

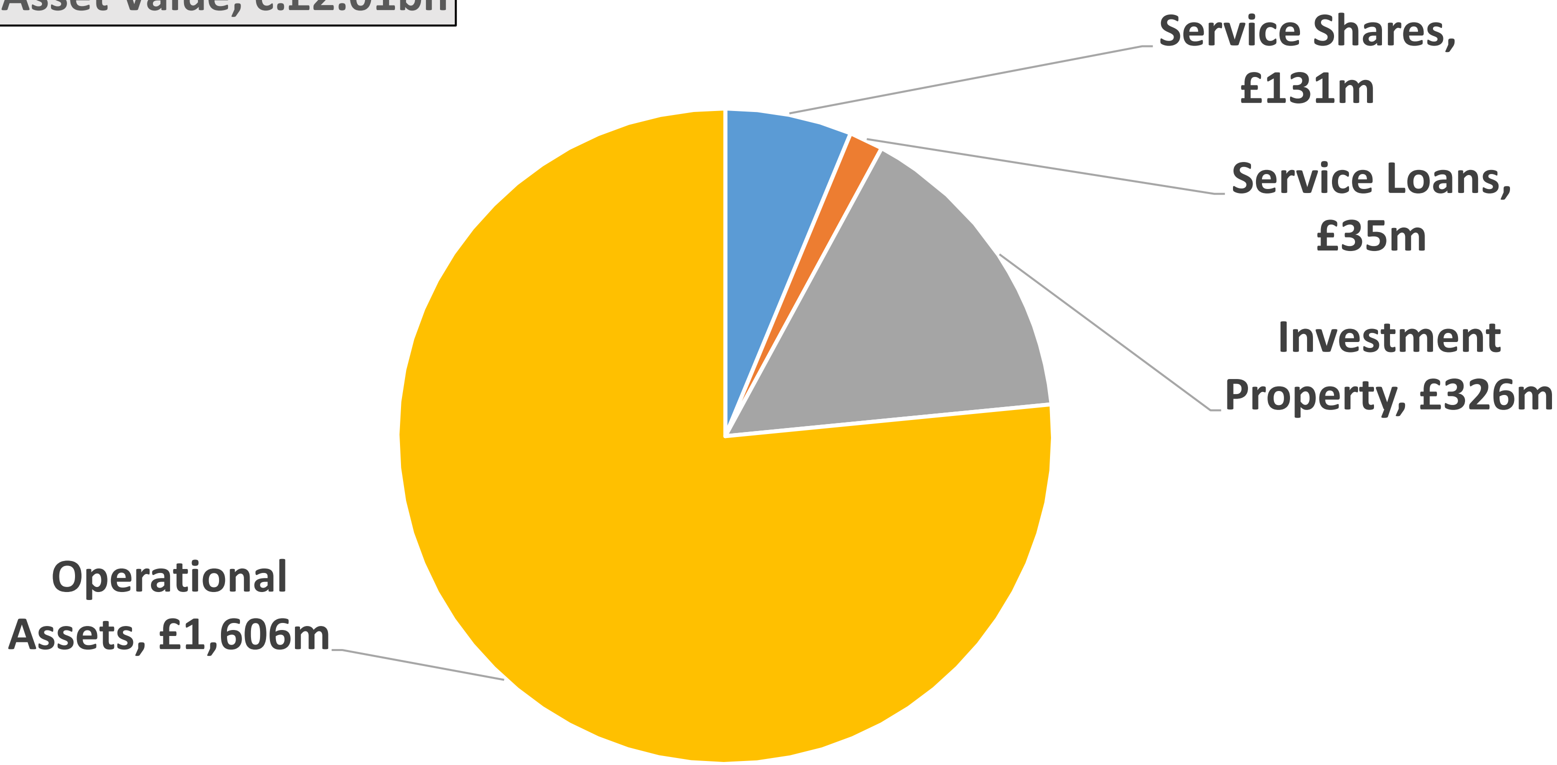
- Vast majority of CCC total assets are operational (77%).
- Comprises :
  - Loans
  - Shares
  - Investment property
- Strong service or strategic dimension e.g. local, regeneration or economic benefits.
- Valuations updated every year.
- Accounting – difference between latest value and original investment.

Coventry City Council

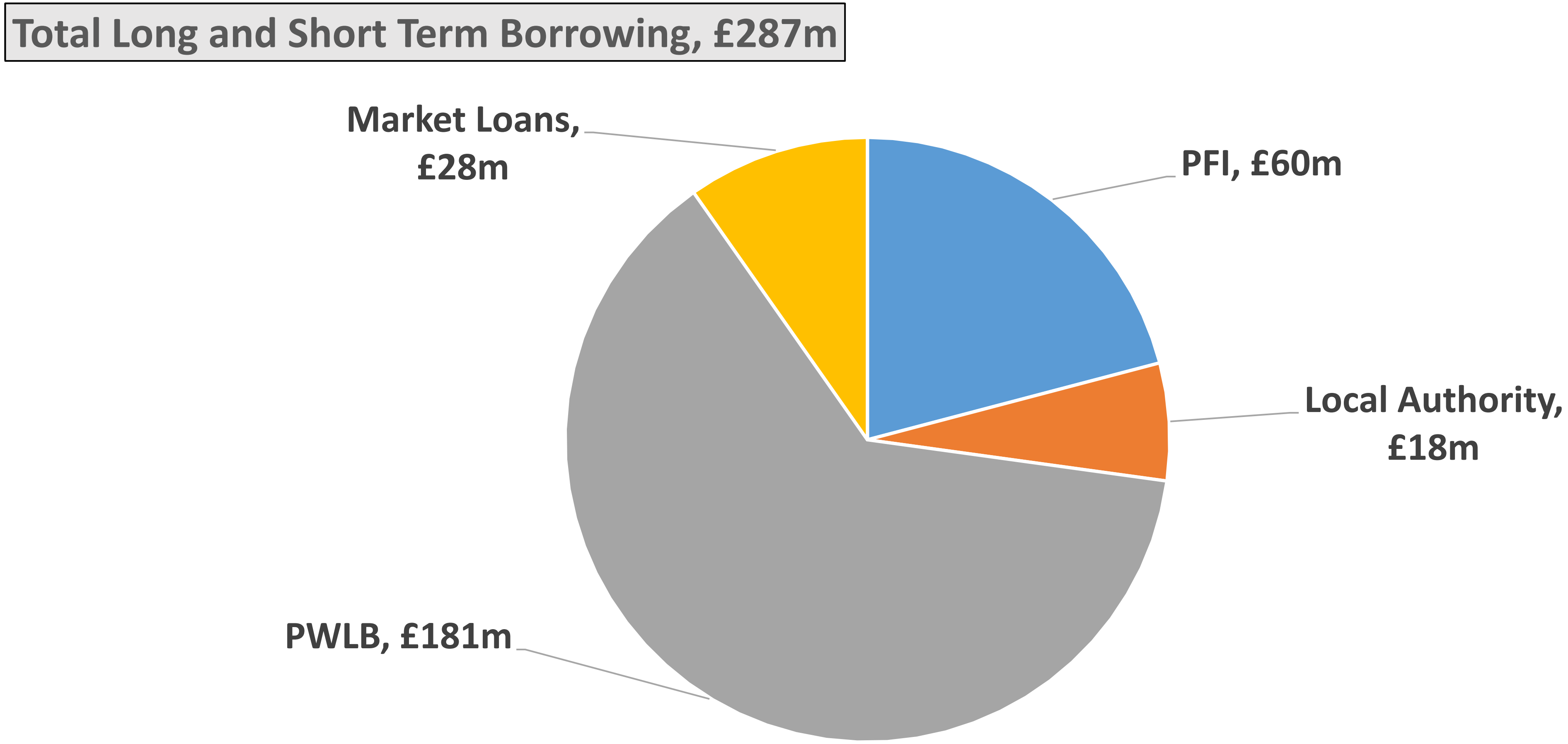
ONE COVENTRY

CCC Total Assets at 31 March 2026

Total Asset Value, c.£2.01bn



CCC Borrowing at 31 March 2026



Coventry City Council

ONE COVENTRY

CCC Liabilities at 31 March 2026

- Actual borrowing is significantly lower than underlying ‘need’ to borrow (Capital Financing Requirement (CFR) = £535m)
- CFR per capita sits at £1,433 vs a national average of £2,385
- Strong cash balances enable us to use these instead of external loans.
- There is likely a medium-term borrowing need.
- Published Local Authority debt figures show Coventry below the England average £623 pre capita vs a national average of £1,711 per capita.
- Compared to similar Met/Unitary’s Coventry are 8th lowest (92nd of 99), significantly lower than the average (£623 vs £1,738 per capita).
- For comparison, high profile LA’s are in some cases over 10 times these levels.

CCC Return on Investments

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

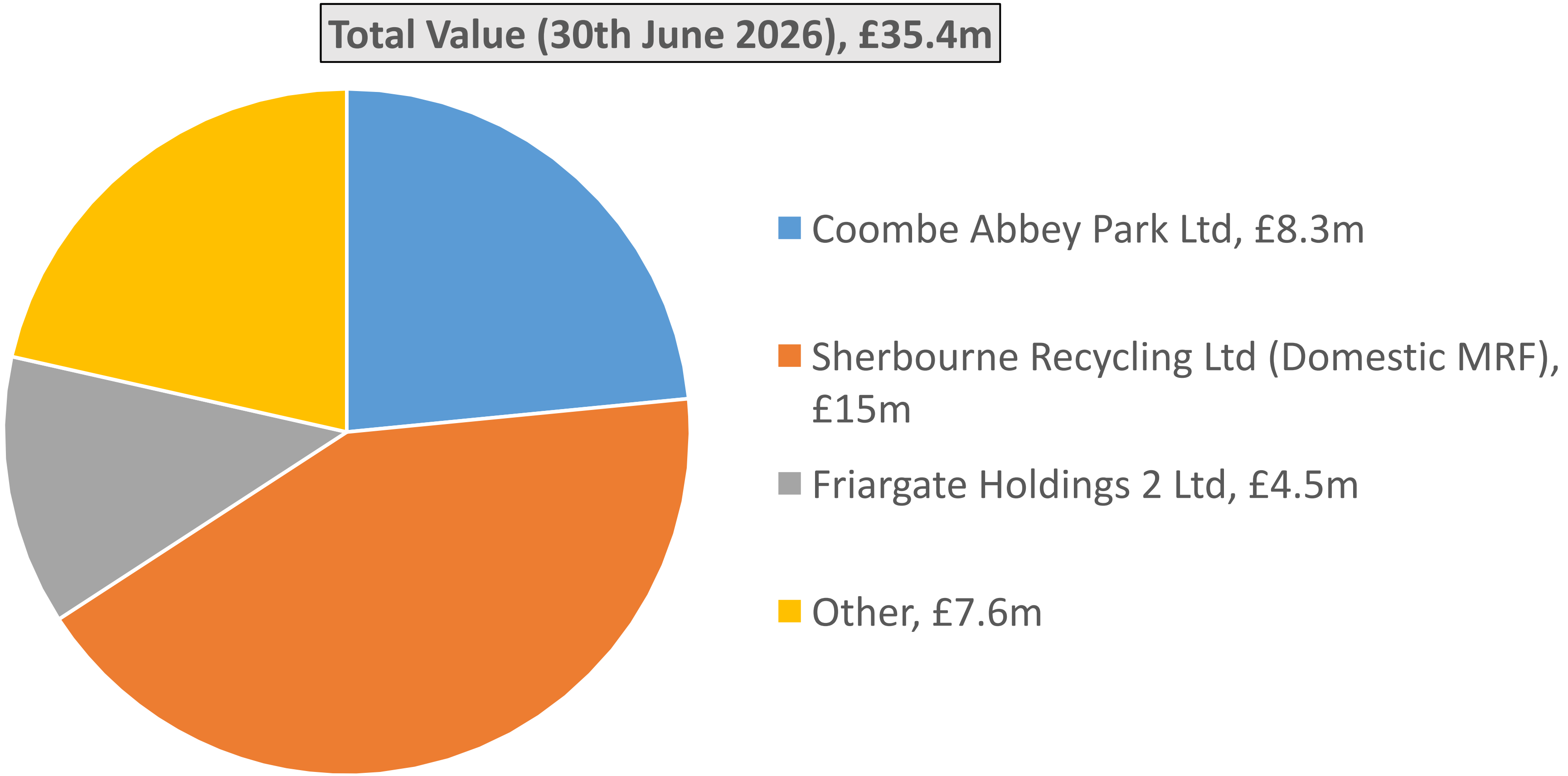
Investment Category	**2023/24** **Return on Investment**	**2024/25** **Return on Investment**	**2025/26** **Return on Investment**
Service Loans (i)	5.8%	6.1%	5.5%
Service Shares (ii)	10.6%	14.9%	9.2%
Investment Property (iii)	4.2%	3.9%	4.3%
Total Commercial Assets	**6.0%**	**6.6%**	**5.7%**

(i) Interest received and accrued

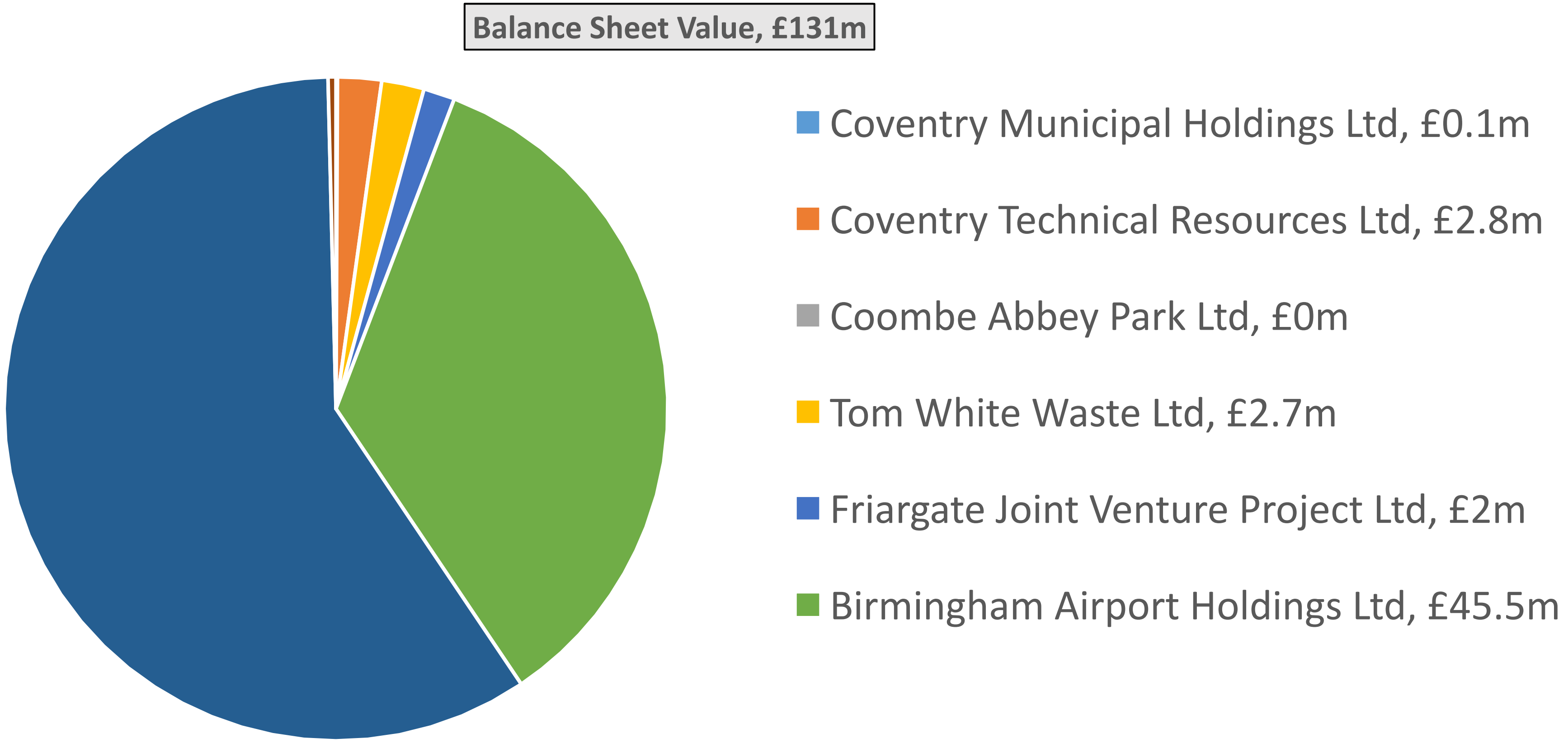
(ii) Dividends

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

CCC Service Loans & Commitments

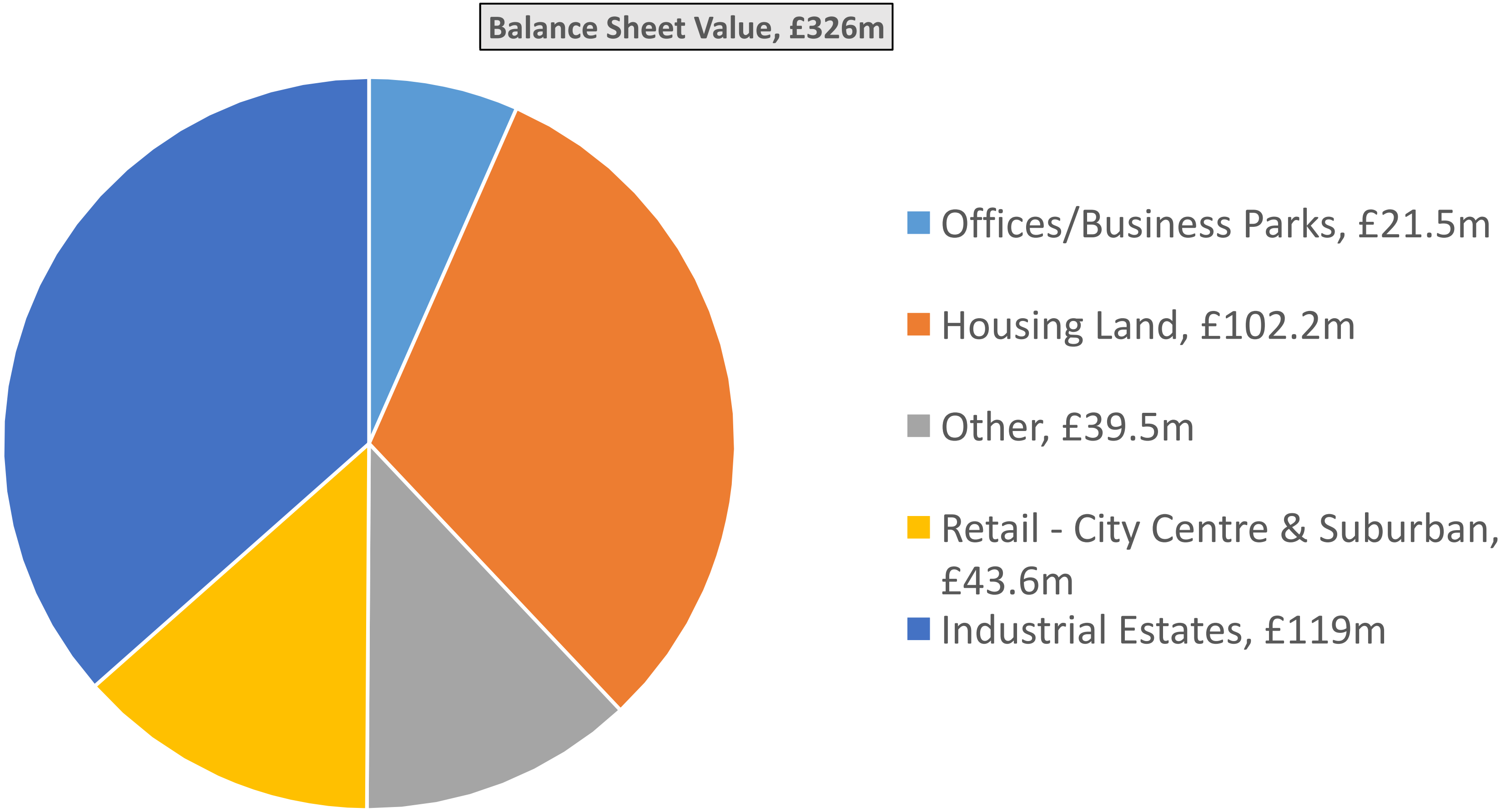


CCC Service Shares



* Coombe Abbey Park Ltd is currently at nil value. While the enterprise value is positive (£2.2m), this is outweighed by debt obligations (£8.4m).

CCC Investment Property



Regulatory Framework

- Wider framework – existing guidance with strong risk focus including Prudential Code; Investment Guidance; Minimum Revenue Provision; Public Works Loan Board (PWLB); Treasury Management; Capital strategies
- In recent history, Government & Chartered institute of Public Finance and Accounting (CIPFA) had concerns regarding investment risk and Debt funding (Coventry well below National average per capita); Losses and capitalisation
- Response:
  - 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 Local Authorities <u>can</u> 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

Coventry City Council

ONE COVENTRY

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 Income Risk of c£28m
- Diversification – some concentration in waste area through shares, loans, potential guarantees

Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board

Date: 9th September 2026

Subject: Reserves Balances 1st April 2026

1 Purpose of the Note

1.1 The Finance and Corporate Services Scrutiny Board (1) work programme includes an item to review the position in relation to the Council reserve balances. Appendix 1 sets out reserve balances held on 1st April 2026 and is consistent with closing balances reported in the Revenue and Capital Outturn Report 2025/26. A brief description has been provided for each balance.

2 Recommendations

2.1 The Finance and Corporate Services Scrutiny Board (1) is recommended to:

1. Consider the contents of the briefing note, and the detailed reserves listing in Appendix 1 and Appendix 2.
2. Identify any recommendations for the Cabinet Member for Strategic Finance and Resources.

3 Information and Background

3.1 A significant proportion of the Council's reserves are ring-fenced, committed to specific purposes, held on behalf of schools, or restricted for capital expenditure and are therefore not available to support general budget pressures

3.2 At 1st April 2026, total Council revenue reserves were £145m and capital reserves were £79m. The Council is also required to account for £38m of balances that belong to the city's schools or are funded from Dedicated Schools Grant and are therefore ring-fenced for schools' usage. The total of all these reserves was £262m.

3.3 Appendix 1 shows all of the reserve balances as at 1st April 2025 and provides a narrative to the purpose and intended uses of these earmarked reserves.

3.4 There are several reserve balances that warrant specific mention due to their value.

- The **Adult Social Care** reserve represents the largest area of balances at £22m. These balances largely comprise ring-fenced health grant resources rolled forward through the Better Care Fund and Mental Health pooled budget arrangements. These resources are managed through the Adult Joint Commissioning Group.

- The **Financial Risk Contingency** was initially set aside during 2023/24 through the application of capital receipts under approved accounting flexibilities to enable some protection from future budget pressures. We have increased the balance of this by adding underspend from 2024-25 and 2025-26 outturn positions to ensure the Council has greater resilience against financial shocks. The balance of this reserve currently stands at £17m.

- The £12.2m **Commercial, Reset & Innovation** reserve is the combination of 3 reserves which were previously approved regarding Funding for the Future. These were Reset & Recovery (£5.4m), Innovation & Development (£4.3m) and Commercial Developments (£2.5m) and are specifically available for business case-based investment that supports future financial resilience, including internal transformation and strategic infrastructure where quantifiable financial benefits can be demonstrated.

- There is a reserve to manage **Business Rates** volatility under the existing Business Rates Retention scheme. This currently stands at £12m. Significant appeals and changes arising from the Government's business rates reset arrangements continue to justify maintaining a substantial reserve balance.

- **Early retirement and Voluntary Redundancy:** This is to fund Early Retirement and Voluntary redundancy costs resulting from programmes to deliver any staffing savings required to balance the budget. The most recent contribution was agreed as part of the 2018/19 Outturn report to Cabinet, with the balance at the April 2026 at £8m. The current financial climate supports the requirement for such reserves.

- **Management of Capital** resources is earmarked to support the approved Corporate Capital Programme and transformation, including project such as Very Light Rail and Woodlands School.

- **Public Health** Reserves, currently sitting at just over £5m are made up of a number of ringfenced government grants for delivery of Public Health functions.

- A further £4m of reserve are held to manage the cashflow requirements of the financial models for the **Council's 3 Private Finance Initiative schemes.** These reserves will be used (and the balance will fluctuate) over the 25 years plus lifetimes of the schemes. As part of 2016/17 Budget Setting a decision was taken to utilise £1m per annum for approximately ten years before repaying these amounts over the remaining life of the schemes.

3.5 In addition to these there are a number of service directorate and corporate earmarked reserves shown as 'other' in the reserve tables, these are primarily linked to grant schemes, smoothing reserves and technical items. A full breakdown alongside descriptions of all Other Directorate reserves above £100k have been provided in Appendix 2.

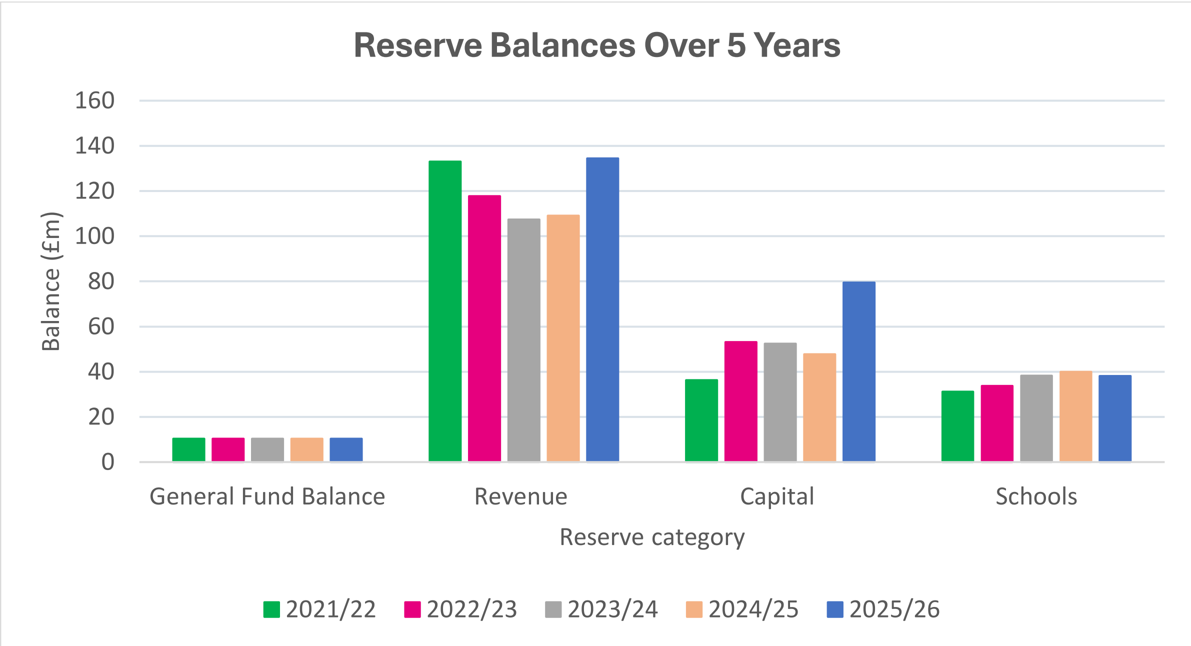
3.6 Capital Reserves relate to balances generated from capital receipts and capital grants to fund future capital projects. The balances can only be used on capital expenditure and reflect the decisions made as part of the Council's Corporate Capital Programme.

3.7 The Section 151 Officer must provide an assessment of the adequacy of reserves to support the Council's financial resilience, manage key risks and meet potential future liabilities. This assurance forms an important element of the budget proposals presented to Members each year.

4 Historic Reserve Balances

4.1 The chart below shows the balance of the key reserve categories over the last five financial years.

4.2 The General fund has remained stable. The Council were able to utilise other earmarked reserves to support the adverse outturn positions in earlier years while retaining the general Fund balance.



Appendices:
Appendix 1: Reserves descriptions and opening balance 2026/27
Appendix 2: Analysis of reserves categorised as 'Other Directorate' within the 2025/26 Outturn Report

Tina Pinks

Corporate Finance Manager

This page is intentionally left blank

Reserves descriptions and opening balance 2026/27

Appendix 1 is consistent with the Closing Balances table presented in the Revenue and Capital Outturn Report presented to Cabinet on 7th July 2026.

Council Revenue Reserves	Reserve Description	1st April 2026 £000
General Fund Balance (CORPORATE)	The General Fund is held to manage unforeseen risks to the Council's overall financial position. Any in-year overspend at the whole-Council level would normally be funded by this reserve.	(10,277)
Adult Social Care (DIRECTORATE)	These are overwhelmingly Health resources funded through ringfenced grant and rolled forward through the Better Care Fund pooled budget and Mental Health pooled budget. These pooled budget resources are managed through the Adult Joint Commissioning Group	(22,047)
Financial Risk Contingency (CORPORATE)	Budget set aside during 2023/24, 2024/25 & 2025/26 Outturns to provide resilience against any future financial shocks.	(16,821)
Commercial, Reset & Innovation (CORPORATE)	The commercial beginnings of this reserve were agreed as part of the 2018/19 Financial Outturn Report to support the Council's commercial development projects. Later further resources were approved to reserve by Council in February 2021 as a fund to sustain the Council’s future financial resilience. This could include internal transformation activity and strategic infrastructure where these generate future quantifiable financial benefits.	(12,195)
Business Rates Income Reserve (CORPORATE)	Budgeted contributions set aside as future protection against Business Rates volatility. Recent significant appeals continue to justify a significant balance being maintained as well as the unknow impact of the government’s reset in 2025.	(11,948)
Early Retirement and Voluntary Redundancy (CORPORATE)	Funding for early retirement and voluntary redundancy established as part of Staffing Reductions Consultation Report (2015) and further contribution agreed as part of the 2018/19 Outturn Report to Cabinet. This smoothing reserve is used to neutralise the in-year revenue impact of early retirement and redundancy.	(8,433)
Management of Capital (CORPORATE)	Resources earmarked to support approved corporate Capital Programme and transformation projects including Very Light Rail (£3m) and Woodlands School (£1m).	(7,325)

Public Health (DIRECTORATE)	Public Health Reserves made up a number of ring-fenced government grants for delivery of Public Health functions.	(5,508)
Adopted Highways (DIRECTORATE)	Developer contributions associated with highway adoption and improvement schemes under Section 278 Highway Agreements and Section 38 Highway Agreements to support the cost of Highway adoption.	(4,375)
Refugee Resettlement Programme (DIRECTORATE)	Funding to deliver the specific requirements of the grant conditions for the Syrian Vulnerable Persons Resettlement Scheme and the Resettlement of Vulnerable Children Scheme.	(4,071)
Private Finance Initiatives (PFI) (CORPORATE & DIRECTORATE)	Resources earmarked to support the Caludon Castle, New Homes for Old and Street Lighting PFI schemes over a 25-year period subject to the individual decisions to establish each of these schemes. The schemes' financial models show how these reserves will be utilised over time. 2016/17 Budget Setting approved the cash-flowed use of this reserve to support the Council's overall budget at £1m per year to be repaid from within an agreed timeframe.	(4,052)
Enforcement Fees (DIRECTORATE)	Housing Enforcement funds including licences and penalties received from Landlords to support enforcement activities.	(1,919)
Children's Services Contingency Fund (DIRECTORATE)	Creation of a contingency fund should it be needed to sustain or increase investment in the various central government led change programmes that are underway across Children's Services. Current investment is funded via time limited grant funding.	(1,561)
Friargate One Lifecycle Costs (DIRECTORATE)	A property fund for One Friargate to ensure maintenance costs expected to increase in years 5-10 are not a burden on annual revenue budgets.	(1,480)
ICT Replacement Programme (DIRECTORATE)	This represents the smoothing reserve used to manage the rolling corporate programme of laptop & PC replacement.	(1,313)
Insurance Fund (DIRECTORATE)	This smoothing reserve has traditionally provided financial security for insurance claims arising out of incidents that may have occurred but for which claims have not yet been received. In recent years it has also been utilised to fund insurance budget pressures including income loss caused by the move of some LEA schools to the Department of Education Risk Protection Arrangement and increased premiums.	(1,248)
CRSTS Revenue Capacity Funding (CORPORATE)	This Reserve is Revenue Grant called the Revenue Capacity Funding tranche 2 and 3 to support the continued development and delivery of the City Regions Sustainable Transport Settlement (CRSTS) Capital Programme.	(1,239)

Homes for Ukraine (DIRECTORATE)	Funding to deliver the specific requirements of the grant conditions for the Homes for Ukraine programme.	(1,183)
Other Directorate	Other smaller directorate reserves. (approximately 100 individual reserves with an average value of £200k each, and balances ranging from £100 to £870k)	(18,732)
Other Corporate	Smaller reserves & technical adjustments including Finance Lease smoothing reserve to support annual IFRS16 (International Financial Reporting Standards) lease accounting adjustments.	(8,989)
Total Council Revenue Reserves		**(144,717)**
Council Capital Reserves		
Useable Capital Receipts Reserve	Receipts generated over recent years formerly set aside for future Capital Programme investments within current and future capital programmes. Current commitments include Woodlands School (£2.1m).	(4,743)
Capital Grant Unapplied Account	Grant funding received in advance of spend, whereby there are no specific grant conditions to spend in the year. The funding reflects the decisions made as part of the Council's Corporate Capital Programme.	(74,793)
Total Council Capital Reserves		**(79,536)**
Schools & Central Dedicated Schools Grant (DSG) Reserves		
Schools (specific to individual schools)	Reserves held by individual maintained schools. Subject to existing legal framework for schools. Reported to Schools Forum.	(22,178)
Central DSG Reserve	Central Dedicated Schools Grant (DSG) Reserve. Must be used to support the Schools Budget as defined in the School and Early Years Finance Regulations. Usage is reported to and monitored by Schools Forum.	(15,940)
Total Schools & Central DSG Reserves		**(38,118)**
Total Reserves		**(262,371)**

This page is intentionally left blank

Analysis of reserves categorised as 'Other Directorate' within the 2025/26 Outturn Report

Division	Reserve Name	Reserve Description	1st April 2026 £000
Strategy and Performance	Employment and Skills	The reserve is to offset financial risk for Employment and Skills. Following events such as grant cessation or reduction, designed to smooth the transition and any necessary redesign of the service.	(3,125)
Adults & Housing	Temporary Accommodation - Families	Ringfenced reserve relating to the Council's Family Supported Accommodation Provision. This reserve supports lifecycle costs of scheme properties.	(873)
City Services	Car Parks	Lifecycle for car park repairs including Salt Lane and West Orchards	(828)
Strategy and Performance	Adult Education	The reserve is to offset financial risk for Adult Education Services. Following events such as grant cessation or reduction, designed to smooth the transition and any necessary redesign of the service.	(807)
Economic Growth	UK Shared Prosperity Fund	The reserve is to offset financial risk for Economic Growth team. Following events such as grant fallout or reduction, designed to smooth the transition and any necessary redesign of the service.	(737)
People Services	Energy Management Services	Pump priming funding to support the team and cover the cost of feasibility work that does not generate fee income.	(728)
Adults & Housing	The Wave- Life Cycle	Smoothing reserves ring-fenced for Sports - Wave lifecycle costs as part of our landlord responsibilities and contractual obligations.	(633)
Children and Education	Caludon PFI	The Caludon PFI (Private Finance Initiative) contract ends in 2035. Reserve provides for a level of inflation risk, potential future contract management costs, for example specialist legal and finance consultancy support at contract end.	(592)

Strategy and Performance	City of Culture Programme Office	Legacy funding from the UK City of Culture programme, plus CCCG partner contributions towards the running costs of the facility once opened.	(591)
Strategy and Performance	Pride in Place Programme - Willenhall	Grant funding relating to the Pride in Place Programme in Willenhall, Tile Hill and Hillfields.	(585)
Children and Education	Education Services	Earmarked reserve to mitigate pressures in Education Services. Primarily within the Special Education Needs and Disabilities (SEND) service.	(400)
Adults & Housing	Sports facilities	Smoothing reserve to cover the replacement of gym equipment and general maintenance of our sports sites.	(397)
People Services	Corporate Property Management	Smoothing reserve containing funds received in advance to complete works on large value repairs and maintenance projects.	(368)
Children and Education	Vanguard Project	Funding from the Integrated Care Board (ICB) for the Vanguard Project, which supports vulnerable children and young people with complex needs.	(339)
Adults & Housing	Housing Supported Accommodation	Ringfenced reserve relating to the Council's Singles Supported Accommodation Provision. Reserve supports lifecycle costs of scheme properties.	(320)
Children and Education	Woodlands School Site	Reserve to support the running costs of the former Woodlands School site.	(297)
Children and Education	Virtual School	Grants received by the Virtual School to support the educational attainment of children in care (including kinship care), those previously in care and those with a social worker.	(296)
Economic Growth	City Centre Masterplan	Placed Based Strategy Grant to support the complexity of place-related regeneration and investment programmes.	(288)
Law, Governance & Regulatory Services	Municipal Elections	Smoothing reserve to manage the volatility of Elections Costs which vary between election and non-election years.	(275)

Children and Education	Coventry Outdoors & Coventry Alternative Provision	Coventry Outdoors and Coventry Alternative Provision monies retained to help fund the development of provisions for children and young people within Coventry.	(268)
Adults & Housing	Accelerating Social Care Reform Fund	Funding provided by Department of Health and Social Care to address barriers to adopting innovative practices and build capacity and capability in Adult Social Care.	(260)
Adults & Housing	Rough Sleepers	Ringfenced balance of Rough Sleepers Initiative (RSI) grant aimed to help reduce the number of people sleeping rough.	(258)
Economic Growth	Planning Policy	Funding for planning activity in Development Management funded from Section 106 Planning Agreements fees.	(258)
City Services	Streetpride Area 2	Funding set aside for the fly-tipping Reduction Strategy.	(256)
City Services	Streetpride Area 1	Funding for repair and maintenance for fountains and play equipment	(247)
Property Services and Development	Property Services Contingency Fund	Funding set aside to mitigate the impact of unforeseen and non-recurring expenditure pressures.	(241)
Children and Education	West Midlands Commissioning Hub	Regional funding held by Coventry City Council to support the running of West Midlands Commissioning Hub.	(226)
Property Services and Development	Commercial Property	Commercial property repair and maintenance fund to cover our landlord responsibilities	(224)
Children and Education	FDAC - Family Drug and Alcohol Court	Funding to support the Family, Drug and Alcohol Court partnership.	(205)
City Services	Waste Disposal	Smoothing reserves for landfill tonnage penalties	(188)
People Services	Schools Repairs & Maintenance Fund	Funds received in advance from Schools where repair and maintenance works roll over number of financial years.	(182)
Economic Growth	Business Investment	Gigafactory funding to support planning costs	(169)
Property Services and Development	Building Projects Team	New Deal for Communities funding for the Spirit Quarter covers the ongoing Project Management fees	(157)

People Services	Repair & Maintenance	Funding for facility management activity within operational property	(150)
Adults & Housing	Supported Housing Strategy	Ringfenced funds to support the completion of supported housing strategy	(149)
Adults & Housing	Test and Learn - Non-UK Nationals	Ringfenced grant for Housing Non-UK Nationals pilot regarding evidencing interventions which can successfully end rough sleeping and reduce homelessness	(148)
City Services	Minor Asset Management	Broadgate lighting upgrades smoothing reserve	(134)
Strategy and Performance	Customer Services Centre	NHS funding of Digital inclusion Projects	(132)
Law, Governance & Regulatory Services	Trading Standards & Consumer Protection	Enforcement funding (financial penalties received) to administer the statutory 'Client Money Protection Scheme' in relation to the private rented sector.	(126)
Strategy and Performance	ICT Digital Inclusion Team	Grant funding for posts to administer the repair and recycling of old laptops.	(126)
Adults & Housing	Housing - B&B Accommodation	Funding for supported housing contract for singles which will be fully utilised in 26/27.	(124)
Adults & Housing	Housing First Grant	Housing First grant which will be fully utilised in 26/27.	(122)
Adults & Housing	International Children's Games (ICG)	International Children's Games Sponsorship Funding	(118)
Strategy and Performance	ICT Systems	Funding for activity within Digital Services	(101)
VARIOUS	Smaller Balances		(1,685)
Other Directorate Total (as per 2025/26 Outturn Report)			**(18,732)**

SB1 Work Programme 2026/27

Last updated 27 August 2026

Please see page 2 onwards for background to items

15 July 2026
Revenue and Capital Outturn 2025/26
9 September 2026
Cabinet Member Priorities Reserves Position Commercial Investments
4 November 2026
Budget Pre-Engagement Outturn Performance for the Tax year 2025/26
6 January 2027
Budget Consultation Medium-Term Financial Strategy
17 February 2027 **24 March 2027** **2026/27**
Recruitment, Retention and Sickness. Diversity and Workforce Inclusion Learning and Development Employments Rights Act Changes Health & Safety T&F Group – Members Abuse and Intimidation

Date	Title	Detail	Cabinet Member	Lead Officer
15 July 2026	Revenue and Capital Outturn 2025/26	Report is due with Cabinet on 7th July - The Revenue and Capital Outturn report sets out the Council's final financial position for the 2025/26 financial year. It will provide the Board with a baseline understanding of the Council's finances and help identify areas of concern or interest for further scrutiny. To include reserves position.	Strategic Finance and Resources – Cllr Richard Brown	Barry Hastie
9 September 2026	Cabinet Member Priorities	Written Briefing Note of priorities to be circulated to the Board ahead of the meeting.	Strategic Finance and Resources – Cllr Richard Brown	https://www.coventry.gov.uk/councillors-mps-meps/cabinet/4
	Reserves Position	Update on reserves position	Strategic Finance and Resources – Cllr Richard Brown	Barry Hastie, Tina Pinks
	Commercial Investments	Update on risk and returns - Income figures to be provided in future reports relating to companies owned by the Council.	Strategic Finance and Resources – Cllr Richard Brown	Barry Hastie
4 November 2026	Budget Pre-Engagement	Pre-cursor to the established budget setting	Strategic Finance and	Barry Hastie, Tina Pinks,

Date	Title	Detail	Cabinet Member	Lead Officer
		process/consultation. Pre-consultation scoping	Resources – Cllr Richard Brown	
	Outturn Performance for the Tax year 2025/26	To look at Council Tax collection rates – Inc National Figures. Focusing on council tax collection, arrears, enforcement processes. To include SCRUCO's OCP Deep dive recommendation on: Review performance data on third-party collection agencies, including success rates, currently around 30% of referred debts.	Strategic Finance and Resources – Cllr Richard Brown	Barrie Strain
6 January 2027	Budget Consultation	to allow members to feed into the ongoing Budget Consultation	Strategic Finance and Resources – Cllr Richard Brown	Barry Hastie, Tina Pinks,
	Medium-Term Financial Strategy		Strategic Finance and Resources – Cllr Richard Brown	Barry Hastie
17 February 2027				
24 March 2027				

Date	Title	Detail	Cabinet Member	Lead Officer
2026/27				
	Recruitment, Retention and Sickness.		Strategic Finance and Resources – Cllr Richard Brown	Susanna Chilton
	Diversity and Workforce Inclusion		Strategic Finance and Resources – Cllr Richard Brown	Susanna Chilton
	Learning and Development		Strategic Finance and Resources – Cllr Richard Brown	Susanna Chilton
	Employments Rights Act Changes		Strategic Finance and Resources – Cllr Richard Brown	Susanna Chilton
	Health & Safety		Strategic Finance and Resources – Cllr Richard Brown	Susanna Chilton
	T&F Group – Members Abuse and Intimidation		Strategic Finance and Resources –	

Date	Title	Detail	Cabinet Member	Lead Officer
			Cllr Richard Brown	

Work Programme Decision Flow Chart