



# **Coventry City Council's 2024-25 Statement of Accounts**

This document presents the Council's financial performance  
for the year ending 31<sup>st</sup> March 2025.

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# 1 An Overview of the Council's Performance

## 1.1 Introduction

Coventry City Council is a metropolitan district council responsible for all local government duties within the city of Coventry. The Council is required to set out its accounts in line with strict standards and this Statement of Accounts presents the

Council's financial performance for the year ending 31st March 2025. The narrative report below helps set this into the context of the activities performed by the Council, its performance for the year, including some key financial information and the

major developments in the city. The statement also explains the current status of its medium-term financial plans and how it is securing its future financial resilience.

## 1.2 Narrative Report

### Overview

The Council's overall strategy is set out in the "One Coventry Plan". It is an approach which is intended to shape the way that the Council works with its partners to improve the city and improve people's lives. Key information about the city and measures of the Council's overall performance are provided separately in a bi-annual report formally considered by Cabinet.

The One Coventry Plan focusses on three overarching areas: economy and skills; improving outcomes and tackling inequalities; and tackling the causes and consequences of climate change.

The One Coventry Plan 2022-2030 is measured against 74 metrics. During 2024/25, 34 of these improved; 7 stayed the same; 20 worsened; and conclusive data was not available for the other 13 indicators. This means that, 67% (41 out of 61) of the indicators (excluding where conclusive data was not available) improved or stayed the same.

These accounts present details of the activities of the Council during 2024/25 from a financial perspective. There are two main types of activity: revenue expenditure on services; and capital investment, consisting of long term investment in the assets used to deliver those services.

### Revenue expenditure on services

In February 2024, the Council set a total budget for its revenue expenditure of £867.8m. This included a net budget requirement, funded from Council Tax and Business Rates of £277.5m.

	£m	£m
Council Tax	175.9	
Local Business Rates	101.6	
<b>Net Budget Requirement</b>		<b>277.5</b>
Specific Government Grants		476.8
Fees and Charges		113.5
<b>Total Budget</b>		<b>867.8</b>

The final revenue outturn position for 2024/25 has been balanced by a year-end contribution to earmarked reserve balances of £1.8m. This final position can be mainly attributed to an additional windfall on dividends received from our commercial investment companies of £6.5m above the budgeted amounts.

It is recognised 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.

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 demand for and complexity of 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.

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.

The displayed table provides the details of the revenue outturn position for the various Council service areas.

### **Summary of the Council's Revenue Outturn**

<b>2024/25 Revenue Outturn</b>	<b>Total Income</b>	<b>Total Expenditure *</b>	<b>Net Expenditure</b>	<b>Net Budget</b>	<b>Overspend/ (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adult Services and Housing	(99.1)	232.5	133.4	130.0	<b>3.4</b>
Children and Education	(261.2)	380.8	119.6	114.8	<b>4.8</b>
City Services	(37.1)	81.0	43.9	41.9	<b>2.0</b>
Contingency and Central Budgets	(194.1)	144.3	(49.8)	(39.1)	<b>(10.7)</b>
Finance and Resources	(91.0)	103.0	12.0	12.8	<b>(0.8)</b>
Legal and Governance	(7.8)	17.4	9.6	9.1	<b>0.5</b>
People and Organisational Development	(1.0)	2.4	1.4	1.0	<b>0.4</b>
Planning and Performance	(0.7)	6.4	5.7	5.9	<b>(0.2)</b>
Policy and Communications	0.0	0.1	0.1	0.0	<b>0.1</b>
Property Services and Development	(23.0)	14.3	(8.7)	(8.5)	<b>(0.2)</b>
Public Health	(31.5)	32.4	0.9	1.4	<b>(0.5)</b>
Regeneration and Economy Development	(19.6)	29.0	9.4	8.2	<b>1.2</b>
<b>Total</b>	<b>(766.1)</b>	<b>1,043.6</b>	<b>277.5</b>	<b>277.5</b>	<b>0.0</b>

\*Total expenditure net of contributions to/from reserves

The Council continued to take a modestly commercial approach to meeting its budgetary pressures and maintaining the strength of its balance sheet in 2024/25. These commercial ventures are planned to provide a modest commercial return to the Council as part of an approach to help the Council avoid some of the worst effects of budget cuts experienced across the country in recent years. This has been evidenced during 2024/25 where the significance of additional dividends received from Commercial

Investments has guarded against the financial pressures being felt across key statutory services and mitigated the use of reserves to manage these service pressures.

The Better Care Fund (BCF) has required Local Authorities and Clinical Commissioning Groups to pool budgets from 1st April 2015, with the intention of driving improvement through the integration of services and resources. The Council has spent £67m in this area as part of an overall pooled

budget of £149m. These arrangements will remain important in future years as the government channels more and more funding through this mechanism. The overall pooled budget relationship is set out in section 3.11 Pooled Budgets.

### **Capital Investment**

The scale of the Council's ambition continues to be reflected in the size of its Capital Programme. The

Council's 2024/25 programme spend was £128.0m, slightly higher than the 2023/24 figure of £115.3m. The 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 City Region Sustainable Transport Settlement (CRSTS) funded Foleshill Transport works and infrastructure schemes to improve and maintain the city's highways via the 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.

In previous years, the Council's plans have included generation of capital receipts from the sale of property assets and investing some of the proceeds into assets providing a higher return. Following changes to the rules governing the Public Works Loans Board (PWLb) – the Government's main vehicle to provide long-term lending to local government – the Council will not be seeking to purchase further income generating assets at this stage. Any future purchases would need to consider the Council's ability and appetite to ensure that its long-term borrowing needs could be delivered from sources other than the PWLB.

Part of the expenditure programme has been earmarked to be funded by prudential borrowing, although due to the Council's existing cash balances it has been able to delay taking out any long-term borrowing within 2024/25, which is discussed in the section on Treasury matters below.

The Council is already heavily exposed to risk on a regular basis through the impact of demand led services, such as social care, putting pressure on its revenue budget, further exacerbated by the persistence of legacy inflation impacting costs in 2024/25 and beyond. As part of the Council's strategic financial planning it has taken a conscious decision to explore and invest in a range of commercial opportunities to provide a broader funding base for its core activities. Due to the nature of its funding position, its size and the financial resilience that it has built into its financial

plans, the Council has demonstrated that it is in a strong position to withstand this type of event. The Council is aware however that it must remain vigilant to ensure that it maintains an appropriate level and balance of commercial activities, but remains convinced that these remain an important element of its wider undertakings.

### **Reserve Balances**

For local citizens who show an interest in and challenge the financial decisions of the Council, the level of reserve balances is probably the area where they have historically shown the most concern. For local councillors too, it is difficult to understand why the Council can, at the same time, make decisions to reduce expenditure on some services whilst it has millions of pounds of reserves on its balance sheet. This is likely to be a source of debate once again given that the Council's headline reserve balances shown in section 3.13 are still perceived to be at a high level, in the region of £207m.

However, the Council's reserve balances are largely earmarked, and include £40m held on behalf of Schools which are not available for use on general Council activities. A number of others are also held to cover future committed spend including Public Finance Initiative (PFI) grant of £4m and Capital receipts of £15m.

Revenue reserves are held for a variety of reasons listed in Note 3.13. These include amounts to enable the Council to restructure its workforce as required, and to protect the Council from future Business Rates volatility.

The legacy impact of high inflation and other global political events give clear justification for organisations such as the Council to protect their financial position by maintaining reserve balances.

The Council's recent trend of increasing and maintaining these balances is one reason, although not the only one, why it has been able to avoid being one of those councils' giving warnings of their financial distress because of globally significant economic events and increases in demand for some services. In addition, the Council's view continues to be that the scale of the financial challenges facing it, and the range of the projects and aspirations that it has established for itself over the next few years, provides a strong justification for setting aside these amounts.

The CIPFA Code of Practice (COP) requires that all grants held as receipt in advance should be separately identified in the balance sheet. A detailed review of Capital Grant conditions identified a number of grants that had been held as a receipt in advance as at 31 March 2024, but which should have been accounted for as grants with restrictions, with the income being credited to the Comprehensive Income and Expenditure Statement as Capital Grants. This had not been done historically, and the accounting for these grants have been corrected in the comparative main statements and associated notes as a prior period restatement discussed in section 3.38.

### **Treasury Management**

The Council's Treasury Management Strategy sets out the Council's objectives in relation to the management of the Council's cash flow in order to ensure cash is available when needed, and to manage borrowing and investments in support of the Council's longer term capital plans. The Council is currently maintaining an under-borrowed position, which means that the capital financing requirement has not been fully funded with loan debt; as cash supporting the Council's reserves, balances and cashflow has been used as a temporary measure. This strategy continues

to be prudent whilst borrowing rates remain relatively high. There has been no new long-term borrowing in the year.

The Council holds investments in Collective Investment or Pooled Funds. As at 31st March 2025 the accumulated deficit on the capital value of these pooled funds is £2.36m (compared to a £2.84m deficit as at 31st March 2024). The decline in the property market is the main contributor to the deficit. There remains an expectation that the full value will be recovered over all funds in 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.

The Council's long-term borrowing needs, and the best time to take out any such borrowing, will continue to be monitored and discussed with the Council's treasury advisors, Arlingclose, to ensure that the most advantageous financial and strategic treasury terms can be secured.

### **Pensions Accounting**

The Council's net pension liability shows the extent to which its existing pension commitments to employees and former employees exceed the assets currently available to meet those commitments.

As of 31st March 2025 the Council has recognised a net pension liability of £30.5m (2023/24 £35.4m) in its balance sheet. However, this liability includes the impact of an 'asset ceiling' adjustment of £310.6m (2023/24 £89.7m). This adjustment reduces the level of assets as they are not deemed to be available to the Council as either potential refunds or reductions in future contributions.



Prior to the asset ceiling adjustment, the net pension position was estimated to be an asset of £280.1m (2023/24 £54.3m). The movement in the net position during the year reflects in the main the impact of changes in demographic assumptions which reflects the latest longevity improvement available at the accounting date which has served to reduce the employers' obligations and led to a small gain on the balance sheet. In addition to this the corporate bond yield has risen which has led to a 1% increase in the discount rate applied during the period and led to a significant gain in the balance sheet.

The detailed effects of pensions' accounting for the local government and teachers' unfunded pension schemes are shown in sections 3.29 Pension Costs and 3.30 Retirement Benefits.

### **Asset Valuations**

The Council's assets are assessed on a regular basis to ensure that their value is reflected accurately in the accounts. Land and property valuations in particular are always subject to the external economic and political climate and these values have been subject to significant fluctuations in previous years. For 2024/25 the Council employed an external valuer to undertake this work, with assurance carried out by City Council employees.

The Council reviews a higher proportion of its portfolio on an annual basis than has been the case historically, reflecting the materiality of this area within the accounts.

Due to the overall significance of asset values within the Council's balance sheet, and their sensitivity to external factors, it remains appropriate for asset valuations to be included as

a significant assumption made in estimating assets and liabilities.

The Council hold a portfolio of equity shares in companies, which are valued annually. Total valuation of these investment assets has fallen from £116.5m at 31st March 2024 to £106.6m at 31st March 2025. The main reason for this decline is attributable to both costs of services linked to the legacy of inflation impacting costs and reductions in estimated margins from contracts, note 3.21 Long Term Investments has further detail on this.

### **IFRS16 Leases**

In 2024/25, as required by the Code of Practice for Local Authority Accounting, the Council has adopted IFRS 16 Leases. This standard replaces IAS 17 and fundamentally changes the way lessees account for leases, removing the previous distinction between operating and finance leases.

The main impact of the new requirements is that, under IFRS 16, most leases are now recognised on the balance sheet as a right-of-use asset with a corresponding lease liability. This represents a significant change in accounting treatment and affects the recognition, measurement, and disclosure of leasing arrangements, with all arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability have been brought into the balance sheet at 1 April 2024.

This has resulted significant movements and additions to the balance sheet as at 1 April 2024 in property, plant and equipment and lease liabilities which are discussed in detail within note 3.28 Leases, note 5.5 Changes in accounting policies and note 5.7 Accounting policies.

### **Going Concern**

There have been increasing demands for councils to assess their going concern status in recent years. This assessment has become more relevant with doubts being expressed about whether some local authorities will be able to deliver their full range of service commitments given the financial pressures they face. A significant number of authorities have raised financial concerns in recent years, either by issuing S114 notices or receiving exceptional financial support (EFS) from the government.

It is important to be clear that the Code of Practice, under which local authorities operate, confirms that councils can only be discontinued under statutory prescription and should, therefore, prepare their financial statements on a going concern basis of accounting. This means that they should be prepared on the assumption that the functions of the authority will continue in operation for the foreseeable future.

However, as part of putting these accounts together, alongside its overall response to the inflationary environment and impact on service demand, the Council's financial monitoring and planning has continued focus on indicating the need to operate as far as possible within budgeted levels and find savings where possible, in order to continue to provide assurance that its financial position remains secure. This includes looking at expenditure pressures directly caused by legacy inflation, the direct impact on income due to the cost of living and general slow economic growth.

Service demand pressures continue to directly and indirectly affect local government services throughout 2024/25. The Government has partially provided funding to help manage this cost to councils through a combination of increased

specific grant (e.g. social care grants) and ability to raise local taxes through council tax and business rates. The Council's view, however, is that this funding has not collectively offset the increases in both price and activity sufficiently, such that significant cost reductions have been required.

In the immediate future, the level of the Council's reserve balances is a good indicator of its financial health and ability to withstand any short-term shocks. In 2024/25 the Council was able to contribute an additional £1.8m to its total revenue reserves. Although reserves do still remain at reasonably healthy levels as at March 2025, in addition, the statutory environment in which local authorities operate means that the Government has obligations to support local authorities which encounter financial difficulties. In the light of this and in the opinion of the Director of Finance and Resources, Coventry City Council remains in a sound financial position, considering the statutory position held by local authorities and the relative strength of its sources of revenue. In the medium to longer-term, the extent to which inflation and service pressures impact on Local Government finances, and the continued work to redefine a new local government funding mechanism, continues to provide significant uncertainty for the whole sector.

### **Group Activity**

The activities of the main companies within the Council's Group arrangements are described below. Coventry Municipal Holdings Limited (CMH) continued to manage the following group of Council owned subsidiaries – Coombe Abbey Park Limited (CAPL), Coventry Regeneration Limited (CR), Coventry Technical Resources Limited (CTR) and Tom White Waste Limited (TWW).

CAPL's key business is operating a hotel and associated food and beverage trade within Coombe Park. CAPL has needed to manage the challenges that high inflation has brought to the business, including significant increases in pay, energy and other running costs.

The core activities of TWW are the collection, recycling and disposal of waste. In January 2025, the Council purchased TWW's primary operational site for £7.5m and leased it back to the company over a 25-year term.

The principal activity of The Coventry and Solihull Waste Disposal Company Limited (CSWDC) is the sale and generation of energy using waste materials as the energy source. Despite a continued reduction in capacity due to the turbine failure in May 2023, the company experienced strong trading during the year, having benefited from increases in energy prices during previous years.

The Friargate JV Project Limited (FJVP) manages and prepares sites to support the development of property within the Friargate business district of the city. FJVP previously transferred the sites for the Friargate Two building and the new Indigo hotel to the Council under long leases.

Following the construction of the Materials Recycling Facility (MRF), the primary activity of Sherbourne Recycling Limited (SRL) is recycling materials and selling them to local manufacturers for use in local production facilities. SRL primarily receives materials from its local authority shareholders under waste supply contracts and has some additional capacity to take on commercial contracts.

Coventry and Warwickshire Growth Hub Limited (CWGH) is jointly owned by Coventry City Council and Warwickshire County Council. The primary activity of CWGH is the provision of advice and support to businesses in the regional area.

The principal activity of the UK Battery Industrialisation Centre Ltd (UKBIC) is the development and manufacture of batteries, initially for the automotive sector but with wider application. The construction of a new Flexible Industrialisation Line began in September 2023 and is expected to become operational during 2025.

### **Future Plans**

The Council's key priorities incorporate a desire for the city to become more prosperous and for the Council to lead the drive for economic growth and stimulate the local economy. The Council's Capital Programme achievements and future plans reflect these aspirations and, moving into 2025/26, complement our objectives. These include: a continued large programme of works on the city's schools, as part of the Education One Strategic Plan; commencement of the City Centre South demolition work; further works to develop a full demonstrator for the Coventry very light rail system; significant highway works to update the city's highways in order to facilitate new housing developments in more congested parts of the city.

The Council's 2025/26 core funding settlement provided increased 'spending power' of 8% including increased Adult Social Care grants, business rates grant funding streams and ability to raise Council tax by 5% (including an Adult Social Care precept), as well as new grants allocated largely on a needs basis such as the Recovery Grant and Childrens Prevention Grant, which enabled the Council to fund some of the pressures

in social care, although further increased activity levels and the legacy of recent high inflation on costs have continued to create budget pressures.

The Council's reserve balances, set out above, provide some partial short-term ability to manage risk should it be needed. The General Fund Balance remains at a relatively healthy level to manage such volatility, but only if the Council is able to set balanced forward-looking budgets without the use of reserves to fund structural deficits. If worst case budget scenarios emerge, the Council would need to consider measures such as revisiting other reserve funded projects to help manage immediate pressures, although this would be undesirable in terms of its medium-term plans.

The Council continues to participate in the West Midlands Business Rates Retention Pilot, within which 99% of Business Rates income is retained locally. One of the consequences of the 99% retention has been that the Council has moved from a position where it received a resource top-up from Government to one where it pays a resource tariff to Government.

The Council balanced its budget for 2025/26 and, in the process, maintained a reasonably high degree of financial resilience built up through its reserve balances, however the continued underlying pressure caused by inflation, and increased demand in communities, will inevitably continue to place greater pressure on these resources, should they continue for any length of time.

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, the outcome of the consultation 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.

It continues to be important for the Council to continue to work with its key local partners and arms-length organisations to help strengthen its financial position and drive regenerative and enriching change to the city and its surrounds. Work will continue with the West Midlands Combined Authority to implement major transport infrastructure, regeneration, and 'net zero' carbon reduction schemes.

The Council has ambitious plans to contribute to the tackling of Climate Change, as well as continuing to develop key areas of the city, and support private investment in city centre developments. Work continues on the City Centre South regeneration scheme and the Council is taking great care to ensure that the shape of this initiative reflects current trends to ensure its future success.

The Council's response to the key governance issues that it faces are set out in the Annual Governance Statement (AGS) below. The Statement explains how the Council has performed in relation to the principles set out in the document "Delivering Good Governance in Local Government" produced jointly by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives.

## 1.3 Statement of Responsibilities

### **Coventry City Council's Responsibilities**

The City Council is required to manage its financial affairs effectively including:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its employees has the responsibility for the administration of those affairs. In the case of the City Council, that employee is the Director of Finance and Resources;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.

### **The Director of Finance and Resources' Responsibilities**

The Director of Finance and Resources is responsible for the preparation of the City Council's Statement of Accounts. In accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"), the accounts are required to present a true and fair view of the City Council's financial position at the accounting date and the income and expenditure for the year.

In preparing this statement of accounts, the Director of Finance and Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice on Local Authority Accounting;

The Director of Finance and Resources has also:

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;

### **Certification of the Accounts**

I certify that the Statement of Accounts presents a true and fair view of Coventry City Council as at 31<sup>st</sup> March 2025 and its income and expenditure for the year ended 31<sup>st</sup> March 2025, and that the accounts are authorised for issue.

**Barry Hastie** CPFA

Director of Finance and Resources

2<sup>nd</sup> February 2026

The Statement of Accounts was approved by the Audit and Procurement Committee on 2<sup>nd</sup> February 2026

## 1.4 Annual Governance Statement

### **Scope of responsibility**

Coventry City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. Coventry City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, Coventry City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Coventry City Council has an approved Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance "Delivering Good Governance in Local Government (2016)". A copy of the Code is available on the Council's website.

The Annual Governance Statement explains how Coventry City Council has complied with the Code and also meets the requirements of Regulation 6(1) (b) of The Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement and the Accounts and Audit (Amendment) Regulations 2024.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, culture, and values by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Coventry City Council policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Coventry City Council for the year ended 31<sup>st</sup> March 2025 and up to the date of approval of the Statement of Accounts.

### **The governance framework**

The key principles, approach and review processes that comprise the authority's governance arrangements are set out in the City Council's Code of Corporate Governance. Key elements include the following:

There is a governance / internal control environment that supports the Council in establishing, implementing, and monitoring its policies and objectives. The Council's overarching objectives are contained in published policy documents including the One Coventry Plan. These high-level plans are supported by a range of thematic policies, strategies and delivery plans, service plans, and detailed work programmes.

The One Coventry Plan 2022-2030 was formally adopted by the Council in March 2023 following a period of extensive engagement. To deliver the Council's long term vision of working together to improve the city and the lives of those who live, work and study in Coventry, the One Coventry Plan sets out the priorities of 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, through continued financial sustainability and the Council's role as a partner, enabler, and leader. The delivery of the One Coventry Plan is supported by a range of policies and strategies and a performance management framework. Copies of the One Coventry Plan and the performance management framework are available on the Council's website.

Throughout this process, clear channels of communication exist with all sections of the community and other stakeholders, to ensure the Council considers local needs and communicates both expected and actual outcomes for citizens and service users. This is evidenced through the Council's formal decision-making and performance management processes.

In October 2015, Coventry City Council agreed to join the West Midlands Combined Authority, which is a model of governance for local authorities to act together to drive economic prosperity for the area. A Combined Authority is a statutory body in its own right supported by a devolution agreement with the Government and a constitution which sets out the terms of their funding and powers.

The control environment to ensure delivery of the Council's objectives is laid down in the Council's Constitution and performance management framework. The Constitution sets out how the Council operates, including:

- Roles and responsibilities of both Councillors and officers, including the Head of Paid Services, Monitoring Officer, and Chief Financial Officer.
- How decisions are made and the procedures in place to ensure that these are efficient, transparent, and accountable to local citizens. The Constitution includes the Council's senior management structure and a scheme of delegation which sets out the principles for decision making and responsibility for functions. The Council facilitates policy and decision making via a Cabinet structure with Cabinet Member portfolios. There are scrutiny boards covering all portfolios and an overarching Scrutiny Co-ordination Committee. The Member decision making, advisory and scrutiny bodies are shown on the Council's website.

Coventry City Council has developed a comprehensive set of policies and procedures, including those relating to the standards expected of Members and officers. These are subject to regular review to ensure the Council continues to enhance and strengthen its internal control environment. Systems exist to ensure compliance with policies and procedures, including statute and regulations. Internal Audit, through its annual risk-based plan assesses compliance with key procedures and policies.

The Council has an Equality, Diversity and Inclusion Commitment which is available on our the Council's website. This sets out the Council's commitment to meeting all areas of the public sector equality duty and to ensure equality of opportunity, both as a provider and commissioner of services and as a large employer. The commitment is implemented through setting equality objectives linked to the One Coventry Plan. In 2025, a new set of equality objectives were approved and are available on the Council's website. Progress is monitored and reported to the Cabinet Member (Policing & Equalities) and an annual report of completed Equality Impact Assessments is available on the Council's website.



The Council's Risk Management Policy and Strategy defines processes for identifying, assessing, managing, and monitoring financial and operational risks. The Strategy recognises the need for risk registers at service, directorate and corporate level which are updated and reviewed regularly. The Corporate Risk Register is reviewed quarterly by Leadership Board and is reported to the Audit and Procurement Committee on a six-monthly basis.

The Council, through its Whistleblowing and Complaints Procedures, has documented processes in place to deal with concerns raised by both employees and members of the public. These policies have been widely communicated and are subject to regular review to ensure they are working effectively. In addition, the Council's Fraud and Corruption Strategy reinforces the Council's commitment to creating an anti-fraud culture, whilst having effective arrangements in place in responding to allegations of fraud and corruption.

An Audit and Procurement Committee provides independent assurance to the Council on various issues, including risk management and control and the effectiveness of the arrangements the Council has for these matters. The Committee's terms of reference were developed in conjunction with CIPFA guidance, and the Committee carries out a periodic self-assessment to measure its effectiveness, based on recommended CIPFA practice.

For the financial year 2024-25, the Director of Finance and Resources was the nominated Section 151 Officer, with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs. The Council last carried out an assessment of the role of the Section 151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) in May 2025. This assessment concluded that the Authority meets the five principles laid out in the CIPFA statement, namely:

- The Chief Financial Officer (CFO) in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO in a local authority must be professionally qualified and suitably experienced.

The Director of Finance and Resources is a key member of the Council's Leadership Board with a critical role in strategic planning for the organisation. The Board also includes the Chief Executive and Monitoring Officer (the Director of Law and Governance), who, along with the Director of Finance and Resources, collectively have leadership responsibility for good governance as principal statutory officers. There remains a wider leadership structure in place which is critical to the overall senior leadership function.

The Annual Governance Statement also includes a review of the effectiveness of the system of internal control within group activities, where the Council is in a relationship with another entity to undertake significant activities. The following describes the group activities for the year ended 31<sup>st</sup> March 2025:

- In November 2021, the Council incorporated Coventry Municipal Holdings Limited (CMH) to manage most of its wholly owned companies and strengthen the governance arrangements for these investments. In setting up these arrangements, the Council took account of lessons learnt from issues encountered by other local authorities and the recommendations made in Public Interest Reports issued by Grant Thornton on such matters. A Group Governance Agreement is in place which sets out the governance structure and training has been provided by the Council's legal advisors to those officers appointed as directors. The CMH group comprises of the following subsidiaries:

- Tom White Waste Limited (and its subsidiaries A & M Metals Limited and Tom White Waste (LACO) Limited)
- Coombe Abbey Park Limited (and its subsidiaries No Ordinary Hospitality Management Limited and Coombe Abbey Park (LACO) Limited)
- No Ordinary Hotels Limited (dormant)
- Coventry Technical Resources Limited
- Coventry Regeneration Limited

In accordance with the Group Governance Agreement, the subsidiaries are required to produce annual business plans and in addition, CMH produce an annual performance report covering all of group's performance. A Shareholder Committee is in place which oversees the group's performance.

- The Coventry and Solihull Waste Disposal Company Limited was incorporated on 24<sup>th</sup> February 1992 is owned jointly by Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicestershire County Council.
- The UK Battery Industrialisation Centre Ltd was incorporated on 27<sup>th</sup> February 2018 and the Council is currently the sole shareholder with one share which has a nominal value of £1. The purpose of the company is to run the proposed National Battery Development Facility.
- The Friargate Joint Venture Project Limited was incorporated on 17<sup>th</sup> December 2018. This is a 50/50 joint venture with Friargate Holdings 2 Limited, established to develop new buildings within the Friargate district of the city.
- Sherbourne Recycling Limited (SRL) was incorporated on the 25<sup>th</sup> February 2021 and Coventry City Council along with seven other local authorities acquired shares in the company on the 1<sup>st</sup> April 2021. The purpose of the company is to manage the construction of a material recycling facility (MRF) and then operate the facility, which will sort the dry mixed recyclable waste received from the eight local authorities and other commercial customers. Sherbourne Recycling Trading Limited is a trading subsidiary of Sherbourne Recycling Limited who own 100% of the shares in this entity. All commercial contracts will be secured through this entity with the waste being processed by SRL on an arm's length transaction.
- The Coventry and Warwickshire Growth Hub Limited was incorporated on the 24<sup>th</sup> July 2014 and was previously owned by the Coventry and Warwickshire Local Enterprise Partnership Limited. Following the closure of the Local Enterprise Partnership, on the 2<sup>nd</sup> November 2023, Coventry City Council and Warwickshire County Council acquired ownership of the Company as joint shareholders. The purpose of the company is to provide a central co-ordination point for publicly funded business support.

### **Review of effectiveness**

Processes are in place to assess key elements of the governance framework throughout the year, for example, through the work of Internal Audit and the Council's Audit and Procurement Committee. A review of the effectiveness of the governance framework is also undertaken annually as part of the production of the Annual Governance Statement. This is informed by the work of senior managers within the authority, who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements, and also by comments made by the external auditors and other review agencies and inspectorates.



Arrangements to assess the effectiveness of the governance framework include:

- Regular and detailed monitoring of the Council's performance, by both Leadership Board and Members against targets and objectives set out in the One Coventry Plan. In 2024-25, the Council established a Planning and Performance Directorate to co-ordinate activity and further strengthen the Council's performance management arrangements.
- Regular meetings of the Council's Governance Group to consider on-going and emerging governance issues and co-ordinate actions required. Updates on this work are provided to Leadership Board.
- Consideration of ethical governance matters by the Ethics Committee, including reflecting on national governance failings to identify if there are any lessons learnt for the Council to take forward.
- On-going reviews of the Council's Constitution, overseen by the Constitution Advisory Panel and subject to approval by Full Council. These reviews include areas such as standing orders, financial procedures, and the scheme of delegation.
- Regular reviews of the Council's strategies and procedures to ensure they continue to reflect the needs of the Council.
- An annual review and update of the Council's Local Code of Corporate Governance which is subject to approval by the Audit and Procurement Committee.

The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies. This includes the results from the progress review of the Corporate Peer Challenge which took place in November 2024.
- The Council's Corporate Risk Register.
- Directors' Statements of Assurance. An annual assessment of the adequacy of governance arrangements / internal controls in relation to their service areas by each Director.
- An assessment of the Council's compliance with the principles and standards of the CIPFA Financial Management Code, which supports good practice in financial management and demonstrating financial sustainability. The assessment was last formally updated in July 2024 and concluded that in overall terms the Council is able to demonstrate compliance with the Code, with a small number of improvement actions highlighted to build on the arrangements already in place and demonstrate delivery in full. Discussions have highlighted the conclusion remains valid.
- The work of the Internal Audit Service during 2024-25. The Service works to a risk-based audit plan, which is approved annually by the Council's Audit and Procurement Committee. An annual report is also produced and presented to the Committee, which includes the Annual Internal Audit Opinion. For 2024-25, the Chief Internal Auditor concluded that reasonable assurance could be provided that there is generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives. The report also identifies those issues, which in the opinion of the Chief Internal Auditor, should be considered when producing the Annual Governance Statement.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Procurement Committee and can provide reasonable assurance that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework and that a plan to address weaknesses and ensure continuous improvement of the system is in place.

## Significant governance issues

Table one below provides an update on the governance issues that were raised in the 2023-24 Annual Governance Statement.

**Table one**

No	Governance issues identified in 2023-24	2024-25 update
1	Sustainable improvement in Children's Services	<p>Recruitment and retention strategies are in place to recruit and retain experienced social workers through a range of social media platforms, recruitment campaigns, and recruitment open evenings.</p> <p>The retention payment for Advanced Social Workers /Senior Practitioners was paid in March 2025. This is having a positive impact on retention rates, retaining more experienced social workers. The payment has been agreed for a further 12 months for 2025-26 to ensure stability in the workforce – with an Ofsted inspection due in 2025.</p> <p>Progression pathways have been implemented with panels in place. A number of other actions are also in place to minimise vacancies, e.g. clinal supervision offer, flexible working.</p> <p>The second Social Work Academy Team continues to significantly contribute to building short and medium-term workforce stability in the social worker roles.</p> <p>Regular monitoring and review of agency social workers takes place to identify reasons for cover matched against service needs, providing robust challenge where necessary. Agency staffing has reduced from 42 in March 2024 to 31 in April 2025.</p> <p>The Children's Services Workforce Development Strategy was reviewed and updated in 2024. The strategy is a 2-year strategy (April 2023 to March 2025.) The workforce action plan – workplan for 2024/25 is reviewed through the Children's Services Workforce Development Board bi-monthly. This was signed off in March 2025 – with all actions completed.</p> <p>Children and Education Services integrated on 1<sup>st</sup> April 2024. A conference was held in September to bring all staff together to embed further working together. Structures and processes have been integrated where this is</p>

		<p>needed, however work is ongoing alongside corporate restructure and the Social Care Reforms to look at structure.</p> <p>Let's talk sessions; CELT leadership meetings, supporting the SEND inspection dry run, diversity and Inclusion sessions; manager briefings; induction sessions, newsletter bulletin and launch of a social care podcast have helped the journey of integration as one service, where appropriate.</p>
<b>2</b>	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2024-25 financial outturn position was an underspend of £1.8m which was contributed to corporate reserves. Following large forecast outturn overspends throughout the financial year (£7m overspend at Q3) this underspend position was achieved by proactive management actions throughout the year and windfall income from our commercial investment dividends.</p> <p>The activities related to savings plans identified to set the 2024/25 budget continue to be monitored by Leadership Board.</p> <p>The Council approved a balanced budget for 2025/26 in February 2025, and were able to avoid many of the savings' proposals communicated as part of the budget setting consultation, due to a favourable settlement announced in February 2025 which allocated £10.5m more to Coventry than anticipated in the form of Recovery Grant, additional Social Care Grant, Children's Prevention Grant and Extended Producer Responsibility.</p>
<b>3</b>	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>Demand for the service continued throughout 2024/25. An update on the actions is below:</p> <ul style="list-style-type: none"> <li>• Chase Avenue is open and will be fully occupied 16/05/25. Meriden Street will be fully occupied in May 2025 with the first residents moving in w/c 12/05/25.</li> <li>• Ribbon Court has been delayed – It is hoped it will open in June 2025.</li> <li>• Funding secured for purchasing an additional 27 family Temporary Accommodation properties. 11 have been purchased with a further 9 going through conveyancing.</li> <li>• 20+ BEAM properties delivered.</li> <li>• Spring Housing buildings delayed – outside of the Council's control.</li> <li>• Faseman House – Planning permission secured.</li> <li>• Increased the contracted TA providers and voids were under 10%.</li> <li>• No families are living in B&amp;B accommodation, and this has been maintained throughout 24/25.</li> <li>• New Strategy developed, approved and published</li> <li>• In 2024/25 we achieved a successful prevention or relief outcome for 1,161 households who were owed a homelessness duty. While this is slightly below the 1,164 outcomes achieved in 2023/2024, it reflects a continued and consistent level of support during a period where demand has stabilised, averaging 156 approaches for assistance each week.</li> </ul> <p>This year saw an increased proportion of households where homelessness was successfully prevented or relieved when compared with last year. Of those owed a prevention duty, 51% successfully retained their existing</p>

		accommodation or secured an alternative - an improvement from 43% in 2023/2024. Similarly, 25% of those owed a relief duty successfully secured suitable accommodation, up from 22% last year.
4	Development of a corporate data access standard	<p>A Corporate Data Access Standard has been developed following consultation and was presented for approval to the Corporate Information Management Strategy Group at their meeting on 21<sup>st</sup> May 2025.</p> <p>As a result, this issue will not be carried forward to the 25-26 action plan.</p>
5	Governance over the programme of capital projects	Whilst the Capital Programme Project Board remains in place to oversee delivery of capital projects, a Commercialisation Board has recently been formed which reports into the Council's Change Board. The Commercialisation Board has established a workstream to look at how the Council can improve delivery of Capital Projects. It is clear that whilst many projects are delivered well, others could be improved, and the workstream will contribute to this.
6	City of Culture legacy	<p>The City Centre Cultural Gateway project mobilised on site in June 2024, with construction commencing in August 2024. Construction was paused in September 2024 when the original contractor, ISG Construction Ltd entered administration. The Council took back possession of the site on 23 September 2024 and then undertook a procurement process to appoint a new contractor, in line with the Procurement Regulations. John Graham Construction Ltd were selected as the preferred contractor. Mobilisation recommenced on site in March 2025, with construction commenced on site on 30 April 2025.</p> <p>The Administration of the Coventry City of Culture Trust concluded with the publication of the AM23 report in February 2025 – the Notice of move from administration to dissolution. The Charity Commission's Compliance Case into the Trust remains open.</p> <p>In January 2025, the Councils' Scrutiny Coordination Committee received an update on the delivery of the Coventry 2017-27 Cultural Strategy, the Culture Works Collective (Cultural Compact) and additional development work in this area. Recruitment to the Culture Works Collective has now concluded and the first formal meeting of the new partnership has been set for May 2025. A further update to Scrutiny Coordination Committee was provided for their meeting in April 2025.</p> <p>The Destination Coventry Pilot concluded its extended proof-of-concept period in March 2025. From April 2025 the model is proceeding under a new, revised commercial model with the Coventry and Warwickshire Chamber of Commerce.</p>
7	Further development of the Council's IT disaster recovery plans and processes	<p>The Council have continued to:</p> <ul style="list-style-type: none"> <li>• Make improvements to the technical components of our Digital services disaster recovery position.</li> <li>• Review our network design and architecture to ensure that our infrastructure is designed and configured to meet best practice recommendations.</li> </ul>

		<ul style="list-style-type: none"> <li>• Ensure that we have proactive maintenance in place across all of our key infrastructure and we continually review our processes regarding business continuity and disaster recovery from a technical point of view. We are part of the strategic organisational planning for large-scale city-wide resilience in conjunction with Coventry, Solihull and Warwickshire and this activity will continue into the new year.</li> <li>• Support services from across the organisation in the creation of their service level resilience plans and this is work that will continue into the new year.</li> </ul>
<b>8</b>	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	Significant progress made against all actions listed in the Digital Service Plan and associated assurance activity.
<b>9</b>	Embedding new methods of consultation and engagement	Following review by Leadership Board, the Council created a new post of Director of Policy and Communications with responsibility for consultation and engagement being transferred to come under their remit.
<b>10</b>	Employees Code of Conduct	<p>The Code of Conduct has been included as part of the Managers Induction which launched in April 2024 and runs on a regular basis.</p> <p>It also forms part of the existing Disciplinary and Investigation Skills Training – this has also been rolled out during 2025.</p> <p>The Disciplinary Policy has recently been revised and updated; the refreshes will also include details of the Code. It will also feature in 'People Hour' which is the regular People Services update.</p>
<b>11</b>	Sustainability and Climate Change Strategy	<p>The Climate Change Strategy and Action Plan was approved by Cabinet and Full Council in November and December 2024 respectively.</p> <p>As a result, this issue will not be carried forward to the 25-26 action plan.</p>
<b>12</b>	Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues	<p>Two further children's homes have opened, including the 'short stay-same day' home which specifically aims to prevent children being placed in an unregistered provision.</p> <p>The numbers of children being placed into an unregistered provision has significantly decreased through the growth of and support from, our emergency foster carers.</p> <p>However, the placement market remains unstable and there remain challenges in finding the right homes for our children with the most complex needs, that are of 'best value'.</p> <p>Following the implementation of the Supported Accommodation Regulations (2023) we have expanded our block contracts with 2 providers and engaged with new providers to address any reduction of provision within Coventry.</p>

		<p>A new Regional Fostering Framework came into effect in September 2024 and a new Regional Residential Framework will be in place in the summer of 2025. Coventry is the lead LA for both frameworks on behalf of the region.</p> <p>As arrangements are now considered business as usual and appropriate actions taken to mitigate risk, this issue will not be carried forward to the 25-26 action plan.</p>
<b>13</b>	Health Check / Assurance Framework for the Council's group of companies	<p>An Internal Audit review was undertaken and the recommendations from this are currently being implemented.</p> <p>In addition, a commercial steering board has been set up.</p>
<b>14</b>	Transparency Code	<p>Arrangements have been put in place to ensure that the complete data set is published in full and updated and arrangements for an annual check to be undertaken and outcomes reported to the Corporate Governance Group. At its meeting in May 2025, the Corporate Governance Group considered the Council's approach to the publication of the additional recommended data sets and review proposals for ensuring information is easily accessible on the Council's website.</p>
<b>15</b>	Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022-23	<p>Actions were delivered in line with the planned timescales:</p> <ul style="list-style-type: none"> <li>• 2021-22 Draft Statement of Accounts published for public scrutiny on 12th August 2024.</li> <li>• 2022-23 Draft Statement of Accounts published for public scrutiny on 13th September 2024.</li> <li>• Both 2021-22 &amp; 2022-23 draft accounts were presented to the Audit &amp; Procurement Committee on 25th November 2024 alongside letters of opinion from Grant Thornton.</li> </ul> <p>In addition to this, the 2023-24 Draft Statement of Accounts were published for public scrutiny on 29<sup>th</sup> November 2024 and presented to Audit &amp; Procurement Committee on 17<sup>th</sup> February 2025 alongside the Grant Thornton Audit Findings Report and the letter of opinion.</p>
<b>16</b>	To produce and roll out a Supplier Code of Conduct.	<p>The drafting timeline was impacted by additional requirements to introduce the Procurement Act 2023 into the Council's procurement processes. However, the Code has now been reviewed by the Head of Legal &amp; Procurement Services and the Corporate Governance Group in April 2025. There is a planned launch in May 2025, with upload onto Council's external website and embedding of URL into the Council's tender documentation.</p> <p>As a result, this issue will not be carried forward to the 25-26 action plan.</p>
<b>17</b>	To improve arrangements to ensure management compliance with key HR policies and procedures.	<p>HR Metrics are presented to Leadership Board on a quarterly basis to highlight case work numbers and compliance such as Return to Work interviews.</p> <p>Policy and procedures briefings are included in Managers Induction, launched in April 2024.</p>

		<p>People Partners also undertake briefings and training on relevant policies and procedures in their relevant areas.</p> <p>Resourcing are in the process of restructuring in order to improve the service, organisational offer and to strengthen the pre-employment process. Work has already been undertaken in relation to the DBS process, and this has included additional training. This same approach will also be applied to Right to Work.</p>
<b>18</b>	To implement the action plan arising from the Peer Challenge report.	<p>A progress review was undertaken by the Peer Challenge Team in November 2024. Overall, the Peer Team were impressed at the level of progress since the Corporate Peer Challenge in January 2024 and noted the structured approach taken by the Council for making improvements and changes to achieve the recommendations.</p> <p>Progress was also reported via the Council's Scrutiny Co-ordination Committee, Cabinet and Council processes earlier this year.</p> <p>Work continues to deliver the Peer Team recommendations to support our journey of improvement.</p>

The Council is seeking to continuously enhance its management arrangements to improve service delivery, efficiency, and value for money, whilst achieving its objectives. The review of effectiveness has informed identification of the following key challenges for 2025-26 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

**Table Two**

<b>Ref</b>	<b>Governance issue</b>	<b>Planned actions 2025-26</b>	<b>Responsible officer</b>	<b>Timescale</b>
<b>1</b>	Integrate and sustain improvement in Children and Education Services	<p>Develop an integrated Children and Education Service Plan for implementation 2025-26.</p> <p>Develop a Children's Services Workforce Development Strategy 2025-28.</p>	Director of Children and Education Services	June 2025
<b>2</b>	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2025-26 budgetary control position will be closely monitored to ensure that the key financial pressures being experienced by the Council can be mitigated and/or managed.</p> <p>In order to deliver a balanced 2024-25 and 2025-26 budget, a number of saving and cost reductions were identified across both years. A monthly reporting of progress against savings targets will continue to be presented to Leadership Board and where risk of</p>	Director of Finance and Resources / Head of Finance	March 2026

		<p>non-delivery exists, actions will be sought to manage any shortfalls in the overall savings delivery plans.</p> <p>The Government have begun a consultation process into Local Authority Funding Reform, with the intention that a new system, intended to reflect need, could be implemented from 2026-27. The potential impact on Coventry will be fed into the 26-27 budget setting process as information is released.</p> <p>Assessment will continue of the Council's One Coventry Plan and how the Council's financial plans align to the objectives of the Plan.</p>		
3	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The homelessness service is demand led and experienced significant increase in demand during 2022-23 to 2024-25. The following actions are planned for 2025-26:</p> <ul style="list-style-type: none"> <li>• Embed the two 2 new Supported Temporary Accommodation (STA) units for single people on Meriden Street and Chase Avenue.</li> <li>• Deliver an additional 50 TA flats for small families working with Green Square Accord at Ribbon Court.</li> <li>• Having procured a contract BEAM to deliver 30 additional PRS properties in 2025-26.</li> <li>• Work with Spring Housing to deliver an additional 11 3bed and 1 4bed flats for families and 18 bed unit for single people.</li> <li>• Consult with PRS landlords and relaunch Lets Rent Coventry and source additional permanent homes.</li> <li>• Work with Citizen to move the new Faseman House development (50 units of family Temporary Accommodation) onto site and commence construction.</li> <li>• Continue to ensure that voids within contracted providers are minimised and meet target of 90% occupancy.</li> <li>• Deliver the Housing Network contract to provide 200 bedspaces for single people during 2025 and deliver the forecasted savings.</li> <li>• Continue to eliminate the use of B&amp;B accommodation for families unless in an emergency.</li> </ul>	Head of Housing & Homelessness	March 2026



		<ul style="list-style-type: none"> <li>• Undertake a detailed analysis and develop a business case to progress options for the Council to increase the number of permanent properties available.</li> <li>• Launch a newly revamped prevention service to try and maximise early prevention and increase successes.</li> <li>• Commission new housing related support services.</li> <li>• Deliver Supported Housing Accommodation Programme (SHAP) accommodation for complex single people working with a 3<sup>rd</sup> sector partner.</li> </ul> <p>The service remains committed to preventing and relieving homelessness and the objective for 2025-26 is to maintain or increase the percentage proportion of successful outcomes for both prevention and relief duties.</p>		
4	Governance over the programme of capital projects	The Commercialisation Board will examine good practice and seek to establish a common process for the delivery of capital projects. In the meantime, the existing Programme Board will remain in place.	Director of Property Services and Development / Director of Finance and Resources	March 2026
5	City of culture legacy	Where requested, the Council will work to support the Charity Commission's Compliance Case into the Coventry City of Culture Trust whilst the investigation remains open.	Strategic Lead – Culture, Sport and Events	March 2026
6	Further development of the Council's IT disaster recovery plans and processes	Support the work of the business continuity planning across the organisation, ensuring that ICT disaster recovery processes are enhanced, with supporting documents formalised and testing arrangements agreed. The scope of this activity includes supporting resilience planning at a city level in particular in relation to connectivity and digital infrastructure across the city.	Director of Digital Services	March 2026
7	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	Implementation of the cyber security activities listed in the Digital Service Plan.	Director of Digital Services	March 2026

<b>8</b>	Embedding new methods of consultation and engagement	As part of the proposed restructure of the Policy and Communications function, the effectiveness of the Council's approach to consultation and engagement will be reviewed to identify areas where it can be strengthened, including methodologies, forward planning and feedback. A new engagement framework will be produced outlining the importance of undertaking good consultation and engagement and so improve the standard of this function across the Council. This also links to the new equality objective "To increase opportunities for residents in Coventry, from a diverse range of backgrounds, to influence the Council's decision-making processes."	Director of Policy and Communications	March 2026
<b>9</b>	Employees Code of Conduct	On a wider basis, there will be a reminder of the Code of Conduct in the organisational cascade which is sent on a regular basis. This to coincide with the launch of the shorter, more succinct version of the Code.	Director of People Services	July 2025
<b>10</b>	Health Check / Assurance Framework for the Council's group of companies	The agreed actions from the Internal Audit Review will be followed up to ensure they have been implemented. Following this, work will be undertaken to define and document the assurance framework.	Director of Law and Governance / Chief Internal Auditor	December 2025
<b>11</b>	Transparency Code	Embed arrangements for ensuring that the Council complies with the Transparency Code, reporting outcomes to the Corporate Governance Group in March 2026.  A follow up Internal Audit review will also be undertaken to provide assurance.	Corporate Governance Group / Head of Governance	March 2026
<b>12</b>	Production of Statement of Accounts for 2024/25 in line with the Government backstop deadlines to address the audit back log.	Maintain the level of resource required to deliver the following: <ul style="list-style-type: none"> <li>• Consolidation of 2024-25 draft Statement of Accounts and publication on our website for public scrutiny by 30th June 2025.</li> <li>• To support Grant Thornton in the audit on 2024-25 Statement of Accounts, in order to meet the Statutory deadlines for publishing 2024-25 audited accounts of 27th February 2026.</li> </ul>	Director of Finance and Resources	February 2026

<b>13</b>	Management compliance with HR policies and procedures	To strengthen the Right to Work process.	Director of People Services	August 2025
<b>14</b>	Peer Challenge action plan	To implement the action plan arising from the Peer Challenge report, including taking further steps to improve diversity across the organisation at all levels.	Leadership Board	March 2026
<b>15</b>	Performance Management	To improve the management of performance in relation to impacts and the link to the One Coventry Plan objectives.	Director of Planning and Performance	March 2026
<b>16</b>	Internal Audit professional standards	To ensure the Internal Audit Service complies with the new Global Internal Audit Standards in the UK Public Sector.	Chief Internal Auditor	March 2026
<b>17</b>	Risk Management	To consider the Council's formal risk management approach and identify opportunities to strengthen arrangements.	Director of Law and Governance / Chief Internal Auditor / Insurance Manager	March 2026
<b>18</b>	Embedding Leadership behaviours	<p>Work to continue embedding the new senior manager behaviours:</p> <ul style="list-style-type: none"> <li>• Completion of the Owning and Driving Performance programme that all managers grade 10 and above are undertaking.</li> <li>• Use of the new behaviours for the 2025-26 appraisal process.</li> <li>• For 2025 onwards, the new behaviour framework will form part of the necessary criteria for incremental pay increases for SM grades and above.</li> </ul>	Director of People Services	March 2026

We are satisfied that these steps will address the need for improvements that were identified in our review, and we will monitor their implementation and operation, as part of our next annual review.

**Cllr George Duggins**  
Leader of Coventry City Council

**Dr Julie Nugent**  
Chief Executive of Coventry City Council

23<sup>rd</sup> June 2025

## 2 Main Financial Statements

### 2.1 Overview of Main Financial Statements

The Statement of Accounts includes the following core financial statements prepared in line with IFRS.

#### **Comprehensive Income & Expenditure Statement CIES** (sections 2.2 & 4.2)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (section 3.2) and the Movement in Reserves Statement.

#### **The Movement in Reserves Statement** (sections 2.3 & 4.3)

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting

practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following these adjustments. Details of the movements in both usable and unusable reserves are provided within section 3.13.

#### **Balance Sheet** (sections 2.4 & 4.4)

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserves that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the

Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

#### **Cash Flow Statement** (sections 2.5 & 4.5)

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the receipts of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

## 2.2 Comprehensive Income & Expenditure Statement

2023/24			Service segment	2024/25			Section Ref.
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
*restated	*restated	*restated					
£000	£000	£000		£000	£000	£000	
229,968	(90,186)	139,782	Adult Services and Housing	245,209	(99,073)	146,136	3.2
360,956	(235,236)	125,720	Children and Education	400,586	(261,214)	139,372	3.2
98,595	(35,814)	62,781	City Services	91,506	(36,889)	54,617	3.2
8,508	(34,122)	(25,614)	Contingency and Central Budgets	(217)	(46,436)	(46,653)	3.2
100,918	(91,074)	9,844	Finance and Resources	103,960	(91,036)	12,924	3.2
13,978	(6,034)	7,944	Legal and Governance	17,167	(7,387)	9,780	3.2
2,203	(709)	1,494	People and Organisational Development	2,496	(1,048)	1,448	3.2
7,612	(675)	6,937	Planning and Performance	7,644	(679)	6,965	3.2
20	0	20	Policy and Communications	128	(7)	121	3.2
28,029	(4,520)	23,509	Property Services and Development	11,228	(6,670)	4,558	3.2
31,917	(32,489)	(572)	Public Health	31,260	(31,528)	(268)	3.2
48,037	(18,351)	29,686	Regeneration and Economy Development	52,457	(19,610)	32,847	3.2
<b>930,741</b>	<b>(549,210)</b>	<b>381,531</b>	<b>Cost of Services</b>	<b>963,424</b>	<b>(601,577)</b>	<b>361,847</b>	
		40,395	Other Operating Expenditure			36,563	3.1
		9,140	Finance and Investment Income and Expenditure			(38,989)	3.1
		(410,975)	Taxations and Non-Specific Grant Income			(399,257)	3.1
		20,091	(Surplus)/Deficit on the Provision of Services			(39,836)	
		(59,971)	(Gain)/loss on revaluation of non current assets			(31,844)	3.13
		5,862	(Gain)/loss on revaluation of financial instruments			9,846	3.33
		11,570	Remeasurement of the net defined benefit liability			9,726	3.30
		(42,539)	Sub-total of other comprehensive Income and Expenditure			(12,272)	
		<b>(22,448)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(52,108)</b>	

\* These figures have been restated as detailed in section 3.38 and reclassified to reflect updated service segments.

## 2.3 Movement in Reserves Statement

### Usable/Unusable Reserves and Overall Position 2024/25

	31st March 2024	Total Comprehensive Income and Expenditure	Adjustments between Accounting Basis & Funding Basis under regulations	Net (increase)/ decrease	31st March 2025
	£000	£000	£000		£000
<b>Usable Reserves</b>					
General Fund Balance	(155,893)	(39,836)	36,305	(3,531)	<b>(159,424)</b>
Capital Grants Unapplied	(40,738)	0	8,131	8,131	<b>(32,607)</b>
Capital Receipts Reserve	(11,733)	0	(3,434)	(3,434)	<b>(15,167)</b>
<b>Total Usable Reserves</b>	<b>(208,364)</b>	<b>(39,836)</b>	<b>41,002</b>	<b>1,166</b>	<b>(207,198)</b>
<b>Unusable Reserves</b>					
Capital Adjustment Account	(808,022)	0	(41,682)	(41,682)	<b>(849,704)</b>
Revaluation Reserve	(283,516)	(31,844)	20,224	(11,620)	<b>(295,136)</b>
Deferred Capital Receipts Reserve	(33,937)	0	(797)	(797)	<b>(34,734)</b>
Financial Instruments Adjustment Account	8,982	0	(390)	(390)	<b>8,592</b>
Financial Instruments Revaluation Reserve	(69,859)	9,846	0	9,846	<b>(60,013)</b>
Collection Fund Adjustment Account	(9,854)	0	(4,709)	(4,709)	<b>(14,563)</b>
Pensions Reserve	35,393	9,726	(14,628)	(4,902)	<b>30,491</b>
Accumulated Absences	2,731	0	1,459	1,459	<b>4,190</b>
Pooled Investment Funds Adjustment Account	2,839	0	(479)	(479)	<b>2,360</b>
<b>Total Unusable Reserves</b>	<b>(1,155,243)</b>	<b>(12,272)</b>	<b>(41,002)</b>	<b>(53,274)</b>	<b>(1,208,517)</b>
<b>Total Single Entity Reserves</b>	<b>(1,363,607)</b>	<b>(52,108)</b>	<b>0</b>	<b>(52,108)</b>	<b>(1,415,715)</b>

Section 3.13 presents further details of the movements in usable and unusable reserves.

### Usable/Unusable Reserves 2023/24 Comparatives

	31st March 2023 *restated £000	Total Comprehensive Income and Expenditure *restated £000	Adjustments between Accounting Basis & Funding Basis under regulations *restated £000	Net (increase)/ decrease *restated	31st March 2024 *restated £000
<b>Usable Reserves</b>					
General Fund Balance	(161,578)	20,091	(14,406)	5,685	<b>(155,893)</b>
Capital Grants Unapplied	(34,524)	0	(6,214)	(6,214)	<b>(40,738)</b>
Capital Receipts Reserve	(18,623)	0	6,890	6,890	<b>(11,733)</b>
<b>Total Usable Reserves</b>	<b>(214,725)</b>	<b>20,091</b>	<b>(13,730)</b>	<b>6,361</b>	<b>(208,364)</b>
<b>Unusable Reserves</b>					
Capital Adjustment Account	(809,736)	0	1,714	1,714	<b>(808,022)</b>
Revaluation Reserve	(237,345)	(59,971)	13,800	(46,171)	<b>(283,516)</b>
Deferred Capital Receipts Reserve	(33,943)	0	6	6	<b>(33,937)</b>
Financial Instruments Adjustment Account	9,373	0	(391)	(391)	<b>8,982</b>
Financial Instruments Revaluation Reserve	(75,722)	5,862	1	5,863	<b>(69,859)</b>
Collection Fund Adjustment Account	(11,018)	0	1,164	1,164	<b>(9,854)</b>
Pensions Reserve	24,897	11,570	(1,074)	10,496	<b>35,393</b>
Accumulated Absences	4,464	0	(1,733)	(1,733)	<b>2,731</b>
Pooled Investment Funds Adjustment Account	2,596	0	243	243	<b>2,839</b>
<b>Total Unusable Reserves</b>	<b>(1,126,434)</b>	<b>(42,539)</b>	<b>13,730</b>	<b>(28,809)</b>	<b>(1,155,243)</b>
<b>Total Single Entity Reserves</b>	<b>(1,341,159)</b>	<b>(22,448)</b>	<b>0</b>	<b>(22,448)</b>	<b>(1,363,607)</b>

\* These figures have been restated as detailed in section 3.38.

## 2.4 Balance Sheet

31 March 2023 *restated £000	31 March 2024 *restated £000	Balance Sheet	31 March 2025 £000
1,130,195	1,183,216	Property, Plant and Equipment	1,244,144
25,893	27,449	Heritage Assets	26,863
322,956	301,809	Investment Property	317,125
122,318	116,456	Long Term Investments	106,610
79,432	83,773	Long Term Debtors	78,483
<b>1,680,794</b>	<b>1,712,703</b>	<b>Long Term Assets</b>	<b>1,773,225</b>
27,848	37,185	Short Term Investments	27,667
303	357	Inventories	258
99,885	89,862	Short Term Debtors	117,179
56,222	26,004	Cash and Cash Equivalents	55,764
295	0	Assets held for Sale	0
<b>184,553</b>	<b>153,408</b>	<b>Current Assets</b>	<b>200,868</b>
(4,101)	(2,915)	Bank Overdraft	(4,475)
(19,711)	(2,567)	Short Term Borrowing	(22,789)
(87,273)	(92,754)	Short Term Creditors	(109,386)
(6,241)	(6,790)	Short Term Provisions	(5,005)
(7,224)	(7,106)	Capital Grants Receipts in Advance	(6,622)
(17,438)	(4,727)	Revenue Grants Receipts in Advance	(12,638)
<b>(141,988)</b>	<b>(116,859)</b>	<b>Current Liabilities</b>	<b>(160,915)</b>
(18,739)	(21,154)	Long Term Provisions	(22,026)
(251,731)	(249,516)	Long Term Borrowing	(236,218)
(25,197)	(35,393)	Net Pension Liability	(30,491)
(1,901)	(2,278)	Donated Assets Account	(2,435)
(28,211)	(27,214)	Capital Grants Receipts in Advance	(40,229)
(56,421)	(50,090)	Other Long Term Liabilities	(66,064)
<b>(382,200)</b>	<b>(385,645)</b>	<b>Long Term Liabilities</b>	<b>(397,463)</b>
<b>1,341,159</b>	<b>1,363,607</b>	<b>Net Assets</b>	<b>1,415,715</b>
(214,725)	(208,364)	Usable Reserves	(207,198)
(1,126,434)	(1,155,243)	Unusable Reserves	(1,208,517)
<b>(1,341,159)</b>	<b>(1,363,607)</b>	<b>Total Reserves</b>	<b>(1,415,715)</b>

\* These figures have been restated as detailed in section 3.38.



## 2.5 Cash Flow Statement

2023/24 *restated £000's	Cash Flow Statement	2024/25 £000's
20,091	Net (Surplus) or Deficit on the Provision of Services	(39,836)
(86,129)	Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(28,890)
96,931	Adjust items included in Net Surplus/Deficit on the Provision of Services that are Investing & Financing Activities	84,175
<b>30,893</b>	<b>Net Cash Flows from Operating Activities</b>	<b>15,449</b>
(28,308)	Investing Activities	(30,532)
26,447	Financing Activities	(13,117)
<b>29,032</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>	<b>(28,200)</b>
(52,121)	Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)	(23,089)
(23,089)	Cash and Cash Equivalents at the End of the Reporting Period (including bank overdrafts)	(51,289)

\* These figures have been restated as detailed in section 3.38.

Section 3.26 presents an analysis of the amounts included in the provision of services for non-cash movements and items included in investing and financing activities.

### 3 Notes to the Main Financial Statements

#### 3.1 Note to the CIES

2023/24 *restated Net Expenditure £000	Category of Income or Expenditure	2024/25 Net Expenditure £000	Section Ref.
24,682	(Gain)/Loss on Disposal of Fixed Assets	20,389	
15,666	Levy Payments to Other Bodies	16,123	
47	Precepts of Local Precepting Authorities	51	
<b>40,395</b>	<b>Other Operating Expenditure</b>	<b>36,563</b>	
19,642	Interest Payable and Similar Charges	19,385	3.33
(10,460)	External Investment Income	(11,772)	3.33
1,168	Net interest on the net defined benefit liability	(3,040)	3.30
(18,749)	Commercial Property Income	(17,582)	
9,277	Commercial Property Expenditure	8,421	
20,262	Changes in the fair value of investment properties	(19,329)	
(12,372)	Dividends and Interest Receivable	(15,894)	3.33
71	(Gain)/loss on impairment of assets	1,456	
301	(Gain)/loss on revaluation of financial instruments	(634)	3.33
<b>9,140</b>	<b>Finance and Investment Income and Expenditure</b>	<b>(38,989)</b>	
(169,281)	Council Tax Income	(182,889)	3.37
(120,848)	Retained Business Rates	(123,746)	3.37
18,680	Business Rates Retention System - Tariff	19,977	3.37
(37,729)	General Government Grants	(38,231)	
(100,097)	Capital Grant	(74,902)	3.7
(1,700)	Donated Assets – amortised credits	534	
<b>(410,975)</b>	<b>Taxations and Non-Specific Grant Income</b>	<b>(399,257)</b>	

\* These figures have been restated as detailed in section 3.38.

## 3.2 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (see section 2.2).

2023/24				2024/25		
Net Expenditure Chargeable to the General Fund *restated	Adjustments between the Funding and Accounting Basis *restated	Net Expenditure in the Comprehensive Income and Expenditure Statement *restated	Service segment	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
133,950	5,832	139,782	Adult Services and Housing	136,940	9,196	146,136
90,347	35,373	125,720	Children and Education	114,504	24,868	139,372
40,583	22,198	62,781	City Services	30,113	24,504	54,617
(30,160)	4,546	(25,614)	Contingency and Central Budgets	1,639	(48,292)	(46,653)
8,909	935	9,844	Finance and Resources	12,573	351	12,924
8,122	(178)	7,944	Legal and Governance	9,666	114	9,780
1,494	0	1,494	People and Organisational Development	1,448	0	1,448
6,049	888	6,937	Planning and Performance	5,974	991	6,965
20	0	20	Policy and Communications	121	0	121
269	23,240	23,509	Property Services and Development	(2,502)	7,060	4,558
(761)	189	(572)	Public Health	(298)	30	(268)
9,394	20,292	29,686	Regeneration and Economy Development	8,532	24,315	32,847
<b>268,216</b>	<b>113,315</b>	<b>381,531</b>	<b>Net Cost of Services</b>	<b>318,710</b>	<b>43,137</b>	<b>361,847</b>
(262,531)	(98,909)	(361,440)	Other Income and Expenditure	(322,241)	(79,442)	(401,683)
<b>5,685</b>	<b>14,406</b>	<b>20,091</b>	<b>(Surplus) or Deficit</b>	<b>(3,531)</b>	<b>(36,305)</b>	<b>(39,836)</b>
(161,578)			Opening General Fund	(155,893)		
5,685			Plus (Surplus)/Deficit on General Fund	(3,531)		
<b>(155,893)</b>			<b>Closing General Fund at 31 March</b>	<b>(159,424)</b>		

\* These figures have been restated as detailed in section 3.38.

### 3.3 Note to the Expenditure and Funding Analysis

This note provides a breakdown of the adjustments from the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

2023/24				2024/25				
Adjustment for Capital Purposes (Note 1) *restated	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3) *restated	Total Adjustments *restated	Service segment	Adjustment for Capital Purposes (Note 1)	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
5,832	0	0	5,832	Adult Services and Housing	9,196	0	0	9,196
35,373	0	0	35,373	Children and Education	24,868	0	0	24,868
22,198	0	0	22,198	City Services	24,504	0	0	24,504
8,540	(2,242)	(1,751)	4,547	Contingency and Central Budgets	(35,507)	(14,628)	1,843	(48,292)
935	0	0	935	Finance and Resources	351	0	0	351
(178)	0	0	(178)	Legal and Governance	114	0	0	114
0	0	0	0	People and Organisational Development	0	0	0	0
888	0	0	888	Planning and Performance	991	0	0	991
0	0	0	0	Policy and Communications	0	0	0	0
23,272	0	(32)	23,240	Property Services and Development	7,060	0	0	7,060
189	0	0	189	Public Health	30	0	0	30
20,292	0	0	20,292	Regeneration and Economy Development	24,315	0	0	24,315
117,341	(2,242)	(1,783)	113,316	Net Cost of Services	55,922	(14,628)	1,843	43,137
(101,274)	1,168	1,196	(98,910)	Other Income and Expenditure	(74,733)	0	(4,709)	(79,442)
16,067	(1,074)	(587)	14,406	Surplus or Deficit	(18,811)	(14,628)	(2,866)	(36,305)

\* These figures have been restated as detailed in section 3.38.

Note 1: Adjustments for Capital Purposes – This column adds in depreciation and revaluation gains and losses, and includes adjustments for the following:

- Capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure Minimum Revenue Provision and

other revenue contributions not chargeable under generally accepted accounting practices.  
- Capital grant income and expenditure

Note 2: Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. This represents the removal of the employer pension contributions made by the authority as

allowed by statute and the replacement with current and past service costs.

Note 3: Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute.

### 3.4 Revenue Outturn

The following tables provide a reconciliation between the revenue outturn position reported to management and the first column of the Expenditure and Funding Analysis tables in section 3.2.

2024/25	Net Expenditure Chargeable to the General Fund	Adjustment for elements within the Provision of Service that are not included in the Cost of Services	Contributions to/(from) revenue earmarked reserves	Revenue Outturn Position	Budget	Overspend/ (Underspend)
Service Segment	£000	£000	£000	£000	£000	£000
Adult Services and Housing	136,940	1,113	(4,701)	133,352	129,990	3,362
Children and Education	114,504	3,946	1,125	119,575	114,796	4,779
City Services	30,113	13,270	556	43,939	41,900	2,039
Contingency and Central Budgets	1,639	(56,699)	5,175	(49,885)	(39,152)	(10,733)
Finance and Resources	12,573	(91)	(447)	12,035	12,817	(782)
Legal and Governance	9,666	(460)	449	9,655	9,139	516
People and Organisational Development	1,448	(1)	(18)	1,429	1,001	428
Planning and Performance	5,974	258	(500)	5,732	5,931	(199)
Policy and Communications	121	0	0	121	32	89
Property Services and Development	(2,502)	(6,168)	(92)	(8,762)	(8,537)	(225)
Public Health	(298)	55	1,147	904	1,362	(458)
Regeneration and Economy Development	8,532	(13)	837	9,356	8,172	1,184
<b>Net Cost of Services</b>	<b>318,710</b>	<b>(44,790)</b>	<b>3,531</b>	<b>277,451</b>	<b>277,451</b>	<b>0</b>
Other Income and Expenditure	(322,241)	44,790	0	(277,451)	(277,451)	0
<b>Surplus or Deficit</b>	<b>(3,531)</b>	<b>0</b>	<b>3,531</b>	<b>0</b>	<b>0</b>	<b>0</b>

2023/24	Net Expenditure Chargeable to the General Fund *restated	Adjustment for elements within the Provision of Service that are not included in the Cost of Services *restated	Contributions to/(from) revenue earmarked reserves *restated	Revenue Outturn Position *restated	Budget *restated	Overspend/ (Underspend) *restated
Service Segment	£000	£000	£000	£000	£000	£000
Adult Services and Housing	133,950	138	(12,047)	122,041	114,612	7,429
Children and Education	90,347	17,185	3,499	111,031	108,823	2,208
City Services	40,583	10,280	(1,089)	49,774	43,651	6,123
Contingency and Central Budgets	(30,160)	(21,154)	1,112	(50,202)	(36,041)	(14,161)
Finance and Resources	8,909	(284)	807	9,432	11,331	(1,899)
Legal and Governance	8,122	(585)	388	7,925	8,213	(288)
People and Organisational Development	1,494	4	(13)	1,485	1,261	224
Planning and Performance	6,049	(72)	(41)	5,936	5,981	(45)
Policy and Communications	20	0	0	20	47	(27)
Property Services and Development	269	(9,141)	355	(8,517)	(8,391)	(126)
Public Health	(761)	1,864	647	1,750	2,610	(860)
Regeneration and Economy Development	9,394	(264)	697	9,827	8,405	1,422
<b>Net Cost of Services</b>	<b>268,216</b>	<b>(2,029)</b>	<b>(5,685)</b>	<b>260,502</b>	<b>260,502</b>	<b>0</b>
Other Income and Expenditure	(262,531)	2,029	0	(260,502)	(260,502)	0
<b>Surplus or Deficit</b>	<b>5,685</b>	<b>0</b>	<b>(5,685)</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* These figures have been restated as detailed in section 3.38.

### 3.5 Segmental Analysis

This note provides an analysis of income by service segment and details of the revenue outturn position.

2024/25	Income from Grants and Contributions	Tax Income	Other Income*	Total Income	Total Expenditure	Net Total Expenditure	Contributions to/(from) revenue earmarked reserves	Revenue Outturn Position
Service Segment	£000	£000	£000	£000	£000	£000	£000	£000
Adult Services and Housing	(51,134)	0	(47,939)	(99,073)	237,126	138,053	(4,701)	133,352
Children and Education	(248,583)	0	(12,631)	(261,214)	379,664	118,450	1,125	119,575
City Services	(7,339)	0	(29,773)	(37,112)	80,495	43,383	556	43,939
Contingency and Central Budgets	(149,008)	(9,207)	(35,883)	(194,098)	139,038	(55,060)	5,175	(49,885)
Finance and Resources	(89,160)	0	(1,876)	(91,036)	103,518	12,482	(447)	12,035
Legal and Governance	(1,468)	0	(6,337)	(7,805)	17,011	9,206	449	9,655
People and Organisational Development	(16)	0	(1,032)	(1,048)	2,495	1,447	(18)	1,429
Planning and Performance	(502)	0	(177)	(679)	6,911	6,232	(500)	5,732
Policy and Communications	0	0	(7)	(7)	128	121	0	121
Property Services and Development	(90)	0	(22,880)	(22,970)	14,300	(8,670)	(92)	(8,762)
Public Health	(31,577)	0	49	(31,528)	31,285	(243)	1,147	904
Regeneration and Economy Development	(15,607)	0	(4,003)	(19,610)	28,129	8,519	837	9,356
<b>Net Cost of Services</b>	<b>(594,484)</b>	<b>(9,207)</b>	<b>(162,489)</b>	<b>(766,180)</b>	<b>1,040,100</b>	<b>273,920</b>	<b>3,531</b>	<b>277,451</b>
Other Income and Expenditure	0	(277,451)	0	(277,451)	0	(277,451)	0	(277,451)
<b>Surplus or Deficit</b>	<b>(594,484)</b>	<b>(286,658)</b>	<b>(162,489)</b>	<b>(1,043,631)</b>	<b>1,040,100</b>	<b>(3,531)</b>	<b>3,531</b>	<b>0</b>

2023/24	Income from Grants and Contributions **restated	Tax Income **restated	Other income* **restated	Total Income **restated	Total Expenditure **restated	Net Total Expenditure **restated	Contributions to/(from) revenue earmarked reserves **restated	Revenue Outturn Position **restated
Service Segment	£000	£000	£000	£000	£000	£000	£000	£000
Adult Services and Housing	(50,187)	0	(40,001)	(90,188)	224,276	134,088	(12,047)	122,041
Children and Education	(226,573)	0	(8,663)	(235,236)	342,768	107,532	3,499	111,031
City Services	(7,877)	0	(28,117)	(35,994)	86,857	50,863	(1,089)	49,774
Contingency and Central Budgets	(162,636)	(10,947)	(30,886)	(204,469)	153,155	(51,314)	1,112	(50,202)
Finance and Resources	(89,360)	0	(1,747)	(91,107)	99,732	8,625	807	9,432
Legal and Governance	(463)	0	(6,128)	(6,591)	14,128	7,537	388	7,925
People and Organisational Development	(21)	0	(688)	(709)	2,207	1,498	(13)	1,485
Planning and Performance	(525)	0	(150)	(675)	6,652	5,977	(41)	5,936
Policy and Communications	0	0	0	0	20	20	0	20
Property Services and Development	(90)	0	(21,539)	(21,629)	12,757	(8,872)	355	(8,517)
Public Health	(31,921)	0	(568)	(32,489)	33,592	1,103	647	1,750
Regeneration and Economy Development	(14,318)	0	(4,383)	(18,701)	27,831	9,130	697	9,827
<b>Net Cost of Services</b>	<b>(583,971)</b>	<b>(10,947)</b>	<b>(142,870)</b>	<b>(737,788)</b>	<b>1,003,975</b>	<b>266,187</b>	<b>(5,685)</b>	<b>260,502</b>
Other Income and Expenditure	0	(260,502)	0	(260,502)	0	(260,502)	0	(260,502)
<b>Surplus or Deficit</b>	<b>(583,971)</b>	<b>(271,449)</b>	<b>(142,870)</b>	<b>(998,290)</b>	<b>1,003,975</b>	<b>5,685</b>	<b>(5,685)</b>	<b>0</b>

\* Other Income includes fees, charges, interest and investment income

\*\* These figures have been restated as detailed in section 3.38.

### 3.6 Income & Expenditure Analysis

This note provides an analysis of the income received and expenditure incurred within the Provision of Services in the Comprehensive Income and Expenditure Statement. These figures exclude the impact of internal recharges.

Expenditure/ Income	2023/24 *restated £000	2024/25 £000
<b>Income</b>		
Fees, charges and other service income	(101,112)	(115,870)
Interest and investment income	(41,758)	(46,619)
Income from council tax and non-domestic rates	(271,449)	(286,658)
Government grants and contributions	(583,971)	(594,484)
<b>Total Income</b>	<b>(998,290)</b>	<b>(1,043,631)</b>
<b>Expenditure</b>		
Employee benefits expenses	324,730	334,925
Other services expenses*	563,241	594,302
Depreciation, amortisation, impairment*	36,789	41,501
Interest payments	20,810	16,345
Precept and levies	15,713	16,174
(Gain)/Loss on Disposal of Assets	24,682	20,389
(Gain)/Loss on Asset Revaluation*	32,416	(19,841)
<b>Total Expenditure</b>	<b>1,018,381</b>	<b>1,003,795</b>
<b>Surplus/ Deficit on the Provision of Services</b>	<b>20,091</b>	<b>(39,836)</b>

\* These figures have been restated as detailed in section 3.38.

An analysis of the 'Fees, charges and other service income' by service segment is provided in the table below, including the details of the income received through contracts with service recipients.

2023/24			2024/25			
Income from service recipients *reclassified £000	Other income *reclassified £000	Total fees, charges and other service income *reclassified £000		Income from service recipients £000	Other income £000	Total fees, charges and other service income £000
			Service Segment			
(39,943)	0	(39,943)	Adult Services and Housing	(47,908)	0	(47,908)
(8,583)	0	(8,583)	Children and Education	(12,544)	(7)	(12,551)
(23,692)	(4,261)	(27,953)	City Services	(24,293)	(5,154)	(29,447)
(8,902)	(1,587)	(10,489)	Contingency and Central Budgets	(10,308)	718	(9,590)
(1,622)	(125)	(1,747)	Finance and Resources	(1,797)	(80)	(1,877)
(5,172)	(570)	(5,742)	Legal and Governance	(5,513)	(406)	(5,919)
(647)	(42)	(689)	People and Organisational Development	(577)	(455)	(1,032)
(150)	0	(150)	Planning and Performance	(177)	0	(177)
0	0	0	Policy and Communications	(7)	0	(7)
(1,455)	(32)	(1,487)	Property Services and Development	(3,473)	(165)	(3,638)
(568)	0	(568)	Public Health	49	0	49
(3,671)	(90)	(3,761)	Regeneration and Economy Development	(3,770)	(3)	(3,773)
(94,405)	(6,707)	(101,112)	Total	(110,318)	(5,552)	(115,870)

\* These figures have been reclassified as detailed in section 3.38.

### 3.7 Analysis of Capital Grants

The following table provides an analysis of the receivable capital grant income during the year, separately identifying all grants with a value above £5m.

2023/24 *restated £000	Grant / Grant Body	2024/25 £000
(9,650)	Social Housing Decarbonisation Fund Wave 2	(14,205)
(4,608)	City Region Sustainable Transport Settlement	(8,817)
(5,502)	Highways Maintenance Block	(8,339)
(4,547)	Disabled Facilities Grant	(5,189)
(13,715)	A45 Overbridge - Eastern Green	(2,299)
(26,953)	Basic Need Allocation (school places)	(1,962)
(35,122)	Other Grants & Contributions	(34,091)
<b>(100,097)</b>	<b>Total</b>	<b>(74,902)</b>

\* 2023/24 figures have been restated as detailed in section 3.38.

In addition, the Council's Balance Sheet reflects capital grants received in advance of £46,851k as at 31/3/25, with conditions attached that have yet to be met. Of these £6,622k are held as current liabilities as the relevant conditions are expected to be met during the next 12 months, with the remaining £40,229k being held as long term liabilities. The equivalent figures, as at 31/3/24 were total capital grants received in advance of £34,320k, split between current liabilities of £7,106k and long term liabilities of £27,214k.



### 3.8 Analysis of Revenue Grants

The following table provides an analysis of revenue grant income, separately identifying all grants with a value above £5m.

2023/24 *reclassified £000	Grant	2024/25 £000
(184,649)	Dedicated schools grant**	(203,642)
(79,460)	Housing Benefits	(80,983)
(27,685)	Social Care Grant	(35,799)
(23,962)	Public Health	(24,846)
(18,122)	Business Rates Relief Compensation	(15,029)
(15,787)	Improved Better Care Fund	(15,787)
(14,785)	Better Care Fund	(15,735)
(13,735)	Business Rates Multiplier Cap Compensation	(17,712)
(8,387)	Pupil Premium - Free School Meals	(7,583)
(6,629)	Household Support Fund	(6,448)
(5,991)	Market sustainability and fair cost of care	(6,786)
(5,447)	Adult Education Budget	(5,579)
(79,235)	Other Grants and Contributions	(83,653)
<b>(483,874)</b>	<b>Total</b>	<b>(519,582)</b>

\*2023/24 figures have been reclassified to reflect updated grant categories.

\*\* The difference between the level of Dedicated Schools Grant (DSG) provided in this table and the amount provided within Deployment of Dedicated Schools Grant note (section 3.9) is due to adjustments agreed with the Department for Education.

In addition, the Council's Balance Sheet reflects revenue grants received in advance of £12,638k as at 31/3/25 with conditions attached that have yet to be met. These are held as current liabilities as the relevant conditions are expected to be met during the next 12 months. The equivalent figure, as at 31/3/24, was £4,727k.

### 3.9 Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency, the Dedicated Schools Grant (DSG). DSG is ringfenced and can only be applied to meet expenditure properly

included in the Schools Budget, as defined in the school Finance and Early Years (England) regulations 2017. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the

Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows:

2023/24		2024/25			
Total	Schools Budget Funded by Dedicated Schools Grant	Central Expenditure	Individual Schools Budget	Total	Notes
£000		£000	£000	£000	
389,741	Final DSG before academy and high needs recoupment			431,202	A
(202,668)	Academy and high needs figure recouped			(224,482)	B
<b>187,073</b>	<b>Total DSG after academy and high needs recoupment</b>			<b>206,720</b>	<b>C</b>
10,237	Plus: Brought forward from Prior Year			14,205	D
(9,921)	Less: Carry-forward agreed in advance			(14,184)	E
<b>187,389</b>	<b>Agreed initial budgeted distribution</b>	<b>61,386</b>	<b>145,355</b>	<b>206,741</b>	<b>F</b>
73	In year adjustments	0	(237)	(237)	G
<b>187,462</b>	<b>Final budget distribution</b>	<b>61,386</b>	<b>145,118</b>	<b>206,504</b>	<b>H</b>
54,151	Less: Actual central expenditure	(59,440)		(59,440)	I
129,027	Less: Actual ISB deployed to schools		(145,118)	(145,118)	J
0	Plus: Local authority contribution			0	K
<b>4,284</b>	<b>In Year Carry-forward</b>	<b>1,946</b>	<b>0</b>	<b>1,946</b>	<b>L</b>
9,921	Plus/Minus: Carry-forward agreed in advance			14,184	M
14,205	Carry-forward			16,130	N
0	DSG unusable reserve brought forward			0	O
0	Addition to DSG unusable reserve			0	P
0	Total of DSG unusable reserve carried forward			0	Q
<b>14,205</b>	<b>Net DSG position at the year end</b>			<b>16,130</b>	<b>R</b>

## Notes

A: Final DSG figure before any amount has been recouped from the authority as published in March 2025, excluding the January 2024 early years block adjustment.

B: Figure recouped from the authority in 2024/25 by the DfE for the conversion of maintained schools into academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoupment for 2024/25, as published in March 2025.

D: Balance brought forward from 2023/24.

E: The amount which the authority decided after consultation with the Schools Forum to carry forward to 2025/26 rather than distribute in 2024/25.

F: Budgeted distribution of DSG, adjusted for carry forward, as agreed with the Schools Forum.

G: Changes to the initial distribution, for example, High Needs Block adjustments and for the final Early Years Block adjustment.

H: Budgeted distribution of DSG as at the end of the financial year.

I: Actual amount of central expenditure items in 2024/25.

J: Amount of ISB actually distributed to schools in 2024/25 (ISB is regarded for DSG purposes as spent by the authority once it is deployed to schools' budget shares). Note that budget shares include early years funding, sixth form funding and High Needs place funding; they do not include High Needs top-up funding which is treated as central expenditure.

K: Any contribution from the local authority in 2024/25 which will have the effect of substituting for DSG in funding the Schools Budget.

L: Carry forward to 2025/26.

M: Carry forward to 2025/26.

N: Carry forward to 2025/26 (before any unusable reserve brought forward).

O: DSG unusable reserve adjusted at the end of 2023/24.

P: Addition to DSG unusable reserve at the end of 2024/25.

Q: Total of DSG unusable reserve at the end of 2024/25.

R: Net DSG position at the end of 2024/25

### 3.10 Related Party Disclosure

The authority is required to disclose significant transactions and outstanding balances with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. These are detailed in the table below:

Transactions with Related Party *restated 2023/24					Transactions with Related Party 2024/25				
Expenditure	Liabilities	Income	Assets	Related Party	Expenditure	Liabilities	Income	Assets	Nature of relationship
£	£	£	£		£	£	£	£	
0	0	0	0	Birmingham Airport Holdings Limited	0	0	(6,364,423)	0	Minority Shareholder
11,985,979	(6,526,877)	(136,407)	(2,237)	Citizen Housing Group Limited	15,916,579	(5,004,580)	(427,798)	237,096	Grant support
1,008,353	(169,513)	(55,436)	9,628	Coombe Abbey Park (LACO) Limited	931,058	(138,461)	(60,595)	5,315	Subsidiary - second tier
21,224	(23,960)	(1,430,872)	8,077,460	Coombe Abbey Park Limited	327,447	(1,445)	(1,343,186)	7,255,368	Subsidiary - second tier
29,997,363	(2,203,179)	(35,185,211)	1,946,458	Coventry & Warwickshire Integrated Care Board	12,886,609	(514,469)	(26,561,522)	5,804,029	Board Member
0	0	(413,172)	1,149,770	Coventry and Warwickshire Award Trust	0	0	(230,999)	441,204	Loan Support
141,609	(32,640)	65,292	0	Coventry and Warwickshire Growth Hub Limited	210,560	0	0	0	Joint Venture
150,363	0	(28,185)	1,120	Coventry Municipal Holdings Limited	127,671	0	(27,980)	983	Subsidiary - first tier
12,733	(12,733)	0	5,000	Coventry Regeneration Limited	0	0	(214)	0	Subsidiary - second tier
351,654	(20,992)	(5,137)	292	Coventry Technical Resources Limited	345,917	(28,007)	(347)	416	Subsidiary - second tier
2,007,280	(6,301)	(56,985)	10,943	Culture Coventry Limited	2,130,906	0	(42,390)	30,019	Structured Entity
0	0	0	8,529,980	ES Coventry Limited	0	0	0	8,689,226	Lessee
0	0	(35,629)	10,500	Friargate JV Project Limited	0	0	(35,660)	0	Joint Venture
0	0	69,914	95,472	No Ordinary Hospitality Management	0	0	21,119	73,445	Subsidiary - second tier
3,344,159	(35,195)	(780,811)	14,037,303	Sherbourne Recycling Limited	2,168,373	6,116	(879,189)	14,415,444	Associate
8,311,985	(1,140,732)	(12,386,514)	7,809,709	The Coventry And Solihull Waste Disposal Company limited	7,521,653	(1,570,988)	(9,622,062)	8,695,231	Joint Venture
4,762,985	(179,773)	(1,576,559)	1,498,429	Tom White Waste Limited	8,770,018	70,259	(306,769)	537,351	Subsidiary - second tier
0	0	(366,408)	16,703,159	UK Battery Industrialisation Centre Limited	0	0	(446,212)	16,880,743	Subsidiary - first tier
0	0	(24,420)	1,057,489	University Of Warwick Science Park Business Innovation Centre Limited	0	0	(586,659)	1,006,084	Minority Shareholder
17,250,906	(842,436)	(30,008,063)	20,418,649	West Midlands Combined Authority	16,813,139	(145,363)	(41,754,846)	29,625,157	Board Member

\* The 31<sup>st</sup> March 2024 figures have been restated as detailed in section 3.38.

#### Central Government

Central Government has significant influence over the general operations of the authority – it is responsible for providing the statutory framework within which the authority operates, provides the majority of its funding in the form of grants, and prescribes the terms of many transactions that the authority has with other parties. Details of the main transactions between the Council and Government departments are set out in the Comprehensive Income and Expenditure Statement (section 2.2).

### **Other Public Bodies**

The Council has transactions with a range of other organisations and public bodies reported elsewhere in the accounts.

- Pension payments are made to the West Midlands Metropolitan Authorities Pension Fund, The Teachers' Pension Agency. Further details are included in section 3.29.
- Precept payments are made to the West Midlands Crime and Police Commissioner and the West Midlands Fire and Rescue Authority, and these are shown within the Collection Fund Income and Expenditure Statement (section 3.37).
- Levy payments are made to the Environment Agency.

### 3.11 Pooled Budgets – Better Care Fund

Coventry City Council and Coventry & Warwickshire Integrated Care Board (ICB) operate a Better Care Fund (BCF) pooled budget under a Section 75 agreement, covering several workstreams aimed at integrating health and social care in Coventry. The table below shows the contributions from each partner and the Council's expenditure across these workstreams. Under the Section 75 arrangements, each partner accounts for the expenditure it incurs. Accordingly, only the Council's share of expenditure is shown. For any workstream, the difference between total contributions and the Council's expenditure represents spend incurred directly by the ICB and is not included in the Council's financial statements.

Better Care Fund	Coventry City Council	ICB	Total	Coventry City Council	Coventry City Council	Coventry City Council	Coventry City Council
2024/25	Contribution	Contribution	Contribution	Expenditure Internal <sup>1</sup>	Expenditure Lead Commissioner <sup>2</sup>	Expenditure Shared <sup>3</sup>	Expenditure Total
Workstreams	£000	£000	£000	£000	£000	£000	£000
Urgent Care	0	(7,711)	(7,711)	0	0	0	0
Out of Hospital & Nursing Care	(19,344)	(41,458)	(60,802)	13,383	0	0	13,383
Voluntary Sector Review	(1,379)	(944)	(2,323)	1,331	0	0	1,331
Community Support Services	(2,164)	(3,125)	(5,288)	880	0	1,253	2,133
Reablement / Discharge to Assess	(3,891)	(4,296)	(8,187)	2,404	3,623	0	6,027
Dementia	(7,795)	(3,881)	(11,676)	7,795	0	0	7,795
Care Act Implementation	(240)	(780)	(1,020)	0	894	0	894
Disabled Facility Grants	(7,223)	0	(7,223)	5,905	0	0	5,905
Protecting Social Care	(11,886)	(9,344)	(21,230)	11,911	9,344	0	21,255
Integrating Commissioning	(75)	0	(75)	75	0	0	75
Whole System Prevention	(211)	0	(211)	188	0	0	188
Mental Health Resource Centre	(20)	(232)	(252)	0	0	232	232
LD Homes	(1,428)	(1,824)	(3,252)	0	0	2,747	2,747
LD Compact	(127)	(326)	(454)	0	0	403	403
Winter Pressures	(1,711)	0	(1,711)	1,209	0	0	1,209
Development Fund	(9,000)	0	(9,000)	0	0	0	0
Improving Lives	(480)	0	(480)	0	0	0	0
Discharge Fund	(3,689)	(3,313)	(7,002)	3,689	0	0	3,689
Autism Diagnosis	(1,000)	0	(1,000)	0	0	0	0
<b>Total</b>	<b>(71,665)</b>	<b>(77,233)</b>	<b>(148,898)</b>	<b>48,770</b>	<b>13,861</b>	<b>4,635</b>	<b>67,266</b>

1 - This is where resources are controlled and expended by City Council.

2 - The City Council acts as lead commissioner and accounts for expenditure with service providers, acting as principal for the expenditure it controls, including where it is funded by ICB contributions.

3 - Resources are pooled and the City Council and ICB account for their share of the expenditure as a joint operation in line with the Section 75 agreement.

The following table provides details of the BCF contributions and expenditure for the previous year, for comparative purposes.

Better Care Fund	Coventry City Council	ICB	Total	Coventry City Council	Coventry City Council	Coventry City Council	Coventry City Council
2023/24	Contribution	Contribution	Contribution	Expenditure Internal <sup>1</sup>	Expenditure Lead Commissioner <sup>2</sup>	Expenditure Shared <sup>3</sup>	Expenditure Total
Workstreams	£000	£000	£000	£000	£000	£000	£000
Urgent Care	0	(7,464)	(7,464)	0	0	0	0
Out of Hospital & Nursing Care	(16,379)	(40,273)	(56,652)	16,332	0	0	16,332
Voluntary Sector Review	(1,398)	(943)	(2,341)	1,387	0	0	1,387
Community Support Services	(1,993)	(3,048)	(5,041)	852	0	997	1,849
Reablement / Discharge to Assess	(5,312)	(4,064)	(9,376)	2,502	3,186	0	5,688
Dementia	(7,306)	(3,790)	(11,096)	7,306	0	0	7,306
Care Act Implementation	(358)	(777)	(1,135)	0	894	0	894
Disabled Facility Grants	(5,450)	0	(5,450)	4,220	0	0	4,220
Protecting Social Care	(11,846)	(8,844)	(20,690)	11,846	8,844	0	20,690
Integrating Commissioning	(71)	0	(71)	71	0	0	71
Whole System Prevention	(244)	0	(244)	244	0	0	244
Mental Health Resource Centre	(20)	(219)	(239)	0	0	219	219
LD Homes	(1,750)	(1,701)	(3,451)	0	0	3,251	3,251
LD Compact	(135)	(313)	(448)	0	0	321	321
Winter Pressures	(1,749)	0	(1,749)	1,249	0	0	1,249
Development Fund	(9,032)	0	(9,032)	0	0	0	0
Population Health Management (PHM)	(1,427)	0	(1,427)	0	0	0	0
Improving Lives	(7,000)	0	(7,000)	0	0	0	0
Discharge Fund	(2,214)	(2,346)	(4,560)	2,213	0	0	2,213
Autism Diagnosis	(5,000)	0	(5,000)	0	0	0	0
<b>Total</b>	<b>(78,684)</b>	<b>(73,782)</b>	<b>(152,466)</b>	<b>48,222</b>	<b>12,924</b>	<b>4,788</b>	<b>65,934</b>

### 3.12 External Audit Costs

Coventry City Council has incurred the following costs in relation to services provided by its external auditors:

2023/24 £000	Audit Fees	2024/25 £000
290	Fees payable to the appointed auditors in respect of statutory external audit services*	511
	Fees payable in respect of any other services provided by the external auditor:	
143	Housing Benefit grant certification	160
13	Teachers Pension certification	13
<b>446</b>	<b>Total Fees</b>	<b>684</b>

\*Since 2012/13 the appointed external auditors have been Grant Thornton UK LLP.



### 3.13 Usable & Unusable Reserves

Further details of the Council's usable and unusable reserves, shown in section 2.3 are provided below:

#### Usable Reserves

Usable Reserves	31st March 2023 *restated £000	Contributions from *restated £000	Contributions to *restated £000	31st March 2024 *restated £000	Contributions from £000	Contributions to £000	31st March 2025 £000
<b>General Fund Balance - Uncommitted **</b>	<b>(10,277)</b>	<b>0</b>	<b>0</b>	<b>(10,277)</b>	<b>0</b>	<b>0</b>	<b>(10,277)</b>
<b>Earmarked Revenue Reserves:</b>							
Schools Reserves (specific to individual schools)	(23,413)	0	(580)	(23,993)	97	0	(23,896)
Schools Reserves (retained centrally)	(10,237)	12,420	(16,388)	(14,205)	3,102	(5,027)	(16,130)
<b>Total Schools Reserves</b>	<b>(33,650)</b>	<b>12,420</b>	<b>(16,968)</b>	<b>(38,198)</b>	<b>3,199</b>	<b>(5,027)</b>	<b>(40,026)</b>
Adult Social Care	(32,152)	49,548	(37,966)	(20,570)	8,110	(2,308)	(14,768)
Financial Risk Contingency	(8,849)	0	(2,623)	(11,472)	0	(1,796)	(13,268)
Commercial Reset & Innovation	(13,217)	1,013	0	(12,204)	0	0	(12,204)
Business Rates Income Reserve	(3,433)	1,135	(2,728)	(5,026)	400	(4,563)	(9,189)
Early Retirement and Voluntary Redundancy	(7,241)	0	0	(7,241)	0	0	(7,241)
Management of Capital	(6,323)	6,560	(6,040)	(5,803)	1,081	(1,643)	(6,365)
Public Health	(3,778)	4,681	(4,929)	(4,026)	725	(1,255)	(4,556)
Private Finance Initiatives	(6,679)	22,208	(20,830)	(5,301)	1,749	(585)	(4,137)
Refugee Resettlement Programme	(619)	861	(3,108)	(2,866)	492	(1,244)	(3,618)
Air Quality Early Measures	(3,921)	5,708	(4,162)	(2,375)	1,517	(1,308)	(2,166)
Homes for Ukraine	(2,530)	7,014	(5,759)	(1,275)	400	(322)	(1,197)
Insurance Fund	(1,063)	2,429	(2,289)	(923)	425	(282)	(780)
Other Directorate	(18,697)	25,517	(26,576)	(19,756)	8,779	(10,421)	(21,398)
Other Corporate	(9,149)	1,756	(1,187)	(8,580)	1,143	(797)	(8,234)
<b>Revenue Earmarked Reserves (Non-School)</b>	<b>(117,651)</b>	<b>128,430</b>	<b>(118,197)</b>	<b>(107,418)</b>	<b>24,821</b>	<b>(26,524)</b>	<b>(109,121)</b>
<b>Total Revenue Earmarked Reserves</b>	<b>(151,301)</b>	<b>140,850</b>	<b>(135,165)</b>	<b>(145,616)</b>	<b>28,020</b>	<b>(31,551)</b>	<b>(149,147)</b>
<b>Other Usable Reserves:</b>							
Usable Capital Receipts Reserve	(18,623)	17,593	(10,703)	(11,733)	1,753	(5,187)	(15,167)
Capital Grant Unapplied Account	(34,524)	6,008	(12,222)	(40,738)	40,738	(32,607)	(32,607)
<b>Total Other Usable Reserves</b>	<b>(53,147)</b>	<b>23,601</b>	<b>(22,925)</b>	<b>(52,471)</b>	<b>42,491</b>	<b>(37,794)</b>	<b>(47,774)</b>
<b>Total Usable Reserves</b>	<b>(214,725)</b>	<b>164,451</b>	<b>(158,090)</b>	<b>(208,364)</b>	<b>70,511</b>	<b>(69,345)</b>	<b>(207,198)</b>

\* These figures have been restated as detailed in section 3.38 and reclassified to reflect updated reserve categories.

\*\* This is a working balance that is maintained to assist in managing unforeseen financial challenges.

## Unusable Reserves

The following table provides a breakdown of the balances and movements of two of the unusable reserves: the Capital Adjustment Account and the Revaluation Reserve.

2023/24			Category of Reserve Movement	2024/25		
Capital Adjustment Account [CAA] *restated £000	Revaluation Reserve [RR] £000	CAA & RR Combined *restated £000		Capital Adjustment Account [CAA] £000	Revaluation Reserve [RR] £000	CAA & RR Combined £000
(809,736)	(237,345)	(1,047,081)		(808,022)	(283,516)	(1,091,538)
			Opening Balance			
36,081	0	36,081	Depreciation	41,155	0	41,155
25,146	0	25,146	Derecognitions	20,932	0	20,932
11,854	(59,971)	(48,117)	Revaluations	122	(31,844)	(31,722)
20,262	0	20,262	Investment Property Revaluations	(18,543)	0	(18,543)
638	0	638	Intangibles	348	0	348
(93,884)	0	(93,884)	Capital grants and contributions applied	(83,033)	0	(83,033)
44,670	0	44,670	REFCUS	38,688	0	38,688
(8,687)	0	(8,687)	Capital receipts applied	(1,753)	0	(1,753)
488	0	488	Disposal of Assets	1,415	0	1,415
1,108	0	1,108	Capital Loans: Repayments Received	3,405	0	3,405
(232)	0	(232)	Management of Capital Reserve	(800)	0	(800)
(309)	0	(309)	CERA	(1,044)	0	(1,044)
(1,796)	0	(1,796)	Capitalised Debt: Repayments Made	(1,975)	0	(1,975)
(13,800)	13,800	0	Amounts written out of the Revaluations Reserve	(20,224)	20,224	0
(18,036)	0	(18,036)	Revenue provision for the Repayment of Debt	(21,923)	0	(21,923)
(1,700)	0	(1,700)	Donated Assets (PFI)	534	0	534
71	0	71	Impairment of Financial Assets	1,409	0	1,409
58	0	58	Revaluation of Financial Assets	(156)	0	(156)
(218)	0	(218)	Other Gains and Losses	(239)	0	(239)
(808,022)	(283,516)	(1,091,538)	Closing Balance	(849,704)	(295,136)	(1,144,840)

\* These figures have been restated as detailed in section 3.38.

### **Capital Adjustment Account**

The Capital Adjustment Account absorbs the difference arising from the different rates at which non-current assets are accounted for as being consumed and those at which resources are set-aside to finance their acquisition, construction or enhancement. Movements in this reserve are shown in the table above, together with those of the Revaluation Reserve.

### **Revaluation Reserve**

This reserve contains the gains made by the Council arising from increases in the value of its: Property, Plant and Equipment; and Non-operational Assets. The reserve only includes gains since its inception on 1st April 2007. Prior to that, gains were consolidated into the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains realised.

Revaluation Reserve movements are shown in the table above, together with those of the Capital Adjustment Account.

### **Deferred Capital Receipts Reserve**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are

transferred to the Usable Capital Receipts Reserve.

### **Financial Instruments Adjustment Account**

This account provides a balancing mechanism between the different rates at which the gains and losses (such as premiums on the early repayment of debt) are recognised under the Code Of Practice on Local Authority Accounting and those required by statute to be met from the General Fund.

### **Financial Instruments Revaluation Reserve**

This reserve contains the gains made by the authority arising from increases in value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised.

### **Collection Fund Adjustment Account**

This account contains the cumulative difference between the accrued income from Council Tax and Business Rates and the amounts required by regulation to be credited to the General Fund.

### **Pension Reserve**

This reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. A breakdown of the movements in this reserve is provided in section 3.30.

### **Accumulated Absences Account**

This account absorbs the differences that would otherwise arise on the General Fund from accruing for compensated absences earned but

not taken in the year, e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from this Account.

### **Pooled Investment Funds Adjustment Account**

In accordance with capital financing regulations the Pooled Investment Funds Adjustment Account holds fair value gains and losses on pooled investment funds measured at fair value through profit or loss (FVPL).

### 3.14 Adjustments between Accounting Basis & Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure.

2023/24		2024/25
*restated	Adjustments made to Comprehensive Income and Expenditure Statement (CIES)	
£000		£000
	<b>Reversal of items debited or credited to the CIES</b>	
	<b>Usable Reserves</b>	
6,214	Capital grants & contributions unapplied movement to the CIES	(8,131)
	<b>Unusable Reserves</b>	
(36,081)	Charges for depreciation non-current assets	(41,155)
(24,876)	Charges for derecognition of non-current assets	(20,765)
(32,115)	Revaluation of Property, Plant & Equipment and Assets Held for sale	18,421
(638)	Amortisation of intangible assets	(348)
93,883	Capital grants and contributions applied	83,033
(44,670)	Revenue expenditure funded from capital under statute	(38,688)
391	Movement in Debt Redemption Premia	390
1,074	Retirement benefit Adjustment Account debited or credited to the CIES	14,628
(1,164)	Collection Fund Adjustment Account (difference between amount credited to CIES & tax income for the year)	4,709
1,733	Accumulated Absences Account (difference between remuneration charged to the CIES and remuneration paid for the year)	(1,459)
201	Loss on Disposal funded from Capital Receipts	367
(270)	Rescheduling of Finance Lease Repayments	(167)
1,700	Movement in Donated Assets	(534)
(71)	Loss on Impairment of Debtors	(1,409)
(302)	(Gain)/Loss on Revaluation of Fair Value through P&L Financial Instruments	635
(6)	Movement in Deferred Capital Receipts	796
18,036	Statutory provision for the financing of capital investment	21,923
2,014	Repayment of Transferred Debt Principal	2,215
541	Capital expenditure charged against the General Fund balance.	1,844
<b>(20,620)</b>	<b>Sub Total of adjustments affecting Unusable Reserves</b>	<b>44,436</b>
<b>(14,406)</b>	<b>Total Adjustments</b>	<b>36,305</b>

\* 2023/24 figures have been restated as detailed in section 3.38

### 3.15 Property, Plant & Equipment

In accordance with the temporary relief offered by CIPFA's Update to the Code and Specifications for Future Codes for Infrastructure Assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets.

The table below shows the movement in the City Council's Property, Plant and Equipment (excluding Infrastructure Assets) during the year.

	Other Land & Buildings	Vehicles, Plant & Equip't	Community Assets	Surplus Assets	Under Construction	Total (excluding Infrastructure Assets)
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
<b>01 April 2024</b>	<b>685,936</b>	<b>48,210</b>	<b>17,887</b>	<b>7,922</b>	<b>49,423</b>	<b>809,378</b>
Existing right of use assets recognised as part of IFRS16 transition	30,663	693	0	0	0	31,356
<b>Restated Balance as at 01 April 2024</b>	<b>716,599</b>	<b>48,903</b>	<b>17,887</b>	<b>7,922</b>	<b>49,423</b>	<b>840,734</b>
Additions	13,192	1,558	54	0	19,453	34,257
Revaluation increase/(decrease)	5,283	0	0	1,506	0	6,789
Disposals	0	(1,205)	0	0	0	(1,205)
Derecognition	(12,899)	(9)	(43)	0	(5,564)	(18,515)
Reclassifications	1,851	0	0	0	(32,596)	(30,745)
<b>31 March 2025</b>	<b>724,026</b>	<b>49,247</b>	<b>17,898</b>	<b>9,428</b>	<b>30,716</b>	<b>831,315</b>
<b>Depreciation and Impairment</b>						
<b>01 April 2024</b>	<b>7,453</b>	<b>32,872</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>40,328</b>
Depreciation Charge	27,519	3,200	3	0	0	30,722
Disposals	0	(704)	0	0	0	(704)
Derecognition	(941)	0	0	0	0	(941)
Depreciation written out on revaluation	(24,933)	0	0	0	0	(24,933)
Impairment Losses/reversals recognised in Revaluation Reserve	0	0	0	0	0	0
Impairment Losses/reversals recognised in Provision of Services	0	0	0	0	0	0
<b>31 March 2025</b>	<b>9,098</b>	<b>35,368</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>44,472</b>
<b>Net Book Value</b>						
<b>31 March 2025</b>	<b>714,928</b>	<b>13,879</b>	<b>17,892</b>	<b>9,428</b>	<b>30,716</b>	<b>786,843</b>
<b>01 April 2024</b>	<b>678,483</b>	<b>15,338</b>	<b>17,884</b>	<b>7,922</b>	<b>49,423</b>	<b>769,050</b>

The table below shows the movement in the City Council's Property, Plant and Equipment (excluding Infrastructure Assets) during the previous year for comparative purposes.

	Other Land & Buildings	Vehicles, Plant & Equip't	Community Assets	Surplus Assets	Under Construction	Total (excluding Infrastructure Assets)
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
<b>01 April 2023</b>	<b>614,500</b>	<b>46,427</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>766,628</b>
Additions	15,200	1,446	231	0	25,827	42,704
Revaluation increase/(decrease)	30,136	0	0	(5,462)	0	24,674
Disposals	0	(374)	0	0	0	(374)
Derecognition	(21,237)	(69)	(194)	0	(3,558)	(25,058)
Reclassifications	47,337	780	0	320	(47,633)	804
<b>31 March 2024</b>	<b>685,936</b>	<b>48,210</b>	<b>17,887</b>	<b>7,922</b>	<b>49,423</b>	<b>809,378</b>
<b>Depreciation and Impairment</b>						
<b>01 April 2023</b>	<b>9,280</b>	<b>30,069</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,349</b>
Depreciation Charge	22,439	3,101	3	0	0	25,543
Disposals	0	(298)	0	0	0	(298)
Derecognition	(847)	0	0	0	0	(847)
Depreciation written out on revaluation	(23,419)	0	0	0	0	(23,419)
Impairment Losses/reversals recognised in Revaluation Reserve	0	0	0	0	0	0
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
<b>31 March 2024</b>	<b>7,453</b>	<b>32,872</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>40,328</b>
<b>Net Book Value</b>						
<b>31 March 2024</b>	<b>678,483</b>	<b>15,338</b>	<b>17,884</b>	<b>7,922</b>	<b>49,423</b>	<b>769,050</b>
<b>01 April 2023</b>	<b>605,220</b>	<b>16,358</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>727,279</b>

The following table provides the Infrastructure Asset balances and movements during 2024/25 and the previous year.

	Infrastructure Assets 2023/24 £000	Infrastructure Assets 2024/25 £000
<b>Net book value</b>		
<b>Opening Balance</b>	<b>402,916</b>	<b>414,166</b>
Exisiting right of use assets recognised as part of IFRS16 transition	0	2,612
<b>Restated Opening Balance</b>	<b>402,916</b>	<b>416,778</b>
Additions	22,453	21,072
Depreciation Charge	(10,538)	(10,433)
Disposals	0	0
Derecognition	(665)	(1,373)
Reclassification	0	31,257
<b>Closing Balance</b>	<b>414,166</b>	<b>457,301</b>

The City Council's Property, Plant and Equipment asset net book values, including Infrastructure Assets, are provided in the following table:

	Total (excluding Infrastructure Assets) £000	Infrastructure Assets £000	Total Property, Plant and Equipment £000
<b>Net book value</b>			
<b>31st March 2025</b>	<b>786,843</b>	<b>457,301</b>	<b>1,244,144</b>
<b>31st March 2024</b>	<b>769,050</b>	<b>414,166</b>	<b>1,183,216</b>
<b>31st March 2023</b>	<b>727,279</b>	<b>402,916</b>	<b>1,130,195</b>

Depreciation is a calculation of the amount an asset has decreased in value due to general wear and tear etc. and is provided for on all property, plant and equipment assets with a determinable finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use. The basis upon which depreciation is charged for the different asset types is detailed in the accounting policies, see section 5.7.

### 3.16 Heritage Assets

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the authority principally for their contribution to knowledge and culture.

Heritage assets that have been included in the financial statements at valuation are based on insurance valuations. The values of Heritage Assets are updated to reflect the latest insurance valuations and any additions and deletions. The table below provides a breakdown of these assets by type.

Type of Heritage Assets	31 March 2024 £000	31 March 2025 £000
Transport Museum Collection	7,684	6,934
Scientific	20	20
Clocks	265	265
Arms & Armour	35	35
Textiles	5,060	5,060
Silver	375	375
General	192	398
Natural History	40	40
Works of Art	444	402
Furniture	140	140
Visual Arts	12,946	12,946
Civic Regalia	248	248
<b>Total</b>	<b>27,449</b>	<b>26,863</b>



Heritage assets relate predominantly to the museum collections at The Herbert Art Gallery & Museum, Coventry Transport Museum and other assets situated in the Council House and St Mary's Guildhall which have been categorised in the table above.

Details of the following classification of heritage asset which are most significant in terms of value are:

**Visual Art collection** - The Authority holds a significant collection of paintings which are on display at The Herbert. The collection is reported on the Balance Sheet at insurance valuations based on market values of which the most significant valuations include 'Ebbw Vale' by Lowry, 'King George III' by Lawrence and 'Bacchus and Ariadne' by Giordano and Brueghel.

**Textile Collection** - The Authority holds an extensive collection of textiles which are on display at The Herbert and St Mary's Guildhall. The collection is reported on the Balance Sheet at insurance valuations based on market values of which the most significant valuation relates to the Tournai Tapestry that was commissioned to commemorate the visit of King Henry VII and Queen Elizabeth in 1500.

**Transport Museum Collection** - The Authority holds an extensive transport collection which is on display at The Coventry Transport Museum. The collection is reported on the Balance Sheet at insurance valuations of which the most significant valuations include the Thrust 2 and Thrust SSC cars. Thrust SSC (supersonic car) is the current world land speed record holder and became the first car to officially break the sound barrier.

Heritage assets have been recognised where the authority has information on the cost or value. Where the cost or value is not available, and the cost of obtaining the information outweighs the benefits to users of the financial statements, they have not been recognised and are disclosed separately below:

**Monuments** - There are approximately sixty monuments consisting of sculptures, public art, murals and memorials situated around the city that have not been included in the financial statements due to not previously having values for these items. It is the view of the Authority that the cost of obtaining the information outweighs the benefits to users of the financial statements. Three of the most significant monuments of historic importance to Coventry and recognised internationally include:

- **Self Sacrifice**, The Lady Godiva Statue - created in 1944 and installed in Broadgate in 1949.
- **Godiva and Peeping Tom figures Broadgate Clock Tower** - Carved wooden figures which form part of the clock located in Broadgate. Created in 1951 by Trevor Tennant.
- **Broadgate Standard** - Standard containing elephant and castle from City coat of arms. Located in Broadgate and installed in March 1948.

**Artefacts and archaeology relating to the Pottery and Ceramics Industry** - The Authority holds a significant collection of pottery and ceramics at various sites that have been obtained via collection and archaeological finds. None of

these collections satisfy the authority's capital de minimis policy and, although they warrant recognition in terms of their contribution to knowledge and culture, this is the reason they are not included in the Balance Sheet. One of the most significant collections of historic importance to Coventry is the collection from the Lunt Roman Fort which is now located at the Whitefriars site, circa 40 complete or near complete Roman "pots".

**Local History Archive** - Within the History Centre at The Herbert, the Authority holds a wide range of records and material relating to the history of Coventry which includes books, maps, newspapers, electoral registers and building plans.

Further information about the Authority's Acquisition and Disposal Policy for Museum Archives and Local History Collections, including details regarding the preservation and management of assets can be viewed on the council's website ([www.coventry.gov.uk](http://www.coventry.gov.uk)).



### 3.17 Investment Property, Assets Held for Sale and Heritage Assets

The tables below show the movement in the City Council's investment property, assets held for sale and heritage assets during 2024/25, followed by comparative movements for the previous year.

	Investment Property £000	Assets Held for Sale £000	Heritage Assets £000	Total £000
<b>01 April 2024</b>	<b>301,809</b>	<b>0</b>	<b>27,449</b>	<b>329,258</b>
Additions	18	0	(586)	(568)
Revaluation increase/(decrease)	18,544	0	0	18,544
Disposals	(914)	0	0	(914)
Derecognition	(1,818)	0	0	(1,818)
Reclassifications	(514)	0	0	(514)
<b>31 March 2025</b>	<b>317,125</b>	<b>0</b>	<b>26,863</b>	<b>343,988</b>
<b>01 April 2023</b>	<b>322,956</b>	<b>295</b>	<b>25,893</b>	<b>349,144</b>
Additions	11	0	1,556	1,567
Revaluation increase/(decrease)	(20,261)	25	0	(20,236)
Disposals	(413)	0	0	(413)
Derecognition	0	0	0	0
Reclassifications	(484)	(320)	0	(804)
<b>31 March 2024</b>	<b>301,809</b>	<b>0</b>	<b>27,449</b>	<b>329,258</b>

There are some right of use asset property interests that the authority sub-lets. These properties are accounted for as Investment Properties. Operating expenditure incurred and rental income generated from Investment Property is shown as 'Commercial Property' within 3.1 Note to the CIES.

The table below provides a breakdown of Investment Properties.

Type of Investment Property	31 March 2024 £000	31 March 2025 £000
Commercial	169,658	183,878
Office Units	20,749	20,221
Agricultural	2,912	2,865
Residential	106,445	107,619
Other	2,045	2,542
<b>Total</b>	<b>301,809</b>	<b>317,125</b>

- All of the Council's investment properties have been assessed as level two in the fair value hierarchy and are valued annually.
- Level two in the fair value hierarchy uses inputs other than quoted prices that are observable for the asset, either directly or indirectly. For the Council's investment properties, this is achieved by multiplying an estimated net income by an appropriate investment yield or having regard to the capital value of similar assets.
- There has been no change in the valuation techniques used during the year for investment properties.

### 3.18 Capital Expenditure & Capital Financing

The table below shows how capital expenditure was financed in 2024/25 and in the previous year.

2023/24		2024/25
£000		£000
<b>514,074</b>	Opening Capital Financing Requirement	<b>505,124</b>
	<b><u>Capital Investment including Donations</u></b>	
65,157	Property, Plant and Equipment	89,297
1,567	Non-Operational Assets	(568)
638	Intangible Assets	348
44,564	Revenue Expenditure Funded from Capital Under Statute	38,688
0	Investments	0
5,414	Debtors	229
<b>117,340</b>	<b>Total Capital Investment</b>	<b>127,994</b>
	<b><u>Sources of Finance</u></b>	
(8,687)	Capital Receipts	(1,753)
(93,884)	Government Grants and Other Contributions	(83,033)
(541)	Revenue Contributions	(1,844)
(18,036)	Revenue Provision for Debt Repayment	(21,923)
(2,077)	Donated Assets	447
(3,065)	Other Adjustments	(2,215)
<b>(126,290)</b>	<b>Total from Sources of Finance</b>	<b>(110,321)</b>
<b>505,124</b>	<b>Closing Capital Financing Requirement</b>	<b>522,797</b>
	<b><u>Explanation of movement in year</u></b>	
(18,036)	Revenue Provision for Debt Repayment	(21,923)
(1,796)	Repayment of Transferred Debt Principal	(1,975)
11,100	Capital Investment funded by borrowing	41,811
(218)	Restatement of Historic Debt Liability	(240)
<b>(8,950)</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>17,673</b>

### 3.19 Revaluation of Property, Plant & Equipment

The following statement shows the total value of the revaluations carried out in the financial years 2020/21 to 2024/25. The effective date of each revaluation is the date that the revaluation was produced.

Year of revaluation	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at Historical Cost	0	13,883	457,294	17,891	0	30,711	519,779
Valued at current value as at:							
31st March 2021	19,449	0	0	0	0	0	19,449
31st March 2022	6,200	0	0	0	0	0	6,200
31st March 2023	14,296	0	0	0	0	0	14,296
31st March 2024	27,079	0	0	0	0	0	27,079
31st March 2025	647,912	0	0	0	9,429	0	657,341
<b>Total Cost or Valuation</b>	<b>714,936</b>	<b>13,883</b>	<b>457,294</b>	<b>17,891</b>	<b>9,429</b>	<b>30,711</b>	<b>1,244,144</b>

Revaluation of Fixed Assets is undertaken within a 5-year rolling programme with consideration of other assets that may need to be valued more frequently. This is a re-assessment of asset valuations and has been undertaken by the Council's external valuer (Wilks Head & Eve LLP) in accordance with the "Royal Institute of Chartered Surveyors Appraisal and Valuation Manual". The valuation bases used for the fixed asset classifications are detailed in the accounting policies, see section 5.7. In addition, a review is undertaken to determine whether the carrying amount of other assets, not due for valuation as part of the rolling programme, is consistent with their current value.

The valuer has considered both external factors, such as market conditions and changes in the regulatory environment, and internal factors, such as obsolescence and physical damage.

### 3.20 Capital Commitments

The City Council approved a capital programme for 2024-25 of £157m and a provisional programme of £127m for both 2025-26 and £67m for 2026-27. The following are significant contracts legally committed to finish projects already started on 31st March 2025.

As at 31st March 2025, the authority has entered into a number of contracts for the construction and enhancement of property, plant and equipment in 2024/25 and future years budgeting costs at £65.8m. Similar commitments at 31st March 2024 were £23.3m.

The major capital commitments as at 31st March 2025 are listed below:

Capital Commitments as at 31/3/25	Outstanding Commitment £000
City Centre Cultural Gateway (CCCG) - New Collection Centre	41,270
City Centre South	465
Coventry Station Masterplan	588
Coventry Very Light Rail	828
Education Programme - Baginton Fields	149
Education Programme - Sherbourne School	1,583
Education Programme - Woodlands School	19,972
ICT - Adult Social Care System Replacement	228
Palmer Lane De-culverting	455
Public Realm Phase 6 - Retail Quarter Refresh	275
<b>Total</b>	<b>65,813</b>

The commitments as at the end of the previous year are list below for comparative purposes:

Capital Commitments as at 31/3/24	Outstanding Commitment £000
Social Housing Decarbonisation Fund (SHDF Wave 2)	13,917
Friargate Building	4,614
Homes Upgrade Grant (HUG2)	1,859
Very Light Rail	1,497
Coventry Station Masterplan	745
Finham Park School	478
City Centre Cultural Gateway Project (New Collection Centre)	178
<b>Total</b>	<b>23,288</b>

### 3.21 Long Term Investments

The City Council has long term investments in a number of companies. Details of the investments are shown below and further details of the companies are shown in section 3.34 Associated Company Interests & Holdings.

31st March 2024 £000	Long Term Investments	31st March 2025 £000
68,000	The Coventry and Solihull Waste Disposal Company Limited	68,000
36,663	Birmingham Airport Holdings Limited	31,568
9,557	Coventry Municipal Holdings Limited	4,806
2,236	Friargate Joint Venture Project Limited	2,236
0	Sherbourne Recycling Limited	0
0	UK Battery Industrialisation Centre Ltd	0
0	University of Warwick Science Park Innovation Centre Limited	0
0	Coventry and Warwickshire Growth Hub Limited	0
<b>116,456</b>	<b>Total</b>	<b>106,610</b>

A valuation exercise undertaken jointly with BDO LLP in 2024 valued the Council's shareholding in the Coventry and Solihull Waste Disposal Company at £68.0m. A subsequent valuation exercise in 2025 again undertaken jointly with BDO LLP maintained this valuation.

A valuation exercise undertaken by BDO LLP in 2024 valued the Council's shareholding in Birmingham Airport Holdings Limited at £36.7m. A subsequent valuation in 2025 undertaken jointly with BDO LLP resulted in a reduced valuation of £31.6m, due to an increase in net debt.

The valuation of the Council's 100% shareholding in Coventry Municipal Holdings Limited (CMH) includes Coombe Abbey Park Limited (CAPL), Coventry Regeneration Limited (CR), Coventry Technical Resources Limited (CTR) and Tom White Waste Limited (TWW).

CTR is valued based on net assets as the company has minimal external trade, primarily providing management services within the group. CTR is valued at £2.8m which primarily comprises of a £2.7m cash balance related to the sale of the shares in Arena Coventry Limited in 2014/15.

CR is valued based on net assets as the company has minimal trade, continuing to earn interest on a small cash balance should the tax assets held from the construction of Coventry Arena be usable in the future.

The Council purchased a 100% shareholding in TWW in March 2020. The company provides a commercial waste collection service in the local area. The purpose of the acquisition is to complement the Council's existing in-house waste services. A valuation exercise undertaken jointly with Azets in 2024 valued the Council's shareholding in TWW at

£6.6m. A subsequent valuation in 2025 undertaken jointly with Azets resulted in a reduced valuation of £1.9m. TWW had lower than expected turnover from contracts alongside increased disposal costs.

The Council completed the purchase of a 100% shareholding in CAPL in December 2017. The company operates Coombe Abbey Hotel on a long term lease from the Council. The property is situated just outside the city boundary. A valuation exercise undertaken jointly with Azets in 2024 valued the Council's shareholding in CAPL at £0.1m. A subsequent valuation in 2025 undertaken jointly with Azets resulted in a reduced valuation of nil. CAP continues to struggle with the legacy of inflationary cost increases, and balancing passing these costs onto the customer base while maintaining demand.

The Council maintains a shareholding in the University of Warwick Science Park Innovation Centre Limited. This has been valued at nil as at 31st March 2025 following an internal valuation exercise.

The Council purchased 50% of Friargate Joint Venture Project Limited in January 2019. This is a 50/50 joint venture with Friargate Holdings 2 Limited, established to develop new buildings within the Friargate district of the city. A valuation exercise undertaken by Azets in 2024 valued the Council's shareholding in FJVP at £2.2m. A subsequent valuation for 2025 is being finalised by Azets at the reporting date.

The Council acquired a 21.5% shareholding in Sherbourne Recycling in April 2021, as one of eight local authority investors. A valuation exercise undertaken by Azets in 2024 valued the shareholding at nil as the net debt arising from the construction of the facility currently outweighs the enterprise value. A subsequent valuation undertaken by Azets for 2025 maintained this valuation.

The UK Battery Industrialisation Centre Ltd was incorporated in February 2018 and the Council is currently the sole shareholder. The purpose of the company is to run the National Battery Development Facility. The Council initially purchased the land and most of the equipment in relation to the facility with funding coming from Innovate UK, a government backed agency, and the West Midlands Combined Authority. A valuation exercise undertaken by BDO LLP in 2021 concluded that given UKBIC was established to generate neither profits nor dividends, it should be held at nil value on the Council's balance sheet. A

subsequent valuation undertaken by Azets for 2025 maintained this valuation.

Following the closure of Coventry and Warwickshire Local Enterprise Partnership on 31 March 2023, Coventry City Council and Warwickshire County Council were each issued with a £1.00 nominal share in Coventry and Warwickshire Growth Hub Limited (CWGH) on 2 November 2023. CWGH provides business support and advisory services to companies in the local area. The company is valued at nil as it operates on a not-for-profit basis and does not hold any significant assets.

See the note on Associated Company Interests & Holdings for further details about the Council's other company interests.

## 3.22 Long Term Debtors

This note identifies the amounts owing to the authority, which are being repaid over various periods longer than one year. Long term debtors include a number of different types of financial assets, including loans provided for service purposes and debtors arising from finance lease disposals. Under IFRS 9 debtors are accounted for as either at amortised cost or fair value through profit and loss, with the former being assessed for expected credit loss.

31st March 2024	Long Term Debtors			31st March 2025
*Restated £000	Held at amortised cost:	Gross Debtor £000	Impairment £000	Net Debtor £000
16,365	UKBIC Finance Lease*	18,006	(1,341)	16,665
14,037	Sherbourne Recycling Loan (Mixed Recycling Facility)	14,959	(544)	14,415
12,624	Student Accommodation Finance Leases	12,779	0	12,779
6,452	Friargate LLP Loan	4,248	(17)	4,231
4,078	The Oaks Finance Leases	4,075	0	4,075
3,786	Belgrade Plaza Finance Lease	3,785	0	3,785
3,460	Coventry and Solihull Waste Disposal Company Finance Lease	3,425	0	3,425
3,524	City College Car Park Finance Lease	3,395	(1)	3,394
3,595	Coombe Abbey Park Loan Facility A (2021)	3,516	(184)	3,332
2,795	Coombe Abbey Park Loan Facility B (2021)	2,734	(143)	2,591
1,991	Coventry and Warwickshire Reinvestment Trust Duplex Facility	2,000	(9)	1,991
1,321	Torrington Avenue Finance Lease	1,321	0	1,321
1,054	Science Park Debentures (1998)	1,066	(60)	1,006
621	Coombe Abbey Park Loan (2019)	600	(65)	535
992	Coventry and Warwickshire Award Trust Loan (2018)	435	(2)	433
139	Residential Property Debts - post Care Act 2014	296	0	296
0	Tom White Waste (Sale of Containers)	135	0	135
209	UKBIC Loan (2022)	125	(9)	116
110	Belgrade Theatre Loan (2006)	89	0	89
80	Residential Property Debts - pre Care Act 2014	80	0	80
67	Housing Loans	67	0	67
104	Coventry and Warwickshire Reinvestment Trust Recovery Growth Fund	35	(2)	33
49	Destination Management Office Budget Contribution	24	0	24
2,374	Friargate Hotel Development Loan	0	0	0
180	Tom White Waste Loan	0	0	0
128	CBILS-Duplex Loan	0	0	0
14	Mortgages	0	0	0
<b>80,149</b>	<b>Total held at amortised cost</b>	<b>77,195</b>	<b>(2,377)</b>	<b>74,818</b>
31st March 2024				31st March 2025
£000	Held at fair value:	Gross Debtor £000	Revaluation £000	Net Debtor £000
2,784	Kickstart Loans	873	1,943	2,816
840	Pathways to Care Loans	605	244	849
<b>3,624</b>	<b>Total held at fair value through profit and loss</b>	<b>1,478</b>	<b>2,187</b>	<b>3,665</b>
<b>83,773</b>	<b>Total Long Term Debtors</b>	<b>78,673</b>	<b>(190)</b>	<b>78,483</b>

\* 2023/24 figures have been restated as detailed in section 3.38



### 3.23 Short Term Debtors

An analysis of the Council's short term debtors is shown below:

31st March 2024				Debtors Classification	31st March 2025			
Debtor	Payment In Advance	Impairment Allowance	Total		Debtor	Payment In Advance	Impairment Allowance	Total
*reclassified								
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
10,730	0	0	<b>10,730</b>	Central Government Bodies	13,501	0	0	<b>13,501</b>
15,607	0	0	<b>15,607</b>	Other Local Authorities	28,133	0	0	<b>28,133</b>
3,043	0	0	<b>3,043</b>	NHS Bodies	6,134	0	(1,040)	<b>5,094</b>
48,339	12,762	(17,209)	<b>43,892</b>	All Other Bodies	53,628	16,299	(19,693)	<b>50,234</b>
37,166	0	(20,576)	<b>16,590</b>	Debts Relating to Local Taxation	41,510	0	(21,293)	<b>20,217</b>
<b>114,885</b>	<b>12,762</b>	<b>(37,785)</b>	<b>89,862</b>	<b>Total Debtors</b>	<b>142,906</b>	<b>16,299</b>	<b>(42,026)</b>	<b>117,179</b>

\* The 31st March 2024 debtor balances have been reclassified, incorporating public corporation debtors within 'All Other Bodies'.

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

31st March 2024			Debts Relating to Local Tax	31st March 2025		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000s	£000s	£000s		£000s	£000s	£000s
6,707	3,950	10,657	Less than one year	7,956	5,311	13,267
1,913	858	2,771	1-2 years	2,438	763	3,201
2,365	502	2,867	2-6 years	2,894	416	3,310
295	0	295	More than 6 years	439	0	439
<b>11,280</b>	<b>5,310</b>	<b>16,590</b>	<b>Total</b>	<b>13,727</b>	<b>6,490</b>	<b>20,217</b>

### 3.24 Short Term Creditors

An analysis of the Council's short term creditors is shown below:

31st March 2024			Creditors Classification	31st March 2025		
Creditors	Receipts in Advance	Total		Creditors	Receipts in Advance	Total
*restated	*restated					
£000s	£000s	£000s		£000s	£000s	£000s
(13,670)	0	<b>(13,670)</b>	Central Government Bodies	(15,079)	(41)	<b>(15,120)</b>
(1,879)	0	<b>(1,879)</b>	Other Local Authorities	(1,280)	0	<b>(1,280)</b>
(3,766)	(19)	<b>(3,785)</b>	NHS Bodies	(911)	0	<b>(911)</b>
(57,514)	(8,139)	<b>(65,653)</b>	All Other Bodies	(65,347)	(12,323)	<b>(77,670)</b>
(340)	(7,427)	<b>(7,767)</b>	Credits Relating to Local Taxation	(2,857)	(11,548)	<b>(14,405)</b>
<b>(77,169)</b>	<b>(15,585)</b>	<b>(92,754)</b>	<b>Total Creditors</b>	<b>(85,474)</b>	<b>(23,912)</b>	<b>(109,386)</b>

\* The 31<sup>st</sup> March 2024 figures have been restated as detailed in section 3.38.

### 3.25 Provisions

Provisions are made for liabilities the City Council has incurred where it is more likely than not that it will have to make a payment to discharge the liability. If it is found that a provision is no longer needed it is returned to revenue. The movement in the City Council's provisions during 2024/25 is explained below:

Provisions	Self-Insurance	Business Rates Appeals	Total
	£000	£000	£000
<b>1st April 2024</b>	<b>(4,366)</b>	<b>(23,578)</b>	<b>(27,944)</b>
Increase in provision	0	(13,434)	(13,434)
Amounts used	0	10,579	10,579
Unused amounts reversed	0	3,768	3,768
<b>31st March 2025</b>	<b>(4,366)</b>	<b>(22,665)</b>	<b>(27,031)</b>

The split between short and long term provisions, as at 31st March 2025, is provided in the following table:

<b>Provisions</b>	<b>Self-Insurance</b>	<b>Business Rates Appeals</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Short Term Provisions	0	(5,005)	<b>(5,005)</b>
Long Term Provisions	(4,366)	(17,660)	<b>(22,026)</b>
<b>Total</b>	<b>(4,366)</b>	<b>(22,665)</b>	<b>(27,031)</b>

The Council's provision for its self-insurance liability is based upon the large majority of its known insurance claims. The provision is used when insurance claims require settlement, the timing of which is uncertain. The Council also maintains an insurance earmarked reserve that is set aside for claims that have been incurred but not yet received as detailed within the note on usable and unusable reserves.

The Local Government Finance Act 2012 introduced a business rates retention scheme that enables local authorities to retain a proportion of the business rates generated in their area. One of the implications for this is that the Council is required to make provisions for refunding ratepayers who successfully appeal against the rateable value of their properties including amounts relating to 2024/25 and earlier financial years, although the amount and timing of future payments are uncertain.

### 3.26 Notes to the Cash Flow

The Surplus or Deficit on the Provision of Services has been adjusted for the following non-cash movements:

2023/24 *restated £000	Adjustments for Non Cash Movements	2024/25 £000
(36,081)	Depreciation	(41,155)
(24,876)	Derecognition of non-current Assets	(20,765)
(32,115)	Revaluation of non-current assets	18,421
(638)	Amortisation	(348)
(506)	(Increase)/ Decrease in Impairment Provision for Bad Debts	(3,524)
9,109	(Increase)/ Decrease in Creditors and Provisions	(49,513)
(2,978)	Increase/ (Decrease) in Debtors	29,474
56	Increase/ (Decrease) in Inventory	(99)
1,374	Pension Liability	14,628
(912)	Carrying amount of non-current assets sold	(564)
1,438	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services**	24,555
<b>(86,129)</b>	<b>Total</b>	<b>(28,890)</b>

\* These figures have been restated as detailed in section 3.38.

\*\* The Other Non Cash items include £23m resulting from the introduction of IFRS 16 Leases, including recognition of right of use assets and technical adjustments to the value of PFI assets.

The Surplus or Deficit on the Provision of Services has been adjusted for the following items that are investing and financing activities:

2023/24 *restated £000	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	2024/25 £000
100,097	Net Application of grants to capital financing	74,902
(3,978)	Council Tax and NNDR Adjustments	7,096
812	Proceeds from the sale of non-current assets	2,177
<b>96,931</b>	<b>Total</b>	<b>84,175</b>

\* These figures have been restated as detailed in section 3.38.

2023/24 *restated £000	Cash Flows from Investing Activities	2024/25 £000
65,930	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	63,513
1,020,761	Purchase of Short Term and Long Term Investments	1,263,968
5,414	Other Payments for Investing Activities	229
(812)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,177)
(1,017,286)	Proceeds from Short Term and Long Term Investments	(1,274,022)
(102,315)	Other Receipts from Investing Activities *	(82,043)
<b>(28,308)</b>	<b>Total</b>	<b>(30,532)</b>

\* These figures have been restated as detailed in section 3.38.

2023/24 £000	Cash Flows from Financing Activities	2024/25 £000
28,932	Repayments of Short and Long Term Borrowing	1,975
3,110	Cash Payment for reduction of outstanding liability relating to finance leases	0
(10,485)	Cash Receipts of Short and Long Term Borrowing	(20,000)
912	Other payments for financing activities	12,004
3,978	Council Tax and NNDR Adjustments	(7,096)
<b>26,447</b>	<b>Total</b>	<b>(13,117)</b>

All changes in liabilities arising from financing activities are a result of financing cash flows. No such changes relate to non-cash movements.

The cash flows for operating activities include the following items:

2023/24 *restated £000	Cash Flows from Interest and Dividends	2024/25 £000
(10,460)	Interest received	(11,772)
19,642	Interest paid	19,385
(12,372)	Dividends received	(15,894)
<b>(3,190)</b>	<b>Total</b>	<b>(8,281)</b>

\* These figures have been restated as detailed in section 3.38.

The balance of Cash and Cash Equivalents is made up of the following elements:

2023/24 £000	Breakdown of Cash and Cash Equivalents	2024/25 £000
(9)	Cash held by the council	(8)
(8,080)	Bank current accounts	(7,621)
(15,000)	On call deposits	(43,660)
<b>(23,089)</b>	<b>Total</b>	<b>(51,289)</b>

### 3.27 Private Finance Initiative (PFI)

PFI is an arrangement involving a partnership agreement with an external body in order to generate investment in Council services. In return for this investment the Council pays an annual fee.

The Council's contracts under PFI arrangements are outlined in this disclosure note. These PFI arrangements have been classified and accounted for as 'service concessions' under IFRIC 12, recognising finance leases under IFRS 16 'Leases'.

#### **Caludon Castle School PFI Contract**

In December 2004 the City Council entered into a PFI contract with Coventry Education Partnership for the provision of a fully rebuilt community secondary school (Caludon Castle), along with facilities management services, for a 30 year period. The contractor started on site in December 2004 and the first phase of the school opened in 2005/06.

In February 2013 Caludon Castle School transferred to Academy Status, with the lease of the site to the school. This transfer did not result in any fundamental changes to the PFI contract itself. However, as a result of the transfer the value of the school's land and buildings was removed (as an impairment) from the Council's balance sheet.

The Council is due to receive PFI grants of £56.3m from central government over the period of this contract.

In 2024/25 expenditure on unitary charge payments to the contractor was £3,975k, compared with £3,953k in 2023/24. In each of these years £1,875k of PFI grant was received, giving a net cost of £2,100k in 2024/25 (£2,078k in 2023/24). The school contribution was £803k in 2024/25 (£761k in 2023/24). The unitary charge is divided into three elements; service charge, repayment of the liability and interest.

The forecast unitary charge payments the Council will make under the contract are as follows:

Year	Service Charge £000	Repayment of Liability £000	Interest Charge £000	Contingent Rent £000	Total Unitary Charge £000
2025-26	1,941	946	630	0	3,517
2026-27 to 2029-30	8,372	3,423	1,950	0	13,745
2030-31 to 2034-35	9,333	5,412	1,042	0	15,787
<b>Totals as at 31/3/25</b>	<b>19,646</b>	<b>9,781</b>	<b>3,622</b>	<b>0</b>	<b>33,049</b>
<b>Totals as at 31/3/24*</b>	<b>20,652</b>	<b>7,585</b>	<b>3,038</b>	<b>5,302</b>	<b>36,577</b>

\*Comparative figures are based on pre-IFRS 16 accounting and include elements (such as contingent rent) that are no longer recognised under the current accounting treatment.

The payments to the contractor are calculated using an assumed rate of inflation. The actual payments will be dependent on actual inflation and/or penalty deductions applied in respect of underperformance and non-availability.

The liability held on the Balance Sheet under this PFI scheme and an analysis of the movement during the year is shown in the table below.

	2023/24 £000	2024/25 £000
<b>Loans</b>		
<b>Liability brought forward</b>	<b>(8,235)</b>	<b>(7,585)</b>
Adjustment to brought forward position*	0	(2,974)
<b>Revised liability brought forward</b>	<b>(8,235)</b>	<b>(10,559)</b>
Unitary Charge (Lease repayment)	650	970
Liability remeasurement	0	(192)
<b>Liability carried forward (breakdown below)</b>	<b>(7,585)</b>	<b>(9,781)</b>
Long term liability	(6,934)	(8,835)
Current liability	(651)	(946)

\* Adjustment as a result of IFRS 16 implementation

### **New Homes for Old PFI Contract**

In March 2006 the City Council entered into a PFI contract with Anchor Trust for the provision of community care services. The contract comprises the provision of two 40 bed specialist dementia units, including 10 respite beds, and three extra care units with domiciliary care support for up to 120 tenants along with facilities management services, for a 25 year period.

The five sites were transferred to the contractor, under licence, to enable works to take place. All units became operational during 2007/08. Following the commencement of services, the Council entered into a 25 year contract with Anchor Trust.

The Council is due to receive PFI grants of £43.5m from central government over the period of this contract.

In 2024/25 expenditure on unitary charge payments to the contractor was £8,852k, compared with £8,395k in 2023/24. This unitary charge is divided into three elements; service charge, repayment of the liability and interest.

The forecast unitary charge payments the Council will make under the contract are as follows:

Year	Service Charge £000	Repayment of Liability £000	Interest Charge £000	Contingent Rent £000	Total Unitary Charge £000
2025-26	5,592	1,774	1,392	0	8,758
2026-27 to 2029-30	24,000	9,212	4,181	0	37,393
2030-31 to 2032-33	14,925	6,902	925	0	22,752
<b>Totals as at 31/3/25</b>	<b>44,517</b>	<b>17,888</b>	<b>6,498</b>	<b>0</b>	<b>68,903</b>
<b>Totals as at 31/3/24*</b>	<b>54,534</b>	<b>11,279</b>	<b>7,128</b>	<b>4,498</b>	<b>77,439</b>

\*Comparative figures are based on pre-IFRS 16 accounting and include elements (such as contingent rent) that are no longer recognised under the current accounting treatment.

The payments to the contractor are calculated using the latest rate of inflation applied to the contract. The actual payments will be dependent on actual inflation and/or penalty deductions applied in respect of underperformance and non-availability.

The liability held on the Balance Sheet under this PFI scheme and an analysis of the movement during the year is shown in the table below.

<b>Operational Assets Other Land &amp; Buildings</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Long Term Loans</b>	<b>£000</b>	<b>£000</b>
<b>Liability brought forward</b>	<b>(12,466)</b>	<b>(11,279)</b>
Adjustment to brought forward position*	0	(8,008)
<b>Revised liability brought forward</b>	<b>(12,466)</b>	<b>(19,287)</b>
Unitary Charge (Lease repayment)	1,187	2,245
Liability remeasurement	0	(846)
<b>Liability carried forward (breakdown below)</b>	<b>(11,279)</b>	<b>(17,888)</b>
Long term liability	(9,966)	(16,114)
Current liability	(1,313)	(1,774)

\* Adjustment as a result of IFRS 16 implementation

At the end of the contract (June 2032) the facilities and sites will transfer back to the Council at nil consideration

### **Street Lighting PFI Contract**

In August 2010 the City Council entered into a PFI contract with Balfour Beatty (Connect Roads Coventry Limited) for the provision of street lighting services. The contract provides for the replacement and maintenance of streetlights and similar equipment across the city, together with the associated energy costs, for a period of 25 years. The Council is due to receive PFI grants of £124.3m from central government over the period of this contract.

In 2024/25 expenditure on unitary charge payments to the contractor was £8,859k, compared with £8,701k in 2023/24. This unitary charge is divided into three elements; service charge, repayment of the liability and interest.

In 2019 the Council, in conjunction with other stakeholders, re-financed the Street Lighting PFI Contract, with an overall saving to the Council of £1.9m over the remainder of the contract, with this being split between an ongoing reduction in the unitary charge of £46.5k and a one-off sum of £1,200k. The one-off sum is being credited as a reduction in interest payment costs over the term of the contract.



The forecast unitary charge payments the Council will make under the contract are as follows:

Year	Service Charge £000	Repayment of Liability £000	Interest Charge £000	Contingent Rent £000	Total Unitary Charge £000
2025-26	2,875	2,186	3,477	0	8,538
2026-27 to 2029-30	12,387	10,223	11,471	0	34,081
2030-31 to 2034-35	14,848	20,329	7,593	0	42,770
2035-36	1,675	3,080	238	0	4,993
<b>Totals as at 31/3/25</b>	<b>31,785</b>	<b>35,818</b>	<b>22,779</b>	<b>0</b>	<b>90,382</b>
<b>Totals as at 31/3/24*</b>	<b>31,367</b>	<b>35,017</b>	<b>24,396</b>	<b>3,864</b>	<b>94,644</b>

\*Comparative figures are based on pre-IFRS 16 accounting and include elements (such as contingent rent) that are no longer recognised under the current accounting treatment.

The payments to the contractor are calculated using an assumed rate of inflation. The actual payments will be dependent on actual inflation and/or penalty deductions applied in respect of underperformance and non-availability.

The liability and assets held on the Balance Sheet under this PFI scheme and an analysis of the movement within are shown in the tables below.

Operational Assets - Infrastructure	2023/24	2024/25
Long Term Loans	£000	£000
<b>Liability brought forward</b>	<b>(36,285)</b>	<b>(35,013)</b>
Adjustment to brought forward position*	0	(2,612)
<b>Revised Liability brought forward</b>	<b>(36,285)</b>	<b>(37,625)</b>
Unitary Charge (Lease repayment)	1,272	2,019
Liability to be recognised in year	0	(208)
<b>Liability carried forward (breakdown below)</b>	<b>(35,013)</b>	<b>(35,814)</b>
Long term liability	(33,189)	(33,628)
Current liability	(1,824)	(2,186)
* Adjustment as a result of IFRS 16 implementation		
Donated Assets Account	£000	£000
<b>Donated Assets account brought forward</b>	<b>(1,901)</b>	<b>(2,278)</b>
Donated Assets recognised in year	(522)	(345)
Credited to Comprehensive Income & Expenditure account	145	188
<b>Donated Assets account carried forward</b>	<b>(2,278)</b>	<b>(2,435)</b>

At the end of the contract (October 2035), the infrastructure assets will transfer back to the Council at nil consideration

### 3.28 Leases

In 2024/25 the authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the rate implicit in the lease, or where this was not available, the authority's incremental borrowing rate at that date.
- the weighted average of the incremental borrowing rates used to discount liabilities was 8.73%.
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024.
- the Council has elected not to apply the standard to intangible assets.

This has resulted in the following movements and additions to the balance sheet as at 1 April 2024:

- £21.6m property, plant and equipment – recategorised as right-of-use assets
- £1.7m property, plant and equipment – additions to right-of-use assets
- £1.6m additions to lease liabilities

Following additions and disposals during the year, the amounts included in balance sheet as at 31 March 2025 were:

- £30.6m property, plant and equipment – right-of-use assets
- £8.4m lease liabilities

The newly recognised lease liabilities of £1.6m compare with operating lease commitments of £2.9m at 31 March 2024. The amount disclosed in the notes to the 2023/24 financial statements was £1.7m, which related to operational properties, but the IFRS 16 implementation identified further commitments of £1.2m for plant and equipment. When these commitments are discounted to their present value of £2.7m (using the incremental borrowing rate at 1 April 2024), there is a difference of £1.1m from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that had expired before 31 March 2025.

## Authority as Lessee

### Right-of-use Assets

This table shows the change in the value of right-of-use assets held under leases by the authority.

	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
<b>1st April 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>
Existing right of use assets recognised as part of IFRS 16 transition	22,655	693	23,348
<b>Restated Balance At 1st April 2024</b>	<b>22,655</b>	<b>693</b>	<b>23,348</b>
Additions	7,293	20	7,313
Revaluation increase/(decrease)	405	0	405
Depreciation Charge	(236)	(255)	(491)
Disposals	0	0	0
Derecognition	0	0	0
Reclassifications	0	0	0
<b>31st March 2025</b>	<b>30,117</b>	<b>458</b>	<b>30,575</b>

### Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	2023/24 *restated £000	2024/25 £000
Less than one year	1,703	1,468
One to five years	646	4,485
More than five years	579	5,183
<b>Total undiscounted liabilities</b>	<b>2,928</b>	<b>11,136</b>

\* These figures have been restated to include an additional £1,274k of future lease payments related to plant and equipment. These payments were identified during the work on IFRS 16 implementation.

## **Authority as Lessor**

### **Transactions Under Leases**

The authority made the following gains and losses as a lessor during the year.

	2023/24 £000	2024/25 £000
<b>Finance leases</b>		
Selling gain or loss	0	0
Finance income on the net investment in the lease	2,066	1,007
Income relating to variable lease payments not included in the measurement of the net investment in the lease	299	513
<b>Operating leases</b>		
Total lease income	15,807	15,929
Share of lease income relating to variable lease payments that do not depend on an index or a rate	833	1,008

### **Net Investment in Finance Leases**

The authority experienced the following changes in the carrying amount of its net investment in finance leases during the year

	2023/24 £000	2024/25 £000
Net investment at 1 April	45,142	45,330
New leases entered into	0	0
Payments by lessees	(173)	(180)
Accrued Interest	1,032	528
Lease modifications	0	600
Impact of changes in unguaranteed residual values	0	0
Movements in impairment loss allowances	(671)	(653)
<b>Net investment at 31 March</b>	<b>45,330</b>	<b>45,625</b>

## Maturity Analysis of Lease Receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	Finance Leases		Operating Leases	
	2023/24 *restated £000	2024/25 £000	2023/24 **reclassified £000	2024/25 £000
Less than one year	1,091	1,092	12,154	12,396
One to two years	1,092	1,382	10,999	10,923
Two to three years	1,382	1,858	9,580	9,595
Three to four years	1,858	1,858	8,327	8,285
Four to five years	1,858	1,866	7,221	6,824
More than five years	348,393	346,079	310,506	313,150
<b>Total undiscounted receivables</b>	<b>355,674</b>	<b>354,135</b>	<b>358,787</b>	<b>361,173</b>

\* These figures have been restated to include future repayments for the UKBIC finance lease, previously held as a loan. Further details on this matter are included in section 3.38.

\*\* The operating lease payments have been reclassified to reflect correct time periods.

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows.

	2023/24 £000	2024/25 £000
Total undiscounted lease receivables	355,674	354,135
Unearned finance income	(310,344)	(308,510)
Discounted amount of unguaranteed residual values	0	0
<b>Net investment in leases</b>	<b>45,330</b>	<b>45,625</b>

### 3.29 Pension Costs

The Council currently participates in two post-employment pension schemes on behalf of its employees: the West Midlands Metropolitan Authorities Pension Fund in relation to the majority of Council employees; and the Teachers' Pension Scheme which covers Teachers employed by the Council.

The Council's pension surplus increased in 2024/25 to £280.1m (before the asset ceiling adjustment) compared to a surplus of £54.3m in 2023/24. Further details on the pension assets and liabilities are provided in note 3.30.

#### **Officers**

In 2024/25 the City Council made employer contributions representing 21.2% of employees' pensionable pay into the West Midlands Metropolitan Authorities Pension Fund. The contributions were set in line with local government pension regulations, following the actuarial review by Hymans Robertson LLP as at March 2022.

The Council is also responsible for all pension payments relating to employees who retire early and additional pension contributions. In 2024/25 this amounted to £1,673k (£1,623k in 23/24). This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are

made. However, there are no investment assets built up to meet these pension liabilities, and cash must be generated to meet actual pension payments as they eventually fall due. The Council makes little use of discretionary payments. The principal risks to the authority of the scheme are the longevity assumptions, and statutory changes.

This fund is administered by Wolverhampton Metropolitan Borough Council and provides members with defined benefits related to pay and service. Further information can be found in West Midlands Metropolitan Authorities Pension Fund's Annual report, which is available upon request from the Pension Fund.

The principal risks to the authority of the scheme are:

- longevity assumptions
- statutory changes to the scheme
- large scale withdrawals from the scheme
- changes to inflation
- bond yields
- performance of the equity investments

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

#### **Teaching Staff**

In 2024/25, made employer contributions to the Department for Education (DfE) for teachers' pension costs, which represents 23.68% of pensionable pay. In addition, the City Council is responsible for all pension payments relating to teachers who retire early and additional pension contributions. In 2024/25, these amounted to £2,159k (£2,168k in 2023/24).

The Scheme is a defined benefit scheme, administered by the Teachers Pensions Agency (TPA). Although the scheme is unfunded, the TPA uses a notional fund as a basis for calculating the employers' contribution rate paid by local education authorities. However, it is not possible for the authority to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this statement of accounts, it is therefore accounted for on the basis as a defined contribution scheme. It is expected that the level of contributions during the next annual reporting period will be £16,500k although the actual level would be significantly affected in the event of transfers of schools to academy status.

### 3.30 Retirement Benefits

Coventry participates in the Local Government Pension Scheme (LGPS) through the West Midlands Authorities Pension Fund, which is administered by Wolverhampton Council. This is a funded defined benefit scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pension fund's liabilities with investment assets.

In addition to this scheme, Coventry is also responsible for all pension payments relating to added years awarded for allowing premature retirement of teachers. This is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liability, and cash has to be generated to meet actual pension payments as they fall due.

Hymans Robertson LLP, the current actuary for the pension fund, has undertaken the assessment of the value of assets and liabilities on behalf of the member authorities of the West Midlands Pension Fund. The stated pensions position includes an allowance to reflect the likely impact of the Court of Appeal judgement regarding the McCloud and Sargeant cases relating to age discrimination within the judicial and fire pension schemes respectively.

#### Summary of Outcome

The change in the overall scheme's net balance, combining both funded and unfunded elements, is analysed in the table below. The scheme's unadjusted net balance at the end of 2024/25 was a surplus. However, in line with International Financial Reporting Interpretations Committee guidance (IFRIC14), an asset ceiling adjustment has been made to reflect the net asset position relating to the funded element of the scheme, which has been assessed as not being recoverable by the Council. This has resulted in an overall deficit position, reflecting the net position of the unfunded element. The unfunded obligations comprise of £12,337K in respect of LGPS officers who retired early and £18,153k of Teachers' unfunded areas.

2023/24 £000	Local Government Pension Scheme	2024/25 £000
(25,197)	Surplus/(Deficit) b/fwd	(35,393)
(35,958)	Current Service Cost	(34,228)
37,396	Employer Contributions*	47,736
(7)	Past Service Gain (Cost)	(1,421)
72,667	Return on Assets*	78,397
(73,835)	Interest on Pension Liabilities	(75,357)
78,088	Remeasurements*	211,230
1,980	Settlements and curtailments	421
(869)	Administration Expenses	(920)
<b>54,265</b>	<b>Surplus/(Deficit) prior to IFRIC 14 adjustment</b>	<b>190,465</b>
(89,658)	Adjustment to meet the requirements of IFRIC14**	(220,956)
<b>(35,393)</b>	<b>Surplus/(Deficit) c/fwd</b>	<b>(30,491)</b>

\* The 2024/25 figures include an adjustment due to a revised actuarial report being issued for 2023/24.

\*\* IFRIC 14 asset ceiling calculation applied – funded surplus reduced to nil.

The following table details the adjustments resulting from a revised actuarial report being issued for 2023/24.

Local Government Pension Scheme Adjusted Elements	2024/25 unadjusted £000	2023/24 related adjustment £000	2024/25 £000
Employer Contributions	44,173	3,563	47,736
Return on Assets	78,313	84	78,397
Remeasurements	211,178	52	211,230

The LGPS position has changed markedly in 2024/25 and there were some significant movements within the outcome which can largely be explained as follows:

- **Assets** – % returns on investments have been typically higher than assumed (compared to last year's accounting discount rate)
- **Obligations** – The net discount rate has increased compared to last year. The higher net discount rate placed a lower value on obligations
- **Changes in demographic assumptions** – the latest available longevity information has been used which shows life expectancy is stalling thus resulting in a gain on the balance sheet

Finance is only required to be raised to cover the cost of teachers' pensions relating to added years when the pensions are actually paid.

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge we are required to make against Council Tax is based on the cash payable in the year based on the current level of Employer Superannuation contributions. The difference between the two is adjusted as part of the Adjustments between Accounting Basis and Funding Basis under Regulations.



The following transactions have been made in the Income and Expenditure Account and as Adjustments between Accounting Basis and Funding Basis under Regulations:

	2023/24 LGPS & Teachers Total £000	2024/25 LGPS & Teachers Total £000
<b><u>Net Cost of Services</u></b>		
Current Service Cost	35,958	34,228
Past Service Costs (Gain)	7	1,421
Settlements and curtailments	(1,980)	(421)
Administration Expenses	869	920
<b>Net Cost of Services sub-total</b>	<b>34,854</b>	<b>36,148</b>
<b><u>Financing and Investment Income and Expenditure</u></b>		
Interest cost	73,835	75,357
Expected return on scheme assets*	(72,667)	(78,397)
<b>Net Interest Cost</b>	<b>1,168</b>	<b>(3,040)</b>
<b>Total Post Employment Benefit Charged to the Surplus/Deficit on the Provision of Services</b>	<b>36,022</b>	<b>33,108</b>
<b><u>Other Post Employment Benefit Charged to CIES</u></b>		
Remeasurements (prior to asset ceiling adjustment)*	(78,088)	(211,230)
Adjustment to meet the requirements of IFRIC14**	89,658	220,956
<b>Net impact on Other CIES</b>	<b>11,570</b>	<b>9,726</b>
<b>Total Post Employment Benefit Charged to the CIES</b>	<b>47,592</b>	<b>42,834</b>
<b><u>Movement in Reserves Statement</u></b>		
Reversal of net charges made to the surplus/deficit for the Provision of Services	(36,022)	(33,108)
<u>Actual amount charged against the General Fund for pensions in the year:</u>		
Employers contributions payable to scheme	35,499	43,944
Retirement benefits payable to pensioners	3,814	3,792
<b>Net impact on Movement in Reserves Statement</b>	<b>3,291</b>	<b>14,628</b>

\* The 2024/25 figures include a 2023/24 related adjustment, as detailed earlier in this disclosure note.

\*\* IFRIC 14 asset ceiling calculation applied – funded surplus reduced to nil.

<b>Reconciliation of fair value of the LGPS assets</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1st April	<b>1,540,240</b>	<b>1,635,838</b>
Expected rate of return *	72,667	78,397
Re-measurements *	46,405	(51,598)
Employer contributions *	33,582	43,944
Contributions by scheme participants	11,045	11,706
Benefits paid (funded)	(64,351)	(64,902)
Benefits paid (unfunded)	(3,814)	(3,792)
Contributions in respect of unfunded benefits paid	3,814	3,792
Settlements	(3,750)	(952)
<b>Closing balance at 31st March</b>	<b>1,635,838</b>	<b>1,652,433</b>

\* The 2024/25 figures include a 2023/24 related adjustment, as detailed earlier in this disclosure note.

<b>Reconciliation of fair value of the LGPS liabilities</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
<b>Opening Balance at 1st April</b>	<b>1,565,437</b>	<b>1,581,573</b>
Current Service Cost	36,827	35,148
Interest Cost	73,835	75,357
Contributions from scheme participants	11,045	11,706
Remeasurements:		
(Gain)/loss arising from changes in financial assumptions	(71,666)	(242,656)
(Gain)/loss arising from changes in demographic assumptions	(10,149)	(2,751)
Experience (gain)/loss	50,132	(17,421)
Past service cost	7	1,421
Benefits paid (funded)	(64,351)	(64,902)
Benefits paid (unfunded)	(3,814)	(3,792)
Liabilities extinguished on settlements	(5,730)	(1,373)
<b>Closing balance at 31st March</b>	<b>1,581,573</b>	<b>1,372,310</b>

Reconciliation of LGPS net position	2023/24 £000	2024/25 £000
Funded liability	(1,546,180)	(1,341,819)
Unfunded liability	(35,393)	(30,491)
Total liability	(1,581,573)	(1,372,310)
Pension assets	1,635,838	1,652,433
Adjustment to meet the requirements of IFRIC14*	(89,658)	(310,614)
<b>Net pension surplus/(deficit)</b>	<b>(35,393)</b>	<b>(30,491)</b>

\* IFRIC 14 asset ceiling calculation applied – funded surplus reduced to nil

Reconciliation of the movement in the adjustment to meet the requirements of IFRIC14	2023/24 £000	2024/25 £000
Opening Balance	0	(89,658)
Interest on the adjustment*	0	(4,304)
Other changes in the adjustment	(89,658)	(216,652)
<b>Closing Balance</b>	<b>(89,658)</b>	<b>(310,614)</b>

\*This interest in 2024/25 was included within the Remeasurement of the net defined benefit liability in the Comprehensive Income and Expenditure statement.

## **Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method and an estimate of the pensions that will be payable in future years dependent on assumptions about factors such as mortality rates and salary levels.

Both the Local Government Pension Scheme and discretionary benefit liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries. Estimates are based on the latest full valuation of the scheme as at 31<sup>st</sup> March 2022.

<b>The main assumptions used in the actuarial calculation are:</b>	<b>31st March 2024</b>	<b>31st March 2025</b>
Rate of CPI inflation	2.80%	2.80%
Rate of increase in salaries	3.80%	3.80%
Rate of increase in pensions	2.80%	2.80%
Discount rate	4.80%	5.80%
<b>Mortality Assumptions</b>		
<b>Longevity at 65 for current pensioners</b>		
Men	20.7	20.6
Women	23.5	23.5
<b>Longevity at 65 for future pensioners in 20 years time</b>		
Men	21.6	21.3
Women	25.0	24.8

The defined benefit obligation is an estimate and as such is sensitive to the actuarial assumptions in the table above. The table below is a sensitivity analysis based on possible changes to these assumptions. The sensitivity analysis assumes that for each change in assumption, all the other assumptions remain constant.

The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

	<b>31st March 2025</b>	
<b>Changes in assumptions</b>	<b>Approximate % increase to Defined Benefit Obligation</b>	<b>Approximate monetary Amount £000</b>
0.1% decrease in Real Discount Rate	2.00%	22,649
1 year increase in member life expectancy	4.00%	54,892
0.1% increase in Salary Increase Rate	0.00%	930
0.1% increase in the Pension Increase Rate (CPI)	2.00%	22,336

Assets are valued at fair value, and consist of the following categories, by proportion:

31st March 2024				Asset Categories		31st March 2025		
Total £000	Quoted %	Unquoted %	Total %		Total £000	Quoted %	Unquoted %	Total %
815,338	42.48%	7.36%	49.84%	Equities	718,694	37.28%	6.22%	43.50%
298,056		18.22%	18.22%	Bonds	360,367		21.81%	21.81%
104,688		6.40%	6.40%	Property	112,026		6.77%	6.77%
77,500		4.74%	4.74%	Cash/Liquidity	80,356		4.86%	4.86%
340,256		20.80%	20.80%	Other	380,990		23.06%	23.06%
1,635,838	42.48%	57.52%	100.00%	Total	1,652,433	37.28%	62.72%	100.00%

### **Impact on council's cash flows**

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. Contributions are set every three years as a result of the actuarial valuation. The latest actuarial valuation of the Fund was carried out at 31<sup>st</sup> March 2022 and this set contributions for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026.

The scheme considers the national changes to the scheme under the Public Pensions Services Act 2013. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The employer's contribution for 2025/26 is estimated by the actuaries to be £39,012k

The weighted average duration of the defined benefit obligation for scheme members is 17 years for 2024/25 (17 years for 2023/24).

### **Virgin Media Case – Section 37 Confirmations**

In June 2023, the High Court ruled in Virgin Media Limited v NTL Pension Trustees II Limited that certain historic pension scheme amendments may be invalid without written actuarial confirmation under Section 37 of the Pension Schemes Act 1993. This decision was upheld on appeal in July 2024.

Although the case relates to a private sector scheme, HM Treasury and the Government Actuary's Department are reviewing its relevance to public service schemes, including the Local Government Pension Scheme. The Government has proposed legislation to allow retrospective actuarial confirmation of historic amendments, which is expected to significantly reduce any potential risk. No adjustments have been made to the defined benefit obligation as the impact remains uncertain and cannot be reliably quantified at this time.

### 3.31 Officers' Remuneration (including exit packages)

#### **Employee's Remuneration (excluding pension contributions) exceeding £50,000**

The Council is required to disclose the number of employees whose remuneration exceeded £50,000. Remuneration includes salaries and wages and other allowances but excludes employer pension contributions. The table below shows the number of City Council employees, including senior officers, whose remuneration fell within the relevant bands:

2023/24				2024/25				
Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total	Remuneration Band	Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total
66	5	206	<b>277</b>	£50000-£54999	128	5	246	<b>379</b>
37	3	121	<b>161</b>	£55000-£59999	40	3	183	<b>226</b>
23	0	45	<b>68</b>	£60000-£64999	30	1	47	<b>78</b>
16	0	22	<b>38</b>	£65000-£69999	17	1	23	<b>41</b>
14	2	17	<b>33</b>	£70000-£74999	18	0	31	<b>49</b>
8	1	22	<b>31</b>	£75000-£79999	14	2	10	<b>26</b>
7	2	14	<b>23</b>	£80000-£84999	7	1	14	<b>22</b>
9	0	6	<b>15</b>	£85000-£89999	5	1	13	<b>19</b>
3	0	7	<b>10</b>	£90000-£94999	10	1	5	<b>16</b>
2	0	5	<b>7</b>	£95000-£99999	4	0	4	<b>8</b>
1	0	1	<b>2</b>	£100000-£104999	1	0	7	<b>8</b>
1	0	1	<b>2</b>	£105000-£109999	2	0	1	<b>3</b>
0	0	1	<b>1</b>	£110000-£114999	2	0	0	<b>2</b>
0	0	3	<b>3</b>	£115000-£119999	0	0	3	<b>3</b>
0	0	0	<b>0</b>	£120000-£124999	0	0	1	<b>1</b>
0	0	5	<b>5</b>	£125000-£129999	0	0	1	<b>1</b>
0	0	0	<b>0</b>	£130000-£134999	0	0	4	<b>4</b>
0	0	2	<b>2</b>	£145000-£149999	0	0	1	<b>1</b>
0	0	1	<b>1</b>	£160000-£164999	0	0	0	<b>0</b>
0	0	0	<b>0</b>	£175000-£179999	0	0	1	<b>1</b>
0	0	0	<b>0</b>	£210000-£214999	0	0	1	<b>1</b>
<b>187</b>	<b>13</b>	<b>479</b>	<b>679</b>	<b>Total</b>	<b>278</b>	<b>15</b>	<b>596</b>	<b>889</b>

### **Senior Officers' Remuneration (including pension contributions)**

The Council is required to disclose details of senior officers' remuneration, including members of the Leadership Board and direct reports to the CEO. This includes: salaries; fees; allowances; bonuses; benefits in kind; expenses allowances; compensation for loss of employment; and pension contributions (employer's contributions and any other emoluments). The tables below provide the required disclosure:

Senior Officers' remuneration	Salary Inc Fees & Allowances	Loss of Office	Pension Contributions	Total Remuneration	
2024/25	£	£	£	£	Notes
Chief Executive Officer - Julie Nugent	212,246	0	44,497	256,743	
Director for Finance and Resources(S151)	149,542	0	31,703	181,245	
Director for Law and Governance(Monitoring Officer)-Julie Newman	178,113	0	29,044	207,157	2
Director for Children & Education (DCS)	52,923	0	11,220	64,143	1
Acting Director for Children & Education (DCS)	87,668	0	18,567	106,235	1
Director for Regeneration and Economy	131,522	0	27,883	159,405	
Director for City Services and Commercial	131,522	0	27,883	159,405	
Director for Care, Health and Housing	131,522	0	27,883	159,405	
Director for Public Health	121,541	0	25,767	147,308	
Director for HR	129,385	0	27,430	156,815	
Director of Partnerships & Performance	35,889	0	7,507	43,396	3

Senior Officers' remuneration	Salary Inc Fees & Allowances	Loss of Office	Pension Contributions	Total Remuneration	
2023/24	£	£	£	£	
Chief Executive Officer - Julie Nugent	162,541	0	34,459	197,000	4
Interim Chief Executive Officer/Director of Finance & Resources(S151)	145,181	0	30,778	175,959	
Interim Chief Executive Officer/Director of Partnerships & Performance	145,181	0	30,778	175,959	
Director of Law and Governance(Monitoring Officer)	129,839	0	27,343	157,182	
Director of Adults and Housing	128,314	0	27,203	155,517	
Director of Regeneration & Economy	128,314	0	27,203	155,517	
Director of Children's Services	32,768	0	6,947	39,715	
Acting Director of Children's Services	113,837	0	24,133	137,970	
Director of City Services	128,884	0	27,203	156,087	
Director of Human Resources	118,576	0	25,138	143,714	
Director of Public Health	118,576	0	25,138	143,714	

#### Notes

1. The Director for Children and Education started on 19/8/2024, and replaced the acting DCS.
2. The Monitoring Officer received a payment for her role as Acting returning officer at the Local elections.
3. Director of Partnerships & Performance left the council on 30/6/24
4. The Chief Executive Officer started her post on 12/6/23

## Exit Packages

The Council is required to disclose details of exit packages paid to employees. These include redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

Exit package cost band	Number of Compulsory Redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£000	£000
£0 - £20,000	0	23	18	16	18	39	146	327
£20,001 - £40,000	0	12	4	19	4	31	123	931
£40,001 - £60,000	0	4	0	1	0	5	0	254
£60,001 - £80,000	0	0	0	1	0	1	0	73
£80,001 - £100,000	0	1	0	1	0	2	0	177
£100,000 - £150,000	0	0	1	3	1	3	133	338
£150,001 - £200,000	0	1	0	3	2	4	318	658
£200,001 - £250,000*	0	1	2	0	0	1	0	233
<b>Total cost inc in bandings</b>	<b>0</b>	<b>42</b>	<b>25</b>	<b>44</b>	<b>25</b>	<b>86</b>	<b>720</b>	<b>2,991</b>

\*This cost band was omitted in error within the 2023/24 Statement of Accounts

## 3.32 Members' Allowances

The Council paid the following amounts to members during the year:

Financial Year	2023/24 £000s	2024/25 £000s
Basic Allowances	839	880
Other Allowances	324	332
Expenses	2	2
<b>Total</b>	<b>1,165</b>	<b>1,214</b>



### 3.33 Financial Instruments

Financial instruments include both assets and liabilities.

The financial assets held by the Council during the year are accounted for under the following classifications:

- Amortised cost, comprising: cash; fixed term deposits; loans provided for service purposes; corporate bonds; trade and lease receivables.
- Fair value through other comprehensive income (FVOCI), comprising: shares held in certain companies.
- Fair value through profit and loss, comprising money market funds, pooled bonds, equity and property funds and loans provided where the cash flows are not solely payments of principal and interest.

The financial liabilities held by the Council during the year are measured at amortised cost and comprise: long-term loans from the Public Works Loan Board and commercial lenders; short-term loans from other local authorities; lease payables; Private Finance Initiative contracts detailed in note 3.27 and trade payables for goods and services received.

The Balance Sheet includes the following categories of financial instruments:

	Long Term		Current	
	31st March 2024	31st March 2025	31st March 2024	31st March 2025
	*Reclassified		*Reclassified	
	£000	£000	£000	£000
<b>Financial Liabilities</b>				
<b>Loans at Amortised Cost</b>				
- principal sum borrowed	247,079	236,218	352	20,352
- accrued interest	0	0	0	0
- equivalent interest rate adjustment	0	0	0	0
<b>Total Borrowing</b>	<b>247,079</b>	<b>236,218</b>	<b>352</b>	<b>20,352</b>
- Cash Overdrawn	0	0	2,914	4,475
<b>Other Long Term Liabilities at amortised cost:</b>				
- PFI arrangements	50,089	58,577	3,788	4,906
- Leases	0	7,486	0	916
- Transferred Debt	2,437	0	2,215	2,437
<b>Total Financial Liabilities (excluding creditors)</b>	<b>299,605</b>	<b>302,281</b>	<b>9,269</b>	<b>33,086</b>
Creditors	0	0	53,726	59,525

\*2023/24 figures have been reclassified to split out transferred debt from principal sum borrowed

The PFI Liability shown above is held within short term creditors on the Council Balance Sheet. Principal sum borrowed and Transferred debt of £22,789k (£2,567k in 2023/24) is shown against short term borrowing. The amount of Cash Overdrawn is disclosed separately on the balance sheet.

	Long Term		Current	
	31st March 2024	31st March 2025	31st March 2024	31st March 2025
	*Restated £000	£000	**Reclassified £000	£000
<b>Financial Assets</b>				
<b>At amortised Cost</b>				
- Principal sum invested	0	0	10,000	24,980
- Accrued interest	0	0	(3)	0
- Loss allowance	0	0	0	0
<b>At Fair Value through other comprehensive income</b>				
- Principal at amortised cost	0	0	0	0
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
- Equity investments elected FVOCI	116,456	106,610	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	0	0	27,188	27,667
<b>Total Investments</b>	<b>116,456</b>	<b>106,610</b>	<b>37,185</b>	<b>52,647</b>
<b>At amortised Cost</b>				
- Principal sum invested	0	0	11,003	12,104
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	0	0	15,000	18,680
<b>Total Cash &amp; Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>26,003</b>	<b>30,784</b>
<b>At amortised Cost</b>				
- Trade receivables***	0	0	44,678	49,536
- Lease receivables	45,237	46,786	173	180
- Loans made for service purposes	35,820	30,330	3,386	3,364
- Accrued Interest	0	0	117	547
- Loss allowance	(989)	(2,377)	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	3,625	3,665	0	0
<b>Included in Debtors</b>	<b>83,693</b>	<b>78,404</b>	<b>48,354</b>	<b>53,627</b>
<b>Total Financial Assets</b>	<b>200,149</b>	<b>185,014</b>	<b>111,542</b>	<b>137,058</b>

\* 2023/24 figures have been restated as detailed in section 3.38

\*\* 2023/24 figures have been reclassified to split out Short term lease receivables

\*\*\*Only Debtors and Creditors held with non statutory companies are included in the Financial Instruments note

31st March 2025	Included in Financial Instruments £000	Other Debtors/ Creditors £000	Total
Long term debtors	78,404	79	78,483
Short term debtors	53,628	63,551	117,179
Short term creditors	65,347	44,039	109,386

  

31st March 2024	Included in Financial Instruments £000	Other Debtors/ Creditors £000	Total
Long term debtors *restated	83,693	80	83,773
Short term debtors	48,354	41,508	89,862
Short term creditors *restated	57,514	35,240	92,754

\* 2023/24 figures have been restated as detailed in section 3.38

Current borrowings and investments represent amounts due to be settled within 12 months, including accrued interest. In 2024/25 borrowing costs of £368k on qualifying assets were capitalised (£296k in 2023/24).

The Council has elected to account for all its long term equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance:

As part of the adoption of IFRS 9 Financial Instruments the Council presents changes in the fair value of pooled investment funds through profit and loss. The cumulative loss on these pooled funds as at 31st March 2025 totalled £2,361k (£2,839k in 2023/24).

	Fair Value		Cumulative Gain/(Loss) in FIRR		Dividends	
	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025
	£000	£000	£000	£000	£000	£000
<b>Shareholdings:</b>						
The Coventry and Solihull Waste Disposal Company Limited	68,000	68,000	68,000	68,000	12,372	9,530
Birmingham Airport Holdings Limited	36,663	31,568	25,014	19,918	0	6,364
Coventry Municipal Holdings Limited	9,557	4,806	(14,506)	(19,257)	0	0
Friargate JV Project Limited	2,236	2,236	(8,259)	(8,259)	0	0
Sherbourne Recycling Limited	0	0	(215)	(215)	0	0
UK Battery Industrialisation Centre Ltd	0	0	0	0	0	0
University of Warwick Science Park Innovation Centre Limited	0	0	(154)	(154)	0	0
Coventry and Warwickshire Growth Hub Limited	0	0	0	0	0	0
Other movements within the Financial Instruments	0	0	0	0	0	0
Revaluation Reserve (FIRR)	0	0	(21)	(20)	0	0
<b>Total</b>	<b>116,456</b>	<b>106,610</b>	<b>69,859</b>	<b>60,013</b>	<b>12,372</b>	<b>15,894</b>

The Comprehensive Income and Expenditure Statement includes the following amounts in relation to financial instruments:

Impact of Financial Instruments on the Comprehensive Income and Expenditure Statement 2024/25	Financial Liabilities	Financial Assets			Total
	Amortised Cost	Amortised Cost	Elected to fair value through OCI	Fair Value through Profit & Loss	
	£000	£000	£000	£000	£000
Interest expense	19,385	0	0	0	19,385
Impairment losses	0	0	0	0	0
<b>Interest payable and similar charges</b>	<b>19,385</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,385</b>
Interest & Dividend income	0	(4,996)	(15,894)	(6,776)	(27,666)
Gains on derecognition	0	0	0	0	0
Gains from changes in fair value	0	0	0	(156)	(156)
Impairment Loss reversals	0	1,067	0	0	1,067
<b>Interest and investment income</b>	<b>0</b>	<b>(3,929)</b>	<b>(15,894)</b>	<b>(6,932)</b>	<b>(26,755)</b>
<b>Net Impact on Surplus/deficit on provision of services</b>	<b>19,385</b>	<b>(3,929)</b>	<b>(15,894)</b>	<b>(6,932)</b>	<b>(7,370)</b>
Gains on revaluation	0	0	0	(593)	(593)
Losses on revaluation	0	0	9,846	115	9,961
<b>Surplus arising on revaluation of financial assets</b>	<b>0</b>	<b>0</b>	<b>9,846</b>	<b>(478)</b>	<b>9,368</b>
<b>Net (gain) / loss for the year</b>	<b>19,385</b>	<b>(3,929)</b>	<b>(6,048)</b>	<b>(7,410)</b>	<b>1,998</b>

  

Impact of Financial Instruments on the Comprehensive Income and Expenditure Statement 2023/24	Financial Liabilities	Financial Assets			Total
	Amortised Cost	Amortised Cost	Elected to fair value through OCI	Fair Value through Profit & Loss	
	£000	£000	£000	£000	£000
<b>Financial Assets</b>					
Interest expense	19,642	0	0	0	19,642
Impairment losses	0	0	0	0	0
<b>Interest payable and similar charges</b>	<b>19,642</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,642</b>
Interest & Dividend income	0	(4,773)	(12,372)	(5,896)	(23,041)
Gains on derecognition	0	0	0	0	0
Gains from changes in fair value	0	0	0	301	301
Impairment Loss reversals	0	0	0	0	0
<b>Interest and investment income</b>	<b>0</b>	<b>(4,773)</b>	<b>(12,372)</b>	<b>(5,595)</b>	<b>(22,740)</b>
<b>Net Impact on Surplus/deficit on provision of services</b>	<b>19,642</b>	<b>(4,773)</b>	<b>(12,372)</b>	<b>(5,595)</b>	<b>(3,098)</b>
Gains on revaluation *	0	0	(3,111)	0	(3,111)
Losses on revaluation	0	0	9,011	0	9,011
<b>Surplus arising on revaluation of financial assets</b>	<b>0</b>	<b>0</b>	<b>5,900</b>	<b>0</b>	<b>5,900</b>
<b>Net (gain) / loss for the year</b>	<b>19,642</b>	<b>(4,773)</b>	<b>(6,472)</b>	<b>(5,595)</b>	<b>2,802</b>

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value, which for most assets is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31<sup>st</sup> March 2025, using the following methods and assumptions:

- for Public Works Loan Board (PWLB) and other local authority loans using the appropriate market rate for such loans as at 31<sup>st</sup> March 2025.
- for "Lenders Option Borrower's Option" market loans (LOBOs) and Stock Issue loans, using the appropriate interest rate swap added to the value of any embedded options.
- for PFI and finance leases the carrying amount is assumed to approximate fair value.
- for other long-term loans and investments using market rates for similar instruments and with similar maturity terms
- for shares, taking into account the company's net assets and expected future profits
- no early repayment or impairment is recognised.
- where an instrument will mature in the next 12 months, including trade payables and receivables, the carrying amount is assumed to approximate fair value.

Fair values are shown below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

		31st March 2024		31st March 2025		
		Fair Value Level	Carrying amount *restated £000	Fair value *restated £000	Carrying amount £000	Fair value £000
Financial Liabilities at amortised cost						
▪	PWLB	2	180,718	178,782	180,718	161,192
▪	Market Loans	2	38,000	44,969	38,000	41,280
▪	Stock Issue	2	12,004	12,876	0	0
▪	Other Local Authorities	2	21,009	21,034	39,937	39,937
▪	PFI	2	53,877	59,879	63,484	63,484
▪	Liabilities under Financial Leases	3	0	0	8,402	8,402
▪	Short Term Creditors	n/a	53,726	53,726	59,525	59,525
▪	Cash Overdrawn	n/a	2,914	2,914	4,475	4,475
▪	Other	n/a	352	352	352	352
Total Liabilities			362,600	374,532	394,893	378,647
Financial Assets at fair value:						
▪	Money Market Funds	1	15,000	15,000	18,680	18,680
▪	Collective Investment Funds	1	27,188	27,188	27,667	27,667
▪	Corporate and Government Bonds	1	0	0	0	0
▪	Shares in Unlisted Companies	3	116,456	116,456	106,610	106,610
▪	Long Term Debtors	3	3,624	3,624	3,665	3,665
Financial Assets at amortised cost:						
▪	Short Term Cash Deposits	n/a	9,997	9,997	24,980	24,980
▪	Long Term Debtors	3	80,068	69,247	74,739	67,500
▪	Short Term Debtors	n/a	48,354	48,354	53,628	53,628
▪	Bank Accounts	n/a	11,003	11,187	12,104	12,104
Total Financial Assets			311,690	301,053	322,073	314,834

\* 2023/24 figures have been restated as detailed in section 3.38

The fair value of financial liabilities reflects the amount of fixed interest debt taken out in the past at higher rates of interest, and includes accrued interest. The fair value figures for PWLB, Market Loans detailed above have been calculated by the Council's treasury advisors, Arlingclose. The Stock Issue was repaid in

March 2025. The fair value figure for PFI has been calculated in house, using an Arlingclose calculator. Fair value figures for Other Local Authority, Creditors & Other Liabilities are all calculated in house.

As part of the national battery development facility, the West Midlands Combined Authority (WMCAs) provided the City Council with a £18m loan at nil interest, subject to the repayment of principal in line with the agreement. In turn the City Council and UKBIC Ltd entered an agreement under which UKBIC Ltd is required to pay to the City Council the amounts that the council is required to pay to WMCA under the lease agreement between WMCA and the City Council.

The borrowing from WMCA is treated as a soft loan payable of £17,500k as at 31<sup>st</sup> March 2025, with the difference between the nominal and fair value being treated as a grant of £500k and the requirement for UKBIC to make payments as a Lease receivable of £18m as at 31<sup>st</sup> April 2024,

The receivable is being recognised in line with capital expenditure resourced by prudential borrowing.

Financial assets and liabilities categorised as Level 3 are

- Shares in unlisted companies, as included in note 3.21. Fair value is calculated by applying market based multipliers and discount rates to the forecast maintainable earnings of the companies, or through an adjusted net assets approach. A 5% variation in earnings or net asset value would alter the value of the shares by £6.5m.
- Long term loans to companies, as included in note 3.22. Fair value is calculated by discounting the future value of cashflows under the loans at the market rate as at 31<sup>st</sup> March 2025. A 1% variation in the discount rate would alter the value of the loans by £5.5m.

The Council's activities expose it to a variety of financial risks:

**Credit risk** – the possibility that other parties might fail to pay amounts due to the Council.

**Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments.

**Market risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury management team, under policies approved by the Council in the annual Treasury Management Strategy.

### **Credit risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers and loans provided by the Council.

Credit risk arising from deposits made with banks and financial institutions is managed based on limits set out in the Council Investment Strategy and Policy, which forms part of the annual Treasury Management Strategy. For 2024/25 this required that deposits were only made with banks, building societies & corporate bonds with a high-quality credit rating (minimum A- long term). In addition, as at 31<sup>st</sup> March 2025 the policy limited the maximum that can be

deposited with an institution at any point in time to £20m. Under the Treasury Management Strategy, the Section 151 officer will, as appropriate, restrict investment activity to those institutions considered of higher quality than the minimum.

The following analysis summarises the authority's potential maximum exposure to credit risk arising from deposits made with banks and financial institutions,

	<b>Short Term</b>	
	<b>31 March 2024</b>	<b>31 March 2025</b>
	<b>£000</b>	<b>£000</b>
AAA	15,000	18,680
AA+	0	0
AA	0	0
AA-	6,369	5,247
A+	2,239	1,318
A	0	8,189
A-	10,000	0
BBB+	0	0
Unrated Local	0	22,500
Unrated Building Societies	0	0
Unrated Pooled Funds	30,000	27,639
<b>Total Investments</b>	<b>63,608</b>	<b>83,573</b>

The deposits set out above were held with financial institutions domiciled in the following countries:

	<b>31 March 2024</b>	<b>31 March 2025</b>
<b>Country</b>	<b>£000</b>	<b>£000</b>
United Kingdom	63,608	64,893
Luxembourg	0	18,680

Pooled property and equity funds are included in the above tables for completeness but are subject to price risk, as referred to later in this note.

Overall limits to exposure to individual institutions were not exceeded during the year and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Throughout the year the Council has provided Revolving Credit Facility agreements to three charitable organisations who provide social housing, giving them access to borrow up to £5m each at an agreed interest rate should this be demanded. The organisations have an "A" rating for credit scoring purposes. The credit facilities were not activated in 2024/25.

Credit risk on long term debtors including service loans, is assessed through the review of the risk of default and the level of loss given the occurrence of a default, taking into account collateral. Where available, and where relevant, the following information is used to assess the risk of default:

- financial and other information about the particular debtor, including statutory accounts, credit rating and forward looking business planning data;



- the extent to which contract payments are overdue;
- recovery or repayment plans where payments are overdue;
- the wider local and national context.

Write off is considered only where it is assessed that the amount will not be paid, taking into account any recovery plans.

Financial instruments are assessed at each balance sheet date to assess whether credit risk has increased significantly since recognition and the previous balance sheet date. Where it is deemed that the credit risk has not increased significantly or that the risk is low, then loss allowances are calculated as 12 month expected credit losses, based on the likelihood of a credit loss event occurring in the following 12 months. Otherwise, loss allowances are calculated based on the expected lifetime credit losses.

The Council manages the credit risk arising from its loans for service purposes, together with any loan commitments in line with the Commercial Investment Strategy.

The Council does not generally allow credit for trade debtors. Loss allowances are calculated by reference to the historic cost of default, viewed on collective basis. £22,833k of the £53,628k trade debtor balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2024	31 March 2025
Past Due Date	£000	£000
Less than three months	4,689	8,133
Three to six months	3,066	2,836
Six months to one year	2,309	3,879
More than one year	5,996	7,985
<b>Total</b>	<b>16,060</b>	<b>22,833</b>

### Liquidity Risk

As the Council has ready access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. This risk is managed through the use of Prudential Indicators, set as part of the Treasury Management Strategy, limiting the amount of borrowing that matures over the next 10 years.

The maturity analysis of financial liabilities is as follows:

Maturity of Financial Liabilities	31/03/2024	31/03/2025
	£000	£000
Less than one year	10,400	22,789
Between one and two years	42,250	0
Between two and five years	8,000	0
Between six and ten years	43,750	59,000
More than ten years	144,718	177,718
<b>Total</b>	<b>249,118</b>	<b>259,507</b>

In the above table, in order to illustrate liquidity risk, financial liabilities are stated at the value of principal to be repaid in future, rather than at their carrying amounts. As such, they exclude adjustments in arriving at the fair value of stepped interest loans, accrued interest on loans and liabilities in respect of PFI and Finance Leases.

LOBO loans are included in the maturity analysis of financial liabilities based on their actual contractual maturity date, rather than the earliest date on which the lender can opt to increase the interest rate. In the event of the lender increasing the interest rate the City Council can opt to repay the loan. A total of £38m of such loans are held, £10m of which the lenders have interest review options at up to annual intervals, and £28m at 5 yearly intervals, from May 2015. All trade and other payables are due to be paid in less than one year.

### **Market Risk**

#### **Interest rate risk**

The Council is exposed to risk in terms of the impact of interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

Borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise.

Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.

Investments at variable rates – the interest income in the Income and Expenditure Account will rise.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and affect the General Fund Balance pound for pound. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. Prudential Indicators, as set out in the Treasury Management Strategy, are used to manage interest rate risk by limiting the value of variable interest rate exposure to £99.2m in 2024/25. In addition, further Prudential Indicators limit the

amount of borrowing that matures, and may need to be refinanced, in the next 10 years. In practical terms, the extensive use by local authorities of PWLB fixed rate borrowing limits the impact of interest rate fluctuations on the General Fund balance.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this strategy, at 31st March 2025, a 1% variation in interest rates would not have a material impact on variable rate borrowings, investments or government grant receivable for financing costs.

However, a 1% increase in interest rates would result in a decrease in the fair value of fixed rate borrowing liabilities of £16.9m. This movement would be broadly equal and opposite for a 1% fall in interest rates.

### **Price Risk**

The Council's investment of £12m in pooled property funds is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31<sup>st</sup> March 2025 would result in a £464k (2024 £496k) charge to Other Comprehensive Income and Expenditure which would then be transferred to the Financial Instrument Revaluation Reserve.

The Council's investment of £18m in pooled equity funds is subject to the risk of falling share prices. A 5% fall in equity prices at 31<sup>st</sup> March 2025 would result in a £308k (2024 £370k) charge to Other Comprehensive Income and Expenditure would then be transferred to the Pooled Investment Fund Adjustment Account. In addition, the Council has shareholdings to the value of £107m in a number of joint ventures and in local industry. The Council is consequently exposed to losses arising from movements in the value of shares.

As the shareholdings have arisen in the acquisition of specific interests, the authority is not in a position to limit its exposure to value movements by diversifying its portfolio. Instead it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

All movements in the value of shares will impact on gains and losses recognised in the Comprehensive Income and Expenditure Statement. A general shift of 5% in the general value of shares (positive or negative) would thus have resulted in a gain or loss of £6.5m being recognised in the Comprehensive Income and Expenditure Statement for 2024/25

### **Foreign Exchange Risk**

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

### 3.34 Associated Company Interests & Holdings

The City Council maintains investments and/or interests in a number of companies. The following summarises the latest information and where applicable the latest audited accounts. Companies in which the City Council maintain investments as shown in note 3.21.

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>Birmingham Airport Holdings Ltd (Company Number: 03312673)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Audited</b>
The principal activity of the BAH is the operation and management of Birmingham International Airport. The figures included are the group accounts, which consolidates the results for BAH's subsidiary undertakings.	Net Assets (liabilities)	105,740	135,200
The seven local authority shareholders together hold 49% of the ordinary shares. BAH is not consolidated into the Council's group accounts, as the test of significant influence is not met.	Profit (loss) before taxation	30,173	48,431
	Profit (loss) after taxation	21,715	33,512
The Council owns: - 5.8% of the 324m ordinary shares - £1.8m preference shares - 6% of the 1,000 C Class shares of 0.01p	Statement of changes in equity	74,365	29,460
<b>Coombe Abbey Park Limited (Company Number: 02700383)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
CAP is included within the Council's group accounts as a subsidiary.	Net Assets (liabilities)	(981)	(2,067)
	Profit (loss) before taxation	(772)	(1,087)
The principal activity of the company is the running of Coombe Abbey Hotel, Brinklow Road, Coventry.	Profit (loss) after taxation	(772)	(1,087)
	Statement of changes in equity	(1,380)	(1,087)
The Council acquired 100% of the shares in the company on 22nd December 2017.			
<b>Coventry Regeneration Limited (Company Number: 04523598)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
CR is included within the Council's group accounts as a subsidiary.	Net Assets (liabilities)	0	0
	Profit (loss) before taxation	0	0
The company changed its name from Coventry North Regeneration Limited to Coventry Regeneration Limited in November 2021. The company's principal activity was to manage the construction of Coventry Arena. CR continues to trade, earning interest on a small cash balance, should the company become usable for similar activities in the future.	Profit (loss) after taxation	0	0
	Statement of changes in equity	0	0

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>The Coventry and Solihull Waste Disposal Company Limited (Company Number: 02690488)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
<p>The company's business is the disposal of waste. CSWDC is jointly owned by Coventry City Council and Solihull Metropolitan Borough Council (SMBC) with Warwickshire County Council and Leicestershire County Council holding a minor limited rights shareholding.</p> <p>The Council owns 65% of the ordinary share capital and is entitled to 67% of distributions. CSWDC is included in the Council's group accounts as a joint venture as the Articles of Association require unanimous decision making.</p>	<p>Net Assets (liabilities)</p> <p>Profit (loss) before taxation</p> <p>Profit (loss) after taxation</p> <p>Statement of changes in equity</p>	<p>28,741</p> <p>29,000</p> <p>21,269</p> <p>3,229</p>	<p>31,317</p> <p>22,829</p> <p>16,789</p> <p>2,576</p>
<b>Culture Coventry (Company Number: 08359113)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Audited</b>
<p>The merger of Coventry Transport Museum and The Herbert Art Gallery Museum was completed in August 2013. Culture Coventry is a charitable trust set up to run both museums and is also responsible for running the Lunt Roman Fort and the Priory Visitor Centre.</p> <p>The Council is the primary funder in the form of a contract agreement to provide museum services. The Council does not have a shareholding in the company or any representatives on the board. Culture Coventry is assessed to be a structured entity but is not consolidated into the Council's accounts as the test of control is not met.</p>	<p>Net Assets (liabilities)</p> <p>Net movement of funds</p>	<p>4,752</p> <p>2,938</p>	<p>3,339</p> <p>(1,413)</p>
<b>Friargate Joint Venture Project Ltd (Company Number: 11730348)</b>		<b>31 March 2024 Unaudited</b>	<b>31 March 2025 Draft</b>
<p>The company was set up in January 2019 to develop new buildings in the Friargate district of the City. This is a 50/50 joint venture with Friargate Holdings 2 Limited. The Council purchased a 50% share in the company for £10m. FJVP is consolidated into the Council's group accounts as a joint venture.</p> <p>The company accounts are unaudited as FJVP qualifies for an audit exemption available to private limited companies. This applies to small companies which meet at least two of the following criteria:</p> <ul style="list-style-type: none"> <li>- an annual turnover of no more than £10.2m</li> <li>- assets worth no more than £5.1m</li> <li>- 50 or fewer employees on average</li> </ul>	<p>Net Assets (liabilities)</p> <p>Profit (loss) before taxation</p> <p>Profit (loss) after taxation</p> <p>Statement of changes in equity</p>	<p>19,064</p> <p>(270)</p> <p>(270)</p> <p>(270)</p>	<p>18,913</p> <p>(151)</p> <p>(151)</p> <p>(151)</p>

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>Coventry Technical Resources Limited (Company Number: 04931967)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
CTR is included within the Council's group accounts as a subsidiary.	Net Assets (liabilities)	2,775	2,823
	Profit (loss) before taxation	4	49
CTR's main activity is to provide business development and commercialisation related services to the Council under a series of contracts.	Profit (loss) after taxation	4	49
	Statement of changes in equity	4	49
<b>University of Warwick Science Park Business Innovation Centre Limited (Company Number: 03616665)</b>		<b>31 July 2023 Audited</b>	<b>31 July 2024 Audited</b>
The company was established by the University of Warwick Science Park, the Council and Coventry and Warwickshire Chamber of Commerce. It was set up in order to develop small business units for letting. UWSP BIC is not consolidated into the Council's group accounts, as the test of significant influence is not met.	Net Assets (liabilities)	(120)	(123)
	Profit (loss) before taxation	(195)	(3)
	Profit (loss) after taxation	(195)	(3)
	Statement of changes in equity	(195)	(3)
The Council holds: - Just under 20% (value £2,000) of the ordinary share capital (total value £10,001) - £152,166 of preference share capital			
<b>UK Battery Industrialisation Centre Ltd (Company Number: 11227726)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
The purpose of the company is to set up and run a facility for the development and manufacture of batteries, initially for the automotive sector but with wider application.	Net Assets/(liabilities)	(620)	(2,948)
	Profit (loss) before taxation	(1,262)	(2,329)
	Profit (loss) after taxation	(1,262)	(2,329)
The Council is the sole shareholder, holding a single share with a nominal value of £1.00. UKBIC is consolidated into the Council's group accounts as a subsidiary.	Statement of changes in equity	(1,262)	(2,329)
<b>Tom White Waste Limited (Company Number: 01201361)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
The principal activity of the company is waste management and recycling.	Net Assets/(liabilities)	1,256	973
	Profit (loss) before taxation	(1,892)	(283)
The Council acquired 100% of the shares in the company on 5th March 2020.	Profit (loss) after taxation	(1,788)	(283)
TWW is included in the Council's group accounts as a subsidiary.	Statement of changes in equity	(1,788)	(283)

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>Coventry Municipal Holdings Limited (Company Number: 13705254)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
<p>Coventry Municipal Holdings Limited (CMH) was incorporated on 26th October 2021, as a holding company to manage the wholly owned arms length investments made by Coventry City Council. CMH acquired the share capital in subsidiaries from the Council by way of a share exchange at fair value. The Council remains the ultimate controlling entity through its ownership of 100% of the shares in CMH. The figures shown are for CMH's consolidated accounts. The CMH group includes the following subsidiaries:</p> <ul style="list-style-type: none"> <li>- Coombe Abbey Park Limited</li> <li>- Coventry Regeneration Limited</li> <li>- Coventry Technical Resources Limited</li> <li>- Tom White Waste Limited</li> </ul>	Net Assets (liabilities)	3,135	1,813
	Profit (loss) before taxation	(2,912)	(1,322)
	Profit (loss) after taxation	(2,808)	(1,322)
	Statement of changes in equity	(3,198)	(1,322)
<b>Sherbourne Recycling Limited (Company Number: 13227088)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
<p>SRL is consolidated into the Council's group accounts as an associate. The principal activity of the company during the period was the completion of the procurement, design and commencing the construction of a material recycling facility. The facility became operational in September 2023.</p> <p>There are eight local authority shareholders and Coventry City Council has the largest shareholding with 21.5%. The shareholdings are based on the proportion of waste tonnage that the shareholders are forecast to deliver under their waste supply contracts.</p>	Net Assets (liabilities)	4,343	(63)
	Profit (loss) before taxation	(6,237)	(4,406)
	Profit (loss) after taxation	(6,237)	(4,406)
	Statement of changes in equity	4,091	(4,406)
<b>Coventry and Warwickshire Growth Hub Limited (Company Number: 09146585)</b>		<b>31 March 2024 Audited</b>	<b>31 March 2025 Draft</b>
<p>Following the closure of Coventry and Warwickshire Local Enterprise Partnership in March 2023, Coventry City Council and Warwickshire County Council each acquired a 50% shareholding in Coventry and Warwickshire Growth Hub Limited (CWGH) on 2nd November 2023. CWGH is assessed as a joint venture but is not consolidated into the Council's group accounts due to materiality.</p> <p>CWGH is a not for profit company that offers support services to businesses within the local area. CWGH operates two subsidiaries, C&amp;W Business Solutions Ltd and C&amp;W Champions Ltd.</p>	Net Assets (liabilities)	0	(89)
	Profit (loss) before taxation	0	(89)
	Profit (loss) after taxation	53	(89)
	Statement of changes in equity	53	(89)

Where not specifically stated above, copies of company accounts can be obtained directly from Companies House.

### 3.35 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance and Resources on 30th June 2025. Where events taking place before this date provided information about conditions existing as at 31 March 2025, the figures in the financial statements and the notes have been adjusted to reflect the impact of this information.

At the time of producing these draft accounts there have been no material items or events which require a disclosure of events after the balance sheet date.

### 3.36 Contingent Liabilities & Assets

#### **Contingent Liabilities**

##### **Equal Pay**

The Council has received a number of Equal Pay Claims from employees which would, if successful, result in a financial liability to the Council. At this stage there has been no reliable assessment of the likely success of these claims or the financial cost if they are demonstrated to be valid. It is probable that this matter will be subject to complex and protracted legal proceedings and negotiations between the relevant parties. The Council's previous experience of dealing with claims of this nature is that there can be a very significant difference between the assessed maximum theoretical cost and the final settlement value. Given the significant uncertainty around whether a financial obligation exists or the measurement of the size of any obligation it is appropriate to record a contingent liability at this stage.



### 3.37 Collection Fund Statement & Notes

This account shows how much Council Tax and National Non-Domestic Rates (Business Rates) are collected within the City. It shows how much has been transferred to the Income and Expenditure Account to pay for Council Services and how much has been paid to the Police (West Midlands Police and Crime Commissioner) and Fire (West Midlands Fire and Rescue Authority). The difference between these two amounts is then a surplus or a deficit which is shared between the Council, Police and Fire organisations.

2023/24			Collection Fund Statement	2024/25		
Business Rates £000	Council Tax £000	Total £000		Business Rates £000	Council Tax £000	Total £000
INCOME						
0	(197,703)	(197,703)	Council Tax Receivable	0	(212,521)	(212,521)
(119,301)	0	(119,301)	Business Rates Receivable	(125,030)	0	(125,030)
(8,777)	0	(8,777)	Transitional Relief	(2,494)	0	(2,494)
(128,078)	(197,703)	(325,781)	Total Income	(127,524)	(212,521)	(340,045)
EXPENDITURE: Precepts, Demands & Shares						
114,573	164,440	279,013	Coventry City Council	121,757	175,898	297,655
0	17,435	17,435	West Midlands Police	0	18,911	18,911
1,157	6,285	7,442	West Midlands Fire	1,230	6,598	7,828
115,730	188,160	303,890	Total: Precepts, Demands & Shares:	122,987	201,407	324,394
Distribution of previous years' surplus/deficit						
3,354	8,926	12,280	Coventry City Council	909	3,361	4,270
0	920	920	West Midlands Police	0	357	357
34	334	368	West Midlands Fire	9	129	138
3,388	10,180	13,568	Total: Distribution of previous years Surplus/(Deficit)	918	3,847	4,765
119,118	198,340	317,458	TOTAL EXPENDITURE	123,905	205,254	329,159
Charges to Collection Fund						
580	1,472	2,052	Less: Write offs uncollectable amounts	2,946	2,416	5,362
1,922	2,530	4,452	Less: Increase/(Decrease) in Bad Debt Provision	137	678	815
3,140	0	3,140	Less: Increase/(Decrease) in Appeals Provision	(923)	0	(923)
367	0	367	Less: Costs of Collection	368	0	368
6,009	4,002	10,011	Total Charges to Collection Fund	2,528	3,094	5,622
(2,951)	4,639	1,688	(Surplus)/Deficit Arising During Year	(1,091)	(4,173)	(5,264)
(1,844)	(10,484)	(12,328)	(Surplus)/Deficit b/fwd	(4,795)	(5,845)	(10,640)
(4,795)	(5,845)	(10,640)	(Surplus)/Deficit c/fwd	(5,886)	(10,018)	(15,904)
Commitments						
918	3,848	4,766	Surplus/(Deficit) committed in future year's budget setting	(7,495)	1,998	(5,497)
(3,877)	(1,997)	(5,874)	Excess (Surplus)/Deficit c/fwd to following year's tax setting.	(13,381)	(8,020)	(21,401)

### **Notes to the Collection Fund Statement**

The Collection Fund is a statutory account, which receives income from the Council Tax and Business Rates from which payments are made to the City Council's General Fund, the Police and Crime Commissioner for the West Midlands and the West Midlands Fire Authority. These payments represent, for Council Tax, the amounts requested by each organisation at the beginning of the year to fund their net budgets and, for Business Rates, the amounts determined by the nationally set multiplier and the local Business Rates tax base and split by pre-determined percentages.

### **Income from Business Rates**

The City Council collects rates from local businesses on behalf of central government. The Government determines the level of rates payable, which was 54.6p/£ of rateable value in 2024/25 (unchanged from the 54.6p/£ in 2023/24). The Valuation Office Agency sets the rateable value of each property, and the total in Coventry was £340,532,645 as at 31st March 2025 (£342,521,257 as at 31st March 2024). In addition to an impairment allowance for doubtful debts, to meet the anticipated impact of debts being written off, there is also a provision for the estimated future liability amendments due to appeals. Details of the movement in these provisions are provided within the tables later in this section.

### **Calculation of the Council Tax Base**

The level of Council Tax is set at the beginning of the year and is calculated so as to ensure that the Collection Fund can meet its obligations. Council Tax paid by taxpayers is based on the valuation of their property. Each property is placed into one of eight valuation bands (A to H). The total income required by the Collection Fund is divided by the "Council Tax Base". The Council Tax Base represents the number of equivalent band D properties in the City (i.e. properties in a higher valuation band are treated as more than one band D property, properties in a lower valuation band are treated as a fraction of a band D property), multiplied by the estimated eventual collection rate of 97.9%. The total number of dwellings on the valuation list is 152,936 of which 11,716 are exempt. Details of the Tax Base calculation are shown in the table below:

Valuation Band	Number of Dwellings subject to tax	Band D Equivalent
Band A entitled to disabled relief	173	77.4
A	55,941	28,401.0
B	42,494	26,151.6
C	23,980	17,104.2
D	9,879	8,017.4
E	4,838	4,875.0
F	2,387	2,852.9
G	1,417	1,959.2
H	111	177.2
<b>Total</b>	<b>141,220</b>	<b>89,615.9</b>
Estimated eventual collection rate		97.9%
Total Council Tax Base Band D 2024/25		87,734.0
Total Council Tax Base Band D 2023/24		86,075.2

## Provisions and Write Offs

Level of Provisions & Write Offs	Business Rates Impairment allowance for doubtful debts £000	Council Tax Impairment allowance for doubtful debts £000	Business Rates Appeals Provision * £000
Provision Brought forward	(5,663)	(17,129)	(23,817)
Written off in year	2,946	2,416	10,685
Increase/Decrease in provision	(3,082)	(3,094)	(9,762)
Provision Carried Forward	(5,799)	(17,807)	(22,894)

\* The provision figures provided in section 3.25 include 99% of the Appeals Provision figures shown in the table above. This is the City Council's share of the Business Rates balances.

## Gross Debtors

	Business Rates £000	Council Tax £000
Gross Debtors brought forward	11,027	30,036
Gross Debtors carried forward	12,354	33,526

## Precepts and Demands on the Collection Fund

The amounts accrued into the precepting organisations' own accounts are detailed below:

2023/24 Total £000	Council Tax	Precept £000	2024/25 Share of surplus /(deficit) £000	Total £000
169,281	Coventry City Council	175,898	6,991	182,889
17,951	West Midlands Police	18,911	763	19,674
6,469	West Midlands Fire Service	6,598	266	6,864
193,701	<b>Total</b>	201,407	8,020	209,427

2023/24 Total £000	Business Rates	Precept £000	2024/25 Share of surplus /(deficit) £000	Top-up/(Tariff) £000	Total £000
102,168	Coventry City Council	121,757	1,989	(19,977)	103,769
1,220	West Midlands Fire Service	1,230	20	0	1,250
103,388	<b>Total</b>	122,987	2,009	(19,977)	105,019

The Retained Business Rates of £123,746k, disclosed within the Note to the CIES (section 3.1), is the total of the precept £121,757k and the share of surplus £1,989k disclosed in the table above.

### 3.38 Prior Period Restatement - Single Entity Accounts

A number of changes have been required to the single entity prior period comparative information as a result of restatements. These are outlined below.

- 1st Change – In 2020 the West Midlands Combined Authority (WMCA) loaned £18m to the Council with the explicit intention that these resources were to be used to cash flow the capital expenditure of assets that were then transferred to the UK Battery Industrialisation Centre (UKBIC) under a separate agreement. This agreement with UKBIC guaranteed that matching payments would be made to the Council to resource the repayments of the loan to WMCA. The agreement with UKBIC had previously been accounted for as a soft loan, however, following a detailed review it has been determined that this was not correct and that it should be accounted for as a lease.

The carrying value of the finance lease receivable is higher than the soft loan previously recognised due to the reversal of amortised interest adjustments that were applied to the loan. As the loan was deemed to be a soft loan at below market rate, the loan advances were initially written down based on an effective interest rate and interest income was amortised over the lifetime of the loan. The initial write downs were recognised as an investment in subsidiary as required by soft loan accounting regulations. These investment balances were immediately transferred to the Financial Instruments Revaluation Reserve (FIRR) as UKBIC is a not-for-profit company valued at nil. The annual interest income was recognised in the Capital Adjustment Account (CAA). The balances in the FIRR and CAA have now been reversed.

The principal amounts for the finance lease are recognised in the Deferred Capital Receipts Reserve rather than the Capital Adjustment Account, which reflects the differing accounting treatments for capital loans and finance leases.

- 2nd Change – A review of the balance sheet headings under which Private Finance Initiative (PFI) project liabilities and developer contributions were held identified that this was not in accordance with the CIPFA Code of Practice (COP). The 31<sup>st</sup> March 2024 has been restated to correct for this issue, and presented alongside third balance sheet as at 31<sup>st</sup> March 2023, which has also been adjusted.
- 3rd Change – A detailed review of Capital Grant conditions identified a number of grants that had been held as a receipt in advance as at 31 March 2024 but which should have been accounted for as grants with restrictions, with the income being credited to the Comprehensive Income and Expenditure Statement as Capital Grants. The COP also requires that all grants held as receipt in advance should be separately identified in the balance sheet, but this had not been done historically. These grant accounting related issues have been corrected for in the comparative main statements and associated notes.

The impact of these changes on the Council's main statements is set out in tables below. Please note, these tables are in abbreviated form, only providing the detail of figures from the original statements that have been changed by the restatements. Unchanged elements (either rows or columns) from the original statements have not been included, for reasons of brevity. As a result, subtotals within these abbreviated tables may not be the total of displayed figures.

**1<sup>st</sup> Change** – ‘UKBIC Loan to Lease’ - The following tables provide details of the impact of this restatement on the Comprehensive Income and Expenditure Statement (sections 2.2 and 3.1), the Movement in Reserves Statement (section 2.3), the Balance Sheet (section 2.4), and Cash Flow Statement (section 2.5).

<b>Comprehensive Income &amp; Expenditure Statement 2023/24</b>	<b>Original</b>	<b>Impact of restatement</b>	<b>Restated</b>	<b>Original</b>	<b>Impact of restatement</b>	<b>Restated</b>
	<b>Gross Expenditure</b>	<b>Gross Expenditure</b>	<b>Gross Expenditure</b>	<b>Net Expenditure</b>	<b>Net Expenditure</b>	<b>Net Expenditure</b>
<u>Service Segment</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Contingency and Central Budgets	8,401	107	8,508	(25,721)	107	(25,614)
<b>Cost of Services</b>	<b>930,634</b>	<b>107</b>	<b>930,741</b>	<b>381,424</b>	<b>107</b>	<b>381,531</b>
External Investment Income				(10,669)	209	(10,460)
<b>Finance and Investment Income and Expenditure</b>				<b>8,931</b>	<b>209</b>	<b>9,140</b>
<b>(Surplus)/Deficit on the Provision of Services</b>				<b>27,539</b>	<b>316</b>	<b>27,855</b>
(Gain)/loss on revaluation of financial instruments				5,900	(38)	5,862
<b>Sub-total of other comprehensive Income and Expenditure</b>				<b>(42,501)</b>	<b>(38)</b>	<b>(42,539)</b>
<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>				<b>(14,962)</b>	<b>278</b>	<b>(14,684)</b>

<b>Movement in Reserves Statement 2023/24</b>	<b>Capital Adjustment Account</b>			<b>Financial Instruments Revaluation Reserve</b>			<b>Deferred Capital Receipts Reserve</b>		
	<b>Original</b>	<b>Impact of restatement</b>	<b>Restated</b>	<b>Original</b>	<b>Impact of restatement</b>	<b>Restated</b>	<b>Original</b>	<b>Impact of restatement</b>	<b>Restated</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>31st March 2023</b>	<b>(828,402)</b>	<b>18,666</b>	<b>(809,736)</b>	<b>(70,667)</b>	<b>(5,055)</b>	<b>(75,722)</b>	<b>(16,969)</b>	<b>(16,974)</b>	<b>(33,943)</b>
Total Comprehensive Income and Expenditure	0	0	0	5,900	(38)	5,862	0	0	0
Adjustments between Accounting Basis and Funding Basis under Regulations	1,399	316	1,715	0	0	0	5	0	5
<b>Net (Increase)/Decrease</b>	<b>1,399</b>	<b>316</b>	<b>1,715</b>	<b>5,900</b>	<b>(38)</b>	<b>5,862</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>31st March 2024</b>	<b>(827,003)</b>	<b>18,982</b>	<b>(808,021)</b>	<b>(64,767)</b>	<b>(5,093)</b>	<b>(69,860)</b>	<b>(16,964)</b>	<b>(16,974)</b>	<b>(33,938)</b>

Movement in Reserves Statement 2023/24	Total Usable Reserves			Total Unusable Reserves			Total Reserves		
	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>31st March 2023</b>	<b>(185,946)</b>	<b>0</b>	<b>(185,946)</b>	<b>(1,123,071)</b>	<b>(3,363)</b>	<b>(1,126,434)</b>	<b>(1,309,017)</b>	<b>(3,363)</b>	<b>(1,312,380)</b>
Total Comprehensive Income and Expenditure	27,539	316	27,855	(42,501)	(38)	(42,539)	(14,962)	278	(14,684)
Adjustments between Accounting Basis and Funding Basis under Regulations	(13,413)	(316)	(13,729)	13,413	316	13,729	0	0	0
<b>Net (Increase)/Decrease</b>	<b>14,126</b>	<b>0</b>	<b>14,126</b>	<b>(29,088)</b>	<b>278</b>	<b>(28,810)</b>	<b>(14,962)</b>	<b>278</b>	<b>(14,684)</b>
<b>31st March 2024</b>	<b>(171,820)</b>	<b>0</b>	<b>(171,820)</b>	<b>(1,152,159)</b>	<b>(3,085)</b>	<b>(1,155,244)</b>	<b>(1,323,979)</b>	<b>(3,085)</b>	<b>(1,327,064)</b>

Balance Sheet	31st March 2023			31st March 2024		
	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated
	£000	£000	£000	£000	£000	£000
Long Term Debtors	76,070	3,363	79,432	80,688	3,085	83,773
<b>Long Term Assets</b>	<b>1,677,432</b>	<b>3,363</b>	<b>1,680,794</b>	<b>1,709,618</b>	<b>3,085</b>	<b>1,712,703</b>
<b>Net Assets</b>	<b>1,309,017</b>	<b>3,363</b>	<b>1,312,380</b>	<b>1,323,979</b>	<b>3,085</b>	<b>1,327,064</b>
Unusable Reserves	(1,123,071)	(3,363)	(1,126,434)	(1,152,159)	(3,085)	(1,155,243)
<b>Total Reserves</b>	<b>(1,309,017)</b>	<b>(3,363)</b>	<b>(1,312,380)</b>	<b>(1,323,979)</b>	<b>(3,085)</b>	<b>(1,327,064)</b>

Cash Flow Statement 2023/24	Original	Impact of restatement	Restated
	£000s	£000s	£000s
Net (Surplus) or Deficit on the Provision of Services	27,539	316	27,855
Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(92,765)	(316)	(93,081)
<b>Net Cash Flows from Operating Activities</b>	<b>23,129</b>	<b>0</b>	<b>23,129</b>

**2nd Change** – PFI lease liability and developer contributions - The following tables provide details of the impact of this restatement on the Balance Sheet (section 2.4).

Balance Sheet	31st March 2023			31st March 2024		
	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated
	£000	£000	£000	£000	£000	£000
Short Term Borrowing	(20,276)	565	(19,711)	(6,355)	3,788	(2,567)
Short Term Creditors	(107,980)	3,270	(104,710)	(97,842)	361	(97,481)
Capital Grants Receipts in Advance	0	(3,835)	(3,835)	0	(4,149)	(4,149)
<b>Current Liabilities</b>	<b>(138,598)</b>	<b>0</b>	<b>(138,598)</b>	<b>(113,902)</b>	<b>0</b>	<b>(113,902)</b>
Long Term Borrowing	(308,152)	56,421	(251,731)	(299,605)	50,089	(249,516)
Other Long Term Liabilities	(18,211)	(38,210)	(56,421)	(17,213)	(32,877)	(50,090)
Capital Grants Receipts in Advance	(42,169)	(18,211)	(60,380)	(49,502)	(17,212)	(66,714)
<b>Long Term Liabilities</b>	<b>(414,369)</b>	<b>0</b>	<b>(414,369)</b>	<b>(425,145)</b>	<b>0</b>	<b>(425,145)</b>

**3rd Change** – Grants receipts in advance treatment - The following tables provide details of the impact of this restatement on the Comprehensive Income and Expenditure Statement (sections 2.2 and 3.1), the Movement in Reserves Statement (section 2.3), the Balance Sheet (section 2.4), and Cash Flow Statement (section 2.5). The details are shown as further adjustments following those made as a result of the other changes detailed above.

Comprehensive Income & Expenditure Statement 2023/24	Original	Impact of restatement	Restated
	Net Expenditure	Net Expenditure	Net Expenditure
	£000	£000	£000
Capital Grant	(92,333)	(7,764)	(100,097)
<b>Taxations and Non-Specific Grant Income</b>	<b>(403,211)</b>	<b>(7,764)</b>	<b>(410,975)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>27,855</b>	<b>(7,764)</b>	<b>20,091</b>
<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>	<b>(14,684)</b>	<b>(7,764)</b>	<b>(22,448)</b>

Movement in Reserves Statement 2023/24	General Fund Balance			Capital Grants Unapplied Account		
	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated
	£000	£000	£000	£000	£000	£000
<b>31st March 2023</b>	<b>(161,578)</b>	<b>0</b>	<b>(161,578)</b>	<b>(5,745)</b>	<b>(28,779)</b>	<b>(34,524)</b>
Total Comprehensive Income and Expenditure	27,855	(7,764)	20,091	0	0	0
Adjustments between Accounting Basis and Funding Basis under Regulations	(22,170)	7,764	(14,406)	1,551	(7,764)	(6,214)
<b>Net (Increase)/Decrease</b>	<b>5,685</b>	<b>0</b>	<b>5,685</b>	<b>1,551</b>	<b>(7,764)</b>	<b>(6,214)</b>
<b>31st March 2024</b>	<b>(155,893)</b>	<b>0</b>	<b>(155,893)</b>	<b>(4,194)</b>	<b>(36,543)</b>	<b>(40,738)</b>

Movement in Reserves Statement 2023/24	Total Usable Reserves			Total Reserves		
	Original	Impact of restatement	Restated	Original	Impact of restatement	Restated
	£000	£000	£000	£000	£000	£000
<b>31st March 2023</b>	<b>(185,946)</b>	<b>(28,779)</b>	<b>(214,725)</b>	<b>(1,312,380)</b>	<b>(28,779)</b>	<b>(1,341,159)</b>
Total Comprehensive Income and Expenditure	27,855	(7,764)	20,091	(14,684)	(7,764)	(22,448)
Adjustments between Accounting Basis and Funding Basis under Regulations	(13,730)	0	(13,730)	0	0	0
<b>Net (Increase)/Decrease</b>	<b>14,125</b>	<b>(7,764)</b>	<b>6,361</b>	<b>(14,684)</b>	<b>(7,764)</b>	<b>(22,448)</b>
<b>31st March 2024</b>	<b>(171,821)</b>	<b>(36,543)</b>	<b>(208,364)</b>	<b>(1,327,064)</b>	<b>(36,543)</b>	<b>(1,363,607)</b>



Balance Sheet	31st March 2023			31st March 2024		
	Original £000	Impact of restatement £000	Restated £000	Original £000	Impact of restatement £000	Restated £000
Short Term Creditors	(104,710)	17,437	(87,273)	(97,481)	4,727	(92,754)
Capital Grants Receipts in Advance	(3,835)	(3,389)	(7,224)	(4,149)	(2,957)	(7,106)
Revenue Grants Receipts in Advance	0	(17,438)	(17,438)	0	(4,727)	(4,727)
<b>Current Liabilities</b>	<b>(138,598)</b>	<b>(3,390)</b>	<b>(141,988)</b>	<b>(113,902)</b>	<b>(2,957)</b>	<b>(116,859)</b>
Capital Grants Receipts in Advance	(60,380)	32,169	(28,211)	(66,714)	39,500	(27,214)
<b>Long Term Liabilities</b>	<b>(414,369)</b>	<b>32,169</b>	<b>(382,200)</b>	<b>(425,145)</b>	<b>39,500</b>	<b>(385,645)</b>
<b>Net Assets</b>	<b>1,312,380</b>	<b>28,779</b>	<b>1,341,159</b>	<b>1,327,064</b>	<b>36,543</b>	<b>1,363,607</b>
Usable Reserves	(185,946)	(28,779)	(214,725)	(171,820)	(36,543)	(208,364)
<b>Total Reserves</b>	<b>(1,312,380)</b>	<b>(28,779)</b>	<b>(1,341,159)</b>	<b>(1,327,064)</b>	<b>(36,543)</b>	<b>(1,363,607)</b>

Cash Flow Statement 2023/24	Original	Impact of restatement	Restated
	£000s	£000s	£000s
Net (Surplus) or Deficit on the Provision of Services	27,855	(7,764)	20,091
Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(93,081)	7,764	(85,317)
<b>Net Cash Flows from Operating Activities</b>	<b>23,129</b>	<b>0</b>	<b>23,129</b>

## 4 Group Accounts

### 4.1 Overview of Group Accounts

The Group Accounts have been prepared in accordance with IFRS and where material, the accounts of other group entities have been adjusted to align their accounting policies with that of the Local Authority parent. Sections 4.2 to 4.5 present the Group Accounts core financial statements. The purpose of these statements is described in section 2.1.

Note 3.34 to Coventry City Council's balance sheet shows details of the various companies in which it has an interest. Coventry Municipal Holdings Limited (CMH) and the UK Battery Industrialisation Centre Ltd (UKBIC) are included as subsidiaries within the Group. CMH prepare consolidated accounts which include the results of the following second tier subsidiaries in which it holds shares – Coombe Abbey Park Limited (CAPL), Coventry Regeneration Limited (CR), Coventry Technical Resources Limited (CTR), Tom White Waste Limited (TWW). The Council remains the ultimate parent company through its 100% ownership of CMH.

The Coventry and Solihull Waste Disposal Company Limited (CSWDC) and Friargate JV Project Limited (FJVP) are included as joint ventures. Sherbourne Recycling Limited (SRL) is included as an associate.

Birmingham Airport Holdings Limited, Culture Coventry and University of Warwick Science Park Business Innovation Centre Limited have not been included within the Group as it was deemed under IAS 28 that the Council did not have the

power to exercise significant influence over the business and financial affairs of these companies.

Coventry and Warwickshire Growth Hub Limited has not been included based on materiality.

The Code of Practice requires the reporting date and accounting policies in the group financial statements to be consistent with the parent organisation (Coventry City Council).

From 31<sup>st</sup> March 2025 all companies consolidated within the Group Accounts have a March year end date. For consolidation purposes draft accounts as at 31<sup>st</sup> March 2025 have been used for CSWDC, CMH, FJVP, SRL and UKBIC.

The Group Accounts have been prepared in alignment with the Code of Practice, making the necessary adjustments where companies report under FRS 102 or IFRS accounts do not align with specific public sector adaptations. CMH and SRL report on an IFRS basis and CSWDC, FJVP and UKBIC report on an FRS 102 basis.

Subsidiaries have been consolidated into the Group Accounts under the acquisition method, recognising income and expenditure on a line by line basis in the relevant service revenue accounts. Joint ventures and associates have been consolidated into the group accounts under the equity method.

The Group Accounts do not contain any minority interests related to subsidiaries owned by the Council.

## 4.2 Group Comprehensive Income & Expenditure Account

	2023/24			2024/25		
Gross Expenditure *restated £000	Gross Income *restated £000	Net Expenditure *restated £000	Service segment	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
229,922	(90,186)	139,736	Adult Services and Housing	245,128	(99,073)	146,055
360,845	(235,236)	125,609	Children and Education	400,441	(261,214)	139,227
130,232	(65,650)	64,582	City Services	120,171	(65,391)	54,780
8,462	(33,607)	(25,145)	Contingency and Central Budgets	(217)	(46,369)	(46,586)
101,555	(91,840)	9,715	Finance and Resources	104,165	(90,755)	13,410
13,954	(6,016)	7,938	Legal and Governance	17,147	(7,372)	9,775
2,203	(706)	1,497	People and Organisational Development	2,496	(1,042)	1,454
7,611	(675)	6,936	Planning and Performance	7,644	(679)	6,965
20	0	20	Policy and Communications	128	(7)	121
28,019	(4,485)	23,534	Property Services and Development	10,360	(6,586)	3,774
31,913	(32,489)	(576)	Public Health	31,260	(31,528)	(268)
68,816	(59,227)	9,589	Regeneration and Economy Development	86,333	(70,110)	16,223
<b>983,552</b>	<b>(620,117)</b>	<b>363,435</b>	<b>Cost of Services</b>	<b>1,025,056</b>	<b>(680,126)</b>	<b>344,930</b>
		40,395	Other Operating Expenditure			36,947
		24,246	Finance and Investment Income and Expenditure			(28,123)
		0	Profit or Loss on Discontinued Operations			0
		(410,975)	Taxations and Non-Specific Grant Income			(399,257)
		<b>17,101</b>	<b>(Surplus) / Deficit on the Provision of Services</b>			<b>(45,503)</b>
		(17,504)	Associates and JVs accounted for on Equity Basis			(14,097)
		5,144	Tax Expenses			3,934
		<b>4,741</b>	<b>Group (Surplus) or Deficit</b>			<b>(55,666)</b>
		(59,971)	(Gain)/loss on revaluation of non current assets			(31,844)
		(3,149)	(Gain)/loss on revaluation of financial instruments			5,095
		11,570	Remeasurement of the net defined benefit liability			9,726
		(1,565)	Share of other comprehensive income and expenditure of associates & joint ventures			(26,413)
		<b>(53,115)</b>	<b>Sub-total of other Comprehensive Income and Expenditure</b>			<b>(43,436)</b>
		<b>(48,374)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(99,102)</b>

\* These figures have been restated as detailed in section 4.15.

### 4.3 Group Movement in Reserves Statement

2024/25	Authority Reserves						Authority's share of the reserves of subsidiaries, associates and joint ventures			Group		
	General Fund	Capital Grants Unapplied	Capital Receipts Reserve	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance Brought forward</b>	<b>(155,893)</b>	<b>(40,738)</b>	<b>(11,733)</b>	<b>(208,364)</b>	<b>(1,096,735)</b>	<b>(1,305,099)</b>	<b>(71,928)</b>	<b>(24,659)</b>	<b>(96,587)</b>	<b>(280,292)</b>	<b>(1,121,394)</b>	<b>(1,401,686)</b>
Total Comprehensive Income and Expenditure	(30,894)	0	0	(30,894)	(17,287)	(48,181)	(24,964)	(25,957)	(50,921)	(55,858)	(43,244)	(99,102)
Adjustments between group accounts and authority accounts	(8,942)	0	0	(8,942)	0	(8,942)	8,942	0	8,942	0	0	0
<b>Net (increase) or decrease before transfers</b>	<b>(39,836)</b>	<b>0</b>	<b>0</b>	<b>(39,836)</b>	<b>(17,287)</b>	<b>(57,123)</b>	<b>(16,022)</b>	<b>(25,957)</b>	<b>(41,979)</b>	<b>(55,858)</b>	<b>(43,244)</b>	<b>(99,102)</b>
Adjustments between Accounting Basis and Funding Basis under Regulations	36,305	8,131	(3,434)	41,002	(41,002)	0	0	0	0	41,002	(41,002)	0
<b>Net (Increase) / Decrease</b>	<b>(3,531)</b>	<b>8,131</b>	<b>(3,434)</b>	<b>1,166</b>	<b>(58,289)</b>	<b>(57,123)</b>	<b>(16,022)</b>	<b>(25,957)</b>	<b>(41,979)</b>	<b>(14,856)</b>	<b>(84,246)</b>	<b>(99,102)</b>
<b>Balance Carried forward</b>	<b>(159,424)</b>	<b>(32,607)</b>	<b>(15,167)</b>	<b>(207,198)</b>	<b>(1,155,024)</b>	<b>(1,362,222)</b>	<b>(87,950)</b>	<b>(50,616)</b>	<b>(138,566)</b>	<b>(295,148)</b>	<b>(1,205,640)</b>	<b>(1,500,788)</b>

Group Movement in Reserves – Comparatives

2023/24	Authority Reserves						Authority's share of the reserves of subsidiaries, associates and joint ventures			Group		
	General Fund *restated	Capital Grants Unapplied *restated	Capital Receipts Reserve	Usable Reserves *restated	Unusable Reserves *restated	Sub total *restated	Usable Reserves *restated	Unusable Reserves *restated	Sub total *restated	Usable Reserves *restated	Unusable Reserves *restated	Total Reserves *restated
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance Brought forward</b>	<b>(161,578)</b>	<b>(34,524)</b>	<b>(18,623)</b>	<b>(214,725)</b>	<b>(1,060,094)</b>	<b>(1,274,819)</b>	<b>(54,716)</b>	<b>(23,777)</b>	<b>(78,493)</b>	<b>(269,441)</b>	<b>(1,083,871)</b>	<b>(1,353,312)</b>
Total Comprehensive Income and Expenditure	29,476	0	0	29,476	(50,371)	(20,895)	(26,597)	(882)	(27,479)	2,879	(51,253)	(48,374)
Adjustments between group accounts and authority accounts	(9,385)	0	0	(9,385)	0	(9,385)	9,385	0	9,385	0	0	0
<b>Net (increase) or decrease before transfers</b>	<b>20,091</b>	<b>0</b>	<b>0</b>	<b>20,091</b>	<b>(50,371)</b>	<b>(30,280)</b>	<b>(17,212)</b>	<b>(882)</b>	<b>(18,094)</b>	<b>2,879</b>	<b>(51,253)</b>	<b>(48,374)</b>
Adjustments between Accounting Basis and Funding Basis under Regulations	(14,406)	(6,214)	6,890	(13,730)	13,730	0	0	0	0	(13,730)	13,730	0
<b>Net (Increase) / Decrease</b>	<b>5,685</b>	<b>(6,214)</b>	<b>6,890</b>	<b>6,361</b>	<b>(36,641)</b>	<b>(30,280)</b>	<b>(17,212)</b>	<b>(882)</b>	<b>(18,094)</b>	<b>(10,851)</b>	<b>(37,523)</b>	<b>(48,374)</b>
<b>Balance Carried forward</b>	<b>(155,893)</b>	<b>(40,738)</b>	<b>(11,733)</b>	<b>(208,364)</b>	<b>(1,096,735)</b>	<b>(1,305,099)</b>	<b>(71,928)</b>	<b>(24,659)</b>	<b>(96,587)</b>	<b>(280,292)</b>	<b>(1,121,394)</b>	<b>(1,401,686)</b>

\*Restated as detailed in section 4.15

Section 4.9 provides an analysis of the adjustments between group accounts and authority accounts.

Section 4.10 provides an analysis of the movement in the authority's share of the reserves of subsidiaries, associates and joint ventures.

## 4.4 Group Balance Sheet

The Group Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority, and a reconciliation to the Single Entity Balance Sheet is provided in section 4.6.

31st March 2023			31st March 2024			Group Balance Sheet	31st March 2025		
Single Entity	Group Adjustments *restated	Total *restated	Single Entity	Group Adjustments *restated	Total *restated		Single Entity	Group Adjustments	Total
£000	£000	£000	£000	£000	£000		£000	£000	£000
1,130,195	91,562	1,221,757	1,183,216	111,611	1,294,827	Property, Plant and Equipment	1,244,144	124,249	1,368,393
25,893	0	25,893	27,449	0	27,449	Heritage Assets	26,863	0	26,863
322,956	(7,482)	315,474	301,809	(8,712)	293,097	Investment Property	317,125	(8,738)	308,387
0	11,641	11,641	0	11,641	11,641	Intangible Assets	0	11,641	11,641
122,318	(88,803)	33,515	116,456	(79,793)	36,663	Long Term Investments	106,610	(75,042)	31,568
0	33,868	33,868	0	35,482	35,482	Investment in Associates and Joint Ventures	0	62,435	62,435
79,432	(24,847)	54,585	83,773	(23,765)	60,008	Long Term Debtors	78,483	(23,374)	55,109
0	0	0	0	0	0	Deferred Tax Assets	0	0	0
<b>1,680,794</b>	<b>15,939</b>	<b>1,696,733</b>	<b>1,712,703</b>	<b>46,464</b>	<b>1,759,167</b>	<b>Long Term Assets</b>	<b>1,773,225</b>	<b>91,171</b>	<b>1,864,396</b>
27,848	0	27,848	37,185	0	37,185	Short Term Investments	27,667	0	27,667
303	320	623	357	482	839	Inventories	258	1,230	1,488
99,885	37,124	137,009	89,862	20,575	110,437	Short Term Debtors	117,179	9,619	126,798
56,222	9,182	65,404	26,004	54,360	80,364	Cash and Cash Equivalents	55,764	40,985	96,749
295	0	295	0	0	0	Assets held for Sale	0	0	0
0	509	509	0	12	12	Current Tax Asset	0	0	0
<b>184,553</b>	<b>47,135</b>	<b>231,688</b>	<b>153,408</b>	<b>75,429</b>	<b>228,837</b>	<b>Current Assets</b>	<b>200,868</b>	<b>51,834</b>	<b>252,702</b>
(4,101)	0	(4,101)	(2,915)	(27)	(2,942)	Bank Overdraft	(4,475)	(69)	(4,544)
(19,711)	(295)	(20,006)	(2,567)	(592)	(3,159)	Short Term Borrowing	(22,789)	(1,475)	(24,264)
(87,273)	(10,039)	(97,312)	(92,754)	(12,164)	(104,918)	Short Term Creditors	(109,386)	(15,093)	(124,479)
(6,241)	0	(6,241)	(6,790)	0	(6,790)	Short Term Provisions	(5,005)	0	(5,005)
(7,224)	(34,509)	(41,733)	(7,106)	(50,302)	(57,408)	Capital Grants Receipts in Advance	(6,622)	0	(6,622)
(17,438)	(1,491)	(18,929)	(4,727)	(1,805)	(6,532)	Revenue Grants Receipt in Advance	(12,638)	(2,529)	(15,167)
0	0	0	0	0	0	Current Tax Liability	0	0	0
<b>(141,988)</b>	<b>(46,334)</b>	<b>(188,322)</b>	<b>(116,859)</b>	<b>(64,890)</b>	<b>(181,749)</b>	<b>Current Liabilities</b>	<b>(160,915)</b>	<b>(19,166)</b>	<b>(180,081)</b>
0	0	0	0	0	0	Long Term Creditors	0	0	0
(18,739)	0	(18,739)	(21,154)	0	(21,154)	Long Term Provisions	(22,026)	0	(22,026)
(251,731)	(2,931)	(254,662)	(249,516)	(5,425)	(254,941)	Long Term Borrowing	(236,218)	(4,287)	(240,505)
(25,197)	0	(25,197)	(35,393)	0	(35,393)	Net Pension Liability	(30,491)	0	(30,491)
(56,421)	(407)	(56,828)	(50,090)	0	(50,090)	Other Long Term Liabilities	(66,064)	(535)	(66,599)
(1,901)	0	(1,901)	(2,278)	0	(2,278)	Donated Assets Account	(2,435)	0	(2,435)
(28,211)	0	(28,211)	(27,214)	(12,250)	(39,464)	Capital Grants Receipts in Advance	(40,229)	(32,788)	(73,017)
0	(1,249)	(1,249)	0	(1,249)	(1,249)	Deferred Tax Liability	0	(1,156)	(1,156)
<b>(382,200)</b>	<b>(4,587)</b>	<b>(386,787)</b>	<b>(385,645)</b>	<b>(18,924)</b>	<b>(404,569)</b>	<b>Long Term Liabilities</b>	<b>(397,463)</b>	<b>(38,766)</b>	<b>(436,229)</b>
<b>1,341,159</b>	<b>12,153</b>	<b>1,353,312</b>	<b>1,363,607</b>	<b>38,079</b>	<b>1,401,686</b>	<b>Net Assets</b>	<b>1,415,715</b>	<b>85,073</b>	<b>1,500,788</b>
(214,725)	(54,716)	(269,441)	(208,364)	(71,928)	(280,292)	Usable Reserves*	(207,198)	(87,950)	(295,148)
(1,126,434)	42,563	(1,083,871)	(1,155,243)	33,849	(1,121,394)	Unusable Reserves*	(1,208,517)	2,877	(1,205,640)
<b>(1,341,159)</b>	<b>(12,153)</b>	<b>(1,353,312)</b>	<b>(1,363,607)</b>	<b>(38,079)</b>	<b>(1,401,686)</b>	<b>Total Reserves</b>	<b>(1,415,715)</b>	<b>(85,073)</b>	<b>(1,500,788)</b>

\*Restated as detailed in section 4.15

## 4.5 Group Cash Flow Statement

The Group Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
Single Entity *restated £000's	Group Adjustment *restated £000's	Total *restated £000's	Cash Flow Statement	Single Entity £000's	Group Adjustment £000's	Total £000's
20,091	(2,990)	<b>17,101</b>	Net (Surplus) or Deficit on the Provision of Services	(39,836)	(5,667)	<b>(45,503)</b>
(86,129)	(68,758)	<b>(154,887)</b>	Adjust Net (Surplus) or Deficit on the Provision of Services for Non Cash Movements	(28,890)	(5,550)	<b>(34,440)</b>
96,931	0	<b>96,931</b>	Adjust for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	84,175	0	<b>84,175</b>
0	(510)	<b>(510)</b>	Income tax paid	0	(12)	<b>(12)</b>
<b>30,893</b>	<b>(72,258)</b>	<b>(41,365)</b>	<b>Net Cash Flows from Operating Activities</b>	<b>15,449</b>	<b>(11,229)</b>	<b>4,220</b>
(28,308)	23,900	<b>(4,408)</b>	Investing Activities	(30,532)	17,466	<b>(13,066)</b>
26,447	3,207	<b>29,654</b>	Financing Activities	(13,117)	7,180	<b>(5,937)</b>
<b>29,032</b>	<b>(45,151)</b>	<b>(16,119)</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>	<b>(28,200)</b>	<b>13,417</b>	<b>(14,783)</b>
(52,121)	(9,182)	<b>(61,303)</b>	Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)	(23,089)	(54,333)	<b>(77,422)</b>
<b>(23,089)</b>	<b>(54,333)</b>	<b>(77,422)</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period (including bank overdrafts)</b>	<b>(51,289)</b>	<b>(40,916)</b>	<b>(92,205)</b>

\* These figures have been restated as detailed in section 4.15.

Note 4.13 presents an analysis of the amounts relevant to the Group Accounts for: non-cash movements; items included in the provision of services that are investing and financing activities; investing activities; and financing activities.

## 4.6 Group Balance Sheet Reconciliation

The table below provides a breakdown of the group adjustments made to the single entity balance sheet at the end of the financial year.

Group Balance Sheet 31st March 2025	Group Adjustments to authority	Coventry Municipal Holdings Limited	The Coventry and Solihull Waste Disposal Company Limited	Friargate JV Project Limited	Sherbourne Recycling Limited	UK Battery Industrialisation Centre Ltd	Total
	£000	£000	£000	£000	£000	£000	£000
Property, Plant and Equipment	804	34,934	0	0	0	88,511	124,249
Heritage Assets	0	0	0	0	0	0	0
Investment Property	(8,738)	0	0	0	0	0	(8,738)
Intangible Assets	11,641	0	0	0	0	0	11,641
Long Term Investments	(75,042)	0	0	0	0	0	(75,042)
Investment in Associates and Joint Ventures	0	0	59,760	2,656	19	0	62,435
Long Term Debtors	(23,374)	0	0	0	0	0	(23,374)
Deferred Tax Assets	0	0	0	0	0	0	0
<b>Long Term Assets</b>	<b>(94,709)</b>	<b>34,934</b>	<b>59,760</b>	<b>2,656</b>	<b>19</b>	<b>88,511</b>	<b>91,171</b>
Short Term Investments	0	0	0	0	0	0	0
Inventories	0	265	0	0	0	965	1,230
Short Term Debtors	(1,394)	4,921	0	0	0	6,092	9,619
Cash and Cash Equivalents	0	7,528	0	0	0	33,457	40,985
Assets Held for Sale	0	0	0	0	0	0	0
Current Tax Asset	0	0	0	0	0	0	0
<b>Current Assets</b>	<b>(1,394)</b>	<b>12,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,514</b>	<b>51,834</b>
Bank Overdraft	0	(69)	0	0	0	0	(69)
Short Term Borrowing	0	(1,391)	0	0	0	(84)	(1,475)
Short Term Creditors	98	(11,480)	0	0	0	(3,711)	(15,093)
Short Term Provisions	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	0	0
Revenue Grants Receipt in Advance	0	0	0	0	0	(2,529)	(2,529)
Current Tax Liability	0	0	0	0	0	0	0
<b>Current Liabilities</b>	<b>98</b>	<b>(12,940)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,324)</b>	<b>(19,166)</b>
Long Term Creditors	0	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0	0
Long Term Borrowing	0	(4,287)	0	0	0	0	(4,287)
Net Pension Liability	0	0	0	0	0	0	0
Other Long Term Liabilities	0	0	0	0	0	(535)	(535)
Donated Assets Account	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	(32,788)	(32,788)
Deferred Tax Liability	0	(1,156)	0	0	0	0	(1,156)
<b>Long Term Liabilities</b>	<b>0</b>	<b>(5,443)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(33,323)</b>	<b>(38,766)</b>
<b>Net Assets</b>	<b>(96,005)</b>	<b>29,265</b>	<b>59,760</b>	<b>2,656</b>	<b>19</b>	<b>89,378</b>	<b>85,073</b>
Usable Reserves	0	9,850	(20,205)	8,709	2,417	(88,721)	(87,950)
Unusable Reserves	53,493	(18,791)	(29,605)	0	(2,220)	0	2,877
<b>Total Reserves</b>	<b>53,493</b>	<b>(8,941)</b>	<b>(49,810)</b>	<b>8,709</b>	<b>197</b>	<b>(88,721)</b>	<b>(85,073)</b>

Section 4.10 provides an analysis of the Property, Plant and Equipment.



Comparative year:

Group Balance Sheet 31st March 2024	Group Adjustments to authority	Coventry Municipal Holdings Limited	The Coventry and Solihull Waste Disposal Company Limited	Friargate JV Project Limited	Sherbourne Recycling Limited	UK Battery Industrialisation Centre Ltd *restated	Total *restated
	£000	£000	£000	£000	£000	£000	£000
Property, Plant and Equipment	804	38,022	0	0	0	72,785	111,611
Heritage Assets	0	0	0	0	0	0	0
Investment Property	(8,712)	0	0	0	0	0	(8,712)
Intangible Assets	11,641	0	0	0	0	0	11,641
Long Term Investments	(79,793)	0	0	0	0	0	(79,793)
Investment in Associates and Joint Ventures	0	0	32,093	2,731	658	0	35,482
Long Term Debtors	(23,765)	0	0	0	0	0	(23,765)
Deferred Tax Assets	0	0	0	0	0	0	0
<b>Long Term Assets</b>	<b>(99,825)</b>	<b>38,022</b>	<b>32,093</b>	<b>2,731</b>	<b>658</b>	<b>72,785</b>	<b>46,464</b>
Short Term Investments	0	0	0	0	0	0	0
Inventories	0	98	0	0	0	384	482
Short Term Debtors	(2,626)	3,995	0	0	0	19,206	20,575
Cash and Cash Equivalents	0	4,194	0	0	0	50,166	54,360
Assets held for Sale	0	0	0	0	0	0	0
Current Tax Asset	0	12	0	0	0	0	12
<b>Current Assets</b>	<b>(2,626)</b>	<b>8,299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69,756</b>	<b>75,429</b>
Bank Overdraft	0	(27)	0	0	0	0	(27)
Short Term Borrowing	0	(606)	0	0	0	14	(592)
Short Term Creditors	407	(8,156)	0	0	0	(4,415)	(12,164)
Short Term Provisions	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	(50,302)	(50,302)
Revenue Grants Receipts in Advance	0	0	0	0	0	(1,805)	(1,805)
Current Tax Liability	0	0	0	0	0	0	0
<b>Current Liabilities</b>	<b>407</b>	<b>(8,789)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(56,508)</b>	<b>(64,890)</b>
Long Term Creditors	0	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0	0
Long Term Borrowing	0	(5,425)	0	0	0	0	(5,425)
Net Pension Liability	0	0	0	0	0	0	0
Other Long term Liabilities	0	0	0	0	0	0	0
Donated Assets Account	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	(12,250)	(12,250)
Deferred Tax Liability	0	(1,249)	0	0	0	0	(1,249)
<b>Long Term Liabilities</b>	<b>0</b>	<b>(6,674)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,250)</b>	<b>(18,924)</b>
<b>Net Assets</b>	<b>(102,044)</b>	<b>30,858</b>	<b>32,093</b>	<b>2,731</b>	<b>658</b>	<b>73,783</b>	<b>38,079</b>
Usable Reserves*	0	9,985	(18,486)	8,634	1,370	(73,431)	(71,928)
Unusable Reserves*	58,508	(19,192)	(3,654)	0	(1,813)	0	33,849
<b>Total Reserves</b>	<b>58,508</b>	<b>(9,207)</b>	<b>(22,140)</b>	<b>8,634</b>	<b>(443)</b>	<b>(73,431)</b>	<b>(38,079)</b>

\* Restated as detailed in section 4.15

## 4.7 Analysis of the movement in the Authority's share of the reserves of subsidiaries, associates & joint ventures

	Coventry Municipal Holdings Limited	The Coventry and Solihull Waste Disposal Company Limited	Friargate JV Project Limited	Sherbourne Recycling Limited	UK Battery Industrialisation Centre Ltd	Total
Movement during 2024/25	£000	£000	£000	£000	£000	£000
1st April 2024	(9,207)	(22,140)	8,634	(443)	(73,431)	(96,587)
Net increase/decrease in Usable Reserves	(135)	(1,719)	75	1,047	(15,290)	(16,022)
Net increase/decrease in Unusable Reserves	401	(25,951)	0	(407)	0	(25,957)
1st April 2025	(8,941)	(49,810)	8,709	197	(88,721)	(138,566)
Movement during 2023/24						
1st April 2023	(11,656)	(20,488)	7,989	161	(54,499)	(78,493)
Net increase/decrease in Usable Reserves	2,040	(2,175)	645	1,209	(18,932)	(17,213)
Net increase/decrease in Unusable Reserves	409	523	0	(1,813)	0	(881)
1st April 2024	(9,207)	(22,140)	8,634	(443)	(73,431)	(96,587)

## 4.8 Group Surplus/Deficit Reconciliation

The table below provides a breakdown of the group adjustments made to the single entity surplus/deficit position.

31/03/2024 *restated £000	Group Surplus/Deficit Reconciliation £000	31/03/2025 £000
20,091	The Authority's Single Entity (Surplus)/Deficit on the Provision of Services for the year	(39,836)
12,300	Less: Dividend income and any other distributions from Group Entities included in the Single Entity (Surplus)/Deficit on the Provision of Services for the year	9,914
32,391	<b>(Surplus)/Deficit in the Group Income &amp; Expenditure attributable to the Authority</b>	<b>(29,922)</b>
	Add: (Surplus)/Deficit arising from other entities included in the Group Accounts	
(15,300)	Subsidiaries	(15,674)
(12,350)	Joint Ventures	(10,070)
4,741	<b>Group Account (Surplus)/Deficit for the year</b>	<b>(55,666)</b>

\* These figures have been restated as detailed in section 4.15.

## 4.9 Reversal of adjustments made between group accounts & authority accounts

The tables below show the adjustments applied to the MiRs to restore the statutory reserve balances of the authority.

Reversal of adjustments made between group accounts and authority accounts	Coventry Municipal Holdings Limited	The Coventry and Solihull Waste Disposal Company Limited	Friargate JV Project Limited	Sherbourne Recycling Limited	UK Battery Industrialisation Centre Ltd	Total
	£000	£000	£000	£000	£000	£000
Adjustment to reverse elimination of dividends receivable applied to the General Fund and restore statutory balance	(72)	(9,530)	0	0	0	(9,602)
Adjustments to reverse intra-group transactions applied to the General Fund and restore statutory balance	1,106	0	0	0	(446)	660
<b>(Surplus)/Deficit in the Group Income &amp; Expenditure attributable to the Authority</b>	<b>1,034</b>	<b>(9,530)</b>	<b>0</b>	<b>0</b>	<b>(446)</b>	<b>(8,942)</b>

Prior year comparative figures:

Reversal of adjustments made between group accounts and authority accounts	Coventry Municipal Holdings Limited	The Coventry and Solihull Waste Disposal Company Limited	Friargate JV Project Limited	Sherbourne Recycling Limited	UK Battery Industrialisation Centre Ltd	Total
	£000	£000	£000	£000	£000	£000
Adjustment to reverse elimination of dividends receivable applied to the General Fund and restore statutory balance	(72)	(12,300)	0	0	0	(12,372)
Adjustments to reverse intra-group transactions applied to the General Fund and restore statutory balance	3,353	0	0	0	(366)	2,987
<b>(Surplus)/Deficit in the Group Income &amp; Expenditure attributable to the Authority</b>	<b>3,281</b>	<b>(12,300)</b>	<b>0</b>	<b>0</b>	<b>(366)</b>	<b>(9,385)</b>

## 4.10 Group Property, Plant & Equipment

The table below shows the movement in the Group's Property, Plant and Equipment (excluding Infrastructure Assets) during the year. Please see the last table within section 3.15 for the detail of the infrastructure assets movements.

The City Council's Property, Plant and Equipment asset net book values, including Infrastructure Assets, are provided in the following table:

	Other Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Under Constructure	Total (Excluding Infrastructure Assets)
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Cost of Valuation</b>						
<b>1st April 2024</b>	<b>724,776</b>	<b>135,411</b>	<b>17,887</b>	<b>7,922</b>	<b>64,225</b>	<b>950,221</b>
Additions	49,336	8,292	54	0	37,837	95,519
Revaluation increase/(decreases) to Revaluation Reserve	5,283	0	0	1,506	0	6,789
Revaluation increase/(decrease) to SDPS	0	0	0	0	0	0
Disposals	(5,620)	(2,703)	0	0	0	(8,323)
Derecognition	(12,899)	(9)	(43)	0	(5,564)	(18,515)
Reclassifications	1,851	0	0	0	(32,596)	(30,745)
<b>31st March 2025</b>	<b>762,727</b>	<b>140,991</b>	<b>17,898</b>	<b>9,428</b>	<b>63,902</b>	<b>994,946</b>
<b>Depreciation and Impairment</b>						
<b>1st April 2024</b>	<b>11,089</b>	<b>58,468</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>69,560</b>
Depreciation Charge	28,532	13,603	3	0	0	42,138
Disposals	(560)	(1,811)	0	0	0	(2,371)
Derecognition	(941)	0	0	0	0	(941)
Depreciation written out on revaluation	(24,532)	0	0	0	0	(24,532)
Impairment Losses/reversals recognised in RR	0	0	0	0	0	0
Impairment Losses/reversals recognised in SDPS	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
<b>31st March 2025</b>	<b>13,588</b>	<b>70,260</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>83,854</b>
<b>Net Book Value</b>						
<b>31st March 2025</b>	<b>749,139</b>	<b>70,731</b>	<b>17,892</b>	<b>9,428</b>	<b>63,902</b>	<b>911,092</b>
<b>1st April 2024</b>	<b>713,687</b>	<b>76,943</b>	<b>17,884</b>	<b>7,922</b>	<b>64,225</b>	<b>880,661</b>

The table below shows the movement in the Group's Property, Plant and Equipment (excluding Infrastructure Assets) during the previous year for comparative purposes.

	Other Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Under Constructure	Total (Excluding Infrastructure Assets)
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Cost of Valuation</b>						
<b>1st April 2023</b>	<b>650,752</b>	<b>131,208</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>887,661</b>
Additions	17,788	9,490	231	0	40,629	68,138
Revaluation increase/(decreases) to Revaluation Reserve	30,136	0	0	(5,462)	0	24,674
Revaluation increase/(decrease) to SDPS	0	0	0	0	0	0
Disposals	0	(1,745)	0	0	0	(1,745)
Derecognition	(21,237)	(4,322)	(194)	0	(3,558)	(29,311)
Reclassifications	47,337	780	0	320	(47,633)	804
<b>31st March 2024</b>	<b>724,776</b>	<b>135,411</b>	<b>17,887</b>	<b>7,922</b>	<b>64,225</b>	<b>950,221</b>
<b>Depreciation and Impairment</b>						
1st April 2023	11,990	56,830	0	0	0	68,820
Depreciation Charge	22,967	10,875	3	0	0	33,845
Disposals	0	(1,061)	0	0	0	(1,061)
Derecognition	(847)	(8,176)	0	0	0	(9,023)
Depreciation written out on revaluation	(23,021)	0	0	0	0	(23,021)
Impairment Losses/reversals recognised in RR	0	0	0	0	0	0
Impairment Losses/reversals recognised in SDPS	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
<b>31st March 2024</b>	<b>11,089</b>	<b>58,468</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>69,560</b>
<b>Net Book Value</b>						
<b>At 31 March Current Year</b>	<b>713,687</b>	<b>76,943</b>	<b>17,884</b>	<b>7,922</b>	<b>64,225</b>	<b>880,661</b>
<b>At 1st April Previous Year</b>	<b>638,762</b>	<b>74,378</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>818,841</b>

The City Council's Property, Plant and Equipment asset net book values, including Infrastructure Assets, are provided in the following table:

	Total (Excluding infrastructure assets)	Infrastructure Assets	Total Property, Plant & Equipment
Net Book Value	£000	£000	£000
<b>31 March 2025</b>	<b>911,092</b>	457,301	<b>1,368,393</b>
<b>31 March 2024</b>	<b>880,661</b>	414,166	<b>1,294,827</b>
<b>31 March 2022</b>	<b>818,841</b>	402,916	<b>1,221,757</b>

## 4.11 Consolidated Breakdown of Reserves

The table below provides a breakdown of the Group's usable and unusable reserves.

	Single Entity	Adjustments	Adjusted Single Entity	Group	Group Adjustments	Authority's share of the reserves of subsidiaries, Associates & Joint ventures	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Usable Reserves</b>							
General Fund Balance*	(159,424)	8,942	(150,482)	0	0	0	(150,482)
Capital Grants Unapplied	(32,607)	0	(32,607)	0	0	0	(32,607)
Capital Receipts Reserve	(15,167)	0	(15,167)	0	0	0	(15,167)
Income and Expenditure Reserve	0	0	0	65,131	(161,873)	(96,742)	(96,742)
Pensions Reserve (private sector)	0	0	0	0	0	0	0
Capital Contribution Reserve	0	0	0	(150)	0	(150)	(150)
<b>Total Usable Reserves</b>	<b>(207,198)</b>	<b>8,942</b>	<b>(198,256)</b>	<b>64,981</b>	<b>(161,873)</b>	<b>(96,892)</b>	<b>(295,148)</b>
<b>Unusable Reserves</b>							
Capital Adjustment Account	(849,704)	(4,628)	(854,332)	0	0	0	(854,332)
Revaluation Reserve	(295,136)	0	(295,136)	0	(50,616)	(50,616)	(345,752)
Deferred Capital Receipts Reserve	(34,734)	17,573	(17,161)	0	0	0	(17,161)
Financial Instruments Adjustment account	8,592	0	8,592	0	0	0	8,592
Financial Instruments Revaluation Reserve	(60,013)	40,548	(19,465)	0	0	0	(19,465)
Collection fund adjustment	(14,563)	0	(14,563)	0	0	0	(14,563)
Pensions Reserve (local government)	30,491	0	30,491	0	0	0	30,491
Accumulated Absence	4,190	0	4,190	0	0	0	4,190
Pooled Investment Funds Adj. Acc.	2,360	0	2,360	0	0	0	2,360
Share Capital	0	0	0	(5,054)	5,054	0	0
Share Premium	0	0	0	(62,862)	62,862	0	0
Minority Interest	0	0	0	0	0	0	0
Capital Redemption Reserve	0	0	0	0	0	0	0
<b>Total Unusable Reserves</b>	<b>(1,208,517)</b>	<b>53,493</b>	<b>(1,155,024)</b>	<b>(67,916)</b>	<b>17,300</b>	<b>(50,616)</b>	<b>(1,205,640)</b>
<b>Total Reserves</b>	<b>(1,415,715)</b>	<b>62,435</b>	<b>(1,353,280)</b>	<b>(2,935)</b>	<b>(144,573)</b>	<b>(147,508)</b>	<b>(1,500,788)</b>

\* The General Fund is adjusted in the Group Movement in Reserves Statement using the 'Adjustments between group accounts and authority accounts' line in order to reconcile to the statutory amount on the account. These adjustments are detailed in section 4.9.

Below is the previous year for comparison:

	Single Entity *restated	Adjustments *restated	Adjusted Single Entity *restated	Group	Group Adjustments *restated	Authority's share of the reserves of subsidiaries, Associates & Joint ventures *restated	Total *restated
	£000	£000	£000	£000	£000	£000	£000
<b>Usable Reserves</b>							
General Fund Balance**	(155,893)	9,385	(146,508)	0	0	0	(146,508)
Capital Grants Unapplied	(40,738)	0	(40,738)	0	0	0	(40,738)
Capital Receipts Reserve	(11,733)	0	(11,733)	0	0	0	(11,733)
Income and Expenditure Reserve	0	0	0	64,367	(145,530)	(81,163)	(81,163)
Pensions Reserve (private sector)	0	0	0	0	0	0	0
Capital Contribution Reserve	0	0	0	(150)	0	(150)	(150)
<b>Total Usable Reserves</b>	<b>(208,364)</b>	<b>9,385</b>	<b>(198,979)</b>	<b>64,217</b>	<b>(145,530)</b>	<b>(81,313)</b>	<b>(280,292)</b>
Unusable Reserves	0	0	0	0	0	0	0
Capital Adjustment Account	(808,022)	(3,765)	(811,787)	0	0	0	(811,787)
Revaluation Reserve	(283,516)	0	(283,516)	0	(24,659)	(24,659)	(308,175)
Deferred Capital Receipts Reserve	(33,937)	16,974	(16,963)	0	0	0	(16,963)
Financial Instruments Adjustment account	8,982	0	8,982	0	0	0	8,982
Financial Instruments Revaluation Reserve	(69,859)	45,299	(24,560)	0	0	0	(24,560)
Collection fund adjustment	(9,854)	0	(9,854)	0	0	0	(9,854)
Pensions Reserve (local government)	35,393	0	35,393	0	0	0	35,393
Accumulated Absence	2,731	0	2,731	0	0	0	2,731
Pooled Investment Funds Adj. Acc.	2,839	0	2,839	0	0	0	2,839
Share Capital	0	0	0	(5,054)	5,054	0	0
Share Premium	0	0	0	(62,862)	62,862	0	0
Minority Interest	0	0	0	0	0	0	0
Capital Redemption Reserve	0	0	0	0	0	0	0
<b>Total Unusable Reserves</b>	<b>(1,155,243)</b>	<b>58,508</b>	<b>(1,096,735)</b>	<b>(67,916)</b>	<b>43,257</b>	<b>(24,659)</b>	<b>(1,121,394)</b>
<b>Total Reserves</b>	<b>(1,363,607)</b>	<b>67,893</b>	<b>(1,295,714)</b>	<b>(3,699)</b>	<b>(102,273)</b>	<b>(105,972)</b>	<b>(1,401,686)</b>

\* Restated as detailed in section 4.15

\*\* The General Fund is adjusted in the Group Movement in Reserves Statement using the 'Adjustments between group accounts and authority accounts' line in order to reconcile to the statutory amount on the account. These adjustments are detailed in section 4.9.

## 4.12 Group Tax Expense

2023/24 £000	Group Tax Expense	2024/25 £000
<b>CURRENT TAX:</b>		
4,674	Current Tax Expense / (Income)	3,284
(39)	Adjustment Recognised in the Period for Current Tax of Prior Periods	(19)
<b>4,635</b>	<b>Total Current Tax</b>	<b>3,265</b>
<b>DEFERRED TAX:</b>		
477	Origination and Reversal of Temporary Differences	743
0	Changes in Tax Rates or the Imposition of New Taxes	0
32	Adjustment Recognised in the Period for Deferred Tax of Prior Periods	(74)
0	Other Adjustments	0
<b>509</b>	<b>Total Deferred Tax</b>	<b>669</b>
<b>5,144</b>	<b>Total Tax Expense</b>	<b>3,934</b>
<b>Analysis of Tax Expense</b>		
(10)	Subsidiaries	(93)
5,154	Joint Ventures/Associates	4,027
<b>5,144</b>	<b>Total Tax Expense</b>	<b>3,934</b>



## 4.13 Notes to the Group Cashflow

The Surplus or Deficit on the Provision of Services has been adjusted for the following non-cash movements:

31st March 2024				31st March 2025		
Single Entity *restated £000	Group *restated £000	Total *restated £000	Adjustments for Non Cash movements	Single Entity £000	Group £000	Total £000
(36,081)	(8,700)	<b>(44,781)</b>	Depreciation	(41,155)	(11,817)	<b>(52,972)</b>
(24,876)	0	<b>(24,876)</b>	Derecognition of Non-current Assets	(20,765)	0	<b>(20,765)</b>
(32,115)	0	<b>(32,115)</b>	Revaluation of Non-current Assets	18,421	0	<b>18,421</b>
(638)	0	<b>(638)</b>	Amortisation	(348)	0	<b>(348)</b>
(506)	0	<b>(506)</b>	(Increase)/Decrease in Impairment Provision for Bad Debts	(3,524)	0	<b>(3,524)</b>
9,109	(45,423)	<b>(36,314)</b>	(Increase)/Decrease in Creditors and Provisions	(49,513)	27,511	<b>(22,002)</b>
(2,978)	(961)	<b>(3,939)</b>	Increase/(Decrease) in Debtors	29,474	(13,111)	<b>16,363</b>
56	162	<b>218</b>	Increase/(Decrease) in Inventory	(99)	748	<b>649</b>
1,374	0	<b>1,374</b>	Pension Liability	14,628	0	<b>14,628</b>
(912)	0	<b>(912)</b>	Carrying amount of non-current assets sold	(564)	0	<b>(564)</b>
1,438	(13,836)	<b>(12,398)</b>	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services	24,555	(8,881)	<b>15,674</b>
<b>(86,129)</b>	<b>(68,758)</b>	<b>(154,887)</b>	<b>Total</b>	<b>(28,890)</b>	<b>(5,550)</b>	<b>(34,440)</b>

\* These figures have been restated as detailed in section 4.15.

31st March 2024				31st March 2025		
Single Entity *restated £000	Group £000	Total *restated £000	Cashflows from Investing activities	Single Entity £000	Group £000	Total £000
65,930	24,955	<b>90,885</b>	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	63,513	17,504	<b>81,017</b>
1,020,761	0	<b>1,020,761</b>	Purchase of Short Term and Long Term Investments	1,263,968	0	<b>1,263,968</b>
5,414	0	<b>5,414</b>	Other Payments for Investing Activities	229	0	<b>229</b>
(812)	(626)	<b>(1,438)</b>	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,177)	(241)	<b>(2,418)</b>
(1,017,286)	0	<b>(1,017,286)</b>	Proceeds from Short Term and Long Term Investments	(1,274,022)	0	<b>(1,274,022)</b>
(102,315)	(429)	<b>(102,744)</b>	Other Receipts from Investing Activities	(82,043)	203	<b>(81,840)</b>
<b>(28,308)</b>	<b>23,900</b>	<b>(4,408)</b>	<b>Total</b>	<b>(30,532)</b>	<b>17,466</b>	<b>(13,066)</b>

\* These figures have been restated as detailed in section 4.15.

31st March 2024				31st March 2025			
Single Entity	Group	Total	Cashflows from Financing activities	Single Entity	Group	Total	
£000	£000	£000		£000	£000	£000	
28,932	821	<b>29,753</b>	Repayments of Short and Long Term Borrowing	1,975	3,583	<b>5,558</b>	
3,110	0	<b>3,110</b>	Cash Payment for Reduction of outstanding liability relating to Finance Lease & on the Bal Sheet PFI Contracts	0	0	<b>0</b>	
(10,485)	(450)	<b>(10,935)</b>	Cash Receipts of Short and Long Term Borrowing	(20,000)	0	<b>(20,000)</b>	
912	2,836	<b>3,748</b>	Other payments for Financing activities	12,004	3,597	<b>15,601</b>	
3,978	0	<b>3,978</b>	Council Tax and NNDR Adjustments	(7,096)	0	<b>(7,096)</b>	
<b>26,447</b>	<b>3,207</b>	<b>29,654</b>	<b>Total</b>	<b>(13,117)</b>	<b>7,180</b>	<b>(5,937)</b>	

All changes in liabilities arising from financing activities are a result of financing cash flows. No such changes relate to non-cash movements.

The cash flows for operating activities include the following items:

31st March 2024				31st March 2025			
Single Entity *restated	Group	Total	Cashflows from Interest and Dividends	Single Entity	Group	Total	
£000	£000	£000		£000	£000	£000	
(10,460)	404	<b>(10,056)</b>	Interest received	(11,772)	203	<b>(11,569)</b>	
19,642	504	<b>20,146</b>	Interest paid	19,385	1,242	<b>20,627</b>	
(12,372)	12,300	<b>(72)</b>	Dividends received	(15,894)	9,530	<b>(6,364)</b>	
<b>(3,190)</b>	<b>13,208</b>	<b>10,018</b>	<b>Total</b>	<b>(8,281)</b>	<b>10,975</b>	<b>2,694</b>	

\* These figures have been restated as detailed in section 4.15.

The balance of Cash and Cash Equivalents is made up of the following elements:

31st March 2024				31st March 2025			
Single Entity	Group	Total	Breakdown of Cash and Cash Equivalents	Single Entity	Group	Total	
£000	£000	£000		£000	£000	£000	
(9)	(1)	<b>(10)</b>	Cash held by Group Entities	(8)	(1)	<b>(9)</b>	
(8,080)	(54,331)	<b>(62,411)</b>	Bank Current Accounts	(7,621)	(40,915)	<b>(48,536)</b>	
(15,000)	(1)	<b>(15,001)</b>	On call deposits	(43,660)	0	<b>(43,660)</b>	
<b>(23,089)</b>	<b>(54,333)</b>	<b>(77,422)</b>	<b>Total</b>	<b>(51,289)</b>	<b>(40,916)</b>	<b>(92,205)</b>	

## 4.14 Group Companies Disclosure

### **Coventry Municipal Holdings Limited (CMH)**

CMH was incorporated in October 2021 to act as an intermediary parent company within the Council's group structure. In November 2021 CMH acquired equity interests in Coombe Abbey Park Limited (CAPL), Coventry Regeneration Limited (CNR), Coventry Technical Resources Limited (CTR) and Tom White Waste Limited (TWW) via a share issue. All companies remained under the control of the Council as the ultimate parent company before and after the restructuring.

The Council holds 100% of the shares in CMH (fair value £4.8m). This valuation includes CMH and its subsidiaries.

### **The Coventry and Solihull Waste Disposal Company Limited (CSWDC)**

CSWDC is operated as a joint venture by its major shareholders, Coventry City Council (the Council) and Solihull Metropolitan Borough Council (SMBC). The Articles of Association require mutually agreed decisions which are voted on accordingly at the Shareholder Panel. As a result of this, the existing treatment of CSWDC in the group accounts of both the Council and SMBC, is for the company to be treated as a joint venture. This position implies that no shareholder has ultimate control.

The 660,000 'A' class shares owned by the Council confer voting rights, dividends, capital distributions and the power to appoint directors. The 330,000 'B' class shares owned by SMBC have the same rights as the 'A' class shares. The 10,000 'C' class shares issued to Leicestershire County Council and Warwickshire County Council in September 2019 have limited voting rights, are not eligible for dividends or capital distributions and do not give the power to appoint directors.

The Council's share of the CSWDC voting rights is 65.35% but the share of dividends and capital distributions is 66.67%. The proportion used in applying the equity method in the group accounts is 66.67%, as this method is based on recognising the investor's share of the profit or loss of the investee. The fair value of the Council's investment is £68m.

As at 31st March 2025 CSWDC had capital commitments of £0.9m.

### **Friargate JV Project Limited (FJVP)**

FJVP was incorporated on 17<sup>th</sup> December 2018. The company is a 50/50 joint venture with Friargate Holdings 2 Limited, established to develop new buildings within the Friargate district of the city. The Council has two of its officers as directors on the board and holds 50% of the shares (fair value £2.2m).

### **Sherbourne Recycling Limited (SRL)**

Coventry City Council holds 21.5% of the shares (fair value, nil) in SRL. The Council is the largest single shareholder and has one of its officers as a director on the board. SRL is included within the Council's group accounts as an associate.

### **UK Battery Industrialisation Centre Ltd (UKBIC)**

UKBIC was incorporated on 27<sup>th</sup> February 2018. The purpose of the company is to run a battery development facility for the motor industry. Coventry City Council is the sole shareholder with a single share which has a nominal value of £1.00. The fair value of the shareholding is nil as UKBIC is a non-profit company to further the development and manufacture of batteries.

## 4.15 Prior Period Restatement

The group accounts have been restated to reflect the change in accounting treatment for the following items.

### **UKBIC Loan to Lease Adjustments**

The group accounts are impacted by the prior period adjustments for the change in treatment in the single entity to recognise amounts due from UKBIC as a finance lease rather than a soft loan (section 3.38).

Under the single economic entity concept the Council is required to eliminate intra-group balances on consolidation. This includes the lease receivable for the plant & equipment operated by UKBIC. The single entity restatement has resulted in the following changes:

- an increase in the group consolidation adjustment applied to Long Term Debtors as the finance lease has a higher carrying value than the previous loan. The receivable was previously treated as a soft loan and the lease debtor is held at a higher carrying amount as the soft loan adjustment to write down the balance for amortised interest has been reversed,
- an adjustment to the company accounts to capitalise the assets which had previously been recognised as loan funded. This has resulted in an increase in the Group Income and Expenditure Reserve; and
- a reduction in Group Unusable Reserves to write out the single entity lease balances from the Deferred Capital Receipts Reserve and reverse the previous group adjustments for single entity balances related to the loan held within the Financial Instruments Revaluation Reserve and the Capital Adjustment Account.

### **Government Grants**

A detailed review of government grant liabilities held in the UKBIC company accounts has resulted in a recategorisation between short term and long-term liabilities and a correction to revenue grant balances. A balance of £14.1m was previously held within Long Term Liabilities for grants that were assumed to be revenue related. However, further detailed work has resulted in a correction of this categorisation. The balance is now split across capital grants and revenue grants. This review of government grants supplements a similar review undertaken for the single entity (section 3.38).

### **Assets Under Construction**

UKBIC recognised £14.8m additions to Assets Under Construction during 2023/24. During group consolidation this was treated on the basis that the corresponding balance was held in government grant creditors. However, it has subsequently been determined that the corresponding entry was held in short term debtors. The group accounts have been restated to reflect this change.

The tables below provide the details of the impact of these restatements on the main statements of the Group Accounts. These include details of the restatements to the single entity accounts outlined in section 3.38.

Group Comprehensive Income & Expenditure Statement 2023/24					
	Original Group	Single Entity (SE) adjustments	Original plus SE adjustments	Impact of restatement	Restated
Service segment	£000s	£000s	£000s	£000s	£000s
Contingency and Central Budgets - Gross Expenditure	8,355	107	8,462	0	8,462
Contingency and Central Budgets - Net Expenditure	64,475	107	64,582	0	64,582
Regeneration and Economy Development - Gross Income	(59,711)	0	(59,711)	484	(59,227)
Regeneration and Economy Development - Net Expenditure	9,104	0	9,104	484	9,588
Cost of Services - Gross Expenditure	983,381	107	983,488	0	983,488
Cost of Services - Gross Income	(620,602)	0	(620,602)	484	(620,118)
<b>Cost of Services - Net Expenditure</b>	<b>362,779</b>	<b>107</b>	<b>362,886</b>	<b>484</b>	<b>363,370</b>
External Investment Income	(10,056)	209	(9,847)	(209)	(10,056)
<b>Finance and Investment Income and Expenditure</b>	<b>24,311</b>	<b>209</b>	<b>24,520</b>	<b>(209)</b>	<b>24,311</b>
Taxations and Non-Specific Grant Income	(403,211)	(7,764)	(410,975)	0	(410,975)
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>24,274</b>	<b>(7,448)</b>	<b>16,826</b>	<b>275</b>	<b>17,101</b>
<b>Group (Surplus)/Deficit</b>	<b>11,914</b>	<b>0</b>	<b>11,914</b>	<b>275</b>	<b>12,189</b>
(Gain)/Loss on revaluation of financial instruments	(3,293)	(38)	(3,331)	182	(3,149)
<b>Other comprehensive Income and Expenditure</b>	<b>(53,259)</b>	<b>(38)</b>	<b>(53,297)</b>	<b>182</b>	<b>(53,115)</b>
<b>TOTAL CIES Suplus/Deficit</b>	<b>(41,345)</b>	<b>(7,486)</b>	<b>(48,831)</b>	<b>457</b>	<b>(48,374)</b>

Group Movement in Reserves 2023/24						
	Balance at 31st March 2023	Total Comprehensive Income and Expenditure	Net (increase)/ decrease before transfers	Adjustments between Accounting Basis & Funding Basis under regulations	(Increase)/ decrease in Year	Balance at 31st March 2024
	£000	£000	£000	£000	£000	£000
<b>Usable Reserves</b>	<b>Original</b>	<b>(222,605)</b>	<b>9,843</b>	<b>9,843</b>	<b>(13,413)</b>	<b>(3,570)</b>
	Single Entity (SE) adjustments	(28,779)	(7,448)	(7,448)	(317)	(7,765)
	Original plus SE adjustments	(251,384)	2,395	2,395	(13,730)	(11,335)
	Impact of restatement	(18,057)	484	484	0	484
	<b>Restated</b>	<b>(269,441)</b>	<b>2,879</b>	<b>2,879</b>	<b>(13,730)</b>	<b>(10,851)</b>
<b>Unusable Reserves</b>	<b>Original</b>	<b>(1,101,193)</b>	<b>(51,188)</b>	<b>(51,188)</b>	<b>13,413</b>	<b>(37,775)</b>
	Single Entity (SE) adjustments	(3,363)	(38)	(38)	317	279
	Original plus SE adjustments	(1,104,556)	(51,226)	(51,226)	13,730	(37,496)
	Impact of restatement	20,685	(27)	(27)	0	(27)
	<b>Restated</b>	<b>(1,083,871)</b>	<b>(51,253)</b>	<b>(51,253)</b>	<b>13,730</b>	<b>(37,523)</b>
<b>Total Reserves</b>	<b>Original</b>	<b>(1,323,798)</b>	<b>(41,345)</b>	<b>(41,345)</b>	<b>0</b>	<b>(41,345)</b>
	Single Entity (SE) adjustments	(32,142)	(7,486)	(7,486)	0	(7,486)
	Original plus SE adjustments	(1,355,940)	(48,831)	(48,831)	0	(48,831)
	Impact of restatement	2,628	457	457	0	457
	<b>Restated</b>	<b>(1,353,312)</b>	<b>(48,374)</b>	<b>(48,374)</b>	<b>0</b>	<b>(48,374)</b>

Group Balance Sheet					
	31 March 2023				
	Original Group	Single Entity (SE)	Original plus SE	Impact of	Restated
	£000s	adjustments £000s	adjustments £000s	restatement £000s	£000s
Long Term Debtors	54,585	3,362	57,947	(3,362)	54,585
<b>Long Term Assets</b>	<b>1,696,733</b>	<b>3,362</b>	<b>1,700,095</b>	<b>(3,362)</b>	<b>1,696,733</b>
Short Term Borrowing	(20,571)	565	(20,006)	0	(20,006)
Short Term Creditors	(118,019)	20,707	(97,312)	0	(97,312)
Capital Grants Receipts in Advance	0	(7,224)	(7,224)	(34,509)	(41,733)
Revenue Grants Receipts in Advance	0	(17,437)	(17,437)	(1,491)	(18,928)
<b>Current Liabilities</b>	<b>(148,932)</b>	<b>(3,389)</b>	<b>(152,321)</b>	<b>(36,000)</b>	<b>(188,321)</b>
Long Term Borrowing	(311,083)	56,421	(254,662)	0	(254,662)
Other Long term Liabilities	(18,618)	(38,210)	(56,828)	0	(56,828)
Capital Grants Receipts in Advance	(78,903)	13,958	(64,945)	36,734	(28,211)
<b>Long Term Liabilities</b>	<b>(455,690)</b>	<b>32,169</b>	<b>(423,521)</b>	<b>36,734</b>	<b>(386,787)</b>
<b>Net Assets</b>	<b>1,323,798</b>	<b>32,142</b>	<b>1,355,940</b>	<b>(2,628)</b>	<b>1,353,312</b>
Capital Grants Unapplied	(5,745)	(28,779)	(34,524)	0	(34,524)
Income and Expenditure Reserve	(36,509)	0	(36,509)	(18,057)	(54,566)
<b>Usable Reserves</b>	<b>(222,605)</b>	<b>(28,779)</b>	<b>(251,384)</b>	<b>(18,057)</b>	<b>(269,441)</b>
Capital Adjustment Account	(832,147)	18,666	(813,481)	(1,199)	(814,680)
Deferred Capital Receipts Reserve	(16,969)	(16,974)	(33,943)	16,974	(16,969)
Financial Instruments Revaluation Reserve	(21,266)	(5,055)	(26,321)	4,910	(21,411)
<b>Unusable Reserves</b>	<b>(1,101,193)</b>	<b>(3,363)</b>	<b>(1,104,556)</b>	<b>20,685</b>	<b>(1,083,871)</b>
<b>Total Reserves</b>	<b>(1,323,798)</b>	<b>(32,142)</b>	<b>(1,355,940)</b>	<b>2,628</b>	<b>(1,353,312)</b>

Group Balance Sheet					
	31 March 2024				
	Original Group	Single Entity (SE)	Original plus SE	Impact of	Restated
	£000s	adjustments £000s	plus SE adjustments £000s	restatement £000s	£000s
Long Term Debtors	60,008	3,085	63,093	(3,085)	60,008
<b>Long Term Assets</b>	<b>1,759,167</b>	<b>3,085</b>	<b>1,762,252</b>	<b>(3,085)</b>	<b>1,759,167</b>
Short Term Debtors	125,239	0	125,239	(14,802)	110,437
<b>Current Assets</b>	<b>243,639</b>	<b>0</b>	<b>243,639</b>	<b>(14,802)</b>	<b>228,837</b>
Short Term Borrowing	(6,947)	3,788	(3,159)	0	(3,159)
Short Term Creditors	(110,006)	5,088	(104,918)	0	(104,918)
Capital Grants Receipts in Advance	0	(7,106)	(7,106)	(50,302)	(57,408)
Revenue Grants Receipts in Advance	0	(4,727)	(4,727)	(1,805)	(6,532)
<b>Current Liabilities</b>	<b>(126,685)</b>	<b>(2,957)</b>	<b>(129,642)</b>	<b>(52,107)</b>	<b>(181,749)</b>
Long Term Borrowing	(305,030)	50,089	(254,941)	0	(254,941)
Other Long term Liabilities	(31,404)	(32,877)	(64,281)	14,191	(50,090)
Capital Grants Receipts in Advance	(114,470)	22,288	(92,182)	52,718	(39,464)
<b>Long Term Liabilities</b>	<b>(510,978)</b>	<b>39,500</b>	<b>(471,478)</b>	<b>66,909</b>	<b>(404,569)</b>
<b>Net Assets</b>	<b>1,365,143</b>	<b>39,628</b>	<b>1,404,771</b>	<b>(3,085)</b>	<b>1,401,686</b>
Capital Grants Unapplied	(4,194)	(36,544)	(40,738)	0	(40,738)
Income and Expenditure Reserve	(54,205)	0	(54,205)	(17,573)	(71,778)
<b>Usable Reserves</b>	<b>(226,175)</b>	<b>(36,544)</b>	<b>(262,719)</b>	<b>(17,573)</b>	<b>(280,292)</b>
Capital Adjustment Account	(829,360)	18,981	(810,379)	(1,408)	(811,787)
Deferred Capital Receipts Reserve	(16,964)	(16,973)	(33,937)	16,974	(16,963)
Financial Instruments Revaluation Reserve	(24,560)	(5,092)	(29,652)	5,092	(24,560)
<b>Total Unusable Reserves</b>	<b>(1,138,968)</b>	<b>(3,084)</b>	<b>(1,142,052)</b>	<b>20,658</b>	<b>(1,121,394)</b>
<b>Total Reserves</b>	<b>(1,365,143)</b>	<b>(39,628)</b>	<b>(1,404,771)</b>	<b>3,085</b>	<b>(1,401,686)</b>

## Group Cash Flow Statement 2023/24

	Original Group	Single Entity (SE) adjustments	Original plus SE adjustments	Impact of restatement	Restated
	£000s	£000s	£000s	£000s	£000s
Net (Surplus) or Deficit on the Provision of Services	24,274	(7,448)	16,826	275	17,101
Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(161,248)	7,448	(153,800)	(275)	(154,075)
Adjust items inc in Net Surplus/Deficit on Provision of Services that are Investing & Financing Activities	88,355	7,764	96,119	0	96,119
Income Tax paid		0	0		0
<b>Net Cash Flows from Operating Activities</b>	<b>(49,129)</b>	<b>7,764</b>	<b>(41,365)</b>	<b>0</b>	<b>(41,365)</b>
Investing Activities	3,356	(7,764)	(4,408)	0	(4,408)

## 5 Statement of Accounting Policies

### 5.1 General

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. It has been prepared in accordance with the Code of Practice on Local

Authority Accounting in the United Kingdom 2024/25, based on International Financial Reporting Standards (IFRS). The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

### 5.2 Assets and liabilities – material estimation uncertainty

The Council's Balance Sheet contains estimated figures based on assumptions about the future which may result in material adjustments within the next financial year.

**Pensions Net Liability** – At 31st March 2025 the net liability was £30.5m. The underlying obligation is sensitive to assumptions on the discount rate, pension increase rate, salary growth and mortality. At 31st March 2025 the gross defined benefit obligation was £1,372.3m. A decrease of 0.1 percentage points in the discount rate would increase the obligation by c.2%; an increase of one year in life expectancy would increase the obligation by c.4%. Further sensitivity analysis and details of these assumptions are disclosed in Note 3.30 – Retirement Benefits.

**Property Asset Valuations** – At 31st March 2025 the carrying value of land and building assets (including surplus) was £724m of which £657m (91%) was valued in-year. Investment properties totalled £317m. Valuations apply assumptions on market rental growth, yields, land conditions, and modern equivalent replacement cost where no active market exists. A 1% change in average land and building valuations would adjust carrying values by c.£10m. Land designated for future housing is valued on the assumption that no significant detrimental conditions exist; if adverse conditions reduced those values by 20%, carrying values would reduce by c.£20m.



### 5.3 Critical Judgements in Applying Accounting Policies

In applying the Authority's accounting policies, management has had to make some judgements other than those involving estimations. The judgements made in this Statement of Accounts that have the most significant effect on the amounts recognised in the financial statements are as follows:

#### **The Better Care Fund**

Coventry City Council and Coventry and Warwickshire Integrated Care Board (ICB) drew up an agreement to operate a Better Care Fund (BCF) pooled budget from 1st April 2015, with the purpose of further integrating the health and social care services within Coventry. Note 3.11 details the respective contributions to the pooled budget during 2024/25 and the respective expenditure made by the two partner organisations. The BCF agreement included details of the working relationships that were envisaged at the time, including management and control of expenditure decisions. However, the details of the expenditure identified in note 3.11 have been determined by applying principles of 'substance over form' in which the level of expenditure allocated to each partner reflects the actual degree of control and influence over that spend during the year (the 'substance') rather than allocating it on the basis of the control and influence outlined in the BCF agreement (the 'form').

#### **Repayment agreement with UKBIC Ltd**

As part of the National Battery Development Facility the West Midlands Combined Authority (WMCA) provided the City Council with an £18m loan at nil interest, subject to the repayment of principal in line with the agreement. In turn the Council and UKBIC Ltd entered into an agreement under which UKBIC Ltd is required to pay to the Council the corresponding amounts that the Council is required to pay to WMCA under a loan agreement between WMCA and the Council. The loan funding has been applied to fund the capital scheme, with the resulting assets transferred to UKBIC under a peppercorn lease.

As the Council managed the initial capital expenditure on the project, UKBIC did not receive any cash. However, the Council has a contractual right to receive £18m from UKBIC under an Indemnity & Guarantee contract ('the repayment agreement') to repay the loan from WMCA. In lieu of cash, the plant and equipment purchased using the loan funding have been transferred to UKBIC under the terms of a peppercorn lease. As UKBIC are receiving the economic benefits from operating the assets, the repayment agreement has therefore been determined to contain in substance fixed lease repayments.

This arrangement has been determined to be a finance lease as the useful economic lives of the plant and equipment assets are shorter than the 20-year lease term. The Council has recognised a finance lease debtor, disposing of the assets in line with related spend (£17.0m in 2020/21; £0.5m in 2021/22; £nil in 2022/23 and £0.1m in 2023/24). There was a modification to the lease during 2024/25 (increasing the debtor by £0.6m) to reflect additional payments arising from the reprofiling of the senior loan facility in November 2024. The £18m principal repayment is now due as a single amount in 2032.

#### **Virgin Media Legal Ruling – Section 37 Pension Amendments**

There is legal uncertainty following the Virgin Media case regarding historic pension scheme amendments; while proposed legislation for retrospective actuarial confirmation is expected to mitigate risk, no adjustment has been made pending enactment and clarification for the Local Government Pension Scheme.

## 5.4 Accounting standards issued, but not yet adopted

The Council is required to disclose information relating to the impact of any accounting changes that will be required by a new standard that has been issued but not yet adopted in the CIPFA Code of Practice (the Code).

The standards introduced by the 2025/26 Code are as follows:

### **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. The 2025/26 Code provides a specific relief from the quantitative disclosure requirements of IAS 8, meaning that authorities are not required to provide a numeric estimate of the financial effect before implementation. However, the new measurement requirements are expected to change the valuation basis for many operational assets and could therefore lead to movements in asset carrying values once applied. The impact on the Council's financial statements is expected to be material in respect of PPE valuations.

### **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)**

This was issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. This change is not expected to have a material impact on the accounts.

### **IFRS 17 Insurance Contracts**

Issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts. This change is not expected to have a material impact on the accounts.

## 5.5 Changes in Accounting Policies

In 2024/25, the Council has adopted IFRS 16 Leases, as required by the Code of Practice on Local Authority Accounting. This standard replaces IAS 17 and fundamentally changes the way lessees account for leases, removing the previous distinction between operating and finance leases.

Under IFRS 16, most leases are now recognised on the balance sheet as a right-of-use asset with a corresponding lease liability. This represents a significant change in accounting treatment and affects the recognition, measurement, and disclosure of leasing arrangements.

The Council has updated its accounting policies on leases to reflect the requirements of IFRS 16. The revised policies are set out in the accounting policies section below.

## 5.6 Accounting Policies – Categories

Section 5.7 provides details of the accounting policies that the Council has applied in reporting its financial position in these accounts. The policies are separated into the following categories:

- Accruals of Income and Expenditure
- Provisions
- Reserves
- Property, Plant & Equipment, Investment Property and Assets Held for Sale
- Revenue Expenditure Funded from Capital Under Statute
- Intangible Assets
- Government Grants and Contributions
- Value Added Tax (VAT)
- Investments
- Financial Instruments
- Leases
- Employee Benefits
- Overheads and Support Services
- Private Finance Initiative
- Group Accounts
- Cash and Cash Equivalents
- Contingent Liabilities
- Contingent Assets
- Council Tax and Non-Domestic Rates
- Joint Operations
- Schools
- Events after the Balance Sheet Date
- Prior Period Restatements, Changes in Accounting Policies & Estimates & Errors

## 5.7 Accounting Policies

### **Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for at the date the Council provides the relevant goods or satisfies the relevant service obligations.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventory on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as assets under construction on the balance sheet.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flow fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions.

The Council has a de-minimis threshold of £5,000 for revenue accruals of income and expenditure that are not system generated. This threshold is applied for 10 working days following the end of the financial year, after which a draft outturn position is circulated to managers. To avoid small fluctuations in this outturn position the threshold is lifted to £50k (working days 11-20) and £500k thereafter.

### **Provisions**

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits that can be reliably measured, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service revenue account in the year that the authority becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the balance sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes more likely than not that a transfer of economic benefits will not now be required, or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

An assessment is made as to whether the liabilities incurred through insurance contracts (including pension guarantees) are adequately recognised in the accounts.

## **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service category within the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement, so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept for managing the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies below.

## **Property, Plant & Equipment, Investment Property and Assets Held for Sale**

**Property, Plant & Equipment** - Assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

**Investment Property** - Assets held solely to earn rentals and/or for capital appreciation purposes.

**Assets Held for Sale** - This is a classification for property assets that are being actively marketed for sale, likely to be completed within 12 months of classification.

**Recognition** - Expenditure on the acquisition, creation or enhancement of Non-Current Assets is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. The de minimis policy for capital expenditure is £20,000 for construction/acquisitions and nil for enhancement expenditure and vehicles.

Donated assets transferred to the Council are recognised immediately at fair value together with income in the Consolidated Income and Expenditure Statement, to the extent that any associated conditions of the transfer have been met. Where conditions have yet to be met the Donated Assets account is credited with deferred income, which is transferred to the Consolidated Income and Expenditure Statement once the conditions have been satisfied.

**Measurement** - Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. After recognition, assets are then carried in the balance sheet using the following measurement bases:

<b>Asset Type</b>	<b>Measurement Type</b>
Other Land and Buildings	Current Value
Surplus Properties	Fair Value
Vehicles, Plant & Equipment	Depreciated Historical Cost
Infrastructure	Depreciated Historical Cost
Community Assets	Historical Cost
Heritage Assets	Insurance Valuation
Assets under Construction	Historical Cost
Investment Property	Fair Value
Assets Held for Sale	Fair Value

Property valuations have been performed by RICS (Royal Institute of Chartered Surveyors) qualified valuers in accordance with RICS valuation standards. The methods and significant assumptions applied in estimating the value of assets included in the balance sheet are:

**Land and Buildings (excluding Surplus Properties)**

- Assets where there is no market and/or the asset is specialised are valued at depreciated replacement cost (DRC).
- Otherwise, properties are valued at existing use value.

**Investment Properties, Surplus Properties and Assets Held for Sale**

- These assets are measured at fair value. Fair value is defined as the amount for which an asset could be exchanged, between knowledgeable, willing parties, in an arms' length transaction (with reference to observable prices in an active market or recent market transactions on arms' length terms).
- Investment property assets are measured at fair value at the end of the reporting period, assessing their value at highest and best use. This value is derived from the capitalisation of an income stream at a yield derived from market evidence.
- All fair value measurements are classified at level 2 in the Fair Value Hierarchy.

**Non-Property Assets (Vehicles, Plant & Equipment)**

- For non-property assets that have short useful lives and/or low values, the depreciated historical cost has been used as a proxy for fair value.

Assets included in the balance sheet at current or fair value are revalued at the following frequency:

Measurement Type / Asset Type	Revaluation Frequency
<b>Current Value</b>	
Other Land and Buildings	Five years as a minimum however a proportion of assets are revalued more frequently based on consideration of material factors
<b>Fair Value</b>	
Investment Properties	Annually
Assets Held for Sale	Annually
Surplus Assets	Annually

For Investment Property and Assets Held for Sale, valuation increases or decreases are recognised in Surplus or Deficit on the Provision of Services.

For all other assets, valuation increases are recognised in the Revaluation Reserve except when the increase is reversing a previous decrease charged to Surplus or Deficit on the Provision of Services on the same asset. Similarly, revaluation decreases are recognised in the Revaluation Reserve up to the amount in the Revaluation Reserve for each respective asset and thereafter in Surplus or Deficit on the Provision of Services.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only. Gains arising before that date have been consolidated into the Capital Adjustment Account.

**Componentisation** - Property, Plant and Equipment assets (above a materiality threshold of £1.5m) are considered for componentisation when they are either acquired, enhanced or revalued. A component will only be considered and assessed separately if it has a different asset life from the rest of the asset, and if the current gross replacement cost of the component is greater than 25% of the current gross replacement cost of the asset.

**Heritage Assets** - These are assets held principally for their contribution to knowledge and culture. Heritage assets values that have been recognised in the financial statements are based on insurance valuations. Where the value is not available, and the cost of obtaining the information outweighs the benefits to readers of the financial statements, the assets have not been recognised but addressed in a separate disclosure.

**Schools Assets** - The following table details how the authority accounts for different types of non-current schools assets, determined on the basis of whether it holds or controls rights and obligations in relation to them.

School Type	Recognised in the Accounts
Community	Yes
Voluntary Controlled	Yes*
Voluntary Aided	No
Foundation	Yes*
Academy	No

\* Voluntary Controlled and Foundation school fixed assets are recognised on the basis that overall control, and the associated economic benefits, can ultimately flow to the City Council.

**Disposals** - When an asset is sold the sale receipt is required to be credited to the Usable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement).

When a school that is held on the Council's Balance Sheet transfers to Academy status the Council accounts for this as a derecognition. The loss on disposal that results from this derecognition is charged to Other Operating Expenditure in the Consolidated Income and Expenditure Statement.

**Impairment** - Under the IFRS Code, all impairment losses are taken initially to the revaluation reserve to the extent that there is a balance on that reserve relating to the specific asset. Any further losses (or if there is no balance on the revaluation reserve) are taken to the Comprehensive Income and Expenditure Statement.

**Depreciation** - Depreciation is provided for by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use.

Asset Type	Depreciation Method	Depreciated Over Period of Years
Buildings	Straight line	Estimated useful life: up to 50 years
Vehicles, Plant & Equipment	Straight line	Estimated useful life: up to 25 years
Infrastructure	Straight line	Estimated useful life: up to 100 years
Land	Depreciation not charged	N/A
Community Assets	Depreciation not charged	N/A
Heritage Assets	Depreciation not charged	N/A
Investment Properties	Depreciation not charged	N/A

### **Charges to Revenue for Non-current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on assets. Instead, a prudent annual contribution is made from the revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by the way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Intangible Assets**

Are those assets that do not have a physical substance and are identifiable and controlled by the council e.g. software licenses. The balance is amortised fully in the year of investment. Unless identified otherwise, assets have been acquired separately and the asset lives are finite. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading on the income statement.

### **Revenue Expenditure Funded from Capital Under Statute**

Legislation allows for some expenditure, for example grants and expenditure on property not owned by the authority, to be classified as capital for funding purposes when it does not result in the expenditure being carried as an asset on the Balance Sheet. Expenditure that falls into this category has been charged to Cost of Services in the Comprehensive Income and Expenditure Statement. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account then reverses out the amounts charged in the Adjustments between Accounting Basis and Funding Basis under Regulation so there is no impact on the level of Council Tax.



## **Government Grants and Contributions**

Government grants and contributions are recognised in the Comprehensive Income and Expenditure Statement when the income has been received, or that there is reasonable assurance that it will be received, and that any conditions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as a liability within the Grants Receipts in Advance.

When conditions are satisfied (or none exist) the grant or contribution is credited to the relevant service line (for attributable revenue grants and contributions) or to 'Taxation and non-Specific Grant Income' (for general grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Capital grant (without conditions) that is yet to be used to finance capital expenditure is posted to the Capital Grants Unapplied Reserve. When capital grant is applied to finance capital expenditure it is posted to the Capital Adjustment Account.

## **Value Added Tax (VAT)**

VAT payable is included as an expense within the accounts only to the extent that elements are irrecoverable from Her Majesty's Revenue and Customs and therefore charged to service expenditure. VAT receivable is excluded from income.

## **Investments**

The Council has material interests in companies and other entities that have the nature of subsidiaries and joint ventures and require it to prepare group accounts. In the Council's own single entity accounts, the interests in companies and other entities are classified as Long Term Investments and valued at fair value.

## **Financial Instruments**

### **Financial Liabilities**

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to Net Operating Expenditure in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid, subject to a 10 year limit set in the case of a discount, as required by capital finance regulations. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Adjustments between Accounting Basis and Funding Basis under Regulation.

Borrowing costs, in the form of interest expenses, are capitalised where the asset in question is a qualifying asset and takes a substantial period of time to bring into operation. Borrowing costs will only be capitalised on schemes for which expenditure is incurred over a period of more than 12 months, until the asset is operationally complete, and where a material level of capital expenditure is resourced by borrowing.

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost, where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows;
- fair value through other comprehensive income (FVOCI), where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category;
- fair value through profit or loss (FVPL), all other financial assets.

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Where loans to organisations are made at less than market rates these are classified as soft loans, in which case a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

**Expected Credit Loss Model**

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. Where reasonable and supportable information that is not available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis, losses are assessed on a collective basis.

**Financial Assets Measured at Fair Value**

Financial assets that are measured at Fair Value through Profit or Loss (FVPL) are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

Where equity instruments are expected to be held for the long-term, the Council may make an irrevocable election upon initial recognition to present changes in their fair value in Other Comprehensive Income.

Fair value gains and losses on such instruments are held in the Financial Instruments Revaluation Reserve and transferred to the General Fund when the instrument is derecognised through sale or write off. Dividend income from these instruments is recognised in the Surplus or Deficit on the Provision of Services when the Council's right to receive payment is established and its value can be measured reliably. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services and within unusable reserves in the Pooled Investment Funds Adjustment Account.

The fair value measurements of the financial assets are based on the following principles:

- Instruments with quoted market prices – the market price:
- Other instruments with fixed and determinable payments – discounted cash flow analysis:
- Equity shares with no quoted market prices – based on multiple earnings & net asset valuation techniques and historic costs where appropriate.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Financial instruments are categorised by their level in the fair value hierarchy.

## **Leases**

### **Authority as Lessee**

The Council adopted IFRS 16 with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and short-term leases (expiring in less than 12 months from the reporting date). A contract is, or contains a lease, if the contract conveys the right to direct the use of an identified asset.

A right of use asset and corresponding lease liability are recognised at commencement of the lease. For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024 are based on the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include fixed payments, variable lease payments dependent on an index or rate, the exercise price under a purchase option if the Council is reasonably certain to exercise and penalties for early termination if the lease term reflects the Council exercising a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising the initial lease liability, any lease payments already made less any lease incentives received, initial direct costs and any restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

The Code makes an adaptation to IFRS 16 to include peppercorn arrangements. A right of use asset is measured based on an estimated market rent for the asset and the corresponding entry is to donated asset income.

IFRS 16 has also been applied to Service Concession Arrangements, remeasuring the lease liability to take account of indexation with effect from 1 April 2024.

### **Authority as Lessor**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the Property, Plant or Equipment from the lessor to the lessee. All other leases are classified as operating leases.

**Finance Leases** - Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal) matched by lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income & Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt, subject to the requirements of the capital finance regulations. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**Operating Leases** - Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

### **Employee Benefits**

#### **Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries and paid annual leave and are recognised as an expense for services in the year in which employees render the service to the Authority. An accrual is made for the cost of holiday or leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant service line in the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### **Post-Employment Benefits – Pensions**

**Teaching Staff** - Teachers may be members of the Teachers Pension Scheme, which is administered by the Department of Education. It is a defined benefit scheme. However, as the authority's share of the underlying assets and liabilities cannot be identified, it is treated as a defined contribution scheme. The pension costs charged to the accounts are the employer's contributions payable to the Teachers' Pension Scheme.

**Other Staff** - Non-teaching staff may be members of the defined benefit Local Government Pension Scheme (LGPS). Coventry contributes to the West Midlands Pension Fund, which is administered by Wolverhampton City Council.

Liabilities are discounted to their value at current prices, using a discount rate based on current market yields on high quality corporate bonds.

The assets of the West Midlands Pension Fund attributable to the council are included in the balance sheet at their fair value:

- Quoted securities – bid price.
- Unquoted securities – professional estimate.
- Unitised securities – average of the bid and offer rates.
- Property – market value.

The change in the net pensions liability is analysed into the following components:

- Current service cost – the increase in liabilities as a result of years of service earned this year – debited in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Cost of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- Interest on pension liabilities – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.
- Interest on pension assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.
- Gains/losses on settlements and curtailments – settlements which relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees and curtailments which increase the liabilities in respect of past service – included within the Cost of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- Re-measurements – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – included within Other Comprehensive Income and Expenditure, and transferred to the Pension Reserve.
- Employer contributions paid to the West Midlands Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- Administration Expenses - debited to the Cost of Services in the Comprehensive Income and Expenditure Statement.

Statutory provisions limit the Council to raising council tax to cover the amounts payable by the Council to the pension fund in the year. In the Adjustments between Accounting Basis and Funding Basis under Regulation there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year-end.

### **Discretionary Employee Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

### **Private Finance Initiatives (PFI)**

Under IFRIC 12, the PFI arrangements have been classified and accounted for as 'service concessions', recognising the finance leases under IFRS16 'Leases', adopted from 1<sup>st</sup> April 2024. PFI and similar contracts are agreements to receive services, where the responsibility for making available the fixed assets needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under the PFI schemes and as ownership of the fixed asset will pass to the Council at the end of the contract for no additional charge, the Council carries the fixed asset used under the contracts on the Balance Sheet.

The original recognition of the asset is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease. The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the asset, when there is a change in future lease payments resulting from a change in an index or rate such as inflation.

The amounts payable to the PFI operators each year are analysed into the following four elements:

- Fair Value of the services received during the year (charged to the relevant service area);
- Finance Costs (interest charged on the outstanding Balance Sheet liability);
- Payment towards liability (writing down the Balance Sheet liability towards the PFI contractor);
- Lifecycle replacement costs (recognised as fixed assets on the Balance Sheet).

### **Group Accounts**

The Council has interests in companies and other entities. Where these interests are material, and satisfy one of the criteria tests: that the Council has control, either individually or jointly with another party; or has significant influence over the entity, then group accounts will be prepared in accordance with the IFRS based Code of Practice. In the Council's own single entity accounts, the interests in companies and other entities are classified as Long Term Investments and valued at fair value.

### **Cash and Cash Equivalents**

The Council identifies 'cash and cash equivalents' as the total of cash in hand, bank current account balances and investments repayable on call.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.



### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **Council Tax and Non-Domestic Rates**

Coventry City Council is a billing authority that acts as an agent, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors, and as a principal collecting council tax and NDR for the Council itself. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Billing authorities and major preceptors share proportionally the risks and rewards that these amounts could be less or more than predicted. The difference between the income from Council Tax and Non Domestic Rates that is included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement.

### **Joint Operations**

Joint Operations are arrangements where parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. In relation to its interest in a joint operation, the Authority recognises its share of assets, liabilities, income and expenses.

### **Schools**

In accordance with the Code of Practice the balance of control for local authority maintained schools lies with the local authority. Therefore, schools' transactions and balances are recognised in each of the single entity financial statements of the authority as if they were those of the authority.

### **Events after the Balance Sheet date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

#### **Adjusting Events**

Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

#### **Non-adjusting Events**

Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.



### **Prior Period Restatements, Changes in Accounting Policies and Estimates and Errors**

Prior period restatements may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## 6 Glossary of Terms

### Accruals

An accounting principle that recognises income and expenditure as they are earned or incurred, not as money is received or paid.

### Actuarial Assumptions

These are predictions made for factors that will affect the financial condition of the pension scheme.

### Amortisation

The gradual write-off of initial costs of intangible assets.

### Impairment allowance for doubtful debts

Doubtful debts are amounts owed to the Council which it does not believe will ever be paid back to them. The Council makes an impairment allowance to provide for the amount of bad debt it expects to occur.

### Business Rates

Business rates is a tax that is paid by the occupiers of all business properties. The income raised helps to pay for local services.

### Capital Contract

This is a contract the Council has with a company to carry out major building or construction work that will take a significant amount of time.

### Capital Adjustment Account

The account which reflects the extent to which the City Council's resources have been applied to finance capital expenditure and to meet future debt redemption or other credit liabilities.

### Capital Receipts

Income received from selling fixed assets.

### CIPFA

This is the Chartered Institute of Public Finance and Accountancy. This is an institute that represents accounting in the public sector.

### Code of Practice

This is the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom

### Contingent Liabilities

These are amounts that the Council may be, but is not definitely, liable for.

### Council Tax

A tax paid by residents of the city that is based on the value of the property lived in and is paid to the Council and spent on local services.

#### Creditors

These are people or organisations which the Council owes money to for work, goods or services which have not been paid for by the end of the financial year.

#### Current Assets

These are assets that are held for a short period of time (less than 12 months), for example cash in the bank, stocks and debtors.

#### Debtors

Economic benefits, either money, goods or services, owed to the City Council but not received at the end of the year.

#### Depreciation

The amount an asset has dropped in value is the amount it has been judged to have depreciated. Accountants use depreciation to demonstrate how much of a fixed asset value has been used during a financial year, for example due to wear and tear.

#### Donated Assets

Assets transferred at nil value or acquired at less than fair value.

#### Earmarked Reserves

Money set aside for a specific purpose.

#### Fair Value

The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

#### Finance Lease

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. If the person paying the lease owns the asset, then this is known as a finance lease (see also operating lease).

#### Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Year

Runs from 1st April through to the following 31st March.

#### Fixed Assets

Tangible assets that give benefit to the City Council and the services it provides for more than one year.

#### Heritage assets

Are held by the authority principally for their contribution to knowledge and culture.

#### IFRS

International Financial Reporting Standards.

#### Impairment

An asset has been impaired when it is judged to have lost value.

#### Intangible Assets

An item which does not have physical substance (e.g. software license) but can be identified and used by the Council over a number of years.

#### Inventories

Goods owned by the Council which have not been used by the end of the financial year.

#### Investment Properties

Interest in land and/or buildings which are held for their investment potential rather than for operational purposes.

#### LASAAC

This is the Local Authority (Scotland) Accounts Advisory Committee which shares responsibility with CIPFA for determining the accounting Code of Practice.

#### Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

#### Liquid Resources

Current asset investments held as readily disposable stores of value, either readily convertible into cash, or traded in an active market.

#### Levy

A charge levied on the Council by another local organisation acting with powers granted by statute, for example: the local transport levy; and the Environment Agency levy.

#### Market Value of Assets

This is the price that an asset can currently be bought or sold at.

#### Materiality

An item is material if its inclusion in the accounts has the ability to influence the decision or change the judgement of a reasonable person.

#### Movement in Reserves Statement (MIRS)

A core statement showing the movement in the year on different reserves held by the Council, analysed into 'usable reserves' and 'unusable reserves'.

#### Net asset value

The value of the Council's assets less its liabilities.

#### Net Book Value (NBV)

The value of an asset after depreciation has been deducted.

#### Operating Leases

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. If the person paying the lease does not own the asset, then this is known as an operating lease. In this case the person is paying to borrow an asset (see also Finance Leases).

#### Precept

A payment to the Council's General Fund, or another Local Authority, from the Council's Collection Fund.

#### Prior Year Adjustments

These are changes made to the previous year's accounts to show things that were not known until after the prior year accounts were produced.

#### Provisions

Money set aside for a debt that will arise in the future e.g. a known insurance claim.

#### Revaluation Reserve

The account that reflects the amount by which the value of the City Council's assets has been revised following revaluation or impairment.

#### Revenue Expenditure Funded From Capital Under Statute

Expenditure on grants or property not owned by the authority that may properly be classified as capital for funding purposes, but does not result in an asset owned by the Council.

#### Specific Revenue Grants

Grants received from Central Government in respect of specific services.

#### Work in Progress

If the Council is in the process of constructing an asset at the time when the accounts are prepared the value of this work is shown in the accounts as 'Assets Under Construction'.

## **7 Auditor's Report**

*(To be added at the conclusion of the audit)*