



Coventry City Council's 2025/26 Statement of Accounts

This document presents the Council's financial performance
for the year ending 31st March 2026.

1	An Overview of the Council's Performance	5
1.1	Introduction	5
1.2	Narrative Report	5
1.3	Statement of Responsibilities	12
1.4	Annual Governance Statement	13
2	Main Financial Statements	30
2.1	Overview of Main Financial Statements	30
2.2	Comprehensive Income & Expenditure Statement	31
2.3	Movement in Reserves Statement	32
2.4	Balance Sheet	34
2.5	Cash Flow Statement	35
3	Notes to the Main Financial Statements	36
3.1	Note to the CIES	36
3.2	Expenditure and Funding Analysis	37
3.3	Note to the Expenditure and Funding Analysis	38
3.4	Revenue Outturn	39
3.5	Segmental Analysis	40
3.6	Income & Expenditure Analysis	41
3.7	Analysis of Capital Grants	42
3.8	Analysis of Revenue Grants	43
3.9	Deployment of Dedicated Schools Grant	44
3.10	Related Party Disclosure	46
3.11	Pooled Budgets – Better Care Fund	48
3.12	External Audit Costs	50
3.13	Usable & Unusable Reserves	51
3.14	Adjustments between Accounting Basis & Funding Basis under Regulations	55
3.15	Property, Plant & Equipment	56
3.16	Heritage Assets	59

3.17	Investment Property, Assets Held for Sale and Heritage Assets.....	61
3.18	Capital Expenditure & Capital Financing	62
3.19	Revaluation of Property, Plant & Equipment.....	63
3.20	Capital Commitments	65
3.21	Long Term Investments	66
3.22	Long Term Debtors	68
3.23	Short Term Debtors.....	69
3.24	Short Term Creditors.....	70
3.25	Provisions.....	70
3.26	Notes to the Cash Flow.....	72
3.27	Private Finance Initiative (PFI).....	74
3.28	Leases.....	78
3.29	Pension Costs	81
3.30	Retirement Benefits.....	82
3.31	Officers' Remuneration (including exit packages).....	88
3.32	Members' Allowances	90
3.33	Financial Instruments	91
3.34	Associated Company Interests & Holdings.....	102
3.35	Events after the Balance Sheet Date	106
3.36	Contingent Liabilities & Assets.....	106
3.37	Collection Fund Statement & Notes.....	107
3.38	Prior Period Restatements and Reclassifications	110
4	Group Accounts	111
4.1	Overview of Group Accounts	111
4.2	Group Comprehensive Income & Expenditure Account	112
4.3	Group Movement in Reserves Statement.....	113
4.4	Group Balance Sheet.....	115
4.5	Group Cash Flow Statement.....	116
4.6	Group Income & Expenditure Analysis	117

4.7	Group Balance Sheet Reconciliation	118
4.8	Analysis of the movement in the Authority's share of the reserves of subsidiaries, associates & joint ventures	120
4.9	Group Surplus/Deficit Reconciliation	121
4.10	Reversal of adjustments made between group accounts & authority accounts	122
4.11	Group Property, Plant & Equipment.....	123
4.12	Consolidated Breakdown of Reserves	126
4.13	Group Tax Expense	128
4.14	Notes to the Group Cashflow	129
4.15	Group Companies Disclosure	131
5	Statement of Accounting Policies.....	132
5.1	General.....	132
5.2	Assets and liabilities – material estimation uncertainty.....	132
5.3	Critical Judgements in Applying Accounting Policies	133
5.4	Accounting standards issued, but not yet adopted	134
5.5	Changes in Accounting Policies.....	134
5.6	Accounting Policies – Categories.....	135
5.7	Accounting Policies	136
6	Glossary of Terms.....	150
7	Auditor's Report.....	154

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 ended 31st March 2026. 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 focuses 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 88 metrics. During 2025/26, 37 of these improved; 7 stayed the same; 25 worsened; and conclusive data was not available for the other 19 indicators. This means that 64% (44 out of 69) 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 2025/26 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 2025, the Council set a total budget for its revenue expenditure of £961.9m. This included a net budget requirement, funded from Council Tax and Business Rates, of £296.7m.

	£m	£m
Council Tax	189.5	
Local Business Rates	107.2	
Net Budget Requirement		296.7
Specific Government Grants		548.7
Fees and Charges		116.5
Total Budget		961.9

The final revenue outturn position for 2025/26 is an underspend of £3.2m which has been balanced by a year-end contribution of the same value to earmarked reserves from Contingency and Central Budgets.

This final underspent position can be attributed to additional dividend income from Coventry and Solihull Waste Disposal Company (CSWDC) and Birmingham Airport dividends as well as improvements in Children's Services surrounding social work Caseholding teams resulting from reduced levels of agency spend and overall demand. Significant favourable movements in the final quarter also contributed to this final position including the removal of the City Centre South demolished properties from the National Non-domestic Rates (NNDR) rating list by the Valuation Office as well as improvements realised in demand for Temporary Accommodation.

Notwithstanding this positive closing position, external factors continue to contribute to underlying pressures including the persistence of

inflation continuing to impact costs. There are intractable on-going issues including those relating to children's and adults' social care, which are common to many councils across the country whilst the Council also managed local time limited pressures in the year.

The Council will continue to monitor its financial position closely and ensure policy investments in key priority areas deliver their intended outcomes.

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

2025/26 Revenue Outturn	Total Income	Total Expenditure *	Net Expenditure	Net Budget	Overspend/(Underspend)
	£m	£m	£m	£m	£m
Adult Services and Housing	(108.7)	256.7	148.0	145.9	2.1
Children and Education	(284.6)	406.4	121.8	123.3	(1.5)
City Services	(28.6)	67.6	39.0	38.9	0.1
Contingency and Central Budgets	(269.2)	216.8	(52.4)	(48.0)	(4.4)
Digital Services	(0.5)	1.0	0.5	0.6	(0.1)
Finance and Resources	(76.7)	91.0	14.3	13.3	1.0
Legal and Governance	(7.6)	19.3	11.7	11.5	0.2
People and Organisational Development	(3.5)	7.4	3.9	3.0	0.9
Planning and Performance	(6.6)	13.2	6.6	7.1	(0.5)
Policy and Communications	0.0	0.3	0.3	0.4	(0.1)
Property Services and Development	(19.3)	9.0	(10.3)	(10.8)	0.5
Public Health	(32.4)	33.3	0.9	1.4	(0.5)
Regeneration and Economy Development	(30.2)	42.6	12.4	10.1	2.3
Total	(867.9)	1,164.6	296.7	296.7	0.0

* 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 2025/26. These commercial ventures are planned to provide a modest commercial return to the Council as part of an approach to help the Council respond to financial pressures. This has been evidenced in recent years 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) requires local authorities and Integrated Care Boards to pool budgets, with the intention of driving improvement through the integration of services and resources. The Council has commissioned expenditure of £70m as part of an overall pooled budget of £154m. The overall pooled budget relationship is set out in section 3.11 Pooled Budgets – Better Care Fund.

Capital Investment

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

Council's 2025/26 programme spend was £154.3m, higher than the 2024/25 figure of £128m. 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:

£27.4m has been spent on transport and highways infrastructure across a range of both major and minor schemes. This has included completion of segregated cycling facilities on London Road,

between the junction with Humber Road/Allard Way (the 'ASDA roundabout') and the junction with Abbey Road as part of the CRSTS funded Coventry South Transport packages. The remaining packages of the London Road corridor will be completed in 2026/27. Ongoing infrastructure schemes to improve and maintain the city's highways via the City Region Sustainable Transport Settlement (CRSTS) for Highways Maintenance and our Local Network Improvement Plan continue to be delivered.

A further £16.6m has been spent on City Centre South, this has predominantly been on demolition, which is now almost complete with only a few buildings remaining to be demolished.

Further programme spend of £4m has been made in 2025/26 on the fit-out costs of several floors at Two Friargate.

£6.2m further expenditure of the £21m infrastructure project to prepare the Coventry airport site for development as part of the West Midlands Investment Zone, which will focus on advanced manufacturing.

£6.6m Active Travel spend to support walking, cycling, and sustainable transport infrastructure has included the delivery of Canley Ford cycleway extension along the A45 and the continuation of Binley Cycleway along Clifford Bridge Road that will complete in Quarter 1 of 2026/27.

There have been works totalling £21.6m across the schools' property estate as part of the One Strategic Plan. There has been an increasing focus now on providing additional capacity in secondary schools across the city to meet the growing numbers amongst the secondary intake.

A further £14.6m spend has been incurred on the continued delivery of Woodlands School, the programme is scheduled to complete in 2026/27.

Continued grant funding investment in Climate Change has resulted in £0.8m Mayoral Renewable funding in delivering Solar PV on Sidney Stringer MAT and Coventry College buildings using the Strategic Energy Partnership (SEP) contract. This process has enabled larger Solar PV schemes to be delivered compared to what each organisation could have delivered independently. Climate change grant investment continues into 2026/27.

The Council continues to deliver the Local Authority Housing Programme (LAHF) as it increases the Temporary Accommodation capacity across the city. This year has seen a further £5.4m expenditure in purchasing accommodation.

The City Centre Cultural Gateway is a large and complex regeneration scheme, and this financial year has progressed to the main construction phase incurring expenditure of £21.1m. The programme will continue into 2026/27.

A range of smaller scale but not insignificant schemes have advanced including investment in the Council's Information and 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 investment 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 2025/26, 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 2025/26 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

The level of reserve balances is often an area of interest for both residents and councillors when considering the Council's financial position. There can be questions about how reserve levels align with decisions to manage expenditure across

services, particularly where headline reserve balances, as shown in section 3.13, remain at a relatively high level of around £262m. However, it is important to note that the majority of the Council's reserves are earmarked for specific purposes. This includes £38m held on behalf of schools and £80m Capital Programme Reserves, which are not available for general Council use.

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 was able to avoid being one of the 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.

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 2026 the accumulated deficit on the capital value of these pooled funds is £1.62m (compared to a £2.36m deficit as at 31st March 2025). 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, MUFG, 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 2026 the Council has recognised a net pension liability of £26.5m (2024/25 £30.5m) in its balance sheet. However, this liability includes

the impact of a cumulative 'asset ceiling' adjustment of £378.7m (2024/25 £310.6m). 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 £352.2m (2024/25 £280.1m). The movement in the pension position reflects a combination of investment returns, updated financial and demographic assumptions, and experience losses where updated pension fund information differed from the assumptions previously used in the annual accounting estimate. The increase in the discount rate reduced the value placed on future liabilities, while updated demographic assumptions also reduced the estimated obligations overall.

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 in line with CIPFA Code requirements – which have been revised in 2025/26 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 2025/26 the Council employed an external valuer to undertake this work, with assurance carried out by City Council employees.

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 holds a portfolio of equity shares in companies, which are valued annually. The total valuation of these investment assets has increased from £106.6m at 31st March 2025 to £131.0m at 31st March 2026. The main reasons for this are attributable to increased market multiples for Birmingham Airport Holdings Ltd and The Coventry and Solihull Waste Disposal Company Ltd, recognition of surplus cash and an increased profitability assumption for Tom White Waste Ltd, note 3.21 Long Term Investments has further detail on this.

IFRS 16 Leases

The Council continues to apply IFRS 16 Leases, as required by the Code of Practice for Local Authority Accounting. The standard, which replaced IAS 17, introduced a lessee accounting model that removed the distinction between operating and finance leases.

Under IFRS 16, leases are recognised on the balance sheet as a right-of-use asset with a corresponding lease liability, representing the Council's right to use the underlying asset and its obligation to make lease payments.

Following implementation on 1 April 2024, leasing arrangements are accounted for in line with these requirements. Movements in the year reflect additions, remeasurements, disposals, and depreciation of right-of-use assets, together with

changes in lease liabilities arising from payments and interest.

IFRS 16 continues to affect the Council's balance sheet, with right-of-use assets included within property, plant and equipment and corresponding lease liabilities recognised. Further detail is provided in 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 within the year 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 deliver savings where committed, in order to continue to provide assurance that its financial position remains secure.

Service demand pressures continue to directly and indirectly affect local government services throughout 2025/26. The Government provided short-term funding to help manage this cost to councils through a combination of increased specific grant (e.g. social care grants, Children's Social Care Prevention Grant and recovery grant) and ability to raise local taxes through council tax and business rates.

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 2025/26 the Council was able to contribute an additional £25m to earmarked reserves, excluding schools balances (including £7m of jointly managed pooled budget arrangements with Health, and £4m attributed to a change in accounting treatment for Adopted Highways funds). Although reserves do still remain at reasonably healthy levels as at March 2026, 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.

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 Abbey 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.

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.

The Friargate Joint Venture 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. CWGH has been repurposed to become the new West Midlands Growth Hub (WMGH) from 1st April 2026, with the Council transferring its shareholding in CWGH to WMGH from this date.

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 new Flexible Industrialisation Line became operational in November 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 2026/27, complement our objectives. These include: a continued large programme of works on the city's schools, as part of the Education One Strategic Plan; completion of the City Centre South demolition work in advance of construction start; 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 Local Government Financial Settlement for 2026/27 provided, for the first time in many years, a multi-year settlement through to 2028/29. The Fair Funding redistribution had a significantly positive effect on Coventry's assumed core spending power (CSP), such that the Council will

receive a 12.1% increase in CSP in 26/27, 9.6% in 27/28, and 8.8% in 28/29 (33.8% cumulatively).

The 3-year settlement enables a much better medium-term view of the Council's finances from a resource perspective and allows councils to plan more effectively. Demographic pressures are still expected to continue to increase as cost-of-living issues continue to affect individuals' experience and expectations of when local authorities and Government will intervene to protect them. The next 3 years will therefore continue to create a very challenging environment in which the City Council will need to ensure Government funding together with local taxation decisions are sufficient to cover existing costs and emerging pressures including inflation.

The Council continues to participate in the West Midlands Business Rates Retention Pilot, within which 99% of Business Rates income is retained locally.

In addition, part of the Fair Funding arrangements for 2026/27 also reviewed the Business Rates Retention position. In 2025/26 the Council was subject to a Business Rates tariff of £22.2m, reflecting an assessment that locally retained resources exceeded assessed need. From 2026/27, because of the Fair Funding Redistribution, this position reverses to a Business Rates top-up of £56.5m, representing a net swing of £78.7m between years. This movement does not represent £78.7m of additional spending power for the Council, as a significant proportion reflects the rolling-in of specific grants that were previously paid separately. For Coventry, these rolled-in grants total £56m and therefore account for the majority of the change.

The Council's reserve balances, set out above, provide further ability to manage risk should it be needed. The General Fund Balance remains at a relatively healthy level to manage such volatility.

The Council balanced its budget for 2026/27 as well as recognising significant investment in 7 key strategic areas of priority whilst maintaining a reasonably high degree of financial resilience built up through its reserve balances and surplus opening positions for both 2027/28 and 2028/29.

It continues to be important for the Council to continue to work with its key local partners and arm's-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 the financial position of Coventry City Council as at 31st March 2026 and of its income and expenditure for the year ended 31st March 2026, and that the accounts are authorised for issue.

Barry Hastie CPFA
Director of Finance and Resources
30th June 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 Chartered Institute of Finance and Accountancy (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 31st March 2026 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 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 2025/26, 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 April 2026. 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, Governance and Safer Communities), 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 31st March 2026:

- 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 24th February 1992 and is owned jointly by Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicestershire County Council.
- The UK Battery Industrialisation Centre Limited was incorporated on 27th 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 National Battery Development Facility.
- The Friargate Joint Venture Project Limited was incorporated on 17th 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 25th February 2021 and Coventry City Council along with seven other local authorities acquired shares in the company on the 1st April 2021. The purpose of the company is to operate the material recycling facility (MRF), which sorts 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 24th 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 2nd 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. Due to funding changes, during 2026/27, the Coventry and Warwickshire Growth Hub will transition to the West Midlands Growth Hub, which will be a subsidiary of the West Midlands Growth Company Ltd.

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 conclusion 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 new Directorate to co-ordinate activity and further strengthen the Council's performance management arrangements. This includes the development of a corporate leadership dashboard and service plan metrics which are reported on quarterly.
- 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.
- 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 November 2025 and concluded that in overall terms, the Council is able to demonstrate compliance with the Code, with only two improvement actions highlighted to build on the arrangements already in place and demonstrate delivery in full.
- The work of the Internal Audit Service during 2025/26. 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 Conclusion. For 2025/26, 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 2024/25 Annual Governance Statement.

Table one

No	Governance issues identified in 2024/25	2025/26 update
1	Integrate and sustain improvement in Children and Education Services	<p>The Children’s and Education Service Plan for 2025/26 was completed in July 2025 integrating the priorities for Children’s and Education Services in one overarching plan. The plan focuses on six key areas of focus aligned with Children’s and Education Services vision. Progress against the Performance measures are monitored quarterly. The Service Plan is an annual plan and will be refreshed in May 2026 for 2026/7.</p> <p>During the last 12 months, a key priority has been the delivery and implementation of the national social care reforms establishing Families First Partnership Programme working closely with partners to develop a Family Help model and the design of a Multi-Agency Child Protection Team.</p> <p>The service has made measurable progress in reducing numbers of children subject to child protection plans and children in care, alongside a significant reduction in agency staffing. Quality Assurance activity evidences purposeful, strength-based practice.</p> <p>Investment in local sufficiency, including expansion of children’s homes and the use of needs-led decision-making tools, is improving placement stability and value for money.</p> <p>The service demonstrates a strong commitment to learning, inclusion and anti-racist practice, supported by a developing workforce offer and effective partnerships.</p> <p>Children’s Services was awarded an “outstanding” rating by Ofsted following an inspection in March 2026.</p> <p>Special Educational Needs and Disabilities (SEND) pressures and sufficiency challenges remain, and there is clear and credible trajectory of improvement, with well-defined priorities in</p>

		<p>place to further strengthen outcomes for children and families over the next year.</p> <p>The Children’s Services Workforce Strategy 2025-2028 was developed in June 2025. The strategy sets out the key priorities for ensuring that the workforce support Coventry families to achieve their aspirations and enable children and young people to achieve their desired outcomes.</p> <p>The strategy focuses on three key priorities (Achieving a stable workforce, an effective wellbeing offer and comprehensive effective learning and development opportunities, including promoting equality, diversity and inclusion.</p> <p>A workforce action plan is refreshed each year and progress monitored and reviewed through the Workforce Development board, chaired by the Director of People Services. All actions in 2025/26 have been implemented. A new action plan for 2026/27 is currently being developed.</p> <p>During the last 12 months; leaders have further strengthened the workforce. Highlights include retention of social workers, reduced reliance on agency workers; implemented progression pathways; stronger integration of residential workforce and payment of market supplement for residential managers; expanded in house training provision; provided more accessibility to wellbeing activities; continued to promote flexible working; relaunched clinical supervision offer; leaders have embraced diversity and inclusion and adopted a clear anti-racist position, practice and attitudes are tangibly changing as a result.</p>
2	Ensuring delivery of the Council’s vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2025/26 financial outturn position was a £3.2m underspend which was contributed to corporate reserves. Following forecast outturn overspends throughout the financial year (£1.6m overspend at Q3) this underspend position was achieved by proactive management actions throughout the year.</p> <p>The activities relating to savings plans identified to set the 2025/26 budget continue to be monitored by Leadership Board.</p> <p>The Council approved a balanced budget for 2026/27 in February 2026, and due to a favourable settlement announced</p>

		in February 2026 on the back of the Government's new Fair Funding was not required to identify any new savings, instead investing surplus in areas identified as key priorities for the city.
3	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>An update on actions planned for 2024/25 is below:</p> <ul style="list-style-type: none"> • Both Supported Temporary Accommodation buildings for single people are opened and fully operational • Ribbon Court is opened and fully operational providing flats for small families • BEAM have delivered 38 Private Sector Rented (PRS) properties in the first 10 months of the contract • The proposed Spring Housing project is no longer being delivered due to circumstances outside of our control • Consultation with PRS landlords to relaunch Lets Rent Coventry and source additional homes has been completed and the scheme is delivering an increased number of properties • Faseman development has commenced on site • Work to minimise voids with contracted providers and meet occupancy rates have been achieved • Housing Network contract to provide 200 bed spaces for single people has been delivered and has achieved the anticipated savings • There have been no families in Bed and Breakfast since Sept 2024 • A report regarding options to secure additional permanent properties was presented to Leadership board on 16th April • Staff have been recruited for the new prevention team and commenced work on the 5th May • New housing related support contracts went live on the 1st April following a full procurement process • Single Homeless Accommodation Project was delayed but went live on the 20th April
4	Governance over the programme of capital projects	The Commercialisation Board is producing a capital project delivery protocol which will set out a Council wide best practice approach for the delivery of capital projects. This will be rolled out across the Council during 2026/27. It anticipates that the Commercialisation Board retains oversight for major capital projects.

5	City of Culture legacy	<p>The Charity Commission's Compliance Case into the Coventry City of Culture Trust remains open.</p> <p>The Council has reconfirmed (in January 2026) that it continues to cooperate with the Charity Commission's investigations and awaits their findings.</p>
6	Further development of the Council's IT disaster recovery plans and processes	<p>Testing of High Availability (failover and resilience) capabilities happens regularly as 'natural testing' throughout the year when performing maintenance.</p> <p>Successfully tested automatic failover of internet connectivity from our primary to secondary connection in January 2026</p> <p>Significantly contributed to the final Draft Cyber Incident Response plan for the Council.</p> <p>Digital Services are now attending business continuity forum meetings.</p> <p>Ongoing Cyber Security Awareness campaigns have taken place, with a focus on the importance of business continuity planning</p> <p>Took part in a Council wide Cyber Incident response exercise in January 2026 facilitated by Coventry, Solihull and Warwickshire (CSW) Resilience.</p> <p>Concluded a restructure that establishes Business Relationship Partners for service areas to support them with business continuity planning when a Cyber event occurs.</p>
7	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	<p>Performed service area specific and Council wide attack simulations (phishing tests) to raise awareness.</p> <p>Regular and consistent staff communication to increase cyber vigilance</p> <p>Continued progress towards meeting the emerging Local Authority baseline derived from the National Cyber Security Centre's Cyber Assessment Framework.</p> <p>Continued business as usual activity to reduce known vulnerabilities via regularly patching, auditing and security assessments. Including decommissioning and/or isolation of legacy systems or infrastructure.</p>

8	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 has been reviewed to identify areas where it can be strengthened, including methodologies, forward planning and feedback. A new engagement framework is still being developed which will outline 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."
9	Employees Code of Conduct	<p>The Code of Conduct, including the Nolan Principles, is part of induction and managers induction.</p> <p>Trained on the Code is part of the disciplinary process</p> <p>The planned shorter version of the Code is being worked on during this summer</p>
10	Health Check / Assurance Framework for the Council's group of companies	The agreed actions have been followed up and whilst the majority of actions have been implemented, four actions were assessed as being outstanding. A further follow up exercise is due to be undertaken in April 2026. Once all actions have been implemented, the assurance framework will be defined and documented.
11	Transparency Code	Considerable further work has been undertaken to ensure the Council has effective arrangements in place to comply with the Code including an annual review of published information overseen by the Corporate Governance Group. A follow up Internal Audit in December 2025 gave reasonable assurance that data is being reported in accordance with the Local Government Transparency Code. This is now business as usual and as a result will not be carried forward to the 2026/27 action plan.
12	Production of Statement of Accounts for 2024/25 in line with the Government backstop	<p>Actions were delivered in line with the planned timescales:</p> <p>The 2024/25 Draft Statement of Accounts was published for public scrutiny on 30th June 2025.</p>

	deadlines to address the audit back log.	The 2024/25 Final Statement of Accounts was presented to Audit & Procurement Committee on 2 nd February 2026 alongside the Grant Thornton Audit Findings Report and the letter of opinion, followed by publication on 19 th February 2026 ahead of the statutory deadline.
13	Management compliance with key HR policies and procedures.	<p>Process and compliance: Strengthened right to work and sponsorship compliance through the implementation of a clear process for Skilled Worker supplementary employment, revised visa eligibility rules for applicants, improved right to work pre-screening within Tribepad and introduction of a Certificate of Sponsorship checklist for skilled worker visa applicants. Right to work renewals centralised in the Employment Relations Team to enhance oversight and provide assurance of timely follow-up in cases where ongoing checks were not in place.</p> <p>Guidance, assurance and training: Developed a comprehensive right to work guidance document for the recruitment team and delivered targeted training and communications to recruitment teams, managers, and the Job Shop, ensuring consistent understanding of visa requirements, roles and responsibilities, and document annotation standards.</p>
14	Peer Challenge action plan	<p>A review of progress against all Peer Challenge report recommendations was compiled, reviewed and discussed at Change Board in February 2026.</p> <p>The majority of actions have now been satisfactorily implemented and incorporated as business as usual but there are a small number that still require work. It was agreed that we will monitor and review again in twelve months.</p> <p>On diversity of workforce, the Diversity and Inclusion Board receives regular updates on position and progress. The overall workforce is now broadly representative of the city ethnicity profile but despite some progress the profile of staffing at Grade 10 and above is not yet representative.</p> <p>Senior Leadership Network membership has increased in diversity.</p>

15	Performance Management	<p>A central performance team is now in place with a senior manager leading the work.</p> <p>A new corporate leadership dashboard has been developed and monthly leadership board sessions focus on performance.</p> <p>A revised One Coventry report has been introduced and approved by the Leader. A six-monthly update report has also been introduced. The Scrutiny Co-ordination Committee completed a deep dive into One Coventry indicators that were not yet meeting target.</p>
16	Internal Audit professional standards	<p>Work has been undertaken to address some of the new requirements, including development of an Internal Audit strategy, and discussion of the essential conditions for the governance of Internal Audit with the Audit and Procurement Committee. However, further activity is still required to fully align with the new standards.</p>
17	Risk Management	<p>Action on this has been delayed due to resourcing issues. However, the corporate risk register is regularly reviewed by Leadership Board and the Audit and Procurement Committee and risks are also considered as part of the quarterly statutory officer meetings.</p>
18	Embedding leadership behaviours	<p>Owning and Driving Performance (ODP) has been extended down to grade 8 managers with approximately 604 employees having now completed the training. This has been supplemented by 'SWARM' sessions, an ODP teams channel for sharing the learning. Further advance coaches have been established to support the programme and its on-going work.</p> <p>The new behaviour framework for senior leaders is now included in the increment process which is now completed using an online form. The process actively references behaviour, appraisal outcomes and on-going professional development.</p> <p>ODP is a culture change and sits alongside the coaching apprenticeship and Coaching Culture platform. To maintain momentum a further 2 year programme has been developed using the tools and advanced coaches.</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 2026/27 (Table Two), along with the actions planned to address these matters to further enhance our governance arrangements.

Table Two

Ref	Governance issue	Planned actions 2026/27	Responsible officer	Timescale
1	Integrate and sustain improvement in Children and Education Services	<p>Deliver an integrated Children and Education Service Plan for implementation 2026/27, including:</p> <ul style="list-style-type: none"> Developing a test and learn pilot of the end to end pathway from Family Help to Multi Agency Child Protection in the East locality to test and evaluate and refine the model safely and to inform roll out in readiness for full integration of social care reforms in 2027. Developing a local SEND reform plan in response to the Schools White paper <p>Deliver an integrated Workforce Development Strategy and plan for 2026/27 for Children and Education Services</p>	Director of Children and Education Services	<p>May 2026 – March 2027</p> <p>September 2026 – March 2027</p>
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2026/27 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>Savings and cost reductions that were identified in both 2024/25 and 2025/26 across both years will continue to be presented to Leadership Board monthly reporting progress against savings targets and where risk of non-delivery exists, actions will be sought to manage any shortfalls in the overall savings delivery plans.</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>	Director of Finance and Resources / Head of Finance	March 2027
3	Management of demand in relation to homelessness and the associated costs of	<p>The homelessness service is demand led and experienced significant increase in demand during 2022/23 to 2024/25. Although Temporary Accommodation demand reduced during</p>	Head of Housing and Homelessness	March 2027

	<p>housing families in temporary accommodation</p>	<p>2025/26 there are still a number of actions being taken to reduce this further:</p> <ul style="list-style-type: none"> • BEAM to deliver a minimum of 30 additional PRS properties in 2026/27 • Continue to develop Lets Rent Coventry and source additional permanent homes. • Continue to ensure that voids within contracted providers are minimised and meet target of 90% occupancy. • Monitor the newly commissioned supported accommodation contracts. • Continue to eliminate the use of B&B accommodation for families unless in an emergency. • Continue to eliminate the use of nightly accommodation, reducing costs and maximising income • Seek to reduce the number of families in temporary accommodation using the baseline of the 1st April 2026 • Progress the report regarding housing vehicles and implement/develop a recommendation for the Council to increase the number of permanent properties available. • Launch and embed the newly revamped prevention service to maximise early prevention and increase successes. Monitor the service and make tweaks where appropriate • Develop a supported housing strategy and delivery plan for the city in line with legislation, government guidance and best practice • Launch SHAP accommodation for complex single people working with a 3rd sector partner. • Commission new supported housing utilising the West Midlands Combined Authority/Ministry of Housing Communities and Local Government Funding • To maintain or increase the percentage proportion of successful outcomes for both prevention and relief duties. • To work with Citizen Housing to free up 20 large family homes and move existing occupants who are currently under-occupying into more suitable sized accommodation • To develop a plan with communications colleagues to engage with residents to promote early prevention of homelessness and assist internal staff in identifying risk to prevent crisis 		
--	--	--	--	--

4	Governance over the programme of capital projects	Completion and implementation of the capital project delivery protocol by the Commercialisation Board setting out a Council wide best practice approach for the delivery of capital projects.	Director of Property Services and Development / Director of Finance and Resources	March 2027
5	City of Culture	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 and Events	March 2027
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 2027
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 2027
8	Embedding new methods of consultation and engagement	Develop a new engagement framework 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	July 2026
9	Continued Communication of the Employee Code of Conduct	Ascertain if it can be included in the annual appraisal Set up a new starter alert so the code of conduct is shared. A shorter handbook to be created	Head of Employee Relations	12 months
10	Health Check / Assurance Framework for the Council's group of companies	The remaining 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, Governance and Safer Communities / Chief Internal Auditor	September 2026
11	Production of Statement of Accounts for 2025/26 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"> Consolidation of 2025/26 draft Statement of Accounts and publication on our website for public scrutiny by 30th June 2026. 	Director of Finance and Resources	February 2027

		<ul style="list-style-type: none"> To support Grant Thornton in the audit on 2025/26 Statement of Accounts, in order to meet the Statutory deadlines for publishing 2025/26 audited accounts of 31st January 2027. Continuing to work with External Auditors to address the regaining assurance work resulting from the audit backlog. 		
12	Management compliance with HR policies and procedures	<p>Process, Systems and Compliance Improvements</p> <ul style="list-style-type: none"> Strengthening visa compliance through targeted audits of employee records, improved accuracy of visa expiry data, and clearer identification of sponsored workers. Reviewing and enhancing controls for restricted visa types, including student visas and supplementary employment, to ensure compliance. Improving system data quality and reporting by refining visa classifications, correcting miscategorisation, and documenting the sponsorship process and review of work locations for sponsored workers. Introducing additional management controls, including manager declarations. Review and audit of sponsorship arrangements against Appendix D requirements to ensure ongoing compliance and readiness for external audit. Enhancing monitoring and assurance arrangements through improved reporting, automated alerts, and strengthened oversight of sponsorship reporting responsibilities. 	Director of People and Facilities Management	April 2027
13	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 2027
14	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 2027
15	Risk Management	To consider the Council's formal risk management approach and identify opportunities to strengthen arrangements.	Director of Law, Governance and Safer Communities / Chief Internal Auditor / Insurance Manager	March 2027

16	Embedding Leadership behaviours	Work to continue embedding the performance approach we have developed along with the new senior manager behaviours to continue on our journey of being a high support high challenge organisation	Director of People and Facilities Management	March 2027
17	Maintaining effective Governance and Decision-making	Ensure appropriate arrangements are in place to support the outcome of the all-out elections in May 2026 including: <ul style="list-style-type: none"> • Effective induction, training, development and support arrangements for new and returning councillors • Ensure Governance Services is resourced to support Members effectively 	Director of Law, Governance and Safer Communities	September 2027
18	Artificial Intelligence - Governance and Management	Ensure that the Council continues to develop appropriate governance and management arrangements in relation to AI including: <ul style="list-style-type: none"> • Strengthen risk management by establishing a subgroup of the Information Management Strategy Group • Continue to develop the Council's Generative AI Policy, guidance and resources to ensure organisational needs are met, opportunities maximised and appropriate safeguards are in place • Strengthen measures to support data sensitivity and data loss prevention 	Director of Law, Governance and Safer Communities / Director of Digital Services	March 2027

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

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

2024/25			Service segment	2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
*reclassified	*reclassified	*reclassified				
£000	£000	£000		£000	£000	£000
245,935	(99,959)	145,976	Adult Services and Housing	255,365	(108,714)	146,651
400,512	(261,215)	139,297	Children and Education	427,516	(284,577)	142,939
73,887	(29,595)	44,292	City Services	75,144	(28,389)	46,755
(217)	(46,436)	(46,653)	Contingency and Central Budgets	(9,564)	(71,948)	(81,512)
540	(160)	380	Digital Services	1,558	(500)	1,058
97,994	(85,264)	12,730	Finance and Resources	90,515	(76,701)	13,814
18,875	(7,415)	11,460	Legal and Governance	18,292	(7,215)	11,077
6,004	(3,740)	2,264	People and Organisational Development	9,787	(3,459)	6,328
13,071	(6,291)	6,780	Planning and Performance	13,547	(6,556)	6,991
128	(7)	121	Policy and Communications	246	0	246
7,719	(3,978)	3,741	Property Services and Development	19,318	(600)	18,718
30,289	(30,642)	(353)	Public Health	31,962	(32,435)	(473)
68,687	(26,875)	41,812	Regeneration and Economy Development	60,829	(30,205)	30,624
963,424	(601,577)	361,847	Cost of Services	994,515	(651,299)	343,216
		36,563	Other Operating Expenditure **			28,866
		(38,989)	Finance and Investment Income and Expenditure **			(24,888)
		(399,257)	Taxations and Non-Specific Grant Income**			(474,443)
		(39,836)	(Surplus)/Deficit on the Provision of Services			(127,249)
		(31,844)	(Gain)/loss on revaluation of non current assets			(27,747)
		9,846	(Gain)/loss on revaluation of financial instruments			(24,421)
		9,726	Remeasurement of the net defined benefit liability			13,221
		(12,272)	Sub-total of other comprehensive Income and Expenditure			(38,947)
		(52,108)	Total Comprehensive Income and Expenditure (Surplus)/Deficit			(166,196)

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, as detailed in section 3.38.

** Further analysis of the three non-service summary lines is provided in section 3.1 Note to the CIES.

2.3 Movement in Reserves Statement

Usable/Unusable Reserves and Overall Position 2025/26

	31st March 2025	Total Comprehensive Income and Expenditure	Adjustments between Accounting Basis & Funding Basis under regulations	Net (increase)/ decrease	31st March 2026
	£000	£000	£000		£000
Usable Reserves					
General Fund Balance	(159,424)	(127,249)	103,837	(23,412)	(182,836)
Capital Grants Unapplied	(32,607)	0	(42,186)	(42,186)	(74,793)
Capital Receipts Reserve	(15,167)	0	10,424	10,424	(4,743)
Total Usable Reserves	(207,198)	(127,249)	72,075	(55,174)	(262,372)
Unusable Reserves					
Capital Adjustment Account	(849,704)	0	(56,818)	(56,818)	(906,522)
Revaluation Reserve	(295,136)	(27,747)	14,030	(13,717)	(308,853)
Deferred Capital Receipts Reserve	(34,734)	0	74	74	(34,660)
Financial Inst. Adjust Acc.	8,592	0	(387)	(387)	8,205
Financial Instruments Revaluation Reserve	(60,013)	(24,421)	0	(24,421)	(84,434)
Collection Fund Adjust	(14,563)	0	(10,505)	(10,505)	(25,068)
Pensions Reserve (local government)	30,491	13,221	(17,183)	(3,962)	26,529
Accumulated Absences	4,190	0	(544)	(544)	3,646
Pooled Investment Funds Adj. Acc.	2,360	0	(742)	(742)	1,618
Total Unusable Reserves	(1,208,517)	(38,947)	(72,075)	(111,022)	(1,319,539)
Total Reserves	(1,415,715)	(166,196)	0	(166,196)	(1,581,911)

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

Usable/Unusable Reserves 2024/25 Comparatives

	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
Usable Reserves					
General Fund Balance	(155,893)	(39,836)	36,305	(3,531)	(159,424)
Capital Grants Unapplied	(40,738)	0	8,131	8,131	(32,607)
Capital Receipts Reserve	(11,733)	0	(3,434)	(3,434)	(15,167)
Total Usable Reserves	(208,364)	(39,836)	41,002	1,166	(207,198)
Unusable Reserves					
Capital Adjustment Account	(808,022)	0	(41,682)	(41,682)	(849,704)
Revaluation Reserve	(283,516)	(31,844)	20,224	(11,620)	(295,136)
Deferred Capital Receipts Reserve	(33,937)	0	(797)	(797)	(34,734)
Financial Inst. Adjust Acc.	8,982	0	(390)	(390)	8,592
Financial Instruments Revaluation Reserve	(69,859)	9,846	0	9,846	(60,013)
Collection Fund Adjust	(9,854)	0	(4,709)	(4,709)	(14,563)
Pensions Reserve (local government)	35,393	9,726	(14,628)	(4,902)	30,491
Accumulated Absences	2,731	0	1,459	1,459	4,190
Pooled Investment Funds Adj. Acc.	2,839	0	(479)	(479)	2,360
Total Unusable Reserves	(1,155,243)	(12,272)	(41,002)	(53,274)	(1,208,517)
Total Reserves	(1,363,607)	(52,108)	0	(52,108)	(1,415,715)

2.4 Balance Sheet

31st March 2025	Balance Sheet	31st March 2026	Notes
£000		£000	
1,244,144	Property, Plant and Equipment	1,307,305	3.15
26,863	Heritage Assets	38,666	3.16
317,125	Investment Property	325,902	3.17
106,610	Long Term Investments	131,031	3.21
78,483	Long Term Debtors	79,161	3.22
1,773,225	Long Term Assets	1,882,065	
27,667	Short Term Investments	28,409	3.33
258	Inventories	217	
117,179	Short Term Debtors	112,319	3.23
55,764	Cash and Cash Equivalents	74,426	3.26
0	Assets held for Sale	1,185	3.17
200,868	Current Assets	216,556	
(4,475)	Bank Overdraft	0	3.26
(22,789)	Short Term Borrowing	(352)	3.33
(109,386)	Short Term Creditors	(103,103)	3.24
(5,005)	Short Term Provisions	(6,160)	3.25
(6,622)	Capital Grants Receipts in Advance	(17,099)	3.7
(12,638)	Revenue Grants Receipts in Advance	(3,481)	3.8
(160,915)	Current Liabilities	(130,195)	
(22,026)	Long Term Provisions	(23,019)	3.25
(236,218)	Long Term Borrowing	(226,717)	3.33
(30,491)	Net Pension Liability	(26,529)	3.30
(2,435)	Donated Assets Account	(2,374)	3.27
(40,229)	Capital Grants Receipts in Advance	(45,340)	3.7
(66,064)	Other Long Term Liabilities	(62,536)	3.27/3.28
(397,463)	Long Term Liabilities	(386,515)	
1,415,715	Net Assets	1,581,911	
(207,198)	Usable Reserves	(262,372)	3.13
(1,208,517)	Unusable Reserves	(1,319,539)	3.13
(1,415,715)	Total Reserves	(1,581,911)	

2.5 Cash Flow Statement

2024/25	Cash Flow Statement	2025/26
£000		£000
(39,836)	Net (Surplus) or Deficit on the Provision of Services	(127,249)
(28,890)	Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(39,171)
84,175	Adjust items included in Net Surplus/Deficit on the Provision of Services that are Investing & Financing Activities	150,464
15,449	Net Cash Flows from Operating Activities	(15,956)
(30,532)	Investing Activities	(29,156)
(13,117)	Financing Activities	21,975
(28,200)	Net (Increase) or Decrease in Cash and Cash Equivalents	(23,137)
(23,089)	Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)	(51,289)
(51,289)	Cash and Cash Equivalents at the End of the Reporting Period (including bank overdrafts)	(74,426)

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

2024/25		2025/26	
Net Expenditure	Category of Income or Expenditure	Net Expenditure	Section Ref.
£000		£000	
20,389	(Gain)/Loss on Disposal of Fixed Assets	11,983	
16,123	Levy Payments to Other Bodies	16,832	
51	Precepts of Local Precepting Authorities	51	
36,563	Other Operating Expenditure	28,866	
19,385	Interest Payable and Similar Charges	16,053	3.33
(11,772)	External Investment Income	(9,311)	3.33
(3,040)	Net interest on the net defined benefit liability	1,219	3.30
(17,582)	Commercial Property Income	(18,394)	
8,421	Commercial Property Expenditure	9,177	
(19,329)	Changes in the fair value of investment properties	(11,777)	
(15,894)	Dividends and Interest Receivable	(12,079)	3.33
1,456	(Gain)/loss on impairment of assets	1,040	
(634)	(Gain)/loss on revaluation of financial instruments	(816)	3.33
(38,989)	Finance and Investment Income and Expenditure	(24,888)	
(182,889)	Council Tax	(192,110)	3.37
(123,746)	Retained Business Rates	(129,641)	3.37
19,977	Business Rates Top-up	19,134	3.37
(38,231)	General Government Grants	(33,797)	
(74,902)	Capital Grant	(135,862)	3.7
534	Donated Assets – amortised credits	(2,167)	
(399,257)	Taxations and Non-Specific Grant Income	(474,443)	

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 & Expenditure Statement (see section 2.2).

2024/25			Service segment	2025/26		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
*reclassified	*reclassified	*reclassified				
£000	£000	£000		£000	£000	£000
136,780	9,196	145,976	Adult Services and Housing	139,372	7,279	146,651
114,429	24,868	139,297	Children and Education	113,117	29,822	142,939
31,646	12,646	44,292	City Services	35,655	11,100	46,755
1,639	(48,292)	(46,653)	Contingency and Central Budgets	(31,034)	(50,478)	(81,512)
64	316	380	Digital Services	225	833	1,058
12,730	0	12,730	Finance and Resources	13,814	0	13,814
11,346	114	11,460	Legal and Governance	10,962	115	11,077
(33)	2,297	2,264	People and Organisational Development	4,186	2,142	6,328
5,755	1,025	6,780	Planning and Performance	5,837	1,154	6,991
121	0	121	Policy and Communications	246	0	246
(1,022)	4,763	3,741	Property Services and Development	2,515	16,203	18,718
(383)	30	(353)	Public Health	(473)	0	(473)
5,638	36,174	41,812	Regeneration and Economy Development	6,527	24,097	30,624
318,710	43,137	361,847	Net Cost of Services	300,949	42,267	343,216
(322,241)	(79,442)	(401,683)	Other Income and Expenditure	(324,361)	(146,104)	(470,465)
(3,531)	(36,305)	(39,836)	(Surplus) or Deficit	(23,412)	(103,837)	(127,249)
(155,893)			Opening General Fund	(159,424)		
(3,531)			Plus (Surplus)/Deficit on General Fund	(23,412)		
(159,424)			Closing General Fund at 31 March	(182,836)		

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, 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.

2024/25				Service segment	2025/26			
Adjustment for Capital Purposes (Note 1)	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3)	Total Adjustments		Adjustment for Capital Purposes (Note 1)	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3)	Total Adjustments
*reclassified	*reclassified	*reclassified	*reclassified					
£000	£000	£000	£000		£000	£000	£000	£000
9,196	0	0	9,196	Adult Services and Housing	7,279	0	0	7,279
24,868	0	0	24,868	Children and Education	29,822	0	0	29,822
12,646	0	0	12,646	City Services	11,100	0	0	11,100
(35,507)	(14,628)	1,843	(48,292)	Contingency and Central Budgets	(32,526)	(17,183)	(769)	(50,478)
316	0	0	316	Digital Services	833	0	0	833
0	0	0	0	Finance and Resources	0	0	0	0
114	0	0	114	Legal and Governance	115	0	0	115
2,297	0	0	2,297	People and Organisational Development	2,142	0	0	2,142
1,025	0	0	1,025	Planning and Performance	1,154	0	0	1,154
0	0	0	0	Policy and Communications	0	0	0	0
4,763	0	0	4,763	Property Services and Development	16,203	0	0	16,203
30	0	0	30	Public Health	0	0	0	0
36,174	0	0	36,174	Regeneration and Economy Development	24,097	0	0	24,097
55,922	(14,628)	1,843	43,137	Net Cost of Services	60,219	(17,183)	(769)	42,267
(74,733)	0	(4,709)	(79,442)	Other Income and Expenditure	(135,599)	0	(10,505)	(146,104)
(18,811)	(14,628)	(2,866)	(36,305)	Surplus or Deficit	(75,380)	(17,183)	(11,274)	(103,837)

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, 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 in section 3.2.

2025/26	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	139,372	1,068	7,509	147,949	145,882	2,067
Children and Education	113,117	8,416	255	121,788	123,288	(1,500)
City Services	35,655	3,756	(423)	38,988	38,899	89
Contingency and Central Budgets	(31,034)	(32,773)	11,497	(52,310)	(47,874)	(4,436)
Digital Services	225	84	171	480	563	(83)
Finance and Resources	13,814	0	468	14,282	13,253	1,029
Legal and Governance	10,962	(479)	1,261	11,744	11,499	245
People and Organisational Development	4,186	688	(934)	3,940	3,024	916
Planning and Performance	5,837	131	560	6,528	7,074	(546)
Policy and Communications	246	0	0	246	381	(135)
Property Services and Development	2,515	(10,814)	(1,954)	(10,253)	(10,764)	511
Public Health	(473)	66	1,309	902	1,408	(506)
Regeneration and Economy Development	6,527	2,218	3,693	12,438	10,089	2,349
Net Cost of Services	300,949	(27,639)	23,412	296,722	296,722	0
Other Income and Expenditure	(324,361)	27,639	0	(296,722)	(296,722)	0
Surplus or Deficit	(23,412)	0	23,412	0	0	0

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	*reclassified £000	*reclassified £000	*reclassified £000	*reclassified £000	*reclassified £000	*reclassified £000
Adult Services and Housing	136,780	1,027	(4,701)	133,106	129,767	3,339
Children and Education	114,429	3,946	1,125	119,500	114,796	4,704
City Services	31,646	7,027	597	39,270	37,630	1,640
Contingency and Central Budgets	1,639	(56,701)	5,176	(49,886)	(39,152)	(10,734)
Digital Services	64	(91)	(258)	(285)	35	(320)
Finance and Resources	12,730	0	(143)	12,587	12,373	214
Legal and Governance	11,346	(459)	449	11,336	10,801	535
People and Organisational Development	(33)	3,029	284	3,280	3,239	41
Planning and Performance	5,755	258	(547)	5,466	6,339	(873)
Policy and Communications	121	0	0	121	32	89
Property Services and Development	(1,022)	(9,197)	(394)	(10,613)	(10,774)	161
Public Health	(383)	140	1,147	904	1,362	(458)
Regeneration and Economy Development	5,638	6,231	796	12,665	11,003	1,662
Net Cost of Services	318,710	(44,790)	3,531	277,451	277,451	0
Other Income and Expenditure	(322,241)	44,790	0	(277,451)	(277,451)	0
Surplus or Deficit	(3,531)	0	3,531	0	0	0

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, 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.

2025/26	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	(56,771)	0	(51,943)	(108,714)	249,154	140,440	7,509	147,949
Children and Education	(272,866)	0	(11,711)	(284,577)	406,110	121,533	255	121,788
City Services	(5,821)	0	(22,822)	(28,643)	68,054	39,411	(423)	38,988
Contingency and Central Budgets	(231,324)	(5,895)	(31,959)	(269,178)	205,371	(63,807)	11,497	(52,310)
Digital Services	(194)	0	(306)	(500)	809	309	171	480
Finance and Resources	(74,959)	0	(1,742)	(76,701)	90,515	13,814	468	14,282
Legal and Governance	(405)	0	(7,239)	(7,644)	18,127	10,483	1,261	11,744
People and Organisational Development	(140)	0	(3,319)	(3,459)	8,333	4,874	(934)	3,940
Planning and Performance	(6,247)	0	(309)	(6,556)	12,524	5,968	560	6,528
Policy and Communications	0	0	0	0	246	246	0	246
Property Services and Development	(71)	0	(19,229)	(19,300)	11,001	(8,299)	(1,954)	(10,253)
Public Health	(32,342)	0	(93)	(32,435)	32,028	(407)	1,309	902
Regeneration and Economy Development	(17,930)	0	(12,275)	(30,205)	38,950	8,745	3,693	12,438
Net Cost of Services	(699,070)	(5,895)	(162,947)	(867,912)	1,141,222	273,310	23,412	296,722
Other Income and Expenditure	0	(296,722)	0	(296,722)	0	(296,722)	0	(296,722)
Surplus or Deficit	(699,070)	(302,617)	(162,947)	(1,164,634)	1,141,222	(23,412)	23,412	0

2024/25 *reclassified	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	(52,020)	0	(47,939)	(99,959)	237,766	137,807	(4,701)	133,106
Children and Education	(248,584)	0	(12,631)	(261,215)	379,590	118,375	1,125	119,500
City Services	(5,922)	0	(23,895)	(29,817)	68,490	38,673	597	39,270
Contingency and Central Budgets	(149,008)	(9,207)	(35,883)	(194,098)	139,036	(55,062)	5,176	(49,886)
Digital Services	(117)	0	(43)	(160)	133	(27)	(258)	(285)
Finance and Resources	(83,587)	0	(1,677)	(85,264)	97,994	12,730	(143)	12,587
Legal and Governance	(1,468)	0	(6,366)	(7,834)	18,721	10,887	449	11,336
People and Organisational Development	(58)	0	(3,705)	(3,763)	6,759	2,996	284	3,280
Planning and Performance	(5,958)	0	(333)	(6,291)	12,304	6,013	(547)	5,466
Policy and Communications	0	0	(7)	(7)	128	121	0	121
Property Services and Development	(48)	0	(20,206)	(20,254)	10,035	(10,219)	(394)	(10,613)
Public Health	(30,691)	0	49	(30,642)	30,399	(243)	1,147	904
Regeneration and Economy Development	(17,023)	0	(9,853)	(26,876)	38,745	11,869	796	12,665
Net Cost of Services	(594,484)	(9,207)	(162,489)	(766,180)	1,040,100	273,920	3,531	277,451
Other Income and Expenditure	0	(277,451)	0	(277,451)	0	(277,451)	0	(277,451)
Surplus or Deficit	(594,484)	(286,658)	(162,489)	(1,043,631)	1,040,100	(3,531)	3,531	0

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, 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 & Expenditure Statement. These figures exclude the impact of internal recharges.

Expenditure/Income	2024/25	2025/26
Income	£000	£000
Fees, charges and other service income	(115,870)	(121,881)
Interest and investment income	(46,619)	(41,066)
Income from council tax and non-domestic rates	(286,658)	(302,617)
Government grants and contributions	(594,484)	(699,070)
Total Income	(1,043,631)	(1,164,634)
Expenditure		
Employee benefits expenses	334,925	342,186
Other services expenses	594,302	621,635
Depreciation, amortisation, impairment	41,501	39,935
Interest payments	16,345	17,272
Precept and levies	16,174	16,883
(Gain)/Loss on Disposal of Assets	20,389	11,983
(Gain)/Loss on Asset Revaluation	(19,841)	(12,509)
Total Expenditure	1,003,795	1,037,385
Surplus/ Deficit on the Provision of Services	(39,836)	(127,249)

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.

2024/25 *reclassified				2025/26		
Income from service recipients	Other income	Total fees, charges and other service income		Income from service recipients	Other income	Total fees, charges and other service income
£000	£000	£000	Service Segment	£000	£000	£000
(47,908)	0	(47,908)	Adult Services and Housing	(51,905)	0	(51,905)
(12,544)	(7)	(12,551)	Children and Education	(11,577)	(10)	(11,587)
(18,416)	(5,153)	(23,569)	City Services	(19,780)	(2,722)	(22,502)
(10,308)	718	(9,590)	Contingency and Central Budgets	(10,000)	(1,954)	(11,954)
(43)	0	(43)	Digital Services	(306)	0	(306)
(1,598)	(80)	(1,678)	Finance and Resources	(1,670)	(70)	(1,740)
(5,541)	(406)	(5,947)	Legal and Governance	(6,468)	(343)	(6,811)
(1,684)	(606)	(2,290)	People and Organisational Development	(1,660)	(390)	(2,050)
(333)	0	(333)	Planning and Performance	(309)	0	(309)
(7)	0	(7)	Policy and Communications	0	0	0
(2,365)	(15)	(2,380)	Property Services and Development	(568)	(1)	(569)
49	0	49	Public Health	(94)	0	(94)
(9,620)	(3)	(9,623)	Regeneration and Economy Development	(12,054)	0	(12,054)
(110,318)	(5,552)	(115,870)	Total	(116,391)	(5,490)	(121,881)

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, 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.

2024/25		2025/26
£000	Grant / Grant Body	£000
0	Coventry Centre Regeneration	(41,356)
(1,962)	Basic Need Allocation (school places)	(28,324)
(8,339)	Highways Maintenance Block	(10,622)
(8,817)	City Region Sustainable Transport Settlement (CRSTS)	(10,160)
0	WMIZ Capacity Funding	(6,194)
(5,189)	Disabled Facilities Grant	(5,554)
0	Levelling Up Fund	(5,000)
(14,205)	Social Housing Decarbonisation Fund Wave 2	0
(2,299)	A45 Overbridge - Eastern Green	0
(34,091)	Other Grants & Contributions	(28,652)
(74,902)	Total	(135,862)

In addition, the Council's Balance Sheet reflects capital grants received in advance of £62,439k as at 31/3/26, with conditions attached that have yet to be met. Of these £17,099k are held as current liabilities as the relevant conditions are expected to be met during the next 12 months, with the remaining £45,340k being held as long term liabilities. The equivalent figures, as at 31/3/25 were total capital grants received in advance of £46,851k, split between current liabilities of £6,622k and long term liabilities of £40,229k.

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.

2024/25		2025/26
£000	Grant	£000
(203,642)	Dedicated schools grant*	(225,651)
(80,983)	Housing Benefits	(72,333)
(35,799)	Social Care Grant	(41,993)
(24,846)	Public Health	(26,418)
(15,735)	Better Care Fund	(22,712)
(17,712)	Business Rates Multiplier Cap Compensation	(19,557)
(15,787)	Improved Better Care Fund	(19,476)
(15,029)	Business Rates Relief Compensation	(13,992)
0	Recovery Grant	(9,590)
(7,583)	Pupil Premium - Free School Meals	(7,673)
0	Extended Producer Responsibility Grant	(6,848)
(6,786)	Market sustainability and fair cost of care	(6,786)
(5,579)	Adult Education Budget	(6,237)
(6,448)	Household Support Fund	(5,683)
(83,653)	Other Grants and Contributions	(78,259)
(519,582)	Total	(563,208)

* 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 £3,481k as at 31/3/26 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 31/3/25, was £12,638k.

3.9 Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, 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 2025/26 are as follows:

2024/25		2025/26			
Total		Central Expenditure	Individual Schools Budget	Total	
£000	Schools Budget Funded by Dedicated Schools Grant	£000	£000	£000	Notes
431,202	Final DSG before academy and high needs recoupment			477,539	A
(224,482)	Academy and high needs figure recouped			(248,137)	B
206,720	Total DSG after academy and high needs recoupment			229,402	C
14,205	Plus: Brought forward from Prior Year			16,130	D
(14,184)	Less: Carry-forward agreed in advance			(14,206)	E
206,741	Agreed initial budgeted distribution	68,488	162,838	231,326	F
(237)	In year adjustments	0	(734)	(734)	G
206,504	Final budget distribution	68,488	162,104	230,592	H
(59,440)	Less: Actual central expenditure	(66,754)		(66,754)	I
(145,118)	Less: Actual ISB deployed to schools		(162,104)	(162,104)	J
0	Plus: Local authority contribution			0	K
1,946	In Year Carry-forward	1,734	0	1,734	L
14,184	Plus/Minus: Carry-forward agreed in advance			14,206	M
16,130	Carry-forward			15,940	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
16,130	Net DSG position at the year end			15,940	R

Notes

A: Final DSG figure before any amount has been recouped from the authority as published in March 2026, excluding the January 2025 early years block adjustment.

B: Figure recouped from the authority in 2025/26 by the DfE for the conversion of maintained schools into academies and for high needs payments made by the DfE.

C: Total DSG figure after Academy and high needs recouping for 2025/26, as published in March 2026.

D: Balance brought forward from 2024/25.

E: The amount which the authority decided after consultation with the Schools Forum to carry forward to 2026/27 rather than distribute in 2025/26.

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 2025/26.

J: Amount of ISB actually distributed to schools in 2025/26 (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 2025/26 which will have the effect of substituting for DSG in funding the Schools Budget.

L: Carry forward to 2026/27.

M: Carry forward to 2026/27.

N: Carry forward to 2026/27 (before any unusable reserve brought forward).

O: DSG unusable reserve adjusted at the end of 2025/26.

P: Addition to DSG unusable reserve at the end of 2025/26.

Q: Total of DSG unusable reserve at the end of 2025/26.

R: Net DSG position at the end of 2025/26

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					Transactions with Related Party				
2024/25 *restated					2025/26				
Expenditure	Liabilities	Income	Assets	Related Party	Expenditure	Liabilities	Income	Assets	Nature of relationship
£	£	£	£		£	£	£	£	
0	0	(6,562,629)	0	Birmingham Airport Holdings Limited	0	0	(2,958,249)	0	Minority Shareholder
15,946,205	(5,004,580)	(1,310,117)	237,096	Citizen Housing Group Limited	1,216,086	(385,755)	(1,594,414)	79,318	Grant support
931,058	(138,461)	(175,499)	5,315	Coombe Abbey Park (LACO) Limited	952,706	(96,999)	(663,523)	144,822	Subsidiary - second tier
327,707	(1,445)	(1,781,231)	7,255,368	Coombe Abbey Park Limited	157,565	(11,760)	(1,363,626)	8,214,499	Subsidiary - second tier
12,283,559	(514,469)	(26,432,551)	5,804,029	Coventry & Warwickshire Integrated Care Board	1,489,230	(999,505)	(34,108,019)	4,627,187	Board Member
0	0	(230,999)	998,711	Coventry and Warwickshire Award Trust	0	0	(203,851)	428,365	Loan Support
170,560	0	0	0	Coventry and Warwickshire Growth Hub Limited	126,500	0	0	0	Joint Venture
127,671	0	(27,980)	983	Coventry Municipal Holdings Limited	157,479	(262)	(24,140)	456	Subsidiary - first tier
0	0	(315)	0	Coventry Regeneration Limited	0	0	0	0	Subsidiary - second tier
345,917	(28,007)	(347)	416	Coventry Technical Resources Limited	286,684	(50,940)	(356)	427	Subsidiary - second tier
2,130,926	0	(42,390)	30,019	Culture Coventry Limited	1,743,019	0	(26,882)	6,075	Structured Entity
0	0	0	8,689,226	ES Coventry Limited	0	0	0	8,788,559	Lessee
0	0	(35,660)	0	Friargate JV Project Limited	0	0	(205,409)	22,500	Joint Venture
0	0	21,119	73,445	No Ordinary Hospitality Management	0	0	70,340	3,726	Subsidiary - second tier
2,168,373	6,116	(1,271,948)	14,683,637	Sherbourne Recycling Limited	2,795,550	(695,710)	(1,195,382)	15,150,882	Associate
7,521,653	(1,570,988)	(9,549,062)	9,925,231	The Coventry and Solihull Waste Disposal Company limited	8,009,832	(1,052,547)	(9,364,905)	9,191,193	Joint Venture
8,581,934	70,259	(509,255)	537,352	Tom White Waste Limited	1,514,190	(36,033)	(1,000,877)	368,950	Subsidiary - second tier
0	0	(1,045,748)	16,880,744	UK Battery Industrialisation Centre Limited	0	0	(6,928)	17,248,738	Subsidiary - first tier
0	0	(586,659)	1,591,347	University of Warwick Science Park Business Innovation Centre Limited	0	0	(78,699)	1,659,221	Minority Shareholder
17,996,001	(145,363)	(46,424,698)	29,625,157	West Midlands Combined Authority	18,031,192	(6,600)	(91,334,812)	16,124,991	Board Member

* Following a review of the underlying transaction data and related party mapping, additional 2024/25 transactions and balances have been identified for inclusion within this disclosure. The 2024/25 comparative figures within this note have therefore been restated on a consistent basis, with no impact on the Council's reported financial position, reserves, income or expenditure.

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 & 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
2025/26	Contribution	Contribution	Contribution	Expenditure	Expenditure	Expenditure	Expenditure
				Internal [1]	Lead Commissioner [2]	Shared [3]	Total
Workstreams	£000	£000	£000	£000	£000	£000	£000
Urgent Care	0	(7,876)	(7,876)	0	0	0	0
Out of Hospital & Nursing Care	(22,721)	(42,704)	(65,425)	16,861	0	0	16,861
Voluntary Sector Review	(1,392)	(952)	(2,344)	1,309	0	0	1,309
Community Support Services	(2,177)	(3,200)	(5,377)	859	0	1,255	2,114
Reablement / Discharge to Assess	(2,939)	(4,521)	(7,460)	1,344	3,819	0	5,163
Dementia	(8,355)	(3,964)	(12,319)	8,355	0	0	8,355
Care Act Implementation	0	(987)	(987)	0	987	0	987
Disabled Facility Grants	(6,244)	0	(6,244)	4,861	0	0	4,861
Protecting Social Care	(12,385)	(9,712)	(22,097)	12,385	9,711	0	22,096
Integrating Commissioning	(79)	0	(79)	79	0	0	79
Whole System Prevention	(214)	0	(214)	214	0	0	214
Mental Health Resource Centre	(20)	(242)	(262)	0	0	242	242
LD Homes	(1,524)	(1,898)	(3,422)	0	0	2,911	2,911
LD Compact	(51)	(334)	(385)	0	0	356	356
Winter Pressures	(1,613)	0	(1,613)	1,113	0	0	1,113
Development Fund	(3,725)	(4,800)	(8,525)	0	0	0	0
Discharge Fund	(3,689)	(4,713)	(8,402)	3,689	0	0	3,689
Autism Diagnosis	(1,000)	0	(1,000)	0	0	0	0
Total	(68,128)	(85,903)	(154,031)	51,069	14,517	4,764	70,350

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
2024/25	Contribution	Contribution	Contribution	Expenditure	Expenditure	Expenditure	Expenditure
				Internal [1]	Lead Commissioner [2]	Shared [3]	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
Population Health Management (PHM)	0	0	0	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
Total	(71,665)	(77,233)	(148,898)	48,770	13,861	4,635	67,266

3.12 External Audit Costs

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

2024/25		2025/26
*restated		
£000	Audit Fees	£000
521	Fees payable to the appointed auditors in respect of statutory external audit services	525
	Fees payable in respect of any other services provided by the external auditor:	
83	Housing Benefit grant certification**	33
13	Teachers Pension certification	13
96	Sub total other services	46
617	Total Fees	571

*The prior year comparator figures have been restated to include updated information regarding audit fees.

**The amounts disclosed for the Housing Benefit grant certification fees represent the latest available information, reflecting the core fee and additional elements undertaken to date. These amounts may increase further if subsequent work is required.

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

	31st March 2024	Contributions (To)/From	31st March 2025	Contributions (To)/From	31st March 2026
Usable Reserves	£000	£000	£000	£000	£000
General Fund Balance - unallocated	(10,277)	0	(10,277)	0	(10,277)
Earmarked General Fund Reserves:	*reclassified	*reclassified	*reclassified		
Schools (specific to individual schools)	(23,993)	97	(23,896)	1,718	(22,178)
Schools (related to expenditure retained centrally)	(14,205)	(1,925)	(16,130)	190	(15,940)
Total Schools Reserves	(38,198)	(1,828)	(40,026)	1,908	(38,118)
Adult Social Care	(20,570)	5,802	(14,768)	(7,279)	(22,047)
Financial Risk Contingency	(11,472)	(1,796)	(13,268)	(3,553)	(16,821)
Commercial Reser & Innovation	(12,204)	0	(12,204)	9	(12,195)
Business Rates Income Reserve	(5,026)	(4,163)	(9,189)	(2,759)	(11,948)
Early Retirement and Voluntary Redundancy	(7,241)	0	(7,241)	(1,192)	(8,433)
Management of Capital	(5,803)	(562)	(6,365)	(960)	(7,325)
Public Health	(4,026)	(530)	(4,556)	(952)	(5,508)
Adopted Highways Infrastructure Reserve	0	0	0	(4,375)	(4,375)
Refugee Resettlement Programme	(2,866)	(752)	(3,618)	(453)	(4,071)
Private Finance Initiatives	(5,301)	1,164	(4,137)	85	(4,052)
Other Earmarked Reserves**	(32,909)	(866)	(33,775)	(3,891)	(37,666)
Total Earmarked General Fund Reserves (non Schools)	(107,418)	(1,703)	(109,121)	(25,320)	(134,441)
Total Revenue Earmarked Reserves	(145,616)	(3,531)	(149,147)	(23,412)	(172,559)
Other Usable Reserves:					
Capital Receipts Reserve	(11,733)	(3,434)	(15,167)	10,424	(4,743)
Capital Grant Unapplied Account	(40,738)	8,131	(32,607)	(42,186)	(74,793)
Total Other Usable Reserves	(52,471)	4,697	(47,774)	(31,762)	(79,536)
Total Usable Reserves	(208,364)	1,166	(207,198)	(55,174)	(262,372)

* The prior year comparator figures have been reclassified to align with the reserve categories disclosed for the current year.

** This is the sum of earmarked reserves with a balance carried forward of less than £2m.

Unusable Reserves

Unusable reserves are held for accounting purposes and are not available to fund Council expenditure. They arise mainly from statutory accounting adjustments, timing differences between accounting and funding requirements, and unrealised gains or losses. The Movement in Reserves Statement in section 2.3 shows the overall movement on each unusable reserve. The following descriptions explain the purpose of each reserve and, where relevant, signpost to other notes in the accounts which provide further detail.

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 below, 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 below, 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. Deferred capital receipts are reflected in the Movement in Reserves Statement in section 2.3.

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. Further information on financial instruments is provided in section 3.33

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.

Further information on financial instruments measured at fair value is provided in section 3.33

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. Further information on the Collection Fund and the associated Council Tax and Business Rates balances is provided in section 3.37.

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. The annual movement on this account is shown in section 3.14 Adjustments between Accounting Basis & Funding Basis under Regulations.

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). Further information on the Council's pooled investment funds and related fair value movements is provided in section 3.33 Financial Instruments.

Further analysis of the Capital Adjustment Account and Revaluation Reserve

The following table provides a breakdown of the balances and movements of the Capital Adjustment Account and the Revaluation Reserve. These are presented separately because they are the two largest unusable reserves and contain the main accounting adjustments relating to non-current assets. Movements on other unusable reserves are summarised in the Movement in Reserves Statement in section 2.3, with further detail provided elsewhere in the accounts where relevant.

2024/25			Category of Reserve Movement	2025/26		
Capital Adjustment Account [CAA]	Revaluation Reserve [RR]	CAA & RR Combined		Capital Adjustment Account [CAA]	Revaluation Reserve [RR]	CAA & RR Combined
£000	£000	£000		£000	£000	£000
(808,022)	(283,516)	(1,091,538)	Opening Balance	(849,704)	(295,136)	(1,144,840)
41,155	0	41,155	Depreciation	39,474	0	39,474
0	0	0	Impairment	0	0	0
20,932	0	20,932	Derecognitions (non-current assets and leases)	9,409	0	9,409
122	(31,844)	(31,722)	Revaluations	84	(27,748)	(27,664)
(18,543)	0	(18,543)	Investment Property Revaluations	(11,535)	0	(11,535)
348	0	348	Intangibles	461	0	461
(83,033)	0	(83,033)	Capital grants and contributions applied	(93,674)	0	(93,674)
38,688	0	38,688	Revenue Expenditure Funded from Capital Under Statute	52,938	0	52,938
(1,753)	0	(1,753)	Capital receipts applied	(15,968)	0	(15,968)
1,415	0	1,415	Disposal of Assets	6,444	0	6,444
3,405	0	3,405	Capital Loans: Repayments Received	1,532	0	1,532
0	0	0	Other Capital Receipts	0	0	0
(800)	0	(800)	Management of Capital Reserve	(2,316)	0	(2,316)
0	0	0	Loss on Deferred Capital Receipt	0	0	0
0	0	0	Housing Pooling	0	0	0
(1,044)	0	(1,044)	Capital Expenditure charged to the Revenue Account	(2,864)	0	(2,864)
(1,975)	0	(1,975)	Capitalised Debt: Repayments Made	(2,173)	0	(2,173)
(20,224)	20,224	0	Amounts written out of the Revaluations Reserve	(14,031)	14,031	0
(21,923)	0	(21,923)	Revenue provision for the Repayment of Debt	(23,070)	0	(23,070)
0	0	0	Capital Provision	0	0	0
534	0	534	Donated Assets (Private Finance Initiative)	(2,167)	0	(2,167)
1,409	0	1,409	Impairment of Financial Assets	977	0	977
(156)	0	(156)	Revaluation of Financial Assets	(74)	0	(74)
(239)	0	(239)	Other Gains and Losses	(265)	0	(265)
(849,704)	(295,136)	(1,144,840)	Closing Balance	(906,522)	(308,853)	(1,215,375)

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. These adjustments are made to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure.

2024/25	Adjustments made to Comprehensive Income and Expenditure Statement (CIES)	2025/26
£000		£000
	Reversal of items debited or credited to the CIES	
	Usable Reserves	
(8,131)	Capital grants & contributions unapplied	42,186
	Unusable Reserves	
(41,155)	Charges for depreciation non-current assets	(39,474)
0	Charges for impairment of non-current assets	0
(20,765)	Charges for derecognition of non-current assets	(9,235)
18,421	Revaluation of Non-current Assets	11,451
0	Revaluation of Assets Held for Sale	(3,149)
(348)	Amortisation of intangible assets	(461)
83,033	Capital grants and contributions applied	93,676
(38,688)	Revenue expenditure funded from capital under statute	(52,938)
390	Movement in Debt Redemption Premia	0
0	Reversal of impact of Soft Loans and Stepped Loan on the General Fund Balance, in line with statutory requirements	387
14,628	Retirement benefit Adjustment Account debited or credited to the CIES	17,183
4,709	Collection Fund Adjustment Account (difference between amount credited to CIES & tax income for the year)	10,505
(1,459)	Accumulated Absences Account (difference between remuneration charged to the CIES and remuneration paid for the year)	543
0	Finance Lease Principal Receipt	0
367	Capital receipts applied in year offset by gain/loss on disposal of assets	717
(167)	Rescheduling of Finance Lease Repayments	(174)
(534)	Movement in Donated Assets	2,167
(1,409)	Loss on Impairment of Debtors	(977)
635	(Gain)/Loss on Revaluation of Fair Value through P&L Financial Instruments	817
796	Movement in Deferred Capital Receipts	(73)
0	Gain from lease recognition	0
21,923	Statutory provision for the financing of capital investment	23,070
2,215	Repayment of Transferred Debt Principal	2,437
1,844	Capital expenditure charged against the General Fund balance.	5,179
44,436	Sub Total of adjustments affecting Unusable Reserves	61,651
36,305	Total Adjustments	103,837

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 & Equipment	Community Assets	Surplus Assets	Under Construction	Total (excluding Infrastructure Assets)
Cost or Valuation	£000	£000	£000	£000	£000	£000
01 April 2025	724,026	49,247	17,898	9,428	30,716	831,315
Additions	18,024	8,233	502	8	46,247	73,014
Revaluation increase/(decrease)	(14,338)	0	0	863	0	(13,475)
Disposals	0	(2,957)	0	(509)	0	(3,466)
Derecognition	(10,025)	(17,519)	0	0	0	(27,544)
Reclassifications	6,205	0	0	(523)	(10,016)	(4,334)
31 March 2026	723,892	37,004	18,400	9,267	66,947	855,510
Depreciation and Impairment	£000	£000	£000	£000	£000	£000
01 April 2025	9,098	35,368	6	0	0	44,472
Depreciation Charge	24,962	3,144	3	0	0	28,109
Disposals	0	(2,929)	0	0	0	(2,929)
Derecognition	(1,024)	(17,285)	0	0	0	(18,309)
Depreciation written out on revaluation	(31,342)	0	0	0	0	(31,342)
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
Reclassifications	0	0	0	0	0	0
31 March 2026	1,694	18,298	9	0	0	20,001
Net Book Value	£000	£000	£000	£000	£000	£000
31 March 2026	722,198	18,706	18,391	9,267	66,947	835,509
01 April 2025	714,928	13,879	17,892	9,428	30,716	786,843

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 & Equipment	Community Assets	Surplus Assets	Under Construction	Total (excluding Infrastructure Assets)
Cost or Valuation	£000	£000	£000	£000	£000	£000
01 April 2024	685,936	48,210	17,887	7,922	49,423	809,378
Existing right of use assets recognised as part of IFRS 16 transition	30,663	693	0	0	0	31,356
Restated Balance as at 01 April 2024	716,599	48,903	17,887	7,922	49,423	840,734
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)
31 March 2025	724,026	49,247	17,898	9,428	30,716	831,315
Depreciation and Impairment	£000	£000	£000	£000	£000	£000
01 April 2024	7,453	32,872	3	0	0	40,328
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
Reclassifications	0	0	0	0	0	0
31 March 2025	9,098	35,368	6	0	0	44,472
Net Book Value	£000	£000	£000	£000	£000	£000
31 March 2025	714,928	13,879	17,892	9,428	30,716	786,843
01 April 2024	678,483	15,338	17,884	7,922	49,423	769,050

The following table provides the Infrastructure Asset balances and movements during 2025/26 and the previous year.

	Infrastructure Assets	
	2024/25	2025/26
	£000	£000
Net book value		
Opening Balance	414,166	457,301
Existing right of use assets recognised as part of IFRS 16 transition	2,612	0
Restated Opening Balance	416,778	457,301
Additions	21,072	25,860
Depreciation Charge	(10,433)	(11,365)
Disposals	0	0
Derecognition	(1,373)	0
Reclassification	31,257	0
Closing Balance	457,301	471,796

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 and Equipment
	£000	£000	£000
Net book value			
31st March 2026	835,509	471,796	1,307,305
31st March 2025	786,843	457,301	1,244,144
31st March 2024	769,050	414,166	1,183,216

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 and 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 are based on valuations. The values of Heritage Assets are updated to reflect the latest valuations and any additions and deletions.

The table below provides a breakdown of these assets by type.

Type of Heritage Assets	31st March 2025	31st March 2026
	£000	£000
Transport Museum Collection	6,934	6,445
Scientific	20	30
Clocks	265	230
Arms & Armour	35	35
Textiles	5,060	5,060
Silver	375	375
General	398	747
Natural History	40	40
Works of Art	402	778
Furniture	140	140
Visual Arts	12,946	24,538
Civic Regalia	248	248
Total	26,863	38,666

During 2025/26 the Authority obtained updated specialist valuations for significant elements of its heritage asset collections, including assets held at Coventry Transport Museum, The Herbert Art Gallery & Museum, the Council House and St Mary's Guildhall. The updated valuations are reflected in the carrying values reported at 31 March 2026 and are the principal reason for the increase in the total carrying value of heritage assets from £26.9m at 31 March 2025 to £38.7m at 31 March 2026.

The Authority considered whether the updated valuations indicated a material misstatement of the comparative figures reported at 31 March 2025. Having regard to the timing of the valuation exercise, the value of the movement, and the nature of heritage assets, which are held for their cultural and historical significance rather than for sale or to generate financial returns, the Authority concluded that comparative restatement was not required.

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 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 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 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.



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 2025/26, followed by comparative movements for the previous year.

	Investment Property	Assets Held for Sale	Heritage Assets	Total
	£000	£000	£000	£000
01 April 2025	317,125	0	26,863	343,988
Additions	0	0	2,007	2,007
Revaluation increase/(decrease)	11,535	(3,149)	9,796	18,182
Disposals	(2,758)	0	0	(2,758)
Derecognition	0	0	0	0
Reclassifications	0	4,334	0	4,334
31 March 2026	325,902	1,185	38,666	365,753
Prior Year Comparator:				
01 April 2024	301,809	0	27,449	329,258
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)
31 March 2025	317,125	0	26,863	343,988

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	31st March 2025	31st March 2026
	£000	£000
Commercial	183,878	196,374
Office Units	20,221	16,656
Agricultural	2,865	3,530
Residential	107,619	106,114
Other	2,542	3,228
Total	317,125	325,902

- 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 2025/26 and in the previous year.

2024/25		2025/26
£000		£000
505,124	Opening Capital Financing Requirement	522,797
	Capital Investment including Donations	
89,297	Property, Plant and Equipment	98,874
(568)	Non-Operational Assets	2,007
348	Intangible Assets	461
38,688	Revenue Expenditure Funded from Capital Under Statute	52,938
0	Investments	0
229	Debtors	0
127,994	Total Capital Investment	154,280
	Sources of Finance	
(1,753)	Capital Receipts	(15,968)
(83,033)	Government Grants and Other Contributions	(93,676)
(1,844)	Capital Expenditure charged to the Revenue Account	(5,179)
(21,923)	(MRP/loans fund principal)	(23,070)
447	Donated Assets	(2,106)
(2,215)	Other Adjustments	(2,437)
(110,321)	Total from Sources of Finance	(142,436)
522,797	Closing Capital Financing Requirement	534,641
	Explanation of movement in year	
(21,923)	Revenue Provision for Debt Repayment	(23,070)
(1,975)	Repayment of Transferred Debt Principal	(2,173)
41,811	Capital Investment funded by borrowing	37,351
(240)	Restatement of Historic Debt Liability	(264)
17,673	Increase/(decrease) in Capital Financing Requirement	11,844

3.19 Revaluation of Property, Plant & Equipment

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The Code states that the purpose of applying indexation to asset values is to ensure the value of an asset is kept materially up to date for movements in variables, e.g. build costs, rental income etc. Indexation is an approximation of market changes – it is not a valuation of a specific asset. The following table shows the indexation applied in the current financial year to land and building assets:

Index	Average change	Valuation change
	%	£000
Specialised	2.24%	8,309
Industrial	3.50%	1,144
Residential	2.06%	910
Residential Land	-2.95%	(3,186)
Other indices	-0.22%	(191)
Total indexation applied in 2025/26	1.09%	6,986

The following statement shows the progress of the Council's rolling valuation programme for the revaluation of non-current assets:

	Other Land & Buildings	Vehicles, Plant & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
Year of revaluation	£000	£000	£000	£000	£000	£000	£000
Carried at Historical Cost	0	18,706	471,796	18,391	0	66,947	575,840
Valued at current value as at:							
31st March 2022	5,249	0	0	0	0	0	5,249
31st March 2023	15,171	0	0	0	0	0	15,171
31st March 2024	25,744	0	0	0	0	0	25,744
31st March 2025	620,868	0	0	0	0	0	620,868
31st March 2026	48,180	0	0	0	9,267	0	57,447
Indexation applied to valuations above	6,986	0	0	0	0	0	6,986
Total Cost or Valuation	722,198	18,706	471,796	18,391	9,267	66,947	1,307,305

Valuations have 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.

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.

In deriving indexation figures, the valuer has considered the evidence from the wider economic market and its relevance on the local authority area. Indexation works by considering the relative change in value using indices based on a range of factors – for example, normal inflation, local cost pressures and, for some assets, the scarcity of resources for replacing the assets.

3.20 Capital Commitments

The City Council approved a capital programme for 2025/26 of £171m and a provisional programme of £142m for both 2026/27 and £86m for 2027/28. The following are significant contracts legally committed to finish projects already started on 31st March 2026.

As at 31st March 2026, the authority has entered into a number of contracts for the construction and enhancement of property, plant and equipment in 2025/26 and future years budgeting costs at £113.5m. Similar commitments at 31st March 2025 were £65.8m.

The major capital commitments as at 31st March 2026 are listed below:

Capital Commitments as at 31st March 2026	Outstanding Commitment
	£000
City Centre Cultural Gateway (CCCG) - New Collection Centre	21,277
City Centre South	63,217
Coventry Very Light Rail	1,200
Education Programme	7,830
WMIZ Greenpower Park	13,090
LED Streetlighting	6,924
Total	113,538

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

Capital Commitments as at 31st March 2025	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
Total	65,813

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 2025		31st March 2026
£000	Long Term Investments	£000
68,000	The Coventry and Solihull Waste Disposal Company Limited	77,332
31,568	Birmingham Airport Holdings Limited	45,518
4,806	Coventry Municipal Holdings Limited	5,696
2,236	Friargate Joint Venture Project Limited	2,016
0	Sherbourne Recycling Limited	469
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
106,610	Total	131,031

A valuation exercise undertaken jointly with BDO LLP in 2025 valued the Council's shareholding in the Coventry and Solihull Waste Disposal Company at £68.0m. A subsequent valuation exercise in 2026 again undertaken jointly with BDO LLP resulted in a valuation of £77.3m, due to an increased market multiple and surplus cash.

A valuation exercise undertaken by BDO LLP in 2025 valued the Council's shareholding in Birmingham Airport Holdings Limited at £31.6m. A subsequent valuation in 2026 undertaken jointly with BDO LLP resulted in an increased valuation of £45.5m, primarily due to an increased valuation multiple.

The valuation of the Council's 100% shareholding in Coventry Municipal Holdings Limited (CMH) includes the value of its interests in Coombe Abbey Park Limited (CAPL), Coventry Regeneration Limited (CR),

Coventry Technical Resources Limited (CTR) and Tom White Waste Limited (TWW). The overall valuation of the CMH group is £5.7m, comprising £0.1m for CMH as a single entity, £2.8m for CTR and £2.7m for TWW, with no separate value attributed to CAPL.

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 2025 valued the Council's shareholding in TWW at £1.9m. A subsequent valuation in 2026 undertaken by Azets resulted in a valuation of £2.7m, primarily due to increased profitability projections.

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 2025 valued the Council's shareholding in CAPL at nil. A subsequent

valuation in 2026 by Azets maintained this valuation. CAP has a positive enterprise value, but the valuation remains at nil due to debt obligations.

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 2026 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 2025 valued the Council's shareholding in FJVP at £2.0m. A subsequent valuation for 2026 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 2025 valued the shareholding at nil as the net debt arising from the construction of the facility outweighed the enterprise value. A subsequent valuation undertaken by Azets in 2026, on a net assets basis, resulted in a valuation of £0.5m.

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 2026 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. From 1st April 2026 the shareholding has transferred to the new West Midlands Growth Hub Ltd (company no. 16538512).

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 2025	Long Term Debtors	31st March 2026		
	Held at amortised cost:	Gross Debtor	Impairment	Net Debtor
£000		£000	£000	£000
16,665	UK Battery Industrialisation Centre (Plant & Equipment Lease)	18,449	(1,341)	17,108
14,415	Sherbourne Recycling (Materials Recycling Facility Loan)	14,830	(564)	14,266
8,689	ES Coventry (Student Accommodation Lease)	8,790	0	8,790
4,231	Friargate LLP (Friargate Redevelopment Project Contribution Loan)	4,455	(17)	4,438
4,090	Watkin Jones & Son (Student Accommodation Lease)	4,088	0	4,088
4,075	McLaren Property Holdings (The Oaks Finance Leases)	4,072	0	4,072
3,785	Oakmoor Deeley Partnership (Belgrade Plaza Lease)	3,785	0	3,785
2,591	Coombe Abbey Park (Facility B Loan)	3,756	(205)	3,551
3,425	The Coventry & Solihull Waste Disposal Company (Site Lease)	3,390	0	3,390
3,394	City College (Car Park Lease)	3,249	(1)	3,248
3,332	Coombe Abbey Park (Facility A Loan)	3,341	(184)	3,157
6,126	Other long-term debtors individually below £2.0m net	5,715	(135)	5,580
74,818	Total held at amortised cost	77,920	(2,447)	75,473
31st March 2025		31st March 2026		
	Held at fair value:	Gross Debtor	Revaluation	Net Debtor
£000		£000	£000	£000
2,816	Kickstart Loans	1,497	1,292	2,789
849	Pathways to Care Loans	677	222	899
3,665	Total held at fair value through profit and loss	2,174	1,514	3,688
78,483	Total Long Term Debtors	80,094	(933)	79,161

3.23 Short Term Debtors

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

31st March 2025				Debtors Classification	31st March 2026			
Debtor	Payment In Advance	Impairment Allowance	Total		Debtor	Payment In Advance	Impairment Allowance	Total
£000	£000	£000	£000		£000	£000	£000	£000
13,501	0	0	13,501	Central Government Bodies	12,251	0	0	12,251
28,133	0	0	28,133	Other Local Authorities	21,952	0	0	21,952
6,134	0	(1,040)	5,094	NHS Bodies	5,160	0	0	5,160
0	0	0	0	Public Corporations	0	0	0	0
53,628	16,299	(19,693)	50,234	All Other Bodies	48,226	20,919	(19,393)	49,752
41,510	0	(21,293)	20,217	Debts Relating to Local Taxation	45,721	0	(22,517)	23,204
142,906	16,299	(42,026)	117,179	Total Debtors	133,310	20,919	(41,910)	112,319

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 2025			Debts Relating to Local Tax	31st March 2026		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000	£000	£000		£000	£000	£000
7,956	5,311	13,267	Less than one year	8,294	6,851	15,145
2,438	763	3,201	1-2 years	2,822	1,411	4,233
2,894	416	3,310	2-6 years	3,066	383	3,449
439	0	439	More than 6 years	377	0	377
13,727	6,490	20,217	Total	14,559	8,645	23,204

3.24 Short Term Creditors

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

31st March 2025			Creditors Classification	31st March 2026		
Creditors	Receipts in Advance	Total		Creditors	Receipts in Advance	Total
£000	£000	£000		£000	£000	£000
(15,079)	(41)	(15,120)	Central Government Bodies	(14,410)	(81)	(14,491)
(1,280)	0	(1,280)	Other Local Authorities	(3,486)	0	(3,486)
(911)	0	(911)	NHS Bodies	(1,120)	(1)	(1,121)
0	0	0	Public Corporations	(15)	0	(15)
(65,347)	(12,323)	(77,670)	All Other Bodies	(61,515)	(7,905)	(69,420)
(2,857)	(11,548)	(14,405)	Creditors relating to local taxation	(3,250)	(11,320)	(14,570)
(85,474)	(23,912)	(109,386)	Total Creditors	(83,796)	(19,307)	(103,103)

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 2025/26 is explained below:

Provisions	Self-Insurance	Business Rates Appeals	Total
	£000	£000	£000
1st April 2025	(4,366)	(22,665)	(27,031)
Increase in provision	0	(7,993)	(7,993)
Amounts used	365	3,737	4,102
Unused amounts reversed	0	1,743	1,743
31st March 2026	(4,001)	(25,178)	(29,179)

The split between short and long term provisions, as at 31st March 2026, is provided in the following table:

	Self-Insurance	Business Rates Appeals	Total
Provisions	£000	£000	£000
Short Term Provisions	0	(6,160)	(6,160)
Long Term Provisions	(4,001)	(19,018)	(23,019)
Total	(4,001)	(25,178)	(29,179)

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 2025/26 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:

2024/25	Adjustments for Non Cash Movements	2025/26
£000		£000
(41,155)	Depreciation	(39,474)
0	Impairment and Valuation Movements	0
(20,765)	Derecognition of non-current Assets	(9,235)
18,421	Revaluation of Non-current Assets	11,451
0	Revaluation of Assets Held for Sale	(3,149)
(348)	Amortisation	(461)
(3,524)	(Increase)/ Decrease in Impairment Provision for Bad Debts	1,340
(49,513)	(Increase)/ Decrease in Creditors and Provisions	(344)
29,474	Increase/ (Decrease) in Debtors	(19,533)
(99)	Increase/ (Decrease) in Inventory	(40)
14,628	Pension Liability	17,183
(564)	Carrying amount of non-current assets sold	(4,404)
24,555	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services *	7,495
(28,890)	Total	(39,171)

* The Other Non Cash items in 2024/25 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:

2024/25	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	2025/26
£000		£000
74,902	Net Application of grants to capital financing	135,862
7,096	Council Tax and NNDR Adjustments	10,198
2,177	Proceeds from the sale of non-current assets	4,404
84,175	Total	150,464

2024/25	Cash Flows from Investing Activities	2025/26
£000		£000
63,513	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	95,014
1,263,968	Purchase of Short Term and Long Term Investments	1,181,460
229	Other Payments for Investing Activities	1,508
(2,177)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(4,404)
(1,274,022)	Proceeds from Short Term and Long Term Investments	(1,164,920)
(82,043)	Other Receipts from Investing Activities	(137,814)
(30,532)	Total	(29,156)

2024/25	Cash Flows from Financing Activities	2025/26
£000		£000
1,975	Repayments of Short and Long Term Borrowing	22,173
0	Cash Payment for reduction of outstanding liability relating to finance leases	0
(20,000)	Cash Receipts of Short and Long Term Borrowing	0
12,004	Other payments for financing activities	10,000
(7,096)	Council Tax and NNDR Adjustments	(10,198)
(13,117)	Total	21,975

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:

2024/25	Cash Flows from Interest and Dividends	2025/26
£000		£000
(11,772)	Interest received	(9,311)
19,385	Interest paid	16,053
(15,894)	Dividends received	(12,079)
(8,281)	Total	(5,337)

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

2024/25	Breakdown of Cash and Cash Equivalents	2025/26
£000		£000
(8)	Cash held by the council	(14)
(7,621)	Bank current accounts	(11,512)
(43,660)	On call deposits	(62,900)
(51,289)	Total	(74,426)

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 2025/26 expenditure on unitary charge payments to the contractor was £3,875k, compared with £3,975k in 2024/25. In each of these years £1,875k of PFI grant was received, giving a net cost of £2,000k in 2025/26 (£2,100k in 2024/25). The school contribution was £857k in 2025/26 (£803k in 2024/25). 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	Repayment of Liability	Interest Charge	Total Unitary Charge
	£000	£000	£000	£000
2026/27	2,006	887	590	3,483
2027/28 to 2030/31	8,131	3,698	1,796	13,625
2031/32 to 2034/35	7,114	4,590	721	12,425
Totals at 31st March 2026	17,251	9,175	3,107	29,533
Totals at 31st March 2025	19,646	9,781	3,622	33,049

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.

	2024/25	2025/26
Loans	£000	£000
Liability brought forward	(7,585)	(9,781)
Adjustment to brought forward position*	(2,974)	0
Revised liability brought forward	(10,559)	(9,781)
Unitary Charge (Lease repayment)	970	962
Liability remeasurement	(192)	(355)
Liability carried forward (breakdown below)	(9,781)	(9,174)
Long term liability	(8,835)	(8,287)
Current liability	(946)	(887)

* 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 2025/26 expenditure on unitary charge payments to the contractor was £9,238k, compared with £8,852k in 2024/25. 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	Repayment of Liability	Interest Charge	Total Unitary Charge
	£000	£000	£000	£000
2026/27	6,371	1,310	1,307	8,988
2027/28 to 2030/31	23,548	11,225	3,600	38,373
2031/32 to 2032/33	8,121	4,260	404	12,785
Totals at 31st March 2026	38,040	16,795	5,311	60,146
Totals at 31st March 2025	44,517	17,888	6,498	68,903

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.

Operational Assets Other Land & Buildings	2024/25	2025/26
Long Term Loans	£000	£000
Liability brought forward	(11,279)	(17,888)
Adjustment to brought forward position*	(8,008)	0
Revised liability brought forward	(19,287)	(17,888)
Unitary Charge (Lease repayment)	2,245	1,844
Liability remeasurement	(846)	(751)
Liability carried forward (breakdown below)	(17,888)	(16,795)
Long term liability	(16,114)	(15,485)
Current liability	(1,774)	(1,310)

* 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 2025/26 expenditure on unitary charge payments to the contractor was £8,938k, compared with £8,859k in 2024/25. 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	Repayment of Liability	Interest Charge	Total Unitary Charge
	£000	£000	£000	£000
2026/27	2,928	2,399	3,304	8,631
2027/28 to 2030/31	12,527	11,273	10,621	34,421
2031/32 to 2035/36	13,418	20,423	5,698	39,539
Totals at 31st March 2026	28,873	34,095	19,623	82,591
Totals at 31st March 2025	31,785	35,818	22,779	90,382

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	2024/25	2025/26
Long Term Loans	£000	£000
Liability brought forward	(35,013)	(35,814)
Adjustment to brought forward position*	(2,612)	0
Revised Liability brought forward	(37,625)	(35,814)
Unitary Charge (Lease repayment)	2,019	2,186
Liability to be recognised in year	(208)	(463)
Liability carried forward (breakdown below)	(35,814)	(34,091)
Long term liability	(33,628)	(31,692)
Current liability	(2,186)	(2,399)

* Adjustment as a result of IFRS 16 implementation

Donated Assets Account	£000	£000
Donated Assets account brought forward	(2,278)	(2,435)
Donated Assets recognised in year	(345)	(158)
Credited to Comprehensive Income & Expenditure account	188	219
Donated Assets account carried forward	(2,435)	(2,374)

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

3.28 Leases

The authority continues to apply IFRS 16 Leases in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The requirements introduced in 2024/25 remain in place, whereby arrangements previously accounted for as operating leases are recognised on the balance sheet as a right-of-use asset and a corresponding lease liability. Leases for items of low value or short term leases (those with a term of less than 12 months) are exempt from these arrangements.

IFRS 16 was initially applied in 2024/25 using a retrospective approach, with the cumulative effect recognised at 1 April 2024. As a result, prior year figures were not restated, and right-of-use assets and lease liabilities were instead recognised from that date. The following practical expedients, as required or permitted by the Code, continue to apply:

- lease liabilities are measured at the present value of the remaining lease payments, discounted by the rate implicit in the lease, or where this was not available, the authority's incremental borrowing rate at that date.
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments.
- the Council has elected not to apply the standard to intangible assets.

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	Vehicles, Plant & Equipment	Total
	£000	£000	£000
1st April 2025	30,117	458	30,575
Additions	680	235	915
Revaluation increase/(decrease)	1,625	0	1,625
Depreciation Charge	(1,067)	(263)	(1,330)
Disposals	0	0	0
Derecognition	0	0	0
Reclassifications	0	0	0
31st March 2026	31,355	430	31,785

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)

	2024/25	2025/26
	£000	£000
Less than one year	1,403	1,551
One to five years	4,430	4,817
More than five years	5,183	3,919
Total undiscounted liabilities	11,016	10,287

Authority as Lessor

Transactions Under Leases

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

	2024/25	2025/26
	£000	£000
Finance leases		
Finance income on the net investment in the lease	1,007	1,454
Income relating to variable lease payments not included in the measurement of the net investment in the lease	513	522
Operating leases		
Total lease income	15,929	15,920
Share of lease income relating to variable lease payments that do not depend on an index or a rate	1,008	1,112

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

	2024/25	2025/26
	£000	£000
Net investment at 1 April	45,330	45,625
New leases entered into	0	0
Payments by lessees	(180)	(188)
Accrued Interest	528	549
Lease modifications	600	0
Impact of changes in unguaranteed residual values	0	0
Movements in impairment loss allowances	(653)	0
Net investment at 31 March	45,625	45,986

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	
	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000
Less than one year	1,092	1,382	12,396	14,235
One to two years	1,382	1,858	10,923	12,908
Two to three years	1,858	1,858	9,595	11,567
Three to four years	1,858	1,866	8,285	10,038
Four to five years	1,866	1,883	6,824	8,974
More than five years	346,079	348,013	313,150	382,628
Total undiscounted receivables	354,135	356,860	361,173	440,350

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

	2024/25	2025/26
	£000	£000
Total undiscounted lease receivables	354,135	356,860
Unearned finance income	(308,510)	(310,875)
Discounted amount of unguaranteed residual values	0	0
Net investment in leases	45,625	45,985

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 2025/26 to £352.2m (before the asset ceiling adjustment) compared to a surplus of £280.1m in 2024/25. Further details on the pension assets and liabilities are provided in note 3.30.

Officers

In 2025/26 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 2025/26 this amounted to £1,674k (£1,673k in 24/25). 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 2025/26, 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 2025/26, these amounted to £1,890k (£2,159k in 2024/25).

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 2025/26 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 of £26,529 comprise of £11,236k in respect of LGPS officers who retired early and £15,293k of Teachers' unfunded areas.

2024/25	Local Government Pension Scheme	2025/26
£000		£000
(35,393)	Surplus/(Deficit) b/fwd	(30,491)
(34,228)	Current Service Cost	(25,554)
47,736	Employer Contributions	44,902
(1,421)	Past Service Gain (Cost)	(359)
78,397	Return on Assets	95,478
(75,357)	Interest on Pension Liabilities	(78,694)
211,230	Remeasurements	36,843
421	Settlements and curtailments	380
(920)	Administration Expenses	(967)
190,465	Surplus/(Deficit) prior to IFRIC 14 adjustment	41,538
(220,956)	Asset ceiling adjustment	(68,067)
(30,491)	Surplus/(Deficit) c/fwd	(26,529)

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

Retirement benefit costs are recognised in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when benefits are paid as pensions. However, the amount required to be charged against Council Tax is based on the cash payable in the year, including employer contributions and pensions paid directly by the Council. The difference between the accounting charge and the amount chargeable under statute is adjusted through the Movement in Reserves Statement. The table below summarises the total impact of LGPS and teachers' pension arrangements on the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement.

Amounts charged to the Surplus or Deficit on the Provision of Services	2024/25	2025/26
Net Cost of Services	£000	£000
Current Service Cost	34,228	25,554
Past Service Costs (Gain)	1,421	359
Settlements and curtailments	(421)	(380)
Administration Expenses	920	967
Net impact on Cost of Services	36,148	26,500
Financing & Investment Income & Expenditure		
Interest cost	75,357	78,694
Expected return on scheme assets	(78,397)	(95,478)
Interest on the effect of the asset ceiling*	0	18,003
Net impact on interest cost	(3,040)	1,219
Total Post Employment Benefit Charged to the Surplus/Deficit on the Provision of Services	33,108	27,719
Other Post Employment Benefit Charged to CIES		
Remeasurements (prior to asset ceiling adjustment)	(211,230)	(36,843)
Adjustment to meet the requirements of IFRIC14*	220,956	50,064
Net impact on Other CIES	9,726	13,221
Total Post Employment Benefit Charged to the CIES	42,834	40,940
Movement in Reserves Statement		
Reversal of net charges made to the surplus/deficit for the Provision of Services	(33,108)	(27,719)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers contributions payable to scheme	43,944	41,463
Retirement benefits payable to pensioners	3,792	3,439
Net Movement in Reserves	14,628	17,183

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

The LGPS position has changed in 2025/26, and this can largely be explained as follows:

- Investment returns – returns on the pension fund’s assets were higher than assumed, increasing the value of scheme assets.
- Financial assumptions – the discount rate increased compared with last year. A higher discount rate reduces the present value placed on future pension liabilities.
- Experience losses – liabilities increased where updated pension fund information differed from the assumptions previously used in the annual accounting estimate. This included the effect of actual pension increases being higher than previously assumed.
- Demographic assumptions – updated demographic assumptions, including revised longevity assumptions and other assumptions from the latest pension fund valuation, reduced the estimated liabilities overall.

	2024/25	2025/26
Reconciliation of fair value of the LGPS assets	£000	£000
Opening balance at 1st April	1,635,838	1,652,433
Expected rate of return	78,397	95,478
Remeasurements	(51,598)	51,419
Employer contributions	43,944	41,463
Contributions by scheme participants	11,706	12,423
Benefits paid (funded)	(64,902)	(64,482)
Benefits paid (unfunded)	(3,792)	(3,439)
Contributions in respect of unfunded benefits paid	3,792	3,439
Settlements	(952)	(1,126)
Closing balance at 31st March	1,652,433	1,787,608

	2024/25	2025/26
Reconciliation of fair value of the LGPS liabilities	£000	£000
Opening Balance at 1st April	1,581,573	1,372,310
Current Service Cost	35,148	26,521
Interest Cost	75,357	78,694
Contributions from scheme participants	11,706	12,423
Remeasurement (gains) and losses:		
(Gain)/loss arising from changes in financial assumptions	(242,656)	(42,219)
(Gain)/loss arising from changes in demographic assumptions	(2,751)	(19,658)
Experience (gain)/loss	(17,421)	76,453
Past service cost	1,421	359
Benefits paid (funded)	(64,902)	(64,482)
Benefits paid (unfunded)	(3,792)	(3,439)
Liabilities extinguished on settlements	(1,373)	(1,506)
Closing balance at 31st March	1,372,310	1,435,456

	2024/25	2025/26
Reconciliation of LGPS net position	£000	£000
Funded liability	(1,341,819)	(1,408,927)
Unfunded liability	(30,491)	(26,529)
Total liability	(1,372,310)	(1,435,456)
Pension assets	1,652,433	1,787,608
Asset ceiling adjustment*	(310,614)	(378,681)
Net pension surplus/(deficit)	(30,491)	(26,529)

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

	2024/25	2025/26
Reconciliation of the movement in the adjustment to meet the requirements of IFRIC14	£000	£000
Opening Balance	(89,658)	(310,614)
Interest on the adjustment*	(4,304)	(18,003)
Other changes in the adjustment	(216,652)	(50,064)
Closing Balance	(310,614)	(378,681)

*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 31st March 2025.

The main assumptions used in the actuarial calculation are:	31st March 2025	31st March 2026
Rate of CPI inflation	2.80%	3.00%
Rate of increase in salaries	3.80%	4.00%
Rate of increase in pensions	2.80%	3.00%
Discount rate	5.80%	6.20%
Mortality Assumptions		
Longevity at 65 for current pensioners		
Men	20.6	21.3
Women	23.5	24.1
Longevity at 65 for future pensioners in 20 years time		
Men	21.3	22.1
Women	24.8	25.3

The defined benefit obligation (liability) 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.

Changes in assumptions	31st March 2026	
	Approximate % increase to Defined Benefit Obligation	Approximate monetary Amount £000
Change in Assumptions at		
0.1% decrease in Real Discount Rate	1.00%	20,509
1 year increase in member life expectancy	4.00%	57,418
0.1% increase in Salary Increase Rate	0.00%	818
0.1% increase in the Pension Increase Rate (CPI)	1.00%	19,674

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

31st March 2025			Asset Categories		31st March 2026			
Total	Quoted	Unquoted	Total		Total	Quoted	Unquoted	Total
£000	%	%	%		£000	%	%	%
718,694	37.28%	6.22%	43.50%	Equities	751,092	36.86%	5.16%	42.02%
360,367		21.81%	21.81%	Bonds	376,342		21.05%	21.05%
112,026		6.77%	6.77%	Property	110,068		6.16%	6.16%
80,356		4.86%	4.86%	Cash/Liquidity	88,384		4.94%	4.94%
380,990		23.06%	23.06%	Other	461,722		25.83%	25.83%
1,652,433	37.28%	62.72%	100.00%	Total	1,787,608	36.86%	63.14%	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 31st March 2025 and this set contributions for the period from 1st April 2026 to 31st March 2029.

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 2026/27 is estimated by the actuaries to be £27,295k

The weighted average duration of the defined benefit obligation for scheme members is 14 years for 2025/26 (17 years for 2024/25).

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:

2024/25				Remuneration Band	2025/26			
Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total		Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total
128	5	246	379	£50000-£54999	155	7	259	421
40	3	183	226	£55000-£59999	77	7	189	273
30	1	47	78	£60000-£64999	27	2	94	123
17	1	23	41	£65000-£69999	20	1	32	53
18	0	31	49	£70000-£74999	23	0	30	53
14	2	10	26	£75000-£79999	16	0	21	37
7	1	14	22	£80000-£84999	8	2	16	26
5	1	13	19	£85000-£89999	6	1	9	16
10	1	5	16	£90000-£94999	5	2	5	12
4	0	4	8	£95000-£99999	8	0	2	10
1	0	7	8	£100000-£104999	5	0	5	10
2	0	1	3	£105000-£109999	1	0	8	9
2	0	0	2	£110000-£114999	3	0	1	4
0	0	3	3	£115000-£119999	0	0	2	2
0	0	1	1	£120000-£124999	1	0	2	3
0	0	1	1	£125000-£129999	1	0	3	4
0	0	4	4	£130000-£134999	0	0	0	0
0	0	0	0	£135000-£139999	0	0	1	1
0	0	0	0	£140000-£144999	0	0	2	2
0	0	1	1	£145000-£149999	0	0	0	0
0	0	0	0	£150000-£154999	0	0	2	2
0	0	1	1	£175000-£179999	0	0	0	0
0	0	1	1	£210000-£214999	0	0	0	0
0	0	0	0	£225000-£229999	0	0	1	1
278	15	596	889	Total	356	22	684	1,062

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	Notes
2025/26	£	£	£	£	
Chief Executive Officer - Julie Nugent *	224,063	0	45,978	270,041	
Director for Finance and Resources(S151) - Barry Hastie *	152,730	0	32,379	185,109	
Director for Law and Governance (Monitoring Officer)	141,124	0	29,273	170,397	
Director for Children & Education (DCS) - Sukriti Sen *	151,153	0	30,571	181,724	
Director for Regeneration and Economy	135,000	0	28,620	163,620	
Director for City Services and Commercial	36,122	0	7,658	43,780	1
Director / Acting Director for City Services	95,523	0	20,251	115,774	2
Director of Planning & Performance	125,430	0	26,591	152,021	3
Director of Policy & Communications	119,668	0	25,370	145,038	4
Director for Care, Health and Housing	140,578	0	29,803	170,381	
Director of People & Facilities Management	128,163	0	27,171	155,334	
Director for Public Health	129,371	0	27,427	156,798	

* The Council is required by the CIPFA Code of Practice to name any officer with a salary (including allowances and benefits in kind) in excess of £150k

Notes

1. The Director for City Services and Commercial left the Council in early July 2025
2. The Director for City Services started in mid-June 2025, initially as acting director, permanently from January 2026
3. The Director of Planning & Performance started at the end of March 2025
4. The Director of Policy & Communications started at the end of April 2025

Senior Officers' remuneration	Salary Inc Fees & Allowances	Loss of Office	Pension Contributions	Total Remuneration	Notes
2024/25	£	£	£	£	
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 HR	121,541	0	25,767	147,308	
Director for Public Health	129,385	0	27,430	156,815	
Director of Partnerships & Performance	35,889	0	7,507	43,396	3

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

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	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
			*restated		*restated		*restated	
							£000	£000
£0 - £20,000	23	3	87	76	110	79	702	468
£20,001 - £40,000	12	0	21	2	33	2	1,009	59
£40,001 - £60,000	4	1	2	0	6	1	296	42
£60,001 - £80,000	0	0	1	0	1	0	74	0
£80,001 - £100,000	1	0	1	1	2	1	177	90
£100,001 - £150,000	0	2	3	0	3	2	338	243
£150,001 - £200,000	1	0	3	0	4	0	658	0
£200,001 - £250,000	1	0	0	0	1	0	233	0
Total cost inc in bandings	42	6	118	79	160	85	3,487	902

* Following a review of the disclosure requirements, the Council has determined that payments in lieu of notice, together with certain other departure and settlement payments, meet the definition of exit packages under the Code of Practice. These amounts have therefore been included within the 2025/26 exit packages disclosure. The 2024/25 comparative figures within this note have been restated on the same basis to ensure consistency with this treatment. The most significant element of the restatement relates to the inclusion of payments in lieu of notice.

3.32 Members' Allowances

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

Financial Year	2024/25	2025/26
	£000	£000
Basic Allowances	880	910
Other Allowances	332	350
Expenses	2	2
Total	1,214	1,262

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:

Financial Liabilities	Long Term		Current	
	31st March 2025	31st March 2026	31st March 2025	31st March 2026
			*restated	
Loans at Amortised Cost	£000	£000	£000	£000
- principal sum borrowed	236,218	226,717	20,352	352
- accrued interest*	0	0	2,709	2,575
- equivalent interest rate adjustment	0	0	0	0
Total Borrowing	236,218	226,717	23,061	2,927
- Bank Overdraft	0	0	4,475	0
Other Long Term Liabilities at amortised cost:				
- PFI arrangements**	58,577	55,464	4,906	4,596
- Leases	7,486	0	916	1,109
- Transferred Debt	0	0	2,437	0
Total Financial Liabilities (excluding creditors)	302,281	282,181	35,795	8,632
Creditors*	0	0	56,816	53,235

* The 31st March 2025 comparative figures have been restated to present accrued interest separately from creditors, consistent with the 2025/26 presentation.

** The PFI Liability shown above is held within short term creditors on the Council Balance Sheet. Principal sum borrowed of £352k (£22,789k in 2024/25) is shown against short term borrowing.

Financial Assets	Long Term		Current	
	31st March 2025	31st March 2026	31st March 2025	31st March 2026
At amortised Cost	£000	£000	£000	£000
- Principal sum invested	0	0	24,980	0
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
At Fair Value through other comprehensive income				
- Principal at amortised cost	0	0	0	0
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
- Fair value adjustment	0	0	0	0
- Equity investments elected FVOCI	106,610	131,031	0	0
At Fair Value through profit & loss				
- Fair value	0	0	27,667	28,409
Total Investments	106,610	131,031	52,647	28,409
At amortised Cost				
- Principal sum invested	0	0	12,104	11,525
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
At Fair Value through profit & loss				
- Fair value	0	0	18,680	62,900
Total Cash & Cash Equivalents	0	0	30,784	74,425
At amortised Cost				
- Trade receivables*	0	0	49,536	45,849
- Lease receivables	46,786	47,140	180	188
- Loans made for service purposes	30,330	30,630	3,364	1,874
- Accrued Interest	0	0	547	315
- Loss allowance	(2,377)	(2,447)	0	0
At Fair Value through profit & loss				
- Fair value	3,665	3,688	0	0
Included in Debtors	78,404	79,011	53,627	48,226
Total Financial Assets	185,014	210,042	137,058	151,060

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

31st March 2026	Included in Financial Instruments	Other Debtors/ Creditors	Total
	£000	£000	£000
Long term debtors	79,011	150	79,161
Short term debtors	48,226	64,093	112,319
Short term creditors	61,530	41,573	103,103

31st March 2025	Included in Financial Instruments	Other Debtors/ Creditors	Total
	£000	£000	£000
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

Current borrowings and investments represent amounts due to be settled within 12 months, including accrued interest. In 2025/26 borrowing costs of £712k on qualifying assets were capitalised (£368k in 2024/25).

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 2026 totalled £1,618k (£2,361k in 2024/25).

	Fair Value		Cumulative Gain/(Loss) in FIRR		Dividends	
	31st March 2025	31st March 2026	31st March 2025	31st March 2026	31st March 2025	31st March 2026
	£000	£000	£000	£000	£000	£000
Shareholdings:						
The Coventry and Solihull Waste Disposal Company Limited	68,000	77,332	68,000	77,332	9,530	9,167
Birmingham Airport Holdings Limited	31,568	45,518	19,918	33,869	6,364	2,913
Coventry Municipal Holdings Limited	4,806	5,696	(19,257)	(18,367)	0	0
Friargate JV Project Limited	2,236	2,016	(8,259)	(8,481)	0	0
Sherbourne Recycling Limited	0	469	(215)	254	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 Revaluation Reserve (FIRR)	0	0	(20)	(20)	0	0
Total	106,610	131,031	60,013	84,433	15,894	12,080

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 2025/26	Financial Liabilities		Financial Assets		Total
	Amortised Cost	Amortised Cost	Elected to fair value through OCI	Fair Value through Profit & Loss	
	£000	£000	£000	£000	
Interest expense	16,053	0	0	0	16,053
Impairment losses	0	0	0	0	0
Interest payable and similar charges	16,053	0	0	0	16,053
Interest & Dividend income	0	(2,640)	(12,079)	(6,671)	(21,390)
Gains on derecognition	0	0	0	0	0
Gains from changes in fair value	0	0	0	(73)	(73)
Impairment Loss reversals	0	(1,462)	0	0	(1,462)
Interest and investment income	0	(4,102)	(12,079)	(6,744)	(22,925)
Net Impact on Surplus/deficit on provision of services	16,053	(4,102)	(12,079)	(6,744)	(6,872)
Gains on revaluation	0	0	(24,642)	(771)	(25,413)
Losses on revaluation	0	0	221	28	249
Surplus arising on revaluation of financial assets	0	0	(24,421)	(743)	(25,164)
Net (gain) / loss for the year	16,053	(4,102)	(36,500)	(7,487)	(32,036)

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	
Interest expense	19,385	0	0	0	19,385
Impairment losses	0	0	0	0	0
Interest payable and similar charges	19,385	0	0	0	19,385
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
Interest and investment income	0	(3,929)	(15,894)	(6,932)	(26,755)
Net Impact on Surplus/deficit on provision of services	19,385	(3,929)	(15,894)	(6,932)	(7,370)
Gains on revaluation	0	0	0	(593)	(593)
Losses on revaluation	0	0	9,846	115	9,961
Surplus arising on revaluation of financial assets	0	0	9,846	(478)	9,368
Net (gain) / loss for the year	19,385	(3,929)	(6,048)	(7,410)	1,998

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 31st March 2026, 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 31st March 2026.
- 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.

	Fair Value Level	31st March 2025		31st March 2026	
		Carrying amount	Fair value	Carrying amount	Fair value
		£000	£000	£000	£000
Financial Liabilities at amortised cost					
▪ PWLB	2	180,718	161,192	180,718	173,073
▪ Market Loans	2	38,000	41,280	28,000	28,642
▪ Other Local Authorities	2	39,937	39,937	17,998	17,998
▪ PFI	2	63,484	63,484	60,061	60,061
▪ Liabilities under Financial Leases	3	8,402	8,402	8,179	8,179
▪ Short Term Creditors	n/a	59,525	59,525	55,810	55,810
▪ Cash Overdrawn	n/a	4,475	4,475	0	0
▪ Other	n/a	352	352	352	352
Total Liabilities		394,893	378,647	351,118	344,115
Financial Assets at fair value:					
▪ Money Market Funds	1	18,680	18,680	62,900	62,900
▪ Collective Investment Funds	1	27,667	27,667	28,409	28,409
▪ Corporate and Government Bonds	1	0	0	0	0
▪ Shares in Unlisted Companies	3	106,610	106,610	131,031	131,031
▪ Long Term Debtors	3	3,665	3,665	3,688	3,688
Financial Assets at amortised cost:					
▪ Short Term Cash Deposits	n/a	24,980	24,980	0	0
▪ Long Term Debtors*	3	74,739	58,837	75,323	57,093
▪ Short Term Debtors	n/a	53,628	53,628	48,226	48,226
▪ Bank Accounts	n/a	12,104	12,104	11,525	11,525
Total Financial Assets		322,073	306,171	361,102	342,872

*The Fair Value on Long term debtors for the previous year has been amended to reflect the change in the method for determining the interest rate in the FV calculation.

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, MUFG. The Stock Issue was repaid in March 2025. 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 £17,998 as at 31st March 2026, with the difference between the nominal and fair value being treated as a grant of £2k and the requirement for UKBIC to make payments as a Lease receivable of £18m as at 31st March 2026.

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 £7.5m.
- 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 31st March 2026. A 1% variation in the discount rate would alter the value of the loans by £5.6m.

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 2025/26 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 31st March 2026 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,

	Short Term	
	31/03/2025	31/03/2026
	£000	£000
AAA	18,680	40,014
AA+	0	0
AA	0	0
AA-	5,247	5,125
A+	1,318	22,900
A	8,189	6,387
A-	0	0
BBB+	0	0
Unrated Local Authorities	22,500	0
Unrated Building Societies	0	0
Unrated Pooled Funds	27,639	28,409
Total Investments	83,573	102,835

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

Country	31/03/2025	31/03/2026
	£000	£000
United Kingdom	64,893	22,821
Luxembourg	18,680	40,014
USA	0	20,000
Germany	0	20,000
Total	83,573	102,835

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 two 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 2025/26.

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. £22,966k of the £48,226k trade debtor balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31/03/2025	31/03/2026
Past Due Date	£000	£000
Less than three months	8,133	6,662
Three to six months	2,836	2,875
Six months to one year	3,879	2,624
More than one year	7,985	10,805
Total	22,833	22,966

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:

	31/03/2025	31/03/2026
Maturity of Financial Liabilities	£000	£000
Less than one year	22,789	352
Between one and two years	0	0
Between two and five years	0	0
Between six and ten years	59,000	75,000
More than ten years	177,718	151,718
Total	259,507	227,070

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 £28m 2025/26 (£38m 2024/25) of such loans which the lenders have interest review options 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 £102.7m in 2025/26. 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 2026, 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 £18.3m. 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 31st 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 31st March 2025 would result in a £337k (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 £131m 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 £7.5m being recognised in the Comprehensive Income and Expenditure Statement for 2025/26

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 several 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	Year ending
		£000	£000
Birmingham Airport Holdings Ltd (Company Number: 03312673)		31 March 2025 Audited	31 March 2026 Draft
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)	82,617	122,463
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	62,264	58,588
The Council owns:	Profit (loss) after taxation	44,923	42,071
- 5.8% of the 324m ordinary shares	Statement of changes in equity	(52,583)	39,846
- £1.8m preference shares			
- 6% of the 1,000 C Class shares of 0.01p			
Coombe Abbey Park Limited (Company Number: 02700383)		31 March 2025 Audited	31 March 2026 Draft
CAP is included within the Council's group accounts as a subsidiary.	Net Assets (liabilities)	(1,510)	(1,743)
The principal activity of the company is the running of Coombe Abbey Hotel, Brinklow Road, Coventry.	Profit (loss) before taxation	(1,159)	(826)
The Council acquired 100% of the shares in the company on 22nd December 2017.	Profit (loss) after taxation	(1,159)	(826)
	Statement of changes in equity	(529)	(233)
Coventry Regeneration Limited (Company Number: 04523598)		31 March 2025 Audited	31 March 2026 Draft
CR is included within the Council's group accounts as a subsidiary.	Net Assets (liabilities)	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) before taxation	0	0
	Profit (loss) after taxation	0	0
	Statement of changes in equity	0	0

Name and Nature of Business	Financial Results	Year ending	Year ending
		£000	£000
The Coventry and Solihull Waste Disposal Company Limited (Company Number: 02690488)		31 March 2025 Audited	31 March 2026 Draft
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. 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.	Net Assets (liabilities)	31,085	31,391
	Profit (loss) before taxation	22,468	18,272
	Profit (loss) after taxation	16,556	14,056
	Statement of changes in equity	2,344	306
Culture Coventry (Company Number: 08359113)		31 March 2025 Audited	31 March 2026 Draft
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. 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.	Net Assets (liabilities)	2,320	1,956
	Net movement of funds	(1,019)	(364)
Friargate Joint Venture Project Ltd (Company Number: 11730348)		31 March 2025 Unaudited	31 March 2026 Draft
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. 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: - an annual turnover of no more than £10.2m - assets worth no more than £5.1m - 50 or fewer employees on average	Net Assets (liabilities)	18,913	18,415
	Profit (loss) before taxation	(151)	(497)
	Profit (loss) after taxation	(151)	(497)
	Statement of changes in equity	(151)	(497)

Name and Nature of Business	Financial Results	Year ending	Year ending
		£000	£000
Coventry Technical Resources Limited (Company Number: 04931967)		31 March 2025 Audited	31 March 2026 Draft
CTR is included within the Council's group accounts as a subsidiary. CTR's main activity is to provide business development and commercialisation related services to the Council under a series of contracts.	Net Assets (liabilities)	2,823	2,829
	Profit (loss) before taxation	49	5
	Profit (loss) after taxation	49	5
	Statement of changes in equity	49	5
University of Warwick Science Park Business Innovation Centre Limited (Company Number: 03616665)		31 July 2024 Audited	31 July 2025 Draft
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)	(123)	(89)
The Council holds:	Profit (loss) before taxation	(3)	34
- Just under 20% (value £2,000) of the ordinary share capital (total value £10,001)	Profit (loss) after taxation	(3)	34
- £152,166 of preference share capital	Statement of changes in equity	(3)	34
UK Battery Industrialisation Centre Ltd (Company Number: 11227726)		31 March 2025 Audited	31 March 2026 Draft
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)	(3,212)	(5,545)
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.	Profit (loss) before taxation	(2,592)	(2,333)
	Profit (loss) after taxation	(2,592)	(2,333)
	Statement of changes in equity	(2,592)	(2,333)
Tom White Waste Limited (Company Number: 01201361)		31 March 2025 Audited	31 March 2026 Draft
The principal activity of the company is waste management and recycling.	Net Assets/(liabilities)	(416)	929
The Council acquired 100% of the shares in the company on 5th March 2020.	Profit (loss) before taxation	(1,672)	1,345
TWW is included in the Council's group accounts as a subsidiary.	Profit (loss) after taxation	(1,672)	1,345
	Statement of changes in equity	(1,672)	1,345

Name and Nature of Business	Financial Results	Year ending	Year ending
		£000	£000
Coventry Municipal Holdings Limited (Company Number: 13705254)		31 March 2025 Audited	31 March 2026 Draft
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:	Net Assets (liabilities)	981	2,143
- Coombe Abbey Park Limited	Profit (loss) before taxation	(2,784)	569
- Coventry Regeneration Limited	Profit (loss) after taxation	(2,784)	569
- Coventry Technical Resources Limited	Statement of changes in equity	(2,154)	1,162
- Tom White Waste Limited			
Sherbourne Recycling Limited (Company Number: 13227088)		31 March 2025 Audited	31 March 2026 Draft
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.	Net Assets (liabilities)	4,781	5,457
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.	Profit (loss) before taxation	(4,553)	(1,926)
	Profit (loss) after taxation	(4,553)	(1,926)
	Statement of changes in equity	376	675
Coventry and Warwickshire Growth Hub Limited (Company Number: 09146585)		31 March 2025 Audited	31 March 2026 Draft
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.	Net Assets (liabilities)	(74)	(127)
CWGH is a not for profit company that offers support services to businesses within the local area. CWGH operates two subsidiaries, C&W Business Solutions Ltd and C&W Champions Ltd.	Profit (loss) before taxation	(74)	(53)
	Profit (loss) after taxation	(74)	(53)
	Statement of changes in equity	(74)	(53)

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 2026. Where events taking place before this date provided information about conditions existing as at 31 March 2026, 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 statement shows how much Council Tax and Business Rates income is receivable within the city. It shows how much has been transferred to the Income and Expenditure Account to pay for City 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.

2024/25			Collection Fund Statement	2025/26		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£000	£000	£000		£000	£000	£000
			INCOME			
0	(212,521)	(212,521)	Council Tax Receivable	0	(226,409)	(226,409)
(125,030)	0	(125,030)	Business Rates Receivable	(136,102)	0	(136,102)
(2,494)	0	(2,494)	Transitional Relief	(756)	0	(756)
(127,524)	(212,521)	(340,045)	Total Income	(136,858)	(226,409)	(363,267)
			EXPENDITURE: Precepts, Demands & Shares			
121,757	175,898	297,655	Coventry City Council	127,430	189,491	316,921
0	18,911	18,911	West Midlands Police	0	20,669	20,669
1,230	6,598	7,828	West Midlands Fire	1,287	7,222	8,509
122,987	201,407	324,394	Total: Precepts, Demands & Shares:	128,717	217,382	346,099
			Distribution of previous years' surplus/deficit			
909	3,361	4,270	Coventry City Council	(7,420)	1,745	(5,675)
0	357	357	West Midlands Police	0	188	188
9	129	138	West Midlands Fire	(75)	65	(10)
918	3,847	4,765	Total: Distribution of previous years Surplus / (Deficit)	(7,495)	1,998	(5,497)
123,905	205,254	329,159	TOTAL EXPENDITURE	121,222	219,380	340,602
			Charges to Collection Fund			
2,946	2,416	5,362	Less: Write offs uncollectable amounts	2,301	5,343	7,644
137	678	815	Less: Increase/(Decrease) in Bad Debt Provision	700	644	1,344
(923)	0	(923)	Less Increase/(Decrease) in Appeals Provision	2,539	0	2,539
368	0	368	Less: Costs of Collection	369	0	369
2,528	3,094	5,622	Total Charges to Collection Fund	5,909	5,987	11,896
(1,091)	(4,173)	(5,264)	(Surplus)/Deficit Arising During the Year	(9,727)	(1,042)	(10,769)
(4,795)	(5,845)	(10,640)	(Surplus)/Deficit b/fwd 1st April	(5,886)	(10,018)	(15,904)
(5,886)	(10,018)	(15,904)	(Surplus)/Deficit c/fwd 31st March	(15,613)	(11,060)	(26,673)
			Commitments			
(7,495)	1,998	(5,497)	Surplus/(Deficit) committed in future year's budget setting	6,296	0	6,296
(13,381)	(8,020)	(21,401)	Excess (Surplus)/Deficit c/fwd to following year's tax setting	(9,317)	(11,060)	(20,377)

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 55.5p/£ of rateable value in 2025/26 (54.6p/£ in 2024/25). The Valuation Office Agency sets the rateable value of each property, and the total in Coventry was £387,868,189 as at 31st March 2026 (£340,532,645 as at 31st March 2025). The significant increase in the total rateable value was mainly as a result of a national revaluation process for 2026/27. 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 97.6%. The total number of dwellings on the valuation list is 153,989 of which 11,252 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	170	77.9
A	56,540	29,436.6
B	42,933	26,866.7
C	24,242	17,563.3
D	9,985	8,204.5
E	4,904	5,001.9
F	2,417	2,936.4
G	1,432	2,001.6
H	114	188.4
Total	142,737	92,277
Estimated eventual collection rate		97.6%
Total Council Tax Base Band D	2025/26	90,063
Total Council Tax Base Band D	2024/25	87,734

Provisions and Write Offs

Level of Provisions & Write Offs	Business Rates Impairment allowance for doubtful debts	Council Tax Impairment allowance for doubtful debts	Business Rates Appeals Provision *
	£000	£000	£000
Provision Brought forward	(5,799)	(17,807)	(22,894)
Written off in year	2,301	5,343	3,775
Increase/Decrease in provision	(3,001)	(5,987)	(6,314)
Provision Carried Forward	(6,499)	(18,451)	(25,433)

* 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	Council Tax
	£000	£000
Gross Debtors brought forward	12,354	33,526
Gross Debtors carried forward	15,231	35,153

Precepts and Demands on the Collection Fund

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

2024/25		2025/26			
Total	Council Tax	Precept	Share of surplus /(deficit)	Total	
£000		£000	£000	£000	
182,889	Coventry City Council	189,491	2,619	192,110	
19,674	West Midlands Police	20,669	312	20,981	
6,864	West Midlands Fire Service	7,222	108	7,330	
209,427	Total	217,382	3,039	220,421	

2024/25		2025/26				
Total	Business Rates	Precept	Share of surplus /(deficit)	Top-up/(Tariff)	Total	
£000		£000	£000	£000	£000	
103,769	Coventry City Council	127,430	2,211	(19,134)	110,507	
1,250	West Midlands Fire Service	1,287	22	0	1,309	
105,019	Total	128,717	2,233	(19,134)	111,816	

The Retained Business Rates of £129,641k, disclosed within the Note to the CIES (section 3.1), is the total of the precept £127,430k and the share of surplus £2,211k disclosed in the table above.

3.38 Prior Period Restatements and Reclassifications

Prior period restatements may arise where the Council changes an accounting policy that is required to be applied retrospectively, or where it corrects a material prior period error. In these circumstances, comparative amounts and, where relevant, opening balances are restated as if the revised accounting treatment had always applied.

There are no prior period restatements in 2025/26. Comparative amounts have, however, been reclassified where necessary to reflect changes in presentation or classification. During the year the Council revised the service segment structure used for internal reporting to members, and the comparative 2024/25 service analysis has therefore been re-presented on the current year basis, as set out below. This has no impact on the Council's total net cost of services, surplus or deficit on the provision of services, reserves, or balance sheet.

2024/25						
Comprehensive Income & Expenditure Statement	Original Structure	Reclassified Structure	Impact of Reclassification	Original Structure	Reclassified Structure	Impact of Reclassification
Cost of Services	Gross Expenditure	Gross Expenditure	Gross Expenditure	Gross Income	Gross Income	Gross Income
Service Segment	£000	£000	£000	£000	£000	£000
Adult Services and Housing	245,209	245,935	726	(99,073)	(99,959)	(886)
Children and Education	400,586	400,512	(74)	(261,214)	(261,215)	(1)
City Services	91,506	73,887	(17,619)	(36,889)	(29,595)	7,294
Contingency and Central Budgets	(217)	(217)	0	(46,436)	(46,436)	0
Digital Services	0	540	540	0	(160)	(160)
Finance and Resources	103,960	97,994	(5,966)	(91,036)	(85,264)	5,772
Legal and Governance	17,167	18,875	1,708	(7,387)	(7,415)	(28)
People and Organisational Development	2,496	6,004	3,508	(1,048)	(3,740)	(2,692)
Planning and Performance	7,644	13,071	5,427	(679)	(6,291)	(5,612)
Policy and Communications	128	128	0	(7)	(7)	0
Property Services and Development	11,228	7,719	(3,509)	(6,670)	(3,978)	2,692
Public Health	31,260	30,289	(971)	(31,528)	(30,642)	886
Regeneration and Economy Development	52,457	68,687	16,230	(19,610)	(26,875)	(7,265)
Net Cost of Services	963,424	963,424	0	(601,577)	(601,577)	0

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).

All companies consolidated within the Group Accounts have a March year end date. For consolidation purposes draft accounts as at 31st March 2026 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

2024/25			Service segment	2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
*reclassified	*reclassified	*reclassified				
£000	£000	£000		£000	£000	£000
245,854	(99,959)	145,895	Adult Services and Housing	255,314	(108,714)	146,600
400,367	(261,215)	139,152	Children and Education	427,466	(284,577)	142,889
102,552	(58,097)	44,455	City Services	131,345	(72,770)	58,575
(217)	(46,369)	(46,586)	Contingency and Central Budgets	(9,547)	(71,948)	(81,495)
540	(160)	380	Digital Services	1,558	(495)	1,063
98,199	(84,983)	13,216	Finance and Resources	91,140	(76,751)	14,389
18,855	(7,400)	11,455	Legal and Governance	18,282	(7,200)	11,082
6,004	(3,734)	2,270	People and Organisational Development	9,754	(3,297)	6,457
13,071	(6,291)	6,780	Planning and Performance	13,547	(6,556)	6,991
128	(7)	121	Policy and Communications	246	0	246
6,851	(3,894)	2,957	Property Services and Development	19,318	(600)	18,718
30,289	(30,642)	(353)	Public Health	31,962	(32,435)	(473)
102,563	(77,375)	25,188	Regeneration and Economy Development	93,939	(68,369)	25,570
1,025,056	(680,126)	344,930	Cost of Services	1,084,324	(733,712)	350,612
		36,947	Other Operating Expenditure			29,027
		(28,123)	Finance and Investment Income and Expenditure			(13,638)
		0	Profit or Loss on Discontinued Operations			0
		(399,257)	Taxations and Non-Specific Grant Income			(474,443)
		(45,503)	(Surplus)/Deficit on the Provision of Services			(108,442)
		(14,097)	Associates and JVs accounted for on Equity Basis			(7,657)
		3,934	Tax Expenses			3,310
		(55,666)	Group (Surplus)/Deficit			(112,789)
		(31,844)	(Gain)/Loss on revaluation of non current assets			(11,256)
		5,095	(Gain)/Loss on revaluation of financial instruments			(13,950)
		9,726	Remeasurement of the net defined benefit liability			13,221
		(26,413)	Share of other CIE of associates & joint ventures			(1,570)
		(43,436)	Sub-total of other comprehensive Income and Expenditure			(13,555)
		(99,102)	TOTAL CIES Surplus/Deficit			(126,344)

* Prior year comparatives have been reclassified to reflect the service segment structure used for 2025/26 financial reporting, as detailed in section 3.38.

4.3 Group Movement in Reserves Statement

2025/26	Authority Reserves						Authority's share of the reserves of subsidiaries, associates and joint ventures			Group		Total Reserves
	General Fund	Capital Grants Unapplied	Capital Receipts Reserve	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance Brought forward	(159,424)	(32,607)	(15,167)	(207,198)	(1,155,024)	(1,362,222)	(87,950)	(50,616)	(138,566)	(295,148)	(1,205,640)	(1,500,788)
Total Comprehensive Income and Expenditure	(106,077)	0	0	(106,077)	(28,232)	(134,309)	(10,959)	18,924	7,965	(117,036)	(9,308)	(126,344)
Adjustments between group accounts and authority accounts	(21,172)	0	0	(21,172)	0	(21,172)	21,172	0	21,172	0	0	0
Net (increase) or decrease before transfers	(127,249)	0	0	(127,249)	(28,232)	(155,481)	10,213	18,924	29,137	(117,036)	(9,308)	(126,344)
Adjustments between Accounting Basis and Funding Basis under Regulations	103,837	(42,186)	10,424	72,075	(72,075)	0	0	0	0	72,075	(72,075)	0
Net (Increase) / Decrease	(23,412)	(42,186)	10,424	(55,174)	(100,307)	(155,481)	10,213	18,924	29,137	(44,961)	(81,383)	(126,344)
Balance Carried forward	(182,836)	(74,793)	(4,743)	(262,372)	(1,255,331)	(1,517,703)	(77,737)	(31,692)	(109,429)	(340,109)	(1,287,023)	(1,627,132)

Section 4.8 provides an analysis of the movement in the authority's share of the reserves of subsidiaries, associates and joint ventures. Section 4.10 provides an analysis of the adjustments between group accounts and authority accounts.

Group Movement in Reserves – Comparatives

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

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 4.7.

31st March 2025			Group Balance Sheet	31st March 2026			Notes
Single Entity	Group Adjustments	Total		Single Entity	Group Adjustments	Total	
£000	£000	£000		£000	£000	£000	
1,244,144	124,249	1,368,393	Property, Plant and Equipment	1,307,305	110,108	1,417,413	4.7
26,863	0	26,863	Heritage Assets	38,666	0	38,666	
317,125	(8,738)	308,387	Investment Property	325,902	(9,094)	316,808	4.7
0	11,641	11,641	Intangible Assets	0	0	0	
106,610	(75,042)	31,568	Long Term Investments	131,031	(85,514)	45,517	4.7
0	62,435	62,435	Investment in Associates and Joint Ventures	0	59,773	59,773	4.7
78,483	(23,374)	55,109	Long Term Debtors	79,161	(24,239)	54,922	4.7
1,773,225	91,171	1,864,396	Long Term Assets	1,882,065	51,034	1,933,099	
27,667	0	27,667	Short Term Investments	28,409	0	28,409	
258	1,230	1,488	Inventories	217	758	975	4.7
117,179	9,619	126,798	Short Term Debtors	112,319	8,634	120,953	4.7
55,764	40,985	96,749	Cash and Cash Equivalents	74,426	17,421	91,847	4.5/4.14
0	0	0	Assets held for Sale	1,185	0	1,185	
200,868	51,834	252,702	Current Assets	216,556	26,813	243,369	
(4,475)	(69)	(4,544)	Bank Overdraft	0	0	0	
(22,789)	(1,475)	(24,264)	Short Term Borrowing	(352)	(2,094)	(2,446)	4.7
(109,386)	(15,093)	(124,479)	Short Term Creditors	(103,103)	(12,370)	(115,473)	4.7
(5,005)	0	(5,005)	Short Term Provisions	(6,160)	0	(6,160)	
(6,622)	0	(6,622)	Capital Grants Receipts in Advance	(17,099)	0	(17,099)	
(12,638)	(2,529)	(15,167)	Revenue Grants Receipt in Advance	(3,481)	(507)	(3,988)	4.7
(160,915)	(19,166)	(180,081)	Current Liabilities	(130,195)	(14,971)	(145,166)	
(22,026)	0	(22,026)	Long Term Provisions	(23,019)	0	(23,019)	
(236,218)	(4,287)	(240,505)	Long Term Borrowing	(226,717)	(4,563)	(231,280)	4.7
(30,491)	0	(30,491)	Net Pension Liability	(26,529)	0	(26,529)	
(66,064)	(535)	(66,599)	Other Long Term Liabilities	(62,536)	0	(62,536)	
(2,435)	0	(2,435)	Donated Assets Account	(2,374)	0	(2,374)	
(40,229)	(32,788)	(73,017)	Capital Grants Receipts in Advance	(45,340)	(11,350)	(56,690)	4.7
0	(1,156)	(1,156)	Deferred Tax Liability	0	(1,742)	(1,742)	4.7
(397,463)	(38,766)	(436,229)	Long Term Liabilities	(386,515)	(17,655)	(404,170)	
1,415,715	85,073	1,500,788	Net Assets	1,581,911	45,221	1,627,132	
(207,198)	(87,950)	(295,148)	Usable Reserves	(262,372)	(77,737)	(340,109)	4.12
(1,208,517)	2,877	(1,205,640)	Unusable Reserves	(1,319,539)	32,516	(1,287,023)	4.12
(1,415,715)	(85,073)	(1,500,788)	Total Reserves	(1,581,911)	(45,221)	(1,627,132)	

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.

2024/25			Cash Flow Statement	2025/26		
Single Entity	Group Adjustment	Total		Single Entity	Group Adjustment	Total
£000	£000	£000		£000	£000	£000
(39,836)	(5,667)	(45,503)	Net (Surplus) or Deficit on the Provision of Services	(127,249)	18,807	(108,442)
(28,890)	(5,550)	(34,440)	Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(39,171)	(35,758)	(74,929)
84,175	0	84,175	Adjust for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	150,464	23,431	173,895
0	(12)	(12)	Income Tax paid	0	0	0
15,449	(11,229)	4,220	Net Cash Flows from Operating Activities	(15,956)	6,480	(9,476)
(30,532)	17,466	(13,066)	Investing Activities	(29,156)	16,058	(13,098)
(13,117)	7,180	(5,937)	Financing Activities	21,975	957	22,932
(28,200)	13,417	(14,783)	Net (Increase) or Decrease in Cash and Cash Equivalents	(23,137)	23,495	358
(23,089)	(54,333)	(77,422)	Cash and Cash Equivalents at the Beginning of the Reporting Period	(51,289)	(40,916)	(92,205)
(51,289)	(40,916)	(92,205)	Cash and Cash Equivalents at the End of the Reporting Period	(74,426)	(17,421)	(91,847)

Note 4.14 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 Income & Expenditure Analysis

2024/25	Expenditure/Income	2025/26
£000	Income	£000
(148,402)	Fees, charges and other service income	(167,414)
(36,047)	Interest and investment income	(30,428)
(286,658)	Income from council tax and non-domestic rates	(302,617)
(640,501)	Government grants and contributions	(735,950)
(1,111,608)	Total Income	(1,236,409)
	Expenditure	
356,659	Employee benefits expenses	366,104
622,305	Other services expenses	661,328
53,318	Depreciation, amortisation, impairment	52,372
17,587	Interest payments	17,963
16,174	Precept and levies	16,883
20,773	(Gain)/Loss on Disposal of Assets	12,144
(20,711)	(Gain)/Loss on Asset Revaluation	(10,468)
0	Goodwill Impairment	11,641
1,066,105	Total Expenditure	1,127,967
(45,503)	Surplus/ Deficit on the Provision of Services	(108,442)

2024/25				2025/26		
Income from service recipients	Other income	Total fees, charges and other service income		Income from service recipients	Other income	Total fees, charges and other service income
*reclassified	*reclassified	*reclassified				
£000	£000	£000	Service Segment	£000	£000	£000
(47,908)	0	(47,908)	Adult Services and Housing	(51,905)	0	(51,905)
(12,544)	(7)	(12,551)	Children and Education	(11,577)	(10)	(11,587)
(40,369)	(11,702)	(52,071)	City Services	(57,547)	(9,336)	(66,883)
(10,241)	718	(9,523)	Contingency and Central Budgets	(10,000)	(1,954)	(11,954)
(43)	0	(43)	Digital Services	(301)	0	(301)
(1,317)	(80)	(1,397)	Finance and Resources	(1,720)	(70)	(1,790)
(5,526)	(406)	(5,932)	Legal and Governance	(6,453)	(343)	(6,796)
(1,678)	(606)	(2,284)	People and Organisational Development	(1,498)	(390)	(1,888)
(333)	0	(333)	Planning and Performance	(309)	0	(309)
(7)	0	(7)	Policy and Communications	0	0	0
(2,281)	(15)	(2,296)	Property Services and Development	(568)	(1)	(569)
49	0	49	Public Health	(94)	0	(94)
(13,420)	(686)	(14,106)	Regeneration and Economy Development	(13,338)	0	(13,338)
(135,618)	(12,784)	(148,402)	Total	(155,310)	(12,104)	(167,414)

4.7 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 2026	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	415	16,228	0	0	0	93,465	110,108
Heritage Assets	0	0	0	0	0	0	0
Investment Property	(9,094)	0	0	0	0	0	(9,094)
Intangible Assets	0	0	0	0	0	0	0
Long Term Investments	(85,514)	0	0	0	0	0	(85,514)
Investment in Associates and Joint Ventures	0	0	56,336	2,263	1,174	0	59,773
Long Term Debtors	(24,239)	0	0	0	0	0	(24,239)
Long Term Assets	(118,432)	16,228	56,336	2,263	1,174	93,465	51,034
Short Term Investments	0	0	0	0	0	0	0
Inventories	0	89	0	0	0	669	758
Short Term Debtors	(1,719)	6,767	0	0	0	3,586	8,634
Cash and Cash Equivalents	0	6,171	0	0	0	11,250	17,421
Assets Held for Sale	0	0	0	0	0	0	0
Current Assets	(1,719)	13,027	0	0	0	15,505	26,813
Bank Overdraft	0	0	0	0	0	0	0
Short Term Borrowing	107	(2,179)	0	0	0	(22)	(2,094)
Short Term Creditors	196	(9,434)	0	0	0	(3,132)	(12,370)
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	(507)	(507)
Current Liabilities	303	(11,613)	0	0	0	(3,661)	(14,971)
Long Term Provisions	0	0	0	0	0	0	0
Long Term Borrowing	284	(4,847)	0	0	0	0	(4,563)
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	(11,350)	(11,350)
Deferred Tax Liability	0	(1,742)	0	0	0	0	(1,742)
Long Term Liabilities	284	(6,589)	0	0	0	(11,350)	(17,655)
Net Assets	(119,564)	11,053	56,336	2,263	1,174	93,959	45,221
Usable Reserves	0	23,612	(20,324)	9,102	2,832	(92,959)	(77,737)
Unusable Reserves	64,208	(1,842)	(26,060)	0	(3,790)	0	32,516
Total Reserves	64,208	21,770	(46,384)	9,102	(958)	(92,959)	(45,221)

Section 4.11 provides an analysis of the Property, Plant and Equipment.

Comparative 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)
Long Term Assets	(94,709)	34,934	59,760	2,656	19	88,511	91,171
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 Assets	(1,394)	12,714	0	0	0	40,514	51,834
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 Liabilities	98	(12,940)	0	0	0	(6,324)	(19,166)
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)
Long Term Liabilities	0	(5,443)	0	0	0	(33,323)	(38,766)
Net Assets	(96,005)	29,265	59,760	2,656	19	89,378	85,073
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
Total Reserves	53,493	(8,941)	(49,810)	8,709	197	(88,721)	(85,073)

4.8 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 2025/26	£000	£000	£000	£000	£000	£000
1st April 2025	(8,941)	(49,810)	8,709	197	(88,721)	(138,566)
Net increase/decrease in Usable Reserves	13,762	(119)	393	415	(4,238)	10,213
Net increase/decrease in Unusable Reserves	16,949	3,545	0	(1,570)	0	18,924
1st April 2026	21,770	(46,384)	9,102	(958)	(92,959)	(109,429)
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)

4.9 Group Surplus/Deficit Reconciliation

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

31st March 2025	Group Surplus/Deficit Reconciliation	31st March 2026
£000		£000
(39,836)	The Authority's Single Entity (Surplus)/Deficit on the Provision of Services for the year	(127,249)
9,914	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	9,328
(29,922)	(Surplus)/Deficit in the Group Income & Expenditure attributable to the Authority	(117,921)
	Add: (Surplus)/Deficit arising from other entities included in the Group Accounts	
(15,674)	Subsidiaries	10,064
(10,070)	Joint Ventures	(4,932)
(55,666)	Group Account (Surplus)/Deficit for the year	(112,789)

4.10 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	86	0	0	0	(450)	(364)
Adjustments to reverse intra-group transactions applied to the General Fund and restore statutory balance	0	(9,167)	0	0	0	(9,167)
Adjustments to reverse goodwill impairment charged to the General Fund and restore statutory balance	(11,641)	0	0	0	0	(11,641)
(Surplus)/Deficit in the Group Income & Expenditure attributable to the Authority	(11,555)	(9,167)	0	0	(450)	(21,172)

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)	(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
Adjustments to reverse goodwill impairment charged to the General Fund and restore statutory balance	0	0	0	0	0	0
(Surplus)/Deficit in the Group Income & Expenditure attributable to the Authority	1,034	(9,530)	0	0	(446)	(8,942)

4.11 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 Construction	Total (Excluding Infrastructure Assets)
	£000	£000	£000	£000	£000	£000
Cost of Valuation						
1st April 2025	762,727	140,991	17,898	9,428	63,902	994,946
Additions	27,923	15,246	502	8	49,162	92,841
Revaluation increase/(decreases) to Revaluation Reserve	(34,784)	0	0	863	0	(33,921)
Revaluation increase/(decrease) to SDPS	(1,685)	0	0	0	0	(1,685)
Disposals	0	(4,215)	0	(509)	0	(4,724)
Derecognition	(10,025)	(17,519)	0	0	0	(27,544)
Reclassifications	6,205	0	0	(523)	(10,016)	(4,334)
31st March 2026	750,361	134,503	18,400	9,267	103,048	1,015,579
Depreciation and Impairment						
1st April 2025	13,588	70,260	6	0	0	83,854
Depreciation Charge	26,827	13,716	3	0	0	40,546
Disposals	0	(3,131)	0	0	0	(3,131)
Derecognition	(1,024)	(17,285)	0	0	0	(18,309)
Depreciation written out on revaluation	(32,998)	0	0	0	0	(32,998)
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
31st March 2026	6,393	63,560	9	0	0	69,962
Net Book Value						
31st March 2026	743,968	70,943	18,391	9,267	103,048	945,617
1st April 2025	749,139	70,731	17,892	9,428	63,902	911,092

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 Construction	Total (Excluding Infrastructure Assets)
	£000	£000	£000	£000	£000	£000
Cost of Valuation						
1st April 2024 *	724,776	135,411	17,887	7,922	64,225	950,221
Existing right of use assets recognised as part of IFRS 16 transition *	30,663	2,813	0	0	0	33,476
Balance as at 1 April 2024 after IFRS 16 transition *	755,439	138,224	17,887	7,922	64,225	983,697
Additions *	18,673	5,479	54	0	37,837	62,043
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)
31st March 2025	762,727	140,991	17,898	9,428	63,902	994,946
Depreciation and Impairment						
1st April 2024	11,089	58,468	3	0	0	69,560
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
31st March 2025	13,588	70,260	6	0	0	83,854
Net Book Value						
31st March 2025	749,139	70,731	17,892	9,428	63,902	911,092
1st April 2024	713,687	76,943	17,884	7,922	64,225	880,661

* The 2024/25 comparative movement has been reclassified to show IFRS 16 transition right-of-use assets separately from in-year additions.

The City Council's Group 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
31st March 2026	945,617	471,796	1,417,413
31st March 2025	911,092	457,301	1,368,393
31st March 2024	880,661	414,166	1,294,827

4.12 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
Usable Reserves							
General Fund Balance	(182,836)	21,172	(161,664)	0	0	0	(161,664)
Capital Grants Unapplied	(74,793)	0	(74,793)	0	0	0	(74,793)
Capital Receipts Reserve	(4,743)	0	(4,743)	0	0	0	(4,743)
Income and Expenditure Reserve	0	0	0	68,165	(166,924)	(98,759)	(98,759)
Pensions Reserve (private sector)	0	0	0	0	0	0	0
Capital Contribution Reserve	0	0	0	(150)	0	(150)	(150)
Total Usable Reserves	(262,372)	21,172	(241,200)	68,015	(166,924)	(98,909)	(340,109)
Unusable Reserves							
Capital Adjustment Account	(906,522)	(4,384)	(910,906)	0	0	0	(910,906)
Revaluation Reserve	(308,853)	0	(308,853)	0	(31,692)	(31,692)	(340,545)
Deferred Capital Receipts Reserve	(34,660)	17,573	(17,087)	0	0	0	(17,087)
Financial Instruments Adjustment account	8,205	0	8,205	0	0	0	8,205
Financial Instruments Revaluation Reserve	(84,434)	51,019	(33,415)	0	0	0	(33,415)
Collection fund adjustment	(25,068)	0	(25,068)	0	0	0	(25,068)
Pensions Reserve (local government)	26,529	0	26,529	0	0	0	26,529
Accumulated Absence	3,646	0	3,646	0	0	0	3,646
Pooled Investment Funds Adj. Acc.	1,618	0	1,618	0	0	0	1,618
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
Total Unusable Reserves	(1,319,539)	64,208	(1,255,331)	(67,916)	36,224	(31,692)	(1,287,023)
Total Reserves	(1,581,911)	85,380	(1,496,531)	99	(130,700)	(130,601)	(1,627,132)

* 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 4.10.

Below is the previous year for comparison:

	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
Usable Reserves							
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)
Total Usable Reserves	(207,198)	8,942	(198,256)	64,981	(161,873)	(96,892)	(295,148)
Unusable Reserves							
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
Total Unusable Reserves	(1,208,517)	53,493	(1,155,024)	(67,916)	17,300	(50,616)	(1,205,640)
Total Reserves	(1,415,715)	62,435	(1,353,280)	(2,935)	(144,573)	(147,508)	(1,500,788)

* 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 4.10.

4.13 Group Tax Expense

2024/25	Group Tax Expense	2025/26
£000		£000
	CURRENT TAX:	
3,284	Current Tax Expense/Income	3,394
(19)	Adjustment Recognised in Period for Current Tax or Prior Periods	(206)
3,265	Total Current Tax	3,188
	DEFERRED TAX:	
743	Origination and Reversal of Temporary Differences	127
(74)	Adjustment Recognised in the Period for Deferred Tax of Prior Periods	(5)
669	Total Deferred Tax	122
3,934	Total Tax Expense	3,310
	Analysis of Tax Expense	
(93)	Subsidiaries	585
4,027	Joint Ventures/Associates	2,725
3,934	Total Tax Expense	3,310

4.14 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 2025				31st March 2026		
Single Entity	Group	Total	Adjustments for Non Cash movements	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(41,155)	(11,817)	(52,972)	Depreciation	(39,474)	(12,437)	(51,911)
(20,765)	0	(20,765)	Derecognition of Non-current Assets	(9,235)	0	(9,235)
18,421	0	18,421	Revaluation of Non-current Assets	11,451	(1,685)	9,766
0	0	0	Revaluation of Assets Held for Sale	(3,149)	0	(3,149)
(348)	0	(348)	Amortisation	(461)	0	(461)
(3,524)	0	(3,524)	(Increase)/Decrease in Impairment Provision for Bad Debts	1,340	0	1,340
(49,513)	27,511	(22,002)	(Increase)/Decrease in Creditors and Provisions	(344)	2,858	2,514
29,474	(13,111)	16,363	Increase/(Decrease) in Debtors	(19,533)	(987)	(20,520)
(99)	748	649	Increase/(Decrease) in Inventory	(40)	(473)	(513)
14,628	0	14,628	Pension Liability	17,183	0	17,183
(564)	0	(564)	Carrying amount of non-current assets sold	(4,404)	0	(4,404)
24,555	(8,881)	15,674	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services	7,495	(23,034)	(15,539)
(28,890)	(5,550)	(34,440)	Total	(39,171)	(35,758)	(74,929)

31st March 2025				31st March 2026		
Single Entity	Group	Total	Cashflows from Investing activities	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
63,513	17,504	81,017	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	95,014	15,451	110,465
1,263,968	0	1,263,968	Purchase of Short Term and Long Term Investments	1,181,460	0	1,181,460
229	0	229	Other Payments for Investing Activities	1,508	0	1,508
(2,177)	(241)	(2,418)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(4,404)	(31)	(4,435)
(1,274,022)	0	(1,274,022)	Proceeds from Short Term and Long Term Investments	(1,164,920)	0	(1,164,920)
(82,043)	203	(81,840)	Other Receipts from Investing Activities	(137,814)	638	(137,176)
(30,532)	17,466	(13,066)	Total	(29,156)	16,058	(13,098)

31st March 2025				31st March 2026		
Single Entity	Group	Total	Cashflows from Financing activities	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
1,975	3,583	5,558	Repayments of Short and Long Term Borrowing	22,173	201	22,374
(20,000)	0	(20,000)	Cash Receipts of Short and Long Term Borrowing	0	(139)	(139)
12,004	3,597	15,601	Other payments for financing activities	10,000	895	10,895
(7,096)	0	(7,096)	Council Tax and NNDR Adjustments	(10,198)	0	(10,198)
(13,117)	7,180	(5,937)	Total	21,975	957	22,932

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 2025				31st March 2026		
Single Entity	Group	Total	Cashflows from Interest and Dividends	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(11,772)	203	(11,569)	Interest received	(9,311)	637	(8,674)
19,385	1,242	20,627	Interest paid	16,053	691	16,744
(15,894)	9,530	(6,364)	Dividends received	(12,079)	9,167	(2,912)
(8,281)	10,975	2,694	Total	(5,337)	10,495	5,158

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

31st March 2025				31st March 2026		
Single Entity	Group	Total	Breakdown of Cash and Cash Equivalents	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(8)	(1)	(9)	Cash held by Group Entities	(14)	(1)	(15)
(7,621)	(40,915)	(48,536)	Bank current accounts	(11,512)	(17,420)	(28,932)
(43,660)	0	(43,660)	On call deposits	(62,900)	0	(62,900)
(51,289)	(40,916)	(92,205)	Total	(74,426)	(17,421)	(91,847)

4.15 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 (CR), 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 £5.7m). 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 shareholding in CSWDC is £77.3m. As at 31st March 2026 CSWDC had capital commitments of £0.7m.

Friargate JV Project Limited (FJVP)

FJVP was incorporated on 17th 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 £2.0m).

Sherbourne Recycling Limited (SRL)

Coventry City Council holds 21.5% of the shares (fair value, £0.5m) 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 27th 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.

As at 31st March 2026 UKBIC had capital commitments of £8.2m.

5 Statement of Accounting Policies

5.1 General

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31st March 2026. It has been prepared in accordance with the Code of Practice on Local

Authority Accounting in the United Kingdom 2025/26, 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 2026 the net liability was £27m. The underlying obligation is sensitive to assumptions on the discount rate, pension increase rate, salary growth and mortality. At 31st March 2026 the gross defined benefit obligation was £1,435m. A decrease of 0.1 percentage points in the discount rate would increase the obligation by c.1%; 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 – From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Property, plant, and equipment assets must now be revalued every five years with annual indexation applied to assets during the four

intervening years. Where appropriate indices cannot be obtained without undue cost or effort, authorities can revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The Code states that the purpose of applying indexation to asset values is to ensure the value of an asset is kept materially up to date for movements in variables, e.g. build costs, rental income etc. Indexation is an approximation of market changes – it is not a valuation of a specific asset.

At 31st March 2026 the carrying value of land and building assets (including surplus) was £731m of which £57m (7.80%) was valued in-year and the remainder had indexation applied as required by the Code. Investment properties totalled £326m. Valuations apply assumptions on market rental growth, yields, land conditions, and modern equivalent replacement cost where no active market exists. Indexation figures are prepared by the valuer following the consideration of evidence from the wider economic market and its relevance on the local authority area. 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 2025/26 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 2026/27 Code are as follows:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage Assets) issued in March 2024.
- Amendments to the classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards - Volume 11 issued in July 2024.
- Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

The Council has considered these amendments in the context of its own assets, financial instruments and contractual arrangements. Based on the nature of its recognised Heritage Assets, the standard nature of its financial instruments, the targeted nature of the annual improvements, and confirmation that no material nature-dependent electricity contracts have been identified, the Council does not expect these amendments to have a material impact on the statement of accounts when adopted.

5.5 Changes in Accounting Policies

In 2025/26, the Council has adopted the changes introduced by the 2025/26 Code of Practice on Local Authority Accounting in relation to the measurement of non-investment assets, including the adaptations and interpretations of IAS 16 Property, Plant and Equipment. The Code specifies that these changes should be applied prospectively, with no restatement of prior year figures.

The revised requirements introduce changes to the valuation approach for operational property, plant and equipment. The Council has therefore updated its accounting policy for Property, Plant and Equipment so that assets measured at current value are subject to full revaluation every five years, with annual indexation applied in the intervening years. Where suitable indices cannot be obtained without undue cost or effort, assets are revalued every five years with a desktop revaluation in year three.

The impact of the revised policy is reflected in the carrying values of non-current assets reported at 31 March 2026 and in the associated revaluation movements recognised in the 2025/26 financial statements. The change does not affect the Council's usable reserves or the amounts to be funded from Council Tax, as depreciation, revaluation and impairment movements continue to be dealt with through the statutory accounting arrangements where applicable.

The revised policy is 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
- Intangible Assets
- Revenue Expenditure Funded from Capital Under Statute
- 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:

Asset Type	Measurement Type
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	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
Current Value	
Other Land and Buildings	Every five years, with annual indexation applied to assets during the four intervening years. Where indices cannot be obtained without undue cost or effort, assets are revalued every five years with a desktop revaluation in year three.
Fair Value	
Investment Properties	Annually
Assets Held for Sale	Annually
Surplus Assets	Annually

Indexation is applied using appropriate and supportable indices relevant to the nature of the asset and the valuation basis. Indexation is used to reflect general price and market movements between formal revaluations; it is an approximation of market changes – it is not a valuation of a specific asset. Out-of-cycle revaluations are not required unless there is an indication of impairment, which may require an asset to be fully revalued.

Revaluations carried out prior to 2025/26, in line with former requirements of the Code, remain valid throughout the transition period (being 1 April 2025 to the date the next revaluation is due for a given asset). During the transition period, the maximum period between revaluations must not exceed five years.

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 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 of 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 continues to apply IFRS 16 following its transition to the standard on 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 IFRS 16 'Leases', adopted from 1st 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.

Indexation (of Property, Plant and Equipment)

Indexation is the process of applying an inflationary increase or decrease to assets in the years between professional valuations.

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)