Warwickshire County Council

Statement of Accounts

2024/25

We would welcome any comments or suggestions you have about this publication. Please contact Andrew Harper, Strategic Finance, Resources Directorate, Warwickshire County Council.

- Phone: 01926 412666
- E-mail: andrewharper@warwickshire.gov.uk

You can also leave your comments on our website at www.warwickshire.gov.uk

If this information is difficult to understand, we can provide it in another format, for example, in Braille, in large print, on audiotape, in another language or by talking with you. Please contact Gary Morris on 01926 412243.

This document forms part of the Warwickshire County Council's 2024/25 Statement of Accounts which also includes the Annual Governance Statement and the accounts for Warwickshire Pension Fund. The accounts for the Pension Fund are available at www.warwickshire.gov.uk

Contents

Independent auditor's report to the members of Warwickshire County Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Warwickshire County Council (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies and include the firefighters' pension fund financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Executive Director for Resources use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Executive Director for Resources conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Executive Director for Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director for Resources with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon, and our auditor's report on the pension fund financial statements. The Executive Director for Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year 2024/25 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Executive Director for Resources

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director for Resources. Executive Director for Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director for Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director for Resources is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003, The Fire and Rescue Services act 2004, The Firefighters' Pension Scheme (England) Regulations 2014 and the Firefighters' Pension Scheme (England) Order 2006.
- We enquired of management and the Audit and Standards Committee concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Standards Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of control. We determined that the principal risks were in relation to the use of manual journals and management estimates. Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on unusual journals with specific risk characteristics and large value journals,
  - gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborate evidence and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or

intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector
  - understanding of the legal and regulatory requirements specific to the Authority including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter except on 25 November 2025 we identified a significant weaknesses in the Council's arrangements for improving economy, efficiency, and effectiveness in use of resources relating to the deficit in Dedicated Schools Grant (DSG). The Council faces a significant and escalating financial risk relating to the High Needs Block of the DSG. Despite having governance, monitoring, and mitigation arrangements in place, overall funding has not been adequate to reduce the growth of the deficit. The Council is reliant on the statutory override to defer the full impact on its general fund, but this approach is unsustainable and poses a material risk to financial sustainability when the override expires. The deficit also has a significant impact on the cash position of the Council and related costs which the Council has reported as part of its financial reporting.

The Council should;

- continue to deliver its planned mitigations and current governance arrangements of monitoring and reporting on deficit within established processes
- the Council should continue to implement enhanced cashflow and treasury monitoring

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Warwickshire County Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until:

- we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025.
- we have completed our consideration of an open objection brought to our attention by Warwickshire County Council under section 27 of the Local Audit and Accountability Act 2014.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Avtar Sohal

Avtar Sohal, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

16 January 2026

Statement of responsibilities for the statement of accounts

This section explains our responsibilities for our financial affairs and how we make sure we carry out these responsibilities properly, in line with the Accounts and Audit Regulations 2015, as amended most recently by the Accounts and Audit (Amendment) Regulations 2024.

Responsibilities of the Council

We do the following:

- ensure that one of our officers is responsible for managing our financial affairs in line with statute. In this Council, the Executive Director for Resources is responsible for this as the Council's Section 151 Officer.
- manage our affairs to make sure we use our resources efficiently and effectively and protect our assets; and
- approve the statement of accounts.

Responsibilities of the Executive Director for Resources

As the Executive Director for Resources, I am responsible for preparing our Statement of Accounts. These accounts must present a true and fair view of our financial position, including our income and spending for the year.

In preparing our statement of accounts, I have:

- selected suitable accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates; and
- followed the Chartered Institute of Public Finance and Accountancy/ Local Authority Scotland Accounts Advisory Committee Code of Practice on Local Authority Accounting in the United Kingdom.

I have also:

- kept proper accounting records which are up to date; and
- taken steps to prevent and detect fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of Warwickshire County Council at 31 March 2025 and the income and expenditure for the year ended 31 March 2025. The unaudited draft accounts were authorised for issue on 30 June 2025. These were audited and were considered and approved at a meeting of the Council on 16 December 2025. The approved accounts were authorised for issue on that date.

Rob Powell
Executive Director for Resources **Date: 16 January 2026**

Councillor Edward Harris
Chair of the Council **Date: 16 January 2026**

Comprehensive Income and Expenditure Statement

The purpose of the Comprehensive Income and Expenditure Statement (CIES) is to report the Council's financial performance during the reporting period. This shows the accounting cost of providing services, rather than the amount to be funded from taxation.

2023/24				2024/25		
Gross expenditure £m	**Gross (income) £m**	**Net expenditure / (income) £m**	**Summary of revenue spending**	**Gross expenditure £m**	**Gross (income) £m**	**Net expenditure / (income) £m**
			Money spent on services			
193.6	-42.9	150.6	~ Communities Directorate	214.1	-53.1	161.0
351.9	-41.6	310.2	~ Children and Young People Directorate	425.7	-50.0	375.7
348.1	-94.0	254.0	~ Social Care and Health Directorate	374.8	-106.7	268.2
101.4	-18.4	83.0	~ Resources Directorate	95.5	-17.4	78.1
178.9	-300.7	-121.8	~ Schools	189.6	-344.1	-154.6
7.6	-44.9	-37.3	~ Corporate Services	9.8	-49.7	-39.9
0.0	-1.2	-1.2	~ Non-distributed costs	0.0	-0.1	-0.1
1,181.4	**-543.8**	**637.6**	**Net cost of services**	**1,309.4**	**-621.1**	**688.3**
27.6	0.0	27.6	~ Other operating expenditure (note 4)	24.0	0.0	24.0
42.0	-41.5	0.6	~ Financing and investment income and expenditure (note 5)	40.1	-36.1	4.0
0.0	-635.9	-635.9	~ Taxation and non-specific grant income and expenditure (note 6)	0.0	-640.1	-640.1
1,251.1	**-1,221.2**	**29.9**	**Surplus (-) or deficit on the provision of services**	**1,373.5**	**-1,297.2**	**76.3**
			Items that will not be reclassified to the surplus (-) /deficit on the provision of services			
		-41.7	~ Surplus (-) or deficit on revaluation of property, plant and equipment. (note 8)			-56.7
		-0.6	~ Surplus (-) or deficit from investments in equity instruments designated at fair value through other comprehensive income. (note 13)			0.1
		29.9	~ Remeasurements of the net defined benefit liability / asset. (note 37)			-43.9
		-12.5	**Other comprehensive income and expenditure**			**-100.6**
		17.4	**Total comprehensive income and expenditure**			**-24.3**

To arrive at the figures for each Directorate in the table above we adjust the income and expenditure figures used internally to report our financial performance, as required by the Code and regulations. A reconciliation of these adjustments and more details as to what each adjustment relates to are shown in the Expenditure and Funding Analysis (Note 1) and the Adjustments between accounting basis and funding basis under regulations (Note 2) in conjunction with the Movement in Reserves Statement. For administrative reasons the Dedicated Schools Grant (DSG) is managed centrally as a single grant and shown within Schools in the CIES above. However, £153.8 million was used to fund education related services provided by the Council in 2024/25 (£115.6 million in 2023/24).

Figures for income, gains and surpluses are shown as negative (-) above.

Movement in Reserves Statement

The purpose of the Movement in Reserves Statement (MiRS) is to report the Council's reserves position at the end of the reporting period, reconciled to the position at the start of the reporting period via the total comprehensive income and expenditure and adjustments between accounting basis and funding basis.

Movement in Reserves Statement - 2024/25	**General Fund (Unearmarked Funds)** £ m	**General Fund Earmarked Reserves** £ m	**General Fund Capital Fund** £ m	**Total General Fund Reserves** £ m	**Capital Receipts Reserve** £ m	**Capital Grants Unapplied** £ m	**Total Usable Reserves** £ m	**Unusable Reserves** £ m	**Total Authority Reserves** £ m
Balance at 31 March 2024	**26.0**	**201.7**	**0.0**	**227.7**	**0.0**	**1.3**	**229.0**	**891.5**	**1,120.5**
Movement in Reserves during 2024/25									
Total Comprehensive Income and Expenditure	-76.3	0.0	0.0	-76.3	0.0	0.0	-76.3	100.6	24.3
Adjustments between accounting basis and funding basis under regulations (note 2)	80.9	0.0	0.0	80.9	0.0	-0.7	80.2	-80.2	0.0
Net Increase / Decrease (-) before Transfers to Earmarked Reserves	**4.6**	**0.0**	**0.0**	**4.6**	**0.0**	**-0.7**	**4.0**	**20.4**	**24.3**
Transfers to / from (-) Earmarked Reserves (note 7)	1.9	-1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / Decrease (-) in Year	**6.5**	**-1.9**	**0.0**	**4.6**	**0.0**	**-0.7**	**4.0**	**20.4**	**24.3**
Balance at 31 March 2025	**32.5**	**199.8**	**0.0**	**232.3**	**0.0**	**0.6**	**233.0**	**911.9**	**1,144.8**

Movement in Reserves Statement - 2023/24	**General Fund (Unearmarked Funds)** £ m	**General Fund Earmarked Reserves** £ m	**General Fund Capital Fund** £ m	**Total General Fund Reserves** £ m	**Capital Receipts Reserve** £ m	**Capital Grants Unapplied** £ m	**Total Usable Reserves** £ m	**Unusable Reserves** £ m	**Total Authority Reserves** £ m
Balance at 31 March 2023	**26.0**	**211.9**	**1.2**	**239.1**	**0.0**	**23.1**	**262.2**	**875.7**	**1,137.9**
Movement in Reserves during 2023/24									
Total Comprehensive Income and Expenditure	-29.9	0.0	0.0	-29.9	0.0	0.0	-29.9	12.5	-17.4
Adjustments between accounting basis and funding basis under regulations (note 2)	18.5	0.0	0.0	18.5	0.0	-21.8	-3.3	3.3	0.0
Net Increase / Decrease (-) before Transfers to Earmarked Reserves	**-11.4**	**0.0**	**0.0**	**-11.4**	**0.0**	**-21.8**	**-33.2**	**15.7**	**-17.4**
Transfers to / from (-) Earmarked Reserves (note 7)	11.4	-10.2	-1.2	0.0	0.0	0.0	0.0	0.0	0.0
Increase / Decrease (-) in Year	**0.0**	**-10.2**	**-1.2**	**-11.4**	**0.0**	**-21.8**	**-33.2**	**15.7**	**-17.4**
Balance at 31 March 2024	**26.0**	**201.7**	**0.0**	**227.7**	**0.0**	**1.3**	**229.0**	**891.5**	**1,120.5**

Balance Sheet

The purpose of the Balance Sheet is to report the Council's financial position as at the end of the reporting period. This includes the assets, liabilities and reserves of the Council.

31 March 2024 £ m		31 March 2025 £ m	Notes
1,447.1	Property, plant and equipment	1,505.8	**8**
5.4	Heritage assets	6.3	**10**
14.6	Investment property	13.8	**11**
0.2	Intangible assets	0.2	**12**
1,467.3	**Total fixed assets**	**1,526.0**	
107.9	Long-term investments	59.9	**13**
9.4	Long-term debtors	15.0	**13**
0.0	Long-term finance lease assets	3.7	**32**
1,584.6	**Total long-term assets**	**1,604.7**	
	Current assets		
164.8	Short-term investments	166.4	**13**
0.0	Short-term finance lease assets	0.3	**32**
0.8	Inventories	0.6	
132.8	Short-term debtors	133.7	**15**
106.3	Cash and cash equivalents	96.5	**16**
404.7	**Total current assets**	**397.5**	
	Current liabilities		
-4.5	Short-term provisions	-3.6	**18**
-7.0	Short-term borrowing	0.0	**13**
-174.8	Short-term creditors	-191.2	**17**
0.0	Short-term finance lease liability	-0.7	**32**
-16.4	Short-term grants and contributions received in advance	-19.7	**24**
-202.7	**Total current liabilities**	**-215.2**	
202.0	**Current assets less current liabilities**	**182.3**	
-2.2	Long-term provisions	-2.2	**18**
-272.4	Long-term borrowing	-272.4	**13**
0.0	Long-term creditors	-2.0	**13**
-106.4	Long-term grants and contributions received in advance	-126.8	**24**
0.0	Long-term finance lease liability	-3.0	**32**
-285.1	Liability related to defined benefit pension scheme	-235.7	**37**
-666.1	**Long-term liabilities**	**-642.2**	
1,120.5	**Net assets**	**1,144.8**	
229.0	Usable reserves	233.0	**19**
891.5	Unusable reserves	911.9	**20**
1,120.5	**Total reserves**	**1,144.8**	

Rob Powell
Executive Director for Resources

Cash Flow Statement

The purpose of the Cash Flow Statement is to report the movement in the Council's cash balances during the reporting period.

31 March 2024 £ m		Notes	31 March 2025 £ m
-29.9	Net surplus or (deficit) on the provision of services		-76.3
75.7	Adjustment to surplus or deficit on the provision of services for noncash movements	21	76.6
-129.1	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	-97.5
-83.3	Net Cash flows from Operating activities		-97.2
52.1	Net Cash flows from Investing Activities	22	77.1
-47.8	Net Cash flows from Financing Activities	23	10.3
-79.0	**Net increase or (decrease) in cash and cash equivalents**		**-9.8**

31 March 2024 £ m		Note	31 March 2025 £ m
185.3	Cash and cash equivalents at the beginning of the reporting period	16	106.3
106.3	Cash and cash equivalents at the end of the reporting period	16	96.5
-79.0	**Net increase or (decrease) in cash and cash equivalents**		**-9.8**

Statement of accounting policies

This section summarises the accounting rules and conventions we have used in preparing these financial statements.

General

The content, layout and general rules we used to prepare these accounts comply with the Code of Practice on Local Authority Accounting 2024/25 ('the Code') issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA code is prepared under International Financial Reporting Standards (IFRS), which have been adopted as the basis for public sector accounting in the UK.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place. This means that income from the sale of goods or the provision of services is recorded in our accounts when the goods or services are transferred to the recipient in accordance with the performance obligations in the contract. Expenditure is recorded in our accounts when services are received, rather than when we actually make a payment, and supplies are recorded as expenditure when we use them or as inventories on the Balance Sheet until that point. Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract. Where services or goods have been received/delivered, but invoices have not been received/raised, a debtor or creditor accrual for the relevant amount is recorded to ensure that income/expenditure is captured in the correct financial year. Accruals recorded are subject to a de minimis level of £1,000 for revenue income/expenditure and £6,000 for capital expenditure. We expect the aggregate impact of items below the de minimis level to be immaterial to the financial performance and position.

Assets held for sale

Where we have decided to sell an asset and the asset is being actively marketed with a sale expected within 12 months of making that decision, it is categorised as a current asset held for sale. We value these at the lower of carrying amount and fair value less disposal costs. Those assets that we do not expect to sell within 12 months are not classed as assets held for sale and instead are valued at their previous use.

Apprenticeship Levy

The cost of the Levy is recognised as a direct cost of employment in the Comprehensive Income and Expenditure Statement (CIES) when it is paid to His Majesty's Revenue and Customs (HMRC). When funds are transferred from the Government's Digital Apprenticeship Account to an approved training provider a training expense up to the value of the training provided, with a corresponding entry for a government grant, will be recognised in the CIES against the service benefiting from the training.

Cash and cash equivalents

Cash is money held in current bank accounts and overdrafts that are repayable on demand and are integral to daily cash flow management. Money held in call accounts and short-term funds invested for a term of three months or less are classified as cash equivalents because they are readily available to be converted into cash.

Contingent assets

We identify contingent assets where an event has taken place that gives the authority a probable asset, whose existence will only be confirmed by the occurrence or non-occurrence of some uncertain future event not wholly within our control. These are not included in our Balance Sheet.

Contingent liabilities

We identify contingent liabilities where either:

- a possible obligation has arisen from past events and whose existence will be confirmed by the occurrence or non-occurrence of some uncertain future event not wholly within our control; or
- a present obligation may arise from past event but is not recognised because either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. These are not included in our Balance Sheet.

Employee benefits

Benefits payable during employment

The accounts reflect entitlements that have been earned by employees, such as salaries and wages, as a consequence of the service completed by them as at 31 March each year even if we would never normally make payments for them, such as annual leave and time-off in lieu not yet taken. These are accrued for in the cost of services in the CIES.

Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before normal retirement age or an officer's decision to accept voluntary redundancy. Termination benefits are recognised immediately as an expense to the service in the CIES at the earlier of when the authority can no longer withdraw the offer or when we recognise costs of a restructuring.

Post-employment benefits

As part of the terms and conditions of employment we offer retirement benefits. Although these benefits will not actually be payable until the employee retires, we account for post-employment benefits in the CIES at the time that employees earn their future entitlement.

Our employees are members of four different pension schemes, and we participate in one compensation scheme:

- the Local Government Pension Scheme;
- the Teachers' Pension Scheme;
- the Firefighters' Pension Scheme and the Firefighters' Injury Awards Scheme; and
- the National Health Service Pension Scheme.

All four pension schemes provide members with pensions and other benefits related to their pay and length of service.

Events after the Balance Sheet date

We consider any material events that occur between the date of the Balance Sheet and the date the accounts are authorised for issue by the Executive Director for Resources.

Exceptional items, prior period adjustments and changes to accounting policies

Exceptional items are material items of income or expenditure that are disclosed separately in the CIES to aid understanding of our financial performance.

Prior period adjustments are made where there are material adjustments applicable to prior years arising from changes in accounting policies or to correct a material error. Where a change to accounting policies is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for earlier years as if the policy had always applied.

Fair value

We value several classes of our assets at fair value. We define this as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value applies to non-operational property, plant and equipment classified as surplus assets, investment properties, assets held for sale and financial instruments.

We use appropriate valuation techniques, maximising the use of relevant known data and thereby minimising the use of estimates or subjective valuations. We assess the level of uncertainty in our valuations by assigning our assets into three categories:

- Level 1 – quoted prices of identical assets or liabilities;
- Level 2 – inputs other than quoted prices that are observable, either directly or indirectly; and
- Level 3 – unobservable inputs.

Financial assets

Financial assets are classified based on our business model for holding them and their cash flow characteristics. There are three main classes:

- amortised cost;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income and expenditure (FVOCI) – designated equity instruments.

Financial assets measured at amortised cost are recognised on the Balance Sheet when we become 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 CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. The amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest).

The fair value measurements of FVPL assets are based on the following techniques:

- instruments with quoted market prices – the market price; and
- other instruments with fixed and determinable payments – discounted cash flow analysis.

FVPL assets 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. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. A Pooled Investment Funds Adjustment Account is used to reflect valuation movements of qualifying investments by reversing out the impact on the General Fund. This relates to a statutory override in place until 1 April 2029. At this time, or sooner if disposed of, the valuation movement will then be reflected on the General Fund. Those that do not qualify, impact the General Fund each year and we hold an earmarked volatility reserve to reflect the net increase or decrease to date.

Equity instruments designated as FVOCI are those which are not held in order to give rise to contractual cashflows and are not held for trading. They are valued at fair value using the earnings multiple valuation method or at cost if suitable information is not available or appropriate. Movements in fair value are recognised in the CIES in Other Comprehensive Income and Expenditure and reflected in the Financial Instruments Revaluation Reserve. These gains or losses are only realised in the General Fund when the assets are sold. Interest is recognised in the CIES is the amount receivable for the year in the loan agreement.

We recognise expected credit losses on assets held at amortised cost or FVOCI either on a 12-month or lifetime basis as appropriate. Impairment losses are calculated to reflect our expectation that future cash flows might not take place because the debtor defaults on their obligations. Where risk has significantly increased since an instrument was recognised, losses are assessed on a lifetime basis. Where risk has not significantly increased or remains low, losses are assessed on the basis of 12-month expectations. For further details on the impairment of current debtors (allowances for bad debts) see note 15. These are shown in service expenditure in the CIES.

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when we become party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument in the year it was due. For our borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest, and interest charged to the CIES is the amount payable for the year in the loan agreement.

Trade creditors are due within one year and the fair value is deemed to equate to the carrying value.

Going concern

Local authorities cannot be created or dissolved without statutory prescription. The provisions of the Code on going concern reflect the economic and statutory environment in which local authorities operate and hence these accounts are prepared on the basis that the functions of the authority will continue in operational existence for the foreseeable future.

Grants

Grant income is recorded in the accounts when we have reasonable assurance that the grants will be received and that we will comply with any conditions attached to them. General grants we receive are shown as Taxation and non-specific grant income in the CIES. Revenue grants we receive to pay for spending on specific service activities are shown as income for the relevant service area when we are confident that any grant conditions have been met. Where revenue grants have conditions outstanding the grant is held as a receipt in advance; if the conditions are met but the grant remains unspent it is held in an earmarked reserve.

Capital grants are credited to the CIES when any relevant conditions governing their use have been met. This income is then reversed out and charged to the Capital Adjustment Account upon use, so the level of council tax is not affected. Unused non-conditional capital grants are held in the Capital Grants Unapplied Reserve. Following receipt of grant monies, where grant conditions are not met, capital grants are held on the Balance Sheet as a receipt in advance.

Group accounts

We have assessed the entities within our group boundary, including our wholly owned subsidiaries, in line with the Code and accounting standards. Having due regard to materiality of effects on the financial statements and other qualitative considerations that may affect the understanding by the readers of the accounts, we have not established a requirement to produce group accounts. We have accounted for schools' income and expenditure, assets and liabilities in the single entity financial statements rather than produce group accounts, in accordance with the Code.

Heritage assets

Our heritage assets are held for their cultural, environmental or historic associations, making their preservation for future generations important. We value our museum collections and valuables at the Courts, Judges' House and Shire Hall at their insurance valuations. The Golden Tower of Leaves and our Waller of Woodcote archive collection of family and estate letters and deeds at County Records are valued at cost. It would not be cost effective to undertake revaluations for all other County Record documents and any valuations would not have a material impact on the accounts. Operational heritage assets used in the provision of services or for other activities are accounted for under other asset classes elsewhere in the Balance Sheet. Heritage assets are valued at insurance cost unless our valuer believes conventional methods relevant to their classification are more appropriate. Any gains on reclassification are taken to the Revaluation Reserve.

Income from selling non-current assets

We use the income from selling non-current assets to meet part of the cost of new capital spending or to repay borrowing. We show the gain or loss on the sale of assets in the CIES. This is the difference between the sale proceeds and the carrying value of an asset after allowing for costs relating to the sale of the asset. We take all costs of disposal incurred in a year to the CIES, regardless of whether all the proceeds of the related sale have been received. We use up to 4% of a capital receipt to meet these disposal costs.

The carrying value of the asset (the net book value after depreciation) and the sale proceeds are also reversed in the Movement in Reserves Statement (MIRS) and transferred to the Capital Adjustment Account and Capital Receipts Reserve respectively, so the level of council tax is not affected.

Where we have the right to capital receipts but have not yet received the cash payment, the transactions in the CIES are unaffected. However, instead of recognising a Usable Capital Receipt, we instead recognise a Deferred Capital Receipt, which cannot be used to pay for our capital expenditure until the cash is received.

Intangible assets
Intangible assets are non-financial non-current assets that do not have physical substance and are controlled by the authority through custody or legal rights (such as software licences). We treat intangible assets in the same way as other non-current assets. We gradually reduce the value of intangible assets on a straight-line basis over their useful life (up to 10 years) to reflect the consumption of the economic or service benefit and charge this to the CIES. Intangible assets are valued at amortised historic cost.

Inventories
Inventories are materials or supplies that will be consumed in producing goods or providing services. Inventory stock is valued at the cost that we paid for them.

Investment property
Investment property assets are those held for rental purposes or capital value appreciation or both. They are not used for the delivery of services. Such assets are initially measured at cost. Investment property is not depreciated but is revalued at fair value every year. Gains and losses on revaluation, as well as disposal and/or rental income, are shown in the Financing and investment income and expenditure line in the CIES.

Leases
We have adopted the new leases standard “IFRS 16: Leases” from 1 April 2024, in accordance with the CIPFA Code of Practice, which mandates the implementation from that date.

As lessee:

We have formal arrangements where as “lessee”, we obtain the right of use in relation to assets which we do not own outright. We include the value of the leased assets on our balance sheet as part of overall PPE. We recognise a lease liability on the balance sheet which represents the net present value of our obligations to make payments in respect of the leased assets.

Under the IFRS 16: Leases accounting standard, there are a number of scope exemptions applied to lease arrangements with specific circumstances. We apply:

- Short-life exemption: Lease arrangements with a term of 12 months or less.
- Low value exemption: Lease arrangements relating to an asset with a low value. We apply a threshold of £10,000 on the “as new” value of an asset.
- Intangible asset exemption: We opt to exclude intangible assets from the scope of leased assets.

The exemptions are applied in order to reduce the administrative burden on reporting lease arrangements within the accounts and ensure efficiency in providing valuable information to the reader of the accounts.

A lease period is defined as the non-cancellable period of a lease, plus periods covered by options to extent that reasonably certain to exercise.

We have two different types of “lessee” lease arrangements. Concessionary leases, where we make no or negligible annual payments for the rights to use an asset. We also have non-concessionary leases where we make annual payments at market value for the rights to use the asset.

Concessionary leases:

With concessionary leases, there is no lease liability present on the balance sheet as we have no obligations in respect of future payments. The asset is brought into PPE at the fair value as deemed by our expert valuer. The addition to PPE is treated as per a donated asset. The value of the asset is initially recognised as “donation and grant income” within the CIES. There is no impact to the General Fund as the adjustment in the Movement in Reserves Statement reverses the impact to the Capital Adjustment Account. Following recognition, the asset is depreciated like regular PPE and subjected to annual revaluation. At the end of the lease term the asset is derecognised from the balance sheet.

Non-Concessionary leases:

With non-concessionary leases, a lease liability is recognised on the balance sheet at the time that the asset is recognised. The value of the lease liability is calculated as the net present value of future lease payments – this being the amount of future payments we are contractually obliged to make, discounted to the date of recognition. The borrowing rate applied is 5.25%. This is based upon the PWLB borrowing rate at 1st April 2024, the date of adoption of IFRS 16.

As the payments are on a market value basis, the future economic inflows expected from possessing the asset are taken to be the same value as the liability calculated. Therefore, the asset and liability recognised are of equal value.

The asset is not subject to revaluation each year but is depreciated over the shorter of the remaining lease term and its remaining useful economic life. The treatment of depreciation is in line with owned assets. The asset value is amended to reflect any change in circumstances (e.g. rent review implemented or extension of lease arrangement) which will also alter the value of the lease liability. At the end of the lease term, the asset will be fully depreciated and have zero net book value. The asset is derecognised on cessation of the lease.

When lease payments are made, the payments are assigned to two elements. An amount pertaining to the annual unwinding of the discount factor applied is charged as a finance cost to finance and investment income and expenditure in the CIES. The remainder of the payment reduces the principal of the lease liability and is reduced from the value of the lease liability held on the balance sheet. The payment relating to principal is subsequently charged to MRP as a Movement in Reserves Statement adjustment which is treated in line with MRP charged on owned assets.

<u>As lessor:</u>

Under IFRS 16: Leases, where the Council is the lessor, the concept of operating and finance lease remains.

Operating leases:

Where we grant an operating lease over an item of property, plant or equipment, the asset is retained on our Balance Sheet and the rental income is credited to the CIES as it is due. We do not disclose contingent rents as they are not material to the financial statements.

Finance leases:

Where we grant a finance lease over a property or item of plant or equipment, the asset is removed from the Balance Sheet and replaced by a lease receivable. The lease receivable reflects the future amounts to be received as part of the lease arrangement. This is recorded as the net present value of future lease payments to be received. An amount pertaining to the annual unwinding of the discount factor applied is credited as a finance income to finance and investment income and expenditure in the CIES. Payments received by the lessee are recognised in cash and reduce the amount held as lease receivable.

Minimum Revenue Provision
We are required to make an annual contribution from revenue for the repayment of our debt as approved in our Treasury Management Strategy. This is known as the Minimum Revenue Provision (MRP). We calculate MRP on a weighted average straight-line basis using the average remaining useful life of our asset portfolio over the two asset categories of:

- land, buildings and infrastructure; and
- vehicles, plant and equipment.

Additionally, MRP is charged on leased assets in respect of the principal amount of the finance lease liability paid in the year.

Overheads and support service costs
All support service costs are held within the directorate within which they are managed.

Pooled budgets
We are the host authority to a number of pooled budget arrangements. These are joint arrangements solely for the purposes of working together with other public sector bodies and which do not create separate entities. Within income, expenditure, assets and liabilities reported in our financial statements, we only account for amounts where we are the commissioning body. This will include amounts owed to or owed by the other parties in the pooled budget arrangement to the authority where it is the commissioning body.

Property, plant and equipment
Assets that have a physical substance, are held for use in the production or supply of services and that are expected to be used during more than one financial year are classified as property, plant and equipment (PPE). The accounting policies specific to Infrastructure assets are set out separately below.

<u>Recognition</u>
Our spending on buying, creating or improving PPE is classed as capital spending provided that it is probable that the future economic benefits or service associated with the item will flow to us, the cost of the item can be measured reliably and the nature of the spend is to enhance or create as opposed to repairing. Spending that does not provide a significant benefit in terms of value, asset life, or service performance or which falls below our de minimis level of £6,000 is charged to our revenue account in full in the year it occurs.

<u>Measurement</u>
Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Assets are valued on the basis set out by CIPFA and in line with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institute of Chartered Surveyors. Our valuation process is led by the Council's Strategic Finance team in collaboration with the Strategic Assets Management team. External valuers are commissioned on a multi-year contract basis.

The closing balances on 31 March are determined in the following ways:

- Operational land and buildings are included in the Balance Sheet at their current value based on their existing use less an annual charge for depreciation. However, where there is insufficient market valuation evidence, for example schools, assets are included in the Balance Sheet at a depreciated replacement cost;
- Surplus assets are those which we do not use in our day-to-day work and which are not likely to be disposed of in the next twelve months. We include these assets in the Balance Sheet at fair value, based on highest and best use. These assets are revalued every year; and

- Assets under construction are held in the Balance Sheet at the cost incurred on their production to date. When the asset is deemed operationally complete the balance is transferred to the appropriate asset class shown above and depreciation begins.

We revalue operational PPE assets held at a value other than depreciated historic cost annually to ensure their carrying amount is not materially different from their current value at year end.

When asset values rise above the amount we paid for them we add the difference to the Revaluation Reserve. When asset values go down, the reduction is charged to any available Revaluation Reserve balance held for that asset, with the remainder being charged to the relevant service line in the CIES. This charge is then reversed out in the MIRS so that there is no impact on council tax.

<u>Impairment</u>
Assets are assessed at each year-end to identify whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. The accounting treatment of impairment losses is the same as that for revaluation losses shown above.

<u>Depreciation</u>
Depreciation is an accounting estimate used to spread the cost of an asset over its useful economic life. We charge depreciation on buildings over our valuer's estimate of their useful economic life (between 5 and 65 years), on roads and bridges over 30 years, and on vehicles and equipment over their own useful lives (between 3 and 20 years for vehicles and between 3 and 40 years for equipment).

The cost of depreciation is calculated by the following methodology:

- Our new assets are depreciated from the start of the financial year after they become operationally complete;
- Depreciation is calculated on a straight-line basis meaning that an asset's value falls equally each year throughout its life. If the gross value or remaining life of the asset changes due to expenditure, impairment or revaluation, the depreciation charge will change in the following year; and
- We generally charge depreciation on buildings as a single asset. However, if we determine that the value of major components within an asset are material with respect to the overall value of that asset, and that the lifetime of these components is significantly shorter than the remaining useful economic life of the asset, the major component is depreciated separately.

We do not charge depreciation on land we own, as it does not have a limited useful life, nor on investment properties or assets held for sale. Similarly, heritage assets are generally assessed to have infinite lives and so are not depreciated.

The estimated useful economic lives of our land and buildings are assessed by our valuers as part of the revaluation of these assets.

<u>Derecognition</u>
Assets are derecognised when they are replaced, sold or no longer owned. The amount of the asset written out is the carrying value (including any revaluations and accumulated depreciation). This leaves no residual value relating to the asset. Assets that have been fully depreciated for 5 years are derecognised unless there is evidence that they are still in existence. When derecognition occurs, the carrying value derecognised and the proceeds received are added to the calculation of the gain/loss on disposal. This is charged to the CIES and subsequently reversed out in the MIRS so that there is no impact on the General Fund.

Property, plant and equipment – Infrastructure Assets
Infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

Measurement

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year. The authority uses a useful economic life of 30 years for infrastructure assets.

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same 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).

The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

The authority has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Provisions

We recognise provisions at the balance sheet date where a past event gives rise to a probable future outflow of resources (payment). For provisions to be recognised they need to meet three tests:

- they must be the result of a past event;
- a reliable estimate can be made; and
- there must be a clear responsibility for the Council to make a future payment because of the past event.

Provisions are charged to the appropriate service line in the CIES when we become aware that it is probable a future payment will be required. The provision is based on the best estimate of the likely settlement. When payments are made, they are charged to the provision already set up in the Balance Sheet.

Reserves

We keep reserves to pay for spending on projects we will carry out in future years, to protect us against unexpected events and to manage the financial risk of the uncertainty we face. Reserves include 'earmarked reserves' which are set aside for certain policy purposes and other 'general reserves' which represent resources set aside for purposes such as general events and managing our cash flow and financial risks. By law, schools are entitled to keep any of their budgets they have not spent. These amounts are shown separately from other reserves.

Reserves are created by appropriating amounts from the Council's General Fund in the MIRS. When expenditure is financed from a reserve, the expenditure itself is charged to the appropriate service line in the CIES. The reserve is then appropriated back via the MIRS so that there is no net charge against council tax. Some reserves hold unspent funding which can only be applied in specific ways, such as the Capital Grants Unapplied and Capital Receipts Reserve.

Other 'unusable reserves' are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits:

- the capital accounting system requires us to maintain a Revaluation Reserve to reflect unrealised gains on non-current assets, and a Capital Adjustment Account to manage timing differences between their usage and financing;
- we maintain a Deferred Capital Receipts Reserve to recognise proceeds from the sale of assets where we have a right to the capital receipts but have not received cash payment;
- we maintain a Financial Instruments Revaluation Reserve to hold qualifying gains and losses on FVPL assets;
- we maintain a Pooled Investment Funds Adjustment Account to hold qualifying gains and losses on Pooled Investment Funds,
- we maintain an Accumulated Absences Reserve to hold the amount we have to accrue for post-employment benefits such as annual leave earned but untaken at the year-end so as not to affect the level of Council Tax;
- we maintain a Collection Fund Adjustment Account which holds the difference between the amounts required to be shown in the CIES for council tax and business rates and that required by legislation to be taken against the General Fund;
- we maintain a Dedicated Schools Grant (DSG) Adjustment Account to hold deficits on DSG as these cannot be offset against General Fund Reserves and must be carried forward and met from future DSG funding in line with current legislation and statutory requirements; and
- we maintain a Pensions Reserve to hold the difference between any increase in the accounting cost of pensions in the year and the statutory figure chargeable in any year, which is the contribution made by the authority.

Revenue expenditure funded from capital under statute

We undertake some capital spending during the year that does not result in the creation of an asset we own. Any money we spend this way must be charged to the CIES but be funded from capital resources, and so, we make an adjustment in the MIRS equal to the expenditure to reverse this to the Capital Adjustment Account.

Schools and schools' assets

The balance of control for local authority maintained schools, foundation, voluntary aided and voluntary controlled schools are all deemed to lie with the local authority. We therefore recognise schools' assets, liabilities, reserves and cash flows in our financial statements as if they were transactions, cash flow and balances of the authority. Any asset provided by a third party and consumed in the provision of an education service with schools or donated to the school will be treated as a donated asset. School assets are derecognised in full on the date that a school transfers to academy status. These are disposals for nil consideration. These losses on disposal/transfer are shown in the Other operating income and expenditure line in the CIES.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income. We are subject to Partial Exemption: as long as the VAT we claim on purchases used to generate exempt income is less than 5% of all VAT claimed on purchases in the year, we can claim all our VAT back in full.

Notes to the Core Financial Statements

Note 1: Expenditure and Funding Analysis and associated notes

The purpose of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the authority (i.e. grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed and earned by the authority in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2023/24				2024/25		
Net Expenditure Chargeable to the General Fund £m	**Adjustments Between the Funding and Accounting Basis £m**	**Net expenditure in the Comprehensive Income and Expenditure Statement £m**	**Summary of revenue spending**	**Net Expenditure Chargeable to the General Fund £m**	**Adjustments Between the Funding and Accounting Basis £m**	**Net expenditure in the Comprehensive Income and Expenditure Statement £m**
			Money spent on services			
123.3	27.3	150.6	~ Communities Directorate	129.9	31.1	161.0
239.1	71.1	310.2	~ Children & Young People Directorate	316.2	59.6	375.7
259.4	-5.3	254.0	~ Social Care & Health Directorate	267.4	0.8	268.2
67.7	15.3	83.0	~ Resources Directorate	62.9	15.2	78.1
-114.5	-7.2	-121.8	~ Schools	-151.0	-3.6	-154.6
-183.5	146.2	-37.3	~ Corporate Services	-198.7	158.7	-39.9
0.0	-1.2	-1.2	~ Non-distributed costs	0.0	-0.1	-0.1
391.4	**246.2**	**637.6**	**Net cost of services**	**426.7**	**261.7**	**688.3**
-362.9	-244.9	-607.7	~ Other income and expenditure	-386.7	-225.4	-612.0
28.5	**1.4**	**29.9**	**Surplus (-) or deficit on the provision of services**	**40.1**	**36.3**	**76.3**
-17.1	**17.1**		DSG Deficit in Year Transferred to DSG Adjustment Account - adjustment between funding and accounting basis	**-44.7**	**44.7**	
11.4	**18.5**		**Transferred (to) / from General Fund Balances**	**-4.6**	**80.9**	
239.1			Opening General Fund Balances	227.7		
-11.4			Surplus or (Deficit) on General Fund Balance in Year	4.6		
227.7			**Closing General Fund Balance**	**232.3**		

The General Fund balances above include a significant proportion of earmarked reserves including those held by schools. For more details and information see the MIRS and note 2 to the accounts.

The analysis of the money spent on services used in the Expenditure and Funding Analysis are those reported to the Cabinet as part of quarterly budget monitoring and year end reporting.

Notes to the Expenditure and Funding Analysis

The table below provides a reconciliation of the main adjustments to the net expenditure chargeable to the General Fund Balances to arrive at amounts in the CIES. The relevant transfers between reserves are explained in the MIRS.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	2024/25			
	Adjustments for Capital Purposes (a) £m	Net change for Pensions Adjustments (b) £m	Other Statutory Differences (c) £m	Total Adjustments £m
~ Communities Directorate	33.3	-3.3	1.1	31.1
~ Children & Young People Directorate	51.4	-1.4	9.6	59.6
~ Social Care & Health Directorate	1.5	-0.7	0.0	0.8
~ Resources Directorate	14.5	-1.3	2.0	15.2
~ Schools	-1.0	-4.6	1.9	-3.6
~ Corporate Services	-10.2	-0.3	169.2	158.7
~ Non-distributed costs	0.0	-0.1	0.0	-0.1
Net cost of services	**89.6**	**-11.8**	**183.8**	**261.7**
~ Other income and expenditure from the Expenditure and Funding Analysis	-51.2	6.2	-180.4	-225.4
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services	**38.4**	**-5.5**	**3.4**	**36.3**
DSG Deficit in Year Transferred to DSG Adjustment Account - adjustment between funding and accounting basis			44.7	44.7
Total for MIRS	**38.4**	**-5.5**	**48.1**	**80.9**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	2023/24			
	Adjustments for Capital Purposes (a) £m	Net change for Pensions Adjustments (b) £m	Other Statutory Differences (c) £m	Total Adjustments £m
~ Communities Directorate	28.1	-2.0	1.3	27.3
~ Children & Young People Directorate	68.7	-0.2	2.6	71.1
~ Social Care & Health Directorate	-5.2	-0.1	0.0	-5.3
~ Resources Directorate	14.4	-0.2	1.1	15.3
~ Schools	-1.1	-3.6	-2.5	-7.2
~ Corporate Services	-10.1	0.0	156.3	146.2
~ Non-distributed costs	0.0	-1.2	0.0	-1.2
Net cost of services	**94.8**	**-7.4**	**158.9**	**246.2**
~ Other income and expenditure from the Expenditure and Funding Analysis	-88.4	6.7	-163.3	-244.9
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services	**6.4**	**-0.7**	**-4.3**	**1.4**
DSG Deficit in Year Transferred to DSG Adjustment Account - adjustment between funding and accounting basis			17.1	17.1
Total for MIRS	**6.4**	**-0.7**	**12.8**	**18.5**

a) **Adjustments for capital purposes –** this column adds in depreciation, impairment and revaluation gains and losses as well as revenue expenditure funded by capital under statute and capital grants used to fund that expenditure to the service lines within the CIES. It also includes:

- **Other operating expenditure** – income received on disposal of assets and the amounts written off on those assets are added;
- **Financing and investment income and expenditure** – statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted; and

- **Taxation and non-specific grant income and expenditure** – credits for capital grants receivable in the year without conditions or for which conditions were satisfied in the year are added.

b) **Net change for the Pensions adjustments** – this column adds the net change for the removal of pensions contributions and the addition of employee pension-related expenditure and income.

- **For services** – this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement of current service costs and past service costs as a result of employee service; and
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is added as a cost.

c) **Other differences** – this column adds other differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. These include:

- Taxation and non-specific grant income and expenditure – the difference between what is chargeable under statutory regulations for Council Tax and Business Rates and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund. Revenue grants that are receivable without conditions or service-specific stipulation are required to be shown within this line rather than within the Net Cost of Services.
- Transfer of DSG Deficits – the amount by which we are required to transfer the deficit on schools' budgets to an unusable reserve in line with statutory requirements.

Expenditure and Income Analysed by Nature

2023/24 £m	Expenditure / (Income)	2024/25 £m
	Expenditure:	
395.7	~ Employee expenses	415.9
747.8	~ Other services expenses	848.2
59.8	~ Depreciation and amortisation	65.8
3.3	~ Impairment and revaluation losses (including reductions in fair value of investment property)	5.4
14.3	~ Interest payments	14.2
0.3	~ Precepts and Levies	0.3
29.8	~ Loss on the disposal of assets	23.7
1,251.1	**Total Expenditure**	**1,373.5**
	Income:	
-118.1	~ Fees, charges and other service income from contracts with customers	-129.5
-52.9	~ Other contributions, reimbursements and statutory income	-61.6
-6.1	~ Revaluation gains (Restatement of prior PPE revaluation and impairment losses)	-9.0
-26.5	~ Interest and investment income (including increases in fair value of investment property)	-22.0
-364.9	~ Income from council tax	-384.6
-1.2	~ Pensions Gain on settlements and curtailments	-0.1
-651.5	~ Grants & non domestic rates income	-690.4
-1,221.2	**Total Income**	**-1,297.2**
29.9	**(Surplus) or Deficit on the Provision of Services**	**76.3**

Note 2: Adjustments between accounting basis and funding basis under regulations

Adjustments between accounting basis and funding basis under regulations 2024/25	General Fund Balance £ m	Capital Receipts Reserve £ m	Capital Grants Unapplied £ m	Movement in Unusable Reserves net spending £ m
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):				
~ Charges for depreciation of non-current assets	65.7			-65.7
~ Revaluation gains on property, plant and equipment assets	-3.3			3.3
~ Movements in the market value of investment properties	-0.9			0.9
~ Amortisation of intangible assets	0.1			-0.1
~ Capital grants and contributions applied	-95.7			95.7
~ Revenue expenditure funded from capital under statute	60.8			-60.8
~ Amounts of non-current assets written off on disposal to the CIES	32.4			-32.4
Insertion of items not debited or credited to the CIES				
~ Minimum Revenue Provision	-10.6			10.6
~ Capital expenditure charged to the General Fund Balance	-1.9			1.9
Adjustments primarily involving the Capital Grants Unapplied Account				
~ Capital Grants and contributions unapplied credited to the CIES	0.7		-0.7	0.0
Adjustments primarily involving the Capital Receipts Reserve & the Deferred Capital Receipts Reserve				
~ Cash sale proceeds credited as part of the gain/loss on disposal to the CIES	-0.4	0.4		0.0
~ Deferred capital receipts credited as part of the gain/loss on disposal to the CIES	-8.5			8.5
~ Transfer of capital loan principal repayment receipts to Capital Receipts Reserve		0.2		-0.2
~ Use of Capital Receipts Reserve to finance new capital expenditure		-0.6		0.6
Adjustments primarily involving the Pensions Reserve				
~ Grant funding of fire fighters' pension liabilities	-6.3			6.3
~ Reversal of net charges made for retirement benefits in accordance with IAS19	51.4			-51.4
~ Employer's pensions contributions and direct payments to pensioners	-50.6			50.6
Adjustments primarily involving the DSG Adjustment Account				
~ Amount of DSG deficit for the year required to be removed from the CIES in accordance with statutory requirements	44.7			-44.7
Adjustments primarily involving the Collection Fund Adjustment Account				
~ Amount by which council tax income credited to the CIES is different from council tax income calculated in accordance with statutory requirements	2.1			-2.1
~ Amount by which business rates income credited to the CIES is different from business rates income calculated in accordance with statutory requirements	-0.6			0.6
Adjustment primarily involving the Pooled Investment Funds Adjustment Account				
~ Unrealised gains and losses of financial instruments which are shown in the CIES but are not charged/credited to the General Fund Balance in accordance with statutory requirements	-0.2			0.2
Adjustment primarily involving the Financial Instruments Adjustment Account				
~ Amount by which discounts received credited to the Comprehensive Income and Expenditure Statement are different from finance income recognisable in the year in accordance with statutory requirements	0.2			-0.2
Adjustment primarily involving the Accumulated Absences Account				
~ Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2.0			-2.0
Total adjustments	**80.9**	**0.0**	**-0.7**	**-80.2**

Adjustments between accounting basis and funding basis under regulations 2023/24	**General Fund Balance £ m**	**Capital Receipts Reserve £ m**	**Capital Grants Unapplied £ m**	**Movement in Unusable Reserves net spending £ m**
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):				
~ Charges for depreciation of non-current assets	59.6			-59.6
~ Revaluation gains on property, plant and equipment assets	-3.1			3.1
~ Movements in the market value of investment properties	-3.7			3.7
~ Amortisation of intangible assets	0.2			-0.2
~ Capital grants and contributions applied	-125.5			125.5
~ Revenue expenditure funded from capital under statute	65.4			-65.4
~ Amounts of non-current assets written off on disposal to the CIES	32.0			32.0
Insertion of items not debited or credited to the CIES				
~ Minimum Revenue Provision	-10.1			10.1
~ Capital expenditure charged to the General Fund Balance	-2.1			2.1
Adjustments primarily involving the Capital Grants Unapplied Account				
~ Capital Grants and contributions unapplied credited to the CIES	-1.3		1.3	0.0
~ Application of Capital Grants to the Capital Adjustment Account	0.0		-23.1	23.1
Adjustments primarily involving the Capital Receipts Reserve & the Deferred Capital Receipts Reserve				
~ Cash sale proceeds credited as part of the gain/loss on disposal to the CIES	-0.2	0.2		0.0
~ Deferred capital receipts credited as part of the gain/loss on disposal to the CIES	-2.0			2.0
~ Use of Capital Receipts Reserve to finance new capital expenditure	0.0	-0.2		0.2
Adjustments primarily involving the Pensions Reserve				
~ Grant funding of fire fighters' pension liabilities	-4.6			4.6
~ Reversal of net charges made for retirement benefits in accordance with IAS19	51.2			-51.2
~ Employer's pensions contributions and direct payments to pensioners	-47.2			47.2
Adjustments primarily involving the DSG Adjustment Account				
~ Amount of DSG deficit for the year required to be removed from the CIES in accordance with statutory requirements	17.1			-17.1
Adjustments primarily involving the Collection Fund Adjustment Account				
~ Amount by which council tax income credited to the CIES is different from council tax income calculated in accordance with statutory requirements	-2.0			2.0
~ Amount by which business rates income credited to the CIES is different from business rates income calculated in accordance with statutory requirements	-1.3			1.3
Adjustment primarily involving the Pooled Investment Funds Adjustment Account				
~ Unrealised gains and losses of financial instruments which are shown in the CIES but are not charged/credited to the General Fund Balance in accordance with statutory requirements	0.4			-0.4
Adjustment primarily involving the Financial Instruments Adjustment Account				
~ Amount by which discounts received credited to the Comprehensive Income and Expenditure Statement are different from finance income recognisable in the year in accordance with statutory requirements	-1.7			1.7
Adjustment primarily involving the Accumulated Absences Account				
~ Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-2.4			2.4
Total adjustments	**18.5**	**0.0**	**-21.8**	**3.3**

Note 3: Significant items of income and expenditure and restatements of prior year figures

There have been no significant changes in the organisation's structure from 2023/24 to 2024/25.

Note 4: Other operating expenditure

2023/24 £ m	Other operating expenditure	2024/25 £ m
0.3	Environment Agency Levy	0.3
27.4	Losses on disposal/transfer of non-current assets	23.7
27.6		**24.0**

The loss on the disposal/transfer of non-current assets in 2024/25 primarily relates to the transfer of 4 schools to academy status.

Note 5: Financing and investment income and expenditure

2023/24 £ m	Financing and investment (income) and expenditure	2024/25 £ m
14.3	Interest payable and similar charges	14.0
11.8	Net interest on the net defined benefit liability	13.4
-19.6	Interest receivable and similar income	-19.0
-0.8	Unrealised (gains) or losses on financial assets held at fair value through profit and loss transferred to usable reserves	0.0
-1.9	Discounts on early redemption of debt	0.0
0.4	Unrealised (gains) or losses on financial assets held at fair value through profit and loss transferred to unusable reserves	-0.2
-0.1	Increase or (decrease) in Impairments of financial assets	-0.2
-14.1	Trading account income	-13.8
12.8	Trading account expenditure	12.5
-3.7	(Income) and expenditure on investment properties and changes in their fair value	-0.9
2.6	(Gains) or losses on disposal of investment properties	-0.3
0.2	Other investment expenditure	0.2
-1.3	Other investment income	-1.7
0.0	Finance Income - leased assets	-0.2
0.0	Finance Costs - leased assets	0.2
0.6		**4.0**

Note 6: Taxation and non-specific grant income and expenditure

2023/24 £ m	Taxation and non specific grant (income) and expenditure	2024/25 £ m
-364.9	Council tax income	-384.6
-72.3	Business rates income and expenditure	-75.2
	Non-ringfenced Government grants:	
-5.1	~ Fire Pensions Fund Grant	-7.0
-81.9	~ Revenue grants	-99.4
-111.8	~ Capital grants and contributions	-73.9
-635.9		**-640.1**

Note 7: Transfers to / from earmarked reserves

Movement in earmarked reserves	Balance at 31 March 2023 £ m	Transfers Out £ m	Transfers In £ m	Balance at 31 March 2024 £ m	Transfers Out £ m	Transfers In £ m	Balance at 31 March 2025 £ m
Schools Balances	20.4	-3.2	0.0	17.2	0.0	0.2	17.3
External Commitments Reserves	12.8	-4.7	1.2	9.4	-5.2	2.9	7.0
Redundancy Fund	5.0	-0.1	0.0	4.9	0.0	-0.4	4.4
Insurance Fund	8.8	-0.3	0.0	8.6	0.0	0.0	8.6
Medium-Term Financial Risk Reserve	21.7	0.0	17.8	39.5	0.0	18.5	58.0
Investment Funds	26.2	-8.9	10.7	27.9	-15.1	4.0	16.9
Projects and Policies Reserves	8.4	-2.0	0.5	6.9	-1.5	14.8	20.2
Volatility Reserves	47.2	-2.5	2.6	47.3	-4.9	1.9	44.3
Short-Term Financial Risk Reserve	8.8	-11.1	16.0	13.7	-2.2	0.9	12.4
Covid Grants Reserves	2.0	-1.5	0.0	0.5	-0.5	0.0	0.0
Medium-Term Financial Strategy Reserve	50.5	-28.1	3.5	25.9	-15.3	0.0	10.7
Total	**211.9**	**-62.5**	**52.3**	**201.7**	**-44.6**	**42.7**	**199.8**

Earmarked Reserves are the money that we set aside to meet future known budget commitments or so we have the resources to respond to unforeseen events.

The categories of Earmarked Reserves we held are:

- School balances: accumulated underspends of schools held under a scheme of delegation;
- External Commitments Reserves: unused funding received from third parties with conditions on its use is carried forward until the conditions are met;
- Redundancy Fund: resources set aside to meet the costs of redundancies that arise as a result of changes to our services and the way they are delivered;
- Insurance Fund: resources set aside to meet the costs of self-insurance and any excesses on our insurance policies;
- Medium-Term Financial Risk Reserve: This is part of our Medium-Term Financial Strategy and Reserves Strategy to ensure sufficient funds are available to meet known future impacts on the General Fund should they arise;
- Investment Funds: funding to deliver a future programme of activity to deliver the outcomes and priorities in the Council Plan;
- Projects and Policies Reserves: funding to deliver projects and policies approved by the Council that extend over more than one financial year;
- Volatility Reserves: a number of the Council's activities and costs are volatile over time. Rather than managing this volatility on an annual basis the volatility reserves, such as the Commercial Risk Reserve and the NNDR (National Non-Domestic Rates) Volatility Reserve, are used to smooth the financial impact across financial years;
- Short-Term Financial Risk Reserve: as part of our Reserves Strategy up to a maximum of 2% of the Council's net revenue budget is held to manage in-year variations between planned and actual spend;
- Medium-Term Financial Strategy (MTFS) Reserve: funding available to support the delivery of the Council's MTFS. Of the £10.7 million in this reserve at 31 March 2025, £7.0 million is planned to be used as part of resourcing the delivery of our 2025-30 MTFS.

Note 8: Property, plant and equipment

Property, plant and equipment	Land and buildings £ m	Surplus assets £ m	Vehicles, machinery, furniture and equipment £ m	Roads and bridges* £ m	Country parks and open spaces £ m	Assets under construction £ m	Total £ m
Gross book value at 1 April 2024	789.6	10.6	39.3		7.0	99.3	946.0
Depreciation balance at 1 April 2024	-14.4	0.0	-24.5		0.0	0.0	-38.9
Net book value (modified historical cost)*				540.1			540.1
Net book value at 1 April 2024	**775.2**	**10.6**	**14.8**	**540.1**	**7.0**	**99.3**	**1,447.1**
Changes in the year							
~ opening balance adjustment	10.2	0.2	0.2	0.0	0.0	0.0	10.7
~ reclassifications	0.0	0.7	0.0	0.0	0.0	0.0	0.7
~ spending on assets	14.5	0.1	4.6	29.6	0.6	35.8	85.1
~ transfer of assets under construction to operational assets on project completion	4.0	0.0	0.0	26.7	0.1	-30.9	0.0
~ value of assets we have sold/transferred	-29.4	-1.0	-5.7	0.0	0.0	-2.1	-38.2
~ revaluation increases/ (decreases) recognised in the revaluation reserve	29.1	-0.3	0.0	0.0	0.5	0.0	29.3
~ revaluation increases/ (decreases) recognised in the surplus/deficit on the provision of services	4.3	-0.6	0.0	0.0	-0.4	0.0	3.3
Depreciation							
~ depreciation written out to the revaluation reserve	26.4	0.2	0.0	0.0	0.1	0.0	26.7
~ depreciation written off on disposal	1.9	0.0	5.0	0.0	0.0	0.0	6.9
~ depreciation charge	-33.2	-0.3	-3.4	-28.8	-0.1	0.0	-65.7
Net book value at 31 March 2025	**803.1**	**9.8**	**15.5**	**567.6**	**7.8**	**102.1**	**1,505.8**
Gross book value at 31 March 2025	822.4	9.8	38.3		7.8	102.1	980.3
Depreciation balance at 31 March 2025	-19.3	0.0	-22.9		0.0	0.0	-42.2
Net book value (modified historical cost)*				567.6			567.6
Net book value at 31 March 2025	**803.1**	**9.8**	**15.5**	**567.6**	**7.8**	**102.1**	**1,505.8**

* In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets (Roads and Bridges) this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclosure this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Property, plant and equipment	Land and buildings £ m	Surplus assets £ m	Vehicles, machinery, furniture and equipment £ m	Roads and bridges* £ m	Country parks and open spaces £ m	Assets under construction £ m	Total £ m
Gross book value at 1 April 2023	772.3	13.3	37.6		3.9	88.4	915.4
Depreciation balance at 1 April 2023	-9.9	0.0	-24.1		0.0	0.0	-34.0
Net book value (modified historical cost)*				511.1			511.1
Net book value at 1 April 2023	**762.3**	**13.3**	**13.5**	**511.1**	**3.9**	**88.4**	**1,392.5**
Changes in the year							
~ reclassifications	-1.6	1.6	0.0	0.0	0.0	0.0	0.0
~ spending on assets	17.6	0.1	4.4	41.6	0.2	35.1	99.0
~ transfer of assets under construction to operational assets on project completion	9.7	0.0	0.0	14.4	0.0	-24.2	0.0
~ value of assets we have sold/transferred	-28.7	-1.6	-2.6	-0.1	0.0	0.0	-33.1
~ revaluation increases/ (decreases) recognised in the revaluation reserve	14.2	-0.1	0.0	0.0	3.2	0.0	17.3
~ revaluation increases/ (decreases) recognised in the surplus/deficit on the provision of services	6.1	-2.7	0.0	0.0	-0.3	0.0	3.1
Depreciation							
~ reclassifications	0.2	-0.2	0.0	0.0	0.0	0.0	0.0
~ depreciation written out to the revaluation reserve	23.8	0.3	0.0	0.0	0.1	0.0	24.2
~ depreciation written off on disposal	1.1	0.0	2.5	0.0	0.0	0.0	3.6
~ depreciation charge	-29.5	-0.2	-2.9	-26.9	-0.1	0.0	-59.6
Net book value at 31 March 2024	**775.2**	**10.6**	**14.8**	**540.1**	**7.0**	**99.3**	**1,447.1**
Gross book value at 31 March 2024	789.6	10.6	39.3		7.0	99.3	946.0
Depreciation balance at 31 March 2024	-14.4	0.0	-24.5		0.0	0.0	-38.9
Net book value (modified historical cost)*				540.1			540.1
Net book value at 31 March 2024	**775.2**	**10.6**	**14.8**	**540.1**	**7.0**	**99.3**	**1,447.1**

Our land and building assets include schools, fire stations, libraries, waste disposal sites and other buildings. Assets we have disposed of mainly relate to 4 schools that have transferred to Academy status during the year.

Depreciation

We charge depreciation on buildings over our valuer's estimate of their useful economic life (between 5 and 65 years), on roads and bridges over 30 years, and on vehicles and equipment over their own useful lives (between 3 and 20 years for vehicles and between 3 and 40 years for equipment).

Right-of-use assets

The Council acts as the lessee in leasing arrangements and so acquires right-of-use assets. The value of the right-of-use assets held is included within the "Property, Plant and Equipment" line of the Balance Sheet. This is also therefore included within the values in the Note 8: Property, Plant and Equipment table above. The value of the Council's right-of-use assets as at 31 March 2025 are shown separately below:

Right-of-use assets	Land and buildings £ m	Surplus assets £ m	Vehicles, machinery, furniture and equipment £ m	Roads and bridges* £ m	Country parks and open spaces £ m	Assets under construction £ m	Total £ m
Right-of-use assets NBV at 31 March 2025	8.7	0.0	0.2	0.0	0.0	0.0	8.8
Other PPE NBV at 31 March 2025	794.5	9.8	15.3	567.6	7.8	102.1	1,496.9
Total PPE at 31 March 2025	**803.1**	**9.8**	**15.5**	**567.6**	**7.8**	**102.1**	**1,505.8**

Capital commitments
At 31 March 2025, the authority had entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years. The total of those commitments on capital schemes that were not yet finished, or which we had not finished incurring costs for, is £33.6 million. Similar commitments at 31 March 2024 were £25.6 million.

The largest outstanding commitments are as follows:
1. A46 Stoneleigh Bridge - £13.9 million
2. Stratford Upon Avon Secondary School - £7.3 million; and
3. Highways Maintenance - £3.3 million

Effects of changes in estimates
There have been no material changes to our accounting estimates for property, plant and equipment in 2024/25.

Revaluations
We carry out a programme of revaluations that ensures all property, plant and equipment required to be measured at fair value for the asset type is revalued annually. The following table shows the date at which our property, plant and equipment assets were last valued.

Revaluations	Land and buildings £ m	Surplus Assets £ m	Vehicles, machinery, furniture and equipment £ m	Roads and bridges £ m	Country parks and open spaces £ m	Assets under construction £ m	Total £ m
Carried at Historical Cost	**0.0**	**0.0**	**15.5**	**567.6**	**7.8**	**102.1**	**692.9**
Valued at current value as at:							
31st March 2025	803.1	9.8	0.0	0.0	0.0	0.0	812.9
Total cost or valuation	**803.1**	**9.8**	**15.5**	**567.6**	**7.8**	**102.1**	**1,505.8**

All our assets carried at current value were valued in 2024/25. Valuation of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

All our Surplus Assets fall within the Level 2 - Fair value category, valued using observable inputs. There has been no change in categorisation during the year.

Note 9: School property, plant and equipment

The value of our school property, plant and equipment is £547.4 million (2023/24 - £540.1 million). The value of school property, plant and equipment reported in this note is included within the numbers for total property, plant and equipment reported in Note 8: Property, plant and equipment.

The table below shows a breakdown across the various types of school.

School property, plant and equipment At 31 March 2025	Land £ m	Buildings £ m	Other Assets £ m	Total £ m	Number of Schools
Community Schools	111.7	247.9	1.9	361.5	64
Voluntary Aided Schools	18.0	34.2	0.0	52.2	13
Voluntary Controlled Schools	29.1	72.3	0.0	101.4	26
Foundation Schools	7.2	25.2	0.0	32.4	4
Net book value at 31 March 2025	**165.9**	**379.6**	**1.9**	**547.4**	**107**

School property, plant and equipment At 31 March 2024	Land £ m	Buildings £ m	Other Assets £ m	Total £ m	Number of Schools
Community Schools	117.8	216.2	2.0	336.0	64
Voluntary Aided Schools	29.4	37.3	0.0	66.7	16
Voluntary Controlled Schools	35.3	65.7	0.0	101.1	27
Foundation Schools	7.4	28.9	0.0	36.4	4
Net book value at 31 March 2024	**189.9**	**348.2**	**2.0**	**540.1**	**111**

The number of schools has reduced by 4 which chose to take up academy status in 2024/25. Whilst we recognise the assets of voluntary aided, voluntary controlled and foundation schools in our accounts we do not have the right to access or dispose of these assets to settle any liabilities. We have no donated school assets.

Note 10: Heritage assets

The net book value of the heritage assets we hold is £6.3 million (£5.4 million in 2023/24). There have been no material acquisitions during 2024/25 and there have not been any significant disposals of heritage assets.

Note 11: Investment properties

We classify a number of properties as investment properties, most of which are leased out to third parties under operating leases.

The table below summarises the movement in the fair value of investment properties over the year.

31 March 2024 £ m	Investment properties	31 March 2025 £ m
13.4	Balance at the start of the year	14.6
0.0	Reclassifications	-0.7
-2.6	Disposals	-1.0
3.7	Net gains from fair value adjustments	0.9
14.6	**Balance at the end of the year**	**13.8**

The table below shows the fair value of these assets.

Investment Properties - Fair value	Quoted Market Price - Level 1 £ m	Using Observable Inputs - Level 2 £ m	Unobservable Inputs - Level 3 £ m	Total £ m
31st March 2025	0.0	13.8	0.0	13.8
31st March 2024	0.0	14.6	0.0	14.6

There have no changes in the year between levels.

Note 12: Intangible Assets

We account for our software as intangible assets, to the extent that the software is not an integral part of a particular IT system accounted for as a hardware item of property, plant and equipment. Our intangible assets include both purchased licences and internally generated software. All software is valued at historic cost.

The carrying amount of intangible assets at 31 March 2025 is £0.2 million (£0.2 million at 31 March 2024). The carrying amount is amortised on a straight-line basis. The amortisation of £0.1 million (£0.2 million in 2023/24) was charged to revenue in 2024/25.

Note 13: Financial instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Assets	31 March 2024			31 March 2025		
	Current £m	Long-term £m	Total £m	Current £m	Long-term £m	Total £m
Investments:						
~ Fair Value through Profit and Loss	0.0	39.9	39.9	0.0	40.0	40.0
~ Amortised cost	164.8	64.9	229.6	166.4	16.7	183.1
~ Fair value through other comprehensive income - designated equity instruments	0.0	3.2	3.2	0.0	3.2	3.2
Total investments	**164.8**	**107.9**	**272.7**	**166.4**	**59.9**	**226.3**
Finance Lease Assets:						
~ Amortised cost	0.0	0.0	0.0	0.3	3.7	4.1
Total Finance Lease Assets	**0.0**	**0.0**	**0.0**	**0.3**	**3.7**	**4.1**
Debtors - at amortised cost:						
~ Amortised cost	1.8	9.4	11.2	2.6	15.0	17.6
~ Financial assets carried at contract amounts	95.2	0.0	95.2	84.1	0.0	84.1
Total Debtors	**97.0**	**9.4**	**106.4**	**86.7**	**15.0**	**101.7**
Cash:						
~ Cash and cash equivalents	106.3	0.0	106.3	96.5	0.0	96.5
Total Cash	**106.3**	**0.0**	**106.3**	**96.5**	**0.0**	**96.5**
Total Financial assets	**368.1**	**117.3**	**485.4**	**350.0**	**78.6**	**428.6**

Financial Liabilities	31 March 2024			31 March 2025		
	Current £m	Long-term £m	Total £m	Current £m	Long-term £m	Total £m
Borrowings:						
~ Financial liabilities at amortised cost	7.0	272.4	279.4	0.0	272.4	272.4
Total Borrowings	**7.0**	**272.4**	**279.4**	**0.0**	**272.4**	**272.4**
Creditors - amortised cost						
~ Financial liabilities at contractual amounts	87.2	0.0	87.2	90.1	2.0	92.1
Total Creditors	**87.2**	**0.0**	**87.2**	**90.1**	**2.0**	**92.1**
Finance Lease Liabilities:						
~ Financial lease at contractual amounts	0.0	0.0	0.0	0.7	3.0	3.7
Total Finance Lease Liabilities	**0.0**	**0.0**	**0.0**	**0.7**	**3.0**	**3.7**
Total Financial Liabilities	**94.2**	**272.4**	**366.6**	**90.8**	**277.5**	**368.3**

Reconciliation to Balance Sheet carrying amounts	2023/24 £m	2024/25 £m
Short Term Debtors that are financial instruments	97.0	86.7
Short Term Debtors that are not financial instruments	35.8	47.0
Total Debtors	**132.8**	**133.7**
Short Term Creditors that are financial instruments	87.2	90.1
Short Term Creditors that are not financial instruments	87.6	101.1
Total Creditors	**174.8**	**191.2**

The valuation of financial instruments has been classified into the three levels of fair value hierarchy required in the Code according to the quality and reliability of the information and techniques used to value them at fair value.

The values of financial liabilities and financial assets carried in the balance sheet at contractual amounts are held at cost as this is a fair approximation of their value.

The difference between the long-term borrowing nominal amounts carried in the Balance Sheet and their fair value is based on a calculation that uses new loan rates to estimate what it would cost to borrow a similar portfolio of loans at the Balance Sheet date. These loans are with the Public Works Loan Board with interest rates fixed on the date of the initial lending. For more details see note 14.

We use an external expert to provide the fair values for our borrowings, which along with our other financial assets held in the amortised cost and fair value through profit and loss categories, are Level 2 in the fair value hierarchy.

Equity instruments assets are valued internally using the earnings multiple valuation method based on the latest available accounts for the companies in which we hold shares.

Investments held at amortised cost of £183.1 million (£229.6 million as at 31 March 2024) consist of bank, building society and local authority investments which are held solely for payment of principal and interest and a business model to collect contractual cash flows. The carrying amount and fair value consist of the principal amount and accrued interest to 31 March.

Assets held at fair value through profit and loss of £40.0 million (£39.9 million as at 31 March 2024) are made up of two funds: Threadneedle Social Bond Fund and CCLA Property Fund. At 31 March 2020 the CCLA Property Fund was gated (meaning no investors could withdraw from the fund) by the Fund manager, as a result of the Covid-19 pandemic and its effects on the accurate valuation of the property portfolios it held. This meant we were unable to request for these funds to be cashed in and we re-categorised the CCLA as a long-term investment. Whilst the fund is no longer gated the cost of requesting the funds in the short-term means that we have determined that this investment should remain as a long-term investment. The carrying amount and fair value are based on unit prices provided through fund manager statements.

In assessing fair value, we have made the following assumptions:

- no early repayment or impairment is recognised;
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; and
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

There have been no transfers between input levels in 2024/25 and no changes in the valuation techniques for financial instruments during the year.

The fair value hierarchy of assets and liabilities is shown in the following table.

Financial Instruments - Fair value 31 March 2025	Valued at Cost £ m	Quoted Market Price - Level 1 £ m	Using Observable Inputs - Level 2 £ m	Unobservable Inputs - Level 3 £ m	Total £ m
Financial Assets:-					
Investments:					
- Amortised Cost - other	183.1	0.0	0.0	0.0	183.1
- Fair Value through Profit and Loss	0.0	40.0	0.0	0.0	40.0
- Fair value through other comprehensive income - designated equity instruments	0.0	0.0	0.0	3.2	3.2
Finance Lease Assets:					
- Finance Lease Assets at contractual amounts	4.1	0.0	0.0	0.0	4.1
Debtors:					
- Amortised Cost - other	0.0	0.0	17.6	0.0	17.6
- Financial assets carried at contractual amounts (deemed to be fair value)	84.1	0.0	0.0	0.0	84.1
Cash:					
- Cash and Cash Equivalents - deemed to be fair value	36.4	60.1	0.0	0.0	96.5
Total Financial Assets	**307.7**	**100.1**	**17.6**	**3.2**	**428.6**
Financial Liabilities:-					
Borrowings:-					
- Financial liabilities carried at amortised cost	0.0	0.0	248.4	0.0	248.4
Creditors:-					
- Financial liabilities carried at contractual amounts (deemed to be fair value)	92.1	0.0	0.0	0.0	92.1
Finance Lease:-					
- Finance Lease Liabilities at contractual amounts	3.7	0.0	0.0	0.0	3.7
Total Financial Liabilities	**95.9**	**0.0**	**248.4**	**0.0**	**344.2**

Financial Instruments - Fair value 31 March 2024	Valued at Cost £ m	Quoted Market Price - Level 1 £ m	Using Observable Inputs - Level 2 £ m	Unobservable Inputs - Level 3 £ m	Total £ m
Financial Assets:-					
Investments:					
- Amortised Cost - other	229.6	0.0	0.0	0.0	229.6
- Fair Value through Profit and Loss	0.0	39.9	0.0	0.0	39.9
- Fair value through other comprehensive income - designated equity instruments	0.0	0.0	0.0	3.2	3.2
Debtors:					
- Amortised Cost - other	0.0	0.0	11.2	0.0	11.2
- Financial assets carried at contractual amounts (deemed to be fair value)	95.2	0.0	0.0	0.0	95.2
Cash:					
- Cash and Cash Equivalents - deemed to be fair value	36.2	70.1	0.0	0.0	106.3
Total Financial Assets	**361.0**	**110.0**	**11.2**	**3.2**	**485.4**
Financial Liabilities:-					
Borrowings:-					
- Financial liabilities carried at amortised cost	0.0	0.0	278.7	0.0	278.7
Creditors:-					
- Financial liabilities carried at contractual amounts (deemed to be fair value)	87.2	0.0	0.0	0.0	87.2
Total Financial Liabilities	**87.2**	**0.0**	**278.7**	**0.0**	**365.8**

Interest paid and investment income received	(Surplus) / Deficit on the Provision of Services		Other Comprehensive Income and Expenditure	
	2023/24 £m	2024/25 £m	2023/24 £m	2024/25 £m
Net (gains) and losses				
~ Financial assets measured at fair value through profit and loss	-0.4	-0.2	0.0	0.0
~ Investment in equity instrument designated at fair value through other comprehensive income	0.0	0.0	-0.6	0.1
Total net gains	**-0.4**	**-0.2**	**-0.6**	**0.1**
Interest Revenue				
~ Financial assets measured at amortised cost	-19.6	-19.0	0.0	0.0
~ Financial assets carried at contract amounts	0.0	-0.2	0.0	0.0
Total Interest Revenue	**-19.6**	**-19.2**	**0.0**	**0.0**
Interest Expense				
~ Financial liabilities measured at amortised cost	14.3	14.0	0.0	0.0
~ Financial lease liabilities at contractual amounts	0.0	0.2	0.0	0.0
Total Interest Expense	**14.3**	**14.2**	**0.0**	**0.0**

Financial Assets	31 March 2024		31 March 2025	
	Carrying Amount £ m	Fair Value £ m	Carrying Amount £ m	Fair Value £ m
Financial assets held at amortised cost	229.6	229.6	183.1	183.1
Financial assets at fair value through profit and loss	39.9	39.9	40.0	40.0
Cash and cash equivalents	106.3	106.3	96.5	96.5
Fair value through other comprehensive income - designated equity instruments	3.2	3.2	3.2	3.2
Debtors carried at amortised cost	1.8	1.8	2.6	2.6
Debtors carried at contractual amounts	95.2	95.2	84.1	84.1
Long term debtors - amortised cost	9.4	9.4	15.0	15.0
Finance lease assets at contractual amounts	0.0	0.0	4.1	4.1
Total	**485.4**	**485.4**	**428.6**	**428.6**

Financial Liabilities	31 March 2024		31 March 2025	
	Carrying Amount £ m	Fair Value £ m	Carrying Amount £ m	Fair Value £ m
Financial liabilities held at amortised cost	279.4	278.7	272.4	248.4
Financial liabilities at contractual amounts	87.2	87.2	92.1	92.1
Finance lease liabilities at contractual amounts	0.0	0.0	3.7	3.7
Total	**366.6**	**365.8**	**368.3**	**344.2**

Note 14: Nature and extent of risk arising from financial instruments

Our activities expose us to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to us;
- liquidity risk – the possibility that we might not have funds available to meet our commitments to make payments; and
- market risk – the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements.

Our overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial risk management is carried out by a central treasury management team, under policies approved by the Council annually in the Treasury Management Strategy, available on our website. We have written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to our customers. Our Accounting Policies note describes our overall approach to evaluating impairments to be reflected in the carrying value of our financial assets. We do not assess credit risk to be present in deposits with other Councils – the risk of another Council defaulting is minimal due to them being backed by statutory powers and government oversight, which ensures their ability to meet financial obligations.

Many of the invoices we raise are the result of statutory obligations. However, where we are providing non-statutory goods or services to customers, we consider their ability to pay. A number of checks are available to managers as outlined in our Corporate Debt Recovery Policy. Our current debtors, including trade debtors, are assessed at each year end for impairment. This is assessed using aged debt analysis and past experience of bad debt profiles. The change in the bad debt provision during the year and any amounts found to be irrecoverable are charged against services in the Net Cost of Services in the CIES. The amount of our bad debt provision is shown in note 15.

We have assessed our potential maximum exposure to credit risk, based on experience of default and collectability over the last five financial years. This has been adjusted to reflect current market conditions. However, there is no effect as there is no instance of institutions that meet our credit ratings defaulting in the last five years. Deposits are not made with banks and financial institutions unless they are rated independently with a minimum score as laid out in the Treasury Management Strategy.

Liquidity risk
As we have ready access to borrowings from the Public Works Loan Board, there is no significant risk that we will be unable to raise finance to meet our future commitments under financial instruments. Instead, the risk is that we will be bound to replenish a significant proportion of our borrowings at a time of unfavourable interest rates. To mitigate this, our strategy is to ensure that when taking out new borrowing we spread maturity dates to match future cash flows.

The maturity analysis of financial liabilities is as follows:

2023/24 £ m	Loans we have not yet repaid	2024/25 £ m
	We owe money to:	
279.4	~ Public Works Loans Board	272.4
279.4	**Total**	**272.4**
	When we will pay the money back:	
7.0	Less than 1 year	0.0
0.0	Between 1 and 2 years	0.0
8.0	Between 2 and 5 years	18.0
25.0	Between 5 and 10 years	30.0
239.4	More than 10 years	224.4
279.4	**Total**	**272.4**

Our level of borrowing is due to paying for capital spending in previous years. We have not borrowed any money from external sources in 2024/25 to pay for new capital spending.

We use cash reserves which we have set aside to support future years' revenue budgets to invest in the short term.

Market risk

Interest Rate Risk
We are exposed to significant risk in terms of our exposure to interest rate movements on our borrowings and investments. Movements in interest rates have a complex impact. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the CIES will rise;

- borrowings at fixed rates – the fair value of the borrowings will fall;
- investments at variable rates – the interest income credited to the CIES will rise; and
- investments at fixed rates – the fair value of the assets will fall.

As part of our strategy for managing interest rate risk we aim to keep a maximum of 25% of our borrowing in variable rate loans.

We have an active strategy for assessing interest rates exposure that forecasts any adverse changes on a quarterly basis and assesses the impact to be incorporated into the Medium-Term Financial Strategy. According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

- no change in the fair value of fixed rate investment assets; and
- a decrease in fair value of fixed borrowing of £27.9 million (£32.9 million decrease in 2023/24).

Changes in interest payable and receivable on variable rate borrowings and investments will be posted to the CIES and affect the General Fund. Movements in the fair value of fixed rate investments will be reflected in the CIES.

<u>Price risk</u>
We have some shareholdings in specific interests. The current value of the shareholding is £3.2 million (£3.2 million in 2023/24). For these equity instrument holdings, we have irrevocably elected to recognise any movements in price as gains and losses recognised in Other Comprehensive Income in the CIES. In 2024/25 this amounted to a loss of £0.1 million (£0.6 million gain in 2023/24). Any gain or loss is not credited or charged to the General Fund until such times as shareholdings are either impaired, sold or derecognised.

We also have some investments held as Fair Value through Profit and Loss. All profits and losses on sales and impairments as well as in-year valuation movements on these assets are recognised immediately in the CIES. We have not disposed of any of these holdings this year. At 31 March 2025 we recognised a total gain of £0.2 million in the CIES (gain of £0.4 million in 2023/24). One of these investments has been classified as a pooled investment vehicle which allows us to apply a statutory override which means that any changes in fair value do not effect the General Fund, as they are reversed in the MIRS and placed in the unusable Pooled Investment Funds Adjustment Account until the investment is either sold or de-recognised; £0.2 million gain in 2024/25 (£0.4 million loss in 2023/24). The other is not classed as a pooled investment vehicle, so the statutory override does not apply and changes in fair value are reflected in the General Fund in the year; £0.0 movement in 2024/25 (£0.8 million gain 2023/24).

Treasury management
We comply with the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance, issued through the Local Government Act 2003.

We aim to achieve the optimum return on our investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest and make a return is unlawful and we do not engage in such activity. Our external fund managers comply with the Annual Investment Strategy, approved by Elected Councillors on an annual basis. The agreement between us and the fund managers additionally stipulates additional guidelines and limits in order to manage risk.

Note 15: Debtors

31 March 2024 £ m	Short-term debtors	31 March 2025 £ m
33.5	Trade Receivables	26.4
5.8	VAT	9.8
14.4	Other Public Sector Debtors	13.1
27.5	Council Tax and Non Domestic Rates - Taxpayers	40.0
3.9	Council Tax and Non Domestic Rates - Local authorities	4.2
-7.2	Council Tax and Non Domestic Rates - Bad Debt Provision	-10.9
5.8	Prepayments to External Organisations and Individuals	3.9
34.3	Social Care Debtors	39.7
8.3	Capital debtors from External Organisations and Individuals	1.9
11.3	Other debtors	13.2
-4.7	Bad Debt Provision	-7.6
132.8	**Balance at the end of the year**	**133.7**

Note 16: Cash and cash equivalents

31 March 2024 £ m	Cash and cash equivalents	31 March 2025 £ m
19.8	Cash held by the authority (including schools and imprest accounts)	21.4
86.6	Bank current accounts (call accounts and instant access deposit accounts)	65.1
0.0	Short-term deposits with building societies and other institutions 3 months or less maturity	10.0
106.3	**Balance at the end of the year**	**96.5**

Note 17: Creditors

31 March 2024 £ m	Short-term Creditors	31 March 2025 £ m
16.5	Trade Payables	17.5
6.2	Payroll related amounts owed to HMRC	6.4
6.2	Other Public Sector accruals	5.5
5.5	Council Tax and Non Domestic Rates - Taxpayers	6.1
12.8	Council Tax and Non Domestic Rates - Local authorities	23.8
7.3	Accumulated Absences	9.3
55.9	Receipts in Advance	55.5
16.0	Other accruals in relation to capital contracts	12.1
48.5	Other accruals to External Organisations and Individuals	55.0
174.8	**Balance at the end of the year**	**191.2**

Note 18: Provisions

Our provisions total £5.8 million (£6.7 million 2023/24).

Our former liability insurers, Municipal Mutual Insurance (MMI) went into run-off (ceased to write new business) on 30 September 1992, following which a contingent Scheme of Arrangement became effective on January 1994 to ensure a smooth run-off should MMI subsequently be declared insolvent. In the event of the Scheme being triggered, claims paid by MMI after 30 September 1992 will be liable to claw back at a percentage to be determined by the administrators, with subsequent claims to be paid in part at the same percentage. A Supreme Court judgement relating to establishment of liability arising from mesothelioma claims under employers' liability policies has resulted in the increased possibility of the Scheme being triggered. We have set aside £2.0 million (31 March 2024: £2.0 million) to cover the claw back and the outstanding claims.

We have to account for our share of non-domestic rating appeals that are still to be resolved by the Valuation Office Agency for the District and Borough Councils in Warwickshire. We cannot predict when these appeals may be raised or settled, so we have assumed that these settlements will be made within 1 year for the purposes of these accounts. The amount we have provided is £2.9 million (31 March 2024: £3.8 million).

We have reassessed the balance of liabilities between the County Council and the Firefighters' Pension Fund. Some of the final costs are still uncertain and so a provision of £0.6 million (31 March 2024: £0.6 million) has been included.

All other provisions, totalling £0.2 million (31 March 2024: £0.2 million), are individually insignificant.

Note 19: Usable Reserves

Movements in our usable reserves are detailed in the Movement in Reserves Statement and in notes 1 and 2. A summary of revenue and capital usable reserves is shown below:

31 March 2024 £ m	Usable reserves	31 March 2025 £ m
26.0	General Fund	32.5
201.7	Earmarked Reserves	199.8
1.3	Capital Grants Unapplied	0.6
229.0	**Total usable reserves**	**233.0**

Note 20: Unusable Reserves

31 March 2024 £ m	Unusable reserves	31 March 2025 £ m
327.6	Revaluation Reserve	353.5
881.1	Capital Adjustment Account	866.0
2.0	Deferred Capital Receipts Reserve	10.5
1.7	Financial Instruments Adjustment Account	1.5
3.0	Financial Instruments Revaluation Reserve	2.9
-0.4	Pooled Investment Funds Adjustment Account	-0.2
-7.3	Accumulated Absences Reserve	-9.3
2.0	Collection Fund Adjustment Account	0.5
-33.2	Dedicated Schools Grant Adjustment Account	-77.9
-285.1	Pensions Reserve	-235.7
891.5	**Total unusable reserves**	**911.9**

Revaluation Reserve

The Revaluation Reserve contains the gains we have made arising from increases in the value of our property, plant and equipment and intangible assets. 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 are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2024 £ m	Revaluation Reserve	31 March 2025 £ m
307.9	Balance on 1 April	327.6
48.0	Revaluation increases	75.1
-6.3	Revaluation decreases	-18.4
-14.3	Depreciation adjustment to Capital Adjustment Account	-17.4
-7.7	Revaluation written off on disposal	-13.5
327.6	**Balance on 31 March**	**353.5**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the financing of the acquisition, construction or enhancement of those assets under statutory provisions:

- The Account is debited with the cost of acquisition, construction and enhancement as depreciation, impairment and revaluation losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts we set aside as finance for the costs of acquisition, construction and enhancement;
- The Account contains the accumulated gains and losses on investment properties; and
- The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

31 March 2024 £ m	Capital Adjustment Account	31 March 2025 £ m
848.4	Balance on 1 April	881.1
0.0	Opening balance adjustments	6.5
3.7	Revaluation increase - Investment Properties	0.9
-8.0	Revaluation decrease	-19.5
11.1	Reversal of previous impairments	22.8
14.3	Depreciation adjustment to Revaluation Reserve	17.4
7.7	Revaluation written off on disposal	13.5
-32.0	Value of asset disposals	-32.4
-65.4	Transfer of spending on assets we do not own	-60.8
-59.8	Depreciation charge to revenue	-65.8
10.1	Minimum revenue provision (MRP)	10.6
150.9	Money used to buy assets	91.6
881.1	**Balance on 31 March**	**866.0**

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 Capital Receipts Reserve.

31 March 2024 £ m	Deferred Capital Receipts reserve	31 March 2025 £ m
0.0	Balance on 1 April	2.0
2.0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive Income and Expenditure Statement	8.5
2.0	**Balance on 31 March**	**10.5**

Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The authority uses the account to manage discounts received on the early redemption of loans. Discounts are credited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund balance to the account in the Movement in Reserves Statement. Over time, the income is posted back to the General Fund balance in accordance with statutory arrangements for spreading the benefit on council tax. In the authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the discount received in 2023/24 is being credited to the General Fund over a period of 10 years.

31 March 2024 £ m		Financial Instruments Adjustment Account	31 March 2025 £ m	
	0.0	Balance on 1 April		1.7
1.9		Discounts received in the year and credited to the Comprehensive Income and Expenditure Statement	0.0	
-0.2		Proportion of discounts received to be credited to the General Fund balance in accordance with statutory requirements	-0.2	
	1.7	Amount by which discounts received credited to the Comprehensive Income and Expenditure Statement are different from finance income recognisable in the year in accordance with statutory requirements		-0.2
	1.7	**Balance on 31 March**		**1.5**

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains/losses made by the authority arising from increases/decreases in the value of its equity investments that are measured at fair value through other comprehensive income. This means that changes in their fair value do not hit the General Fund.

The balance is reduced when investments with accumulated gains are:

- Revalued downwards or impaired and the gains are lost; or
- Disposed of and the gains are realised.

31 March 2024 £ m	Financial Instrument Revaluation Reserve	31 March 2025 £ m
2.4	Opening Balance	3.0
0.6	Upward revaluation of investments	0.1
-0.1	Downward revaluation of investments	-0.1
3.0	**Balance at 31 March**	**2.9**

Pooled Investment Funds Adjustment Account

The Pooled Investment Funds Adjustment Account is a mechanism that is required by the capital finance and accounting regulations in England and Wales to hold the fair value movements in those pooled investment funds specified by the regulations. The difference between the amount charged or credited in the year to surplus or deficit on the provision of services in accordance with the Code and the amount charged or credited to the General Fund in accordance with regulations should be debited or credited to the General Fund balance with the double entry going to the pooled investment funds adjustment account such that the General Fund is charged or credited with the amount that accords with the applicable regulations.

31 March 2024 £ m	Pooled Investment Funds Adjustment Account	31 March 2025 £ m
0.0	Opening Balance	-0.4
0.0	Upward revaluation of pooled investments	0.2
-0.4	Fair value movements transferred to/from the General Fund in accordance with the statutory requirements	0.0
-0.4	**Balance at 31 March**	**-0.2**

Accumulated Absences Account

The Accumulated Absences Account absorbs the amounts that would otherwise affect the General Fund from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.

31 March 2024 £ m		Movement in Accumulated Absences Account	31 March 2025 £ m	
	-9.7	Balance on 1 April		-7.3
9.7		Settlement or cancellation of accrual made at the end of the preceding year	7.3	
-7.3		Amounts accrued at the end of the current year	-9.3	
	2.4	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		-2.0
	-7.3	**Balance on 31 March**		**-9.3**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure Statement as it falls due compared with the statutory arrangements for paying across amounts due to the General Fund.

31 March 2024 £ m	Movement in Collection Fund Adjustment Account	31 March 2025 £ m
-1.2	Balance on 1 April	2.0
2.0	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	-2.1
1.3	Amount by which non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non domestic rate income calculated for the year in accordance with statutory requirements	0.6
2.0	**Balance on 31 March**	**0.5**

Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant (DSG) Adjustment Account is required to hold the deficits on DSG as these cannot be offset against General Fund Reserves and must be carried forward in line with current legislation and statutory requirements. The deficit is removed from the CIES and reversed through the MIRS into this account.

31 March 2024 £ m	Dedicated Schools Grant (DSG) Adjustment Account	31 March 2025 £ m
-16.1	Balance on 1 April	-33.2
-17.1	Deficit on Schools Budget for the year	-44.7
-33.2	**Balance on 31 March**	**-77.9**

Pensions Reserve

The Pensions 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. We account for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities to reflect inflation, changing assumptions and investment returns on any resources set aside to meet costs. However, statutory arrangements require benefits earned to be financed, as we make employer's contributions to pension funds or eventually pay any pensions for which we are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources we have set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time that the benefits come to be paid.

On 31 March 2024 £ m	Pensions Reserve	On 31 March 2025 £ m
-255.9	Balance as 1 April	-285.1
96.7	Remeasurements of net defined (liability)/asset	409.5
-51.2	Reversal of net charges made for retirement benefits	-51.4
47.2	Employer's pension contributions and direct payments to pensioners payable in the year	50.6
4.6	Grant funding of firefighters' pensions liabilities	6.3
-126.6	Asset Ceiling Adjustment (LGPS)	-365.6
-285.1	**Balance at 31 March**	**-235.7**

Note 21: Cash Flow Statement – operating activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

31 March 2024 £m		31 March 2025 £m
59.6	Depreciation	65.7
-6.9	Impairment and downward valuations	-3.3
0.2	Amortisation	0.1
0.1	Increase/(decrease) in provision for expected credit loss	-0.5
6.7	Increase/(decrease) in creditors	7.5
-11.9	(Increase)/decrease in debtors including bad debt provision	-11.8
-0.1	(Increase)/decrease in inventories	0.2
-0.7	Movement in pension liability	-5.5
32.0	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	32.4
-3.3	Other non-cash items charged to the net surplus or deficit on the provision of services	-8.2
75.7	**Total**	**76.6**

The cash flows for operating activities include the following items:

31 March 2024 £m		31 March 2025 £m
8.3	Interest received	20.2
-7.3	Interest paid	-21.1
1.3	Dividends received	1.7

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

31 March 2024 £m		31 March 2025 £m
-2.3	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-9.0
-126.8	Any other items for which the cash effects are investing or financing cash flows	-88.6
-129.1	**Total**	**-97.5**

Note 22: Cash Flow Statement – investing activities

31 March 2024 £ m	Cash flows from investing activities	31 March 2025 £ m
-99.8	Purchase of property,plant and equipment, investment property and intangible assets	-89.1
-212.5	Purchase (-) of short-term and long-term investments	-115.9
250.0	Proceeds of short-term and long-term investments	161.0
-13.9	Other receipts or payments (-) for investing activities	-1.3
0.2	Proceeds from the sale of property, plant and equipment and investment property	0.5
128.1	Other receipts from investing activities - capital grants	121.8
52.1	**Net cash flows from investing activities**	**77.1**

Note 23: Cash Flow Statement – financing activities

31 March 2024 £ m	Cash flows from financing activities	31 March 2025 £ m
-47.1	Repayments of short and long term borrowing	0.0
0.0	Cash payments for the reduction of outstanding liabilities in relation to finance leases	-0.5
-0.7	Other payments for financing activities	10.7
-47.8	**Net cash flows from financing activities**	**10.3**

Note 24: Grant Income

We credited the following grants to the CIES in 2024/25:

2023/24 £ m	Grant income	2024/25 £ m
	Revenue grants credited to Services:	
258.8	Dedicated Schools Grant	298.9
10.8	Pupil Premium Grant	11.4
6.1	Asylum Seekers Grant	5.3
2.8	Leaving Care Grant	3.0
25.1	Public Health Grant	25.6
4.0	Universal Infant Free School Meals	4.0
1.5	Adult & Community Learning	1.5
4.6	Core Schools Budget Grant (CSBG)	4.4
2.1	Adult Social Care Discharge Fund	3.5
16.1	Better Care Fund	17.1
1.8	Teachers Pay/Pension Grants	7.4
6.9	Household Support Grant	6.9
1.0	UK Shared Prosperity Fund	1.6
1.0	Bus Service Operators Grant	4.2
2.0	School PE Grant	2.0
1.7	Holiday Activities and Food Programme	1.8
5.0	Homes for Ukraine	0.9
0.9	Refugees Re-settlement Grants	1.2
4.6	Other Schools Grants	1.5
0.5	Supplemental Substance Misuse, Treatment and Recovery Grant	1.0
7.9	Other revenue grants	10.7
365.5	**Total revenue grants**	**413.8**
	Capital grants and contributions credited to services:	
5.6	Disabled Facilities Grant	6.4
7.4	Private developer funding	10.5
2.0	Other grants/contributions	4.2
15.0	**Total capital grants and contributions**	**21.1**
380.4	**Total**	**434.9**

2023/24 £ m	Grant income	2024/25 £ m
	Revenue grants credited to Taxation and Non Specific Grant Income:	
17.6	Business Rates Retention/Compensation Scheme	19.3
0.0	Revenue Support Grant	1.2
45.4	Adult Social Care & Better Care Fund	55.0
1.1	Domestic Abuse Support Grant	0.0
0.0	Family First	4.1
8.6	Market Sustainability Grant	9.8
1.5	New Homes Bonus	1.4
0.0	Independent Living Fund Grant	2.1
1.5	Tackling Troubled Families	1.8
1.2	Fire Service Pensions Grant	1.0
5.1	Fire Pension Fund Grant	7.0
5.1	Other revenue grants	3.8
87.0	**Total revenue grants**	**106.4**
	Capital grants and contributions credited to Taxation and Non Specific Grant Income:	
1.3	Devolved Formula Capital	1.2
54.5	Schools Maintenance and Basic Need	28.4
19.3	Local Transport Plan and other transport grants	20.9
33.3	Private developer funding	11.2
0.0	Donated assets received	6.5
3.4	Other grants/contributions	5.8
111.8	**Total capital grants and contributions**	**73.9**
198.8	**Total**	**180.4**

We have received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned.

The balances at year end are as follows:

31 March 2024 £ m		31 March 2025 £ m
	Short-term grant receipts in advance - revenue	
2.0	Refugees Re-settle in Warwickshire	3.0
8.1	Homes for Ukraine	6.6
1.7	Bus Service Operators Grant	3.8
4.6	Other grants	6.3
16.4	**Total revenue grants**	**19.7**
	Long-term grant receipts in advance - capital	
1.2	Devolved Formula Capital	0.9
2.4	Building Digital UK (BDUK)	2.8
89.0	Private developer funding and capital receipt deposits	105.4
13.8	Other grants/contributions	17.7
106.4	**Total capital grants**	**126.8**
122.8	**Total**	**146.5**

Note 25: Accounting standards issued that have not yet been adopted

The following accounting standards have been issued but not yet adopted:

- IAS 21: The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS 17: Insurance Contracts (Replaces IFRS 4) issued in May 2017

These standards all apply to local authority accounts in 2025/26. They are not expected to have a material effect on the authority's financial statements.

Note 26: Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions we have made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in our Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance in relation to individual assets. In the current economic climate, the authority cannot be certain about its ability to sustain the current level of spending on repairs and maintenance bringing into doubt the useful lives of the assets.	As at 31 March 2025, the carrying value of Property Plant and Equipment is £1,505.8 million. The depreciation charge in 2024/25 was £65.7 million. If a reduction of asset life occurs, the depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £5.6 million for every year that useful lives are reduced.
Inflation	General inflation remains above the Bank of England inflation target. The key elements that could be negatively impacted include: • The fair value of our assets and investments – through the impact in the value of our investments and the increased cost of delivering new investments/assets impacting on the amount of investment we can undertake; • The level of reserves we use compared to our plans to meet any increased costs and/or demand for our services compared to our plans; and • The net pensions liability through the impact on both the estimation of liabilities and the expected return on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.	We have £232m of general fund revenue reserves. We have £262.9m of cash and short-term investments at 31 March 2025. A significant proportion of these could be used/redirected to meet any immediate funding shortfall. Any material use would require a review of our medium-term spending and investment plans. Our long-term investments and investment property equate to 4.6% of our total long-term assets at 31 March 2025. A decrease in value of these assets will not affect the underlying strength of our asset base. £142.6m of our operational land and buildings assets are valued on the basis of their existing use. An 18%+ variation in the value of these assets would have a material impact on our accounts. The effects on the net pension liability of changes in individual assumptions can be

		measured. See note 37 for further examples. A 1% variation in the fair value of our share of the Pension Fund's assets is £15.7m.
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.	As at 31 March 2025, our total LGPS pension liability is £1,224 million. The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate applied to the LGPS, in isolation, would result in an increase in the pension liability of £21.5 million. See note 37 for further examples.
McCloud and Sargeant Judgements	The McCloud and Sargeant judgements upheld the claimants' cases that the method of implementation of the new public sector pension schemes discriminated against younger members. Our consulting actuaries have included an estimate of the impact in the calculation of our pension liability. However, the remedy to resolve the age discrimination has yet to be agreed and the financial impact remains uncertain.	At 31 March 2025, the total pension liability (all schemes) is £1,443.8 million. A 1% change in the employer's liability as a result of the final remedy would change our pension liabilities by £14.4m.
Fair Value	It is not always possible for the fair values of investment properties, surplus assets, assets held for sale and financial assets to be measured based on quoted prices in active markets (i.e. Level 1 inputs). For Level 2 inputs we use quoted prices for similar assets or liabilities in active markets at the balance sheet date. Where possible the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. Where Level 1 inputs are not available for investment properties, surplus assets and assets held for sale, we use valuers to identify the most appropriate valuation techniques to determine fair value.	At 31 March 2025, the carrying value of Investment Properties is £13.8 million. The fair value of level 2 financial liabilities is £248.4 million and the value of level 2 and level 3 financial assets are £17.6 million and £3.2 million respectively. We use a combination of indexation techniques, beacon valuations and discounted cash flow models to measure the value of our investment properties, surplus assets and assets held for sale.

Note 27: Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed from borrowing (resulting in future revenue charges), the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically yet to be financed. The CFR is analysed in the second part of this note.

2023/24 £ m	Capital financing requirement	2024/25 £ m
256.8	Opening requirement	265.7
	Capital investment:	
99.0	- Property, plant & equipment	95.8
0.0	- Heritage assets	0.1
0.1	- Intangible assets	0.0
11.0	- Long term debtors relating to capital transactions	3.6
65.4	- Revenue spending from capital under statute	60.8
175.5	**Total capital investment**	**160.2**
	Sources of finance:	
-5.9	- Capital receipts	-0.6
-148.6	- Government grants and other contributions	-95.7
	- Sums set aside from revenue:	
-2.1	- Direct revenue contributions	-1.9
-10.1	- MRP	-10.6
-166.7	**Total sources of income**	**-108.8**
265.7	**Closing capital financing requirement**	**317.1**

2023/24 £ m	Explanation of movements in the year	2024/25 £ m
8.9	Change in underlying need to borrow	47.2
0.0	Assets acquired under finance leases	4.2
8.9	**Increase/decrease(-) in Capital Financing Requirement**	**51.4**

Note 28: Critical judgements in applying accounting policies

In applying our accounting policies as set out at the start of this document, we have had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, we have determined that this uncertainty is not yet sufficient to provide an indication that our assets might be impaired as a result of a need to close facilities and reduce levels of service provision.

- When a school that is held on our Balance Sheet transfers to academy status we account for this as a disposal for nil consideration on the date that the school converts to academy status rather than as an impairment on the date that approval to transfer to Academy status is agreed. See Notes 4 and 30.

- Details of our relationships with other companies and investments in companies are detailed in note 40. These are not material and we have not prepared group accounts on this basis.

Note 29: Dedicated Schools Grant

Our spending on schools is funded primarily by a grant provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring fenced 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.

Central spending includes other funding allocated as school specific contingencies and nominally held funds and allocations by the School Forum. The DSG figure is as confirmed by the Department for Education in March 2024.

We confirm that the DSG receivable in 2024/5 was £301.4 million (made under section 14 of the Education Act 2002). This amount includes £2.4 million in relation to NNDR which passes directly to billing authorities. It has been fully distributed to support schools' budgets, as set out in the regulations made under sections 45A, 45AA, 47, 47ZA, 47A, 48, 49 and 138(7) of, and paragraph 2(B) of schedule 14 to the Schools Standards and Framework Act 1998 and section 24(3) of the Education Act 2002.

Provisions, which came into force on 1 April 2020, under the Schools and Early Years Finance (England) Regulations 2020, mean that local authorities are required to carry forward overspends of DSG to their schools' budgets either in the year immediately following or the year after. Under Regulation 8, paragraphs (7) and (8) this also applies to a deficit from the previous year i.e. 2023/24, thus creating a comparable position to the statutory funding basis for the 2024/25 financial year. Any future funding to make good any deficit from General Reserves can only be made upon approval from the Secretary of State. This reflects the statutory requirement that a deficit must be carried forward to be funded from future DSG income, unless the Secretary of State authorises the local authority not to do so. Furthermore, the DSG deficit has to be allocated between service categories so that a deficit from one service category cannot be offset against a surplus from another.

The early years DSG is based on data from earlier years. The final allocation will be determined and received during 2025/26 and will be shown in the table as an in-year adjustment. The £0.1m in-year adjustment shown in the table is -£0.2m additional DSG income relating to the final in-year adjustment for 2023/24 and £0.3m NNDR adjustments relating to 2024/25.

The deficit on the high needs block of the DSG, which funds Special Education Needs and Disabilities provision, is £86.9m at 31 March 2025 (£39.5m at 31 March 2024). A resolution to the ongoing deficits being experienced is subject to the outcomes of the Government's Schools White Paper in resetting the SEND system and a national solution to the DSG Statutory Override. In line with new regulations which came into force on 29 November 2020, any deficit, as calculated under those regulations, must not be charged to the revenue account. That deficit should be recorded in a separate account solely for the purposes of recording deficits relating to its schools' budget. This is an unusable reserve which we have called the Dedicated School Grant Adjustment Account. These regulations currently apply until 31 March 2028. This adjustment is included as a statutory adjustment in Note 2 to ensure it does not affect the Net Cost of Services or the Total General Reserves available.

Details of the deployment of DSG receivable for 2024/25 are shown below.

2023/24		2024/25		
Total		Central Spending	Individual schools budget (ISB)	Total
£ m		£ m	£ m	£ m
562.9	Final DSG for the year before Academy recoupment	102.3	526.9	629.2
-302.3	Less Academy recouped for the year	0.0	-327.7	-327.7
260.6	**Total DSG after Academy recoupment for the year and agreed initial budget distribution in the year.**	**102.3**	**199.1**	**301.4**
0.0	Plus DSG brought forward from the previous year	0.0	0.0	0.0
0.0	Less DSG Carry forward to next year agreed in advance	0.0	0.0	0.0
260.6	**Agreed initial budgeted distribution in the year**	**102.3**	**199.1**	**301.4**
0.9	In year Adjustments	0.0	0.1	0.1
261.5	**Final budgeted DSG distribution for the year**	**102.3**	**199.2**	**301.5**
-99.6	Actual central spending for the year	-148.2	0.0	-148.2
-179.0	Actual ISB deployed to schools	0.0	-198.1	-198.1
0.0	Our contribution in the year	0.0	0.0	0.0
-17.1	**Under/Over(-) spend for the year (carried forward)**	**-45.9**	**1.2**	**-44.7**

-16.1	**DSG unusable reserve brought forward at 1 April**	**-33.2**
-17.1	Addition to DSG unusable reserve in year	-44.7
-33.2	**Total of DSG unusable reserve carried forward at 31 March**	**-77.9**
-33.2	**Net DSG position carried forward at 31 March**	**-77.9**

Note 30: Events after the Balance Sheet date

Academisation of Schools
As a result of the Government's White Paper 'The Importance of Teaching', which allows Schools to opt out of local government control by becoming academies, 4 Warwickshire schools chose to take up the new academy status in 2024/25 and a further 7 Warwickshire schools are anticipated to convert to academy status in 2025/26. The significance of the conversion of these schools to academy is that the value of the land, buildings and any vehicles, plant and equipment will be removed from our Balance Sheet at the date of conversion. The value of the derecognition of the current schools looking to convert to academy status after 31 March 2025 will be in the region of £45.4 million.

Note 31: External audit costs

We expect to incur costs of £0.312 million (£0.295 million in 2023/24) in relation to the audit of the 2024/25 Statement of Accounts and £0.013 million (£0.013 million in 2023/24) in respect of certification of grant claims and other services provided by our external auditors.

In addition, we acquired non-audit services from the external auditors of £0.010 million in 2024/25 (£0.010 million in 2023/24). These non-audit services relate to a CFO Insights licence subscription, via which the Council has access to an online financial analysis tool.

Note 32: Leases

Authority as lessee

The Council leases a number of assets as lessee. These include Land and Buildings and Vehicle, Plant and Equipment. These are recognised as right-of-use assets on the Council's balance sheet within Property, Plant and Equipment. The value of these right-of-use assets is disclosed in Note 8: Property Plant and Equipment.

Leasing assets allows the Council to acquire the ability to use assets to assist with service delivery, without the upfront capital outlay required for outright purchase. This approach supports budget flexibility and allows the council to manage resources efficiently while maintaining service delivery.

Right-of-use assets are held at revalued amounts. The valuations were performed by an external valuer and the effective date of the revaluations is 31st March 2025.

The Council uses the low-value assets exemption in its application of IFRS 16 and therefore does not recognise a right-of-use asset where the at new cost of a given asset is less than the low-value asset threshold of £10,000.

Lessee: Right-of-use Assets	Land and buildings £ m	Vehicles, machinery, furniture and equipment £ m	Total £ m
Net book value at 1 April 2024	**0.0**	**0.0**	**0.0**
Changes in the year			
~ new leased right-of-use assets recognised	10.4	0.2	10.7
~ assets reclassified as right-of-use	1.3	0.0	1.3
~ value of assets sublet (via finance lease)	-2.6	0.0	-2.6
~ revaluation increases/ (decreases) recognised in the revaluation reserve	0.5	0.0	0.5
~ revaluation increases/ (decreases) recognised in the surplus/deficit on the provision of services	-0.6	0.0	-0.6
Depreciation			
~ depreciation written out to the revaluation reserve	0.3	0.0	0.3
~ depreciation charge	-0.7	-0.1	-0.7
Net book value at 31 March 2025	**8.7**	**0.2**	**8.8**

Lessee Income and Expenditure	2024/25 £ m
Interest Expense on Lease Liabilities	-0.2
Expense - Short term leases	-0.7
Expense - Low value assets	-1.5
Income from subleasing right-of-use assets	0.2
Leases - Total cash outflow	-0.7

The future minimum lease payments payable under non-cancellable leases in future years are:

Lease Liabilities: Maturity Analysis	31st March 2025 £ m
Not later than 1 year	0.7
1 - 2 years	0.7
2 - 3 years	0.3
3 - 4 years	0.3
4 - 5 years	0.3
Later than 5 years	3.1
Total	**5.4**

Reconciliation to Balance Sheet:

Short Term Lease Liabilities	31st March 2025 £ m
Obligated Lease Payments: Not later than 1 year	0.7
Short term lease liability per balance sheet	0.7
Variance:	**0.0**

Short Term: Discounting applied to calculate liability per balance sheet	0.0

Long Term Lease Liabilities	31st March 2025 £ m
Obligated Lease Payments: 2+ years	4.7
Long term lease liability per balance sheet	3.0
Variance:	**1.7**

Long Term: Impact of NPV application to obligations:	-1.7

The newly recognised lease liabilities of £3.7 million (£5.4 million undiscounted obligations) are disclosed due to the implementation of IFRS 16 in 2024/25. There was no corresponding operating lease commitments disclosure included in the 2023/24 accounts due to the obligations being deemed to not be sufficiently material for inclusion.

Authority as lessor

The Council acts as lessor in a number of arrangements. By leasing out assets such as office space, land, or equipment, the Council is able to generate a steady income stream and make efficient use of underutilized resources. This approach supports financial sustainability and helps offset operational costs while retaining ownership of valuable public assets.

Authority as lessor	**2024/25 £ m**
Selling profit / (loss) relating to lessor arrangements	-3.2
Finance income on the net investment in the lease	0.2
Operating Leases: Lease income	4.1

Finance Leases as Lessor:

As at 31/03/2025 the carrying value of the net investment in finance leases is £4.1 million (31/03/2024: Nil). The change is due to inclusion of finance lease arrangements as lessor which were previously excluded on the grounds of materiality. Although the net investment in finance leases is not material to the Council's accounts, they have been included to enable transparency of arrangements in line with the adoption of IFRS 16

Lease payments receivable: Maturity Analysis	**31st March 2025 £ m**
Not later than1 year	0.3
1 - 2 years	0.3
2 - 3 years	0.3
3 - 4 years	0.3
4 - 5 years	0.3
Later than 5 years	6.1
Total	**7.6**

Discounting applied to calculate asset per balance sheet	-3.6
Investment in lease asset per balance sheet	**4.1**

Short term Lease Receivable:	0.3
Long term Lease Receivable:	3.7
Total	**4.1**

Operating Leases as Lessor:

The future minimum lease payments receivable under non-cancellable leases in future years are:

Operating Leases: Lease payments receivable	**31st March 2025 £ m**
Not later than 1 year	2.2
1 - 2 years	1.9
2 - 3 years	1.9
3 - 4 years	1.6
4 - 5 years	1.4
Later than 5 years	13.2
Total	**22.1**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. The contingent rent is not material to the financial statements.

Note 33: Contingent assets

We currently have no contingent assets.

Note 34: Contingent liabilities

We currently have no contingent liabilities.

Note 35: Members' allowances

Elected members were paid a total of £0.942 million (£0.895 million in 2023/24) in allowances and £0.057 million (£0.036 million in 2023/24) in expenses. In addition, we paid independent and co-opted members allowances and expenses of £0.012 million (£0.015 million in 2023/24). No single member was paid more than £50,000 during the year. Further details of allowances and expenses payments made to Elected Members in 2024/25 are available on our website. Payments to Elected Members include expenses for the Police and Crime Panel which are reimbursed by the Home Office.

Note 36: Officers' remuneration and termination benefits

We are required to show the number of our staff who are paid more than £50,000 a year. This is shown in the table below. Pay includes salary, redundancy, taxable travel and other taxable costs. These figures do not include employer's pension contribution and exclude remuneration for senior staff who are shown separately.

2023/24	Remuneration Band	2024/25	
Number of Staff		Number of Staff	Increase / (Decrease)
306	£50,000 - £54,999	327	21
104	£55,000 - £59,999	185	81
130	£60,000 - £64,999	135	5
61	£65,000 - £69,999	66	5
71	£70,000 - £74,999	57	-14
30	£75,000 - £79,999	37	7
24	£80,000 - £84,999	31	7
22	£85,000 - £89,999	36	14
13	£90,000 - £94,999	9	-4
10	£95,000 - £99,999	12	2
1	£100,000 - £104,999	6	5
4	£105,000 - £109,999	5	1
3	£110,000 - £114,999	3	0
1	£115,000 - £119,999	3	2
1	£120,000 - £124,999	2	1
0	£125,000 - £129,999	1	1
1	£130,000 - £134,999	0	-1
2	£135,000 - £139,999	0	-2
0	£140,000 - £144,999	2	2
0	£145,000 - £149,999	0	0
784		**917**	**133**

The majority of the 133 total increase is due to staff paid less then £50,000 in the preceding year now paid over £50,000 following the annual cost-of-living increase to staff salaries. In October 2024, the 2024/25 local government pay award agreed nationally was a flat £1,290 for all council staff on salaries up to and including £51,515, with a 2.5% increase for staff on salaries above £51,515.

We are required to disclose the remuneration of senior employees, as defined by regulation, by post for salaries under £150,000 and by name for those whose salary is over £150,000. Remuneration for senior staff includes the employer's contribution to the appropriate pension fund.

Post holder information		Salaries (including fees and Allowances) £	Compensation for loss of office £	Total excluding pension contributions £	Employer's Pension Contributions £	Total including pension contributions £
Chief Executive - Monica Fogarty (Head of Paid Service)	2023/24	209,745	0	209,745	41,320	251,065
	2024/25	214,300	0	214,300	42,217	256,517
Executive Director for Resources - Rob Powell (Section 151 Officer)	2023/24	162,570	0	162,570	32,026	194,596
	2024/25	166,100	0	166,100	32,722	198,821
Executive Director for Children & Young People - Nigel Minns (Director of Children's Services)	2023/24	162,570	0	162,570	32,026	194,596
	2024/25	166,100	0	166,100	32,722	198,821
Executive Director for Communities - Mark Ryder	2023/24	162,534	0	162,534	32,019	194,553
	2024/25	166,100	0	166,100	32,722	198,821
Executive Director for Social Care and Health - Becky Hale	2023/24	131,901	0	131,901	25,985	157,886
	2024/25	153,957	0	153,957	29,426	183,383
Chief Fire Officer	2023/24	140,709	0	140,709	40,386	181,094
	2024/25	144,635	0	144,635	54,291	198,925
Director of Public Health	2023/24	124,271	0	124,271	24,481	148,752
	2024/25	129,785	0	129,785	25,568	155,352
Chief Education Officer	2023/24	119,950	0	119,950	23,630	143,580
	2024/25	126,979	0	126,979	25,015	151,994
Director of Adult Social Services	2023/24	129,785	0	129,785	25,568	155,352
	2024/25	132,602	0	132,602	26,122	158,724
Director of Strategy, Planning and Governance (Monitoring Officer)	2023/24	129,785	0	129,785	25,568	155,352
	2024/25	132,602	0	132,602	26,122	158,724
Total 2023/24		**1,473,819**	**0**	**1,473,819**	**303,008**	**1,776,828**
Total 2024/25		**1,533,158**	**0**	**1,533,158**	**326,926**	**1,860,084**

There were no payments for taxable expense allowances or benefits in kind.

A number of employees left during 2024/25. Exit packages agreed within 2024/25 totalled £0.8 million (£0.4 million in 2023/24). No packages agreed in 2024/25 relates to senior employees. This cost includes officers who have left as part of ongoing savings and efficiency plans. The following table provides details of total exit costs, which also includes the pensions costs funded by the authority.

Exit Package Cost Band (including Special Payments)	Number of compulsory redundancies		Number of other departures agreed		Total Number of packages by cost band		Total cost of packages in each band £ m	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	5	5	10	22	15	27	0.120	0.148
£20,001 - £40,000	3	2	2	1	5	3	0.145	0.086
£40,001 - £60,000	0	0	1	2	1	2	0.042	0.090
£60,001 - £80,000	0	1	0	0	0	1	0.000	0.079
£80,001 - £100,000	0	0	0	0	0	0	0.000	0.000
£100,001 - £150,000	0	0	1	2	1	2	0.138	0.249
£150,001 - £200,000	0	0	0	1	0	1	0.000	0.183
£200,001 - £250,000	0	0	0	0	0	0	0.000	0.000
	8	**8**	**14**	**28**	**22**	**36**	**0.444**	**0.835**

This is staff that have left the authority in the year. In addition, we are required to account for the termination costs for staff that have signed an agreement to leave the authority which cannot be cancelled but who do not leave until after the 31 March 2025.

Note 37: Pension schemes

As part of the terms and conditions of employment, we offer retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement.

<u>Pension Schemes operated by the Council</u>

Teachers
We operate a pension scheme for our teaching staff, under the Superannuation Act 1972. The scheme provides teachers with a defined benefit when they retire. The Teachers' Pensions Agency manages the scheme under the Teachers' Pensions Regulations 1997, as amended. The Government sets teachers' and employers' contribution rates on the basis of an assumed fund. The scheme has a large number of participating employers and so we are not able to identify our share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of our Statement of Accounts, the scheme is therefore accounted for on the same basis as a defined contribution scheme.

We may be required to make two kinds of contributions to the scheme – 'normal' and 'supplementary'. The normal contribution is the percentage of a newly recruited teacher's salary that is needed to meet the cost of the pension liability. We would pay a supplementary contribution if the Government found that future liabilities would not be met by the normal contributions. A supplementary contribution is not needed at present. Our total employer's contribution cost was £21.3 million in 2024/25 (£16.9 million in 2023/24).

We are also responsible for paying any extra added years of benefits and early retirement costs to pensioners. These extra costs are classed as defined benefits. As a result, in our accounts we show the extra cost of pensions decisions we made in the current year, no matter when we will actually pay these financial costs. There is no fund for these discretionary benefits and so there are no assets. In 2024/25 the payments relating to added pensionable years came to £3.2 million (£3.4 million in 2023/24).

Firefighters
There is a defined benefit pension scheme for our firefighters, under the Superannuation Act 1972. The Firefighters' Pension Scheme in England is an unfunded scheme where we promise to provide employees with benefits under the scheme but make no advance funding in the scheme for those benefits. Benefits are paid directly when they become due.

We pay an employer's pension contribution, based on a percentage of pay, into the pension fund. The pension fund will be balanced to nil at the end of the year by either paying over to the government any excess, or by receiving cash in the form of pension top-up grant. This grant is paid to the Firefighters' Pension Fund and not the County Council. The Government sets the employees' and employer's contribution rates by regulation.

In 2024/25, pension payments totalled £9.4 million (£8.8 million in 2023/24). Costs relating to early retirement totalled £3.0 million in 2024/25 (£1.5 million in 2023/24).

The estimated employer's contributions for Fire Fighters pension for the period to 31st March 2026 is approximately £4.0 million.

Firefighters' Injury Awards Scheme

Firefighters' injury awards are financed from our revenue account. An ongoing liability to pay injury awards is included in our Balance Sheet. This liability is subject to the same actuarial assumptions as the main firefighters' scheme, though it is not a separate pension scheme as there is a benefit paid whether the recipient of the injury award is a member of the scheme or not. However, the liability forms part of our overall pensions' liability.

National Health Service

During 2013/14 some NHS staff transferred to Warwickshire County Council. These staff have maintained their membership in the NHS Pension Scheme. The scheme provides these staff with specified benefits upon their retirement and we contribute towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is an unfunded defined benefit scheme. However, we are not able to identify our share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25 we paid £0.01 million (£0.05 million in 2023/24) to the NHS Pension Scheme in respect of former NHS staff retirement benefits, including employees' contributions.

Local Government Pension Scheme – all other Council employees

We operate a funded, defined benefit pension scheme for staff, under the Local Government Pensions Scheme Regulations 2013. We manage the scheme for ourselves, the five district / borough councils and a number of other organisations. We prepare the accounts, but they are separate from our financial statements. The Council and employees pay contributions into the fund calculated at a level intended to balance pension liabilities with investment assets.

An actuarial valuation is carried out every three years to assess the difference between the fund's projected assets and liabilities and the amount employers will have to contribute for the next three years. The valuation on 31 March 2022 set the rates for 2023/24, 2024/25 and 2025/26.

In the valuation carried out as at 31 March 2022 the funding level increased from 92% to 104%. As a result, the employer's rate is expected to remain unchanged until 31 March 2026, after which the next triennial valuation will apply. In 2024/25, we made normal employer's contributions totalling £41.8 million (£38.7 million in 2023/24). We are also responsible for all pension payments relating to benefits we have awarded for added years, together with related increases. In 2024/25, these came to £1.0 million (£1.0 million in 2023/24). The estimated employer's contribution for the period to 31st March 2026 is £41.4 million.

In June 2023, the High Court ruled in Virgin Media Limited v NTL Pension Trustees II Limited that certain historic pension scheme amendments may be invalid without written actuarial confirmation under Section 37 of the Pension Schemes Act 1993. This decision was upheld on appeal in July 2024. Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Therefore, as the impact remains uncertain and cannot be reliably quantified at this time, our actuaries have not made any adjustments to the defined benefit obligation for this.

The value of our LGPS assets at 31 March 2025 is based on the market value at 31 March 2025. The movement in our LGPS assets in the year is as shown below:

31 March 2024 £ m	Change in Fair Value of WCC Share of LGPS Assets	31 March 2025 £ m
1,398.2	Fair value of assets at the beginning of the year	1,507.4
-1.9	Effect of settlements	-1.3
66.3	Interest Income on plan assets	73.1
48.4	Remeasurements on assets	-7.4
39.7	Employers' contributions (including receipts covering early retirements)	42.8
12.0	Member contributions	12.8
-55.3	Benefits/transfers paid	-53.7
1,507.4	**Fair value of assets at the end of the year**	**1,573.6**

A breakdown of the nature of those assets is as follows:

31 March 2024			31 March 2025	
Quoted prices in active markets £ m	Quoted prices not in active markets £ m	LGPS Assets	Quoted prices in active markets £ m	Quoted prices not in active markets £ m
170.4	58.4	**Debt Securities:**	169.5	83.4
0.0	107.0	**Private equity:**	0.0	108.6
		Real estate:		
109.7	0.0	UK property	120.4	0.0
15.1	0.0	Overseas property	13.9	0.0
		Investment funds and unit trusts:		
853.5	0.0	Equities	877.2	0.0
0.0	137.5	Infrastructure	0.0	173.8
55.8	0.0	**Cash and cash equivalents**	26.8	0.0
1,204.6	**302.8**	**Totals**	**1,207.8**	**365.8**

The expected return on scheme assets does not affect the Balance Sheet position as at 31 March 2025 but will affect the reported pension cost for the following year. It is based on market expectations at the beginning of the financial period for returns over the life of the obligation. This requires the consideration of the composition of the Scheme's assets and the potential returns of different asset classes. The assumption used is the average of the assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The Impact of Pensions in our Accounts

We show the cost of retirements benefits in 'Money spent on services' in the CIES when employees earn them. We have made adjustments in the MIRS so that the charge made against the council tax reflects the actual cash we have paid relating to the year.

31 March 2024					Pension scheme accounting	31 March 2025				
LGPS £m	**Teachers £m**	**Fire fighters £m**	**Fire fighter Injury £m**	**Total £m**		**LGPS £m**	**Teachers £m**	**Fire fighters £m**	**Fire fighter Injury £m**	**Total £m**
					Spending:					
38.7	0.0	1.5	0.3	40.5	Current service cost	36.7	0.0	1.2	0.3	38.2
0.0	0.0	0.0	0.0	0.0	Past service cost and curtailments	0.4	0.0	0.0	0.0	0.4
-1.2	0.0	0.0	0.0	-1.2	Effects of Settlement	-0.5	0.0	0.0	0.0	-0.5
65.7	1.7	9.9	0.9	78.1	Interest cost	73.8	1.7	10.0	0.9	86.5
-66.3	0.0	0.0	0.0	-66.3	Interest income on plan assets	-73.1	0.0	0.0	0.0	-73.1
36.9	**1.7**	**11.4**	**1.2**	**51.2**	**Net charge to CIES**	**37.3**	**1.7**	**11.2**	**1.2**	**51.4**
					Contribution from Pensions Reserve:					
-30.5	-0.5	1.7	0.1	-29.2	Movement on the Pensions Reserve	2.5	6.7	33.1	7.1	49.4
-93.3	2.2	-5.1	-0.6	-96.7	Re-measurements recognised in CIES	-362.6	-5.2	-34.0	-7.6	-409.5
n/a	n/a	-4.6	n/a	-4.6	Funded by Government top up grant	n/a	n/a	-6.3	n/a	-6.3
126.6	n/a	n/a	n/a	126.6	Asset ceiling adjustment (LGPS)	365.6	n/a	n/a	n/a	365.6
2.8	**1.8**	**-8.0**	**-0.5**	**-4.0**	**Contribution (from) Pensions Reserve**	**5.5**	**1.4**	**-7.2**	**-0.5**	**-0.8**
					Actual amount charged against council tax:					
39.7	n/a	3.4	n/a	43.1	Employer's contributions & ill-health contributions	42.8	n/a	4.0	n/a	46.8
0.0	3.4	0.0	0.7	4.1	Retirement benefits paid or due to be paid to and transfers out	0.0	3.2	0.0	0.7	3.9
39.7	**3.4**	**3.4**	**0.7**	**47.2**	**Amount charged against council tax**	**42.8**	**3.2**	**4.0**	**0.7**	**50.6**
					Amount funded by government top up grant					
n/a	n/a	9.9	n/a	9.9	Retirement benefits paid and due to be paid to pensioners and transfers out	n/a	n/a	11.8	n/a	11.8
n/a	n/a	-1.9	n/a	-1.9	Employee contributions	n/a	n/a	-1.5	n/a	-1.5
n/a	n/a	-2.9	n/a	-2.9	Employer's contributions & ill-health contributions	n/a	n/a	-4.0	n/a	-4.0
0.0	**0.0**	**5.1**	**0.0**	**5.1**	**Government top up grant receivable**	**0.0**	**0.0**	**6.3**	**0.0**	**6.3**
					Movement in Reserves Statement					
-36.9	-1.7	-11.4	-1.2	-51.2	Reversal of net charges made for retirement benefits	-37.3	-1.7	-11.2	-1.2	-51.4
39.7	n/a	3.4	n/a	43.1	Employer's contributions & ill-health contributions	42.8	n/a	4.0	n/a	46.8
n/a	3.4	n/a	0.7	4.1	Retirement benefits paid or due to be paid to pensioners and transfers out	n/a	3.2	n/a	0.7	3.9
2.8	**1.8**	**-8.0**	**-0.5**	**-4.0**	**Movement in Reserves Statement**	**5.5**	**1.4**	**-7.2**	**-0.5**	**-0.8**

The key assumptions used by our actuary to determine valuations are as laid out in the table below:

31 March 2024				Pension scheme assumptions	31 March 2025			
LGPS	Teachers	Firefighters	Firefighter Injury Award		LGPS	Teachers	New Firefighters	Firefighter and Injury Award
				Financial assumptions:				
2.75%	2.75%	2.75%	2.75%	Rate of Inflation CPI	2.75%	2.75%	3.15%	3.15%
3.75%	3.75%	3.10%	3.10%	Salary increase	3.75%	3.75%	3.15%	3.15%
2.75%	2.75%	2.75%	2.75%	Pensions increases	2.75%	2.75%	2.80%	2.80%
4.85%	4.85%	4.85%	4.85%	Rate of discount	5.80%	5.80%	5.80%	5.80%
				Life expectancy assumptions:				
21.6 (24.0)	21.6 (24.0)	25.8 (28.7)	25.8 (28.7)	A male (female) current pensioner aged 65	21.5 (24.0)	21.5 (24.0)	25.6 (28.5)	25.8 (28.7)
22.3 (25.6)	-	27.2 (30.0)	27.2 (30.0)	A male (female) future pensioner aged 65 in 20 years time	22.2 (25.5)	-	27.7 (30.5)	27.2 (30.0)
				Commutation of pension for lump sum at retirement:				
65%	n/a	90%	90%	~ Taking maximum cash	65%	n/a	90%	90%
n/a	n/a	n/a	n/a	~ Taking 3/80th cash	n/a	n/a	n/a	n/a

The sensitivity regarding the principal assumptions used to measure the LGPS scheme liabilities are set out below.

Change in assumptions as at 31 March 2025	Approximate increase to Employer Liability %	Approximate monetary amount £ m
0.1% decrease in real discount rate	2%	21.5
1 year increase in member life expectancy	4%	49.0
0.1% increase in the salary increase rate	0%	0.8
0.1% increase in the pension increase rate	2%	21.3

The liabilities associated with each scheme are as shown in the table below:

31 March 2024					Change in present value of pension scheme liabilities during the year	31 March 2025				
LGPS £m	Teachers £m	Firefighters £m	Firefighter Injury Award £m	All Schemes £m		LGPS £m	Teachers £m	Firefighters £m	Firefighter Injury Award £m	All Schemes £m
1,386.2	36.6	212.2	19.2	1,654.2	Benefit obligation at the beginning of the year	1,399.3	37.0	210.5	19.1	1,665.9
38.7	0.0	1.5	0.3	40.5	Current service costs	36.7	0.0	1.2	0.3	38.2
-3.1	0.0	0.0	0.0	-3.1	Effect of Settlements	-1.9	0.0	0.0	0.0	-1.9
65.7	1.7	9.9	0.9	78.1	Interest on pensions liabilities	67.7	1.7	10.0	0.9	80.3
12.0	0.0	1.9	0.0	13.9	Member contributions	12.8	0.0	1.5	0.0	14.3
0.0	0.0	0.0	0.0	0.0	Past service costs	0.4	0.0	0.0	0.0	0.4
-55.3	-3.4	-9.9	-0.7	-69.3	Benefits/transfers paid	-53.7	-3.2	-11.8	-0.7	-69.4
-44.9	2.2	-5.1	-0.6	-48.3	Remeasurements on liabilities	-237.3	-5.2	-34.0	-7.6	-284.1
1,399.3	**37.0**	**210.5**	**19.1**	**1,665.9**	**Present value of liabilities at the end of the year**	**1,224.0**	**30.4**	**177.4**	**12.0**	**1,443.8**

This leaves each scheme with a net liability as shown below:

31 March 2024					Pension assets and liabilities recognised in the Balance Sheet	31 March 2025				
LGPS £m	Teachers £m	Fire fighters £m	Firefighter Injury Award £m	Total £m		LGPS £m	Teachers £m	Fire fighters £m	Firefighter Injury Award £m	Total £m
1,399.3	37.0	210.5	19.1	1,665.9	Present value of the defined benefit obligation	1,224.0	30.4	177.4	12.0	1,443.8
1,507.4	0.0	0.0	0.0	1,507.4	Less: Fair value of plan assets	1,573.6	0.0	0.0	0.0	1,573.6
-108.1	**37.0**	**210.5**	**19.1**	**158.6**	**Net Liability arising from defined benefit obligation (Pre asset ceiling adjustment)**	**-349.6**	**30.4**	**177.4**	**12.0**	**-129.8**
126.6	n/a	n/a	n/a	126.6	Asset ceiling adjustment	365.6	n/a	n/a	n/a	365.6
18.5	**37.0**	**210.5**	**19.1**	**285.1**	**Net Liability arising from defined benefit obligation**	**16.0**	**30.4**	**177.4**	**12.0**	**235.7**
30.5	**0.5**	**-1.7**	**-0.1**	**29.2**	**Increase/decrease (-) in net liability from previous year**	**-2.5**	**-6.7**	**-33.1**	**-7.1**	**-49.4**

The liabilities show the underlying commitments that we have in the long run to pay retirement benefits. However, statutory arrangements for funding the deficit mean that our financial position remains healthy:

- LGPS – the deficit will be recovered by increased contributions over the remaining working life of employees, as assessed by the scheme actuary;
- Firefighters Pension Scheme - the deficit is paid by Central Government;
- Teachers' Pension Scheme - finance is provided by the Teachers Pensions Agency; and
- Firefighters' Injury Awards – these are financed through revenue budgets.

Note 38: Pooled budgets with health

Section 75 of the National Health Service Act 2006 allowed joint-working arrangements between NHS organisations and local authorities. Pooled funds allow these health organisations and local authorities to work together to tackle specific health issues. An important feature of the pool is that the way resources are used will depend on the needs of the clients who meet the conditions set for the pooled budget, rather than the contributions of the partners.

The tables below summarise the financial transactions of the pooled budgets.

Better Care Fund – Section 75:

Warwickshire County Council is the host authority for the Section 75 Pooled budget arrangement via the Better Care Fund. The strategic aims of the programme are:

- People are helped to remain healthy and independent;
- People are empowered to play an active role in managing their own care and the care they receive; and
- People get the right service at the right time and in the right place – which means services will support individuals close to their home.

Agreements for the financial years since 1 April 2015 have been agreed by the Council and the NHS Coventry and Warwickshire Integrated Care Board (ICB). Annual contributions are agreed by the Better Together Programme Board before the commencement of each financial year thereafter. The agreement sets out the basis of the governance arrangements and reporting requirements to both the Better Together Programme Board and the Health and Wellbeing Board.

Under the Section 75 pooled fund arrangement, the Council acts as the principal for its share of the Better Care Fund and therefore accounts for its own contributions and related expenditure on a gross basis in its financial statements.

Better Care Fund	**2023/24 £m**	**2024/25 £m**
Funding provided to the pooled budget:		
~ Warwickshire County Council	22.8	25.0
~ NHS Coventry and Warwickshire ICB	50.1	52.7
	72.9	**77.8**
Expenditure met from the pooled budget:		
~ Warwickshire County Council	43.1	47.1
~ NHS Coventry and Warwickshire ICB	29.1	30.7
	72.2	**77.8**
Net Surplus arising on the pooled budget during the year:	**0.7**	**0.0**

The total pooled budget arrangement for 2024/25 is £77.8 million (£72.9 million in 2023/24) of which:

£6.4 million (£5.6 million in 2023/24) is capital funding for Disabled Facilities. Warwickshire County Council pays the Disabled Facilities Grant monies to its District and Boroughs which then incur the spend on local facilities.

Of the remaining funds, £30.7 million (£29.1 million in 2023/24) was spent by the ICB for it to commission services.

In addition, £4.4 million (£4.5 million in 2023/24) has been passed back to the Council as part of a separate Section 75 Integrated Community Equipment Service (ICES) agreement. The Council contributed a further £1.7 million (£1.7 million in 2023/24) and incurred total spend of £6.2 million in relation to ICES in 2024/25 (£6.2 million in 2023/24).

A total of £34.6 million (£31.3 million in 2023/24) revenue funding was allocated by the Council for commissioning services in accordance with the agreement.

The surplus at the end of the year on Disabled Facilities belongs to the District and Borough Councils of Warwickshire. The Districts and Boroughs hold these funds and then incur the related spend in future years.

Commissioning of Mental Health Services for Children and Young People (CAMHS)

The authority has entered into a pooled budget arrangement with NHS Coventry and Warwickshire ICB for the commissioning of mental health services for children and young people. The Section 75 agreement for Commissioning of Mental Health Services was agreed in 2018/19.

Warwickshire County Council acts as the lead commissioning partner for the pooled arrangement. The pooled resources totalled £4.6 million in 2024/25 (£4.6 million in 2023/24). Any surplus or deficits remaining within the pool, are allocated in agreement with the Partnership Board.

Under the CAMHS Section 75 arrangement, the Council acts as principal for its own commissioned services and therefore accounts for its share of income and expenditure on a gross basis in its financial statements.

CAMHS	**2023/24 £m**	**2024/25 £m**
Funding provided to the pooled budget:		
~ Warwickshire County Council	0.7	0.7
~ NHS Coventry and Warwickshire ICB	3.9	3.9
	4.6	**4.6**
Expenditure met from the pooled budget:		
~ Warwickshire County Council	4.6	4.6
~ NHS Coventry and Warwickshire ICB	0.0	0.0
	4.6	**4.6**
Net Surplus arising on the pooled budget during the year:	**0.0**	**0.0**

Note 39: Coventry and Warwickshire Business Rates Pool

The Coventry and Warwickshire Business Rates Pool was created on 1 April 2013 with seven member authorities: Warwickshire County Council, the five District and Borough Councils within Warwickshire and Coventry City Council. Warwickshire County Council is the lead authority for the pool and there is an agreed Memorandum of Understanding in place that determines how the Pool's resources are allocated. As lead authority for the pool, Warwickshire County Council undertakes a number of responsibilities, including completing all formal returns to Central Government on behalf of the pool members, managing the resources of the pool in accordance with the Memorandum of Understanding, administering the schedule of payments between Pool members in respect of all financial transactions that form part of the Pool's resource.

Under the agreement any surplus generated by the pool, will be shared between pool members. We have accounted for our share of the current surplus in the CIES and the pool surplus is held in our reserves until such times as it is distributed. At 31st March 2025, the pool surplus held was £2.0 million (£1.9 million at 31st March 2024). This is held by the Council on behalf of the pool. The offsetting liability for the Council is reflected within Long Term Creditors on the Balance Sheet.

Note 40: Related parties and associated parties

Central Government
The UK Government has effective control over our general duties – it is responsible for providing the legal framework within which we work, provides funding in the form of grants and sets the terms of many of the relationships that we have with other organisations. Details of the grants we receive from government departments are set out in note 24. Details of the balances with central government departments are shown in notes 15 and 17. Pooled budget arrangements with the Department of Health and Social Care via the NHS Coventry and Warwickshire Integrated Care Board are disclosed in note 38.

Elected Members
Elected Members of the council have direct control over our financial and operating policies. The total of Elected Members' allowances paid in 2024/25 is shown in note 35.

During 2024/25 £20.1 million (£15.0 million in 2023/24) was paid to entities in which elected members had an interest (this includes £17.3 million (£13.4 million in 2023/24) paid to District and Borough Councils in Warwickshire where they are also elected members).

During 2024/25 £8.9 million (£5.9 million in 2023/24) was received from entities in which elected members had an interest (this includes £5.9 million (£3.6 million in 2023/24) paid by District and Borough Councils (excluding precepts and NNDR) in Warwickshire where they are also elected members.

Amounts owed to or by these councils are included in within the other public bodies' figures disclosed elsewhere in this note. At 31 March 2025, no material amounts were owed to or by other entities in which elected members had an interest.

Contracts were entered into in full compliance with our contract standing orders. The above figure includes any grants paid to voluntary groups in which elected members had positions on the governing body, including any made to organisations whose senior management included close members of the families of elected members. In all instances, grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussions or decisions relating to the grants. Details of all these relationships are recorded in the Register of Members' Interests, open to public inspection at Shire Hall. Details of the Members and the Committees and organisations for which they represent the authority are also available on the authority's website.

Senior Officers
During 2024/25 payments of £9.4 million (2023/24 – £10.9 million) were made to organisations in which senior officers or members of their families had declared an interest. During 2024/25 payments of £2.5 million (2023/24 - £1.9 million) were received from organisations in which senior officers or members of their families had declared an interest. At 31 March 2025, no material amounts were owed to or by other entities in which senior officers or members of their families had declared an interest.

A number of senior officers and elected members represent us on the board of related companies (such as Warwick Technology Park Management Company Limited, Warwick Technology Park Management Company (No.2) Limited, SCAPE Group Limited, and University of Warwick Science Park Innovation Centre Limited). In addition, a number of officers within the authority are directors of our three wholly owned Local Authority Trading Companies.

Other Public Bodies
At the end of the year, we owed £43.1 million (£29.0 million in 2023/24) to other local authorities, central government and public bodies including £6.4 million (£6.2 million in 2023/24) to His Majesty's Revenue and Customs, and they owed us £35.0 million (£35.2 million in 2023/24), including £9.8 million (£5.8 million in 2023/24) from His Majesty's Revenue and Customs.

Warwickshire County Council is the administering body for the Warwickshire Pension Fund. In 2024/25 we charged the Warwickshire Pension Fund £2.6 million (£1.8 million in 2023/24) for carrying out administration work for the fund (not including payroll-processing costs). In addition, we paid pension contributions to the pension fund as part of the Local Government Pension Scheme (LGPS). These are shown in Note 37.

Group Entities
The following companies fall within the Council's group boundary as at 31st March 2025.

Company	WCC Share Holding
Warwickshire Legal Services Trading Ltd	100% owned LATC (WCC)
Educaterers Ltd	100% owned LATC (WCC)
Warwickshire Property and Development Group Ltd (WPDG)	100% owned LATC (WCC)
Warwickshire Property Development Ltd	100% owned subsidiary of WPDG
Warwickshire Property Management Ltd	100% owned subsidiary of WPDG
Develop Warwickshire LLP (DW LLP)	30% owned Joint Venture (WCC), 20% owned Joint Venture (WPDG)
Develop Warwickshire Nominee Ltd	100% owned subsidiary of DW LLP
Brookmill Meadows LLP	99.9% owned by DW LLP, 0.1% owned by Develop Warwickshire Nominee Ltd
Milby Meadows LLP	99.9% owned by DW LLP, 0.1% owned by Develop Warwickshire Nominee Ltd
Overton View LLP	99.9% owned by DW LLP, 0.1% owned by Develop Warwickshire Nominee Ltd
Coventry and Warwickshire Growth Hub Ltd	50% owned Joint Venture (WCC)

Warwickshire County Council have three wholly owned local authority trading companies. Two of these started trading in 2017/18 and one was incorporated in March 2021.

- Warwickshire Legal Services Trading Ltd:

Warwickshire Legal Services Trading Ltd started trading on 1 October 2017. It provides legal services to other entities outside the Council and pays the authority for the services of our staff to carry out that work. This company has negligible assets.

In 2024/25 the Council received payments of £86k (£154k in 2023/24) from Warwickshire Legal Services Trading Ltd and made payments of £11k (£17k in 2023/24) to the entity. As at 31 March 2025, the Council was not owed anything (31 March 2024: £24k) by the entity and did not owe anything to it (31 March 2024: nil).

- Educaterers Ltd:

Educaterers Ltd, providing meals services to schools, started trading on 1 September 2017. Most of the company's trading is with maintained schools in Warwickshire so that expenditure is already included in our CIES. Its accounts for the year to 30 December 2024 showed net liabilities of £0.3 million (£0.6 million for the year to 30 August 2023).

We provided the company with a working capital loan facility of up to £1.8 million, which was extended to 30 March 2026. Interest is charged at a market rate of 5.43% plus the Bank of England Base Rate per annum. At 31 March 2025 the balance on the loan was nil (31 March 2024: £0.9 million). No dividends or profit distributions have yet been agreed for the trading periods up to 31 March 2025.

In 2024/25, aside from items relating to the loan amounts mentioned above, the Council (including Warwickshire's maintained schools) made payments of £7.8 million to Educaterers Ltd (£7.8 million in 2023/24) and received payments of £0.2 million (£0.3 million in 2023/24). As at 31/03/2025, the County Council was owed £0.3 million (31 March 2024: £24k) by Educaterers Ltd and the Council owed Educaterers nil (31 March 2024: £0.3 million).

- <u>Warwickshire Property and Development Group Ltd (WPDG):</u>

A wholly owned local authority trading company was incorporated on 26 March 2021 called Warwickshire Property and Development Group Ltd (WPDG). The reason for creating WPDG is to deliver the Council's policy objective of creating jobs and more homes across Warwickshire. WPDG has two wholly owned subsidiary companies, Warwickshire Property Management Ltd and Warwickshire Property Development Ltd. Its accounts for the period ended 31 December 2024 showed a net liability position of £1.7 million (31 December 2023: £1.2 million net liability position).

As at 31 March 2025, the Council had provided a working capital loan of £2.2 million (31 March 2024: £1.25 million). Interest is charged at an arm's length rate (and at an arm's length rate for the undrawn remainder of the £3.6 million total facility).

In 2024/25, aside from items relating to the loan amounts mentioned above, the Council made payments of £68k to WPDG (£141k in 2023/24) and received payments of £200k (£195k in 2023/24). As at 31/03/2025, the Council was owed £49k (31 March 2024: £30k) by WPDG and owed WPDG £36k (31 March 2024: £5k).

- <u>Warwickshire Property Development Limited (WPD Ltd):</u>

Warwickshire Property Development Limited is a wholly owned subsidiary of Warwickshire Property and Development Group Ltd. The entity was established to positively contribute to the delivery of the Council's objectives through using our surplus land to deliver new affordable and market priced homes together with a range of commercial and mixed-use opportunities to deliver economic growth across the County. At 31 March 2025, two sites had been transferred to WPD Ltd.

At 31 March 2025, the Council had provided a development loan of £1.3 million (31 March 2024: £0.3 million). Interest is charged at an arm's length rate.

In 2024/25, aside from items relating to the loan amounts mentioned above, the Council made no payments to WPD Ltd and received payments of £1k (£0.2 million in 2023/24) from WPD Ltd. As at 31/03/2025, the Council owed nothing to WPD Ltd and WPD Ltd owed £43k to the Council (31 March 2024: Nil).

- <u>Warwickshire Property Management Limited (WPM Ltd):</u>

Warwickshire Property Management Limited is a wholly owned subsidiary of Warwickshire Property and Development Group Ltd. The entity was established to transfer the property management function from the Council to WPDG to regularise leasing arrangements and look for opportunities to ensure the effective use of our property assets.

As at 31 March 2025, the Council had provided a loan of £6.5 million (31 March 2024: £6.5 million). Interest is charged at an arm's length rate.

In 2024/25, aside from items relating to the loan amounts mentioned above, the Council made payments of £0.9 million to WPM Ltd (£0.7 million in 2023/24) and received payments of £0.5 million (£0.1 million in 2023/24). As at 31/03/2025, the Council owed WPM Ltd £36k (31 March 2024: £7k) and WPM Ltd owed £43k to the Council (31 March 2024: £43k).

- <u>Develop Warwickshire LLP:</u>

To further deliver on our policy objectives, in 2022/23 the Council and WPDG entered into a joint venture partnership with Countryside Partnerships called Develop Warwickshire LLP. The split of ownership in the joint venture is the Council (30%), WPDG (20%) and Countryside Partnerships PLC (50%). No transactions took place between the Council and Develop Warwickshire LLP in 2023/24 or 2024/25.

- <u>Develop Warwickshire Nominee Ltd:</u>

Develop Warwickshire Nominee Ltd is a wholly owned subsidiary of Develop Warwickshire LLP, established in 2023/24. No transactions took place between the Council and Develop Warwickshire Nominee Ltd in 2023/24 or 2024/25.

- <u>Brookmill Meadows LLP:</u>

Brookmill Meadows LLP is an entity which was established in 2022/23 and is owned by Develop Warwickshire LLP and Develop Warwickshire Nominee Ltd. The entity was setup to deliver the first project undertaken by Develop Warwickshire LLP.

At 31 March 2025, one site had been transferred to the company. At 31 March 2025, a £2.0 million (31 March 2024: £2.2 million) loan was provided to Brookmill Meadows by the Council.

In 2024/25, the Council made no payments (2023/24: Nil) to Brookmill Meadows LLP and received payments of £2k (2023/24: £27k) from Brookmill Meadows LLP. As at 31/03/2025, the Council owed nothing to Brookmill Meadows LLP (31 March 2024: nil) and Brookmill Meadows LLP owed £302k to the Council (31 March 2024: £43k).

- <u>Milby Meadows LLP:</u>

Milby Meadows LLP is an entity which was established in 2023/24 and is owned by Develop Warwickshire LLP and Develop Warwickshire Nominee Ltd. The entity was setup to deliver a project undertaken by Develop Warwickshire LLP.

At 31 March 2025, one site had been transferred to the company. At 31 March 2025, a £4.4 million (31 March 2024: Nil).

In 2024/25, aside from the items relating to the loan amounts mentioned above, Milby Meadows LLP made payments to the Council of £8k (2023/24: Nil). As at 31 March 2025, the Council was owed £345k (31 March 2024: Nil).

- <u>Overton View LLP:</u>

Overton View LLP is an entity which was established in 2023/24 and is owned by Develop Warwickshire LLP and Develop Warwickshire Nominee Ltd. The entity was setup to deliver a project undertaken by Develop Warwickshire LLP. In 2024/25, the Council made payments to Overton View LLP of £1k (2023/24: Nil). No amounts were owed as at 31 March 2025 (31 March 2024: Nil).

- <u>Coventry and Warwickshire Growth Hub Limited</u>

Coventry and Warwickshire Growth Hub Limited was established in 2023/24. This is a joint venture between the Council and Coventry City Council. It is setup to promote business growth by engaging with the Coventry and Warwickshire business community.

In 2024/25, the Council made payments to C&W Growth Hub Ltd of £0.4 million (£0.3 million in 2023/24) and received no payments (nil in 2023/24) from C&W Growth Hub Ltd. As at 31 March 2025, the Council owed nothing to C&W Growth Hub Ltd (31 March 2024: £0.1 million) and C&W Growth Hub Ltd owed nothing to the Council (31 March 2024: nil).

The Firefighters' Pension Fund

2023/24 £m	Fund account	2024/25 £m
	Income to the fund	
	Contributions receivable (funds due to us during the year):	
	- from employer: Warwickshire County Council	
-3.2	- normal contributions in relation to pensionable pay	-4.0
-0.1	- early retirements	0.0
-1.4	- from members (firefighters' contributions)	-1.4
	Transfers in:	
-0.4	- individual transfers in from other authorities	-0.1
-5.2	**Income to the fund**	**-5.5**
	Spending by the fund	
	Benefits payable:	
8.8	- Pension payments	9.4
1.5	- Commutation of pensions and lump-sum retirement benefits	3.0
0.1	- Other benefits payable	0.0
10.3	**Spending by the fund**	**12.5**
5.1	**Net amount payable for the year (before top-up grant receivable from Government)**	**7.0**
-5.1	Top-up grant payable by the Government	-7.0
0.0	**Net amount payable or receivable (-) for the year**	**0.0**

31 March 2024 £m	Firefighters' Pension Fund net assets statement	31 March 2025 £m
	Current assets:	
0.9	- Top-up grant receivable from Government	1.8
	Current liabilities:	
-0.9	- other current liabilities (other than liabilities in the future)	-1.8
0.0	**Net assets or liabilities (-) at the end of the year**	**0.0**

Notes to the Firefighters' Pension Fund statements

Note 1: Fund operations

The Firefighters' Pension Scheme in England is an unfunded scheme. The employer promises to provide employees with benefits under the scheme but makes no advance funding in the scheme for those benefits. Benefits are paid directly by the employer when they become due. We are required to pay an employer's pension contribution based on a percentage of pay into the pension fund. Each Fire and Rescue authority must run a pension fund and the amounts that must be paid into and out of the pension fund are set by regulation. The legislation that controls its operation is the Firefighters' Pension Scheme (Amendment) (England) Order 2006. The benefits payable are pensions to retired firefighters and/or widows/widowers of retired firefighters. The benefits paid and employee and employers contributions are administered through our human resources management system. The scheme has no investment assets.

The pension fund is balanced to nil at the end of the year by either paying over to the sponsoring government department the amount by which the amount receivable by (due to) the fund is more than the amount payable, or by receiving cash in the form of pension top-up grant from the sponsoring department equal to the amount by which the amount payable from (owed by) the pension fund for the year is more than the amount receivable. An amount of 80% of the estimated grant needed each year is paid to the fund by the Government during the year. The balance is only paid once the Pensions statement has been audited by our external auditors and a claim, certified by the authority's Section 151 Officer, is submitted to the Government.

Note 2: Accounting policies

The financial statements are accounted for on an accruals basis. We did not use any estimation techniques in preparing the statements.

For assets and liabilities in the net asset statement the fair value is deemed to be the carrying value as they are both due within one year.

Note 3: Liabilities

The statements do not take account of any liabilities to pay pensions and other benefits after the period end i.e. 31 March 2025. Details of the long-term pension obligations, employees and employer's contribution rates and actuarial assumptions used in the required disclosures in accounts for the Firefighters' Pension Fund are found in note 37 to the accounts.

Note 4: Contribution levels

Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office (previously dealt with by the Department for Communities and Local Government) and are subject to triennial revaluation by the Actuary.

Note 5: AVCs and added years

Additional voluntary contributions are excluded from the accounts of the Pension Fund. However, where members of the scheme have brought added years within the scheme, these will be included in the Fund contributions.

Note 6: Debtors and creditors

The debtors and creditors for both years are amounts due to/from central government (balance of grant due to balance the account to nil). Other debtors and creditors for both years are the amounts due to or from Warwickshire County Council, the administering authority or tax not yet paid to HMRC. This year we have had less grant from the Home Office than we have needed, so they owe us more money. As the Firefighters' Pension Fund does not have its own separate bank account this means that this year, less money has been received by the County fund than paid out and is therefore owed by the Pension Fund to Warwickshire County Council. All amounts are due within 1 year.

Glossary

This section explains some of the more complicated terms that have been used in this document.

Accruals
Cost of goods and services received in the year but not yet paid for, or income earned but not yet received.

Actuarial gain (loss)
For pension assets, actuarial gains or losses happen when the actual return on investments in the pension fund is different from the expected return. For pension liabilities, actuarial gains and losses happen when the actual liability is different from the expected liability. For assumptions, actuarial gains or losses happen as a result of changes to the population or financial assumptions the actuary uses to work out the liability. Liabilities are valued in terms of 'today's money'.

Amortisation
The drop in value of intangible assets as they are used or become out of date.

Asset
An item which is purchased or created to be used by the Council.

Benefits we have awarded for added years
When a member of staff retires early because they are made redundant, we can give added years of scheme membership. We meet the costs of giving these added years, usually from the savings that will be made.

Budget
A statement of our spending plans for a financial year, which starts on 1 April and ends on 31 March.

Business rates (National Non-Domestic Rates)
Businesses pay these rates, set annually by government, to billing authorities instead of council tax. Business rates are shared between local authorities partly on the basis of need and partly on the basis of increased business rates generated locally. The amount each business is charged is based on multiplying the rateable value of each business property by the national rate in the pound.

Capital Adjustment Account
This account includes the value of capital charges to the Comprehensive Income and Expenditure Statement that do not directly affect the level of council tax.

Capital programme
Our plan of capital projects and future spending on buying land, buildings, vehicles and equipment.

Capital receipts
Income from selling assets that we would consider capital expenditure if we were the purchaser.

Capital spending
Spending on assets that have a lasting value, for example, land, buildings and large items of equipment such as computers or vehicles.

CIPFA
Chartered Institute of Public Finance and Accountancy

Contingent asset
A possible asset which may arise pending decisions that are not under our control.

Contingent liability
A possible liability which may arise when we know the outcome of outstanding claims made against us.

Council tax
A tax based on property which is retained by local authorities to fund their expenditure. In Warwickshire, the district or borough councils issue council tax bills and collect the council tax.

Creditors
People or organisations we owe money to for work, goods or services which have not been paid for by the end of the financial year.

Current assets
Short-term assets which constantly change in value such as stocks, debtors and bank balances.

Current liabilities
Short-term liabilities which are due to be paid in less than one year such as bank overdrafts and money owed to suppliers.

Current service cost
Officers employed during the year will have earned a year of pensionable service. The current service cost is the increase in the value of the pension scheme's liabilities arising from the employee service during the period.

Debtors
People who owe us money that is not paid by the end of the financial year.

Depreciation
The drop in the value of assets, for example, through wear and tear, age and becoming out of date.

Disclosure
Information we must show in the accounts under the Code.

Earmarked reserves
Money set aside for a specific purpose.

Fair value
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

General reserves
Money set aside to be used in the future.

Historic cost
The cost of initial acquisition of an asset.

International Financial Reporting Standard (IFRS)
Standards on the way we need to treat certain items in our accounts.

Liabilities
Money we will have to pay to people or organisations in the future.

Material related-party transactions
Two or more organisations are 'related parties' if, during the year, one of them has some form of control over the other. By ‘material’ we mean of ‘significant value’.

Minimum revenue provision (MRP)
The amount we must set aside to repay loans.

Net book value
The value of an asset after depreciation.

Non-current asset
An asset which is expected to be used for more than 12 months.

Non-distributed costs
Costs which are not allocated to specific services, according to the Service Expenditure Reporting Code of Practice.

Past service costs
The past service cost is the extra liability that arises when we grant extra retirement benefits that did not exist before, such as when we agree early retirement or extra years of service.

Pensions interest cost and expected return on assets
The pensions interest cost is the increase in the value of the liabilities that arise because those liabilities are one year closer to being paid. The return on assets is the value of the return expected to be achieved on the fund's investments in the long term.

Provisions
Money set aside to meet specific service liabilities and to meet spending.

Reserves
Savings we have built up from surpluses or by not spending income which has conditions on its use.

Return on assets
The return on assets is the value of the return we expect to achieve on the Pension Fund's investments in the long term.

Revaluation Reserve
This account contains the difference between the amount paid for assets and the amount that they are currently worth.

Revenue spending
Spending on the day-to-day running of services - mainly wages, running expenses of buildings and equipment, and debt charges. These costs are met from council tax, business rates, government grants and fees and charges.

Revenue expenditure funded by capital under statute (REFCUS)
Spending on assets that have a lasting value, for example land and buildings, but which we do not own.

Settlement costs
Settlement costs arise when we make a lump-sum payment to a scheme member in exchange for their rights to receive certain pension benefits.

Specific grants
Payments from external bodies to cover local authority spending on a particular service or project.

TUPE - Transfer of Undertakings (Protection of Employment)
Regulations to protect employees if the business in which they are employed changes hands. Its effect is to move employees and any liabilities associated with them from the old employer to the new employer by operation of law.

Unrealised
A change in the market value which does not actually take place until an asset is sold.