



# **Coventry City Council's 2023-24 Statement of Accounts**

This document presents the Council's financial performance  
for the year ending 31<sup>st</sup> March 2024.

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# 1 An Overview of the Council's Performance

## 1.1 Introduction

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

Council's financial performance for the year ending 31st March 2024. The narrative report below helps set this into the context of the activities performed by the Council, its performance for the year, including some key financial information and the

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

## 1.2 Narrative Report

### Overview

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

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

The One Coventry Plan is measured against 73 indicators. During 2023/24, 37 of these improved; 6 stayed the same; 19 worsened; and conclusive data was not available for the other 11 indicators. This means that, 69% (43 out of 62) 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 2023/24 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 2023, the Council set a total budget for its revenue expenditure of £812m. This included a net budget requirement, funded from Council Tax and Business Rates of £260.5m.

	£m	£m
Council Tax	164.4	
Local Business Rates	96.1	
<b>Net Budget Requirement</b>		<b>260.5</b>
Specific Government Grants		432.5
Fees and Charges		119.0
<b>Total Budget</b>		<b>812.0</b>

The revenue costs of services continue to be impacted by both inflationary and demographic pressures, and the overall 2023/24 revenue outturn position was only balanced by a £1.8m contribution from reserves. There are other intractable on-going issues including those relating to children's and adults social care, and housing and homelessness which are common to many councils across the country whilst the Council also managed local time-limited pressures in the year.

Budget Setting for 2023/24 made provision for inflation, however the costs of many services have continued to rise above inflation levels predicted and therefore exceeded the budgetary provision. The pay costs budgeted reflected an average 4% rise in costs, however the agreed local government pay award for 2023/24 averaged around 6% for the Council. This represented c.£3m above the budgeted amount. Whilst falling slightly, energy prices continue at higher than historic levels, affecting the costs of the Council's property estate and the city's street lighting.

Despite further increases to the budget for Children's Services for 2023/24, and a reduction in the number of children in our care, there has continued to be a financial pressure in this area. This is due to capacity shortages in the external placement market driving costs up

disproportionately, coupled with high inflation. There was also a pressure against staffing in Help & Protection (Area Teams) due to high levels of cases, compounded by continued social worker recruitment and retention challenges.

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

<b>2023/24 Revenue Outturn</b>	<b>Total Income</b>	<b>Total Expenditure</b>	<b>Net Expenditure</b>	<b>Net Budget</b>	<b>Overspend/ (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Legal & Governance Services	(6.6)	14.5	7.9	8.2	<b>(0.3)</b>
Public Health	(33.0)	34.7	1.7	2.6	<b>(0.9)</b>
Directorate Management	(0.1)	1.2	1.1	0.9	<b>0.2</b>
Education and Inclusion	(217.9)	237.2	19.3	21.1	<b>(1.8)</b>
Children and Young People's Services	(17.7)	114.9	97.2	94.4	<b>2.8</b>
Adult Services & Housing	(90.2)	212.2	122.0	114.6	<b>7.4</b>
Human Resources	(1.0)	1.9	0.9	1.4	<b>(0.5)</b>
Business, Investment & Culture	(18.6)	28.2	9.6	8.2	<b>1.4</b>
Transportation & Highways	(18.8)	30.8	12.0	10.6	<b>1.4</b>
Streetscene & Regulatory Services	(17.3)	55.3	38.0	33.3	<b>4.7</b>
Project Management and Property Services	(21.6)	13.1	(8.5)	(8.4)	<b>(0.1)</b>
Finance & Corporate Services	(90.6)	100.2	9.6	9.7	<b>(0.1)</b>
Contingency and Central Budgets	(196.9)	146.6	(50.3)	(36.1)	<b>(14.2)</b>
<b>Total</b>	<b>(730.3)</b>	<b>990.8</b>	<b>260.5</b>	<b>260.5</b>	<b>0.0</b>

The Council continued to take a modestly commercial approach to meeting its budgetary pressures and maintaining the strength of its balance sheet in 2023/24. In some instances, it has done this as part of plans that have also delivered local service infrastructure or supported the private sector to enhance local amenities. For example, the Council is the largest single

shareholder (21.5%) of Sherbourne Recycling Limited joint venture company, which has begun operating a new materials recycling facility in the city during 2023/24. In addition, the Council, through its 50% share of Friargate JV Project Limited, have also supported the building of a new hotel in the Friargate district of the city, which opened in December 2023. Each of these ventures

are planned to provide a modest commercial return to the Council as part of an approach to help the Council avoid some of the worst effects of budget cuts experienced elsewhere across the country in recent years. However, they also add a degree of risk exposure to the Council's operations, a subject that is discussed further in the Future Plans section of this Narrative Statement.

The Better Care Fund (BCF) has required Local Authorities and Clinical Commissioning Groups to pool budgets from 1st April 2015 with the intention of driving improvement through the integration of services and resources. The Council has spent £66m in this area as part of an overall pooled budget of £152m. These arrangements will become increasingly important in future years as the government channels more and more funding through this mechanism. The overall pooled budget relationship is set out in section 3.11 Pooled Budgets.

### Capital Investment

The scale of the Council's ambition continues to be reflected in the size of its Capital Programme. The Council's 2023/24 programme spend was £115.3m, slightly less than the 2022/23 figure of £146.9m. 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:

£32.2m has been spent on transport and highways infrastructure across a range of both major and minor schemes. These included further research and development investment in Very Light Rail, the overbridge installation on the A45 Eastern Green to unlock development land and schemes to improve and maintain the city's highways via the City Region Sustainable Transport Settlement (CRSTS) for Highways Maintenance and our Local Network Improvement Plan.

A further £4.1m has been spent on City Centre South, this has predominantly been on the

acquisition of land and promoting the CPO Process.

Further programme spend of £5m has been made in 2023/24 on the completion of Friargate Building 2 and the completion of the hotel within Friargate Business District. The new hotel facilities are now open.

£9.5m spend on completion of Air quality and Binley Cycleway works have occurred. There remains one section of the Binley cycleway to complete, which will get underway in 2024-25.

There have been works totalling £18.3m across the school's property estate as part of the One Coventry Strategic Plan. There is an increasing focus now on providing additional capacity in secondary schools across the city to meet the growing numbers amongst the secondary in-take.

£11.1m of grant funding for the investment in Climate Change related project has been invested in 23/24 covering activities around green homes, homes upgrade grant and social housing decarbonisation project, the investment continues into 2024/25.

There has been £8.5m passported to Registered Housing Providers in the city to tackle disrepair issues specifically with regards to damp and mould along with spending to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.

City Centre Cultural Gateway £1.2m scheme development spend, with spend profile increasing in 2024-25 as the scheme moves into the build phase.

A range of smaller scale but not insignificant schemes have advanced including the purchase of more homes to provide homelessness provision, improved facilities at Lenton's Lane Cemetery and continued investment in Disabled Facilities Grants.

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

Part of the expenditure programme has been earmarked to be funded by prudential borrowing, although due to the Council's existing cash balances it has been able to delay taking out any long-term borrowing within 2023/24, which is discussed in the section on Treasury matters below.

The scale and ambition of the Council's overall Capital Programme carries the inherent risk that not all schemes will progress to plan. This applies in particular to the City Centre South development, which has seen delays and been subject to re-assessment as a result of economic and societal changes affecting the financial model on which it is based. It will be important for the Council to continue to make realistic assessments of the best way to take such projects forward in the new circumstances that exist post-Covid, and as a result of much higher prices which has also affected capital costs.

The Council is already heavily exposed to risk on a regular basis through the impact of demand led services, such as housing and social care, putting pressure on its revenue budget, exacerbated by the high levels of inflation in 2023/24 and beyond. In response 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 is in a strong position to withstand this type of event. The Council is aware 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 essential element of its wider undertakings.

### **Reserve Balances**

For local citizens who show an interest in and challenge the financial decisions of the Council, the level of reserve balances is probably the area where they have historically shown the most concern. For local councillors too, it is difficult to understand why the Council can, at the same time, make decisions to reduce expenditure on some services whilst it has millions of pounds of reserves on its balance sheet. This is likely to be a source of debate once again given that the Council's headline reserve balances shown in section 3.13 are still perceived to be at a high level, in the region of £172m.

However, the Council's reserve balances are largely earmarked, and include £38m held on behalf of Schools which are not available for use on general Council activities. A number of others are also held to cover future committed spend including PFI grant of £7m and Capital receipts of £12m.

Revenue reserves are held for a variety of reasons listed in Note 3.13. These include amounts to enable the Council to restructure its workforce so that it can balance future budgets and to protect the Council from future Business Rates volatility.

The impact of Covid and high inflation are two significant recent events which give clear justification for organisations such as the Council to protect their financial position by maintaining reserve balances. The Council's recent trend of increasing and maintaining these balances is one reason, although not the only one, why it has been able to avoid being one of those councils giving warnings of their financial distress because of, or following, the impacts of both the pandemic, high cost increases 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 is prudent as investment returns are relatively low and counterparty risk is relatively high at the moment. 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 2024 the accumulated deficit on the capital value of these pooled funds is £2.8m (compared to a £2.6m deficit as at 31st March 2023). The decline in the property market is the main contributor to the deficit. There remains an expectation that the full value will be recovered over all funds in the medium term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss.

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

### **Pensions Accounting**

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

As of 31st March 2024 the Council has recognised a net pension liability of £35.4m in its balance sheet. However, this liability includes the impact of an 'asset ceiling' adjustment of £89.7m, which is the first occasion on which such an adjustment has been required. In essence this adjustment removes the level of assets deemed as not 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 £53.3m. This compares to a net liability of £25.2m



as of 31/3/23. The movement in the net position during the year reflects the combined impact of changes in various factors, such as mortality rates and expected rates of return. This illustrates the volatility in estimating the net pension position, and justifies its disclosure as a significant assumption in section 5.2.

The detailed effects of pensions' accounting for the local government and teachers' unfunded pension schemes are shown in sections 3.30 Pension Costs and 3.31 Retirement Benefits.

### **Asset Valuations**

The Council's assets are assessed on a regular basis to ensure that their value is reflected accurately in the accounts. Land and property valuations in particular are always subject to the external economic and political climate and these values have been subject to significant fluctuations in previous years. For 2023/24 the Council employed an external valuer to undertake this work, with assurance carried out by City Council employees.

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

Due to the overall significance of asset values within the Council's balance sheet, and their sensitivity to external factors, it remains appropriate for asset valuations to be included as a significant assumption made in estimating assets and liabilities.

### **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. The number of authorities flagging concerns has increased during 2023/24 due to the high inflationary environment experienced throughout the year. Some councils have given warnings about their future financial viability and have required capitalisation directions to provide budget flexibility or issued Section 114 notices, suspending all but essential expenditure within their authority as a means of securing financial stability.

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

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

throughout 2023/24. The Government has partially provided funding to help manage this cost to councils through a combination of increased specific grant and ability to raise local taxes through council tax and business rates. The Council's view, however, is that this funding has not collectively offset the increases in both price and activity sufficiently, such that significant cost reductions have been and will continue to be required, in the absence of increased funding, to maintain financial sustainability.

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 this respect the Council was able to use £1.8m to balance 2023/24, however this contributed to a reduction in reserves. Although reserves do still remain at reasonably healthy levels as at March 2024. In addition, the statutory environment in which local authorities operate means that the Government has obligations to support local authorities which encounter financial difficulties. During 2023/24 the Government has provided flexibilities to a significant number of councils, primarily in the form of capitalisation directions, to enable them to manage their respective budget pressures. In the light of this and in the opinion of the Director of Finance and Resources, Coventry City Council remains in a sound financial position, considering the statutory position held by local authorities and the relative strength of its sources of revenue. In the medium to longer-term, the extent to which inflation and service pressures impact on Local Government finances, and the continued work to redefine a new local government funding mechanism, continues to provide significant uncertainty for the whole sector.

### **Group Activity**

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

CAPL's key business is operating a hotel and associated food and beverage trade within Coombe Park. It has continued its recovery from the significant disruption caused by the COVID-19 pandemic but 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 company has seen slight reductions in both turnover and cost of sales, which has maintained gross profit at a similar level to the prior year. TWW has incurred additional administrative expenses, particularly pay and energy.

The principal activity of the Coventry and Solihull Waste Disposal Company continued to be the sale and generation of energy using waste materials as the energy source. The company experienced strong trading during the year, continuing to benefit from increased energy prices in recent years. The performance for the year included the receipt of a £15.6m business interruption insurance claim to meet the costs of the turbine failure in May 2023.

The Friargate JV Project Limited (FJVP) continued to manage and prepare sites to support the development of property within the Friargate business district of the city. FJVP previously

transferred the sites for the No.2 Friargate building and the new Indigo hotel to the Council under long leases. No.2 Friargate, as at September 2024, has now been partially let (50% of floors), and the hotel was completed in December 2023, opening for business in January 2024.

Sherbourne Recycling Limited (SRL) completed the construction of the Materials Recycling Facility (MRF) during the year and the facility became operational in Autumn 2023. Following the construction of the MRF, 2023/24 represented the first part-year of trading for SRL. The primary activity of the company is to recycle materials and sell 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 private sector contracts.

Following the closure of the Coventry & Warwickshire Local Enterprise Partnership Limited on 31st March 2023, the Council acquired a 50% shareholding in Coventry and Warwickshire Growth Hub Limited (CWGH) on 2nd November 2023. CWGH is owned jointly with Warwickshire County Council, with each shareholder holding a nominal £1.00 share. The primary activity of CWGH is the provision of advice and support to businesses in the regional area.

The principal activity of the UK Battery Industrialisation Centre Limited (UKBIC) is the development and manufacture of batteries, initially for the automotive sector but with wider application. During 2023/24, UKBIC secured further funding of £38m in the Autumn Statement to upgrade the facility's scale-up capabilities to support innovation projects. The new developments include a secondary electrode line,

a specialist 800m<sup>2</sup> flexible industrialisation space and the introduction of advanced digital manufacturing using data to provide customers with real-time knowledge. Construction of the new Flexible Industrialisation Line, the funding for which was received towards the end of 2022/23, began in September 2023, with the equipment coming online during 2025.

### **Future Plans**

The Council's key priorities incorporate a desire for the city to become more prosperous and for the Council to lead the drive for economic growth and stimulate the local economy. The Council's Capital Programme achievements and future plans reflect these aspirations and, moving into 2024/25, complement our objectives. These include: a continued large programme of works on the city's schools, as part of the Education One Strategic Plan; progression of the City Centre South land assembly; further works to develop a very light rail vehicle and track; significant highway works to update the city's highways to facilitate new housing developments; and air quality works in more congested parts of the city.

Both the Friargate Business District project and the Council's long-standing intentions for development of the City Centre South project, are plans that are supported by the Council's membership of the West Midlands Combined Authority (WMCA), formed in 2016/17 alongside the other six West Midlands councils. The purpose of the WMCA is to draw together strategic work across transport, economic development, employment, skills and housing, improving outcomes for the region. The WMCA established a Devolution Deal which represents a funding package totalling £8bn to deliver major projects across the West Midlands. Some projects within the Deal have not yet begun and will ultimately rely upon funding streams being

confirmed in the future. The Council continues to work with the WMCA and the other West Midlands councils to secure this funding.

The Council's 2024/25 core funding settlement provided increased 'spending power' of over 7.1% including increased Adult Social Care, New Homes Bonus grant, business rates grant funding streams and ability to raise Council tax by 5% (including an Adult Social Care precept) which enabled the Council to fund pressures in social care and homelessness, although further increased activity levels and the legacy of recent high inflation on costs have continued to create budget pressures.

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

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

The Council balanced its budget for 2024/25 and, in the process, maintained a reasonably high degree of financial resilience built up through its

reserve balances, however the continued pressure caused by inflation, and increased demand in communities as a result, will inevitably place greater pressure on these resources, should they continue for any length of time. These and the uncertainty of future revenue resources means that the Council continues to face a very significant challenge to manage its Medium-Term Financial Strategy. It will need to build a significant degree of flexibility into its financial plans to allow it to respond to a range of financial scenarios.

It is still difficult to draw any firm conclusions from the 2023/24 outturn position until such time as the ongoing impact of inflationary pressures on demand for those services affected, have worked themselves through, and stability can be foreseen once again. Similar to the Council's response to the pandemic, it has again managed well despite these extra-ordinary circumstances, but it will be important to continue to remain vigilant on an ongoing basis regarding those areas where control of demographic and service financial pressures has brought constant challenges in recent years. This includes children's and adult social care services, housing and waste collection. As well as identifying new ways of balancing its budget, it will continue to be more vital than ever that core services are well managed and operate within their financial parameters.

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

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

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

## 1.3 Statement of Responsibilities

### Coventry City Council's Responsibilities

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

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its employees has the responsibility for the administration of those affairs. In the case of the City Council, that employee is the Director of Finance;
- 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's Responsibilities

The Director of Finance 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 has:

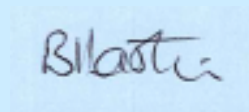
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice on Local Authority Accounting;

The Director of Finance has also:

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

### Certification of the Accounts

I certify that the Statement of Accounts presents a true and fair view of Coventry City Council as at 31<sup>st</sup> March 2024 and its income and expenditure for the year ended 31<sup>st</sup> March 2024, and that the accounts are authorised for issue.



Barry Hastie, CPFA  
Director of Finance

29<sup>th</sup> November 2024

## 1.4 Annual Governance Statement

### **Scope of responsibility**

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

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

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

The Annual Governance Statement explains how Coventry City Council has complied with the Code and also meets the requirements of Regulation 6(1) (b) of The Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement and the Accounts and Audit (Amendment) Regulations 2022.

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

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

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

The governance framework has been in place at Coventry City Council for the year ended 31<sup>st</sup> March 2024 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. A copy of the One Coventry Plan and the performance framework is 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. Details of the Member decision making, advisory and scrutiny bodies can be found on the Council's website.

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

The Council has an Equality, Diversity and Inclusion Commitment which is available on our 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 2022, a new set of equality objectives were approved and are available on our 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.

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 2023-24, the Director of Finance and Resources was the nominated Section 151 Officer, with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs. The Council last carried out an assessment of the role of the Section 151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) in May 2024. This assessment concluded that the Authority meets the five principles laid out in the CIPFA statement, namely:

- The Chief Financial Officer (CFO) in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO in a local authority must be professionally qualified and suitably experienced.
- The Director of Finance and Resources is a key member of the Council's Leadership Board with a critical role in strategic planning for the organisation. The Board also includes the Chief Executive and Monitoring Officer (the Director of Law and Governance), who, along with the Director of Finance and Resources, collectively have leadership responsibility for good governance as principal statutory officers. The Leadership Board is supported by three main Strategic Boards.

The Annual Governance Statement also includes a review of the effectiveness of the system of internal control within group activities, where the Council is in a relationship with another entity to undertake significant activities. The following describes the group activities for the year ended 31<sup>st</sup> March 2024:

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

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

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

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

### **Review of effectiveness**

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

Arrangements to assess the effectiveness of the governance framework include:



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

The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies. This includes the results from the Corporate Peer Challenge which took place in January 2024.
- The Council's Corporate Risk Register.
- An assessment of the Council's performance against the Best Value Standards and Intervention guidance which was undertaken by a group of senior officers from across the Council.
- 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 updated in July 2024 and concluded that in overall terms the Council is able to demonstrate compliance with the Code, with a small number of improvement actions highlighted to build on the arrangements already in place and demonstrate delivery in full.
- The work of the Internal Audit Service during 2023-24. The Service works to a risk-based audit plan, which is approved annually by the Council's Audit and Procurement Committee. An annual report is also produced and presented to the Committee, which includes the Annual Internal Audit Opinion. For 2023-24, 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.

In September 2023, the Council received formal confirmation from the Health and Safety Executive that they did not intend to prosecute the Council in relation to the fatal accident in Waste Services, and no prevention of death notice was issued to the Council. This was subject to no new material issues arising from the Coroner's Inquest. The inquest has now been concluded and in the opinion of Counsel there has been no material change resulting from the inquest.

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 2022-23 Annual Governance Statement.

**Table one**

<b>No</b>	<b>Governance issues identified in 2022-23</b>	<b>2023-24 update</b>
1	Sustainable improvement in Children's Services	<p>The Service has implemented a range of positive recruitment and retention initiatives to help recruit and retain Social Workers further and reduce the number of Social Worker vacancies. This has included regrading of posts, retention payments and continuation of the Social Work Academy, alongside other initiatives.</p> <p>Leaver data has indicated that the retention payments to social workers made a positive impact on retention rates, with a reduction in social workers leaving the service in 2023/24 compared to the previous year.</p> <p>The Children's Services Workforce Development Strategy was reviewed and updated in 2023. The strategy is a 2-year strategy (April 2023 - March 2025.) The workforce Action Plan workplan for 2023/24 was reviewed through the Children's Services Workforce Development Board on a monthly basis to monitor progress of actions within the plan. The workforce action plan 2023/24 was signed off in March 2024 with all actions completed.</p> <p>Engagement with frontline staff includes:            Annual Conference            Let's Talk Corporate            Let's Talk Children – Quarterly            Managers Briefings – Quarterly            Practice Development Forums – monthly            Speak up &amp; Speak Out Workforce Survey 2023            Learning and Development feedback surveys            Exit/Leaver Interviews</p>

		<p>Staying Interviews Monthly Newsletter</p> <p>The above are held on a regular basis to strengthen communication and act on feedback to continually improve services further.</p> <p>The Children's Services Strategic Plan was updated in 2023 to provide an overarching plan of the improvement /transformation work completed and planned for the future. The three key priorities include: Our Partnership Our Workforce Our Quality of Practice</p> <p>The plan outlines the projects/and work in progress to deliver the overarching priorities.</p>
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2023/24 budgetary control forecast position presented a range of financial pressures resulting in a suite of in-year management actions to mitigate the impact of an overspent position at year-end, effectively reducing this position from £12.1m overspend forecast at Q1 down to a £1.8m overspend at outturn. Whilst a significant underlying pressure still exists a large amount of this was offset by additional income from grants and investment income.</p> <p>The ongoing elements of underlying service pressures were reflected in the balanced budget for 2024/25 set by the Council in February 2024.</p> <p>The refreshed One Coventry Plan has been approved and the Council's financial plans have continued to be aligned with the objectives in the new plan.</p>
3	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The demand for the service continued to increase significantly during 2023/24 with record numbers of households approaching the Council and being placed into temporary accommodation (TA.)</p> <p>All 50 family TA properties were either purchased or are going through conveyancing. Actions in TA reduction plan have been implemented and new actions included. New contracts awarded for family temporary accommodation provision. Ribbon Court (50 units) has been delayed until October 2024 but is progressing. All contracts are monitored and minimum 90% occupancy achieved. As the numbers in TA increase, the use of B&amp;B has been higher than the Council would like, however there were no families in B&amp;B at Christmas. Let's rent was re-launched, however it did not deliver the number of properties the Council had hoped for. As an alternative a Property Redress Scheme (PRS) was piloted with BEAM. Local Authority Housing Fund (LAHF) 1 purchases completed by Stonewater.</p>

		Local Authority Housing Fund 2 TA properties – funding has been committed.
4	Development of a corporate data access standard	A working group has been established to review and recommend a standard to the Information Management Strategy Group (IMSG) for implementation. Data on current systems and best practice has been collected and is being reviewed. Outline recommendations to will be made to IMSG in July 2024 with a final proposal to IMSG in October 2024.
5	Governance over the programme of capital projects	Major capital projects have been monitored by way of the Capital Programme Project Board, chaired by the Director of Finance and Resources and attended by the senior responsible officers for each project. All projects are reported on by way of monthly RAG ratings and responsible officers are expected to report on significant risks and suitable mitigations. It is acknowledged that these arrangements have not consistently been in place during 2024, but have now been re-introduced on a bi-monthly basis.
6	City of Culture legacy	<p>The Albany Theatre capital project achieved Practical Completion in May 2024. The project comprised the redevelopment of the existing studio, the building of three new studios, and the updating of the current café. The existing studio will act as an incubator for emerging talent, whilst the three new studios will be used for rehearsals, community performances, learning and engagement, conferences, meeting spaces and arts activities.</p> <p>Following the exchange of Agreements for Lease with partners, the City Centre Cultural Gateway Project mobilised on-site in June 2024, with construction set to commence in August 2024.</p> <p>Coventry City Council supported the National Audit Office (NAO) investigation into the Funding of Coventry City of Culture Trust. The NAO report was published in July 2023. The City Council continues to support the Administrator’s investigations, which remain ongoing at the time of reporting.</p> <p>Having come through a unique period of hosting the UK City of Culture 2021 and Birmingham Commonwealth Games 2022, Coventry is shaping its new Culture Works partnership and developing a three-year Cultural Strategy Action Plan 2024-2027. The UK City of Culture 2021 Impact Evaluation Final Report was published in November 2023 and a number of learning insights will inform the shaping of the Cultural Strategy Action Plan.</p> <p>The Council has appointed a new Head of Culture and Creative Economy, a post jointly funded by Coventry University and the University of Warwick. In the past 12 months, the city has been successful in securing over £2.3m of devolved cultural funds and Commonwealth Games legacy funds to support cultural and community legacy activity in the city.</p> <p>The Destination Coventry proof of concept pilot has been extended to 31<sup>st</sup> March 2025, to facilitate detailed exploration with the Coventry and Warwickshire Chamber of Commerce of a permanent public / private funded destination management operating model for the city. Coventry has further supported the development of The Coventry and Warwickshire Local Visitor Economy Partnership (LVEP), an accredited destination partnership focused on the creation of a growth plan for the Coventry and Warwickshire geography.</p>

7	Further development of the Council's IT disaster recovery plans and processes	<p>The Council have continued to make improvements to the technical components of the Digital Services disaster recovery position.</p> <p>Digital Services have continued to review its network design and architecture to ensure that its infrastructure is designed and configured to meet best practice recommendations.</p> <p>Digital Services have continued to ensure that they have proactive maintenance in place across all of the Council's key infrastructure and the Council continually reviews its processes regarding business continuity and disaster recovery from a technical point of view. The Council are part of the strategic organisational planning for large-scale city-wide resilience in conjunction with Coventry, Solihull and Warwickshire and this activity will continue into the new year.</p> <p>Digital Services have continued to support services from across the organisation in the creation of their service level resilience plans and this is work that will continue into the new year.</p>
8	Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting	<p>The measures indicated by the Redmond Review have not been legislated for and defined so no action has been implemented by the Council. As a result, this issue will not be carried forward to the 24/25 action plan, although in the event that any new legislation regarding local authority financial reporting is passed, any actions required by the Council will be implemented.</p>
9	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	<p>Digital Services have made good progress on its cyber security activities over the past twelve months, and this will continue to be a key focus for the service in the new Digital Service plan for 2024/25.</p> <p>Digital Services continually monitor the cyber security landscape and adapt its plans accordingly to meet industry best practice and align with the National Cyber Security Centre (NCSC) recommendations. The Service have had direct engagement activity throughout 23/24 with Microsoft regarding best practice from a technology and process point of view and this continues to support its plans. In line with industry trend the Service are looking to adopt the NCSC Cyber Assessment Framework (CAF) rather than focus on Cyber Essentials Accreditation – the Council are one of the pilot organisations working with government on the development of the CAF for local government. A recent audit of the Council's cyber security arrangements supports that good progress is being made.</p>
10	Embedding new methods of consultation and engagement	<p>There have been 18 consultations on Let's Talk Coventry including the recent Budget Consultation. As a result, over 20,000 residents have been engaged with. As well as largescale consultations the Council have undertaken over 60 surveys in the last year, including service area customer satisfaction and baseline collection surveys.</p>

		However, the ambition to use the Let's Talk platform to forge an on-going dialogue with residents following on from the One Coventry Plan engagement has not been realised and therefore insight to inform performance has not been available.
11	Employees Code of Conduct	<p>The standard contract of employment for Council employees has been updated with the Code of Conduct still being an integral part of this. Whilst consideration has been given to refreshing the Code, further work on this is required along with promoting the Code across the organisation.</p> <p>This includes promoting the arrangements the Council has in place in regards to officer declarations of gifts and hospitality.</p>
12	Sustainability and Climate Change Strategy	<p>The revised Sustainability and Climate Change Strategy is being progressed, alongside an Action Plan, with a view to finalising and seeking Cabinet and Full Council approval in the Summer of 2024.</p> <p>All recommendations from the Climate Change Board Pathway Groups have now been received to include in the revised drafting.</p> <p>The finalising of the strategy has been delayed due to a number of reasons, including timing of emerging recommendations, work on the just transition framework which is ongoing to feed into the strategy and capacity challenges, which means progress has not been as quick as originally planned. This does not mean that progress has not been made, as there has been a lot of focus on development and delivery of projects to support the Strategy in the emerging Action Plan.</p> <p>The Strategic Energy Partnership Strategic and Annual business plans have been approved by Shareholders Committee (April 2024).</p>
13	Ethical leadership action plan	The action plan has substantially been completed, including work to refresh and promote the "I have a concern" intranet pages. Whilst financial constraints have prevented the Council from commissioning work to promote the Nolan Principles, this aspect will be covered within planned training on the Code of Conduct. As a result, this issue will not be carried forward to the 24/25 action plan.
14	Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues	The sufficiency strategy was submitted and approved in September 2023. The strategy seeks to address the challenges in identifying appropriate registered homes for all children in care, which includes those for children with the most complex needs.
15	Health Check / Assurance Framework for the	A terms of reference for the review has been agreed and it is intended that the work will be completed in the first half of 2024/2025.

	Council's group of companies	
16	Publication of decisions delegated to officers	Arrangements have been put in place with effect from the 2024/25 municipal year. As a result, this issue will not be carried forward to the 24/25 action plan.
17	Transparency Code	Additional information is being prepared for publication on the Council's website and in a way that makes it as easy to locate as possible. A wider exercise to publish information outside the Code but is the subject of regular Freedom of Information requests is also being undertaken to increase the access to information held by the City Council.
18	Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022-23	<p>The draft 2020/21 Statement of accounts were published on 28<sup>th</sup> March 2024.</p> <p>This was followed with the publication of the draft 2021/22 Statement of Accounts on 12<sup>th</sup> August 2024, and subsequently the draft 2022/23 Statement of Accounts were published for public inspection on 13<sup>th</sup> September 2024.</p> <p>Additional resource has been brought into both the Property Valuation Team &amp; Corporate Finance Team to support the completion of the 2021/22 &amp; 2022/23 Statement of Accounts.</p> <p>The Government issued a consultation on 'Addressing the local audit backlog in England.' The consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. The outcome of this consultation which closed on 7<sup>th</sup> March 2024, was published on 9<sup>th</sup> September 2024.</p> <p>The response confirms the Government's intention to set the following statutory deadlines for Category 1 authorities to publish audited accounts by the following dates:</p> <ul style="list-style-type: none"> <li>2023/24: 28 February 2025</li> <li>2024/25: 27 February 2026</li> <li>2025/26: 31 January 2027</li> <li>2026/27: 30 November 2027</li> <li>2027/28: 30 November 2028</li> </ul> <p>We are working closely with Grant Thornton to understand the implication of any changes to Regulations and agree subsequent actions.</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 2024-25 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

**Table Two**

<b>Ref</b>	<b>Governance issue</b>	<b>Planned actions 2024-25</b>	<b>Responsible officer</b>	<b>Timescale</b>
<b>1</b>	Integrate and sustain improvement in Children and Education Services	<p>Develop a confident and competent, experienced, and stable workforce. Specifically: To integrate the Children and Education workforce. Develop further workforce proposals to stabilise the recruitment and retention of social workers.</p> <p>Deliver an integrated workforce plan 2024/5 for Children and Education Services.</p> <p>Integrate Children and Education Services to strengthen communications and feedback from staff to continually improve services.</p> <p>Develop an integrated Children and Education Strategic Plan for implementation from April 2025.</p>	Director of Children and Education Services	March 2025
<b>2</b>	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2024-25 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. Based on budgetary pressures identified during 2023/24, additional resources were allocated as part of 2024/25 budget setting. However, we are still seeing increasing demand and complexity across both social care and housing which will be closely monitored.</p> <p>In order to deliver a balanced 2024/25 budget, c£30m of saving and cost reductions were identified. The scale of the savings required is significantly higher than previous years. A monthly reporting of progress against savings targets will be presented to Leadership Board and where risk of non-delivery exists actions</p>	Director of Finance and Resources / Head of Finance	March 2025



		<p>will be sought to manage any shortfalls in the overall savings delivery plans.</p> <p>Work is already underway to assess the range of financial scenarios facing the Council for the period from 2025-26 and proposals will be presented to members within the Pre-Budget Report in December 2024.</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>		
<b>3</b>	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The homelessness service is demand led and experienced significant increase in demand during 2022/23 &amp; 2023/24. The following actions are planned for 2024-25:</p> <p>Open 2 new Supported Temporary Accommodation (TA) units for single people on Meriden Street and Chase Avenue.</p> <p>Deliver an additional 50 TA flats for small families working with Green Square Accord at Ribbon Court.</p> <p>Secure additional funding through LAHF 3 to purchase additional family TA units and progress the purchasing.</p> <p>Work with BEAM to deliver 20 additional PRS properties.</p> <p>Work with Spring Housing to deliver an additional 11 3bed and 1 4bed flats for families and 18 bed unit for single people.</p> <p>Consult with PRS landlords and relaunch Lets Rent Coventry and source additional permanent homes.</p> <p>Work with Citizen to move the new Faseman House development (50 units of family TA) through planning and on-site.</p> <p>Continue to ensure that voids within contracted providers are minimised and meet target of 90% occupancy.</p> <p>Seek to eliminate the use of B&amp;B accommodation for families unless in an emergency.</p> <p>Develop and launch Coventry's new Homeless &amp; Rough Sleeping Strategy.</p>	<p>Director of Adult Social Care &amp; Housing</p> <p>Head of Housing &amp; Homelessness</p>	March 2025
<b>4</b>	Development of a corporate data access standard	Development and implementation of a corporate data access standard and protocol for all systems that hold personal data.	Head of Governance	October 2024
<b>5</b>	Governance over the programme of capital projects	In 2024/25 the focus will remain on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and robust, and programme	Capital Programme Project Board	March 2025

		delivery supports the Council's wider aspirations as well as supporting the local economy.		
<b>6</b>	City of culture legacy	<p>The City Centre Cultural Gateway project will enter the construction phase, securing tangible, long-term legacies for the city in close collaboration with national and local partners.</p> <p>Independent investigations will be concluded into the circumstances surrounding the Coventry City of Culture Trust entering administration. The Council will review the report findings alongside learning outcomes from the UK City of Culture 2021 Impact Evaluation Final Report (published November 2023).</p> <p>The Coventry Culture Works partnership will adopt a formal governance structure and three-year Cultural Strategy Action Plan, to deliver final-stage outcomes from the city's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry pilot will conclude its extended proof-of-concept period, leading to decisions on future sustainable Destination Management arrangements for the city.</p>	Strategic Lead – Culture, Sport and Events	March 2025
<b>7</b>	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 2025
<b>8</b>	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 2025

<b>9</b>	Embedding new methods of consultation and engagement	Leadership Board will consider the current communication, engagement and consultation functions across the Council. Improving methods of consultation and engagement will form part of this review.	Consultant in Public Health (Insight and Communities)	March 2025
<b>10</b>	Employees Code of Conduct	Further consideration of refresh of the Code of Conduct for employees.  Training on the Code is planned as part of a wider programme for managers and employees over the next year. This will include training on the arrangements in place for officer declarations of gifts and hospitality.	Director of Human Resources	March 2025
<b>11</b>	Sustainability and Climate Change Strategy	Finalise the Strategy and take to Cabinet and Full Council for approval.	Strategic Lead – Green Futures	September 2024
<b>12</b>	Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues	The Residential Strategy 2023-2026 has been approved, with two children's homes due to open in the summer of 2024 and a further 5 new children's homes over the next 2 years.  In addition, the Sufficiency Steering Group is seeking to identify and enable access to further resources through an increase of in-house provision and commissioned services, providing more homes for children with complex needs and thereby prevent them from moving into an unregulated provision.	Director of Children and Education Services	March 2025
<b>13</b>	Health Check / Assurance Framework for the Council's group of companies	Undertake a health check and develop an assurance framework for the Council's Group of Companies.	Director of Law and Governance / Chief Internal Auditor	October 2024
<b>14</b>	Transparency Code	Strengthen arrangements for ensuring that the Council complies with the Transparency Code.	Corporate Governance Group / Head of Governance	December 2024
<b>15</b>	Implementation of Action Plan – Statement of Accounts for 2021/22 and 2022-23	Maintain the level of resource and additional capacity within Property Services and Corporate Finance to deliver the following: Consolidation of 2021/22 Statement of Accounts and publication on our website for public scrutiny by August 2024. Consolidation of 2022/23 Statement of Accounts and publication on our website for public scrutiny by September 2024.	Director of Finance and Resources	December 2024

		Following discussion with Grant Thornton, put in place any actions arising from the outcome of the consultation on “addressing the local audit backlog in England.”		
16	Supplier Code of Conduct	To produce and roll out a Supplier Code of Conduct.	Deputy Head of Procurement and Commissioning	March 2025
17	Management compliance with HR policies and procedures	To improve arrangements to ensure management compliance with key HR policies and procedures.	Director of Human Resources	March 2025
18	Peer Challenge action plan	To implement the action plan arising from the Peer Challenge report.	Leadership Board	November 2024

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. Changes have been made to improve and simplify the presentation to the Movement in Reserves Statement in accordance with recommendations in the Code of Practice. Details of the movements in usable revenue 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

2022/23			Service segment	2023/24			Section Ref.
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
8,559	(2,182)	6,377	Legal & Governance Services	13,978	(6,034)	7,944	3.2
30,480	(33,826)	(3,346)	Public Health	32,411	(32,983)	(572)	3.2
1,266	(124)	1,142	Directorate Management	1,181	(124)	1,057	3.2
246,602	(214,834)	31,768	Education and Inclusion	250,595	(217,903)	32,692	3.2
106,860	(16,584)	90,276	Children and Young People's Services	117,317	(17,687)	99,630	3.2
182,796	(78,895)	103,901	Adult Services & Housing	229,968	(90,186)	139,782	3.2
3,640	(1,602)	2,038	Human Resources	1,937	(954)	983	3.2
33,804	(8,161)	25,643	Business, Investment & Culture	35,215	(18,272)	16,943	3.2
50,982	(14,069)	36,913	Transportation & Highways	52,981	(18,672)	34,309	3.2
63,851	(19,766)	44,085	Streetscene & Regulatory Services	58,433	(17,218)	41,215	3.2
7,988	(4,743)	3,245	Project Management and Property Services	28,029	(4,520)	23,509	3.2
96,242	(87,460)	8,782	Finance & Corporate Services	100,188	(90,535)	9,653	3.2
52,254	(36,626)	15,628	Contingency and Central Budgets	8,401	(62,887)	(54,486)	3.2
<b>885,324</b>	<b>(518,872)</b>	<b>366,452</b>	<b>Cost of Services</b>	<b>930,634</b>	<b>(577,975)</b>	<b>352,659</b>	
		39,050	Other Operating Expenditure			40,395	3.1
		1,963	Finance and Investment Income and Expenditure			8,931	3.1
		(378,094)	Taxations and Non-Specific Grant Income			(374,446)	3.1
		29,371	(Surplus)/Deficit on the Provision of Services			27,539	
		(762,244)	Sub-total of other comprehensive Income and Expenditure			(42,501)	3.1
		<b>(732,873)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(14,962)</b>	

## 2.3 Movement in Reserves Statement

### Usable/Unusable Reserves and Overall Position 2023/24

	31st March 2023	Total Comprehensive Income and Expenditure	Adjustments between Accounting Basis & Funding Basis under regulations	Net (increase)/ decrease	31st March 2024
	£000	£000	£000		£000
<b>Usable Reserves</b>					
General Fund Balance	(161,578)	27,539	(21,854)	5,685	<b>(155,893)</b>
Capital Grants Unapplied	(5,745)	0	1,551	1,551	<b>(4,194)</b>
Capital Receipts Reserve	(18,623)	0	6,890	6,890	<b>(11,733)</b>
<b>Total Usable Reserves</b>	<b>(185,946)</b>	<b>27,539</b>	<b>(13,413)</b>	<b>14,126</b>	<b>(171,820)</b>
<b>Unusable Reserves</b>					
Capital Adjustment Account	(828,402)	0	1,399	1,399	<b>(827,003)</b>
Revaluation Reserve	(237,345)	(59,971)	13,800	(46,171)	<b>(283,516)</b>
Deferred Capital Receipts Reserve	(16,969)	0	5	5	<b>(16,964)</b>
Financial Inst. Adjust Acc	9,373	0	(391)	(391)	<b>8,982</b>
Financial Instruments Revaluation Reserve	(70,667)	5,900	0	5,900	<b>(64,767)</b>
Collection Fund Adjust	(11,018)	0	1,164	1,164	<b>(9,854)</b>
Pensions Reserve (local government)	24,897	11,570	(1,074)	10,496	<b>35,393</b>
Accumulated Absences	4,464	0	(1,733)	(1,733)	<b>2,731</b>
Pooled Investment Funds Adj. Acc.	2,596	0	243	243	<b>2,839</b>
<b>Total Unusable Reserves</b>	<b>(1,123,071)</b>	<b>(42,501)</b>	<b>13,413</b>	<b>(29,088)</b>	<b>(1,152,159)</b>
<b>Total Single Entity Reserves</b>	<b>(1,309,017)</b>	<b>(14,962)</b>	<b>0</b>	<b>(14,962)</b>	<b>(1,323,979)</b>

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

### Usable/Unusable Reserves 2022/23 Comparatives

	31st March 2022	Total Comprehensive Income and Expenditure	Adjustments between Accounting Basis & Funding Basis under regulations	Net (increase)/ decrease	31st March 2023
	£000	£000	£000		£000
<b>Usable Reserves</b>					
General Fund Balance	(193,060)	29,371	2,111	31,482	<b>(161,578)</b>
Capital Grants Unapplied	(5,469)	0	(276)	(276)	<b>(5,745)</b>
Capital Receipts Reserve	(20,825)	0	2,202	2,202	<b>(18,623)</b>
<b>Total Usable Reserves</b>	<b>(219,354)</b>	<b>29,371</b>	<b>4,037</b>	<b>33,408</b>	<b>(185,946)</b>
<b>Unusable Reserves</b>					
Capital Adjustment Account	(767,106)	0	(61,296)	(61,296)	<b>(828,402)</b>
Revaluation Reserve	(191,180)	(53,761)	7,596	(46,165)	<b>(237,345)</b>
Deferred Capital Receipts Reserve	(16,973)	0	4	4	<b>(16,969)</b>
Financial Inst. Adjust Acc	9,763	0	(390)	(390)	<b>9,373</b>
Financial Instruments Revaluation Reserve	(43,960)	(26,707)	0	(26,707)	<b>(70,667)</b>
Collection Fund Adjust	2,653	0	(13,671)	(13,671)	<b>(11,018)</b>
Pensions Reserve (local government)	647,034	(681,776)	59,639	(622,137)	<b>24,897</b>
Accumulated Absences	3,903	0	561	561	<b>4,464</b>
Pooled Investment Funds Adj. Acc.	(924)	0	3,520	3,520	<b>2,596</b>
<b>Total Unusable Reserves</b>	<b>(356,790)</b>	<b>(762,244)</b>	<b>(4,037)</b>	<b>(766,281)</b>	<b>(1,123,071)</b>
<b>Total Single Entity Reserves</b>	<b>(576,144)</b>	<b>(732,873)</b>	<b>0</b>	<b>(732,873)</b>	<b>(1,309,017)</b>



## 2.4 Balance Sheet

31 March 2023		Balance Sheet		31 March 2024	
£000		£000		Section Ref.	
1,130,195	Property, Plant and Equipment	1,183,216		3.15	
25,893	Heritage Assets	27,449		3.16	
322,956	Investment Property	301,809		3.17	
122,318	Long Term Investments	116,456		3.21	
76,070	Long Term Debtors	80,688		3.22	
<b>1,677,432</b>	<b>Long Term Assets</b>	<b>1,709,618</b>			
27,848	Short Term Investments	37,185		3.34	
302	Inventories	357			
99,885	Short Term Debtors	89,862		3.23	
56,222	Cash and Cash Equivalents	26,004		2.5	
295	Assets held for Sale	0		3.17	
<b>184,552</b>	<b>Current Assets</b>	<b>153,408</b>			
(4,101)	Bank Overdraft	(2,915)		2.5	
(20,276)	Short Term Borrowing	(6,355)		3.34	
(107,980)	Short Term Creditors	(97,842)		3.24	
(6,241)	Short Term Provisions	(6,790)		3.25	
<b>(138,598)</b>	<b>Current Liabilities</b>	<b>(113,902)</b>			
(18,739)	Long Term Provisions	(21,154)		3.25	
(308,152)	Long Term Borrowing	(299,605)		3.34	
(25,197)	Net Pension Liability	(35,393)		3.31	
(1,901)	Donated Assets Account	(2,278)		3.28	
(42,169)	Capital Grants Receipts in Advance	(49,502)		3.7	
(18,211)	Other Long Term Liabilities	(17,213)		3.26	
<b>(414,369)</b>	<b>Long Term Liabilities</b>	<b>(425,145)</b>			
<b>1,309,017</b>	<b>Net Assets</b>	<b>1,323,979</b>			
(185,946)	Usable Reserves	(171,820)		2.3	
(1,123,071)	Unusable Reserves	(1,152,159)		2.3	
<b>(1,309,017)</b>	<b>Total Reserves</b>	<b>(1,323,979)</b>			

The unaudited accounts were authorised for issue on 29<sup>th</sup> November 2024

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## 2.5 Cash Flow Statement

2022/23	Cash Flow Statement	2023/24
£000's		£000's
29,371	Net (Surplus) or Deficit on the Provision of Services	27,539
(149,756)	Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(92,765)
135,527	Adjust items included in Net Surplus/Deficit on the Provision of Services that are Investing & Financing Activities	88,355
<b>15,142</b>	<b>Net Cash Flows from Operating Activities</b>	<b>23,129</b>
(8,510)	Investing Activities	(20,544)
(27,942)	Financing Activities	26,447
<b>(21,310)</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>	<b>29,032</b>
(30,811)	Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)	(52,121)
(52,121)	Cash and Cash Equivalents at the End of the Reporting Period (including bank overdrafts)	(23,089)

Section 3.27 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

2022/23		2023/24	
Net Expenditure £000	Category of Income or Expenditure	Net Expenditure £000	Section Ref.
22,515	(Gain)/Loss on Disposal of Fixed Assets	24,682	
16,491	Levy Payments to Other Bodies	15,666	
44	Precepts of Local Precepting Authorities	47	
<b>39,050</b>	<b>Other Operating Expenditure</b>	<b>40,395</b>	
19,553	Interest Payable and Similar Charges	19,642	3.34
(6,289)	External Investment Income	(10,669)	3.34
17,342	Net interest on the net defined benefit liability	1,168	3.31
(17,267)	Commercial Property Income	(18,749)	
7,655	Commercial Property Expenditure	9,277	
(13,843)	Changes in the fair value of investment properties	20,262	
(8,200)	Dividends and Interest Receivable	(12,372)	3.34
(37)	(Gain)/loss on impairment of assets	71	
3,049	(Gain)/loss on revaluation of financial instruments	301	3.34
<b>1,963</b>	<b>Finance and Investment Income and Expenditure</b>	<b>8,931</b>	
(158,585)	Council Tax	(169,281)	3.38
(96,763)	Retained Business Rates	(120,848)	3.38
16,947	Business Rates Top-up	18,680	3.38
(28,962)	General Government Grants	(8,964)	
(110,624)	Capital Grant	(92,333)	3.7
(107)	Donated Assets – amortised credits	(1,700)	
<b>(378,094)</b>	<b>Taxations and Non-Specific Grant Income</b>	<b>(374,446)</b>	
(53,761)	(Gain)/loss on revaluation of non current assets	(59,971)	3.13
(26,707)	(Gain)/loss on revaluation of financial instruments	5,900	3.34
(681,776)	Remeasurement of the net defined benefit liability	11,570	3.31
<b>(762,244)</b>	<b>Sub-total of other comprehensive Income and Expenditure</b>	<b>(42,501)</b>	

## 3.2 Expenditure and Funding Analysis

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

2022/23			2023/24			
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Service segment	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
6,377	0	6,377	Legal & Governance Services	8,122	(178)	7,944
(3,356)	10	(3,346)	Public Health	(761)	189	(572)
1,142	0	1,142	Directorate Management	1,057	0	1,057
7,531	24,237	31,768	Education and Inclusion	(3,289)	35,981	32,692
89,677	599	90,276	Children and Young People's Services	99,314	316	99,630
98,549	5,352	103,901	Adult Services & Housing	133,950	5,832	139,782
675	1,363	2,038	Human Resources	84	899	983
12,274	13,369	25,643	Business, Investment & Culture	8,946	7,997	16,943
3,412	33,501	36,913	Transportation & Highways	2,857	31,452	34,309
41,537	2,548	44,085	Streetscene & Regulatory Services	38,174	3,041	41,215
(4,474)	7,719	3,245	Project Management and Property Services	269	23,240	23,509
8,782	0	8,782	Finance & Corporate Services	9,653	0	9,653
(1,768)	17,396	15,628	Contingency and Central Budgets	(58,960)	4,337	(54,623)
<b>260,358</b>	<b>106,094</b>	<b>366,452</b>	<b>Net Cost of Services</b>	<b>239,416</b>	<b>113,106</b>	<b>352,522</b>
(228,876)	(108,205)	(337,081)	Other Income and Expenditure	(233,731)	(91,252)	(324,983)
<b>31,482</b>	<b>(2,111)</b>	<b>29,371</b>	<b>(Surplus) or Deficit</b>	<b>5,685</b>	<b>21,854</b>	<b>27,539</b>
(193,060)			Opening General Fund	(161,578)		
31,482			Plus (Surplus)/Deficit on General Fund	5,685		
<b>(161,578)</b>			<b>Closing General Fund at 31 March</b>	<b>(155,893)</b>		

### 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.

2022/23					2023/24				
Adjustment for Capital Purposes (Note 1)	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3)	Total Adjustments	Service segment	Adjustment for Capital Purposes (Note 1)	Net Changes for the Pension Adjustment (Note 2)	Other Differences (Note 3)	Total Adjustments	
£000	£000	£000	£000		£000	£000	£000	£000	
0	0	0	0	Legal & Governance Services	(178)	0	0	(178)	
10	0	0	10	Public Health	189	0	0	189	
0	0	0	0	Directorate Management	0	0	0	0	
24,237	0	0	24,237	Education and Inclusion	35,981	0	0	35,981	
599	0	0	599	Children and Young People's Services	316	0	0	316	
5,352	0	0	5,352	Adult Services & Housing	5,832	0	0	5,832	
1,363	0	0	1,363	Human Resources	899	0	0	899	
13,369	0	0	13,369	Business, Investment & Culture	7,997	0	0	7,997	
33,501	0	0	33,501	Transportation & Highways	31,452	0	0	31,452	
2,548	0	0	2,548	Streetscene & Regulatory Services	3,041	0	0	3,041	
7,719	0	0	7,719	Project Management and Property Services	23,272	0	(32)	23,240	
0	0	0	0	Finance & Corporate Services	0	0	0	0	
(27,444)	42,297	2,544	17,397	Contingency and Central Budgets	8,539	(2,242)	(1,960)	4,337	
<b>61,254</b>	<b>42,297</b>	<b>2,544</b>	<b>106,095</b>	<b>Net Cost of Services</b>	<b>117,340</b>	<b>(2,242)</b>	<b>(1,992)</b>	<b>113,106</b>	
(111,877)	17,342	(13,671)	(108,206)	Other Income and Expenditure	(93,616)	1,168	1,196	(91,252)	
<b>(50,623)</b>	<b>59,639</b>	<b>(11,127)</b>	<b>(2,111)</b>	<b>Surplus or Deficit</b>	<b>23,724</b>	<b>(1,074)</b>	<b>(796)</b>	<b>21,854</b>	

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

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

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

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

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

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

### 3.4 Revenue Outturn

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

2023/24	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
Legal & Governance Services	8,122	(585)	388	7,925	8,213	(288)
Public Health	(761)	1,791	663	1,693	2,586	(893)
Directorate Management	1,057	0	0	1,057	923	134
Education and Inclusion	(3,289)	17,844	4,722	19,277	21,105	(1,828)
Children and Young People's Services	99,314	(660)	(1,425)	97,229	94,401	2,828
Adult Services & Housing	133,950	138	(12,047)	122,041	114,612	7,429
Human Resources	84	(249)	1,057	892	1,385	(493)
Business, Investment & Culture	8,946	(108)	697	9,535	8,164	1,371
Transportation & Highways	2,857	9,907	(773)	11,991	10,555	1,436
Streetscene & Regulatory Services	38,174	217	(316)	38,075	33,337	4,738
Project Management and Property Services	269	(9,141)	355	(8,517)	(8,391)	(126)
Finance & Corporate Services	9,653	(31)	(117)	9,505	9,651	(146)
Contingency and Central Budgets	(58,823)	7,511	1,111	(50,201)	(36,039)	(14,162)
<b>Net Cost of Services</b>	<b>239,553</b>	<b>26,634</b>	<b>(5,685)</b>	<b>260,502</b>	<b>260,502</b>	<b>0</b>
Other Income and Expenditure	(233,868)	(26,634)	0	(260,502)	(260,502)	0
<b>Surplus or Deficit</b>	<b>5,685</b>	<b>0</b>	<b>(5,685)</b>	<b>0</b>	<b>0</b>	<b>0</b>

2022/23	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
Legal & Governance Services	6,377	(410)	(460)	5,507	4,827	680
Public Health	(3,356)	(71)	4,125	698	2,248	(1,550)
Directorate Management	1,142	0	0	1,142	1,167	(25)
Education and Inclusion	7,531	8,656	3,298	19,485	19,840	(355)
Children and Young People's Services	89,677	(241)	(426)	89,010	84,906	4,104
Adult Services & Housing	98,549	1,033	2,762	102,344	99,616	2,728
Human Resources	675	69	155	899	1,939	(1,040)
Business, Investment & Culture	12,274	(4,561)	630	8,343	5,685	2,658
Transportation & Highways	3,412	7,617	(981)	10,048	8,301	1,747
Streetscene & Regulatory Services	41,537	(1,469)	963	41,031	31,636	9,395
Project Management and Property Services	(4,474)	2,817	(4,322)	(5,979)	(7,116)	1,137
Finance & Corporate Services	8,782	(526)	(634)	7,622	6,868	754
Contingency and Central Budgets	(1,768)	(4,367)	(36,592)	(42,727)	(22,494)	(20,233)
<b>Net Cost of Services</b>	<b>260,358</b>	<b>8,547</b>	<b>(31,482)</b>	<b>237,423</b>	<b>237,423</b>	<b>0</b>
Other Income and Expenditure	(228,876)	(8,547)	0	(237,423)	(237,423)	0
<b>Surplus or Deficit</b>	<b>31,482</b>	<b>0</b>	<b>(31,482)</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.5 Segmental Analysis

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

2023/24	Income from Grants and Contributions	Tax Income	Income from Fees and Charges	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
Legal & Governance Services	(463)	0	(6,128)	(6,591)	14,128	7,537	388	7,925
Public Health	(32,415)	0	(568)	(32,983)	34,013	1,030	663	1,693
Directorate Management	(124)	0	0	(124)	1,181	1,057	0	1,057
Education and Inclusion	(210,896)	0	(7,007)	(217,903)	232,458	14,555	4,722	19,277
Children and Young People's Services	(15,738)	0	(1,949)	(17,687)	116,341	98,654	(1,425)	97,229
Adult Services & Housing	(50,187)	0	(40,001)	(90,188)	224,276	134,088	(12,047)	122,041
Human Resources	(46)	0	(908)	(954)	789	(165)	1,057	892
Business, Investment & Culture	(14,239)	0	(4,386)	(18,625)	27,463	8,838	697	9,535
Transportation & Highways	(6,300)	0	(12,516)	(18,816)	31,580	12,764	(773)	11,991
Streetscene & Regulatory Services	(1,656)	0	(15,597)	(17,253)	55,644	38,391	(316)	38,075
Project Management and Property Services	(90)	0	(21,539)	(21,629)	12,757	(8,872)	355	(8,517)
Finance & Corporate Services	(89,183)	0	(1,384)	(90,567)	100,189	9,622	(117)	9,505
Contingency and Central Budgets	(154,870)	(10,947)	(31,096)	(196,913)	145,601	(51,312)	1,111	(50,201)
<b>Net Cost of Services</b>	<b>(576,207)</b>	<b>(10,947)</b>	<b>(143,079)</b>	<b>(730,233)</b>	<b>996,420</b>	<b>266,187</b>	<b>(5,685)</b>	<b>260,502</b>
Other Income and Expenditure	0	(260,502)	0	(260,502)	0	(260,502)	0	(260,502)
<b>Surplus or Deficit</b>	<b>(576,207)</b>	<b>(271,449)</b>	<b>(143,079)</b>	<b>(990,735)</b>	<b>996,420</b>	<b>5,685</b>	<b>(5,685)</b>	<b>0</b>

2022/23	Income from Grants and Contributions	Tax Income	Income from Fees and Charges	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
Legal & Governance Services	(133)	0	(2,460)	(2,593)	8,560	5,967	(460)	5,507
Public Health	(33,469)	0	(357)	(33,826)	30,399	(3,427)	4,125	698
Directorate Management	(124)	0	0	(124)	1,266	1,142	0	1,142
Education and Inclusion	(207,794)	0	(7,040)	(214,834)	231,021	16,187	3,298	19,485
Children and Young People's Services	(15,551)	0	(1,033)	(16,584)	106,020	89,436	(426)	89,010
Adult Services & Housing	(49,538)	0	(29,361)	(78,899)	178,481	99,582	2,762	102,344
Human Resources	(46)	0	(1,556)	(1,602)	2,346	744	155	899
Business, Investment & Culture	(5,213)	0	(2,948)	(8,161)	15,874	7,713	630	8,343
Transportation & Highways	(5,300)	0	(8,876)	(14,176)	25,205	11,029	(981)	10,048
Streetscene & Regulatory Services	(1,915)	0	(17,870)	(19,785)	59,853	40,068	963	41,031
Project Management and Property Services	(382)	0	(19,465)	(19,847)	18,190	(1,657)	(4,322)	(5,979)
Finance & Corporate Services	(86,365)	0	(1,621)	(87,986)	96,242	8,256	(634)	7,622
Contingency and Central Budgets	(165,716)	(978)	(23,445)	(190,139)	184,004	(6,135)	(36,592)	(42,727)
<b>Net Cost of Services</b>	<b>(571,546)</b>	<b>(978)</b>	<b>(116,032)</b>	<b>(688,556)</b>	<b>957,461</b>	<b>268,905</b>	<b>(31,482)</b>	<b>237,423</b>
Other Income and Expenditure	0	(237,423)	0	(237,423)	0	(237,423)	0	(237,423)
<b>Surplus or Deficit</b>	<b>(571,546)</b>	<b>(238,401)</b>	<b>(116,032)</b>	<b>(925,979)</b>	<b>957,461</b>	<b>31,482</b>	<b>(31,482)</b>	<b>0</b>

### 3.6 Income and Expenditure Analysis

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

Expenditure/ Income	2022/23 £000	2023/24 £000
<b>Income</b>		
Fees, charges and other service income	(83,359)	(101,112)
Interest and investment income	(32,673)	(41,967)
Income from council tax and non-domestic rates	(238,401)	(271,449)
Government grants and contributions	(571,546)	(576,207)
<b>Total Income</b>	<b>(925,979)</b>	<b>(990,735)</b>
<b>Expenditure</b>		
Employee benefits expenses	355,082	324,730
Other services expenses	462,469	518,569
Depreciation, amortisation, impairment	58,804	113,469
Interest payments	36,896	20,810
Precept and levies	16,535	15,713
(Gain)/Loss on Disposal of Assets	22,515	24,682
(Gain)/Loss on Revaluation of Financial Instruments	3,049	301
<b>Total Expenditure</b>	<b>955,350</b>	<b>1,018,274</b>
<b>Surplus/ Deficit on the Provision of Services</b>	<b>29,371</b>	<b>27,539</b>

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.

2022/23				2023/24		
Income from service recipients	Other income	Total fees, charges and other service income	Service Segment	Income from service recipients	Other income	Total fees, charges and other service income
£000	£000	£000		£000	£000	£000
(1,571)	(527)	(2,098)	Legal & Governance Services	(5,174)	(570)	(5,744)
(357)	0	(357)	Public Health	(568)	0	(568)
0	0	0	Directorate Management	0	0	0
(6,745)	3	(6,742)	Education and Inclusion	(6,927)	0	(6,927)
(1,034)	0	(1,034)	Children and Young People's Services	(1,949)	0	(1,949)
(29,340)	0	(29,340)	Adult Services & Housing	(39,942)	0	(39,942)
(1,325)	(230)	(1,555)	Human Resources	(866)	(42)	(908)
(2,644)	(53)	(2,697)	Business, Investment & Culture	(3,674)	(90)	(3,764)
(8,158)	(717)	(8,875)	Transportation & Highways	(8,256)	(4,261)	(12,517)
(17,691)	0	(17,691)	Streetscene & Regulatory Services	(15,433)	0	(15,433)
(1,348)	(42)	(1,390)	Project Management and Property Services	(1,455)	(32)	(1,487)
(1,541)	(80)	(1,621)	Finance & Corporate Services	(1,259)	(125)	(1,384)
(7,736)	(2,223)	(9,959)	Contingency and Central Budgets	(8,902)	(1,587)	(10,489)
<b>(79,490)</b>	<b>(3,869)</b>	<b>(83,359)</b>	<b>Total</b>	<b>(94,405)</b>	<b>(6,707)</b>	<b>(101,112)</b>



### 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 £2m.

2022/23*	Grant / Grant Body	2023/24
£000		£000
1,137	A45 Overbridge - Eastern Green	13,715
16,082	Basic Need Allocation (school places)	12,037
0	Social Housing Decarbonisation Fund Wave 2	9,650
4,082	Disabled Facilities Grant	5,998
4,982	Highways Maintenance Block	5,502
9,098	Air Quality Feasibility Studies	5,075
0	Local Authority Housing Fund	4,871
3,762	City Region Sustainable Transport Settlement (CRSTS)	4,608
3,378	Capital Maintenance Grant	3,817
3,900	Coventry Centre Regeneration	3,490
1,257	Onstreet Residential Chargepoint Scheme	3,134
152	Active Travel Fund 3	2,634
21,508	Friargate Masterplan Regeneration Project	2,472
1,726	Contribution - Citizen Housing	2,139
13,196	Housing Infrastructure Fund	0
6,542	UK Central plus Connectivity	36
5,857	Better Streets / Spon End Pinchpoint / Binley Road Cycle Scheme – Transforming Cities Fund	491
2,839	Integrated Transport Block	1,879
11,126	Other Grants & Contributions	10,785
<b>110,624</b>	<b>Total</b>	<b>92,333</b>

\* 2022/23 figures have been restated to reflect updated grant categories.

### 3.8 Analysis of Revenue Grants

The following table provides an analysis of revenue grant income, separately identifying all grants with a value above £2m.

2022/23* £000	Grant	2023/24 £000
173,605	Dedicated schools grant**	184,649
76,435	Housing Benefits	79,460
16,250	Social Care Grant	27,685
23,205	Dept of Health - Public Health	23,962
15,787	Improved Better Care Fund	15,787
23,865	Better Care Fund	14,785
6,089	Business Rates Multiplier Cap	13,735
6,126	Retail and Hospitality Business Rates Relief Compensation	8,572
7,904	Pupil Premium - Free School Meals	8,387
8,399	Small Business Rates Relief Compensation	7,211
6,560	Household Support Fund	6,629
1,047	Market sustainability and fair cost of care	5,991
5,059	Adult Education Budget (WMCA)	5,447
4,990	Private Finance Initiative - Street Lighting	4,990
2,749	Unaccompanied Asylum Seeking Children	3,823
5,574	Services Grant	3,270
2,534	Schools Supplementary Grant	3,119
1,300	NHS Coventry Grants & Contributions	3,112
2,449	Universal Free School Meals	2,951
1,548	Grant for Migration Project A (TBD)	2,942
0	Transitional Relief for small & med properties	2,284
1,293	Adult Social Care Discharge Fund	2,213
128	New Burdens - General and other misc. support (DfE)	2,075
9,114	Covid-19 Additional Relief Fund (CARF)	-137
3,826	Homes for Ukraine	1,335
2,323	Independent Living Fund	0
2,185	New Homes Bonus	1,492
50,579	Other Grants and Contributions	48,105
<b>460,923</b>	<b>Total</b>	<b>483,874</b>

\*2022/23 figures have been restated to reflect updated grant categories.

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

### 3.9 Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency, the Dedicated Schools Grant (DSG). DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the school Finance and Early Years (England) regulations 2017. The Schools Budget includes

elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2023/24 are as follows:

Notes	Schools Budget Funded by Dedicated Schools Grant	Central Expenditure £000	Individual Schools Budget £000	Total £000
A	Final DSG for 2023/24 before academy and high needs recoupment			389,741
B	Academy and high needs figure recouped for 2023/24			(202,668)
C	<b>Total DSG after academy and high needs recoupment for 2023/24</b>			<b>187,073</b>
D	Plus: Brought forward from 2022/23			10,237
E	Less: Carry-forward to 2024/25 agreed in advance			(9,920)
F	<b>Agreed initial budgeted distribution in 2023/24</b>	<b>58,436</b>	<b>128,954</b>	<b>187,390</b>
G	In year adjustments	0	73	73
H	<b>Final budget distribution for 2023/24</b>	<b>58,436</b>	<b>129,027</b>	<b>187,463</b>
I	Less: Actual central expenditure	54,224		54,224
J	Less: Actual ISB deployed to schools		129,027	129,027
K	Plus: Local authority contribution for 2023/24			0
L	<b>In Year Carry-forward to 2024/25</b>	<b>4,212</b>	<b>0</b>	<b>4,212</b>
M	Plus/Minus: Carry-forward to 2024/25 agreed in advance			994
N	Carry-forward to 2024/25			14,205
O	DSG unusable reserve at the end of 2022/23			0
P	Addition to DSG unusable reserve at the end of 2023/24			0
Q	Total of DSG unusable reserve at the end of 2023/24			0
R	<b>Net DSG position at the end of 2023/24</b>			<b>14,205</b>

## Notes

A: Final DSG figure before any amount has been recouped from the authority as published in March 2024, excluding the January 2023 early years block adjustment.

B: Figure recouped from the authority in 2023/24 by the DfE for the conversion of maintained schools into academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoument for 2023/24, as published March 2024.

D: Balance brought forward from 2022/23.

E: The amount which the authority decided after consultation with the Schools Forum to carry forward to 2024/25 rather than distribute in 2023/24.

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 2023/24.

J: Amount of ISB actually distributed to schools in 2023/24 (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 2023/24 which will have the effect of substituting for DSG in funding the Schools Budget.

L: Carry forward to 2024/25.

M: Carry forward to 2024/25.

N: Carry forward to 2024/25 (before any unusable reserve brought forward).

O: DSG unusable reserve adjusted at the end of 2022/23.

P: Addition to DSG unusable reserve at the end of 2023/24.

Q: Total of DSG unusable reserve at the end of 2023/24.

R: Net DSG position at the end of 2023/24

### 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 2022/23				Key Management Personnel & Members Related Parties	Transactions with Related Party 2023/24				Nature of relationship
Expenditure	Liabilities	Income	Assets	Related Party	Expenditure	Liabilities	Income	Assets	
£	£	£	£		£	£	£	£	
542,502	(25,376)	(1,216,033)	9,248,309	Coombe Abbey Park Limited	21,224	(23,960)	(1,411,114)	9,020,791	Subsidiary - second tier
5,991,516	0	(158,766)	11,687,763	Sherbourne Recycling Ltd	3,344,159	(35,195)	(533,176)	14,037,303	Associate
6,151,957	(1,037,083)	(9,242,493)	9,124,223	The Coventry And Solihull Waste Disposal Company	8,311,985	(1,140,732)	(8,286,514)	7,809,709	Joint Venture
8,686,558	(188,827)	(1,718,561)	1,270,750	Tom White Waste Ltd	4,763,192	(179,773)	(1,551,734)	1,488,429	Subsidiary - second tier
500,000	0	(644,376)	16,449,787	UK Battery Industrialisation Centre Ltd	0	0	(353,408)	13,618,286	Subsidiary - first tier
17,696,337	(60,055)	(57,493,312)	23,227,649	West Midlands Combined Authority	17,250,906	(842,436)	(30,008,063)	20,418,649	Board Member

#### **Central Government**

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

#### **Other Public Bodies**

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

- Pension payments are made to the West Midlands Metropolitan Authorities Pension Fund, The Teachers' Pension Agency. Further details are included in section 3.30.
- 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 3.38).
- Levy payments are made to the Environment Agency.
- The Council has a pooled budget arrangement with Coventry and Warwickshire Integrated Care Board to operate a Better Care Fund (BCF). Transactions and balances are detailed in section 3.11.

### 3.11 Pooled Budgets – 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. This was established under Section 75 of the NHS Act 2006 with the purpose of further integrating the health and social care services within Coventry. There are a number of separate work-streams within the BCF pooled budget arrangement. These work-streams, together with the respective contributions from the two partner organisations and an analysis of the expenditure made by the City Council, are outlined in the table below. The City Council's expenditure is analysed according to the nature of the resourcing and decision making involved.

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

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.

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 2022/23 Workstreams	Coventry City Council	ICB	Total	Coventry City Council	Coventry City Council	Coventry City Council	Coventry City Council
	Contribution	Contribution	Contribution	Expenditure Internal	Expenditure Lead Commissioner	Expenditure Shared	Expenditure Total
	£000	£000	£000	£000	£000	£000	£000
Urgent Care	0	(7,226)	(7,226)	0	0	0	0
Out of Hospital & Nursing Care	(10,334)	(39,128)	(49,462)	10,334	0	0	10,334
Voluntary Sector Review	(1,413)	(943)	(2,356)	1,390	0	0	1,390
Community Support Services	(1,986)	(2,773)	(4,759)	849	0	1,028	1,877
Reablement / Discharge to Assess	(5,360)	(3,716)	(9,076)	4,152	1,299	0	5,451
Dementia	(8,318)	(3,701)	(12,019)	8,318	0	0	8,318
Care Act Implementation	(414)	(775)	(1,189)	0	832	0	832
Disabled Facility Grants	(8,186)	0	(8,186)	4,053	0	0	4,053
Protecting Social Care	(15,977)	(8,370)	(24,347)	15,959	8,370	0	24,329
Integrating Commissioning	(64)	0	(64)	67	0	0	67
Whole System Prevention	(238)	0	(238)	245	0	0	245
Mental Health Resource Centre	(16)	(209)	(225)	0	0	205	205
LD Homes	(1,691)	(1,522)	(3,213)	0	0	3,025	3,025
LD Compact	(128)	(312)	(440)	0	0	306	306
Winter Pressures	(2,323)	0	(2,323)	1,824	0	0	1,824
Development Fund	(7,203)	(2,000)	(9,203)	0	0	171	171
Population Health Management (PHM)	(1,500)	0	(1,500)	0	0	0	0
Improving Lives	(4,000)	(3,000)	(7,000)	73	0	0	73
Discharge Fund	(1,293)	(2,616)	(3,909)	1,116	0	0	1,116
Autism Diagnosis	0	(5,000)	(5,000)	0	0	0	0
<b>Total</b>	<b>(70,444)</b>	<b>(81,291)</b>	<b>(151,735)</b>	<b>48,380</b>	<b>10,501</b>	<b>4,735</b>	<b>63,616</b>

### 3.12 External Audit Costs

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

2022/23 £000	Audit Fees	2023/24 £000
144	Fees payable to the appointed auditors in respect of statutory external audit services	485
	Fees payable in respect of any other services provided by the external auditor:	
70	Housing Benefit grant certification	143
7	Teachers Pension certification	13
<b>221</b>	<b>Total Fees</b>	<b>641</b>

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



### 3.13 Usable and Unusable Reserves

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

#### Usable Reserves

Usable Reserves	31st March 2022 *restated £000	Contributions from *restated £000	Contributions to *restated £000	31st March 2023 *restated £000	Contributions from £000	Contributions to £000	31st March 2024 £000
<b>General Fund Balance - Uncommitted **</b>	<b>(10,277)</b>	<b>0</b>	<b>0</b>	<b>(10,277)</b>	<b>0</b>	<b>0</b>	<b>(10,277)</b>
<b>Earmarked Revenue Reserves:</b>							
Schools Reserves (specific to individual schools)	(25,296)	1,883	0	(23,413)	0	(580)	(23,993)
Schools Reserves (retained centrally)	(5,927)	1,849	(6,159)	(10,237)	12,420	(16,388)	(14,205)
<b>Total Schools Reserves</b>	<b>(31,223)</b>	<b>3,732</b>	<b>(6,159)</b>	<b>(33,650)</b>	<b>12,420</b>	<b>(16,968)</b>	<b>(38,198)</b>
Adult Social Care	(29,179)	10,203	(13,176)	(32,152)	49,548	(37,966)	(20,570)
Budget Risk Contingency	(2,939)	0	(2,916)	(5,855)	0	(2,623)	(8,478)
Early Retirement and Voluntary Redundancy	(9,323)	2,082	0	(7,241)	0	0	(7,241)
Private Finance Initiatives	(9,626)	2,321	(803)	(8,108)	22,208	(20,830)	(6,730)
Management of Capital	(3,410)	676	(3,589)	(6,323)	6,560	(6,040)	(5,803)
Reset and Recovery	(5,467)	0	0	(5,467)	0	0	(5,467)
Business Rates Income Reserve	(7,735)	4,302	0	(3,433)	1,135	(2,728)	(5,026)
Innovation and Development Fund	(5,499)	431	0	(5,068)	804	0	(4,264)
Public Health	(2,470)	2,930	(4,238)	(3,778)	4,681	(4,929)	(4,026)
Corporate Priorities - Historic Outturn Underspend	(8,699)	5,705	0	(2,994)	0	0	(2,994)
Covid-19 Government Funding	(10,981)	6,721	0	(4,260)	1,756	0	(2,504)
Commercial Developments	(3,348)	666	0	(2,682)	209	0	(2,473)
Air Quality Early Measures	(4,233)	312	0	(3,921)	5,708	(4,162)	(2,375)
Refugee Resettlement Programme	(561)	1,376	(1,434)	(619)	861	(2,583)	(2,341)
Friargate Lifecycle	(1,595)	0	0	(1,595)	1,595	(1,594)	(1,594)
ICT Operational	(261)	261	(510)	(510)	510	(1,526)	(1,526)
Homes for Ukraine	0	9	(2,539)	(2,530)	7,014	(5,759)	(1,275)
Adult Education Income	(1,087)	0	(5)	(1,092)	1,092	(1,191)	(1,191)
Housing Enforcement	0	26	(616)	(590)	590	(1,167)	(1,167)
City of Culture & Commonwealth Games Readiness Legac	(4,983)	5,520	(1,937)	(1,400)	1,607	(1,332)	(1,125)
Corporate Property Management	(1,369)	1,600	(1,050)	(819)	819	(1,019)	(1,019)
Insurance Fund	(1,496)	1,311	(878)	(1,063)	2,429	(2,289)	(923)
Covid Business Rates Relief	(18,635)	18,635	0	0	0	0	0
Children's Social Care Family Valued Programme	(1,229)	1,316	(731)	(644)	644	0	0
Other Corporate *	(4,843)	1,493	(110)	(3,460)	0	(1,186)	(4,646)
Other Directorate	(12,593)	8,462	(7,916)	(12,047)	18,660	(19,273)	(12,660)
<b>Revenue Earmarked Reserves (Non-School)</b>	<b>(151,561)</b>	<b>76,358</b>	<b>(42,448)</b>	<b>(117,651)</b>	<b>128,430</b>	<b>(118,197)</b>	<b>(107,418)</b>
<b>Total Revenue Earmarked Reserves</b>	<b>(182,784)</b>	<b>80,090</b>	<b>(48,607)</b>	<b>(151,301)</b>	<b>140,850</b>	<b>(135,165)</b>	<b>(145,616)</b>
<b>Other Usable Reserves:</b>							
Usable Capital Receipts Reserve	(20,825)	45,629	(43,427)	(18,623)	17,593	(10,703)	(11,733)
Capital Grant Unapplied Account	(5,469)	5,514	(5,790)	(5,745)	6,008	(4,457)	(4,194)
<b>Total Other Usable Reserves</b>	<b>(26,294)</b>	<b>51,143</b>	<b>(49,217)</b>	<b>(24,368)</b>	<b>23,601</b>	<b>(15,160)</b>	<b>(15,927)</b>
<b>Total Usable Reserves</b>	<b>(219,355)</b>	<b>131,233</b>	<b>(97,824)</b>	<b>(185,946)</b>	<b>164,451</b>	<b>(150,325)</b>	<b>(171,820)</b>

\* These figures have been restated to reflect updated reserve categories.

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

## Unusable Reserves

2022/23 (Restated)			Category of Reserve Movement	2023/24		
Capital Adjustment Account [CAA] £000	Revaluation Reserve [RR] £000	CAA & RR Combined £000		Capital Adjustment Account [CAA] £000	Revaluation Reserve [RR] £000	CAA & RR Combined £000
<b>(767,106)</b>	<b>(191,180)</b>	<b>(958,286)</b>	<b>Opening Balance</b>	<b>(828,402)</b>	<b>(237,345)</b>	<b>(1,065,747)</b>
30,965	0	30,965	Depreciation	36,081	0	36,081
22,296	0	22,296	Derecognitions	25,146	0	25,146
(1,295)	(53,761)	(55,056)	Revaluations	11,854	(59,971)	(48,117)
(13,843)	0	(13,843)	Investment Property Revaluations	20,262	0	20,262
931	0	931	Intangibles	638	0	638
(110,348)	0	(110,348)	Capital grants and contributions applied	(93,884)	0	(93,884)
42,084	0	42,084	REFCUS	44,564	0	44,564
(15,154)	0	(15,154)	Capital receipts applied	(8,687)	0	(8,687)
12,660	0	12,660	Disposal of Assets	488	0	488
769	0	769	Capital Loans: Repayments Received	1,108	0	1,108
(590)	0	(590)	Management of Capital Reserve	(232)	0	(232)
(1,708)	0	(1,708)	CERA	(309)	0	(309)
(1,632)	0	(1,632)	Capitalised Debt: Repayments Made	(1,796)	0	(1,796)
(7,596)	7,596	0	Amounts written out of the Revaluations Reserve	(13,800)	13,800	0
(17,383)	0	(17,383)	Revenue provision for the Repayment of Debt	(18,036)	0	(18,036)
(107)	0	(107)	Donated Assets (PFI)	(1,700)	0	(1,700)
(52)	0	(52)	Impairment of Financial Assets	71	0	71
(1,094)	0	(1,094)	Revaluation of Financial Assets	(151)	0	(151)
(199)	0	(199)	Other Gains and Losses	(218)	0	(218)
<b>(828,402)</b>	<b>(237,345)</b>	<b>(1,065,747)</b>	<b>Closing Balance</b>	<b>(827,003)</b>	<b>(283,516)</b>	<b>(1,110,519)</b>

\* The 2022/23 figures for these lines have been restated to provide the split between loan and debt repayments.

### **Capital Adjustment Account**

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

### **Revaluation Reserve**

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

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

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

### **Deferred Capital Receipts Reserve**

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

transferred to the Usable Capital Receipts Reserve.

### **Financial Instruments Adjustment Account**

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

### **Financial Instruments Revaluation Reserve**

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

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

### **Collection Fund Adjustment Account**

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

### **Pension Reserve**

This reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. A breakdown of the movements in this reserve is provided in section 3.31.

### **Accumulated Absences Account**

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

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

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

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

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

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

2022/23	Adjustments made to Comprehensive Income and Expenditure Statement (CIES)	2023/24
£000		£000
	<b>Reversal of items debited or credited to the CIES</b>	
	<b>Usable Reserves</b>	
<b>276</b>	<b>Capital grants &amp; contributions unapplied movement to the CIES</b>	<b>(1,551)</b>
	<b>Unusable Reserves</b>	
(30,965)	Charges for depreciation non-current assets	(36,081)
(22,038)	Charges for derecognition of non-current assets	(24,876)
15,139	Revaluation of Property, Plant & Equipment and Assets Held for sale	(32,115)
(931)	Amortisation of intangible assets	(638)
110,348	Capital grants and contributions applied	93,884
(42,084)	Revenue expenditure funded from capital under statute	(44,564)
390	Movement in Debt Redemption Premia	391
623	Reversal of impact of Soft Loans and Stepped Loan on the General Fund Balance, in line with statutory requirements	210
(59,639)	Retirement benefit Adjustment Account debited or credited to the CIES	1,074
13,671	Collection Fund Adjustment Account (difference between amount credited to CIES & tax income for the year)	(1,164)
(561)	Accumulated Absences Account (difference between remuneration charged to the CIES and remuneration paid for the year)	1,733
(477)	Loss on Disposal funded from Capital Receipts	201
(258)	Rescheduling of Finance Lease Repayments	(270)
107	Movement in Donated Assets	1,700
52	Loss on Impairment of Debtors	(71)
(3,050)	(Gain)/Loss on Revaluation of Fair Value through P&L Financial Instruments	(302)
(4)	Movement in Deferred Capital Receipts	(6)
17,383	Statutory provision for the financing of capital investment	18,036
1,831	Repayment of Transferred Debt Principal	2,014
2,298	Capital expenditure charged against the General Fund balance.	541
<b>1,835</b>	<b>Sub Total of adjustments affecting Unusable Reserves</b>	<b>(20,303)</b>
<b>2,111</b>	<b>Total Adjustments</b>	<b>(21,854)</b>

### 3.15 Property, Plant and Equipment

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

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

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

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

	Other Land & Buildings	Vehicles, Plant & Equip't	Community Assets	Surplus Assets	Under Construction	Total (excluding Infrastructure Assets)
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
<b>01 April 2022</b>	<b>580,731</b>	<b>42,460</b>	<b>16,511</b>	<b>25,059</b>	<b>23,732</b>	<b>688,493</b>
Additions	20,276	5,712	1,422	0	43,669	71,079
Revaluation increase/(decrease)	31,581	0	0	(1,016)	0	30,565
Disposals	0	(1,620)	0	0	0	(1,620)
Derecognition	(18,117)	(125)	(83)	0	(3,564)	(21,889)
Reclassifications	29	0	0	(10,979)	10,950	0
<b>31 March 2023</b>	<b>614,500</b>	<b>46,427</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>766,628</b>
<b>Depreciation and Impairment</b>						
<b>01 April 2022</b>	<b>16,078</b>	<b>28,209</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,287</b>
Depreciation Charge	18,144	3,083	0	0	0	21,227
Disposals	0	(1,223)	0	0	0	(1,223)
Derecognition	(450)	0	0	0	0	(450)
Depreciation written out on revaluation	(24,492)	0	0	0	0	(24,492)
Impairment Losses/reversals recognised in Revaluation Reserve	0	0	0	0	0	0
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
<b>31 March 2023</b>	<b>9,280</b>	<b>30,069</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,349</b>
<b>Net Book Value</b>						
<b>31 March 2023</b>	<b>605,220</b>	<b>16,358</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>727,279</b>
<b>01 April 2022</b>	<b>564,653</b>	<b>14,251</b>	<b>16,511</b>	<b>25,059</b>	<b>23,732</b>	<b>644,206</b>

The following table provides the Infrastructure Asset balances and movements during 2023/24 and the previous year.

	Infrastructure Assets 2022/23 £000	Infrastructure Assets 2023/24 £000
<b>Net book value</b>		
<b>Opening Balance</b>	<b>387,309</b>	<b>402,916</b>
Additions	25,449	22,453
Depreciation Charge	(9,738)	(10,538)
Disposals	0	0
Derecognition	(104)	(665)
Reclassification	0	0
<b>Closing Balance</b>	<b>402,916</b>	<b>414,166</b>

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

	Total (excluding Infrastructure Assets) £000	Infrastructure Assets £000	Total Property, Plant and Equipment £000
<b>Net book value</b>			
<b>31st March 2024</b>	<b>769,050</b>	<b>414,166</b>	<b>1,183,216</b>
<b>31st March 2023</b>	<b>727,279</b>	<b>402,916</b>	<b>1,130,195</b>
<b>31st March 2022</b>	<b>644,206</b>	<b>387,309</b>	<b>1,031,515</b>

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

### 3.16 Heritage Assets

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

Heritage assets that have been included in the financial statements at valuation are based on external or internal insurance valuations. These valuations were last updated in 2007 and have not been reassessed during 2023/24 because the cost of carrying this out is considered to outweigh the benefits to users of the financial statements. As such, any change in the amounts recognised

reflect additions or disposals rather than revaluations.

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

Type of Heritage Assets	31 March 2023 £000	31 March 2024 £000
Transport Museum Collection	6,933	7,684
Scientific	20	20
Clocks	265	265
Arms & Armour	35	35
Textiles	5,035	5,060
Silver	375	375
General	132	192
Natural History	40	40
Works of Art	232	444
Furniture	140	140
Visual Arts	12,438	12,946
Civic Regalia	248	248
<b>Total</b>	<b>25,893</b>	<b>27,449</b>



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

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

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

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

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

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

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

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

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

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

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

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



### 3.17 Non-Operational Assets

The tables below show the movement in the City Council's Non-Operational Assets during 2023/24, followed by comparative movements for the previous year.

	Investment Property £000	Assets Held for Sale £000	Heritage Assets £000	Total £000
<b>01 April 2023</b>	<b>322,956</b>	<b>295</b>	<b>25,893</b>	<b>349,144</b>
Additions	11	0	1,556	1,567
Revaluation increase/(decrease)	(20,261)	25	0	(20,236)
Disposals	(413)	0	0	(413)
Derecognition	0	0	0	0
Reclassifications	(484)	(320)	0	(804)
<b>31 March 2024</b>	<b>301,809</b>	<b>0</b>	<b>27,449</b>	<b>329,258</b>
<b>01 April 2022</b>	<b>321,084</b>	<b>1,073</b>	<b>25,893</b>	<b>348,050</b>
Additions	8	0	0	8
Revaluation increase/(decrease)	13,843	0	0	13,843
Disposals	(11,484)	(778)	0	(12,262)
Derecognition	(495)	0	0	(495)
Reclassifications	0	0	0	0
<b>31 March 2023</b>	<b>322,956</b>	<b>295</b>	<b>25,893</b>	<b>349,144</b>

There are some property interests held under operating leases 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. These are all valued at Level 2 of the fair value hierarchy.

Type of Investment Property	31 March 2023 £000	31 March 2024 £000
Commercial	183,306	169,658
Office Units	22,967	20,749
Agricultural	3,251	2,912
Residential	110,462	106,445
Other	2,970	2,045
<b>Total</b>	<b>322,956</b>	<b>301,809</b>

### 3.18 Capital Expenditure and Capital Financing

The table below shows how capital expenditure was financed in 2023/24 and in the previous year.

2022/23		2023/24
£000		£000
<b>513,625</b>	Opening Capital Financing Requirement	<b>514,074</b>
	<b>Capital Investment including Donations</b>	
96,528	Property, Plant and Equipment	65,157
8	Non-Operational Assets	1,567
931	Intangible Assets	638
42,084	Revenue Expenditure Funded from Capital Under Statute	44,564
0	Investments	0
7,305	Debtors	5,414
<b>146,856</b>	<b>Total Capital Investment</b>	<b>117,340</b>
	<b>Sources of Finance</b>	
(15,154)	Capital Receipts	(8,687)
(110,348)	Government Grants and Other Contributions	(93,884)
(2,298)	Revenue Contributions	(541)
(17,383)	Revenue Provision for Debt Repayment	(18,036)
(163)	Donated Assets	(2,077)
(1,061)	Other Adjustments	(3,065)
<b>(146,407)</b>	<b>Total from Sources of Finance</b>	<b>(126,290)</b>
<b>514,074</b>	<b>Closing Capital Financing Requirement</b>	<b>505,124</b>
	<b>Explanation of movement in year</b>	
(17,383)	Revenue Provision for Debt Repayment	(18,036)
(863)	Repayment of Transferred Debt Principal	(1,796)
18,893	Capital Investment funded by borrowing	11,100
(198)	Restatement of Historic Debt Liability	(218)
<b>449</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>(8,950)</b>

### 3.19 Revaluation of Property, Plant and Equipment

The following statement shows the total value of the revaluations carried out in the financial years 2019/20 to 2023/24. The effective date of each revaluation is the date that the revaluation was produced.

Year of revaluation	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at Historical Cost	0	15,338	414,166	17,884	0	49,423	496,811
Valued at current value as at:							
31st March 2020	1,308	0	0	0	0	0	1,308
31st March 2021	23,813	0	0	0	0	0	23,813
31st March 2022	6,963	0	0	0	0	0	6,963
31st March 2023	22,687	0	0	0	43	0	22,730
31st March 2024	623,712	0	0	0	7,879	0	631,591
<b>Total Cost or Valuation</b>	<b>678,483</b>	<b>15,338</b>	<b>414,166</b>	<b>17,884</b>	<b>7,922</b>	<b>49,423</b>	<b>1,183,216</b>

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

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

### 3.20 Capital Commitments

As at 31st March 2024, the authority has entered into a number of contracts for the construction and enhancement of property, plant and equipment in 2023/24 and future years budgeting costs at £23.3m. Similar commitments at 31st March 2023 were £9.6m.

The major capital commitments as at 31st March 2024 are listed below:

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

### 3.21 Long Term Investments

The City Council has long term investments in a number of companies. Details of the investments are shown below and further details of the companies are shown in section 3.35 Associated Company Interests & Holdings.

31st March 2023 £000	Long Term Investments	31st March 2024 £000
72,100	The Coventry and Solihull Waste Disposal Company Limited	68,000
33,515	Birmingham Airport Holdings Limited	36,663
11,868	Coventry Municipal Holdings Limited	9,557
2,790	Friargate Joint Venture Project Limited	2,236
2,045	Sherbourne Recycling Limited	0
0	UK Battery Industrialisation Centre Ltd	0
0	University of Warwick Science Park Innovation Centre Limited	0
<b>122,318</b>	<b>Total</b>	<b>116,456</b>

A valuation exercise undertaken jointly with BDO LLP in 2023 valued the Council's shareholding in the Coventry and Solihull Waste Disposal Company at £72.1m. A subsequent valuation exercise in 2024 again undertaken jointly with BDO LLP resulted in a reduced valuation of £68.0m.

A valuation exercise undertaken by BDO LLP in 2023 valued the Council's shareholding in Birmingham Airport Holdings Limited at £33.5m. A subsequent valuation in 2024 undertaken jointly with BDO LLP resulted in an increased valuation of £36.7m.

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

The Council values CTR 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 by RSM in 2023 valued the Council's shareholding in TWW at £7.9m. A subsequent valuation in 2024 undertaken jointly with Azets resulted in a reduced valuation of £6.6m.

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 by RSM in 2023 valued the Council's shareholding in CAPL at £1.1m. A subsequent valuation in 2023 undertaken jointly with Azets resulted in a reduced valuation of £0.1m.

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 2024 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 RSM in 2023 valued the Council's shareholding in FJVP at £2.8m. A subsequent valuation in 2024 undertaken by Mazars has resulted in a reduced valuation of £2.2m.

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. These conclusions remain valid at the reporting date.

See the note on Associated Company Interests & Holdings for details of the Council's investment in North Coventry Holdings Limited

and further details regarding 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 2023		31st March 2024		
Long Term Debtors		Gross Debtor	Impairment	Net Debtor
Held at amortised cost:		£000	£000	£000
£000				
11,688	Sherbourne Recycling Loan (Mixed Recycling Facility)	14,037	0	14,037
13,041	UKBIC Indemnity & Guarantee	13,889	(609)	13,280
11,558	Student Accommodation Finance Leases	12,695	(71)	12,624
6,138	Friargate LLP Loan	6,477	(25)	6,452
4,081	The Oaks Finance Leases	4,078	0	4,078
3,786	Belgrade Plaza Finance Lease	3,786	0	3,786
3,771	Coombe Abbey Park Loan Facility A (2021)	3,692	(97)	3,595
3,647	City College Car Park	3,533	(9)	3,524
3,495	Coventry and Solihull Waste Disposal Company Finance Lease	3,460	0	3,460
2,932	Coombe Abbey Park Loan Facility B (2021)	2,870	(75)	2,795
0	Friargate Hotel Development Loan	2,374	0	2,374
761	Coventry and Warwickshire Reinvestment Trust Duplex Facility	2,000	(9)	1,991
1,322	Torrington Avenue Finance Lease	1,321	0	1,321
1,054	Science Park Debentures	1,066	(12)	1,054
1,023	Coventry and Warwickshire Award Trust Loan (2018)	994	(2)	992
894	Coombe Abbey Park Loan Facility (2019)	658	(37)	621
309	UKBIC Cashflow loan (2022)	225	(16)	209
533	Tom White Waste (Materials Recycling Facility) loan	199	(19)	180
0	Residential Property Debts - post Care Act 2014	139	0	139
395	CBILS-Duplex Loan	133	(5)	128
166	Belgrade Theatre Loan	110	0	110
174	Coventry and Warwickshire Reinvestment Trust Recovery Growth Fund	106	(2)	104
80	Residential Property Debts - pre Care Act 2014	80	0	80
67	Housing Loans	67	0	67
0	Destination Management Office Budget Contribution	49	0	49
41	Mortgages	14	0	14
929	Shearer Property C (Cathedral Lanes Loan)	0	0	0
253	Coventry and Warwickshire Reinvestment Trust Coronavirus Business Interruption Scheme Loans	0	0	0
5	Coventry Regeneration Limited (Cashflow Assistance Loan)	0	0	0
<b>72,143</b>	<b>Total held at amortised cost</b>	<b>78,052</b>	<b>(988)</b>	<b>77,064</b>
<b>31st March 2023</b>		<b>31st March 2024</b>		
Held at fair value:		Gross Debtor	Revaluation	Net Debtor
£000		£000	£000	£000
3,036	Kickstart	988	1,796	2,784
891	Pathways to Care Loans	605	235	840
<b>3,927</b>	<b>Total held at fair value through profit and loss</b>	<b>1,593</b>	<b>2,031</b>	<b>3,624</b>
<b>76,070</b>	<b>Total Long Term Debtors</b>	<b>79,645</b>	<b>1,043</b>	<b>80,688</b>



### 3.23 Short Term Debtors

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

31st March 2023				Debtors Classification	31st March 2024			
Debtor	Payment In Advance	Impairment Allowance	Total		Debtor	Payment In Advance	Impairment Allowance	Total
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
17,566	0	(9)	<b>17,557</b>	Central Government Bodies	10,730	0	0	<b>10,730</b>
19,146	0	0	<b>19,146</b>	Other Local Authorities	15,607	0	0	<b>15,607</b>
12,273	0	0	<b>12,273</b>	NHS Bodies	3,043	0	0	<b>3,043</b>
72	0	0	<b>72</b>	Public Corporations	(15)	0	0	<b>(15)</b>
42,980	12,273	(16,694)	<b>38,559</b>	All Other Bodies	48,354	12,762	(17,209)	<b>43,907</b>
28,782	0	(16,504)	<b>12,278</b>	Debts Relating to Local Taxation	37,166	0	(20,576)	<b>16,590</b>
<b>120,819</b>	<b>12,273</b>	<b>(33,207)</b>	<b>99,885</b>	<b>Total Debtors</b>	<b>114,885</b>	<b>12,762</b>	<b>(37,785)</b>	<b>89,862</b>

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 2023			Debts Relating to Local Tax	31st March 2024		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000s	£000s	£000s		£000s	£000s	£000s
5,545	1,801	7,346	Less than one year	6,707	3,950	10,657
1,773	737	2,510	1-2 years	1,913	858	2,771
1,878	309	2,187	2-6 years	2,365	502	2,867
235	0	235	More than 6 years	295	0	295
<b>9,431</b>	<b>2,847</b>	<b>12,278</b>	<b>Total</b>	<b>11,280</b>	<b>5,310</b>	<b>16,590</b>

### 3.24 Short Term Creditors

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

31st March 2023			Creditors Classification	31st March 2024		
Creditors £000s	Receipts in Advance £000s	Total £000s		Creditors £000s	Receipts in Advance £000s	Total £000s
(12,420)	(16,953)	(29,373)	Central Government Bodies	(13,670)	(4,093)	(17,763)
(1,906)	(296)	(2,202)	Other Local Authorities	(1,879)	(557)	(2,436)
(7,483)	0	(7,483)	NHS Bodies	(3,766)	(19)	(3,785)
0	0	0	Public Corporations	0	0	0
(48,042)	(11,794)	(59,836)	All Other Bodies	(53,726)	(12,365)	(66,091)
(1,064)	(8,022)	(9,086)	Credits Relating to Local Taxation	(340)	(7,427)	(7,767)
<b>(70,915)</b>	<b>(37,065)</b>	<b>(107,980)</b>	<b>Total Creditors</b>	<b>(73,381)</b>	<b>(24,461)</b>	<b>(97,842)</b>

### 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 2023/24 is explained below:

Provisions	Self-Insurance	Business Rates Appeals	Total
	£000	£000	£000
<b>1st April 2023</b>	<b>(4,510)</b>	<b>(20,470)</b>	<b>(24,980)</b>
Increase in provision	0	(7,708)	(7,708)
Amounts used	144	3,176	3,320
Unused amounts reversed	0	1,424	1,424
<b>31st March 2024</b>	<b>(4,366)</b>	<b>(23,578)</b>	<b>(27,944)</b>

The split between short and long term provisions, as at 31st March 2024, is provided in the following table:

Provisions	Self-Insurance	Business Rates Appeals	Total
	£000	£000	£000
Short Term Provisions	0	(6,790)	<b>(6,790)</b>
Long Term Provisions	(4,366)	(16,788)	<b>(21,154)</b>
<b>Total</b>	<b>(4,366)</b>	<b>(23,578)</b>	<b>(27,944)</b>

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

The Local Government Finance Act 2012 introduced a business rates retention scheme that enables local authorities to retain a proportion of the business rates generated in their area. One of the implications for this is that the Council is required to make provisions for refunding ratepayers who successfully appeal against the rateable value of their properties including amounts relating to 2023/24 and earlier financial years, although the amount and timing of future payments are uncertain.

### 3.26 Other Funds

The City Council administers several funds that have been established from donations, contributions and bequests. The funds are set up to achieve specific objectives and are consolidated within the Council's accounts. The following table provides details of the balances held in these funds.

Other Funds	31st March 2023 £000	31st March 2024 £000
<b>Trust Funds:</b>		
Tenant Contributions	(1,370)	(1,351)
Social Services Client Funds	(162)	(134)
<b>Trust Funds Total</b>	<b>(1,532)</b>	<b>(1,485)</b>
Developer Contributions (e.g s106)	(24,593)	(24,816)
PFI refinancing gain	(999)	(1,074)
Other, including bequests and charity donations	(1,867)	(1,352)
<b>Overall Total</b>	<b>(28,991)</b>	<b>(28,727)</b>
<b>Of which:</b>		
Short Term Creditors	(10,781)	(11,514)
Other Long Term Liabilities	(18,210)	(17,213)

### 3.27 Notes to the Cash Flow

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

2022/23	Adjustments for Non Cash Movements	2023/24
£000		£000
(30,965)	Depreciation	(36,081)
(22,038)	Derecognition of non-current Assets	(24,876)
15,139	Revaluation of non-current assets	(32,115)
(931)	Amortisation	(638)
2,038	(Increase)/ Decrease in Impairment Provision for Bad Debts	(506)
4,044	(Increase)/ Decrease in Creditors and Provisions	1,345
(18,490)	Increase/ (Decrease) in Debtors	(2,701)
(98)	Increase/ (Decrease) in Inventory	56
(92,239)	Pension Liability	1,374
(6,216)	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services	1,377
<b>(149,756)</b>	<b>Total</b>	<b>(92,765)</b>

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

2022/23	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	2023/24
£000		£000
110,624	Net Application of grants to capital financing	92,333
24,903	Council Tax and NNDR Adjustments	(3,978)
<b>135,527</b>	<b>Total</b>	<b>88,355</b>

2022/23	Cash Flows from Investing Activities	2023/24
£000		£000
103,410	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	65,930
655,555	Purchase of Short Term and Long Term Investments	1,020,761
8,805	Other Payments for Investing Activities	5,414
(12,441)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(812)
(651,189)	Proceeds from Short Term and Long Term Investments	(1,017,286)
(112,650)	Other Receipts from Investing Activities	(94,551)
<b>(8,510)</b>	<b>Total</b>	<b>(20,544)</b>

2022/23 £000	Cash Flows from Financing Activities	2023/24 £000
20,917	Repayments of Short and Long Term Borrowing	28,932
2,956	Cash Payment for Reduction of outstanding liability relating to Finance Lease & on Bal Sheet PFI Contract	3,110
(26,061)	Cash Receipts of Short and Long Term Borrowing	(10,485)
(851)	Net Other Payment and Receipts for Financing Activities	912
(24,903)	Council Tax and NNDR Adjustments	3,978
<b>(27,942)</b>	<b>Total</b>	<b>26,447</b>

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

The cash flows for operating activities include the following items:

2022/23 £000	Cash Flows from Interest and Dividends	2023/24 £000
(6,289)	Interest received	(10,669)
19,553	Interest paid	19,642
(8,200)	Dividends received	(12,372)
<b>5,064</b>	<b>Total</b>	<b>(3,399)</b>

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

2022/23 £000	Breakdown of Cash and Cash Equivalents	2023/24 £000
(19)	Cash held by the council	(9)
(9,142)	Bank current accounts	(8,080)
(42,960)	On call deposits	(15,000)
<b>(52,121)</b>	<b>Total</b>	<b>(23,089)</b>

### 3.28 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.

These PFI arrangements have been classified and accounted for as 'service concessions' under IFRIC 12, recognising finance leases under IAS 17 'Leases'.

The Council's contracts under PFI arrangements are outlined in this disclosure note.

#### **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 2023/24 expenditure on unitary charge payments to the contractor was £3,953k, compared with £3,357k in 2022/23. In each of these years £1,875k of PFI grant was received, giving a net cost of £2,078k in 2023/24 (£1,482k in 2022/23). The school contribution was £761k in 2023/24 (£736k in 2022/23). The unitary charge is divided into three elements; service charge, repayment of the liability and interest.

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

Year	Service Charge £000	Repayment of Liability £000	Interest Charge £000	Contingent Rent £000	Total Unitary Charge £000
2024-25	1,625	697	488	416	<b>3,226</b>
2025-26 to 2028-29	7,714	2,430	1,529	1,524	<b>13,197</b>
2029-30 to 2033-34	9,802	3,800	979	2,785	<b>17,366</b>
2034-35	1,511	658	42	577	<b>2,788</b>
<b>Total</b>	<b>20,652</b>	<b>7,585</b>	<b>3,038</b>	<b>5,302</b>	<b>36,577</b>

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 within 2023/24 are shown in the tables below.

<b>Loans</b>	<b>£000</b>
<b>Liability brought forward</b>	<b>(8,235)</b>
Adjustment to brought forward position	650
Unitary Charge (Lease repayment)	0
<b>Liability carried forward (breakdown below)</b>	<b>(7,585)</b>
Long term liability	(6,934)
Current liability	(651)

### **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 2023/24 expenditure on unitary charge payments to the contractor was £8,395k, compared with £7,904k in 2022/23. 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:

<b>Year</b>	<b>Service Charge £000</b>	<b>Repayment of Liability £000</b>	<b>Interest Charge £000</b>	<b>Contingent Rent £000</b>	<b>Total Unitary Charge £000</b>
2024-25	5,419	1,313	925	878	<b>8,535</b>
2025-26 to 2028-29	26,387	4,457	2,915	2,676	<b>36,435</b>
2029-30 to 2032-33	22,728	5,509	3,288	944	<b>32,469</b>
<b>Total</b>	<b>54,534</b>	<b>11,279</b>	<b>7,128</b>	<b>4,498</b>	<b>77,439</b>

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 2023/24 are shown in the tables below.

<b>Operational Assets Other Land &amp; Buildings</b>	
<b>Long Term Loans</b>	<b>£000</b>
<b>Liability brought forward</b>	<b>(12,466)</b>
Unitary Charge (Lease repayment)	1,187
<b>Liability carried forward (breakdown below)</b>	<b>(11,279)</b>
Long term liability	(9,966)
Current liability	(1,313)

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 2023/24 expenditure on unitary charge payments to the contractor was £8,701k, compared with £8,177k in 2022/23. This unitary charge is divided into three elements; service charge, repayment of the liability and interest.

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

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



Year	Service Charge £000	Repayment of Liability £000	Interest Charge £000	Contingent Rent £000	Total Unitary Charge £000
2024-25	2,236	1,824	3,397	262	7,719
2025-26 to 2028-29	10,097	8,918	11,515	1,075	31,605
2029-30 to 2033-34	14,364	16,885	8,650	1,740	41,639
2034-35 to 2035-36	4,670	7,390	834	787	13,681
<b>Total</b>	<b>31,367</b>	<b>35,017</b>	<b>24,396</b>	<b>3,864</b>	<b>94,644</b>

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.

<b>Operational Assets - Infrastructure</b>	<b>£000</b>
<b>Long Term Loans</b>	<b>£000</b>
<b>Liability brought forward</b>	<b>(36,285)</b>
Liability to be recognised in year	0
Unitary Charge (Lease repayment)	1,272
<b>Liability carried forward (breakdown below)</b>	<b>(35,013)</b>
Long term liability	(33,189)
Current liability	(1,824)

<b>Donated Assets Account</b>	<b>£000</b>
<b>Donated Assets account brought forward</b>	<b>(1,876)</b>
Donated Assets recognised in year	(522)
Credited to Comprehensive Income & Expenditure account	144
<b>Donated Assets account carried forward</b>	<b>(2,254)</b>

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

## 3.29 Leases

### Authority as Lessee

#### Finance Leases

The Authority has acquired a number of properties, vehicles, plant and IT equipment under finance leases. The assets acquired under these leases are carried in the Balance Sheet at the following net amounts:

	31 March 2023 £000	31 March 2024 £000
Other Land and Buildings	2,065	2,065
Vehicles, Plant, Furniture and Equipment	0	0
	<b>2,065</b>	<b>2,065</b>

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2023 £000	31 March 2024 £000
Finance lease liabilities :		
- current	0	0
- non-current	0	0
Finance costs payable in future years	14,679	14,535
<b>Minimum Lease Payments</b>	<b>14,679</b>	<b>14,535</b>

The minimum lease payments will be payable over the following periods:

	31 March 2023 £000	31 March 2024 £000
Not later than one year	265	264
Later than one year and not later than five years	1,058	1,058
Later than five years	13,356	13,213
	<b>14,679</b>	<b>14,535</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 there were no contingent rents payable by the Authority.

### Operating Leases

The Authority also has a number of properties, vehicles, plant and IT equipment under operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2023 £000	31 March 2024 £000
Not later than one year	706	586
Later than one year and not later than five years	665	489
Later than five years	316	579
	<b>1,687</b>	<b>1,654</b>

### Authority as Lessor

#### Finance Leases

The Authority have gross investments in leases, made up of the minimum lease payments expected to be received over the remaining terms and the residual values anticipated for the properties when the leases come to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the properties acquired by the lessee and finance income that will be earned by the Authority in future years whilst the debtors remain outstanding.

The gross investments are made up of the following amounts:

	31 March 2023 £000	31 March 2024 £000
Finance lease debtor (net present value of minimum lease payments):		
- current	276	173
- non-current	28,965	28,878
Unearned finance income*	305,999	304,982
Unguaranteed residual value of property	0	0
<b>Gross Investment in the lease</b>	<b>335,240</b>	<b>334,033</b>

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	31 March 2023 £000	31 March 2024 £000
Not later than one year	1,206	1,091
Later than one year and not later than five years	4,368	4,368
Later than five years	329,666	328,574
	<b>335,240</b>	<b>334,033</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24, contingent rents receivable by the Authority totalled £299k.

### Operating Leases

The Authority leases out land and buildings to third parties under operating leases. The minimum lease payments receivable under non-cancellable leases in future years are:

	31 March 2023 £000	31 March 2024 £000
Not later than one year	11,663	12,154
Later than one year and not later than five years	39,996	41,508
Later than five years	319,970	305,125
<b>Total</b>	<b>371,629</b>	<b>358,787</b>

### 3.30 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 position changed significantly in 2023/24, the result being that the fund is in a surplus situation, compared a deficit in 2022/23. Further details on the pension assets and liabilities are provided in note 3.31.

#### **Officers**

In 2023/24 the City Council made payments of £37,145k to cover 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 2023/24 this amounted to £1,623k (£1,649k in 22/23). 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 2023/24, the City Council paid £12,996k (£12,594k in 2022/23) 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 2023/24, these amounted to £2,168k (£2,099k in 2022/23).

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 £15,000k although the actual level would be significantly affected in the event of transfers of schools to academy status.

### 3.31 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 2023/24 was a surplus. However, in line with International Financial Reporting Interpretations Committee guidance (IFRIC14), an asset ceiling adjustment has been made to reflect the net asset position relating to the funded element of the scheme, which has been assessed as not being recoverable by the Council. This has resulted in an overall deficit position, reflecting the net position of the unfunded element. The unfunded obligations comprise of £14,622K in respect of LGPS officers who retired early and £20,771k of Teachers' unfunded areas.

2022/23	Local Government Pension Scheme	2023/24
£000		£000
(614,734)	Surplus/(Deficit) b/fwd	(25,197)
(79,375)	Current Service Cost	(35,958)
5,505	Employer Contributions	37,396
(1,424)	Past Service Gain (Cost)	(7)
42,169	Return on Assets	72,667
(59,511)	Interest on Pension Liabilities	(73,835)
681,776	Remeasurements	78,088
1,224	Settlements and curtailments	1,980
(827)	Administration Expenses	(869)
<b>(25,197)</b>	<b>Surplus/(Deficit) prior to asset ceiling adjustment</b>	<b>54,265</b>
0	Asset ceiling adjustment	(89,658)
<b>(25,197)</b>	<b>Surplus/(Deficit) c/fwd</b>	<b>(35,393)</b>

The LGPS position has changed markedly in 2023/24 and there were some significant movements within the outcome which can largely be explained as follows:

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

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

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

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

	2022/23 LGPS & Teachers Total £000	2023/24 LGPS & Teachers Total £000
<b><u>Net Cost of Services</u></b>		
Current Service Cost	79,375	35,958
Past Service Costs (Gain)	1,424	7
Settlements and curtailments	(1,224)	(1,980)
Administration Expenses	827	869
<b>Net Cost of Services sub-total</b>	<b>80,402</b>	<b>34,854</b>
<b><u>Financing and Investment Income and Expenditure</u></b>		
Interest cost	59,511	73,835
Expected return on scheme assets	(42,169)	(72,667)
<b>Net Interest Cost</b>	<b>17,342</b>	<b>1,168</b>
<b>Total Post Employment Benefit Charged to the Surplus/Deficit on the Provision of Services</b>	<b>97,744</b>	<b>36,022</b>
<b><u>Other Post Employment Benefit Charged to CIES</u></b>		
Remeasurements (prior to asset ceiling adjustment)	(681,776)	(78,088)
Asset ceiling adjustment	0	89,658
<b>Net impact on Other CIES</b>	<b>(681,776)</b>	<b>11,570</b>
<b>Total Post Employment Benefit Charged to the CIES</b>	<b>(584,032)</b>	<b>47,592</b>
<b><u>Movement in Reserves Statement</u></b>		
Reversal of net charges made to the surplus/deficit for the Provision of Services	(97,744)	(36,022)
<b><u>Actual amount charged against the General Fund for pensions in the year:</u></b>		
Employers contributions payable to scheme	37,424	37,145
Retirement benefits payable to pensioners	2,099	2,168



Reconciliation of fair value of the LGPS assets	2022/23	2023/24
	£000	£000
Opening balance at 1st April	<b>1,574,460</b>	<b>1,540,240</b>
Expected rate of return	42,169	72,667
Re-measurements	(34,200)	46,405
Employer contributions	1,922	33,582
Contributions by scheme participants	10,694	11,045
Benefits paid	(53,821)	(64,351)
Settlements	(984)	(3,750)
<b>Closing balance at 31st March</b>	<b>1,540,240</b>	<b>1,635,838</b>

Reconciliation of fair value of the LGPS liabilities	2022/23	2023/24
	£000	£000
<b>Opening Balance at 1st April</b>	<b>2,189,194</b>	<b>1,565,437</b>
Current Service Cost	80,202	36,827
Interest Cost	59,511	73,835
Contributions from scheme participants	10,694	11,045
Remeasurement (gains) and losses:		
(Gain)/loss arising from changes in financial assumptions	(747,270)	(71,666)
(Gain)/loss arising from changes in demographic assumptions	(46,777)	(10,149)
Experience (gain)/loss	78,071	50,132
Past service cost	1,424	7
Losses/(gains) on curtailment	0	0
Liabilities assumed on entity combinations	0	0
Benefits paid	(57,404)	(68,165)
Liabilities extinguished on settlements	(2,208)	(5,730)
<b>Closing balance at 31st March</b>	<b>1,565,437</b>	<b>1,581,573</b>

Reconciliation of LGPS net position	2022/23 £000	2023/24 £000
Funded liability	(1,528,394)	(1,546,180)
Unfunded liability	(37,043)	(35,393)
Total liability	(1,565,437)	(1,581,573)
Pension assets	1,540,240	1,635,838
Asset ceiling adjustment *	0	(89,658)
<b>Net pension surplus/(deficit)</b>	<b>(25,197)</b>	<b>(35,393)</b>

\* 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.

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

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

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

The main assumptions used in the actuarial calculation are:	31st March 2023	31st March 2024
Rate of CPI inflation	3.00%	2.80%
Rate of increase in salaries	4.00%	3.80%
Rate of increase in pensions	3.00%	2.80%
Discount rate	4.75%	4.80%
<b>Mortality Assumptions</b>		
<b>Longevity at 65 for current pensioners</b>		
Men	20.9	20.7
Women	23.7	23.5
<b>Longevity at 65 for future pensioners in 20 years time</b>		
Men	21.6	21.6
Women	25.0	25.0

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

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

31st March 2024		
Changes in assumptions	Approximate % increase to Defined Benefit Obligation	Approximate monetary Amount £000
0.1% decrease in Real Discount Rate	2.00%	27,949
1 year increase in member life expectancy	4.00%	63,263
0.1% increase in Salary Increase Rate	0.00%	1,109
0.1% increase in the Pension Increase Rate (CPI)	2.00%	27,326

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

Total £000	31st March 2023		Total %	Asset Categories	Total £000	31st March 2024		Total %
	Quoted %	Unquoted %				Quoted %	Unquoted %	
961,327	12.21%	50.20%	62.41%	<b>Equities</b>	815,338	42.48%	7.36%	49.84%
151,981	0.00%	9.87%	9.87%	<b>Bonds</b>	298,056	0.00%	18.22%	18.22%
108,084	0.00%	7.02%	7.02%	<b>Property</b>	104,688	0.00%	6.40%	6.40%
48,057	0.00%	3.12%	3.12%	<b>Cash/Liquidity</b>	77,500	0.00%	4.74%	4.74%
270,792	0.00%	17.58%	17.58%	<b>Other</b>	340,256	0.00%	20.80%	20.80%
1,540,240	12.21%	87.79%	100.00%	<b>Total</b>	1,635,838	42.48%	57.52%	100.00%

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

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

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

The employer's contribution for 2024/25 is estimated by the actuaries to be £36,827k

The weighted average duration of the defined benefit obligation for scheme members is 17 years for 2023/24 (17 years for 2022/23).

### 3.32 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 during 2023/24 exceeded £50,000. Remuneration includes salaries and wages (net of pension contributions) and other allowances. The table below shows the number of City Council employees, including senior officers, whose remuneration fell within the relevant bands:

2022/23				Remuneration Band	2023/24			
Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total		Local Authority Schools Staff	Voluntary Aided & Foundation Schools Staff	Other Staff	Total
55	5	178	238	£50000-£54999	66	5	206	277
23	0	54	77	£55000-£59999	37	3	121	161
25	0	31	56	£60000-£64999	23	0	44	67
18	2	24	44	£65000-£69999	16	0	21	37
8	1	12	21	£70000-£74999	14	2	17	33
8	2	18	28	£75000-£79999	8	1	21	30
8	0	15	23	£80000-£84999	7	2	14	23
5	0	6	11	£85000-£89999	9	0	6	15
1	0	3	4	£90000-£94999	3	0	7	10
1	0	7	8	£95000-£99999	2	0	5	7
1	0	5	6	£100000-£104999	1	0	1	2
0	0	3	3	£105000-£109999	1	0	1	2
0	0	6	6	£110000-£114999	0	0	1	1
0	0	1	1	£115000-£119999	0	0	3	3
0	0	5	5	£120000-£124999	0	0	0	0
0	0	0	0	£125000-£129999	0	0	5	5
0	0	1	1	£130000-£134999	0	0	0	0
0	0	2	2	£135000-£139999	0	0	0	0
0	0	0	0	£145000-£149999	0	0	2	2
0	0	0	0	£150000-£154999	0	0	1	1
0	0	0	0	£160000-£164999	0	0	1	1
0	0	1	1	£165000-£169999	0	0	0	0
0	0	0	0	£170000-£174999	0	0	1	1
0	0	0	0	£180000-£184999	0	0	1	1
0	0	1	1	£190000-£194999	0	0	0	0
<b>153</b>	<b>10</b>	<b>373</b>	<b>536</b>	<b>Total</b>	<b>187</b>	<b>13</b>	<b>479</b>	<b>679</b>

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

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

<b>Senior Officers' remuneration</b>	<b>Salary Inc Fees &amp; Allowances</b>	<b>Loss of Office</b>	<b>Pension Contributions Note 4</b>	<b>Total Remuneration</b>	
<b>2023/24</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>Notes</b>
Chief Executive Officer - Julie Nugent	162,541	0	34,459	197,000	1
Interim Chief Executive Officer/Director of Finance & Resources	145,181	0	30,778	175,959	1
Interim Chief Executive Officer/Director of Partnerships & Performance	145,181	0	30,778	175,959	1
Director of Children's Services	32,768	0	6,947	39,715	2
Acting Director of Children's Services	113,837	0	24,133	137,970	2
Director of Law and Governance	129,839	0	27,343	157,182	3
Director of City Services	128,884	0	27,203	156,087	3
Director of Adults and Housing	128,314	0	27,203	155,517	
Director of Regeneration & Economy	128,314	0	27,203	155,517	
Director of Human Resources	118,576	0	25,138	143,714	
Director of Public Health	118,576	0	25,138	143,714	

<b>Senior Officers' remuneration</b>	<b>Salary Inc Fees &amp; Allowances</b>	<b>Loss of Office</b>	<b>Pension Contributions Note 4</b>	<b>Total Remuneration</b>	
<b>2022/23</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Chief Executive Officer - Martin Reeves	191,895	0	39,147	231,042	1
Interim Chief Executive Officer/ Chief Operating Officer	135,409	0	27,623	163,032	1
Interim Chief Executive Officer/ Chief Partnerships Officer	121,761	0	27,623	149,384	1
Director of Children & Education	123,975	0	25,291	149,266	
Director of Adult Services & Housing	123,975	0	25,291	149,266	
Chief People Officer	115,773	0	23,618	139,391	
Chief Legal Officer	113,939	0	23,099	137,038	
Director of Health & Wellbeing	105,020	0	23,272	128,292	

### Notes

1. Martin Reeves (CEO) left the Council in February 2023. Barry Hastie and Kirston Nelson were Interim Chief Executive officers from 1/3/23 to 30/6/23, whilst continuing in their substantive roles. The new CEO, Julie Nugent, started on 12/6/23.
2. The Director of Children's services left the council on 2/7/23 and the interim post holder started on 1/7/23
3. Two senior officers received salary payments for their roles at the local election in 2023/24.
4. Pensions have been calculated using the primary rate.

## 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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
							£000	£000
£0 - £20,000	12	0	32	18	44	18	333	146
£20,001 - £40,000	5	0	16	4	21	4	609	123
£40,001 - £60,000	0	0	4	0	4	0	183	0
£60,001 - £80,000	0	0	8	0	8	0	565	0
£80,001 - £100,000	0	0	6	0	6	0	538	0
£100,000 - £150,000	0	0	2	0	2	0	245	0
£200,001 - £250,000	0	0	0	2	0	2	0	463
£250,001 - £300,000	0	0	0	1	0	1	0	285
<b>Total cost inc in bandings</b>	<b>17</b>	<b>0</b>	<b>68</b>	<b>25</b>	<b>85</b>	<b>25</b>	<b>2,473</b>	<b>1,017</b>

## 3.33 Members' Allowances

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

Financial Year	2022/23 £000s	2023/24 £000s
Basic Allowances	828	839
Other Allowances	330	324
Expenses	3	2
<b>Total</b>	<b>1,161</b>	<b>1,165</b>

### 3.34 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 3.28 and trade payables for goods and services received.

The Balance Sheet includes the following categories of financial instruments:

	Long Term		Current	
	31st March 2023 £000	31st March 2024 £000	31st March 2023 £000	31st March 2024 £000
<b>Financial Liabilities</b>				
<b>Loans at Amortised Cost</b>				
- principal sum borrowed	254,274	249,516	14,155	2,567
- accrued interest	0	0	3,012	0
- equivalent interest rate adjustment	0	0	0	0
<b>Total Borrowing</b>	<b>254,274</b>	<b>249,516</b>	<b>17,167</b>	<b>2,567</b>
- Cash Overdrawn	0	0	4,101	2,914
<b>Other Long Term Liabilities at amortised cost:</b>				
- PFI arrangements	53,878	50,089	3,109	3,788
- Transferred Debt	0	0	0	0
<b>Total Financial Liabilities (excluding creditors)</b>	<b>308,152</b>	<b>299,605</b>	<b>24,377</b>	<b>9,269</b>
Creditors	0	0	48,042	53,726

	Long Term		Current	
	31st March 2023 £000	31st March 2024 £000	31st March 2023 £000	31st March 2024 £000
<b>Financial Assets</b>				
<b>At amortised Cost</b>				
- Principal sum invested	0	0	0	0
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
<b>At Fair Value through other comprehensive income</b>				
- Principal at amortised cost	0	0	0	0
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
- Equity investments elected FVOCI	124,783	116,456	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	0	0	27,848	37,185
<b>Total Investments</b>	<b>124,783</b>	<b>116,456</b>	<b>27,848</b>	<b>37,185</b>
<b>At amortised Cost</b>				
- Principal sum invested	0	0	13,262	11,003
- Accrued interest	0	0	0	0
- Loss allowance	0	0	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	0	0	42,960	15,000
<b>Total Cash &amp; Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>56,222</b>	<b>26,003</b>
<b>At amortised Cost</b>				
- Trade receivables	0	0	38,606	44,851
- Lease receivables	0	0	0	0
- Loans made for service purposes	72,994	77,972	4,349	3,386
- Accrued Interest	0	0	25	117
- Loss allowance	(931)	(989)	0	0
<b>At Fair Value through profit &amp; loss</b>				
- Fair value	3,927	3,625	0	0
<b>Included in Debtors</b>	<b>75,990</b>	<b>80,608</b>	<b>42,980</b>	<b>48,354</b>
<b>Total Financial Assets</b>	<b>200,773</b>	<b>197,064</b>	<b>127,050</b>	<b>111,542</b>



<b>31st March 2024</b>	<b>Included in Financial Instruments £000</b>	<b>Other Debtors/ Creditors £000</b>	<b>Total</b>
Long term debtors	80,608	80	80,688
Short term debtors	48,354	41,508	89,862
Short term creditors	53,726	44,116	97,842

<b>31st March 2023</b>	<b>Included in Financial Instruments £000</b>	<b>Other Debtors/ Creditors £000</b>	<b>Total</b>
Long term debtors	75,990	80	76,070
Short term debtors	42,980	56,905	99,885
Short term creditors	48,042	59,938	107,980

Current borrowings and investments represent amounts due to be settled within 12 months, including accrued interest. In 2023/24 borrowing costs of £296k on qualifying assets were capitalised (£214k in 2022/23).

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:

	Fair Value		Cumulative Gain/(Loss) in FIRR		Dividends	
	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024
	£000	£000	£000	£000	£000	£000
<b>Shareholdings:</b>						
Coventry and Solihull Waste Disposal Company Limited	72,100	68,000	72,100	68,000	8,200	12,372
Birmingham Airport Holdings Limited	33,515	36,663	21,865	25,014	0	0
Tom White Waste Limited	0	0	0	0	0	0
Friargate JV Project Limited	2,790	2,236	(7,705)	(8,259)	0	0
Coombe Abbey Park Limited	0	0	0	0	0	0
Coventry Technical Resources	0	0	0	0	0	0
Coventry Municipal Holdings Ltd	11,868	9,557	(12,215)	(12,062)	0	0
University of Warwick Science Park Innovation Centre Limited	0	0	(154)	(154)	0	0
UK Battery Industrialisation Centre Ltd	0	0	(4,910)	(5,092)	0	0
Tom White Waste Limited	0	0	0	0	0	0
Sherbourne Recycling Limited	2,045	0	1,830	(215)	0	0
<b>Total</b>	<b>122,318</b>	<b>116,456</b>	<b>70,811</b>	<b>67,232</b>	<b>8,200</b>	<b>12,372</b>

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 2024 totalled £3,579k (£2,596k in 2022/23).

The 2023/24 Comprehensive Income and Expenditure Statement include the following amounts in relation to financial instruments:

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

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value, which for most assets is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31<sup>st</sup> March 2024, using the following methods and assumptions:

- for Public Works Loan Board (PWLB) and other local authority loans using the appropriate market rate for such loans as at 31<sup>st</sup> March 2024.
- 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 using the appropriate corporate bond rate
- 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 2023		31st March 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		£000	£000	£000	£000
<b>Financial Liabilities at amortised cost</b>					
▪ PWLB	2	187,111	181,607	180,718	178,794
▪ Market Loans	2	38,576	46,477	38,000	44,969
▪ Stock Issue	2	12,290	13,161	12,004	12,876
▪ Other Local Authorities	2	33,063	77,280	21,009	67,265
▪ PFI	2	56,986	87,529	53,877	81,038
▪ Short Term Creditors	N/A	48,042	48,042	53,726	53,726
▪ Cash Overdrawn	N/A	4,101	4,101	2,914	2,914
▪ Other	N/A	403	403	352	352
<b>Total Liabilities</b>		<b>380,572</b>	<b>458,600</b>	<b>362,600</b>	<b>441,934</b>
<b>Financial Assets at fair value:</b>					
▪ Money Market Funds	1	42,960	42,960	15,000	15,000
▪ Collective Investment Funds	1	127	127	0	0
▪ Corporate and Government Bonds	1	0	0	0	0
▪ Shares in Unlisted Companies	3	124,783	124,783	116,456	116,456
▪ Long Term Debtors	3	3,927	3,927	3,625	3,625
<b>Financial Assets at amortised cost:</b>					
▪ Short Term Cash Deposits	N/A	0	0	0	0
▪ Long Term Debtors	3	66,788	67,240	46,610	67,240
▪ Short Term Debtors	N/A	42,980	42,980	48,354	48,354
▪ Bank Accounts	N/A	13,243	13,243	10,994	10,994
<b>Total Financial Assets</b>		<b>294,808</b>	<b>295,260</b>	<b>241,039</b>	<b>261,669</b>

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 & Stock Issue above have been calculated by the Council's treasury advisors, Arlingclose. The loan stock, which is listed on the London Stock Exchange, totals £12.004m, is at a fixed interest rate of 8.25% and is due to mature for repayment on 5th January 2026. The fair value figure for PFI has been calculated in house, using an Arlingclose calculator. Fair value figures for Other Local Authority, Creditors & Other Liabilities are all calculated in house.

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

The borrowing from WMCA is treated as a soft loan payable of £15,796k as at 1st April 2024, with the difference between the nominal and fair value being treated as a grant of £2,204k and the requirement for UKBIC to make payment under the Indemnity and Guarantee as a soft loan receivable of £12,481k as at 1st April 2024, with the difference between the nominal and fair value being treated as an investment of £5,092k in a subsidiary.

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 £7.3m.
- 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 2023. A 1% variation in the discount rate would alter the value of the loans by £22.6m.

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 2023/24 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 2024 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, based on experience of default and un-collectability over the last five financial years, adjusted to reflect the current market conditions.

	<b>Short Term</b>	
	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
AAA	42,960	15,000
AA+	0	0
AA	0	0
AA-	290	6,369
A+	2,437	2,239
A	4,241	0
A-	6,193	10,000
BBB+	0	0
Unrated Local Authorities	0	0
Unrated Building Societies	0	0
Unrated Pooled Funds	0	30,000
<b>Total Investments</b>	<b>56,121</b>	<b>63,608</b>

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

	<b>31 March 2023</b>	<b>31 March 2024</b>
<b>Country</b>	<b>£000</b>	<b>£000</b>
United Kingdom	56,121	63,608

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.

The Council has provided Revolving Credit Facility Agreements with three charitable organisations providing 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 2023/24.

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. £16,060k of the £48,354k trade debtor balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2023	31 March 2024
Past Due Date	£000	£000
Less than three months	3,300	4,689
Three to six months	1,624	3,066
Six months to one year	2,418	2,309
More than one year	4,980	5,996
<b>Total</b>	<b>12,322</b>	<b>16,060</b>

### **Liquidity Risk**

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

The maturity analysis of financial liabilities is as follows:

<b>Maturity of Financial Liabilities</b>	<b>31/03/2023</b>	<b>31/03/2024</b>
	<b>£000</b>	<b>£000</b>
Less than one year	9,653	10,400
Between one and two years	3,715	42,250
Between two and five years	46,941	8,000
Between six and ten years	25,500	43,750
More than ten years	174,218	144,718
<b>Total</b>	<b>260,027</b>	<b>249,118</b>

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

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

### **Market Risk**

#### **Interest rate risk**

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

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

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

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

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

The Council has a number of strategies for managing interest rate risk. Prudential Indicators, as set out in the Treasury Management Strategy, are used to manage interest rate risk by limiting the value of variable interest rate exposure to £99.1m in 2023/24. 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 2024, 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 £21.3m. This movement would be equal and opposite for a 1% fall in interest rates.

### **Price Risk**

The Council's investment of £12m in pooled property funds is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31<sup>st</sup> March 2024 would result in a £496k (2023 £594k) charge to Other Comprehensive Income and Expenditure which would then be transferred to the Financial Instrument Revaluation Reserve.

The Council's investment of £18m in pooled equity funds is subject to the risk of falling share prices. A 5% fall in equity prices at 31<sup>st</sup> March 2024 would result in a £370k (2023 £308k) charge to Other Comprehensive Income and Expenditure would then be transferred to the Financial Instrument Revaluation Reserve. In addition, the Council has shareholdings to the value of £116m 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 being recognised in the Comprehensive Income and Expenditure Statement for 2023/24.

### **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.



### 3.35 Associated Company Interests & Holdings

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

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>Birmingham Airport Holdings Ltd (Company Number: 03312673)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Audited</b>
The principal activity of the BAH is the operation and management of Birmingham International Airport. The figures included are the group accounts, which consolidates the results for BAH's subsidiary undertakings.			
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.			
The Council owns: - 5.8% of the 324m ordinary shares - £1.8m preference shares - 6% of the 1,000 C Class shares of 0.01p			
	Net Assets (liabilities)	105,740	135,200
	Profit (loss) before taxation	30,173	48,431
	Profit (loss) after taxation	21,715	33,512
	Statement of changes in equity	74,365	29,460
<b>Coombe Abbey Park Ltd (Company Number: 02700383)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
CAP is included within the Council's group accounts as a subsidiary.			
The principal activity of the company is the running of Coombe Abbey Hotel, Brinklow Road, Coventry.			
The Council acquired 100% of the shares in the company on 22nd December 2017.			
	Net Assets (liabilities)	400	(673)
	Profit (loss) before taxation	(2,045)	(1,072)
	Profit (loss) after taxation	(2,045)	(1,072)
	Statement of changes in equity	(1,265)	(1,072)
<b>Coventry Regeneration Ltd (Company Number: 02690488)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
CR is included within the Council's group accounts as a subsidiary.			
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.			
	Net Assets (liabilities)	0	0
	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 £000	Year ending £000
<b>The Coventry and Solihull Waste Disposal Company Ltd (Company Number: 02690488)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Audited</b>
<p>The company's business is the disposal of waste. CSWDC is jointly owned by Coventry City Council and Solihull Metropolitan Borough Council (SMBC) with Warwickshire County Council and Leicestershire County Council holding a minor limited rights shareholding.</p> <p>The Council owns 65% of the ordinary share capital and is entitled to 67% of distributions. CSWDC is included in the Council's group accounts as a joint venture as the Articles of Association require unanimous decision making.</p>			
	Net Assets (liabilities)	25,512	28,741
	Profit (loss) before taxation	16,919	29,000
	Profit (loss) after taxation	13,795	21,269
	Statement of changes in equity	2,421	3,229
<b>Culture Coventry (Company Number: 08359113)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
<p>The merger of Coventry Transport Museum and The Herbert Art Gallery Museum was completed in August 2013. Culture Coventry is a charitable trust set up to run both museums and is also responsible for running the Lunt Roman Fort and the Priory Visitor Centre.</p> <p>The Council is the primary funder in the form of a contract agreement to provide museum services. The Council does not have a shareholding in the company or any representatives on the board. Culture Coventry is assessed to be a structured entity but is not consolidated into the Council's accounts as the test of control is not met.</p>			
	Net Assets (liabilities)	4,752	3,339
	Net movement of funds	2,938	(1,413)
<b>Friargate Joint Venture Project Ltd (Company Number: 11730348)</b>		<b>31 March 2023 Unaudited</b>	<b>31 March 2024 Draft</b>
<p>The company was set up in January 2019 to develop new buildings in the Friargate district of the City. This is a 50/50 joint venture with Friargate Holdings 2 Limited. The Council purchased a 50% share in the company for £10m. FJVP is consolidated into the Council's group accounts as a joint venture.</p> <p>The company accounts are unaudited as FJVP qualifies for an audit exemption available to private limited companies. This applies to small companies which meet at least two of the following criteria:</p> <ul style="list-style-type: none"> <li>- an annual turnover of no more than £10.2m</li> <li>- assets worth no more than £5.1m</li> <li>- 50 or fewer employees on average</li> </ul>			
	Net Assets (liabilities)	19,334	19,064
	Profit (loss) before taxation	262	(270)
	Profit (loss) after taxation	262	(270)
	Statement of changes in equity	262	(270)

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
<b>Coventry Technical Resources Ltd (Company Number: 04931967)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
CTR is included within the Council's group accounts as subsidiary.	Net Assets (liabilities)	2,770	2,775
	Profit (loss) before taxation	7	4
CTR's main activity is to provide business development and commercialisation related services to the Council under a series of contracts.	Profit (loss) after taxation	7	4
	Statement of changes in equity	7	4
<b>University of Warwick Science Park Business Innovation Centre Ltd (Company Number: 03616665)</b>		<b>31 July 2022 Audited</b>	<b>31 July 2023 Audited</b>
The company was established by the University of Warwick Science Park, the Council and Coventry and Warwickshire Chamber of Commerce. It was set up in order to develop small business units for letting. UWSP BIC is not consolidated into the Council's group accounts, as the test of significant influence is not met.	Net Assets (liabilities)	74	(120)
	Profit (loss) before taxation	986	(195)
	Profit (loss) after taxation	986	(195)
	Statement of changes in equity	986	(195)
The Council holds: - Just under 20% (value £2,000) of the ordinary share capital (total value £10,001) - £152,166 of preference share capital			
<b>UK Battery Industrialisation Centre Ltd (Company Number: 11227726)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
The purpose of the company is to set up and run a facility for the development and manufacture of batteries, initially for the automotive sector but with wider application.	Net Assets/(liabilities)	642	645
	Profit (loss) before taxation	642	4
	Profit (loss) after taxation	642	3
The Council is the sole shareholder, holding a single share with a nominal value of £1.00. UKBIC is consolidated into the Council's group accounts as a subsidiary.	Statement of changes in equity	642	3
<b>Tom White Waste Ltd (Company Number: 01201361)</b>		<b>31 March 2023 Audited</b>	<b>31 March 2024 Draft</b>
The principal activity of the company is waste management and recycling.	Net Assets/(liabilities)	3,044	1,241
	Profit (loss) before taxation	(100)	(1,803)
The Council acquired 100% of the shares in the company on 5th March 2020.	Profit (loss) after taxation	(314)	(1,803)
TWW is included in the Council's group accounts as a subsidiary.	Statement of changes in equity	(314)	(1,803)

Name and Nature of Business	Financial Results	Year ending £000	Year ending £000
		31 March 2023 Audited	31 March 2024 Draft
<b>Coventry Municipal Holdings Limited (Company Number: 13705254)</b>			
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)	6,333	3,422
	Profit (loss) before taxation	(1,940)	(2,923)
	Profit (loss) after taxation	(2,155)	(2,912)
	Statement of changes in equity	(1,764)	(2,912)
<ul style="list-style-type: none"> <li>- Coombe Abbey Park Limited</li> <li>- Coventry Regeneration Limited</li> <li>- Coventry Technical Resources Limited</li> <li>- Tom White Waste Limited</li> </ul>			
<b>Sherbourne Recycling Limited (Company Number: 13227088)</b>			
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)	252	3,118
	Profit (loss) before taxation	(503)	(5,568)
	Profit (loss) after taxation	(503)	(5,568)
	Statement of changes in equity	(954)	2,866
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 once the facility becomes operational.			
<b>Coventry and Warwickshire Growth Hub Limited (Company Number: 09146585)</b>			
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 (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)	(53)	0
	Profit (loss) before taxation	(53)	53
	Profit (loss) after taxation	(53)	53
	Statement of changes in equity	(53)	53
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.			
The figures presented differ to the 2022/23 audited accounts due to a prior period restatement made in the company draft accounts, which are subject to audit.			

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

### 3.36 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance on 29<sup>th</sup> November 2024. Where events taking place before this date provided information about conditions existing as at 31 March 2024, the figures in the financial statements and the notes have been adjusted to reflect the impact of this information.

#### **City Centre Cultural Gateway (CCCG)**

In May 2024, the Council entered a construction contract with ISG Construction to a value of £44m to undertake the main construction works for the CCCG as it looks to repurpose the former IKEA building in the city centre, which it acquired in 2021. The CCCG is envisaged as a collections centre for nationally significant cultural, arts and historical artefacts, working in collaboration with the partners: Arts Council England, British Council, Culture Coventry Trust and Coventry University.

In September 2024, ISG Construction went into administration. The Council intends to appoint a replacement contractor to take on the contract within the approved funding envelope and subject to the necessary due diligence. Should a replacement contractor meet these criteria the large majority of works will be funded from prudential borrowing, resourced from rental income.

#### **Coventry Station Master Plan (CSMP) – Bay Platform**

A review of the conditions of the grant from the West Midlands Combined Authority has resulted in a reassessment of the amount receivable as at 31/3/24.

The original plan to develop Coventry's railway station, and supporting infrastructure, included the construction of a bay platform to increase the station's capacity. The estimated cost of this platform was £10m and its construction formed part of the grant conditions for the associated funding provided from the West Midlands Combined Authority. During delivery of the CSMP other elements of the plan encountered significant cost variances above budget which required amendments to the original plan. A change control was agreed with the WMCA that saw the bay platform element being removed from the scheme, on the basis that the Department for Transport (DfT) had committed to funding the bay platform through the national rail investment programme, subject to an acceptable business case.

Despite this agreed change, the grant conditions were not revised, and the Council continues to have a commitment to resource the bay platform's construction, or return £10m to the WMCA. On this basis the Council has recognised a £10m liability on its balance sheet, within Capital Grants – Receipts in Advance. This reduces the total grant receivable for the project by £10m and this shortfall has been met through the application of useable capital receipts. The Council is continuing to work with the DfT to develop the necessary business case and, given the progress to date, it is highly probable that an alternative source of funding for the bay platform will be secured. As such, it is very likely that repayment of the £10m grant to the WMCA will not be required, and that this issue should be disclosed as a contingent asset.

#### **UKBIC – Loan Reprofiting**

On 15<sup>th</sup> November 2024 the West Midlands Combined Authority (WMCA) board approved a revision to the terms of the loan agreement with Coventry City Council. The original loan was for £18m and was used to support the capital project to develop the UK Battery Industrialisation Centre (UKBIC) site. The Council have a further agreement with UKBIC, in which the company commits to indemnify the Council for the loan repayments.

The revision to the terms followed a request from the Council in June 2024, asking for the loan to be converted into a maturity loan to ensure that UKBIC had the financial standing to operate and repay the loan. The full £18m is now due at the end of the revised loan period in 2032 rather than as a series of incremental payments between 2025 and 2033.

#### **2024/25 Forecast Revenue Outturn**

The Council's financial outturn position for 2023/24 was balanced only after the use of £1.8m of reserves. These pressures reflect continued inflationary and activity pressures relating to social care, housing and homelessness, being driven by the economic climate and reflecting national pressures on the sector. The 2023/24 outturn position included significant management actions in year including a vacancy freeze and reducing discretionary spend, as well as a significant one-off increase in the dividends received from investments.

The initial financial monitoring position for 2024/25 suggests that this situation is becoming more acute, with an estimated revenue overspend for

the year of c£10m at quarter 2, and the indicative 2025/26 Budget position is equally serious. These financial circumstances indicate that pressures, are creating conditions in which the Council will not be able to provide the range of services in the

future that it has delivered traditionally. This will not be relieved unless future financial settlements provided to Local Government improve significantly from current levels to reflect need in the sector.

### 3.37 Contingent Liabilities and 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.

##### **Reinforced Autoclaved Aerated Concrete (RAAC)**

RAAC, a lightweight precast concrete used in UK public sector buildings in the second half of the twentieth century, is less durable than traditional concrete, posing potential safety risks.

Following the collapse of a section of roof of a primary school in Kent, central government sent out a questionnaire, in March 2022, to responsible bodies for schools to determine the prevalence of RAAC across the school estate.

Further incidents at other schools across the UK during the summer of 2023 have increased the priority of this issue and expanded the scope of the surveys requested by central government. The council has undertaken extensive work across its portfolios to assess the presence of Reinforced Autoclaved Aerated Concrete (RAAC). Although investigations to date have not confirmed any RAAC within our estate, were it to be discovered then the cost of the necessary remedial work is likely to be significant. As such it is appropriate to recognise a contingent liability.

#### **Contingent Assets**

##### **Coventry Station Master Plan (CSMP) – Bay Platform**

The original plan to develop Coventry's railway station, and supporting infrastructure, included the construction of a bay platform to increase the station's capacity. The estimated cost of this platform was £10m and its construction formed part of the grant conditions for the associated funding provided from the West Midlands Combined Authority. During delivery of the CSMP other elements of the plan encountered significant cost variances above budget which required amendments to the original plan. A change control was agreed with the WMCA that saw the bay platform element being removed from the scheme, on the basis that the Department for Transport (DfT) had committed to funding the bay platform

through the national rail investment programme, subject to an acceptable business case.

Despite this agreed change, the grant conditions were not revised, and the Council continues to have a commitment to resource the bay platform's construction, or return £10m to the WMCA. On this basis the Council has recognised a £10m liability on its balance sheet, within Capital Grants – Receipts in Advance. The Council is continuing to work with the DfT to develop the necessary business case and, given the progress to date, it is highly probable that an alternative source of funding for the bay platform will be secured. As such, it is very likely that repayment of the £10m grant to the WMCA will not be required, and that this issue should be disclosed as a contingent asset.

### 3.38 Collection Fund Statement and Notes

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

2022/23			2023/24			
Business Rates £000	Council Tax £000	Total £000	Collection Fund	Business Rates £000	Council Tax £000	Total £000
<b>INCOME</b>						
0	(184,415)	<b>(184,415)</b>	Council Tax Receivable	0	(197,703)	<b>(197,703)</b>
(106,223)	0	<b>(106,223)</b>	Business Rates Receivable	(119,301)	0	<b>(119,301)</b>
230	0	<b>230</b>	Transitional Relief	(8,777)	0	<b>(8,777)</b>
<b>(105,993)</b>	<b>(184,415)</b>	<b>(290,408)</b>	<b>Total Income</b>	<b>(128,078)</b>	<b>(197,703)</b>	<b>(325,781)</b>
<b>EXPENDITURE: Precepts, Demands &amp; Shares</b>						
103,328	153,394	<b>256,722</b>	Coventry City Council	114,573	164,440	<b>279,013</b>
0	15,804	<b>15,804</b>	West Midlands Police	0	17,435	<b>17,435</b>
1,044	5,732	<b>6,776</b>	West Midlands Fire	1,157	6,285	<b>7,442</b>
<b>104,372</b>	<b>174,930</b>	<b>279,302</b>	<b>Total: Precepts, Demands &amp; Shares:</b>	<b>115,730</b>	<b>188,160</b>	<b>303,890</b>
<b>Distribution of previous years' surplus/deficit</b>						
(17,995)	2,950	<b>(15,045)</b>	Coventry City Council	3,354	8,926	<b>12,280</b>
0	296	<b>296</b>	West Midlands Police	0	920	<b>920</b>
(182)	105	<b>(77)</b>	West Midlands Fire	34	334	<b>368</b>
<b>(18,177)</b>	<b>3,351</b>	<b>(14,826)</b>	<b>Total: Distribution of previous years Surplus/(Deficit)</b>	<b>3,388</b>	<b>10,180</b>	<b>13,568</b>
<b>86,195</b>	<b>178,281</b>	<b>264,476</b>	<b>TOTAL EXPENDITURE</b>	<b>119,118</b>	<b>198,340</b>	<b>317,458</b>
<b>Charges to Collection Fund</b>						
523	1,103	<b>1,626</b>	Less: Write offs uncollectable amounts	580	1,472	<b>2,052</b>
(877)	2,461	<b>1,584</b>	Less: Increase/(Decrease) in Bad Debt Provision	1,922	2,530	<b>4,452</b>
8,236	0	<b>8,236</b>	Less: Increase/(Decrease) in Appeals Provision	3,140	0	<b>3,140</b>
369	0	<b>369</b>	Less: Costs of Collection	367	0	<b>367</b>
<b>8,251</b>	<b>3,564</b>	<b>11,815</b>	<b>Total Charges to Collection Fund</b>	<b>6,009</b>	<b>4,002</b>	<b>10,011</b>
<b>(11,547)</b>	<b>(2,570)</b>	<b>(14,117)</b>	<b>(Surplus)/Deficit Arising During Year</b>	<b>(2,951)</b>	<b>4,639</b>	<b>1,688</b>
9,703	(7,914)	<b>1,789</b>	<b>(Surplus)/Deficit b/fwd</b>	(1,844)	(10,484)	<b>(12,328)</b>
(1,844)	(10,484)	<b>(12,328)</b>	<b>(Surplus)/Deficit c/fwd</b>	(4,795)	(5,845)	<b>(10,640)</b>
<b>Commitments</b>						
3,388	10,179	<b>13,567</b>	Surplus/(Deficit) committed in future year's budget setting	918	3,848	<b>4,766</b>
1,544	(305)	<b>1,239</b>	<b>Excess (Surplus)/Deficit c/fwd to following year's tax setting.</b>	<b>(3,877)</b>	<b>(1,997)</b>	<b>(5,874)</b>

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

### Income from Business Rates

The City Council collects rates from local businesses on behalf of central government. The Government determines the level of rates payable, which was 54.6p/£ of rateable value in 2023/24 (it was 51.2p/£ in 2022/23). The Valuation Office Agency sets the rateable value of each property, and the total was £342,521,257 as at 31<sup>st</sup> March 2024 (£316,321,697 as at 31<sup>st</sup> March 2023). The majority of the difference in rateable value between the last two years arose due to the national revaluation which took effect from 1<sup>st</sup> April 2024 onwards. The Government uses the total collected for the whole country to finance part of its contribution to the cost of local government. In addition to an impairment allowance for doubtful debts, to meet the anticipated impact of debts being written off, there is also a provision for the estimated future liability amendments due to appeals. Details of the movement in these provisions are provided within the tables later in this section.

### Calculation of the Council Tax Base

The level of Council Tax is set at the beginning of the year and is calculated so as to ensure that the Collection Fund can meet its obligations. Council Tax paid by taxpayers is based on the valuation of their property. Each property is placed into one of eight valuation bands (A to H). The total income required by the Collection Fund is divided by the "Council Tax Base". The Council Tax Base represents the number of equivalent band D properties in the City (i.e. properties in a higher valuation band are treated as more than one band D property, properties in a lower valuation band are treated as a fraction of a band D property), multiplied by the estimated eventual collection rate of 97.9%. The total number of dwellings on the valuation list is 150,633 of which 10,303 are exempt. Details of the Tax Base calculation are shown in the table below:

Valuation Band	Number of Dwellings subject to tax	Band D Equivalent
Band A entitled to disabled relief	173	76.0
A	55,853	28,009.2
B	42,231	25,689.3
C	23,662	16,678.8
D	9,803	7,862.7
E	4,732	4,716.2
F	2,358	2,790.5
G	1,409	1,927.3
H	109	171.6
<b>Total</b>	<b>140,330</b>	<b>87,921.6</b>
Estimated eventual collection rate		97.9%
Total Council Tax Base Band D 2023/24		86,075.2
Total Council Tax Base Band D 2022/23		84,264.3



## Provisions and Write Offs

Level of Provisions & Write Offs	Business Rates Impairment allowance for doubtful debts £000	Council Tax Impairment allowance for doubtful debts £000	Business Rates Appeals Provision * £000
Provision Brought forward	(3,740)	(14,599)	(20,677)
Written off in year	580	1,472	3,208
Increase/Decrease in provision	(2,503)	(4,002)	(6,348)
<b>Provision Carried Forward</b>	<b>(5,663)</b>	<b>(17,129)</b>	<b>(23,817)</b>

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

## Gross Debtors

	Business Rates £000	Council Tax £000
Gross Debtors brought forward	6,617	25,352
Gross Debtors carried forward	11,027	30,036

## Precepts and Demands on the Collection Fund

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

2022/23		2023/24		
Total £000	Council Tax	Precept £000	Share of surplus /(deficit) £000	Total £000
158,585	Coventry City Council	164,440	4,841	<b>169,281</b>
16,340	West Midlands Police	17,435	516	<b>17,951</b>
5,926	West Midlands Fire Service	6,285	184	<b>6,469</b>
<b>180,851</b>	<b>Total</b>	<b>188,160</b>	<b>5,541</b>	<b>193,701</b>

2022/23		2023/24			
Total £000	Business Rates	Precept £000	Share of surplus /(deficit) £000	Top-up/(Tariff) £000	Total £000
79,816	Coventry City Council	114,573	6,275	(18,680)	<b>102,168</b>
978	West Midlands Fire Service	1,157	63	0	<b>1,220</b>
<b>80,794</b>	<b>Total</b>	<b>115,730</b>	<b>6,338</b>	<b>(18,680)</b>	<b>103,388</b>

## 4 Group Accounts

### 4.1 Overview of Group Accounts

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

Note 3.35 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.

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

From 31<sup>st</sup> March 2023 all companies consolidated within the Group Accounts have a March year end date. For consolidation purposes draft accounts as at 31<sup>st</sup> March 2024 have been used for CMH, FJVP, SRL and UKBIC. Audited accounts have been used for CSWDC.

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. The Group Accounts do not contain any minority interests related to subsidiaries owned by the Council. Joint ventures and associates have been consolidated into the group accounts under the equity method.

## 4.2 Group Comprehensive Income and Expenditure Account

Gross Expenditure £000	2022/23 Gross Income £000	Net Expenditure £000	Service segment	Gross Expenditure £000	2023/24 Gross Income £000	Net Expenditure £000
8,559	(2,182)	6,377	Legal & Governance Services	13,978	(6,034)	7,944
30,476	(33,826)	(3,350)	Public Health	32,407	(32,983)	(576)
1,266	(124)	1,142	Directorate Management	1,181	(124)	1,057
246,601	(214,834)	31,767	Education and Inclusion	250,594	(217,903)	32,691
106,817	(16,584)	90,233	Children and Young People's Services	117,206	(17,687)	99,519
182,731	(78,895)	103,836	Adult Services & Housing	229,922	(90,186)	139,736
3,636	(1,592)	2,044	Human Resources	1,937	(946)	991
61,205	(29,060)	32,145	Business, Investment & Culture	55,995	(59,633)	(3,638)
50,949	(14,051)	36,898	Transportation & Highways	52,953	(18,654)	34,299
89,272	(43,319)	45,953	Streetscene & Regulatory Services	90,099	(47,072)	43,027
7,956	(4,720)	3,236	Project Management and Property Services	27,954	(4,485)	23,469
96,686	(87,482)	9,204	Finance & Corporate Services	100,767	(90,773)	9,994
52,247	(36,626)	15,621	Contingency and Central Budgets	8,388	(62,887)	(54,499)
<b>938,401</b>	<b>(563,295)</b>	<b>375,106</b>	<b>Cost of Services</b>	<b>983,381</b>	<b>(649,367)</b>	<b>334,014</b>
		36,371	Other Operating Expenditure			40,395
		12,313	Finance and Investment Income and Expenditure			24,311
		0	Profit or Loss on Discontinued Operations			0
		(378,094)	Taxations and Non-Specific Grant Income			(374,446)
		<b>45,696</b>	<b>(Surplus) / Deficit on the Provision of Services</b>			<b>24,274</b>
		(9,533)	Associates and JVs accounted for on Equity Basis			(17,504)
		2,297	Tax Expenses			5,144
		<b>38,460</b>	<b>Group (Surplus) or Deficit</b>			<b>11,914</b>
		(53,761)	(Gain)/loss on revaluation of non current assets			(59,971)
		(16,094)	(Gain)/loss on revaluation of financial instruments			(3,293)
		(681,776)	Remeasurement of the net defined benefit liability			11,570
		(617)	Share of other comprehensive income and expenditure of associates & joint ventures			(1,565)
		<b>(752,248)</b>	<b>Sub-total of other Comprehensive Income and Expenditure</b>			<b>(53,259)</b>
		<b>(713,788)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(41,345)</b>

### 4.3 Group Movement in Reserves Statement

2023/24	Authority Reserves						Authority's share of the reserves of subsidiaries, associates and joint ventures			Group		
	General Fund £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Usable Reserves £000	Unusable Reserves £000	Sub total £000	Usable Reserves £000	Unusable Reserves £000	Sub total £000	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
<b>Balance Brought forward</b>	<b>(161,578)</b>	<b>(5,745)</b>	<b>(18,623)</b>	<b>(185,946)</b>	<b>(1,077,416)</b>	<b>(1,263,362)</b>	<b>(858)</b>	<b>(59,578)</b>	<b>(60,436)</b>	<b>(186,804)</b>	<b>(1,136,994)</b>	<b>(1,323,798)</b>
Total Comprehensive Income and Expenditure	36,924	0	0	<b>36,924</b>	(50,306)	<b>(13,382)</b>	(7,669)	(20,294)	<b>(27,963)</b>	<b>29,255</b>	<b>(70,600)</b>	<b>(41,345)</b>
Adjustments between group accounts and authority accounts	(9,385)	0	0	<b>(9,385)</b>	0	<b>(9,385)</b>	9,385	0	<b>9,385</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net (increase) or decrease before transfers</b>	<b>27,539</b>	<b>0</b>	<b>0</b>	<b>27,539</b>	<b>(50,306)</b>	<b>(22,767)</b>	<b>1,716</b>	<b>(20,294)</b>	<b>(18,578)</b>	<b>29,255</b>	<b>(70,600)</b>	<b>(41,345)</b>
Adjustments between Accounting Basis and Funding Basis under Regulations	(21,854)	1,551	6,890	<b>(13,413)</b>	13,413	<b>0</b>	0	0	<b>0</b>	<b>(13,413)</b>	<b>13,413</b>	<b>0</b>
<b>Net (Increase) / Decrease</b>	<b>5,685</b>	<b>1,551</b>	<b>6,890</b>	<b>14,126</b>	<b>(36,893)</b>	<b>(22,767)</b>	<b>1,716</b>	<b>(20,294)</b>	<b>(18,578)</b>	<b>15,842</b>	<b>(57,187)</b>	<b>(41,345)</b>
<b>Balance Carried forward</b>	<b>(155,893)</b>	<b>(4,194)</b>	<b>(11,733)</b>	<b>(171,820)</b>	<b>(1,114,309)</b>	<b>(1,286,129)</b>	<b>858</b>	<b>(79,872)</b>	<b>(79,014)</b>	<b>(170,962)</b>	<b>(1,194,181)</b>	<b>(1,365,143)</b>

Group Movement in Reserves – Comparatives

2022/23	Authority Reserves						Authority's share of the reserves of subsidiaries, associates and joint ventures			Group		
	General Fund	Capital Grants Unapplied	Capital Receipts Reserve	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	Sub total	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance Brought forward</b>	<b>(193,060)</b>	<b>(5,469)</b>	<b>(20,825)</b>	<b>(219,354)</b>	<b>(319,654)</b>	<b>(539,008)</b>	<b>(2,562)</b>	<b>(68,440)</b>	<b>(71,002)</b>	<b>(221,916)</b>	<b>(388,094)</b>	<b>(610,010)</b>
Total Comprehensive Income and Expenditure	30,780	0	0	<b>30,780</b>	<b>(753,725)</b>	<b>(722,945)</b>	295	8,862	<b>9,157</b>	<b>31,075</b>	<b>(744,863)</b>	<b>(713,788)</b>
Adjustments between group accounts and authority accounts	(1,409)	0	0	<b>(1,409)</b>	<b>0</b>	<b>(1,409)</b>	1,409	0	<b>1,409</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net (increase) or decrease before transfers</b>	<b>29,371</b>	<b>0</b>	<b>0</b>	<b>29,371</b>	<b>(753,725)</b>	<b>(724,354)</b>	<b>1,704</b>	<b>8,862</b>	<b>10,566</b>	<b>31,075</b>	<b>(744,863)</b>	<b>(713,788)</b>
Adjustments between Accounting Basis and Funding Basis under Regulations	2,111	(276)	2,202	<b>4,037</b>	<b>(4,037)</b>	<b>0</b>	0	0	<b>0</b>	<b>4,037</b>	<b>(4,037)</b>	<b>0</b>
<b>Net (Increase) / Decrease</b>	<b>31,482</b>	<b>(276)</b>	<b>2,202</b>	<b>33,408</b>	<b>(757,762)</b>	<b>(724,354)</b>	<b>1,704</b>	<b>8,862</b>	<b>10,566</b>	<b>35,112</b>	<b>(748,900)</b>	<b>(713,788)</b>
<b>Balance Carried forward</b>	<b>(161,578)</b>	<b>(5,745)</b>	<b>(18,623)</b>	<b>(185,946)</b>	<b>(1,077,416)</b>	<b>(1,263,362)</b>	<b>(858)</b>	<b>(59,578)</b>	<b>(60,436)</b>	<b>(186,804)</b>	<b>(1,136,994)</b>	<b>(1,323,798)</b>

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

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

## 4.4 Group Balance Sheet

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

31st March 2023				31st March 2024		
Single Entity	Group Adjustments	Total	Group Balance Sheet	Single Entity	Group Adjustments	Total
£000	£000	£000		£000	£000	£000
1,130,195	91,562	1,221,757	Property, Plant and Equipment	1,183,216	111,611	1,294,827
25,893	0	25,893	Heritage Assets	27,449	0	27,449
0	0	0	Surplus Assets	0	0	0
322,956	(7,482)	315,474	Investment Property	301,809	(8,712)	293,097
0	11,641	11,641	Intangible Assets	0	11,641	11,641
122,318	(88,803)	33,515	Long Term Investments	116,456	(79,793)	36,663
0	33,868	33,868	Investment in Associates and Joint Ventures	0	35,482	35,482
76,070	(21,485)	54,585	Long Term Debtors	80,688	(20,680)	60,008
0	0	0	Deferred Tax Assets	0	0	0
<b>1,677,432</b>	<b>19,301</b>	<b>1,696,733</b>	<b>Long Term Assets</b>	<b>1,709,618</b>	<b>49,549</b>	<b>1,759,167</b>
27,848	0	27,848	Short Term Investments	37,185	0	37,185
302	320	622	Inventories	357	482	839
99,885	37,124	137,009	Short Term Debtors	89,862	35,377	125,239
56,222	9,182	65,404	Cash and Cash Equivalents	26,004	54,360	80,364
295	0	295	Assets held for Sale	0	0	0
0	509	509	Current Tax Asset	0	12	12
<b>184,552</b>	<b>47,135</b>	<b>231,687</b>	<b>Current Assets</b>	<b>153,408</b>	<b>90,231</b>	<b>243,639</b>
(4,101)	0	(4,101)	Bank Overdraft	(2,915)	(27)	(2,942)
(20,276)	(295)	(20,571)	Short Term Borrowing	(6,355)	(592)	(6,947)
(107,980)	(10,039)	(118,019)	Short Term Creditors	(97,842)	(12,164)	(110,006)
(6,241)	0	(6,241)	Short Term Provisions	(6,790)	0	(6,790)
0	0	0	Liabilities in Disposal Groups	0	0	0
0	0	0	Current Tax Liability	0	0	0
<b>(138,598)</b>	<b>(10,334)</b>	<b>(148,932)</b>	<b>Current Liabilities</b>	<b>(113,902)</b>	<b>(12,783)</b>	<b>(126,685)</b>
0	0	0	Long Term Creditors	0	0	0
(18,739)	0	(18,739)	Long Term Provisions	(21,154)	0	(21,154)
(308,152)	(2,931)	(311,083)	Long Term Borrowing	(299,605)	(5,425)	(305,030)
(25,197)	0	(25,197)	Net Pension Liability	(35,393)	0	(35,393)
(18,211)	(407)	(18,618)	Other Long Term Liabilities	(17,213)	(14,191)	(31,404)
(1,901)	0	(1,901)	Donated Assets Account	(2,278)	0	(2,278)
(42,169)	(36,734)	(78,903)	Capital Grants Receipts in Advance	(49,502)	(64,968)	(114,470)
0	(1,249)	(1,249)	Deferred Tax Liability	0	(1,249)	(1,249)
<b>(414,369)</b>	<b>(41,321)</b>	<b>(455,690)</b>	<b>Long Term Liabilities</b>	<b>(425,145)</b>	<b>(85,833)</b>	<b>(510,978)</b>
<b>1,309,017</b>	<b>14,781</b>	<b>1,323,798</b>	<b>Net Assets</b>	<b>1,323,979</b>	<b>41,164</b>	<b>1,365,143</b>
(185,946)	(858)	(186,804)	Usable Reserves	(171,820)	858	(170,962)
(1,123,071)	(13,923)	(1,136,994)	Unusable Reserves	(1,152,159)	(42,022)	(1,194,181)
<b>(1,309,017)</b>	<b>(14,781)</b>	<b>(1,323,798)</b>	<b>Total Reserves</b>	<b>(1,323,979)</b>	<b>(41,164)</b>	<b>(1,365,143)</b>

## 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.

2022/23	2022/23	2022/23		2023/24	2023/24	2023/24
Single Entity	Group Adjustment	Total	Cash Flow Statement	Single Entity	Group Adjustment	Total
£000's	£000's	£000's		£000's	£000's	£000's
29,371	16,325	<b>45,696</b>	Net (Surplus) or Deficit on the Provision of Services	27,539	(3,265)	<b>24,274</b>
(149,756)	(19,097)	<b>(168,853)</b>	Adjust Net (Surplus) or Deficit on the Provision of Services for Non Cash Movements	(92,765)	(68,483)	<b>(161,248)</b>
135,527	0	<b>135,527</b>	Adjust for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	88,355	0	<b>88,355</b>
0	149	<b>149</b>	Income tax paid	0	(510)	<b>(510)</b>
<b>15,142</b>	<b>(2,623)</b>	<b>12,519</b>	<b>Net Cash Flows from Operating Activities</b>	<b>23,129</b>	<b>(72,258)</b>	<b>(49,129)</b>
(8,510)	614	<b>(7,896)</b>	Investing Activities	(20,544)	23,900	<b>3,356</b>
(27,942)	(1,804)	<b>(29,746)</b>	Financing Activities	26,447	3,207	<b>29,654</b>
<b>(21,310)</b>	<b>(3,813)</b>	<b>(25,123)</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>	<b>29,032</b>	<b>(45,151)</b>	<b>(16,119)</b>
(30,811)	(5,369)	<b>(36,180)</b>	Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)	(52,121)	(9,182)	<b>(61,303)</b>
<b>(52,121)</b>	<b>(9,182)</b>	<b>(61,303)</b>	<b>Cash and Cash Equivalents at the Beginning of the Reporting Period (including bank overdrafts)</b>	<b>(23,089)</b>	<b>(54,333)</b>	<b>(77,422)</b>

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

## 4.6 Group Balance Sheet Reconciliation

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

Group Balance Sheet 31st March 2024	Group Adjustments to authority	Coventry Municipal Holdings Ltd	Coventry & Solihull Waste Disposal Company	Friargate Joint Venture	Sherbourne Recycling Limited	UK Battery Industrialisation Centre	Total
	£000	£000	£000	£000	£000	£000	£000
Property, Plant and Equipment	804	38,022	0	0	0	72,785	111,611
Heritage Assets	0	0	0	0	0	0	0
Surplus Assets	0	0	0	0	0	0	0
Investment Property	(8,712)	0	0	0	0	0	(8,712)
Intangible Assets	11,641	0	0	0	0	0	11,641
Long Term Investments	(79,793)	0	0	0	0	0	(79,793)
Investment in Associates and Joint Ventures	0	0	32,093	2,731	658	0	35,482
Long Term Debtors	(20,680)	0	0	0	0	0	(20,680)
Deferred Tax Assets	0	0	0	0	0	0	0
<b>Long Term Assets</b>	<b>(96,740)</b>	<b>38,022</b>	<b>32,093</b>	<b>2,731</b>	<b>658</b>	<b>72,785</b>	<b>49,549</b>
Short Term Investments	0	0	0	0	0	0	0
Inventories	0	98	0	0	0	384	482
Short Term Debtors	(2,626)	3,995	0	0	0	34,008	35,377
Cash and Cash Equivalents	0	4,194	0	0	0	50,166	54,360
Assets Held for Sale	0	0	0	0	0	0	0
Current Tax Asset	0	12	0	0	0	0	12
<b>Current Assets</b>	<b>(2,626)</b>	<b>8,299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,558</b>	<b>90,231</b>
Bank Overdraft	0	(27)	0	0	0	0	(27)
Short Term Borrowing	0	(606)	0	0	0	14	(592)
Short Term Creditors	407	(8,156)	0	0	0	(4,415)	(12,164)
Short Term Provisions	0	0	0	0	0	0	0
Liabilities in Disposal Groups	0	0	0	0	0	0	0
Current Tax Liability	0	0	0	0	0	0	0
<b>Current Liabilities</b>	<b>407</b>	<b>(8,789)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,401)</b>	<b>(12,783)</b>
Long Term Creditors	0	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0	0
Long Term Borrowing	0	(5,425)	0	0	0	0	(5,425)
Net Pension Liability	0	0	0	0	0	0	0
Other Long Term Liabilities	0	0	0	0	0	(14,191)	(14,191)
Donated Assets Account	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	(64,968)	(64,968)
Deferred Tax Liability	0	(1,249)	0	0	0	0	(1,249)
<b>Long Term Liabilities</b>	<b>0</b>	<b>(6,674)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(79,159)</b>	<b>(85,833)</b>
<b>Net Assets</b>	<b>(98,959)</b>	<b>30,858</b>	<b>32,093</b>	<b>2,731</b>	<b>658</b>	<b>73,783</b>	<b>41,164</b>
Usable Reserves	0	9,985	(18,486)	8,634	1,370	(645)	858
Unusable Reserves	37,850	(19,192)	(3,654)	0	(1,813)	(55,213)	(42,022)
<b>Total Reserves</b>	<b>37,850</b>	<b>(9,207)</b>	<b>(22,140)</b>	<b>8,634</b>	<b>(443)</b>	<b>(55,858)</b>	<b>(41,164)</b>

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



Comparative year:

Group Balance Sheet 31st March 2023	Group Adjustments to authority	Coventry Municipal Holdings Ltd	Coventry & Solihull Waste Disposal Company	Friargate Joint Venture	Sherbourne Recycling Limited	UK Battery Industrialisation Centre	Total
	£000	£000	£000	£000	£000	£000	£000
Property, Plant and Equipment	804	35,895	0	0	0	54,863	91,562
Heritage Assets	0	0	0	0	0	0	0
Surplus Assets	0	0	0	0	0	0	0
Investment Property	(7,482)	0	0	0	0	0	(7,482)
Intangible Assets	11,641	0	0	0	0	0	11,641
Long Term Investments	(88,803)	0	0	0	0	0	(88,803)
Investment in Associates and Joint Ventures	0	0	30,438	3,376	54	0	33,868
Long Term Debtors	(21,485)	0	0	0	0	0	(21,485)
Deferred Tax Assets	0	0	0	0	0	0	0
<b>Long Term Assets</b>	<b>(105,325)</b>	<b>35,895</b>	<b>30,438</b>	<b>3,376</b>	<b>54</b>	<b>54,863</b>	<b>19,301</b>
Short Term Investments	0	0	0	0	0	0	0
Inventories	0	76	0	0	0	244	320
Short Term Debtors	(1,910)	4,451	0	0	0	34,583	37,124
Cash and Cash Equivalents	0	4,601	0	0	0	4,581	9,182
Assets held for Sale	0	0	0	0	0	0	0
Current Tax Asset	0	509	0	0	0	0	509
<b>Current Assets</b>	<b>(1,910)</b>	<b>9,637</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,408</b>	<b>47,135</b>
Bank Overdraft	0	0	0	0	0	0	0
Short Term Borrowing	0	(301)	0	0	0	6	(295)
Short Term Creditors	269	(7,363)	0	0	0	(2,945)	(10,039)
Short Term Provisions	0	0	0	0	0	0	0
Liabilities in Disposal Groups	0	0	0	0	0	0	0
Current Tax Liability	0	0	0	0	0	0	0
<b>Current Liabilities</b>	<b>269</b>	<b>(7,664)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,939)</b>	<b>(10,334)</b>
Long Term Creditors	0	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0	0
Long Term Borrowing	0	(2,931)	0	0	0	0	(2,931)
Net Pension Liability	0	0	0	0	0	0	0
Other Long term Liabilities	0	0	0	0	0	(407)	(407)
Donated Assets Account	0	0	0	0	0	0	0
Capital Grants Receipts in Advance	0	0	0	0	0	(36,734)	(36,734)
Deferred Tax Liability	0	(1,249)	0	0	0	0	(1,249)
<b>Long Term Liabilities</b>	<b>0</b>	<b>(4,180)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(37,141)</b>	<b>(41,321)</b>
<b>Net Assets</b>	<b>(106,966)</b>	<b>33,688</b>	<b>30,438</b>	<b>3,376</b>	<b>54</b>	<b>54,191</b>	<b>14,781</b>
Usable Reserves	0	7,945	(16,311)	7,989	161	(642)	(858)
Unusable Reserves	45,656	(19,601)	(4,177)	0	0	(35,801)	(13,923)
<b>Total Reserves</b>	<b>45,656</b>	<b>(11,656)</b>	<b>(20,488)</b>	<b>7,989</b>	<b>161</b>	<b>(36,443)</b>	<b>(14,781)</b>

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

	Coventry Municipal Holdings Ltd	Coventry & Solihull Waste Disposal Company	Friargate Joint Venture	Sherbourne Recycling Limited	UK Battery Industrialisation Centre	Total
Movement during 2023/24	£000	£000	£000	£000	£000	£000
<b>1st April 2023</b>	<b>(11,656)</b>	<b>(20,488)</b>	<b>7,989</b>	<b>161</b>	<b>(36,443)</b>	<b>(60,437)</b>
Net increase/decrease in Usable Reserves	2,040	(2,175)	645	1,209	(3)	1,716
Net increase/decrease in Unusable Reserves	409	523	0	(1,813)	(19,412)	(20,293)
<b>1st April 2024</b>	<b>(9,207)</b>	<b>(22,140)</b>	<b>8,634</b>	<b>(443)</b>	<b>(55,858)</b>	<b>(79,014)</b>
<b>Movement during 2022/23</b>						
<b>1st April 2022</b>	<b>(14,883)</b>	<b>(19,494)</b>	<b>7,067</b>	<b>(44)</b>	<b>(43,648)</b>	<b>(71,002)</b>
Net increase/decrease in Usable Reserves	2,809	(1,590)	922	205	(642)	1,704
Net increase/decrease in Unusable Reserves	418	596	0	0	7,847	8,861
<b>1st April 2023</b>	<b>(11,656)</b>	<b>(20,488)</b>	<b>7,989</b>	<b>161</b>	<b>(36,443)</b>	<b>(60,437)</b>

## 4.8 Group Surplus/Deficit Reconciliation

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

31/03/2023 £000	Group Surplus/Deficit Reconciliation	31/03/2024 £000
29,371	The Authority's Single Entity (Surplus)/Deficit on the Provision of Services for the year	<b>27,539</b>
5,521	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	12,300
<b>34,892</b>	<b>(Surplus)/Deficit in the Group Income &amp; Expenditure attributable to the Authority</b>	<b>39,839</b>
	Add: (Surplus)/Deficit arising from other entities included in the Group Accounts	
<b>11,018</b>	Subsidiaries	<b>(15,575)</b>
<b>(7,450)</b>	Joint Ventures	<b>(12,350)</b>
<b>38,460</b>	<b>Group Account (Surplus)/Deficit for the year</b>	<b>11,914</b>

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

Prior year comparative figures:

Reversal of adjustments made between group accounts and authority accounts	Coventry Municipal Holdings	Coventry & Solihull Waste Disposal Company	Friargate Joint Venture	Sherbourne Recycling Limited	UK Battery Industrialisation Centre	Total
	£000	£000	£000	£000	£000	£000
Adjustment to reverse elimination of dividends receivable applied to the General Fund and restore statutory balance	0	(8,200)	0	0	0	<b>(8,200)</b>
Adjustments to reverse intra-group transactions applied to the General Fund and restore statutory balance	6,815	0	0	0	(24)	<b>6,791</b>
Adjustments to reverse goodwill impairment charged to the General Fund and restore statutory balance	0	0	0	0	0	<b>0</b>
<b>(Surplus)/Deficit in the Group Income &amp; Expenditure attributable to the Authority</b>	<b>6,815</b>	<b>(8,200)</b>	<b>0</b>	<b>0</b>	<b>(24)</b>	<b>(1,409)</b>

## 4.10 Group Property, Plant and Equipment

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

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

	Other Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Under Constructure	Total (Excluding Infrastructure Assets)
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Cost of Valuation</b>						
<b>1st April 2023</b>	<b>650,752</b>	<b>131,208</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>887,661</b>
Additions	17,788	9,490	231	0	25,827	68,138
Revaluation increase/(decreases) to Revaluation Reserve	30,136	0	0	(5,462)	0	24,674
Revaluation increase/(decrease) to SDPS	0	0	0	0	0	0
Disposals	0	(1,745)	0	0	0	(1,745)
Derecognition	(21,237)	(4,322)	(194)	0	(3,558)	(29,311)
Reclassifications	47,337	780	0	320	(47,633)	804
<b>31st March 2024</b>	<b>724,776</b>	<b>135,411</b>	<b>17,887</b>	<b>7,922</b>	<b>49,423</b>	<b>950,221</b>
<b>Depreciation and Impairment</b>						
<b>1st April 2023</b>	<b>11,990</b>	<b>56,830</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,820</b>
Depreciation Charge	22,967	10,875	3	0	0	33,845
Disposals	0	(1,061)	0	0	0	(1,061)
Derecognition	(847)	(8,176)	0	0	0	(9,023)
Depreciation written out on revaluation	(23,021)	0	0	0	0	(23,021)
Impairment Losses/reversals recognised in RR	0	0	0	0	0	0
Impairment Losses/reversals recognised in SDPS	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
<b>31st March 2024</b>	<b>11,089</b>	<b>58,468</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>69,560</b>
<b>Net Book Value</b>						
<b>31st March 2024</b>	<b>713,687</b>	<b>76,943</b>	<b>17,884</b>	<b>7,922</b>	<b>49,423</b>	<b>880,661</b>
<b>1st April 2023</b>	<b>638,762</b>	<b>74,378</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>818,841</b>

The 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 £000's	Vehicles, Plant & Equipment £000's	Community Assets £000's	Surplus Assets £000's	Under Constructure £000's	Total (Excluding Infrastructure Assets) £000's
<b>Cost of Valuation</b>						
<b>1st April 2022</b>	<b>616,746</b>	<b>131,745</b>	<b>16,511</b>	<b>25,059</b>	<b>23,732</b>	<b>813,793</b>
Additions	20,572	7,371	1,422	0	43,669	73,034
Revaluation increase/(decreases) to Revaluation Reserve	31,581	0	0	(1,016)	0	30,565
Revaluation increase/(decrease) to SDPS	143	0	0	0	0	143
Disposals	0	(2,215)	0	0	0	(2,215)
Derecognition	(18,123)	(5,889)	(83)	0	(3,564)	(27,659)
Reclassifications	(167)	196	0	(10,979)	10,950	0
<b>31st March 2023</b>	<b>650,752</b>	<b>131,208</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>887,661</b>
<b>Depreciation and Impairment</b>						
1st April 2022	17,901	49,080	0	0	0	66,981
Depreciation Charge	18,627	11,347	0	0	0	29,974
Disposals	0	(1,789)	0	0	0	(1,789)
Derecognition	(450)	(1,808)	0	0	0	(2,258)
Depreciation written out on revaluation	(24,088)	0	0	0	0	(24,088)
Impairment Losses/reversals recognised in RR	0	0	0	0	0	0
Impairment Losses/reversals recognised in SDPS	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
<b>31st March 2023</b>	<b>11,990</b>	<b>56,830</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,820</b>
<b>Net Book Value</b>						
<b>At 31 March Current Year</b>	<b>638,762</b>	<b>74,378</b>	<b>17,850</b>	<b>13,064</b>	<b>74,787</b>	<b>818,841</b>
<b>At 1st April Previous Year</b>	<b>598,845</b>	<b>82,665</b>	<b>16,511</b>	<b>25,059</b>	<b>23,732</b>	<b>746,812</b>

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

Net Book Value	Total (Excluding infrastructure assets) £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>31 March 2024</b>	<b>880,661</b>	414,166	<b>1,294,827</b>
<b>31 March 2023</b>	<b>818,841</b>	402,916	<b>1,221,757</b>
<b>31 March 2019</b>	<b>746,812</b>	387,309	<b>1,134,121</b>

## 4.11 Consolidated Breakdown of Reserves

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

	Single Entity	Adjustments	Adjusted Single Entity	Group	Group Adjustments	Authority's share of the reserves of subsidiaries, Associates & Joint ventures	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Usable Reserves</b>							
General Fund Balance*	(155,893)	9,385	(146,508)	0	0	0	(146,508)
Capital Grants Unapplied	(4,194)	0	(4,194)	0	0	0	(4,194)
Capital Receipts Reserve	(11,733)	0	(11,733)	0	0	0	(11,733)
Income and Expenditure Reserve	0	0	0	64,367	(72,744)	(8,377)	(8,377)
Pensions Reserve (private sector)	0	0	0	0	0	0	0
Capital Contribution Reserve	0	0	0	(150)	0	(150)	(150)
<b>Total Usable Reserves</b>	<b>(171,820)</b>	<b>9,385</b>	<b>(162,435)</b>	<b>64,217</b>	<b>(72,744)</b>	<b>(8,527)</b>	<b>(170,962)</b>
<b>Unusable Reserves</b>							
Capital Adjustment Account	(827,003)	(2,357)	(829,360)	0	(55,212)	(55,212)	(884,572)
Revaluation Reserve	(283,516)	0	(283,516)	0	(24,660)	(24,660)	(308,176)
Deferred Capital Receipts Reserve	(16,964)	0	(16,964)	0	0	0	(16,964)
Financial Instruments Adjustment account	8,982	0	8,982	0	0	0	8,982
Financial Instruments Revaluation Reserve	(64,767)	40,207	(24,560)	0	0	0	(24,560)
Collection fund adjustment	(9,854)	0	(9,854)	0	0	0	(9,854)
Pensions Reserve (local government)	35,393	0	35,393	0	0	0	35,393
Accumulated Absence	2,731	0	2,731	0	0	0	2,731
Pooled Investment Funds Adj. Acc.	2,839	0	2,839	0	0	0	2,839
Share Capital	0	0	0	(5,054)	5,054	0	0
Share Premium	0	0	0	(62,862)	62,862	0	0
Minority Interest	0	0	0	0	0	0	0
Capital Redemption Reserve	0	0	0	0	0	0	0
<b>Total Unusable Reserves</b>	<b>(1,152,159)</b>	<b>37,850</b>	<b>(1,114,309)</b>	<b>(67,916)</b>	<b>(11,956)</b>	<b>(79,872)</b>	<b>(1,194,181)</b>
<b>Total Reserves</b>	<b>(1,323,979)</b>	<b>47,235</b>	<b>(1,276,744)</b>	<b>(3,699)</b>	<b>(84,700)</b>	<b>(88,399)</b>	<b>(1,365,143)</b>

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

Below is the previous year for comparison:

	Single Entity	Adjustments	Adjusted Single Entity	Group	Group Adjustments	Authority's share of the reserves of subsidiaries, Associates & Joint ventures	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Usable Reserves</b>							
General Fund Balance*	(161,578)	1,409	(160,169)	0	0	0	(160,169)
Capital Grants Unapplied	(5,745)	0	(5,745)	0	0	0	(5,745)
Capital Receipts Reserve	(18,623)	0	(18,623)	0	0	0	(18,623)
Income and Expenditure Reserve	0	0	0	62,319	(64,436)	(2,117)	(2,117)
Pensions Reserve (private sector)	0	0	0	0	0	0	0
Capital Contribution Reserve	0	0	0	(150)	0	(150)	(150)
<b>Total Usable Reserves</b>	<b>(185,946)</b>	<b>1,409</b>	<b>(184,537)</b>	<b>62,169</b>	<b>(64,436)</b>	<b>(2,267)</b>	<b>(186,804)</b>
Unusable Reserves	0	0	0	0	0	0	0
Capital Adjustment Account	(828,402)	(3,746)	(832,148)	0	(35,800)	(35,800)	(867,948)
Revaluation Reserve	(237,345)	0	(237,345)	0	(23,778)	(23,778)	(261,123)
Deferred Capital Receipts Reserve	(16,969)	0	(16,969)	0	0	0	(16,969)
Financial Instruments Adjustment account	9,373	0	9,373	0	0	0	9,373
Financial Instruments Revaluation Reserve	(70,667)	49,401	(21,266)	0	0	0	(21,266)
Collection fund adjustment	(11,018)	0	(11,018)	0	0	0	(11,018)
Pensions Reserve (local government)	24,897	0	24,897	0	0	0	24,897
Accumulated Absence	4,464	0	4,464	0	0	0	4,464
Pooled Investment Funds Adj. Acc.	2,596	0	2,596	0	0	0	2,596
Share Capital	0	0	0	(5,054)	5,054	0	0
Share Premium	0	0	0	(62,862)	62,862	0	0
Minority Interest	0	0	0	0	0	0	0
Capital Redemption Reserve	0	0	0	0	0	0	0
<b>Total Unusable Reserves</b>	<b>(1,123,071)</b>	<b>45,655</b>	<b>(1,077,416)</b>	<b>(67,916)</b>	<b>8,338</b>	<b>(59,578)</b>	<b>(1,136,994)</b>
<b>Total Reserves</b>	<b>(1,309,017)</b>	<b>47,064</b>	<b>(1,261,953)</b>	<b>(5,747)</b>	<b>(56,098)</b>	<b>(61,845)</b>	<b>(1,323,798)</b>

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

## 4.12 Group Tax Expense

2022/23 £000	Group Tax Expense	2023/24 £000
<b>CURRENT TAX:</b>		
1,779	Current Tax Expense / (Income)	4,674
(141)	Adjustment Recognised in the Period for Current Tax of Prior Periods	(39)
<b>1,638</b>	<b>Total Current Tax</b>	<b>4,635</b>
<b>DEFERRED TAX:</b>		
211	Origination and Reversal of Temporary Differences	477
44	Changes in Tax Rates or the Imposition of New Taxes	0
147	Adjustment Recognised in the Period for Deferred Tax of Prior Periods	32
257	Other Adjustments	0
<b>659</b>	<b>Total Deferred Tax</b>	<b>509</b>
<b>2,297</b>	<b>Total Tax Expense</b>	<b>5,144</b>
<b>Analysis of Tax Expense</b>		
214	Subsidiaries	(10)
2,083	Joint Ventures/Associates	5,154
<b>2,297</b>	<b>Total Tax Expense</b>	<b>5,144</b>



## 4.13 Notes to the Group Cashflow

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

31st March 2023				31st March 2024		
Single Entity	Group	Total	Adjustments for Non Cash movements	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(30,965)	(9,151)	<b>(40,116)</b>	Depreciation	(36,081)	(8,700)	<b>(44,781)</b>
(22,038)	0	<b>(22,038)</b>	Derecognition of Non-current Assets	(24,876)	0	<b>(24,876)</b>
15,139	0	<b>15,139</b>	Revaluation of Non-current Assets	(32,115)	0	<b>(32,115)</b>
(931)	781	<b>(150)</b>	Amortisation	(638)	0	<b>(638)</b>
2,038	0	<b>2,038</b>	(Increase)/Decrease in Impairment Provision for Bad Debts	(506)	0	<b>(506)</b>
4,044	(38,077)	<b>(34,033)</b>	(Increase)/Decrease in Creditors and Provisions	1,345	(44,939)	<b>(43,594)</b>
(18,490)	32,753	<b>14,263</b>	Increase/(Decrease) in Debtors	(2,701)	(961)	<b>(3,662)</b>
(98)	249	<b>151</b>	Increase/(Decrease) in Inventory	56	162	<b>218</b>
(92,239)	0	<b>(92,239)</b>	Pension Liability	1,374	0	<b>1,374</b>
(6,216)	(5,652)	<b>(11,868)</b>	Other Non Cash items charged to Net Surplus or Deficit on Provision of Services	1,377	(14,045)	<b>(12,668)</b>
<b>(149,756)</b>	<b>(19,097)</b>	<b>(168,853)</b>	<b>Total</b>	<b>(92,765)</b>	<b>(68,483)</b>	<b>(161,248)</b>

31st March 2023				31st March 2024		
Single Entity	Group	Total	Cashflows from Investing activities	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
103,410	987	<b>104,397</b>	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	65,930	24,955	<b>90,885</b>
655,555	0	<b>655,555</b>	Purchase of Short Term and Long Term Investments	1,020,761	0	<b>1,020,761</b>
8,805	0	<b>8,805</b>	Other Payments for Investing Activities	5,414	0	<b>5,414</b>
(12,441)	(372)	<b>(12,813)</b>	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(812)	(626)	<b>(1,438)</b>
(651,189)	0	<b>(651,189)</b>	Proceeds from Short Term and Long Term Investments	(1,017,286)	0	<b>(1,017,286)</b>
(112,650)	(1)	<b>(112,651)</b>	Other Receipts from Investing Activities	(94,551)	(429)	<b>(94,980)</b>
<b>(8,510)</b>	<b>614</b>	<b>(7,896)</b>	<b>Total</b>	<b>(20,544)</b>	<b>23,900</b>	<b>3,356</b>

31st March 2023				31st March 2024		
Single Entity	Group	Total	Cashflows from Financing activities	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
20,917	523	<b>21,440</b>	Repayments of Short and Long Term Borrowing	28,932	821	<b>29,753</b>
2,956	0	<b>2,956</b>	Cash Payment for Reduction of outstanding liability relating to Finance Lease & on the Bal Sheet PFI Contracts	3,110	0	<b>3,110</b>
(26,061)	(1,153)	<b>(27,214)</b>	Cash Receipts of Short and Long Term Borrowing	(10,485)	(450)	<b>(10,935)</b>
(851)	(1,174)	<b>(2,025)</b>	Net Other Payment and Receipts for Financing Activities	912	2,836	<b>3,748</b>
(24,903)	0	<b>(24,903)</b>	Council Tax and NNDR Adjustments	3,978	0	<b>3,978</b>
<b>(27,942)</b>	<b>(1,804)</b>	<b>(29,746)</b>	<b>Total</b>	<b>26,447</b>	<b>3,207</b>	<b>29,654</b>

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

The cash flows for operating activities include the following items:

31st March 2023				31st March 2024		
Single Entity	Group	Total	Cashflows from Interest and Dividends	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(6,289)	1,765	<b>(4,524)</b>	Interest received	(10,669)	613	<b>(10,056)</b>
19,553	356	<b>19,909</b>	Interest paid	19,642	504	<b>20,146</b>
(8,200)	8,200	<b>0</b>	Dividends received	(12,372)	12,300	<b>(72)</b>
<b>5,064</b>	<b>10,321</b>	<b>15,385</b>	<b>Total</b>	<b>(3,399)</b>	<b>13,417</b>	<b>10,018</b>

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

31st March 2023				31st March 2024		
Single Entity	Group	Total	Breakdown of Cash and Cash Equivalents	Single Entity	Group	Total
£000	£000	£000		£000	£000	£000
(19)	(5)	<b>(24)</b>	Cash held by Group Entities	(9)	(1)	<b>(10)</b>
(9,142)	(8,609)	<b>(17,751)</b>	Bank Current Accounts	(8,080)	(54,331)	<b>(62,411)</b>
(42,960)	(568)	<b>(43,528)</b>	On call deposits	(15,000)	(1)	<b>(15,001)</b>
<b>(52,121)</b>	<b>(9,182)</b>	<b>(61,303)</b>	<b>Total</b>	<b>(23,089)</b>	<b>(54,333)</b>	<b>(77,422)</b>

## 4.14 Group Companies Disclosure

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

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

The Council holds 100% of the shares in CMH (fair value £9.6m). This valuation includes CMH and its subsidiaries.

### **Coventry & Solihull Waste Disposal Company (CSWDC)**

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

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

The Council's share of the CSWDC voting rights is 65.35% but the share of dividends and capital distributions is 66.67%. The proportion used in applying the equity method in the group accounts is 66.67%, as this method is based on recognising the investor's share of the profit or loss of the investee. The fair value of the Council's investment is £72.1m.

As at 31st March 2024 CSWDC had capital commitments of £1.0m.

### **Coventry & Warwickshire Growth Hub (CWGH)**

Coventry City Council (the Council) and Warwickshire County Council acquired a 50% shareholding in CWGH on 2<sup>nd</sup> November 2023, each receiving a single share with a nominal value of £1.00. The draft accounts to 31<sup>st</sup> March 2024 reported net assets of nil, comprising of £1.2m assets and £1.2m liabilities. The turnover reported was £3.4m and net profit was £0.1m. CWGH is assessed as a joint venture but is not consolidated into the group accounts as the 50% share of the balances that the Council would recognise on an aggregated basis under the equity method are immaterial.

CWGH operates two wholly owned subsidiaries, C&W Business Solutions Ltd and C&W Champions Ltd.

The fair value of the Council's shareholding is nil as CWGH is a non-profit government funded organisation. The primary purpose of CWGH is to provide advice and support to businesses across the region.

**Friargate JV Project Limited (FJVP)**

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

**Sherbourne Recycling Limited (SRL)**

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

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

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

## 5 Statement of Accounting Policies

### 5.1 General

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31st March 2024. It has been prepared in

accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, 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 Significant Assumptions made in estimating Assets and Liabilities

The Council's Balance Sheet contains some estimated figures that are based on assumptions. Some of these assumptions have a significant risk of resulting in material adjustments within the next financial year. The items in the Balance Sheet for which there is a significant risk are:

**Pensions Net Liability** – At the end of 2023/24 this liability was £35.4m. Estimation of the net pension liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. New information can lead to changes to these judgments, which could lead to material adjustments.

**Property Asset Valuations** – Valuations of other land and buildings are undertaken based on a five-year rolling programme and with consideration for other material factors. Investment properties are revalued annually. The valuations are heavily assumption sensitive and are influenced by economic and financial circumstances which can change significantly from year to year.

A change of 1% in the average valuation of property assets would have the effect of altering the carrying value of these assets by approximately £10m with a corresponding change in the level of unusable reserves. The Council owns land that has been designated, within local planning authorities' Local Plans, for future use as housing. Some of this land has not yet been subject to detailed

surveys and, as such, it is valued on the assumption that no significant detrimental conditions exist that would impact its value. If such conditions were subsequently discovered, and the value of the land was reduced by, for example, 20% this would reduce the value of the land by £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 2023/24 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').

#### **Indemnity and Guarantee 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 Indemnity and Guarantee 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 as a result of the Indemnity and Guarantee. The Council has a contractual

right to receive cash from UKBIC where the Council has borrowed funds from WMCA under the Facility Agreement and applied those funds to resource capital expenditure on the scheme, thereby passing the benefit of the investment in the scheme to UKBIC. Consequently, the Council has recognised the debtor 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).

On the basis that nil interest will be charged, and on the assumption that the Council does not default on the loan from WMCA, the loan to UKBIC will be treated as a series of soft loans advanced. This requires a fair value adjustment to the long-term debtor; the Council recognises an investment in the subsidiary (£5.1m 2023/24) to reflect that the advances under the Indemnity and Guarantee have been provided at a non-market rate.

## 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. Several accounting changes are being adopted in the 2024/25 Code of Practice, but most will have little or no impact on the Council's financial statements. The one exception to this is the adoption of International Financial Reporting Standard 16 Leases (IFRS 16) which must be implemented prospectively by the Council in 2024/25.

The main impact of adopting IFRS 16 will be that property and other assets that the Council has secured long term use of, under the terms of leases, will need to be recognised on the Balance Sheet as 'right-of-use' assets, together with the associated liability to pay for those assets. The impact of adopting IFRS16 is expected to be material to the Council's accounts, with an estimated increase in gross assets of c.£28m and gross liabilities of c.£40m.

## 5.5 Changes in Accounting Policies

There have been no changes to the Council's accounting policies for 2023/24

## 5.6 Accounting Policies – Categories

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

- Accruals of Income and Expenditure
- Provisions
- Reserves
- Property, Plant & Equipment, Investment Property and Assets Held for Sale
- Revenue Expenditure Funded from Capital Under Statute
- Government Grants and Contributions
- Value Added Tax (VAT)
- Investments
- Financial Instruments
- Leases
- Employee Benefits
- Professional and Other 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 Adjustments, 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 then 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	Insurance Valuation
Assets under Construction	Historical Cost
Investment Property	Fair Value
Assets Held for Sale	Fair Value

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Depreciation** - Depreciation is provided for on all assets with a determinable finite life (except for land, community assets, heritage assets and non-operational properties), by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use.

Asset Type	Depreciation
Operational Buildings	Depreciation charged – estimated useful life (maximum of 50 years)
Vehicles, Plant & Equipment	Depreciation charged – estimated useful life
Infrastructure	Depreciation charged – estimated useful life
Land	Depreciation not charged
Community Assets	Depreciation not charged
Heritage Assets	Depreciation not charged
Non-Operational Assets	Depreciation not charged

### **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, either within creditors or within the Capital 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 non-ringfenced 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**

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

**The Authority as Lessee - Finance Leases** - Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset.



Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

**The Authority as Lessee – Operating Leases** - Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased Property, Plant or Equipment. Charges 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 rent-free period at the commencement of the lease).

**The Authority as Lessor - 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.

**The Authority as Lessor - 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 IAS 17 'Leases'. 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 amounts payable to the PFI operators each year are analysed into the following five 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);

- Contingent Rent (increases in the amount to be paid for the asset arising during the contract);
- 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 (available-for-sale assets) 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 central government, 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, major preceptors and central government 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 Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## 6 Glossary of Terms

### Accruals

An accounting principle that recognises income and expenditure as they are earned or incurred, not as money is received or paid.

### Actuarial Assumptions

These are predictions made for factors that will affect the financial condition of the pension scheme.

### Amortisation

The gradual write-off of initial costs of intangible assets.

### Impairment allowance for doubtful debts

Doubtful debts are amounts owed to the Council which it does not believe will ever be paid back to them. The Council makes an impairment allowance to provide for the amount of bad debt it expects to occur.

### Business Rates

Business rates is a tax that is paid by the occupiers of all business properties. The income raised helps to pay for local services.

### Capital Contract

This is a contract the Council has with a company to carry out major building or construction work that will take a significant amount of time.

### Capital Adjustment Account

The account which reflects the extent to which the City Council's resources have been applied to finance capital expenditure and to meet future debt redemption or other credit liabilities.

### Capital Receipts

Income received from selling fixed assets.

### CIPFA

This is the Chartered Institute of Public Finance and Accountancy. This is an institute that represents accounting in the public sector.

### Code of Practice

This is the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom

### Contingent Liabilities

These are amounts that the Council may be, but is not definitely, liable for.

### Council Tax

A tax paid by residents of the city that is based on the value of the property lived in and is paid to the Council and spent on local services.

#### Creditors

These are people or organisations which the Council owes money to for work, goods or services which have not been paid for by the end of the financial year.

#### Current Assets

These are assets that are held for a short period of time (less than 12 months), for example cash in the bank, stocks and debtors.

#### Debtors

Economic benefits, either money, goods or services, owed to the City Council but not received at the end of the year.

#### Depreciation

The amount an asset has dropped in value is the amount it has been judged to have depreciated. Accountants use depreciation to demonstrate how much of a fixed asset value has been used during a financial year, for example due to wear and tear.

#### Donated Assets

Assets transferred at nil value or acquired at less than fair value.

#### Earmarked Reserves

Money set aside for a specific purpose.

#### Fair Value

The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

#### Finance Lease

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. If the person paying the lease owns the asset, then this is known as a finance lease (see also operating lease).

#### Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Year

Runs from 1st April through to the following 31st March.

#### Fixed Assets

Tangible assets that give benefit to the City Council and the services it provides for more than one year.

#### Heritage assets

Are held by the authority principally for their contribution to knowledge and culture.

#### IFRS

International Financial Reporting Standards.

#### Impairment

An asset has been impaired when it is judged to have lost value.

#### Intangible Assets

An item which does not have physical substance (e.g. software license) but can be identified and used by the Council over a number of years.

#### Inventories

Goods owned by the Council which have not been used by the end of the financial year.

#### Investment Properties

Interest in land and/or buildings which are held for their investment potential rather than for operational purposes.

#### LASAAC

This is the Local Authority (Scotland) Accounts Advisory Committee which shares responsibility with CIPFA for determining the accounting Code of Practice.

#### Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

#### Liquid Resources

Current asset investments held as readily disposable stores of value, either readily convertible into cash, or traded in an active market.

#### Levy

A charge levied on the Council by another local organisation acting with powers granted by statute, for example: the local transport levy; and the Environment Agency levy.

#### Market Value of Assets

This is the price that an asset can currently be bought or sold at.

#### Materiality

An item is material if its inclusion in the accounts has the ability to influence the decision or change the judgement of a reasonable person.

#### Movement in Reserves Statement (MIRS)

A core statement showing the movement in the year on different reserves held by the Council, analysed into 'usable reserves' and 'unusable reserves'.

#### Net asset value

The value of the Council's assets less its liabilities.

#### Net Book Value (NBV)

The value of an asset after depreciation has been deducted.



#### Operating Leases

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. If the person paying the lease does not own the asset, then this is known as an operating lease. In this case the person is paying to borrow an asset (see also Finance Leases).

#### Precept

A payment to the Council's General Fund, or another Local Authority, from the Council's Collection Fund.

#### Prior Year Adjustments

These are changes made to the previous year's accounts to show things that were not known until after the prior year accounts were produced.

#### Provisions

Money set aside for a debt that will arise in the future e.g. a known insurance claim.

#### Revaluation Reserve

The account that reflects the amount by which the value of the City Council's assets has been revised following revaluation or impairment.

#### Revenue Expenditure Funded From Capital Under Statute

Expenditure on grants or property not owned by the authority that may properly be classified as capital for funding purposes, but does not result in an asset owned by the Council.

#### Specific Revenue Grants

Grants received from Central Government in respect of specific services.

#### Work in Progress

If the Council is in the process of constructing an asset at the time when the accounts are prepared the value of this work is shown in the accounts as 'Assets Under Construction'.

## **7 Audit Certificate**

*The audit certificate to be added on completion of the audit.*