

Cabinet
Audit and Procurement Committee
Council

8th July 2025
21st July 2025
2nd September 2025

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected: All

Title:

Revenue and Capital Outturn 2024/25

Is this a key decision?

Yes - The report deals with financial matters in excess of £1.0m including specific new recommendations to allocate resources within the outturn position.

Executive Summary:

This report outlines the final revenue and capital outturn position for 2024/25, and reviews treasury management activity and 2024/25 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position includes 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 has faced significant pressures within both Adults and Children's social care, and City Services. Other overspends are also being reported in Regeneration and Economic Development, Legal and Governance and People and Organisational Development. These financial pressures are 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.

The underlying revenue position has improved by £8.8m since Quarter 3 where an overspend of £7.0m was being forecast. The majority of the improved position relates to increased one-off income within Contingency and Central budgets which are set out in section 2.1.4 in the report.

Recommendations:

Cabinet is recommended to approve:

- 1) The final balanced revenue outturn position after a contribution of £1.8m to reserves.
- 2) The final capital expenditure and resourcing position (section 2.3 and Appendix 2 of the report), incorporating expenditure of £128.8m against a final budget of £144.6m; £16.0m expenditure rescheduled into 2025/26 and £0.2m overspend.
- 3) The outturn Prudential Indicators position in section 2.4.4 and Appendix 3 of the report.

Cabinet is requested to recommend that Council: -

- 4) Approves the contribution to reserves of £1.8m for the purposes described in Section 5.1 of the report.

Council is recommended to:

- 1) Approve the contribution to reserves of £1.8m for the purposes described in Section 5.1 of the report.

Audit and Procurement Committee is recommended to:

- 1) Consider the contents of the report and determine whether there are any issues which it wants to refer to the Cabinet Member for Strategic Finance and Resources.

List of Appendices included:

| | |
|------------|--|
| Appendix 1 | Detailed breakdown of Directorate Revenue Variations |
| Appendix 2 | Capital Programme Changes and Analysis of Rescheduling |
| Appendix 3 | Prudential Indicators |

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

No

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

Yes - Audit and Procurement Committee 21st July 2025

Will this report go to Council?

Yes – Council 2nd September 2025

Report title: Revenue and Capital Outturn 2024/25

1. Context (or background)

- 1.1 This report sets out the Council's revenue and capital outturn position for 2024/25 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £277.5m and has a revised Capital Programme of £144.6m.
- 1.2 The reported figures show the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's statutory Statement of Accounts.

2. Options considered and recommended proposal.

2.1 Revenue Outturn

- 2.1.1 Table 1 below summarises the outturn position for each division and the required contribution to reserves to achieve a balanced position for the Council.

Table 1 Summary Outturn Position

| Quarter 3 Forecast Variance | | Revised Budget | Final Outturn | Outturn Variance over/(under) spend | Movement from Q3 worse/ (better) |
|-----------------------------------|---------------------------------------|-------------------|------------------|--|---|
| £m | | £m | £m | £m | £m |
| 4.8 | Adult Services & Housing | 130.0 | 133.4 | 3.4 | (1.4) |
| 3.6 | Children and Education | 114.8 | 119.6 | 4.8 | 1.2 |
| 2.5 | City Services | 41.9 | 43.9 | 2.0 | (0.5) |
| (7.0) | Contingency & Central Budgets | (39.1) | (51.6) | (12.5) | (5.5) |
| (0.5) | Finance & Resources | 12.8 | 12.0 | (0.8) | (0.3) |
| 0.5 | Legal & Governance Services | 9.1 | 9.6 | 0.5 | 0.0 |
| 0.5 | People and Organisational Development | 1.0 | 1.4 | 0.4 | (0.1) |
| (0.2) | Planning and Performance | 5.9 | 5.7 | (0.2) | 0.0 |
| 0.1 | Policy and Communication | 0.0 | 0.1 | 0.1 | 0.0 |
| 1.8 | Property Services and Development | (8.5) | (8.7) | (0.2) | (2.0) |
| (0.4) | Public Health | 1.4 | 0.9 | (0.5) | (0.1) |
| 1.3 | Regeneration and Economic Development | 8.2 | 9.4 | 1.2 | (0.1) |
| 7.0 | SUBTOTAL | 277.5 | 275.7 | (1.8) | (8.8) |
| | Contribution to reserves | - | 1.8 | 1.8 | |
| TOTAL | | 277.5 | 277.5 | 0.0 | |

2.1.2 Explanation of variations

The final outturn position has shifted from a forecast £7.0m overspend at quarter 3 to an underspend of £1.8m at the end of the financial year.

2.1.3 Movement from quarter 3 forecast

Most services have improved or maintained their quarter 3 position. The most significant movement since quarter 3 reporting is in **Contingency and Central Budgets** showing an improved Asset Management Revenue Account position following an additional windfall on dividends received from our commercial investment companies of £6.5m above the expected amounts. The additional dividends came from Birmingham Airport and Coventry & Solihull Waste Disposal Company (CSWDC).

Other significant favourable movements within Council services are detailed below:

Property Services and Development (£2.1m) relating to Whitley South lease re-gear income and backdated rental review payments

Adult Services and Housing (£1.4m) primarily relating to increased levels of income in both Adult Social Care and Housing & Homelessness, reduction in agency staff and increased level of move on in temporary accommodation.

These are partly offset by an unfavourable swing within **Childrens and Education** of £1.2m, primarily due to an increase in bad debt provision for contributions towards care packages for children with disabilities and complex needs.

2.1.4 Final Outturn Position

An explanation of the major variances contributing to the final outturn position are discussed below:

Childrens and Education (£4.8m overspend)

There is an overspend of £7.1m against **placements for children in care**. This relates to the use of external residential children's homes and high-cost spot placements due to a lack of sufficiency in the market and some voids across block and internal homes. We continue to work collaboratively with our health partners to ensure that the resources required to meet the needs of children with complex needs are appropriately aligned to statutory frameworks and further work continues to ensure all relevant health contributions are received.

There was a further overspend of £0.7m in the **Children's Disability Team** due to an increase in both demand and prices for short breaks and direct payments. As well as a £1.3m overspend against SEND home to school transport due to increased demand alongside an increased reliance on external special school placements.

These overspends are being offset in part by underspends across the service including: £1m against Special Guardianship allowances, £0.9m in Children in Care / Through Care, £0.7m in Early Help, £0.3m against recruitment and retention initiatives and £0.7m across SEND and Education Services. The division has also utilised some one-off resources to support the bottom line.

Adult Services & Housing (£3.4m overspend)

The overspend in Adult Services and Housing relates to Adult Social Care (£4.3m) which is mainly due to the costs of purchasing packages of care for adults and older people, this is partially offset by increased client fee income. Growth in packages of care continues to be seen in most areas, but particularly in areas of high cost and demand associated with Learning Disability, Mental Health, transitions from children to adults, and in general complexity associated with reviewing activity.

City Services (£2.1m overspend)

The most significant area of pressure within City Services Directorate relates to the **Highways division** of £1.3m. This is a combination of variances across 3 service areas; A highways £1.2m overspend relating to the additional council highway operatives (The DLO) workforce being deployed onto reactive maintenance (pothole & defects) work. Parking, a £0.7m pressure, relates largely to Bus Lane and Parking enforcement, which are reporting a significant reduction in the level of income generated from Penalty charge notices. These are being offset by an underspend of £0.6m in Traffic, which relates primarily to reduced street lighting energy price.

Environmental Services represents £0.1m of the overall Directorate pressure, mainly due to reduced activities in parks and their car parks. These pressures have been offset from savings generated by; vacancies, additional income for Garden Waste as we have seen residents continuing to buy green bin permit for 24/25 in the final quarter and other overall savings in Waste Disposal.

There is a £1m deficit in **Planning and Development**, primarily due to reduced income generation caused by the decline in planning applications and the cost of the Local Plan Review.

Traffic Policy and Innovation are reporting circa £0.4m underspend, mainly due to one off additional permits income.

Regeneration and Economic Development (£1.2m overspend)

This relates to a pressure in Culture of £1m, comprising primarily of a Godiva Festival deficit and Cultural Gateway holding costs. Commercial sponsorship income is forecasting circa £0.2m achieved to date, leaving a circa £0.2m pressure remaining

Contingency and Central (£12.6m Underspend)

These Council service pressures have been completely offset by large favourable balances within Contingency and Central Budgets which include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies as well as £1.2m additional Business Rates Pool income and some smaller Central Government Grants.

This is being offset by an adverse variance (£1.3m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.

The **Asset Management Revenue Account** delivered a surplus in excess of £10m at outturn. This primarily related to large dividends announced by Birmingham Airport and Coventry & Solihull Waste Company in the final quarter of the financial year delivering a total of £6.1m above the original budget. An additional circa £3m was achieved in temporary investment interest, and reduced service loan interest in the final quarter due to higher cashflow balances and favourable interest rates.

2.2 Reserves

2.2.1 The Council's revenue reserve balance at the end of 2024/25 is £119m compared with £118m at the end of 2023/24. Resources set aside to support the Business Rates Income Reserve, Refugee Resettlement Programme, Public Health, and Management of Capital have increased. The £1.8m relating to the 2024/25 underspend has been transferred into the Financial Risk Contingency to support the council's resilience for future financial shocks. These increases have been offset by drawdown of the Better Care Fund (delivered jointly with the health sector), PFI Reserve movement, Air Quality Measures and the Insurance Fund.

2.2.2 Balances generated from capital receipts and capital grants to fund future capital projects have reduced from £52m to £48m, and reserve balances belonging to or earmarked to support schools have increased from £38m to £40m. The total reserve movement in 2024/25 is summarised in the table below.

Table 3 Summary of Reserve Movements in 2024/25

| | 1st Apr 2024 £000 | (Increase)/ Decrease £000 | 31st Mar 2025 £000 |
|---|----------------------------------|--|-----------------------------------|
| <u>Council Revenue Reserves</u> | | | |
| General Fund Balance | (10,277) | 0 | (10,277) |
| Adult Social Care | (20,551) | 5,802 | (14,749) |
| Financial Risk Contingency | (11,472) | (1,796) | (13,268) |
| Commercial, Reset & Innovation | (12,203) | 0 | (12,203) |
| Business Rates Income Reserve | (5,026) | (4,163) | (9,189) |
| Early Retirement and Voluntary Redundancy | (7,242) | 0 | (7,242) |
| Management of Capital | (5,803) | (562) | (6,365) |
| Public Health | (4,026) | (530) | (4,556) |
| Private Finance Initiatives | (5,301) | 1,164 | (4,137) |
| Refugee Resettlement Programme | (2,866) | (752) | (3,618) |
| Air Quality Early Measures | (2,375) | 209 | (2,166) |
| Homes for Ukraine | (1,275) | 78 | (1,197) |
| Insurance Fund | (923) | 143 | (780) |
| Other Directorate | (19,775) | (1,642) | (21,417) |
| Other Corporate | (8,580) | 346 | (8,234) |
| Total Council Revenue Reserves | (117,695) | (1,703) | (119,398) |

Council Capital Reserves

| | | | |
|---------------------------------------|-----------------|--------------|-----------------|
| Useable Capital Receipts Reserve | (11,733) | (3,434) | (15,167) |
| Capital Grant Unapplied Account* | *(40,737) | 8,131 | (32,606) |
| Total Council Capital Reserves | (52,470) | 4,697 | (47,773) |

School Reserves

| | | | |
|---|-----------------|----------------|-----------------|
| Schools (specific to individual schools) | (23,993) | 97 | (23,896) |
| Schools (related to expenditure retained centrally) | (14,205) | (1,925) | (16,130) |
| Total Schools Reserves | (38,198) | (1,828) | (40,026) |

| | | | |
|-----------------------|------------------|--------------|------------------|
| Total Reserves | (208,363) | 1,166 | (207,197) |
|-----------------------|------------------|--------------|------------------|

2.2.3 The opening balance of Capital Grant Unapplied Account* has been restated by £36.5m due to a reassessment of accounting for grants, which resulted in a technical adjustment between capital grants received in advance, and the usable capital reserve in prior years. This prior year adjustment will also be reflected in the Statement of Accounts. This has no impact on the plan for how capital resources are allocated in future years.

2.2.4 Adult Social Care resources represent the largest area of balances. These are overwhelmingly funded through ring-fenced grant and health sector resources for the delivery of jointly managed pooled budget arrangements with Health. In addition to these, the revenue reserve balances include £12m set aside as Commercial, Reset & Recovery (Funding for the Future) approved previously, £9m is set aside for the Business Rates Income smoothing reserve, £7m is set aside to fund costs arising from early retirement and redundancy decisions and another £4m is set aside as part of the Council's three long-term Private Finance Initiative models.

2.2.5 In line with existing practice, analysis of these balances will be undertaken as part of a wider exercise examining the Council's financial position in 2025/26 and going forward.

2.3 Capital Outturn

2.3.1 The capital outturn position for 2024/25 is shown in summary below and in greater detail in Appendix 2 to the report:

Table 4: Capital Outturn Summary

| Final Budget £m | Final Spend £m | Net Rescheduling Now Reported £m | Underspend £m | Total Variance £m |
|--------------------|-------------------|---|------------------|-------------------------|
| 144.6 | 128.8 | (16.0) | 0.2 | (15.8) |

The quarter 3 monitoring report to Cabinet on 11th February 2025 approved a revised capital budget of £111.3m for 2024/25. Since then, there has been a net programme increase of c£33.3m giving a final budget for the year of £144.6m. Since February, a total of £16m net rescheduled spending has arisen within the capital programme. A scheme-by-scheme analysis is included in Appendix 2, a summary of key schemes is in the table below.

Table 5: Summary of Rescheduling

| Project | (Rescheduling) /Accelerated Spend £m | Explanations |
|--|---|--|
| A46 Link Road | (0.5) | Feasibility study and modelling work for the A46 Link Road is currently paused pending progression of the South Warwickshire Local Plan review through the issues and options phase – this will identify any potential land use changes that will need to be considered when identifying modelling scenarios and Link Road options. |
| Coventry Very Light Rail (CRSTS) | (0.6) | A delay of £0.45m for City Centre Traffic Management Programme works, along with closing out £0.1m WSP-Rendel design legacy works, which are underway but not finalised have resulted in 10% of spend rescheduled into next financial year. |
| Coventry South (CRSTS) | (1.6) | The ASDA roundabout scheme within the Coventry South Transportation package has experienced a delay to the commencement of works. The delay has been a result of securing a deed of dedication with ASDA regarding their land and design delays. the programme and financial outputs remain unchanged, and the scheme will commence in 2025/26. |
| Transportation Cycling Programme | (3.9) | The cycling programme has experienced delays to the Binley Cycleway, Canley Ford Extension and Cycle Contraflows cycling schemes. The Binley Road Cycleway have required complex consultations to ensure the most appropriate scheme is delivered. This has now paved the way for the scheme to be delivered in 2025/26. Canley Ford cycleway extension has experienced delays to commencement due to late change in the proposed HS2 A46 closure leading to works embargo on A45 at time when works were originally planned. The Active Travel 3 - Coventry Cycle Contraflows programme is experiencing delays due to a legal grant aid agreement with West Midlands Combined Authority (WMCA) still in abeyance. |
| Public Realm 6 including Palmer Lane De-culverting | (1.6) | The Palmer Lane programme of works have been extended due to additional works being required to the southern river wall. Outturn forecast remains the same and works will complete in 2025/26. |

| | | |
|---|---------------|--|
| | | Following an initial delay to the commencement of the public realm retail quarter works, these are now on site and the remaining scheduled works will complete in 2025/26. |
| ICT | (0.5) | The rescheduling on this programme is primarily due to delays in supply chain delivery (delays on projects) and fluctuation in pricing from providers. |
| Residential Children's Homes Strategy 2023-2026 | (1.5) | Despite the Council's efforts there have been delays in acquiring a property for complex need 1 home and acquiring land to build the Children with Disabilities 2 home on. A property for Complex Need Home 1 has now been found and purchased. It is programmed for the home to be completed and handed over by 2025/26. Conversations around land purchase for the Children with disabilities home 2 are currently ongoing and it is programmed for the home to be completed and handed over by 2026/27. |
| Disabled Facilities Grant | (0.9) | Reduced activity and spend on through floor lifts and step lifts. Unforeseen contractor and technical issues, with three large extensions, have contributed to slippage into the 25/26 programme. New allocation processes introduced for caseload management affected forecast of work. Grant resource switch for Warm Homes project. |
| Homes Upgrade Grant (HUG) - Phase 2 | (1.5) | £2m was allocated to the capital programme for HUG2, however we only utilised £532k out of this allocation due to the difficulties in identifying energy inefficient homes and appropriate low-income households which are a strict grant eligibility criteria. If grant condition compliant properties / households cannot be identified, or the funding body cannot relax criteria, some of these funds may require repayment. This is both a regional and national issue. |
| Other | (3.3) | Smaller schemes combined |
| TOTAL | (16.0) | |

2.3.2 The 2024/25 programme continued to maintain a significant investment in the city's transport and public infrastructure, including schemes demonstrating an increasing engagement with environmental initiatives and a range of other projects showing the Council's desire to make Coventry an attractive place to live, work and do business:

- £22m has been spent on transport and highways infrastructure across a range of both major and minor schemes. This has included the construction of the 220 metre single track as part of the Coventry Very Light Rail Live Environment Construction Test (LECT), completion of signalling and introducing cycleways at Blue Ribbon roundabout as part of the CRSTS funded Foleshill Transport works and infrastructure schemes to improve and maintain the city's highways via the City Region

Sustainable Transport Settlement (CRSTS) for Highways Maintenance and our Local Network Improvement Plan.

- A further £2.1m has been spent on City Centre South, this has predominantly been on the acquisition of land, site surveys and promoting the CPO Process.
- Further programme spend of £5.2m has been made in 2024/25 on the completion of Friargate Building 2, Landlord capital spend associated with new lettings and infrastructure within Friargate Business District. The new hotel facilities are now open.
- Commencement of £1.9m infrastructure expenditure to prepare the Coventry airport site for development as part of the West Midlands Investment Zone, which will focus on advanced manufacturing.
- £2.9m spend on the cycleway programme that includes the delivery of Lynchgate cycleway, commencement of Canley Ford extension and the continuation of Binley Cycleway. There remains one section of the Binley cycleway to complete, which will be completed in 2025-26.
- There have been works totalling £18.3m across the school's property estate as part of the One Coventry Strategic Plan. There is an increasing focus now on providing additional capacity in secondary schools across the city to meet the growing numbers amongst the secondary in-take.
- £16.5m of grant funding for the investment in Climate Change related project has been invested in 24/25 covering activities around green homes, homes upgrade grant, public sector decarbonisation and social housing decarbonisation project, the investment continues into 2025/26.
- There has been £6.6m passported to Registered Housing Providers in the city to tackle disrepair issues specifically with regards to damp and mould along with spending to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.
- City Centre Cultural Gateway £3.4m spend, with the spend profile increasing in 2025-26 as the scheme moves into significant build phase.
- The Strategic Acquisition of a Waste Management Land Asset cost £7.5m. This is as per the report taken to Council on 14th January 2025.
- A range of smaller scale but not insignificant schemes have advanced including the restoration of Stoney Road allotments, investment in the Councils Information Communication Technology (ICT) and continued investment in Disabled Facilities Grants.

2.3.3 The funding in respect of this capital expenditure of £128.8m is summarised in Table 7 below. Approximately 65% of the programme has been resourced from capital grants.

Table 7: Capital Funding

| | Funding the Programme £m | Available Resources £m | Resources Carried Forward £m |
|----------------------------------|-----------------------------|---------------------------|---------------------------------|
| Prudential Borrowing | 18.0 | 18.0 | 0 |
| Grants and Other Contributions | 83.0 | 104.2 | (21.2) |
| Revenue Contributions | 1.0 | 1.0 | 0 |
| Capital Receipts | 1.8 | 16.9 | (15.1) |
| Management of Capital Reserve | 0.8 | 7.2 | (6.4) |
| IFRS 16 Leases | 23.8 | 23.8 | 0 |
| Private Finance Initiative (PFI) | 0.4 | 0.4 | 0 |
| Total Resourcing | 128.8 | 171.5 | (42.7) |

2.4 Treasury Management Activity

- 2.4.1 Global economic factors in recent months have impacted significantly the operating environment for treasury activity.

At the beginning of the financial year the Bank of England base rate was 5.25%. During the year there were three 0.25% rate drops resulting in the base rate being 4.5% at the year end. The Bank of England's cautious policy approach looks to continue into 2025/26 with another 0.25% rate drop in May 2025 followed by 2 further reductions expected by the end of the year.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% by the end of 2025.

Inflation in the UK continues to rise although was a slight dip in March 2025 primarily due to lower oil and petrol prices, but this only offered temporary relief as inflation increased in April due to a significant increase in water bills, utility costs and from companies passing on the costs of the increase in the national minimum wage and national insurance contributions to the consumer.

2.4.2 Long Term (Capital) Borrowing

The Public Works Loan Board (PWLB) is the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility providing twelve detailed examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2021/22 approved by Cabinet on 23 February 2021 it was agreed the Council will not buy investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loan Board (PWLB) for 2024/25 have varied within the following ranges:

Table 8: PWLB Interest Rates

| PWLB Loan Duration (standard rates) | Minimum in 2024/25 | Maximum in 2024/2025 | Average in 2024/25 |
|--|-----------------------------------|-------------------------------------|-----------------------------------|
| 5-year | 4.51 | 5.54 | 5.06 |
| 20-year | 5.21 | 6.34 | 5.70 |
| 50-year | 5.07 | 6.07 | 5.51 |

Rather than take out any long-term borrowing to cover capital projects it has been more cost effective to use either internal resources (cash balances) or to use short-term borrowing. By doing so, the Council has reduced net borrowing costs (despite foregone investment income) and reduced overall treasury risk, however this is not sustainable on an ongoing basis.

2.4.3 At outturn, the Capital Financing Requirement (CFR), which indicates the Council's underlying need to borrow for capital purposes, has increased by £17.7m from £505.1m at 1st April 2024 to £522.8m at 1st April 2025.

2.4.4 This increase is mainly due to the implementation of new accounting standards (IFRS16 Leases) into the 2024/25 accounts. This new accounting standard requires us to reclassify leases that were previously operating leases, now as finance leases. The impact of this is the recognition of additional assets and liabilities on the balance sheet. These new assets and liabilities offset each other over the life of the lease and have no impact on resources available to the Council. Table 9 below only recognises the funding side of the IFRS16 adjustments. The majority of this 2024/25 adjustment relates to reclassifying existing leases. Going forward the adjustment will only recognise new leases adopted in year.

Table 9: 2024/25 Capital Financing Requirement (CFR)

| | £m |
|---|--------------|
| Capital Financing Requirement at 1 st April 2024 | 505.1 |
| Borrowing required to finance 2024/25 Capital Programme | 41.8 |
| PFI & Finance Leases liabilities | (5.7) |
| Provision to Repay Debt (Minimum Revenue Provision) | (16.2) |
| Provision to Repay Debt (Capital Receipts Set Aside) | 0.0 |
| Repayment of Transferred Debt | (2.2) |
| Reduction of Provision and other restatements | 0.0 |
| Capital Financing Requirement at 1 st April 2024 | 522.8 |

Table 10: Treasury Management Debt Summary

| Source of Borrowing | Balance at 31st March 2024 £m | Repaid in Year £m | Raised in Year £m | Balance at 31st March 2025 £m |
|------------------------------------|----------------------------------|----------------------|----------------------|----------------------------------|
| Long term borrowing | | | | |
| - PWLB | 180.7 | 0 | 0 | 180.7 |
| - LOBO's | 38.0 | 0 | 0 | 38.0 |
| - Stock Issue | 12.0 | (12.0) | 0 | 0.0 |
| - West Midlands Combined Authority | 18.0 | 0 | 0 | 18.0 |
| - Other | 0.4 | 0 | 0 | 0.4 |
| Short term borrowing | 10.0 | (10.0) | 20.0 | 20.0 |
| Total borrowing | 259.1 | (4.3) | 0 | 257.1 |
| Other Local Authority Debt | 4.6 | (2.2) | 0 | 2.4 |
| PFI & Finance Leasing Liabilities* | 53.8 | (5.7) | 23.9 | 72.0 |
| Total | 317.5 | (9.4) | 0.0 | 331.5 |

** The significant increase in the PFI and Lease liabilities shown in table 10 above is the impact of the new accounting standard (IFRS16 Leases) as described in section 2.4.4 of this report.*

A decision was made to repay the Stock Issue in 2024/25 - slightly earlier than when it became due in January 2026. The decision was made mainly on the basis that it meant the Council would no longer be a Public Interest Entity and thus subject to a less complex external audit process.

This long-term borrowing is repayable over the following periods:

Table 11: Borrowing Maturity Profile (excluding PFI & transferred debt)

| Period | Borrowing £m |
|-----------------|-----------------|
| Under 12 Months | 58.4 |
| 1 < 2 years | 0 |
| 2 < 5 years | 41.0 |
| 5 < 10 years | 40.3 |
| > 10 years | 117.4 |
| Total | 257.1 |

In line with CIPFA Treasury Management Code requirements, Lenders Option, Borrowers Option Loans (LOBOs) with banks are included in the maturity profile

based on the earliest date on which the lender can require repayment. The Council has £38m of such loans, £10m of which the lender can effectively require to be paid at annual intervals, and £28m at 5 yearly intervals. These have been included in the above table as per their next renewal date which is May 2025.

In fact, £10m of LOBOs were repaid in May 2025 due to significant increases in the rate from the lender being well in excess of prevailing PWLB rates.

Investments

2.4.5 The Treasury Management Team acts daily to manage the City Council's day-to-day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds. During the year, the Council held short-term investments, as set out in Table 12. The average short-term investment rate in 2024/25 was 5.26%.

Table 12: In House Investments at 31st March 2025

| | 01/04/24 £m | 30/06/24 £m | 30/09/24 £m | 31/12/24 £m | 31/03/25 £m |
|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Banks and Building Societies | 0.0 | 0.00 | 0.0 | 0.0 | 0.0 |
| Local Authorities | 10.0 | 27.50 | 26.0 | 48.0 | 22.50 |
| Money Market Funds | 15.0 | 34.05 | 31.0 | 15.58 | 18.68 |
| Corporate Bonds | 0.0 | 0.00 | 0.0 | 0.0 | 0.0 |
| HM Treasury | 0.0 | 0.00 | 0.0 | 0.0 | 2.48 |
| Total | 25.0 | 61.55 | 57.00 | 63.58 | 43.66 |

Pooled Investments

In addition to the above in-house investments, a mix of Collective Investment Schemes or “pooled funds” are used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. These funds are highly liquid, as cash can be withdrawn within two to four days, and short average duration of the intrinsic investments. These investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits, Property and Equities. However, they are designed to be held for longer durations allowing any short-term fluctuations in return due to volatility to be smoothed out.

To manage credit risk these investments are spread across a number of funds as highlighted in the table below:

Table 13: External, Pooled Investments as at 31st March 2025

| | Date Invested | Cost £m | Value £m | Annualised Return from Investment % |
|---|----------------------|----------------|-----------------|--|
| CCLA LAMIT Property Fund | Nov 2013 | 12.0 | 11.58 | 5.02% |
| Threadneedle Strategic Bond Fund | Aug 2018 | 1.5 | 1.44 | 4.34% |
| M&G Optimal Income Fund | Aug 2018 | 1.5 | 1.40 | 5.37% |
| M&G Strategic Corporate Bond Fund | Aug 2018 | 3.0 | 2.61 | 4.85% |
| M&G UK Income Distribution Fund | Aug 2018 | 3.0 | 2.78 | 5.60% |
| Ninety One (Investec) Diversified Income Fund | Aug 2018 | 4.5 | 3.96 | 4.62% |
| Schroder Income Maximiser | Aug 2018 | 4.5 | 3.86 | 7.06% |
| Total | | 30.0 | 27.63 | 5.25% |

Credit risk remains central to local authority investment management and the Council's risk is managed in line with the Treasury Management Strategy, approved by Cabinet as part of the budget setting report at the meeting of 25 February 2025. Central to this is the assessment of credit quality based on a number of factors including credit ratings, credit default swaps (insurance cost) and sovereign support mechanisms. Limits are set to manage exposure to individual institutions or groups. Credit ratings are obtained and monitored by the Council's treasury advisors, Arlingclose.

Pooled funds provided an income return of £1.46m over the year although as at 31st March 2025 the accumulated deficit on their capital value was £2.36m (£2.84m deficit at the end of 2023/24). All seven funds show a deficit in capital value which is reflective of the current property and financial markets. There remains an expectation that the full value will be recovered over the medium term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss. These investments will continue to be monitored closely.

Summary Prudential Indicators

2.4.6 The Local Government Act 2003 and associated CIPFA Prudential and Treasury Management Codes set the framework for the local government capital finance system. Authorities are able to borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of prudential and treasury indicators relating to capital, treasury

management and revenue issues. These indicators are designed to ensure that borrowing entered into for capital purposes was affordable, sustainable, and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with explanatory notes and the relevant figures are included in Appendix 3 to the report. This highlights that the Council's activities are within the amounts set as Performance Indicators for 2024/25. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 31st March 2025 the value is -£53.6m (minus) compared to +£99.2m within the Treasury Management Strategy, reflecting the fact that the Council has significantly more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 31st March 2025 the value is £297.2m compared to £495.9m within the Treasury Management Strategy, reflecting that a significant proportion of the Council's investment balance is at a fixed interest rate.

Commercial Investment Strategy

2.4.7 The Council's Commercial Investment strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property, and loans to external organisations, is proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares.

In order to manage risk, the Council has limits for investing in shares and service loans, with total limit of £125m in 2024/25.

As at the end of 2024/25, the council had cumulatively invested £85.8m in shares and service loans with this rising to £87.5m when commitments to make potential payments of £1.7m are taken into account.

| | As at 31 st March 2025 | | | | |
|--------|-----------------------------------|-------------|------------|-------------|---------------|
| | Limit | Actual | Committed | Total | Variation |
| | £m | £m | £m | £m | £m |
| Shares | 55.0 | 52.1 | 0.0 | 52.1 | (2.9) |
| Loans | 70.0 | 33.7 | 1.7 | 35.4 | (34.6) |
| | 125.0 | 85.8 | 1.7 | 87.5 | (37.5) |

The total of £87.5m is within the limit of £125m set for the 2024/25.

The Council's investment in commercial assets is proportionate:

- with commercial income totalling approximately £27.7m in 2024/25 (£27.2m in 2023/24) equivalent to c10.0% of the Council's budgeted net service expenditure of £277.5 in 2024/25.
- with commercial assets valued at £505m (26.1% of the Council's total asset base of c£1,936m). This is not the amount invested by the Council, for example through past capital programmes, as it includes revaluations over time. In addition, many assets classified by the Council as commercial have significant service dimensions, including economic development aspects, thereby contributing more broadly to the provision of services.
- with a Capital Financing Requirement of £522.8m representing the Council's underlying need to borrow, at 27.0% of the Council's total asset base.

2.5 Commercial Investment Performance

Dividends received from Commercial Investments during 2024/25 are shown in the table below. Additional dividends were received from both Birmingham Airport Holdings Limited (BAH) and The Coventry and Solihull Waste Disposal Company Ltd (CSWDC) in the final quarter.

Although additional dividends were received from CSWDC in 2023/24 (c£12m), the dividends required in the budget were not uplifted from £7m due to the unknown impacts of the turbine failure on profitability, which did not materialise.

The further BAH dividends were in relation to additional ordinary share dividends following confirmed recovery from the impacts of COVID19.

| Company | 2024/25 Budgeted Dividend £000 | 2024/25 Actual Dividend £000 | Variance from Budget £000 |
|--|---|---|--|
| The Coventry and Solihull Waste Disposal Company Ltd (CSWDC) | 7,075 | 9,530 | 2,455 |
| Birmingham Airport Holdings Limited (BAH) | 1,934 | 6,364 | 4,430 |
| Tom White Waste Limited | 781 | 0 | (781) |
| Coombe Abbey Park Limited | 0 | 0 | 0 |
| Total Dividends | 9,790 | 15,894 | 6,104 |

3. Results of consultation undertaken

None.

4. Timetable for implementing this decision.

There is no implementation timetable as this is a financial monitoring report.

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

5.1 Financial implications

- 5.1.1 The final revenue outturn position for 2024/25 has been balanced by a year-end contribution of £1.8m to earmarked reserve balances. This is a significant favourable movement from the Quarter 3 Forecast monitoring position and can be mainly attributed to an additional windfall on dividends received from our commercial investment companies of £6.5m above the expected amounts. These additional dividends came from Birmingham Airport and Coventry & Solihull Waste Disposal Company (CSWDC). It should be acknowledged that without the support of these one-off additional dividends, the Council would have ended the year in a deficit position due to underlying service pressures that would have required the use of Council Reserves to balance the position.
- 5.1.2 External factors, contributing to these underlying pressures include the persistence of inflation continuing to impact cost. There are other intractable on-going issues including those relating to children's and adults social care, which are common to many councils across the country whilst the Council also managed local time-limited pressures in the year.
- 5.1.3 Despite further increases to Children's Services' budgets for 2024/25, there has continued to be a financial pressure in this area. This is due to sufficiency issues in the external placement market driving costs up disproportionately against already high inflation. There is also a pressure within SEND home to school transport due to increased demand alongside an increased reliance on external special school placements.
- 5.1.4 A wide range of service challenges are reported in Appendix 1 which, together with the issues reported above, reflect the difficult financial picture despite the flexibility identified with corporate and central budgets from dividends and interest.
- 5.1.5 In recognition of this financial position, it is necessary to continue to identify and adopt approaches that help the Council to manage its short-term pressures, whilst at the same time supporting the outlook for 2025/26 and medium-term financial position, following through on management actions to help reduce costs.
- 5.1.6 The Council's Leadership Team instigated a range of immediate responses during 2024/25 and will continue similar focus in support of 2025/26. The following actions were used to mitigate the underlying pressures within 2024/25:
- Recruitment controls

- Alternative funding opportunities from grant/reserves
- Undertook a comprehensive review of service reserves.
- Continued communication and challenge to all staff to embed a strong financial culture.
- Identification of service management actions to reduce cost

5.1.7 Continued efforts from both officers and portfolio holders are needed in order to minimise the impact of service pressure into 2025/26.

5.1.8 In addition to these operational actions the Council has taken proactive steps previously to maintain a strong balance sheet position, including robust reserve balances, which have enabled it to manage the adverse budget variations encountered in recent years. It will be vital for the Council to continue to ensure that it maintains a prudent approach going forward in order to mitigate against potential future shocks. This, together with the above gives sufficient assurance that the Director of Finance and Resources does not need to take any extra-ordinary action to respond to the financial position (such as issuing a Section 114 Notice).

5.1.9 The Government have started to consult on Local Authority Funding Reform during this year, with the intention that a new system, intended to reflect relative need, will be implemented from 2026/27. Although the promise of funding reform is received as positive, it does provide a significant amount of uncertainty for the medium-term financial forecast and in response the Council has made planning estimates for future years. Initial assumptions recognise the likelihood that gaps will remain for the periods following 2025/26. The view of the Director of Finance and Resources (Section 151 Officer) is that the Council should continue to plan prudently.

5.1.10 In setting the Council's budget and corporate objectives for 2025/26 in the context of this financial uncertainty, resources were allocated to meet corporate priorities, and savings were identified. It is imperative that the full programme of savings continue to be closely monitored by the Councils' Leadership Board throughout the financial year and any shortfall in delivery will need to be made up by other areas in the programme.

5.1.11 Several areas within corporate budgets including dividends, investment interest, superannuation and the Coventry and Warwickshire Business Rates Pool yield can be subject to volatility and were budgeted for on a prudent basis in 2024/25. The outturn position on these items was favourable against the range of reasonable expected outcomes and this has enabled the Council to absorb overspent budgets elsewhere within the bottom line. Several of these favourable financial outturns have occurred in areas that have been subject to affirmative Council decisions in recent years such as dividends and investment income.

5.1.12 The local government sector has witnessed risks materialise in recent years within other local authorities, in the form of some high-profile financial failures often linked to ambitious local plans with scope to deliver financial returns. The Council is itself involved in a range of commercial ventures, company

structures and external loan financing arrangements and is committed to ensuring that it maintains a high degree of self-awareness of its position. High standards of due diligence, good governance and monitoring arrangements and the maintenance of a broad mix of activities to guard against a concentration of risk are all vital factors to protect the Council's financial position. The Council continues to be bold with its aspirations for the city and maintains a measured appetite for risk to achieve this. It is important for the Council to maintain contingency balances to protect against the risk of financial failure in one or more key areas.

- 5.1.13 With the exception of the Council's General Fund balance all reserves have been set aside to deliver specific projects or risks. Given the size of the Council's ambitions defined by its Capital Programme, its transformation programme and its financial involvements that extend beyond traditional local authority service provision it is entirely appropriate for the Council to support this in the form of balances to pump prime such areas and provide some financial risk mitigation. Nevertheless, the Council has a 'mid-table' position in the CIPFA Resilience Index in relation to the level of its reserve balances. This has enabled the Council to place itself in a strong financial position as well as providing the best basis for the Council to improve services for residents and invest in the city and its communities.
- 5.1.14 The level of expenditure across a broad number and type of capital schemes has once again demonstrated the Council's appetite to embark on ambitious and innovative projects and its success in attracting grant funding to do this, with 65% funded from external grant. The programme's coverage of projects includes the city centre south, enhancing transport infrastructure, improving the profile of the city, and providing support to local economic development, a range of projects dealing with the issues of housing and helping to deliver the Council's climate change agenda.
- 5.1.15 Although the Council has undertaken some borrowing in-year this has been undertaken on a short-term basis at this stage, taking advantage of interest rates available from other local authorities and avoiding higher long term borrowing rates.

5.2 Legal implications

- 5.2.1 Section 151 of the Local Government Act 1972 requires the Council to make such arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.
- 5.2.2 Section 25 of the Local Government Act 2003 requires the Council's Chief Financial Officer to report on the robustness of the estimates made and the adequacy of the proposed financial reserves. This is included throughout the report.

5.2.3 The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.

5.2.4 The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year.

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

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

This report provides an account of the overall financial performance of the Council compared with its original Budget. The Council also monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Budgetary control and monitoring processes are paramount to managing this risk and this report is a key part of the process.

6.3 What is the impact on the organisation?

The revenue and capital outturn position reported here demonstrates that the Council continues to undertake sound overall financial management. This will continue to be important in the light of the current budgetary risks and the continued uncertainty with regard to the level of funding available to local government.

6.4 Equalities / EIA

No specific impact.

6.5 Implications for (or impact on) Climate Change and the Environment

None.

6.6 Implications for partner organisations?

None.

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| Contributor/approver name | Title | Directorate | Date doc sent out | Date response received or approved |
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| Michelle Salmon | Governance Services Officer | Law and Governance | 10/06/25 | 11/06/25 |
| Sunny Singh Heer | Lead Accountant | Finance and Resources | 29/05/25 | 06/06/25 |
| Mike Revis | Lead Accountant | Finance and Resources | 29/05/25 | 06/06/25 |
| Lindsey Hughes | Lead Accountant | Finance and Resources | 29/05/25 | 06/06/25 |
| Names of approvers for submission: (Officers and Members) | | | | |
| Barry Hastie | Director of Finance and Resources (Section 151 Officer) | - | 10/06/25 | 13/06/25 |
| Oluremi Aremu | Head of Legal and Procurement Services | Law and Governance | 10/06/25 | 13/06/25 |
| Councillor R Brown | Cabinet Member for Strategic Finance and Resources | - | 13/06/25 | 16/06/25 |

This report is published on the council's website: www.coventry.gov.uk/council-meetings

Appendix 1 - Revenue Variations

Appendix 1 details directorate forecast variances.

Budget variations have been analysed between those that are subject to a centralised forecast and those that are managed at service level (termed “Budget Holder Forecasts” for the purposes of this report). The centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers must work within the existing establishment structure and salary budgets are controlled centrally rather than at this local level. The centralised forecast underspend shown below is principally the effect of unfilled vacancies.

| | Revised Budget | Actual Spend | Centralised Variance | Budget Holder Variance | Total Over/ (Under) Spend |
|---|----------------|--------------|----------------------|------------------------|---------------------------|
| | £m | £m | £m | £m | £m |
| Adult Services and Housing | 130.0 | 133.4 | (1.5) | 4.9 | 3.4 |
| Children and Education | 114.8 | 119.6 | (2.6) | 7.4 | 4.8 |
| City Services | 41.9 | 43.9 | (1.2) | 3.2 | 2.0 |
| Contingency and Central Budgets | (39.1) | (51.8) | 0.0 | (12.5) | (12.5) |
| Finance and Resources | 12.8 | 12.0 | (0.3) | (0.5) | (0.8) |
| Legal & Governance Services | 9.1 | 9.6 | (0.2) | 0.7 | 0.5 |
| People and Organisation Development | 1.0 | 1.4 | 0.2 | 0.2 | 0.4 |
| Planning and Performance | 5.9 | 5.7 | 0.0 | (0.2) | (0.2) |
| Policy and Communication | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 |
| Property Services and Development | (8.5) | (8.7) | (0.5) | 0.3 | (0.2) |
| Public Health | 1.4 | 0.9 | (0.2) | (0.3) | (0.5) |
| Regeneration and Economy and Development | 8.2 | 9.4 | 0.0 | 1.2 | 1.2 |
| TOTAL | 277.5 | 275.5 | (6.2) | 4.4 | (1.8) |

n.b. The figures in this table may be subject to small rounding differences to the main report and the rest of the appendix

| Centralised Variance Explanation | £m |
|---|--------------|
| These are underspends against a combination of salary budgets and turnover savings target. They result from vacancies across Council services. Turnover has remained consistent across the Council, however areas such as Adults & Childrens Services remain high, due to the national and regional Social Worker retention issues. Some of these vacancies will be covered by agency and overtime to ensure services can be maintained. These costs are included within the service positions described below. | (6.2) |
| Total Centralised Variance | (6.2) |

Service Area Variances

| Service Area | Reporting Area | Explanation | £m |
|-------------------|---|---|--------------|
| Adult Social Care | Strategic Commissioning (Adults) | The underspend relates to New Homes for Old Private Finance Initiative additional client fee income above budget. | (0.7) |
| Adult Social Care | Adult Social Care Director | Related to underspends on appointee ships provision, other adult social care projects and staffing costs. | (0.4) |
| Adult Social Care | Enablement & Therapy Services | The underspend relates to vacancies within the Therapy team. | (0.1) |
| Adult Social Care | Internally Provided Services | Staffing over-spends relating to overtime, casual pay, and agency which are only partly offset by under-spends arising from related vacancies and additional income. We are working closely with the Council's agency provider to reduce costs of having to utilise spot contracts with other agency providers. | 0.3 |
| Adult Social Care | Adult Social Care Business & Financial Management | The underspend relates to the decommissioning of the electronic call monitoring system and staff vacancies. | (0.1) |
| Adult Social Care | Partnerships and Social Care Operational | The underspend relates to vacancies across the Teams | (0.2) |
| Adult Social Care | Localities and Social Care Operational | The overspend relates to additional agency staff costs due to a large number of vacancies. This overspend is only partly offset by underspends due to those staff vacancies which are in the process of being recruited to. Recruitment adverts and events continue to try and improve this position. | 0.2 |
| Adult Social Care | Community Purchasing | The Budget for Purchasing packages for Adults and Older people continues to see significant pressure, and there is continued demand for services for people with complex needs. We continue to see growth and areas of high cost across Learning disability, Mental Health and Older People as well as transitions from Children to adults. Scrutiny continues across all | 4.4 |

| | | | |
|---|-------------------------------------|---|------------|
| | | areas where budgets are authorised to ensure cost effectiveness and escalation where appropriate. | |
| TOTAL Adult Services & Housing | | | 3.4 |
| Children's Services | Children's Services Management Team | There was an underspend of £0.3M due to the cost of social worker recruitment and retention initiatives being lower than anticipated when the budget was set offset by a £0.1M overspend against professional fees. | (0.2) |
| Children's Services | Corporate Parenting and Sufficiency | There was a £7.1M overspend on placements for children in care. This figure takes into account income from central government for unaccompanied asylum-seeking children which ensures these children do not contribute to the budgetary pressure. The pressure relates to the use of external residential children's homes and high-cost spot placements due to a lack of sufficiency in the market and some voids across block and internal homes during the year. We continue to work collaboratively with our health partners to ensure that the resources required to meet the needs of children with complex needs are appropriately aligned to statutory frameworks and further work continues to ensure all relevant health contributions are received. A number of actions are being taken to address this pressure. The overall position is mitigated in part by use of one-off resources and underspends across other areas of the service including a £1M underspend for Special Guardianship allowances, where the activity is below the level anticipated when the budget was set. | 5.7 |
| Children's Services | Help & Protection | The variance is predominantly due to a £0.7M underspend across Family Hubs and Early Help, where due to staffing vacancies staff costs are below budget. The remainder of the underspend is a combination of smaller variances across other parts of the service. | (1.0) |

| | | | |
|---------------------|---|---|-------|
| Children's Services | Children in Care, Children with Disabilities & Care Leavers | There was an overspend of £0.7M in the Children's Disability Team, due to an increase in both demand and prices for short breaks & direct payments. There was a £0.9M underspend across the Children in Care and Through Care service areas. This was linked in part to a reduction in proceedings cases reflecting improvements in proceedings work and throughput. This meant staffing models were adjusted across the two areas and during this time, there were some vacancies whilst recruitment activity was undertaken. | (0.3) |
| Education Services | SEND & Specialist Services | There was an overspend of £1.3M against SEND Transport. The forecast demand and cost of home to school travel assistance for the September 2024 academic year, was based on the following assumptions: The increase in EHCPs would mirror demand for the 2023/24 year; the proportionality of placements between mainstream and specialist schools would not change and that the Council's procurement of taxis as a mode of transport would continue, until additional capacity within the Council's passenger transport fleet was realised. However, demand growth for EHCPs and consequently the Council's reliance on external special school placements has increased significantly above forecast levels. Whilst immediate mitigation activity has been identified, including activity to increase internal fleet capacity and the re procurement of taxi routes efficiencies will not be realised until 2025/26 financial year. This overspend is offset in part by underspends across other areas of the service. | 1.1 |

| | | | |
|--------------------------------------|-----------------------------------|--|------------|
| Education Services | Education Entitlement | £0.2M of this underspend relates to the Virtual School and is linked to staffing vacancies and utilisation of additional grant funding where appropriate. £0.1M is due to reduced expenditure on bus passes. The number of pupils eligible for bus passes is based on statutory criteria and policy and has not reduced but we are now only charged where passes are used. The remaining underspend has resulted from an update to the education PFI affordability model. | (0.4) |
| Education Services | Education Improvement & Standards | An overspend of £0.2M against Schools Trade Union costs is offset by an underspend of £0.3M across other parts of the service including historic pension costs, Data Team and Education Standards. The overspend position on Schools Trade Union is linked to inflation and lower amounts of de-delegated funding. Historic pension costs expenditure will continue to reduce over time as there are no new commitments against this. | (0.1) |
| TOTAL Childrens and Education | | | 4.8 |
| Highways | Parking | The overspend is a result of several factors. Compared to previous years, fewer Penalty Charge Notices were issued for bus lane contraventions whilst a high level of outstanding PCNs resulted in an increase in the provision for bad debts. There is also pressure of £206k from Residents Parking - despite the introduction of a standard permit charge. Overall, the pressures have been partly offset by a growth in car park income as a result of an increase in both car park usage and parking charges. | 0.6 |
| Highways | Traffic | This overall underspend is predominantly due to reduced Energy Costs. | (0.6) |
| Highways | Highways | The largest pressure came from under recovery as a result of capital project delays, of which the workforce relies on to fund the service. The workforce are usually deployed onto these projects, but were redirected to reactive Maintenance works as a result. | 1.2 |

| | | | |
|---------------------------------|------------------------------------|---|------------|
| Transport Policy and Innovation | Transport Policy | This over recovery of income is mainly due to additional (one-off) permits. | (0.6) |
| Transport Policy and Innovation | TH Management & Support | This relates mainly to Consultancy costs incurred whilst recruiting to permanent positions. | 0.2 |
| Environmental Services | Street pride & Parks | This net pressure of c£250k is a result of an under recovery of income in Parks activities c£290k and Car Park income c£286k. These are due to a combination of poor weather and reduced footfall. In addition, some urgent works required to the pool at Coombe have started with costs of c£111k incurred in 24/25. These pressures have been partly offset by underspends in Street pride -£305k mostly due to vacancies being held whilst a restructure is being implemented, additional income in Bereavement Services of -£55k and vacancies being held pending implementation of the restructure of the Support and Technical Team - £89k. | 0.2 |
| Environmental Services | Waste & Fleet Services | This is mostly due to the success of the Garden Waste Service during 24/25 achieving a surplus of £170k over the expected position and an increase in income relating to the other contracts of £146k. This is partially offset by an overspend on the Waste Transfer station of £208k, due to increased transport costs and a shortfall on income. | (0.1) |
| Development Management Services | Planning Services | The number of major planning applications has been relatively low over the past year (in line with the national trend) which has resulted in an underachievement of income c£599k. In addition, work has started on the Local Plan Review which has cost c£311k so far. | 0.9 |
| Development Management Services | City Services Management & Support | This overspend relates to professional fees in respect of the HSE investigation and subsequent inquest. | 0.2 |
| TOTAL City Services | | | 2.0 |
| Finance & Resources | Revenues and Benefits | There is a net Housing Benefit subsidy pressure caused by an increase in the volume and price of supported accommodation, for which the Council only receives partial subsidy payments if the provider is not a registered social landlord. | 0.5 |

| | | | |
|--------------------------------------|--------------------------------|---|--------------|
| Finance & Resources | Internal Audit | Vacancies in the service are being reviewed. | (0.1) |
| Finance & Resources | Financial Mgt | Lower net cost of professional fees due to one off recovery of costs from other projects. | (0.2) |
| Digital and Customer Services | Customer and Business Services | Underspend is due to staff vacancies across the service mainly due to holding posts for Coventry Connects and work on the long-term face to face delivery model, a reduction in the organisational use of the postal service and reduced printing costs. Additional income has also been generated through increased postage costs being passed on to internal trading services. | (0.7) |
| Digital and Customer Services | ICT & Digital | <p>The underspend is largely related to underspend on expected software costs in this financial year. In addition, lower than expected consumption costs in terms of the use of licenses, and a number of vacancies have been held whilst a restructure is being planned.</p> <p>This is partially offset by an ongoing pressure relating to a shortfall on schools income due to reduced buy in as schools convert to academies and academies join larger multi-academy trusts (MATs).</p> | (0.3) |
| TOTAL FINANCE & Resources | | | (0.8) |
| Legal and Governance Services | Legal Services | Significant agency costs required to cover caseload capacity in Children's, Adults and Education. Legal and an inability to deliver the Management of Vacancies savings due to these resource demands has led to this overspend. | 0.4 |
| Legal and Governance Services | Coroner & Register Office | The Register Office activity has over performed in 24-25 and this has been recognised in 25-26 budget setting. This area contains the unbudgeted costs of the Extraordinary Coroner's Enquiry, but these costs have been mitigated by the Registry Office income. | (0.2) |
| Legal and Governance Services | Elections | Elections have traditionally been managed through an ongoing smoothing reserve to recognise that Government funding does not cover the full costs of running an election. However, fallow years are no longer forecast to deliver enough savings to mitigate election | 0.2 |

| | | | |
|---|-------------------------------------|---|-------|
| | | years, and a decision has been taken in 24-25 to buy out the deficit reserves. | |
| Legal and Governance Services | Procurement | Prompt payments under the scheme continue to deliver benefits to the Council. | (0.1) |
| Legal and Governance Services | Regulatory Services | Housing Enforcement incurred unbudgeted costs of £151k to demolish Jasmine Court flats. S106 money was originally proposed to cover these costs but no eligible scheme could be identified. | 0.2 |
| TOTAL Legal and Governance Services | | | 0.5 |
| People and Organisation Development | Employment Services | The underspend is derived from a drawdown of historic Payroll overpayment recoveries that has been held on the balance sheet for a number of years. This mitigates the overspend due to ongoing delivery of the MTFS target within the Payroll Team (expected to be fully delivered in 25-26) | (0.2) |
| People and Organisation Development | HR - People & Culture | Historic Resourcing Team restructure MTFS target of £70k not being delivered, some income under recovery and one-off apprentice salary budget cost pressures. | 0.2 |
| People and Organisation Development | Employment Policy & Practice | The overspend mainly relates to £130k Job Evaluation team unfunded salary costs and £80k Employee Relations team turnover target but no vacancies alongside other smaller variations. | 0.4 |
| TOTAL People and Organisation Development | | | 0.4 |
| Planning and Performance | Transformation Programme Office | Underspend represents a release of funding previously held in reserve | (0.3) |
| Planning and Performance | Other Variances Less than 100K | | 0.1 |
| TOTAL Planning and Performance | | | (0.2) |
| Policy and Communication | Other Variances Less than 100K | | 0.1 |
| TOTAL Policy and Communication | | | 0.1 |
| Property Services and Development | Commercial Property and Development | The variances are largely constituted by pressures associated with void properties in the commercial property portfolio, holding costs associated with the City Centre South scheme and expenditure pressures relating to Coventry Retail Market, all offset by lease fee income. | (0.1) |

| | | | |
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| | | | |
| Property Services and Development | Facilities & Property Services | Surplus mainly due to trading services overachieving income target. | (0.4) |
| Property Services and Development | PSD Management & Support | The pressure mainly relates to remaining income target delivery delay and minor turnover target. | 0.3 |
| TOTAL Property Services and Development | | | (0.2) |
| Public Health | Public Health - Migration | Underspend represents a release of funding previously held in reserve | (0.5) |
| TOTAL Public Health | | | (0.5) |
| Regeneration and Economy Development | Culture, Sports & Events | Total overall Service pressure mainly comprises Cultural Gateway pre-construction, mobilisation and holding costs (including rates) and Godiva Festival deficit primarily due to lower ticket sales, associated lower commercial income, bad weather and England Euro 2024 fixture clashes. Wider Service pressures partially mitigated by vacancies in staffing, income generation from wider events and sports activities, and management actions implemented to reduce costs in the latter part of the year. | 1.0 |
| Regeneration and Economy Development | Regeneration & Economy Management Support | This is a shortfall against income target not an overspend. Sponsorship and commercial gross income totalled (£222k), costs of £145k were incurred resulting in a net income of (£77k), which is a shortfall of £183k against the income target of (£260k). Opportunities to generate new income have progressed slower due to external industry business planning cycles and the need to meet Planning and Highways obligations, particularly for the addition of new digital advertising assets. Other shortfall is due to staff turnover target not met. | 0.2 |
| TOTAL Regeneration and Economy Development | | | 1.2 |
| Contingency & Central Budgets | Contingency & Central Budgets | Central Budgets include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies as well as £1.2m additional Business Rates Pool income and some smaller Central Government Grants. | (2.4) |

| | | | |
|--|---------------------|---|---------------|
| | | This is being offset by an adverse variance (£1.3m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation. | |
| Contingency & Central Budgets | Treasury Management | The Asset Management Revenue Account delivered a surplus in excess of £10m at outturn. This primarily related to large dividends announced by Birmingham Airport and Coventry & Solihull Waste Company in the final quarter of the financial year delivering a total of £6.9m above the original budget. An additional circa £3m was achieved in temporary investment interest, and reduced service loan interest in the final quarter due to higher cashflow balances and favourable interest rates. | (10.1) |
| TOTAL Contingency & Central Budgets | | | (12.5) |
| Total Outturn Variances | | | (1.8) |

Appendix 2 - Capital Programme Change and Analysis of Rescheduling

| SCHEME AND EXPLANATION | APPROVED CHANGES £m | (RESCHED ULING) / ACCELER ATED SPEND £m | (UNDER SPEND) / OVER SPEND £m |
|---|------------------------------------|--|--|
| <u>A46 Link Road</u> Feasibility study and modelling work for the A46 Link Road is currently paused pending progression of the South Warwickshire Local Plan review through the issues and options phase – this will identify any potential land use changes that will need to be taken into account when identifying modelling scenarios and Link Road options. | | -0.5 | |
| <u>Coventry Very Light Rail</u> A delay in subcontractors invoicing the DLO for £0.45m for City Centre Traffic Management Programme works, along with closing out £0.1m WSP-Rendel design legacy works, which are underway but not finalised have resulted in 10% of spend rescheduled into next financial year. | | -0.6 | |
| <u>City Centre Regeneration</u> City Centre South - Costs associated with the site assembly necessary for delivery of the scheme having taken place slightly earlier than anticipated, accelerating spend from early 2025/26 into late 2024/25. | | 0.5 | |
| <u>Local Network Improvement Plan</u> In the final quarter we have managed to deliver more of the programme than anticipated resulting in accelerating £0.7m of the £1m that was rescheduled at Q3 reporting. This has predominantly been due to delivering vulnerable user traffic schemes, completion of various bollard schemes and early than programmed upgrade of signals at Holbrooks Hen Lane and Junction 9 Radford Road Fire Station. | | 0.7 | |
| <u>Foleshill Transport Plan – CRSTS</u> Acceleration of project delivery. Project was completed ahead of schedule. | | 0.9 | |

| | | | |
|---|--|------|--|
| <u>London Road (Gigafactory) – CRSTS</u> The ASDA roundabout scheme within the Coventry South Transportation package has experienced a delay to the commencement of works. The delay has been a result of securing a deed of dedication with ASDA regarding their land and design delays. the programme and financial outputs remain unchanged, and the scheme will commence in 2025/26. | | -1.6 | |
| <u>Housing Infrastructure Fund - A45 Overbridge</u> We are still undertaking tasks on site, related to the overall SUE development, that are requiring staff time input, and have incurred costs relating to additional works, such as the repair to the damaged/stolen street lighting (around £256k), some of which we are to charge back to Hallam Land Management once legal negotiations have completed. | | -0.3 | |
| <u>Transforming Cities - Binley Road Cycleway</u> Delay to commencement of works. Scheme will be completed in 2025/26. | | -2.7 | |
| <u>National Cycle Network Activation Programme (NCN) - Canley Ford Extension</u> Delay to commencement due to late change to proposed HS2 A46 closure leading to works embargo on A45 at time when works were originally planned. | | -0.5 | |
| <u>Active Travel 3 - Coventry Cycle Contraflows</u> Legal agreement from TfWM still in abeyance. Has been escalated as an issue with TfWM at today's programme meeting (19/05) | | -0.3 | |
| <u>ATN - Lower Coundon Liveable Neighbourhood</u> Delay to commencement of works. Scheme will be completed in 2025/26. | | -0.5 | |
| <u>Public Realm - Palmer Lane De-culverting</u> Programme of works has been extended due to additional works being required to southern river wall. Outturn forecast remains the same and works will complete in 2025/26. | | -1.0 | |

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|---|--|------|-----|
| <u>Public Realm - Phase 6</u> | | -0.6 | |
| Delay to commencement for Retail Quarter works - these are now complete. Remaining project due to complete in 2025/26. | | | |
| <u>Coventry Station Masterplan</u> | | | 0.4 |
| Temporary overspend during ongoing negotiations with Network Rail to finalise a necessary Asset Protection Agreement claim. | | | |
| <u>Vehicle Plant and Equipment</u> | | -0.6 | |
| Vehicles that were on order have not been delivered on time and due to be delivered and paid for out of the 2025/26 budget. | | | |
| <u>Education Programme - Basic Need</u> | | 2.6 | |
| Additional spend is due to bringing forward projects to deliver ERPs, overcoming planning hurdles which have delayed works to start at several schools within the programme. The team have also recently started feasibility works for several schools, which have been bought forward to mitigate programme risk later in the project. | | | |
| <u>Education Programme - Woodlands School</u> | | -0.2 | |
| Small slippage on spend can be attributed to certified construction works, following review of the programme of works and not having some of the contracts in place by 31st March, these will commence in 25/26. | | | |
| <u>ICT</u> | | -0.5 | |
| The rescheduling on this programme is primarily due to delays in supply chain delivery (delays on projects), fluctuation in pricing from providers and some misallocation of spend to capital when revenue should have been used – which has been rectified. | | | |
| <u>Residential Childrens Homes Strategy 2023-2026 - Children with Disability Home 2</u> | | -0.8 | |
| Delay to commencement of works. Despite CCC's efforts there have been delays in acquiring land to build the Children with Disabilities 2 home on. Conversations around land purchase are currently ongoing and it is programmed for the home to be completed and handed over by 2026/27. | | | |

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| <u>Residential Childrens Homes Strategy 2023-2026 - Complex Need 1</u> Delay to commencement of works. There were delays in acquiring a property due to a lack of suitable properties, but a property has now been found and purchased. It is programmed for the home to be completed and handed over by 2025/26. | | -0.7 | |
| <u>Disabled Facilities Grant</u> Reduced activity and spend on through floor lifts and step lifts. Unforeseen contractor and technical issues, with three large extensions in particular, have contributed to slippage into the 25/26 programme. New allocation processes introduced for caseload management affected forecast of work. Grant resource switch for Warm Homes project. | | -0.9 | |
| <u>Provision of Temporary Accommodation for Families - LAHF Phase 3</u> The Local Authority Housing Fund 3, to purchase 27 properties for use as Temporary Accommodation is a 2year project over 24/25 and 25/26, the project is ahead of schedule. | | -3.3 | |
| <u>Homes Upgrade Grant (HUG) - Phase 2</u> £2m was allocated to the capital programme for HUG2, however we only utilised £532k out of this allocation due to the difficulties in identifying energy inefficient homes and appropriate low-income households which are a strict grant eligibility criteria. If grant condition compliant properties/households cannot be identified, or the funding body cannot relax criteria, some of these funds may require repayment. The scheme totals are 51 properties completed against a target of 150. These reduced outputs are reflected consortium wide, where Midlands Net Zero Hub managed a £138.5m consortium project, with an average output of around 35% against targets. | | -1.5 | |
| <u>UKSPF - Coventry UK Shared Prosperity Fund - SME Capital Grants</u> The Council were awarded in December 2024 an additional £0.45m of capital grant to award to small medium enterprises (SME), under the UKSPF SME Capital grant programme. This increased the budget from £0.7m to £1.15m for the year. | 0.5 | | |

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| <u>Community Outbreak Management Fund (COMF)</u> Technical adjustment to accurately profile the Community Outbreak Management Fund capital grant from the UK Health Security Agency. | 0.2 | | |
| <u>Interest Capitalisation</u> This is in respect to the accounting policy referring to the prudential borrowing costs associated with the New Collection Centre scheme. Borrowing costs, in the form of interest expenses, are capitalised where the asset in question is a qualifying asset and takes a substantial period to bring into operation. Borrowing costs will only be capitalised on schemes for which expenditure is incurred over a period or more than 12 months, until the asset is operationally complete, and where a material level of capital expenditure is resourced by borrowing. | 0.4 | | |
| <u>Tom White Waste Land Acquisition</u> Report taken to Council on 14th January 2025: Strategic Land Acquisition of a Waste Management Asset. | 7.5 | | |
| <u>IFRS 16 Leases</u> The implementation of the accounting standard IFRS 16 from the 1st April 2024 requires the recognition of right of use (ROU) assets on the balance sheet for leased assets. The standard also impacts on the balance sheet entries for Private Finance Initiative (PFI) schemes. ROU assets are recognised through the Council's capital programme, but this has no impact on resourcing and, as such, was not included in the capital programme at the start of the year. In 2024-25, the total recognised as capital expenditure is unusually large as: <ul style="list-style-type: none"> • The transition to adopting IFRS 16 requires recalculated PFI balances and assets held at the start of the financial year to be recognised in 2024-25. The effect was circa £15.2m. • A significant new lease for Caradoc Hall was entered into during 2024-25. The effect was circa £7.3m. | 23.8 | | |

| | | | |
|-------------------------------|-------------|--------------|------------|
| Schemes below £250k threshold | 0.9 | -3.6 | -0.2 |
| TOTALS | 33.3 | -16.0 | 0.2 |

Appendix 3

| <u>Summary Prudential Indicators</u> | Per Treasury Management Strategy | Actual |
|--|---|-------------------------|
| | 24/25 £000's | 24/25 £000's |
| 1 Ratio of financing costs to net revenue stream: | | |
| (a) General Fund financing costs | 41,431 | 43,913 |
| (b) General Fund net revenue stream | 277,400 | 277,400 |
| General Fund Percentage | 14.94% | 15.83% |
| 2 Gross Debt & Forecast Capital Financing Requirement | | |
| Gross debt including PFI liabilities | 327,103 | 322,491 |
| Capital Financing Requirement (forecast end of 24/25) | 525,940 | 522,797 |
| Gross Debt to Net Debt: | | |
| Gross debt including PFI liabilities | 327,103 | 322,491 |
| less investments | -50,000 | -60,062 |
| less transferred debt reimbursed by others | -4,652 | -4,652 |
| Net Debt | 272,451 | 257,777 |
| 3 Capital Expenditure (Note this excludes leasing) | | |
| General Fund | 157,492 | 120,782 |
| 4 Capital Financing Requirement (CFR) | | |
| Capital Financing Requirement | 525,940 | 522,797 |
| Capital Financing Requirement excluding transferred debt | 521,288 | 518,145 |
| 5 Authorised limit for external debt | | |
| Authorised limit for borrowing | 495,898 | 495,898 |
| + authorised limit for other long-term liabilities | 50,042 | 50,042 |
| = authorised limit for debt | 545,940 | 545,940 |
| 6 Operational boundary for external debt | | |
| Operational boundary for borrowing | 475,898 | 475,898 |
| + Operational boundary for other long-term liabilities | 50,042 | 50,042 |
| = Operational boundary for external debt | 525,940 | 525,940 |

7 Actual external debt (prior year)

actual borrowing at 31 March 2024

+ PFI & Finance Leasing liabilities at 31 March 2024

+ transferred debt liabilities at 31 March 2024

= actual gross external debt at 31 March 2024

247,431

53,877

4,652

305,959

8 Adoption of the CIPFA Treasury Management Code of Practice

Adopted

Adopted

9 Interest rate exposures

Upper Limit for Fixed Rate Exposures

495,898

297,159

Variable Rate

Upper Limit for Variable Rate Exposures

99,180

-53,596

10 Maturity structure of borrowing - limits

under 12 months

12 months to within 24 months

24 months to within 5 years

5 years to within 10 years

10 years & above

Upper Limit

50%

11%

20%

12%

30%

7%

30%

24%

100%

46%

11 Investments longer than 364 days: upper limit

30,000

0

Prudential Indicators

The CIPFA Code imposes on the Council clear governance procedures for setting and revising of prudential indicators and describes the matters to which a Council will 'have regard' when doing so. This is designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

The Prudential Indicators required by the CIPFA Code are designed to support and record local decision making and not as comparative performance indicators.

There are eleven indicators shown on the previous page, and these are outlined below:

Revenue Related Prudential Indicators

Ratio of Financing Costs to Net Revenue Stream (indicator 1):

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs, excluding investment income.

Capital and Treasury Management Related Prudential Indicators

Gross Debt and Capital Financing Requirement (Indicator 2):

The Council needs to be certain that gross external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for the next three financial years. The CFR is defined as the Council's underlying need to borrow for capital purpose, i.e. it is borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

Capital Expenditure (Indicator 3):

This indicator is an estimation of the Council's future capital expenditure levels, and these underpin the calculation of the other prudential indicators. Estimates of capital expenditure are a significant source of risk and uncertainty, and it is important that these estimates are continually monitored and the impact on other prudential indicators (particularly those relating to affordability) are assessed regularly.

Capital Financing Requirement (Indicator 4):

As outlined in Indicator 2 above, the CFR represents the Council's underlying need to borrow for capital purposes.

Authorised Limit for External Debt (Indicator 5):

This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the

estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.

Operational Boundary for External Debt (Indicator 6):

This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.

Actual External Debt (Indicator 7):

This indicator identifies the actual debt at the end of the previous financial year as recognised with the Statement of Accounts.

Adoption of the CIPFA Treasury Management Code (indicator 8):

This indicator is acknowledgement that the Council has adopted the CIPFA's *Treasury Management in the Public Services: Code of Practice*.

Interest Rate Exposures for Borrowing (Indicator 9):

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.

Maturity Structure of Borrowing – Limits (Indicator 10):

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks.

The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Investments Longer than 364 days: Upper Limit (Indicator 11):

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.

All these prudential limits need to be approved by full Council but can be revised during the financial year. Should it prove necessary to amend these limits, a further report will be brought to Cabinet, requesting the approval of full Council for the changes required.