

Warwickshire County Council



STATEMENT OF ACCOUNTS 2024-2025



Warwickshire County Council

Statement of Accounts

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Introduction

I am pleased to introduce our Statement of Accounts for 2024/25. The purpose of these accounts is to present a true and fair view of the financial results of our activities for the year and the value of our assets and liabilities at the end of the year.

This narrative report is set out in five parts. The first provides some key information on what the Council does, how it does it and its plans for the future. The second part provides further detail on how we plan to resource the Council's activities. This section also considers the factors in the external environment that influence our decisions and highlights some of the key risks that we have identified to the delivery of our priorities. The third part summarises our financial and other performance in 2024/25 and our effectiveness in the use of our resources, while the fourth part describes our outlook moving forward into the new financial year. It includes some of the key pressures facing the Council over the next few years and the changes taking place in the Council to respond to those challenges. Finally, this report explains how the Financial Accounts for 2024/25 are prepared and set out.

Globally and nationally, we continue to experience significant financial uncertainty. Although inflationary pressures are starting to ease, living costs have increased considerably due to a range of factors including global conflict, a shortage in the supply of labour, the medium-term global effects of Covid-19 on the flows of goods and services and the increased cost of energy, food, and fuel. This unprecedented combination has had a profound impact on residents, communities and businesses.

The most significant financial challenge facing the council is the growing Dedicated School's Grant (DSG) deficit which has been mitigated by Central Government via the DSG Statutory override. This situation is unsustainable, and resolution of the difficulties faced will largely depend on national reforms.

The Council continues to strive to deliver against the three strategic priorities set out in the Council Plan: to create a thriving economy with vibrant places; to enable people to live healthy and happy lives; and to create sustainable futures for our people.



Rob Powell
Executive Director for Resources

Organisational overview

2024/25 was the third year of the 2022-27 Council Plan which was approved in February 2022. The purpose of the Council Plan is to set out the strategic direction of the Council and to articulate the Council's vision and ambition for Warwickshire. The Council Plan provides the necessary framework to deliver on our

ambitions, through change management and innovation, and ensures there is a clear line of sight on delivery of the Council's core purpose and outcomes. Our ambition remains to make Warwickshire the best it can be, sustainable now and for future generations.

Our ambition for Warwickshire

Three strategic priorities



We want Warwickshire to have a **thriving economy and places** that have the right jobs, skills, education, and infrastructure.



We want to be a County where **all people can live their best lives**; where communities and individuals are supported to live safely, healthily, happily and independently.



We want to be a **County with a sustainable future** which means adapting to and mitigating climate change and meeting net zero commitments, so that our generation ensures future generations can live well and reap the benefits of a sustainable and thriving Warwickshire.

Seven areas of focus



Create vibrant places with safe and inclusive communities



Deliver major infrastructure, digital connectivity and improved transport options



Promote inclusive, sustainable economic growth, successful business, good quality jobs and future skills



Tackle climate change, promote biodiversity and deliver on our commitment to Net Zero



Deliver our Child Friendly Warwickshire strategy - Happy, healthy, safe children



Through education, improve life opportunities for children, young people and those with special educational needs and disabilities



Support people to live healthy, happy, and independent lives and work with partners to reduce health inequalities

To make this happen, we will be a great Council and partner: One which harnesses community power, uses data and digital solutions to improve service efficiency and is a great organisation to work in with outstanding leadership and a talented agile workforce.

The approach to delivering against the Council Plan priorities is fully integrated. The Council Plan communicates priorities for the period 2022-27 in the context of the Council's complex operating environment, ensuring sufficient flexibility to respond to rapidly changing, volatile and often ambiguous external conditions. Our Budget and Medium-Term Financial Strategy translate the direction set out in the Council Plan into a sustainable financial strategy. This helps us to plan ahead, so we are able to meet our spending requirements, taking into account Government grants, Business Rates and Council Tax income. The financial strategy helps us to ensure our financial resilience and medium-term financial sustainability, so we can continue to provide high quality services to our residents.

The Council Plan and Medium-Term Financial Strategy are supported by the Council Delivery Plan which sets out a defined programme of delivery against our strategic ambitions on a rolling two-year basis.

At the heart of these is our commitment to working with partners and communities to identify solutions to the challenges we face; to build on existing strengths and successes and to learn and improve from our experiences.

There are a number of key themes which underpin the Council Delivery Plan:

- joining up, connecting, and working as one Council to focus our collective efforts and maximise their impact for communities and residents;
- a sharp focus on prioritisation to balance rapidly increasing demand with available resource and funding;
- focusing change activities on invest-to-save projects that will release the resources needed to invest in the Council's ambitions, and focus services on the preventative agenda to better meet need and further improve value for money;

- reflecting on and responding to the Council's key strategic risks:
 - slow economic growth and an increase in inequalities across communities;
 - a mismatch between demand and resources;
 - being unable to keep vulnerable children and adults in Warwickshire safe;
 - a lack of movement towards Sustainable Futures;
 - business continuity;
 - an insufficiently skilled and experienced workforce;
 - cyber-attack;
 - sustaining a safe environment;
 - failure of governance arrangements; and
 - Dedicated Schools Grant deficits.

We use reserves to manage financial risk and promote financial sustainability. Any reserves not needed to manage financial risk are used for time-limited investment to support the delivery of the Council's ambitions, to deliver savings and to reduce demand in future years.

The Medium-Term Financial Strategy will require regular reviews in order to remain dynamic, robust, ambitious and deliverable, and will be updated annually.

Politically, Warwickshire County Council has 57 councillors, who are elected every four years. The latest elections were held on 1 May 2025. The current political composition of the Council is 22 Reform members, 9 Conservative members, 3 Labour members, 14 Liberal Democrat members, 7 Green Party members and 2 Independent. The Council makes its decisions via a Cabinet of ten members, including the Leader of the Council. Warwickshire's Councillors are responsible for setting and overseeing the strategic direction of the Council and its budget, and for scrutinising

performance. Further details of the governance arrangements in the Council are included in the Annual Governance Statement, included within this document.

Organisationaly, in 2024/25 Warwickshire was structured over four Directorates: Communities (including Fire and Rescue), Children & Young People, Social Care & Health and Resources. Each Directorate is headed by an Executive Director who sits on the Council's Corporate Board along with the Chief Executive. Services within each Directorate have plans in place which correspond to the budget set for them by Council and the key outcomes within the Council Plan. Each service has Key Business Measures which are monitored and included in quarterly performance reports to Directorate Leadership Teams and Members.

At the end of the year, we had the equivalent of 4,369 full-time employees and a quarter of our spending each year is on staffing. Warwickshire's employees are responsible for translating Councillors' strategic decisions into actions. Our People Strategy sets out the key principles to ensure we have a workforce that is fit for purpose to deliver the Council Plan.

The Council collaborates with a number of external partner organisations to plan and deliver its intended outcomes. These include neighbouring councils including Coventry City Council, Solihull Metropolitan Borough Council, and the five Warwickshire District and Borough Councils, and we are a non-constituent member of the West Midlands Combined Authority. We work closely with local NHS organisations, particularly through the Health and Wellbeing Board and the Coventry and Warwickshire Integrated Care Board. We also work with a number of other bodies, including:

- Central Government departments;
- National and local voluntary and community sector organisations, and charities;
- Academy schools and academy trusts in and outside of Warwickshire;
- Local universities and other academic organisations;
- Local industry and businesses; and
- Town and Parish Councils in Warwickshire.

Further details of the Council's key priorities, plans and outcomes are available in the Council Plan.

Resourcing our activities

The Medium-Term Financial Strategy underpins the delivery of the Council Plan and is agreed as part of the budget-setting process which concludes in February each year. Taking a medium-term approach allows for a more coordinated and planned approach to

prioritisation and allows services to focus on delivery knowing the financial limits and constraints within which they are required to operate. Within the budget resolutions, the Council confirms and applies a number of fundamental financial strategies and policies.

Revenue and capital spending

We use our resources in two ways, through revenue spending and capital investment. Broadly, our revenue spending relates to income received in year and spending on items used in the year. Most of our salary costs are included in revenue expenditure. Our capital spending relates to assets we have bought, created, or improved and which will be used for more than one year. An annualised amount is charged to our revenue accounts to reflect the economic use of assets each year to provide services. This accounting charge does not

reduce our revenue resources but borrowing to fund our capital expenditure does.

Revenue allocations are made to services through a process which balances demand forecasts, inflation and other price increases, commitment to our statutory duties and the investment choices which the Council wishes to make to improve services or reduce costs. By law, we must set a balanced budget which ensures that the Council meets not only its existing commitments but also remains on a firm footing for the future.

Revenue Resources

Original gross income budget at start of year

	2024/25 £m	2025/26 £m
Business Rates	90.7	94.7
Council Tax	387.0	413.3
Total Unconditional Revenue Resources (Gross)	477.7	508.0
Specific Government Grants	145	169.8
Customer and Client Receipts	150.3	173.5
Dedicated Schools Grant	295.3	338.0
Total Revenue Resources	1,068.3	1,189.3

The figures shown above for specific Government grants include a number of grants which come with conditions that limit our discretion in how they can be used. The largest of these is the Dedicated Schools Grant which we receive from Government to meet the cost of funding schools and relevant pupil-related services, including Special Educational Needs and Disabilities; this is presented separately in the table above. We continuously review how

we deploy these resources for maximum impact.

Our capital spending power is the combination of external income which must be spent on capital (such as specific grants or contributions and the receipts from the sale of our assets) and the extent to which the Council is willing to meet the costs associated with borrowing money from its revenue resources.

Capital Resources

Budget for the year after adjusting for previous year's outturn	2024/25	2025/26	2026/27 and later
	£m	£m	£m
Capital Grants and Contributions	89.2	167.7	23.2
Receipts from the Sale of Assets and Repayment of Loans	0.6	9.9	51.3
Direct Application of Revenue Resources	1.9	0.6	-
Borrowing (to be repaid from revenue resources)	57.9	129.6	108.8
Total Capital Resources	149.6	307.9	183.4

Our capital allocations are made in line with our Capital Strategy, which includes three key elements: capital maintenance works to ensure our assets continue to be fit for purpose and able to support the provision of services; replacement of assets that have reached the end of their useful life and capital investment to create and develop new assets. Each element has several strands that ensure a clear focus on the purpose of capital spending and

the prioritisation of proposals, underpinned by specific service asset management strategies.

Allocations included in the maintenance programme meet one of the following three criteria:

- maintaining our assets to ensure services can continue to be delivered;
- statutory health and safety and other regulatory requirements; and

- annual equipment and/or vehicle replacement programmes.

Our annual maintenance programme includes allocations from the government grants received for schools and highways maintenance plus revenue funding used for the replacement of vehicles, where this is more cost effective than leasing the vehicle. We also finance some maintenance from borrowing.

2024/25 saw the third year of the Asset Replacement Fund which was created to alleviate pressure on service revenue budgets accumulating underspends to fund costs of replacing vehicles, plant and equipment and to avoid the depletion of capital resources set aside for investment. A review of the fund balance is undertaken annually as part of the refresh of the capital budget to ensure the level of funding is consistent with the emerging needs from Services' asset management plans.

The Capital Investment Fund is a fund held separately within the capital programme, whose purpose is to drive forward investment which supports the Council Plan and its supporting Delivery Plans.

A further fund linked to capital is the Investigation Design Fund, this is a fund which seeks to reduce the risk of approving capital projects without fully understanding the true costs of delivery, and therefore should reduce the risk of capital projects requesting additional funding once in the delivery stage.

Savings and efficiencies

The resource estimates shown above reflect the broader economic outlook. The Council has a strong track record of delivering savings which has served us well this year through some challenging financial times, Plan and the Medium-Term Financial Strategy aims to build on this approach, maintaining strategies of

The Investigation Design Fund achieves this by providing up-front funding for investigative work that is necessary to give greater cost certainty when a Capital Investment Fund full business case is submitted for approval.

Investment schemes are, by their nature, not routine and so are only considered if they move the organisation towards the delivery of our outcomes or are invest-to-save schemes. Where we have discretion in how to apply capital financing, we use a structured evaluation process that assesses:

- what we are trying to achieve for the Warwickshire residents, businesses and visitors by investing in particular assets;
- the contribution of the new assets to the delivery of the Council's priority outcomes;
- the financial costs and benefits over the short, medium and long-term;
- the risks inherent in the delivery of the scheme itself and the expected benefits, with a focus on better up-front planning and timetabling; and
- the contribution the new asset can make to the Council's Climate Change ambitions.

Investment schemes may be funded by any of the sources in the above table, and often a combination of these.

investment for longer-term savings and, as far as possible in an environment of high inflation, prioritising prioritising new ways of working ahead of service reductions wherever possible. The key themes are better procurement, improvements in efficiency, increased income and delivering reductions in demand. The

Medium-Term Financial Strategy tasks the authority with finding £79.6m of savings over the next 5 years.

Reserves

Reserves are resources we have accumulated over time and set aside for a particular purpose as part of an integrated approach to the effective financial management of the authority over the short, medium and long-term.

We hold reserves to:

- ensure future events outside of our control do not undermine the authority's overall financial position or impact on service delivery;
- plan for the effective use of resources over time for a specific purpose;
- ensure we meet funding conditions (set either by an external funding body or a specific decision of Members) in our use of any available resources; and
- retain any other accumulated underspends prior to decisions on their use.

The Council's budget is set to include anticipated levels of reserves added or drawn down in the year; these plans may change as the year progresses to react to emerging pressures or other events and are approved through the quarterly financial monitoring process. Some reserves are held at a corporate level to support overarching risks and strategies.

The level of general reserves is consistent with the overall financial environment and the key financial risks faced by the Council. These risks are assessed at least annually and take account of circumstances at the time of assessment as well as trends into the future.

The Medium-Term Financial Strategy includes the planned use of £16.9m of the available reserves below by 2029/30.

Reserves Balances

at start of year

	2024/25 £m	2025/26 £m
Short-Term Financial Risk Reserve	13.7	12.4
Medium-Term Financial Strategy Reserve	25.9	10.7
Earmarked Reserves	76.6	84.5
General Reserves	26.0	32.5
Specific Investment	27.9	16.9
DSG	-33.2	-77.9
Medium-Term Financial Risk Reserve	39.5	58.0
Schools' Reserves	18.1	17.3
Total Reserves	194.5	154.4

Borrowing and investments

The management of the Council's borrowings and investments is the foundation of its treasury management activities. These activities are conducted prudently and flexibly to ensure sufficient liquidity is maintained for day-to-day cash flow needs, while also supporting capital expenditure at the lowest possible cost. All treasury operations are carried out within the strategic framework set by the annually reviewed and approved Treasury Management Strategy.

Interest income and expenditure arising from investments and borrowings are reflected in the Council's revenue budgets.

Throughout the year, the Council maintained a net investment position, with total investments exceeding total borrowings. As of 31 March 2025, long-term borrowings stood at £272.98

million—unchanged from the beginning of the financial year, with no new borrowing or repayments made. Total treasury investments amounted to £285.15 million, down from £346.26 million on 31 March 2024, a reduction of £61.11 million.

The reduction in investment balances reflects a deliberate strategy to utilise internal borrowing and operate with lower cash reserves, thereby enhancing the efficiency of the Council's balance sheet.

The investment portfolio included short-term loans to other local authorities and housing associations, deposits with banks, money market funds, and investments in variable net asset value funds.

Pensions

The majority of the Council's employees (excluding schools) are members of the Warwickshire Local Government Pension Scheme, and the Council administers the fund that supports the Scheme. At the end of 2024/25 our share of the scheme showed a net liability of £16.0m.

Both the accounts for the County Council and the Pension Fund are included in this

document, although they are operated as independent entities. The County Council's accounts reflect the pension disclosures relating only to its own employees. This includes disclosures for those staff with alternative pension schemes, such as Teachers and Firefighters. The net liability for our share of these nationally administered schemes is £219.8m.

Management of Risk

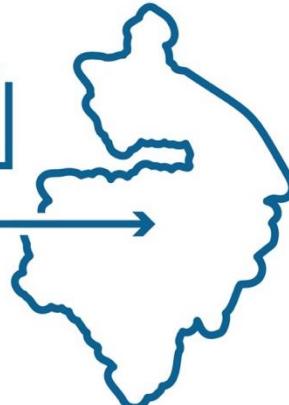
The successful delivery of the Council Plan and Council Delivery Plan and our sustainability into the future are dependent on our ability to manage and respond to the risks we face. Many

potential issues will remain on the strategic risk register and be regularly monitored, while others are actively managed to reduce the risk or its impact. Further information can be found

in the Annual Governance Statement section
within this document.

Our performance in 2024/25

£26 million
of external funding secured
by Communities or other
WCC services/ partners to
support Council priorities.



99%

of planning
applications
determined as Highway
Authority within their
statutory time period.



54%
of household waste
re-used, recycled
and composted.

86.2%

of Warwickshire
premises with
gigabit capable
broadband.

There has been a **-0.43%**
decrease in e-books and audio
loans overall, individually
eBooks have gone down by
approximately **15%**, eAudio on
the other hand have gone up
by approximately **8%**



To date **117,906** trees
planted against our
commitment to plant one
tree for each resident of
Warwickshire

56.3%
of Key Stage 4 pupils in
Warwickshire achieved 9 -
5 (Strong Pass) in English
and Maths GCSEs





The Customer Service Centre answered over **156,000** calls over the year and we are proud that customer satisfaction levels have remained high with an average of **91%**

717

of people with SEND supported by the Warwickshire Supported Employment Service



1,740 **Safe & Well** visits delivered by Warwickshire Fire and Rescue Service.

60%
of Key Stage 2 Warwickshire pupils achieved the expected standard in Reading, Writing and Maths



89.2%

of commissioned provision (agency foster care or residential) where our children and young people are placed is rated as Good or Outstanding by Ofsted (March 2025)



4,426
emergency incidents attended by Warwickshire Fire & Rescue Service



99.2%
of adult social care, reablement and occupational therapy service users were happy with the service they received.





Our Registration Service conducted **2,828 ceremonies** (Marriages and Civil Partnerships) and **1019 Citizenship ceremonies**

2,542 people (or 56.1% of those eligible) open to Adult Social Care with eligible needs and aged over 65 were supported to live in the community



1,908 people (or 82.6% of those eligible) open to Adult Social Care with eligible needs and aged under 65 were supported to live in the community



1,049,490 visits were made to Warwickshire's Country Parks



£6.5 million of investment secured by Warwickshire businesses as result of WCC funded business support activities



94.3% of 16/17-year-olds participating in education and training

£6.5m



Performance Overview for 2024/25

The Council's ambition is to make Warwickshire the best it can be, and the Council Plan 2022-27 sets out how we will make this happen. It sets out three strategic priorities we will work towards:

- **We want Warwickshire to be a County with a thriving economy and places with the right jobs, skills, and infrastructure;**
- **A place where people can live their best lives; where communities and individuals are supported to live safely, healthily, happily and independently; and**
- **A County with sustainable futures which means adapting to and mitigating climate change and meeting net zero commitments.**

To make this happen, we will be a great Council and partner: one which harnesses community power, uses data and digital solutions to improve service efficiency and is a great organisation to work in with outstanding leadership and a talented agile workforce.

These three strategic priorities are further supported by seven Areas of Focus and our progress this year is detailed against these.

Create vibrant places with safe and inclusive communities

Following a review of how Warwickshire Fire & Rescue Service (WFRS) uses its resources, a public consultation took place on a new delivery model helping WFRS better align resources to the risks and demands across the County. Feedback from 1,300 responses was used to shape a new operating model subsequently approved by Cabinet.

This new way of working offers a number of improvements on the current model, including:

- Providing 14 fire engines during the day, when activity is highest, and 13 at night, when the risk is lower, a significant improvement from the current 11 engines during the day and 8 at night.
- Providing WFRS with a 27% increase in capacity to conduct prevention work,

helping to stop fires and incidents before they occur.

- Improving average response times for the most urgent incidents across the County by 58 seconds to under 10 minutes, ensuring quicker assistance when and where it is needed the most. It also improves the average response time for a second engine when this is needed.

The official launch of the new Minerva Hot Fire Training facility in Rugby took place in January 2025, the first of its kind in the county. The centre provides a safe and secure environment to carry out hot fire training, meaning our firefighters can train in realistic scenarios.

Following a re-visit by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in February 2025, WFRS was notified in March 2025 that the outstanding Cause of Concern relating to Fire Protection has been discharged. This is a result of significant steps taken by WFRS to address the concern and improve how we keep the communities of Warwickshire Safe through our Protection activities.

Our Trading Standards and Community Safety Teams have been actively working to enhance community safety and inclusivity. This year, we launched a successful Virtual Reality (VR) knife project targeting young people and schools, using VR headsets to simulate real-life scenarios and facilitate meaningful dialogues.

We received significant funding from the Home Office, which praised our efforts in preventing serious violence and recognized our prevent strategy as a national best practice. We have produced a local guide on making a Prevent referral, offering detailed instructions on what to include, what happens to the referral, and where to find additional help and support. Additionally, we have introduced a refreshed programme of Prevent training events and recently launched new e-learning products.

Our Team has delivered multi-agency training to partners, achieving record participation levels and introducing a new serious violence prevention training program and engaged with our communities through various initiatives, including the Your Say survey, the Big

Conversation 2, Modern Slavery Conference, and Safer Streets events.

Trading Standards remains focused on tackling the sale of illicit vapes and tobacco, especially to underage children, and has secured external funding to enhance these activities. Protecting vulnerable consumers from rogue traders is another priority, with ongoing investigations and prosecutions.

Our Road Safety Team continue to focus their efforts on making our roads safer for all users by delivering varied safety programmes across the County. This year, the road safety education team has developed several new evidence-led initiatives and interventions. They have broadened their scope of work to include interventions for young motorcyclists, a programme of work to support engagement with businesses to raise awareness of work-related road risk and legal requirements, supported a national evaluation of older driver interventions, and led the way with online events for guardians and parents of young and novice drivers, both of which received national recognition. Additionally, they have widened their community offerings to ensure a more comprehensive approach to road safety education, including delivering weekly child seat check events across the County.

Our School Streets traffic management scheme which improves road safety and air quality outside schools was piloted at Eastlands Primary School. The school road is closed to vehicle traffic at the start and end of the school day helping reduce congestion and air pollution, making it easier and safer to walk or cycle to school. Evaluation found a positive impact on safety and encouraging active travel so additional School Streets schemes are planned.

The Transforming Nuneaton's regeneration programme's Vicarage Street development achieved an approved outline design for the new library and business centre, together with new housing and landscaping together representing a total investment of circa £40 million. Also complete is the outline planning process with consent secured in April 2024. This demolition phase has been procured and

planned to start in the summer of 2025 with the new build due to follow later in 2025.

Deliver major infrastructure, digital connectivity, and improved transport options

During the last year significant progress has been made on our major infrastructure schemes that aim to improve our networks across the County.

We play a significant part in delivering the Warwickshire's Local Transport Plan (LTP4), adopted in July 2023 after extensive consultation, outlining a vision for safe, sustainable transport over the next decade. The plan, shaped by over 300 responses and input from a Citizen's Panel, includes detailed Area Strategies for local transport improvements and an annually updated Implementation Plan. Additionally, Warwickshire County Council has secured over £4 million in Local Electric Vehicle Infrastructure (LEVI) grant funding for electric vehicle charge points and a community charging hub, with delivery expected to start in late 2025/26.

In October, Cabinet approved an additional £3.7 million to the Capital Programme to initiate preparations for a highway improvement scheme at the roundabout of Europa Way, Gallows Hill, Harbury Lane, and Heathcote Lane in Leamington. This scheme is necessary due to recent developments in the area, which include approximately 900 new dwellings, a primary school, a local community centre, and a 500-vehicle park & ride facility. The carriageway will be widened, a new footpath and cycleway will be built, along with a signalised crossing to further improve safety.

A year-long scheme is underway to make improvements to the Ford Foundry (Myton Road / Old Warwick Road) and Queensway roundabouts in Leamington. The scheme aims to increase capacity through the provision of additional lanes; enable better control of traffic by installing intelligent traffic signals; create a corridor of connected cycling and walking links; increase business and retail activity in the area through improved links to Warwick and Leamington town centres; and future-proof for

the increased population from homes identified in the Warwick District Local Plan.

The A46 Stoneleigh Junction has experienced significant, unforeseen technical difficulties, which are being addressed with the contractor, partner agencies and funders. Plans are being developed for the re-start of construction.

Other work is on track to be completed in the autumn and relates to the realignment of the A4177 Birmingham / Hatton Road to include a priority junction which will allow access into the new Union View housing development.

In November 2024, Cabinet approved a new vision for access around Leamington Spa town centre. This is the roadmap for a sustainable and attractive town centre where active travel is encouraged and enabled, where the economy can thrive, and air quality and sense of place are improved. We are one of three partners on the Leamington Transformation Board who will seek to bring the plan to fruition.

Coventry electric bus scheme: Carbon-free travel is key to the Council's sustainable futures commitment. In January 2025 Cabinet approved a £1.3 million investment into the Coventry All Electric Bus City Scheme. The scheme benefits both Coventry and Warwickshire and will see Coventry being the UK's first city to have all-electric buses with the fleet serving numerous cross-boundary services on key routes in Warwickshire. The procurement aims to introduce the new all-electric buses by December 2025.

Our Local Cycling and Walking Infrastructure Plan, adopted in February 2024, outlines a vision for a cohesive active travel network. We retained our level two national active travel capability rating, which influences government funding allocations. In February 2025, the Government announced nearly £3 million in additional funding for active travel schemes. Schemes for 2024/25 included routes on Coventry Road, Harbury Lane, and Warwick Road, as well as an upgraded section of the Lias Line, totalling 8km of new infrastructure and approximately £5.5 million in investment, primarily from external grants.

We are making good progress in the development of a new railway station to the east of Rugby at Houlton, with important milestones of securing outline planning permission and securing the land required for the new Rugby Parkway station being achieved in 2024.

Warwickshire Property and Development Group (WPDG) and Develop Warwickshire (a Joint Venture between the Council, WPDG and Countryside Homes) was created to deliver affordable and market-priced homes, as well as a range of commercial, mixed-use and renewable energy opportunities. During the year WPDG continued to develop a number of schemes across the County such as construction of 9 commercial units at Sucham Park Southam to support small to medium-sized enterprises (SMEs); plans for 52 homes at Manor Park; plans for 27 homes (26% affordable) on unused land at Trent Road, Nuneaton; plans for 28,000 sq. feet of small commercial units in support of SMEs and a serviced development plot to enable Warwick District Council to build a new Royal Mail sorting office at Fusiliers Way; 71 new homes completed with solar panels, air source heat pumps and electric vehicle charging points as standard at Brookmill Meadows, Warton; and at Top Farm, Nuneaton which is a multi-phase scheme of approx. 1,725 new dwellings and a new local leisure facility, new primary and a secondary school will be built on the site, over 50 homes are in development.

WPDG is also managing the following activities on behalf of the Council: Blue Boar Minerals Extraction in Rugby and managing lettings and tenancy matters for the Council on more than 600 Council owned properties including commercial offices, public buildings, farms, County parks, nature reserves, charitable housing, group homes, academy schools, community centres and other assets across the County.

Promote inclusive, sustainable economic growth, successful business, good quality jobs and future skills

Warwickshire's economic landscape in 2024/25 has been marked by progress and strategic initiatives, driving growth and development

across the region. The year has seen significant milestones that underscore our commitment to fostering a thriving economy, enhancing employment opportunities, and supporting business development.

June saw the presentation of the new 10-year Warwickshire Economic Growth Strategy, which is a focused, ambitious, inclusive, and sustainable growth plan. It lays out a vision for the future, aiming to create a balanced and resilient economy that benefits all residents. The strategy emphasizes the importance of innovation, inclusivity, and sustainability, ensuring that Warwickshire remains competitive and forward-looking in the years to come.

The Coventry and Warwickshire Investment Zone has progressed significantly with the collaboration of partners at the West Midlands Combined Authority and West Midlands Growth Company. This strategic economic initiative will inject over £20 million of capital investment into a state-of-the-art Gigafactory. This will be a catalyst for economic growth, aiming to create almost 10,000 jobs and supporting the wider supply chain across the region.

Significantly, the under its Devolution Deal with Government the Council will be entrusted with the responsibility for Adult Education starting in 2026, with estimated funding of £7 million, alongside responsibility for £5 million from the UK Shared Prosperity Fund (UKSPF) beginning in 2025. This devolution marks a pivotal moment for Warwickshire enabling the Council, with partners, to tailor educational programs to meet specific needs of businesses and their communities, fostering a more skilled and adaptable workforce.

Warwickshire continues to attract foreign investment and latest figures for 2023-24 show that the Coventry & Warwickshire sub-regional functional economic area welcomed 54 foreign investment projects, slightly down from 56 in the previous year. These projects spanned key sectors such as automotive and future mobility, digital creative and software, e-commerce and logistics, and MedTech. The region's strong performance in employment, with 2,717 new and safeguarded jobs, placed it fifth for most

new jobs by area in the UK. Notably, Coventry & Warwickshire emerged as the leading UK destination for foreign direct investment per capita, with one project per 21,000 population. Recent investment projects included contributions from global giants like Accenture, BMW, GM, Polestar, TATA, Tencent, Virtuous, and Visteon, highlighting the region's attractiveness to international investors. The Warwickshire Skills Hub provides a range of employment and skills to support local residents to retain and access employment. Delivering over 25 programmes, the hub has supported careers, businesses, and employment activities across Warwickshire. In the calendar year of 2024, a record number of 918 businesses received support, up from 361 in 2023. The Warwickshire Careers Hub has worked with over 95% of secondary schools and colleges, positively impacting 89,390 young people. The inclusive offer has supported priority groups with initiatives like inclusive apprenticeships and the Future Destination Hub, aiding 57 young people at risk of falling out of education or training. Warwickshire Supported Employment has been instrumental in preparing 577 individuals with learning disabilities and/or autism for work, with 471 moving towards paid employment and achieving a 90% retention rate.

Warwickshire has embraced new opportunities through programmes like the Coventry and Warwickshire WorkWell Programme and Connect to Work. Funded by the Department for Work and Pensions, the WorkWell Programme has supported 120 people with mental health and health conditions to gain or retain work. Connect to Work offers dedicated support for 700 people with learning disabilities and/or autism, health, and mental health barriers to employment, backed by an annual fund of £2.8 million until 2029. These initiatives reflect Warwickshire's commitment to inclusive growth and support for vulnerable populations.

The Business Growth Warwickshire Programme supported by UKSPF, has engaged 1,728 businesses since its launch in November 2023, with 354 businesses benefiting from intensive support, 22 new businesses created, and 386 jobs safeguarded. The Warwickshire Business Energy Advice Service has supported 155 businesses to develop decarbonisation plans,

awarded £694,065 of grants, and is expected to save businesses just under £200,000 per annum on energy bills. The Warwickshire Investment Fund has provided £3.4 million of loans and grants, supporting 36 businesses and safeguarding 102 jobs, while leveraging £3.7 million of private sector investment. The Multiply Programme has supported over 2,500 residents to improve their numeracy skills since its launch in 2022.

Warwickshire has been a proud partner of the Innovate UK Launchpad, which is aimed at supporting clusters of small and medium sized enterprises (SMEs) and the most innovative businesses to progress their ideas toward commercialisation, contributing to local economic growth, attracting £4.35 million to the Coventry and Warwickshire area. Over 80 applications have been submitted for support, focusing on collaborations and research and development for the Creative and Immersive cluster. This initiative underscores Warwickshire's commitment to fostering innovation and supporting emerging sectors.

The Business Growth Team has played a pivotal role in supporting businesses, raising £414,000 in grant funding, matched by £200,000 in private sector investment. The team's efforts have contributed to the success of 8 awards received in Warwickshire this year, highlighting the region's vibrant business environment.

The BBC has pledged £100,000 from its Apprenticeship Levy Fund to WCC, enabling people across Warwickshire who want to work in the media, creative and digital industries, or who already are in the sector, learn while they earn. WCC is one of several Councils receiving levy funds from the national broadcaster so they can encourage SMEs in their area to apply for the funds so they can recruit apprentices and create apprenticeships for their businesses.

Funding for the Connect to Work programme was agreed at Cabinet in January 2025 to enable supported employment services to engage with 700 people with health conditions each year until 2027, with a possible extension into 2029. The scheme is part of the government's 'Get Britain Working' initiative and will make use of Department for Work & Pensions grant funding to build on the work

already put in place by Warwickshire's Supported Employment Service.

Tackle climate change, promote biodiversity and deliver on our commitment to Net Zero

The Sustainable Futures Strategy sets out the Council's environmental ambitions by 2030 and 2050, while adapting services, communities, and businesses to climate changes. Over the past year, significant reductions in Council emissions have been achieved, particularly in electricity (24%), street lighting (17%), and business travel (26%). The Estates Decarbonisation Strategy is progressing, with investments in renewables such as new solar panels. Training and development programmes have built capability to support the Sustainable Futures strategy, and an annual staff sustainability survey is helping engage staff in this work.

We have transitioned some of our own vehicles to electric this year with a new electric utility vehicle which has recently been delivered to Kingsbury Water Park for our Rangers to use and two new electric mobile libraries, replacing the old diesel ones. These new vehicles are similar in size and service, offering the same number of books, and makes 250 stops across the County every four weeks and are equipped with lifts, low entrances, and ramps for wheelchair users. The electric vehicles are environmentally friendly, producing zero emissions and reducing air and noise pollution, marking a significant step towards sustainable library services in Warwickshire.

Developing a Local Area Energy Plan for Warwickshire is underway to ensure energy security and sustainable solutions. Partnerships with local Councils and voluntary sector partners are helping to inspire community action. Communication efforts include podcasts and community events to promote sustainability. Additionally, a dedicated Adaptation Officer is working to manage climate risks, and sustainability elements have been introduced to the Councillor Grants process to encourage sustainable practices.

Restoring biodiversity, creating beautiful pockets of natural space in urban areas and ways of soaking up carbon are all aims as we

create a Local Nature Recovery Strategy for Warwickshire. A Warwickshire Nature Recovery Survey was used to gather the opinions of our residents up until September, with findings published in March 2025. An engagement programme is supporting the strategy.

The Council committed to plant a tree for every resident of Warwickshire a few years ago and to date 117,906 have been planted out of the 2030 target of 555,000. Progress has been good having established our tree nursery but challenges of finding available land remain.

Deliver our Child Friendly Warwickshire strategy - Happy, healthy, safe children

There are several achievements this year within this Area of Focus.

As part of our commitment to ensure good quality residential homes that are local and within children's own communities, we continue to progress new and utilise our own Children's Homes. There are currently 5 open homes with 15 places available and being used: Cherry Tree House, Acorn Lodge, Oak Tree, Beechwood House, Silver Birch House. One further home is in the pipeline, which will help to support additional children within the County.

We were successful in our application to the Department for Education for Wave 2 of the Families First for Children Pathfinder Programme. In collaboration with local partners, we are developing new models for family support and safeguarding, and multi-agency teams are being created, benefiting families and practitioners. It will make sure targeted early help is available for families suffering domestic abuse, addiction, or poor mental health; to help them overcome adversity before issues escalate and children are put at risk of harm.

In October 2024 Warwickshire Fostering announced the release of *Everything*, a heartfelt short film that shines a light on the life-changing impact of fostering. The film tells the poignant story of foster carer Mike and his family on a journey through time with two of the children they have looked after, who are now adults, illustrating the vital role foster

carers play in providing stability and love to children who need it most.

Warwickshire Legends, a football team whose players are all care experienced youngsters, won this year's care leavers football championship. The tournament is an annual regional West Midlands event involving local authority care leaver teams. Warwickshire entered this year's competition aiming to defend their trophy after their victory in 2023 and, again, triumphed. Most team members arrived in Warwickshire as unaccompanied asylum-seeking children.

One of our goals is to enable children and young people to excel at all levels of learning and gain essential life skills. One way it has done this is through hosting more than 100 work experience placements in the academic year, covering students from Year 10 onwards in service areas including Libraries, Country Parks, Legal Services, Highways, Business Intelligence and Marketing and Communications.

The Warwickshire Youth Council was pleased to announce the opening of its Warwickshire Youth Council Project Grant Fund, aimed at supporting the County's community and voluntary organisations that provide essential services for young people aged 11-17. The fund is designed to strengthen youth provision in three key areas: Crime and safety, experience in schools, and mental health. The funding supports projects through grants of up to £5,000 over a 12-month period, ensuring initiatives are accessible to young people at times and in locations that suit their needs.

Warwickshire's young voices took centre stage at the House of Commons on Friday, 28 February 2025, as Members of Youth Parliament from across the UK, British Overseas Territories and Crown Dependencies, gathered for the annual sitting of the UK Youth Parliament. Representing Warwickshire, Kaddy (15), Christian (16), and Olivia (15) voiced the concerns of young people. Kaddy spoke in the debate on whether public transport should be free for young people, advocating for fair and accessible travel.

Through education, improve life opportunities for children, young people and those with special educational needs and disabilities

This Area of Focus is a priority for us as we endeavour to support schools and help children to reach their full potential.

In July we released our Education Strategy for 2024-2029, which focusses on four key priorities; Best Start, SEND and Inclusion, Sufficiency and Admissions, and a Strong System.

We also published the Warwickshire Special Educational Needs and Disabilities (SEND) and Inclusion Strategy 2024-2029 in March 2024. Parents, carers, and others with an interest in SEND, were invited to sign up to a one-off webinar to learn more. The strategy has been shaped through the collaborative efforts of the Warwickshire SEND and Inclusion Partnership Board, drawing on a wide range of expertise and experiences. The strategy focuses on six delivery priorities for the next five years, covering commissioning SEND provision, specialist resourced provisions, education health care needs assessments, promoting inclusive practice, preparing for adulthood, and improving workforce development and collaborative working, alongside meeting statutory requirements.

In September we announced additional funding totalling £20.76 million for our Education Capital Programme ensuring the Council can meet growing demand for school places and early years provision by expanding existing provision or creating new schemes.

In September work officially commenced on a new two form entry primary school in Warwickshire named Myton Gardens. Located off Fusiliers Way, the school will provide places in both key stage one and two, with an attached nursery for 34 children and dedicated provision for up to 14 places for SEND children.

Funded by the Department for Education's high needs capital allocation for 2024-2028, the Delivering Better Value programme identified the criticality of increasing the number of SEND

Resourced Provisions across the County from 168 in January 2024 to 529 places by 2028. Increasing Resourced Provision enables more children to attend mainstream school with specialised support and promotes an inclusive environment. As of March 2025, there were 272 places open, with 236 occupied and the highest % of pupils with an Education, Health and Care Plan (EHCP) attending a mainstream school reached at 37.9%, the highest proportion since 2018.

The latest data shows that Warwickshire is exceeding national and regional averages for early years education take up for children between the ages of 9 months and 4 years old. Recent figures have revealed that take-up in the County (79%) is higher than the regional (73%) and national (75%) levels. Early education plays a crucial role in a child's social and cognitive development, and this scheme ensures that more children can reap these benefits.

This academic year, there were 6,002 Warwickshire children who applied for a Reception place by the application deadline. Of those, 91.5% have been offered a place at their first-choice school. A further 7% have been offered a place at another of their top school choices. 7,172 Warwickshire children applied for a secondary school place by the application deadline. 81.4% have been offered a place at their first-choice school. A further 13.9% have been offered a place at another of their school choices. This was the first year in Warwickshire where for both the Secondary National Offer Day and Primary National Offer Day the Council automatically accepted school place offers on behalf of each family, reducing the actions parents needed to take.

In September 2025, following extensive preparation work across 2024, Warwickshire Year 7 students will benefit from a simplified school transport process. Rather than having to complete application forms, the Home to School Transport Team will contact families directly to confirm their eligibility by the first week of the summer to confirm arrangements. This approach is designed to simplify the process for eligible pupils, ensuring transport is arranged earlier and more efficiently, ahead of the new school year.

This year we have seen very significantly increasing demand for Education Health Care plans (EHCPs), which need to be completed within the statutory requirement of 20 weeks. Coupled with a backlog, we have been operating below the national average of 50% for this metric, with 19% completed in 20 weeks as of March 2025. A process review took place this year to optimise ways of working and the recommendations are being implemented, but these can only mitigate the fundamental challenge of rapidly increasing demand.

The Future Destination Hub is a unique new wraparound service to provide personalised education and employment support for 16 to 24-year-olds, launched by the six Warwickshire councils. Each person has 1-1 support by a Journey Guide to identify the barriers they face in the search for education or employment and together they identify the best pathway forward and how to overcome those barriers.

The Partnership for Inclusion of Neurodiversity in Schools (PINS) pilot began in 2024 and is now entering into the delivery phase, looking to enhance support for children with neurodivergent needs in 23 schools across the County. Funded through the government's Shared Outcomes Fund, the project will focus on providing early support and training in schools and strengthening relationships with parent carers, to foster a more inclusive learning environment. Over four months participating schools will receive intensive training and guidance to develop a greater understanding of neurodivergent children and their needs.

Support people to live healthy, happy, and independent lives and work with partners to reduce health inequalities

This has been a challenging year for us where with increasing demand in these areas of work with our communities.

As part of the adult social care assessment process, the Council has piloted a new financial self-assessment tool called Better Care Finance. This tool is now live across all adult social care teams and enables customers and their families to make more informed decisions about their

care and support needs. By offering social care customers a self-service option for completing their financial assessment earlier on in the process, customers no longer have to wait for an appointment and can enlist the help of a trusted family member or friend to fill in the form at a time and place convenient for them.

The extension of the companion pass add-on scheme, which gives a concessionary pass for a carer of people who struggle to travel independently, was also approved by Cabinet in January 2025. Giving free off-peak travel, this scheme has supported 83 people with various disabilities to travel and access services to date. Estimates suggest that a further 250-500 people might benefit from the continued rollout in the coming year.

In March 2025 the Caring Together Warwickshire Conference took place in Rugby. The free half-day conference was designed to support and connect local unpaid carers with valuable resources and information. There were guest speakers, exhibitor stands, round table discussions and supervised activities for those being cared for, allowing carers to be involved in the conference.

The % of people open to Adult Social Care with eligible needs living in the community with support over the age of 65 has been consistently below the target of 60%, reaching 56.1% in December 2024. Caring for our older population continues to be an area of very high demand, particularly with increased complexity of cases, frailty and carer fatigue. There is an overall increase in demand for residential and nursing placements, which has been carefully monitored and managed, including the impact on the Council's financial position.

The % of adult social care, reablement and occupational therapy service users happy with the service they received in March 2025 was 99.2%, or 132 out of 133 service users. This is a strong indicator that is consistently at or above the target of 96%, showing high levels of satisfaction from service users when surveyed.

We supported the month of Stoptober and No Smoking Day in March encouraging residents to quit smoking to improve their wellbeing following the launch of the new Smoke Free

Coventry and Warwickshire website. The website, funded by the Government, helps smokers across Coventry and Warwickshire by providing details of the local, free, confidential stop smoking services, as well as resources and information about smoking and vaping. In March 2025 47.6% of smokers using the Stop Smoking Service or Stop Smoking in Pregnancy Service had successfully quit at four weeks, above the 35% four week quit rate aim set by the National Centre for Smoking Cessation and Training.

Throughout September and as part of World Alzheimer's Month, we promoted the variety of support services available to residents in Warwickshire to help them maintain their independence for as long as possible. Our Living well with dementia website provides support and practical advice to everyone and can help those both living or supporting people with dementia to understand more about the condition, prepare for the future and access other services. In September 2024 Cabinet approved provision of day opportunities in the community, ensuring older people and people with dementia can socialise improving their quality of life and health.

The Coventry & Warwickshire Sexual Health Hub went live in April 2024 offering a range of testing and treatment services for sexually transmitted infections including HIV. It also provides sexual health advice and contraception services. Individuals seeking sexual health services can choose from four hubs located in Nuneaton, Rugby, Leamington Spa and Coventry, with both walk-in and pre-booked appointments available.

In September 2024 we published an evidence based Empowering Futures Joint Strategy Needs Assessment (JSNA) which examined the physical health needs of children across the County, to help children and young people have the best start in life.

In September 2024 we announced that all Warwickshire County Council-managed libraries, and the Market Hall Museum in Warwick, will be offering free 'grab and go' toiletry packs to those who may need them. Customers collecting a toiletry pack will be able to do so at their own discretion, and do not

need to speak to a member of staff beforehand.

The Warwickshire adult weight management service offers free, tailored assistance that focuses on long-term success. Through the programme, residents taking part received a referral to Slimming World to join a free 12-week programme. During the first year of the new Fitter Futures Warwickshire service (July 2023-June 2024), 1,020 people signed up to the service and an inspiring 85% of those who completed the programme lost weight.

The 2024 annual report from Warwickshire's Director of Public Health, Dr Shade Agboola, focused on the impact that people, communities and places have on the health and wellbeing of the population, with the report titled 'The Power of People and Place: Celebrating and inspiring community-based wellbeing'. This is closely aligned to the Council's long-term programme of work on Community Powered Warwickshire. For the first time, the report has been shared in a video format and was showcased at the Warwickshire Health and Wellbeing Board in January 2025.

Harnessing Community Power

Access to Affordable Credit is an issue across the County, a project is planned to support the financial resilience of vulnerable groups/individuals, by raising awareness, encouraging and supporting individuals to join Citysave credit union; encouraging and supporting business to set up staff savings and borrowing schemes via payroll deduction and running training courses on budgeting, financial resilience, mental health & wellbeing, loan shark awareness as well as access to affordable credit.

During 2024, Warwickshire's Local Welfare Scheme allocated £6.9 million in funding to assist vulnerable residents and expanded its support to those facing crisis situations. Also, the scheme has provided grants totalling £183,790 to local food banks, charities, and community groups, enhancing projects related to food and energy assistance.

The Warwickshire Social Fabric Fund is worth £2.5 million. It aims to support the

development of local projects and initiatives that positively impact Warwickshire's most deprived communities and, in doing so, improve residents' life chances and reduce inequalities. The fund includes £1.5 million in capital funding and £1 million in revenue funding. 25 projects have been funded, with more than 80% of the funding awarded to projects covering priority areas in North Warwickshire Borough and Nuneaton and Bedworth Borough, ranging from investment into community buildings, funding for sports, leisure, and culture groups, through to helping crucial grass-roots community organisations plan for their future. Projects will be delivered over the next 24 months and will be monitored to ensure compliance with original objectives.

We worked collaboratively with Voluntary, Community and Social Enterprise partners and local organisations across the County to organise a programme of activities for Refugee Week in June 2024. The programme aims to celebrate refugees and asylum seekers and help understand their journey of settling in the County. The theme of Refugee Week was 'Our Home' and we encouraged organisations working with the new communities to arrange activities to help them in expressing what their home means to them. Activities included a fashion show displaying traditional Afghan and Ukrainian clothing, a Ukrainian theatre production of King Lear, and a sculpture unveiling in Leamington Spa.

In September 2024, we approved a refreshed Local Councils' Charter, reaffirming our commitment to strengthening partnerships with local communities. The Charter outlines how we will work with Borough and District Councils and Town and Parish Councils to improve services and decision-making at a local level, in line with our long-term strategic approach, Community Powered Warwickshire.

Using our data and digital solutions to improve service delivery

We have a continuing aim to seek and develop innovative ways to use data and digital solutions across our organisations to improve the ways we work and our service delivery.

In January 2024, we hosted a free online event exploring the benefits and challenges of Artificial Intelligence (AI) in adult social care and to hear from people who access care and how AI has supported them. The event provided an opportunity to talk openly about ideas, hopes and fears and the ethical use of AI and Digital Technology in adult social care and support.

We introduced Microsoft Copilot Chat across the entire organisation, enabling staff to work in new, more efficient ways using AI. We partnered with Microsoft to deliver training on how to get the most from the tool, with an incredible 1,100 members of staff taking part. We are also implementing a pilot of M365 Copilot across specific service areas before evaluating whether there are wider benefits to be achieved across the Council.

In Children & Families, a new transcription tool has been implemented, enabling staff to take recordings from meetings and automatically summarise the key points to update case notes for quality assurance by staff. The tool can save considerable time enabling staff to spend that time directly supporting children, young people and their families.

Parents and carers of newborns across the County are offered a new opportunity to register their baby for a free library membership thanks to a new initiative from our Libraries and Registration services. As part of the birth registration appointment, Registrars gift BookTrust's Bookstart packs to new parents containing useful information about the benefits of reading books and sharing stories and include a free book and finger puppet to help parents get started. Warwickshire Registration Services together with Warwickshire Libraries, offer parents the opportunity to sign-up their newborn for a free library membership at the same time as their birth registration appointment.

This year the Council needed to re-procure its education, social care, and social care finance systems as the contracts are due to end. The Client Record & Information Systems Programme (CRISP) was set up to oversee this. The procurement was approved by Cabinet in September 2024 aiming to establish a long-

term solution allowing us to use the full functionality of systems to meet the future needs of social care and education. CRISP has completed the mobilisation phase, including planning, preparation work, establishing clear goals and objectives, allocating the resources and establishing the governance to oversee the smooth running of the programme. It has now moved into implementation phase with a delivery plan and proposed timeline.

Our people and the way we work

The Our People Strategy underpins this area of focus.

Our commitment to cultivating future talent and supporting young people has been shortlisted at a national awards event that celebrates the best in workforce innovation. We were proud to have been shortlisted in the Local Government Chronicle's Workforce Awards in the Best Next Generation Employer category that looks to recognise Councils and their efforts to recruit and retain people under 30.

In March we conducted our Your Say Survey Council wide Headline results include:

- a 58% response rate (an increase from 56% last year), the highest response rate achieved over the last 5 years;
- Employee engagement has increased to 80% from 79% last year; 84% were proud to work for WCC;
- The combined Wellbeing score has marginally decreased to 80% from 81% last year;
- 82% feel comfortable to be themselves at work, an increase from 78% last year;
- 83% agreed "working here makes me want to do the best I can" which is up from 81% last year; and
- 79% would recommend the organisation as a great place to work, which is an increase from 78% in 2024.

Sickness levels have increased throughout the year to 10.72 days per Full Time Equivalent which is above our target of 8 days (+1-day tolerance). Whilst the increasing trend is in line with the national picture across both public and private sectors, we have introduced a proactive

action plan to address the increase, focussing on long term absence and stress and mental health. Sickness absence has been regularly reviewed by the Resources and Fire Overview and Scrutiny Committee.

Awards and recognition

In Warwickshire we are proud of our strong record of national recognition receiving awards as an organisation and for staff members. This year has seen significant external recognition for the Council.

Our Legal Services team has achieved recognition in two categories at the Lawyers in Local Government (LLG) Awards for 2024. Announced at LLG's Spring Conference in Leeds on Friday 7 June 2024, Warwickshire Legal Services (WLS) won the 'Excellence in Training' category, whilst also securing a Highly Commended result in the 'Lawyer of the Year'. For the 25th year the team was awarded with LEXCEL 6.1 an internationally recognised legal practice quality mark, administered by the Law Society for client care, compliance, and practice management. The assessment report highlighted that WLS delivers good practice across many areas of its work. For example, the Service's approach to strategic planning was described as "meticulous", its approach to risk management "robust", and file and case management "excellent" and "easy to navigate and user-friendly" for staff.

Our Business Intelligence (BI) team won a 'Highly Commended' award at the British Data Awards for the BI Solution of the Year for our Serious Violence Tool developed as part of the Serious Violence Needs Assessment. BI were also finalists for the Public Sector Organisation of the Year.

We were shortlisted for the second time in three years in the Public Finance Awards in the Finance Team of the Year category, which recognises the people, products and services that demonstrate excellence and originality within public finance. The shortlisted nomination recognises the project team that oversaw the migration of the Council's key financial systems to the cloud, delivering new functionality and future proofing this critical system, whilst ensuring continuation of

business-as-usual activity, and all financial systems remained available during implementation.

Warwickshire Libraries' Chatterbooks programme gained national recognition. The scheme engages with school children who may otherwise not attend their local library. Stratford-upon-Avon and Alcester Libraries have been crowned regional winners for the Midlands in the Bookseller's Library of the Year Awards. The nomination for these two libraries, while recognising the quality of the broader Warwickshire Libraries offer, was based largely on the Chatterbooks for Reluctant Readers project, which sees library staff work in partnership with local schools to support children who have lower engagement with reading.

Staff at Rugby Library also won the Highly Commended Book Club Award at the Beyond Words Book Club Awards, for its group for adults with learning difficulties.

Thrive at Work is a workplace commitment to create an organisation that promotes employee health and wellbeing. We achieved Silver Thrive at Work accreditation this year, is a significant milestone for the Council's ongoing commitment to the health and wellbeing of colleagues. It reflects work to create a supportive environment for everyone, improve our wellbeing programme, and listen to staff feedback to ensure our support offer truly meets their needs.

In November 2024, Warwickshire Property and Development Group (WPDG) landed major recognition for its contribution to unlocking investment in the County - just three years after it launched. WPDG was named Newcomer of the Year at the Insider West Midlands Property Awards 2024. Judges hailed WPDG's work as a "blueprint for public sector innovation" and said it was "an excellent example of a commercially minded local authority taking the initiative".

We achieved ISO 14001 certification for the 16th consecutive year for our strong environmental management system (EMS).

Our Children and Families Service has been recognised nationally, winning the Best Project Award from the National Leaving Care Benchmarking Forum for their Brothers and Sisters in Care project. This initiative has been celebrated for its exceptional work to improve outcomes for care-experienced young people, amplifying their voices, and strengthening sibling relationships in care.

Our Baby Box Project initiative initially developed by a care experienced employee at the Council support looked after young people and care leavers who have become parents, providing supplies and information to help young people prepare for parenthood and the box itself can be used as a safe space for napping. The project has been recognised nationally and selected as joint winner of the Best Project Award at The National Leaving Care Bench Marking Forum.

Two of our exceptional foster carers, were awarded Medallists of the Order of the British Empire in the New Year's Honours List for their services to fostering. Over the years, these staff have fostered children from various backgrounds and numerous countries. Despite language barriers, they have built strong connections with each child, going above and beyond researching the countries that the children were from and learned about the various cultures, food and religion.

Devolution and Local Government Reorganisation

During the year we heard from the new Labour Government that we had been awarded a Level 2 Devolution Deal. The Warwickshire Devolution Agreement is a significant long-term milestone for the County which provides a strong foundation from which to secure further powers and resources, further strengthen our economy and improve the life prospects for all who live, work or do business in Warwickshire.

Government published its English Devolution White Paper in December 2024, setting out ambitions for both devolution and local government reorganisation in county areas. An interim plan for local government reform in Warwickshire was submitted to Government in March 2025.

Financial performance

Revenue income and expenditure

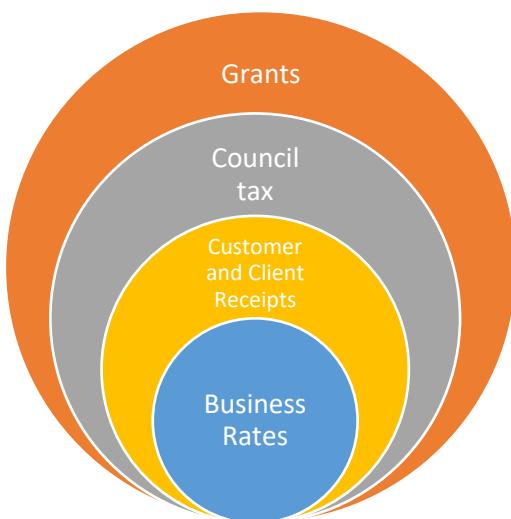
Our net revenue income from all sources in 2024/25 was £1,186.6m, £29.1m higher than the gross income budget at the beginning of the year. The increase is attributable to higher than anticipated government grants, an increase in receipts from customers for services provided and interest earned on deposits.

Revenue Income

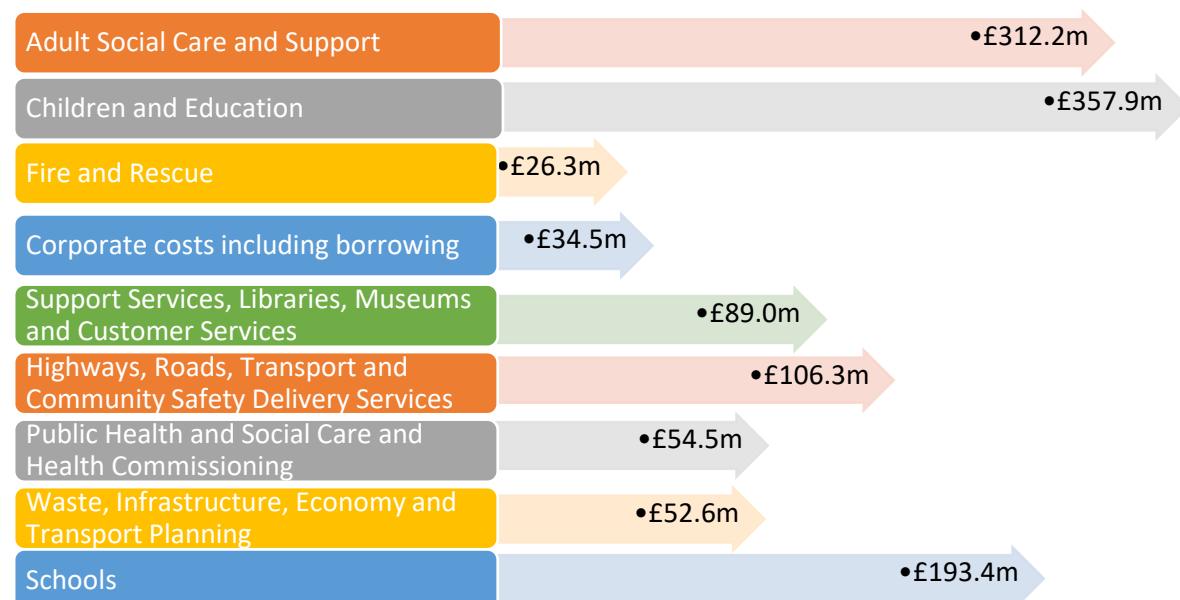
Grants	£497.1m
Council tax	£386.7m
Other Income	£208.9m
Business rates	£93.9m
Total	£1,186.6m

We spent £1,226.7m in 2024/25 on the various services we provide (including schools) and used £40.1m of one-off funding from reserves to fund the difference between income and expenditure.

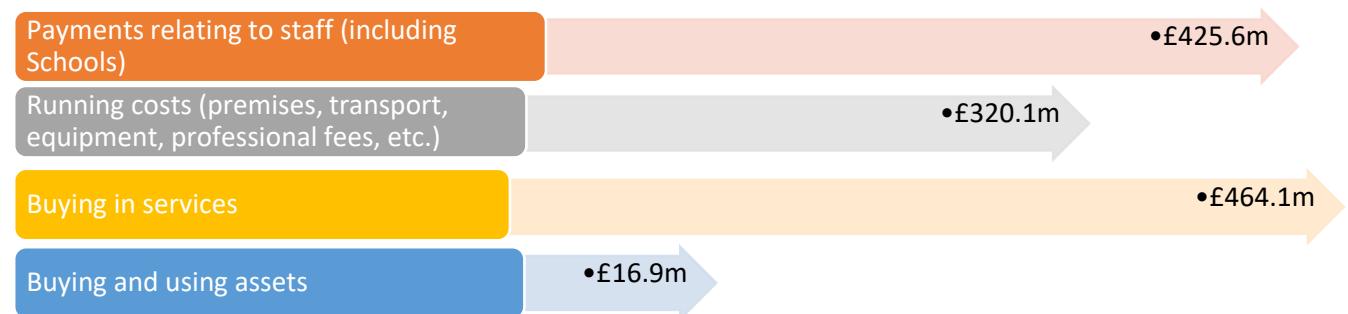
The figures above exclude technical adjustments of £146.8m. Together these figures make up the gross expenditure of £1,373.5m, as shown in our Comprehensive Income and Expenditure Statement.



Revenue Spend by Service



Revenue Spend by Type



Revenue Underspends/Overspends

The net difference between our funding and expenditure for the year is £24.8m, through our Medium-Term Financial Strategy we planned to use £15.5m of reserves at the start of the year.

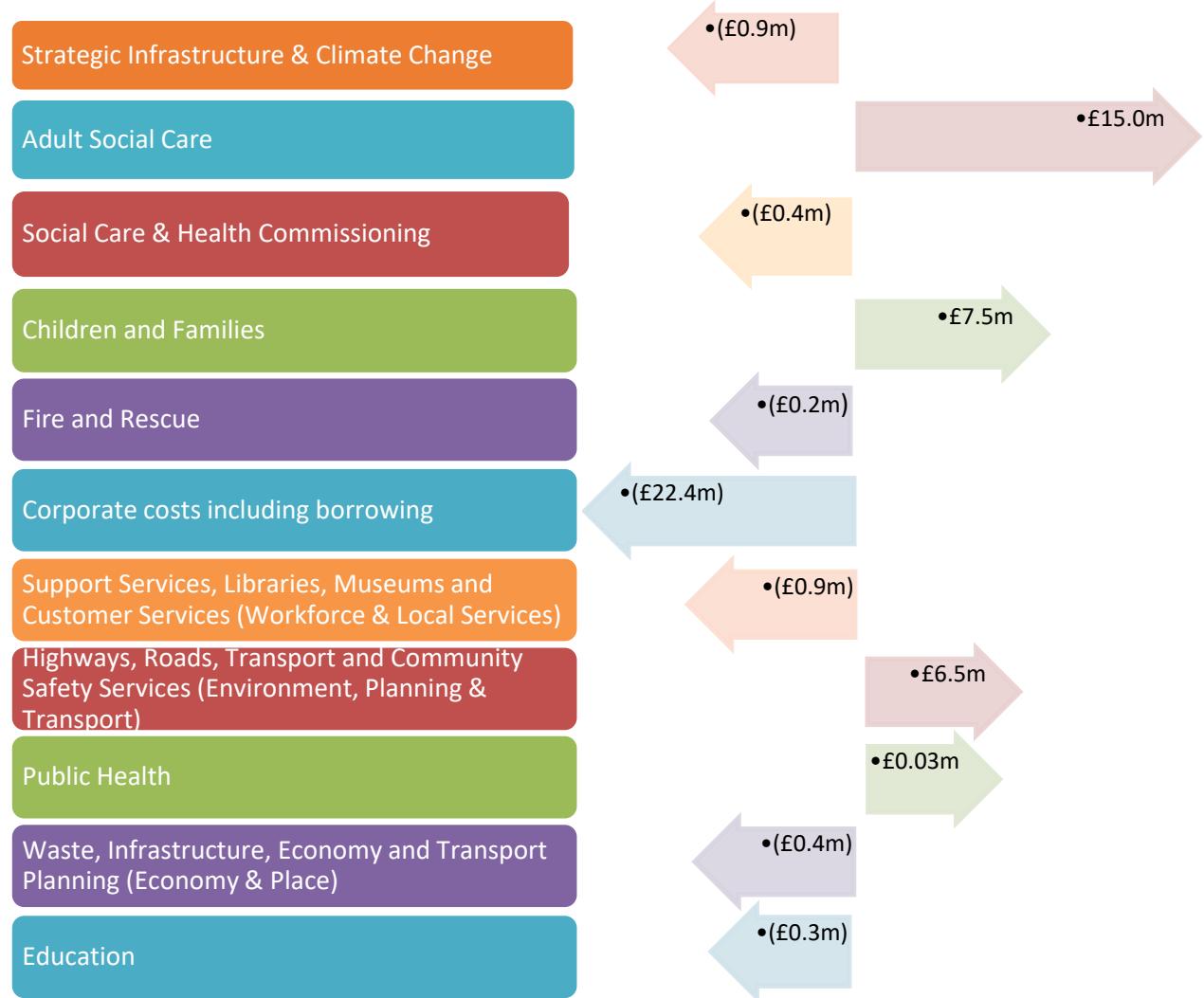
Of the additional £24.5m used from reserves during the year:

- (£2.0m) was used to fund the residual net overspend on services at the end of the financial year;
- (£3.0m) was a reduction due to allocations to specific projects delivering the Council's ambitions;

- £18.5m was to increase our financial management reserves to take account of increasing risk arising from our operating environment;
- (£44.5m) was a decrease in funds resulting from the Dedicated School Grant overspend
- £6.5m is the increase in the General Reserve per the Reserves Strategy.

The chart below shows the residual service variance after accounting for Investment Fund allocations, approved reserve movements, totalling £22.7m.

Revenue Underspends/Overspends



Capital spending and the value of our assets

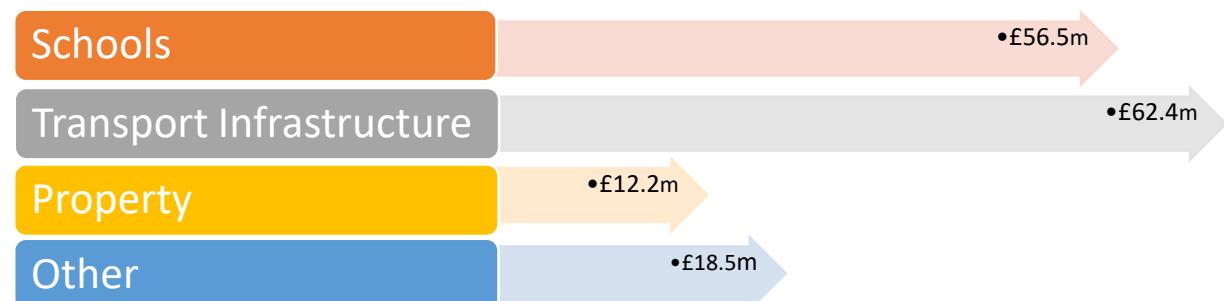
We spent £149.6m on the purchase and creation of assets in 2024/25 including £60.8m on assets owned by other parties and £3.6m of capital loans issued. Our initial estimate was £250.6m but in-year adjustments for additions (for example, to spend newly-awarded grants), reductions or rescheduling brought our approved budget for 2024/25 down to £206.6m by January 2025. Our capital spending was therefore £101.0m less than our original budget, and £57.0m less than the latest approved budget. This underspend against the approved budget was due to delays on individual projects. Most of this spending now is expected to be incurred in future years, with planned expenditure for 2025/26 being £250.6m.

The value of our fixed assets has increased from £1,467.3m to £1,526.0m in 2024/25.

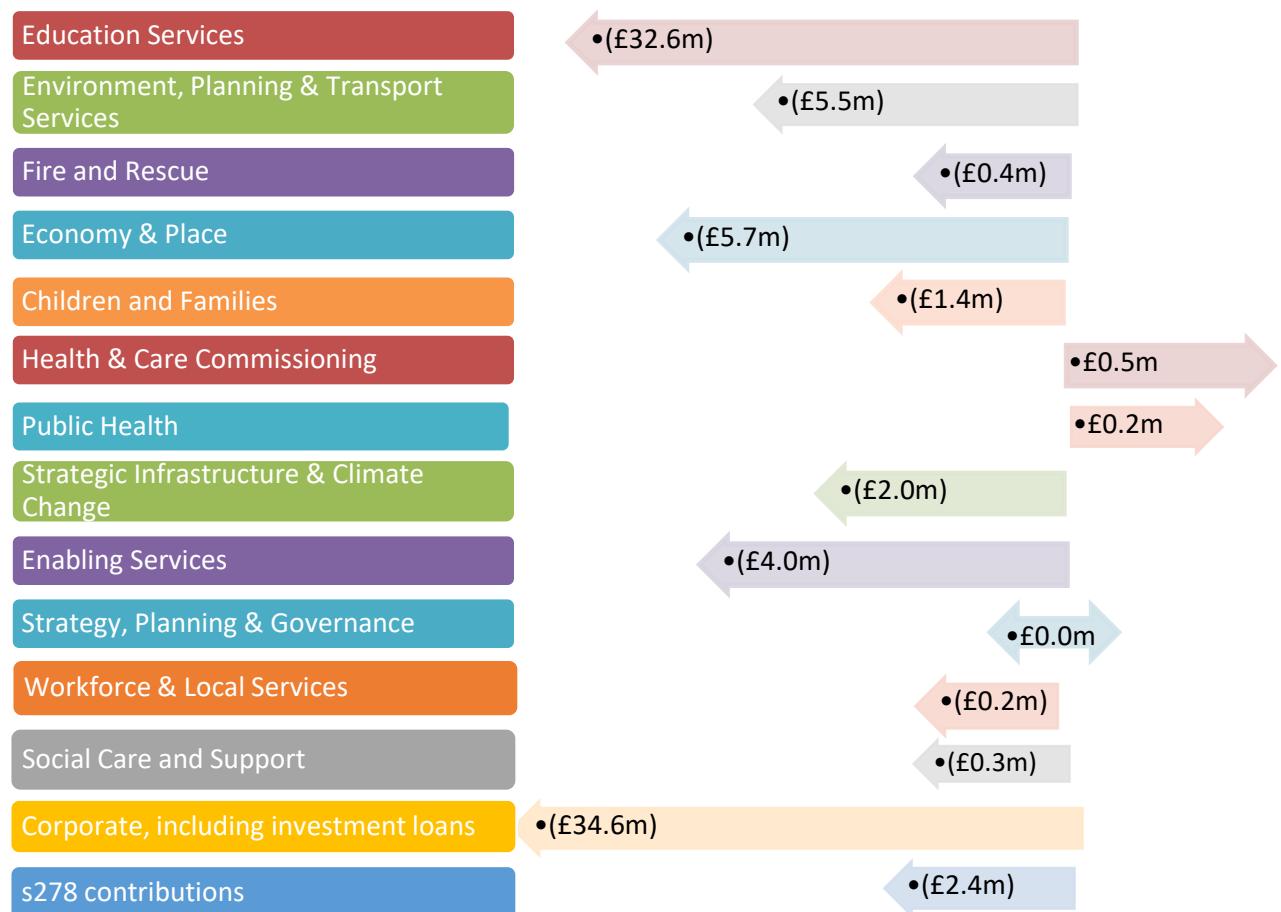
The main reasons for the £58.7m increase in the value of our assets are:

- £32.3m of assets disposed of mostly through schools transferring to Academy status;
- Capital investment of £85.2m increasing the value of our assets;
- A write-down of £65.8m to reflect our assets' usage by services;
- A net increase in the value of our assets of £60.9m as a result of updated valuations to reflect market movements and usage changes; and
- £10.7m of right-of-use assets brought onto our balance sheet due to the implementation of accounting standard IFRS16 - Leases.

Capital Spend by Service



Capital over/underspends compared to the budget at the start of the year



Savings and efficiencies

As part of the Medium-Term Financial Strategy the savings target set for the 2024/25 financial year was £16.177m. These savings were spread across a number of areas and delivered through better procurement, improvements in efficiency, increased income and delivering reductions in demand.

Some of the larger items were:

- £2.0m savings through managing the cost of externally commissioned care for adults;

- £2.4m savings by reducing the cost of children's social care including the increased use of WCC homes, boarding schools and residential schools;
- £1.7m savings by reducing demand for adult social care support through early intervention, prevention and reablement; and

61.25% of the saving target has been delivered during the year despite the ongoing challenge of the wider economic conditions.

Reserves

We planned to use £15.480m of our reserves to support the delivery of services in 2024/25. However, services spent £24.598m more than their cash-limited budget. When combined with further movements of reserves to deliver the Council's priorities, our usable revenue reserves decreased overall by £40.078m (excluding funding set aside to offset our DSG deficit).

At 31 March 2025 our usable revenue reserves were therefore £154.381 million, of which £17.3 million was held by schools. We consider this to be a robust figure and allows us some flexibility to balance the challenges of meeting current

and unknown future economic uncertainty alongside investment to improve our efficiency and the wider community economic recovery. We will continue to apply our Reserves Strategy which describes how and when these reserves should be used or added to. Based on our current Medium Term Financial Strategy it is anticipated that the level of revenue reserves will reduce to £137.501m by the end of 2029/30. However, ongoing uncertainty about Dedicated School Grant deficits caused by SEND demand and costs create significant financial risks for our balance sheet and cashflow.

Borrowing and Investments

Whilst the Council's benchmark rate of return on investment in 2024/25 was 4.45%, treasury management activity generated a higher average interest on investments of 4.96%. This performance also exceeded the average yield of 4.66% recorded by six comparable local authorities. In line with the Treasury Management Strategy, the Council has prioritised security, then liquidity and finally

yield within its treasury management investments. Our treasury management activity involved investing in banks, building societies and other local authorities, as well as through external fund managers operating cash, property and bond funds. Debt outstanding was £272.98 million at 31 March 2025, with £285.15 million of cash, cash equivalents and investments.

Pensions

At 31 March 2025 our total pensions net liability was £235.7m, a decrease of £49.4m over the year. The increase is largely attributable to the re-measurement of the net liability relating to the Local Government Pension Scheme to

recognise the changes in actuarial assumptions at the balance sheet date. This remains within the expected range and we are confident that this liability is well managed within the statutory arrangements.

Outlook

Pre-Existing Financial Challenges

The current Council Plan approved in February 2022 is supported by a 5-year Medium-Term Financial Strategy and reserves strategy that are updated annually. This gives greater alignment of the financial position and plans of the Council to the strategic priorities of thriving economy and places, sustainable futures and safe and healthy communities, as well as managing the risk inherent in providing a diverse range of services to our diverse communities funded by numerous income streams.

The financial strategy recognised a number of risks to be monitored, managed and where uncontrollable to be financially underwritten:

- The broader economic environment, such as the impacts of movement in inflation, housing growth, council tax base and interest rates on our day-to-day costs, income and debt repayments;

- Sustained inflationary pressures and cost of living increases putting pressure on staff costs, recruitment and retention and impacting on service resilience;
- prolonged uncertainty around future Government about local government financing, including the Government's Fair Funding Review 2.0;
- dependence on locally collected Business Rates, placing greater importance on the need to maintain reserves to manage any volatility;
- the results (financial and social) from our commercial investment activities; and
- unsustainable delivery of Special Educational Needs services within the level of DSG funding provided by Government and the delay in the resolution to the DSG Statutory Override and its impacts on the Council's financial resilience and sustainability.

Inflation and the macroeconomic environment

We are now experiencing a period of declining inflation and stagnating growth, however, inflation is currently falling less sharply than expected and interest rates remain at a higher level than has been the case over the last decade. Inflationary pressures and interest rates have significantly impacted living standards. Economic forecasts remain volatile and uncertain.

Against this challenging backdrop we are expecting to experience continuing increase in the demand for council services.

The current economic climate, inflationary pressures and rapidly growing demands may result in the need for some agility and flexibility in resource allocations and the prioritisation of our activity, while maintaining focus on the delivery of our priorities as set out in the Council Plan.

Major Developments

Two major developments that we brought forward in 2020/21 to support economic growth and Warwickshire's recovery after the Covid-19 Pandemic are in their fifth year of operation.

Warwickshire Property and Development Group (WPDG) is a local authority trading group set up to deliver our policy objective of creating jobs and more homes across Warwickshire. During 2024, the group commenced work on-site for its second development project and increased the tenant occupancy of its industrial unit development in Southam to 100%.

A joint venture partnership between WPDG, the Council and Countryside Partnerships PLC, called Develop Warwickshire, was incorporated in December 2022 and a significant increase in activity is in train with material investment

planned as a number of sites come forward for development. The first development project at Brookmill Meadows in North Warwickshire is due to be completed in 2025 and the second development project at Milby Meadows in Nuneaton and Bedworth is currently underway.

The Warwickshire Investment Fund was set up to provide access to finance, on a repayable basis, that helps businesses in Warwickshire start, grow and scale-up; helps businesses locate in the county; and leverages additional resources for the County through investment and support for key growth businesses.

The forecast level of demand for investment was reassessed during 2023/24 resulting in the investment fund being reduced from £104m to £64.4m over the next three years and at the end of the 2024/25 financial year £20.6m of lending had been approved by Cabinet.

Basis of preparation and presentation

In considering this report, readers should note that the comparison of spend against service budgets which we use internally to assess our financial performance is not directly comparable to the cost of services disclosed in the Statement of Accounts. This is mainly due to the accounting adjustments required to comply with international financial reporting requirements, which do not impact on the amount of our

spending to be met by local taxpayers, which is central to our in-year monitoring of our financial performance. The key differences relate to the way in which we account for items such as depreciation, impairment, reserves, provisions and carry-forwards. Each of these items is explained further in our accounting policies or the glossary.

Core Financial Statements

These comprise the four key pieces of information in the Statement of Accounts

Comprehensive Income and Expenditure Statement	Balance Sheet
<p>An accounting deficit of £76.3m for 2024/25 has been reported; the outturn position is a £24.8m deficit.</p> <p><i>This statement shows the accounting cost in the year of providing services rather than the amount to be funded from taxation. The main factors in the move are capital depreciation, revaluation and pensions charges.</i></p>	<p>An increase of £24.3m in County Council's net assets as at 31 March 2025.</p> <p><i>The balance sheet shows the value of the assets and liabilities recognised by the County Council. At 31 March 2025 the County Council's net worth was £1,144.8m.</i></p>
Cash Flow Statement	Movement in Reserves Statement
<p>A net cash outflow of £9.8m in 2024/25 in cash or cash equivalents.</p> <p><i>This statement summarises the cash that has been paid to us and which we have paid to other organisations and individuals.</i></p>	<p>An increase of £4.0m in the County Council's usable reserves, made up of an increase of £4.6m in revenue reserves and decrease of £0.6m in capital reserves.</p> <p><i>This statement shows the movement in year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be used to fund spending or reduce taxation) and other reserves.</i></p>

Statement of accounting policies

This summarises the accounting rules and conventions we have used in preparing these financial statements. There have been no changes to our accounting policies during the year.

Notes to the core financial statements

The notes include more detail to support the information contained in the core financial statements as well as information on critical judgements and assumptions applied in the production of the accounts.

Other sections of this Document

As well as the Statement of Accounts for the County Council, this document includes separate sections for the Annual Governance Statement and the Statement of Accounts for the Warwickshire Pension Fund.

The Annual Governance Statement describes the Council's Governance Framework and system of internal control. It includes a review of the effectiveness of this system in the past year and identifies key risks for the Council to manage in

the future. The Annual Governance Statement also covers the Warwickshire Pension Fund.

The Warwickshire Pension Fund's Statement of Accounts describes the Fund's financial position and performance in 2024/25. While the County Council administers the Fund, the Fund's accounts represent its activities on behalf of all its member organisations. Further information about the Fund can be found in Note 1 of that document.



Rob Powell
Executive Director for Resource

Warwickshire County Council

Statement of Accounts

2024/25



Working for
Warwickshire

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

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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.

OFFICIAL

- 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			Summary of revenue spending	2024/25		
Gross expenditure £m	Gross (income) £m	Net expenditure / (income) £m		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 extend that are 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.

As lessor:

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.

Recognition

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.

Measurement

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.

Impairment

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.

Depreciation

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.

Derecognition

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 is 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 undisbursed 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			Summary of revenue spending	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		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
<u>Insertion of items not debited or credited to the CIES</u>				
~ 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		Balance at 31 March 2024 £ m	Transfers		Balance at 31 March 2025 £ m
		Out £ m	In £ m		Out £ m	In £ 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 disclose 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	£ m	£ m	£ m	£ m	£ m	£ m	£ 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.

Price risk

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.	<p>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.</p> <p>If a reduction of asset life occurs, the depreciation increases and the carrying amount of the asset falls.</p> <p>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.</p>
Inflation	<p>General inflation remains above the Bank of England inflation target. The key elements that could be negatively impacted include:</p> <ul style="list-style-type: none"> 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. 	<p>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.</p> <p>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.</p> <p>£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.</p> <p>The effects on the net pension liability of changes in individual assumptions can be</p>

		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	<p>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).</p> <p>For Level 2 inputs we use quoted prices for similar assets or liabilities in active markets at the balance sheet date.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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	£ m	Central Spending	Individual schools budget (ISB)	Total
£ m	£ 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	£ m	£ m	£ m
	Land and buildings	Vehicles, machinery, furniture and equipment	Total
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
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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
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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 than 1 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 Number of Staff	Remuneration Band	2024/25	Increase / (Decrease)
		Number of Staff	
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 than £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.

Pension Schemes operated by the Council

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		LGPS Assets	31 March 2025	
Quoted prices in active markets £ m	Quoted prices not in active markets £ m		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.

<u>Company</u>	<u>WCC Share Holding</u>
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).

- Warwickshire Property and Development Group Ltd (WPDG):

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).

- Warwickshire Property Development Limited (WPD Ltd):

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).

- Warwickshire Property Management Limited (WPM Ltd):

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).

- Develop Warwickshire LLP:

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.

- Develop Warwickshire Nominee Ltd:

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.

- Brookmill Meadows LLP:

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).

- Milby Meadows LLP:

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).

- Overton View LLP:

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).

- Coventry and Warwickshire Growth Hub Limited

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):	
-3.2	- from employer: Warwickshire County Council	-4.0
-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.

Warwickshire County Council

Annual Governance Statement 2024/25 – Final

Produced for year ended 31 March 2025



Executive Summary and Certification

Welcome to our Annual Governance Statement for 2024/25.

Our ambition at Warwickshire County Council is to make Warwickshire the best it can be, sustainable now and for future generations. We want Warwickshire to be a brilliant County in which to grow up, work, prosper and grow older.

This Council recognises the importance of having a solid foundation of good governance and sound financial management and are we are committed further enhancing our governance arrangements to enable delivery of our Council Plan.

Our Annual Governance Statement (AGS) is a critical part of our wider governance arrangements, giving assurance of the way we meet the highest standards required of public office. The Statement sits alongside our Council Plan 2022-27, Council Delivery Plan (CDP), Medium Term Financial Strategy (MTFS) and related key strategies and frameworks, covering risk, performance, governance and service delivery.

Our approach follows the current guidance and best practice described in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016), and related CIPFA briefings.

This Statement gives assurances and examples to demonstrate our compliance with the principles of good governance for the year ending 31st March 2025. It goes on to set out and Action Plan to be delivered in 2025/26 that will be reviewed in the following year's AGS with progress monitored and reported to Members and senior officers who will continue to monitor implementation and operation as part of our commitment to good governance and high-quality public services.



Councillor George Finch
Leader of the Council



Monica Fogarty
Chief Executive / Head of Paid Service

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1. Our approach

The production of our Annual Governance Statement (AGS) is a well-established and respected process which involves officers from across a wide range of services and key functions.

As a Council, we have approved and adopted a **Code of Corporate Governance**, which sets out the principles of the *CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016)*. In line with this commitment the Council has a responsibility to conduct an annual review of the effectiveness of our governance framework.

Our annual review of the effectiveness of our governance framework is informed by three lines of defence:

- Directors and managers who provide assurance on performance, service delivery, risk management and compliance with the seven principles of good governance within their services.
- Review by those services who have responsibility for the development and maintenance of the governance environment, including for finance, risk, human resources, legal and information technology;
- Independent oversight provided through our internal audit team, external auditors, other inspections, and independent reviews.

This year's statement has been produced with engagement from across the Council including:

- **Head of Service Reference Group** - comprising Corporate Policy, Risk Management, Legal and Governance Services, Business Intelligence, Change Programmes, Internal Audit, Finance, Commercial and Procurement.
- **Coordination Group** – co-ordinating the update of the statement and sourcing evidence from across the Council.
- **Directorate Representatives** - Director level representatives from each Directorate and allocated lead directors for each of the principles within the assurance statements below.
- **Director Assurance Statements** – Signed by each Director to provide assurance of known risks and controls within every Service, including the operation of key control frameworks and responses to external inspection.
- **Statutory Officers** – Oversight meetings with the Monitoring Officer and Section 151 Officer.
- **Audit and Inspection Review** – A review of the findings of all relevant audit and external inspections has informed the content of the statement.

Subsequently, the final version of the Statement will be considered and approved by the following bodies (and available for review by the public in draft) ahead of being submitted as part of the Statement of Accounts currently scheduled for approval by full Council in December 2025:

- Directorate Leadership Teams;
- Corporate Board;
- Audit and Standards Committee;
- Cabinet

Together these groups consider the effectiveness of the Council's governance arrangements in relation to meeting its principal statutory obligations, organisational objectives and performance management targets, alongside the identification and control of any risk to the achievement of these. This approach has ensured that the development process, content, and findings of our AGS are both coproduced and owned by all necessary stakeholders.

Our governance action plan for 2025/26 is informed by known and anticipated challenges for the coming financial year, alongside any remedial action.

2. The Annual Governance Statement in context

As a Council, we are responsible for delivering public services for the benefit of the people of Warwickshire, operating in line with the law and proper accounting standards, and for using public money economically, efficiently, and effectively.

We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money services (the "best value duty").

The AGS forms a key part of our governance framework. As such, it both supports and is informed by the following key Council documents:

- **Council Plan 2022-27** – Setting out our strategic priorities and areas of focus which will direct the focus of our work over the next five years to achieve the Council's vision to make Warwickshire the best it can be and deliver our three strategic priorities.
- **Medium Term Financial Strategy** - The Council sets its annual budget in conjunction with a 5-year Medium Term Financial Strategy (MTFS) aligned to the Council Plan. This rolling approach to resourcing the Council's activities and services allows financial support for longer-term issues and objectives to be considered at the same time as balancing funding with the immediate budget pressures and delivery requirements.
- **Council Delivery Plan 2025-27** - Setting out what we will deliver to achieve our Council Plan objectives over a two- year rolling programme. The [latest version](#) was approved by Cabinet in March 2025.
- **Wider Business Frameworks** – Setting out the Council's approach to risk, performance management, business planning, financial management, engagement, and strategy.
- **Council Strategies** – A suite of strategies which support the Council Plan and cover the full range of Council services. These are split into a set of core strategies that directly relate to the Areas of Focus in the Council Plan, such as Health & Wellbeing, Economic Growth, Education and several supporting strategies which complement the core strategies.
- **Council Operational Policies** – These policies are developed and managed at an operational service level and set out the practical approach to delivering service outcomes.
- **Audit Programme** – A risk-based and objective programme of internal audits that provide assurance, advice, and insight both as part of an annually updated audit plan

and through proactive consultancy and advisory work on significant projects, procurements, and initiatives. The annual Internal Audit Programme is endorsed by the Audit and Standards Committee which also receives the results of all Internal Audit and External Audit reports. These feed into the Annual Audit Report considered by the Committee.

- **External inspection** – All external inspections within the timeframe of the AGS are considered and inform proposals for subsequent improvement activity.

Together these elements provide the operating content for our Governance Framework and the context for our AGS.

3. Our Governance framework

To meet our statutory responsibilities as a public body, we have put in place effective governance arrangements for overseeing what we do. We have adopted a Code of Corporate Governance that sets out the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

These arrangements are intended to make sure that we do the right things for our communities, in the right way, in a timely, open and accountable manner. They consist of all the systems, processes, culture and values which direct and control the way in which we work and through which we account to, engage with and support our communities.

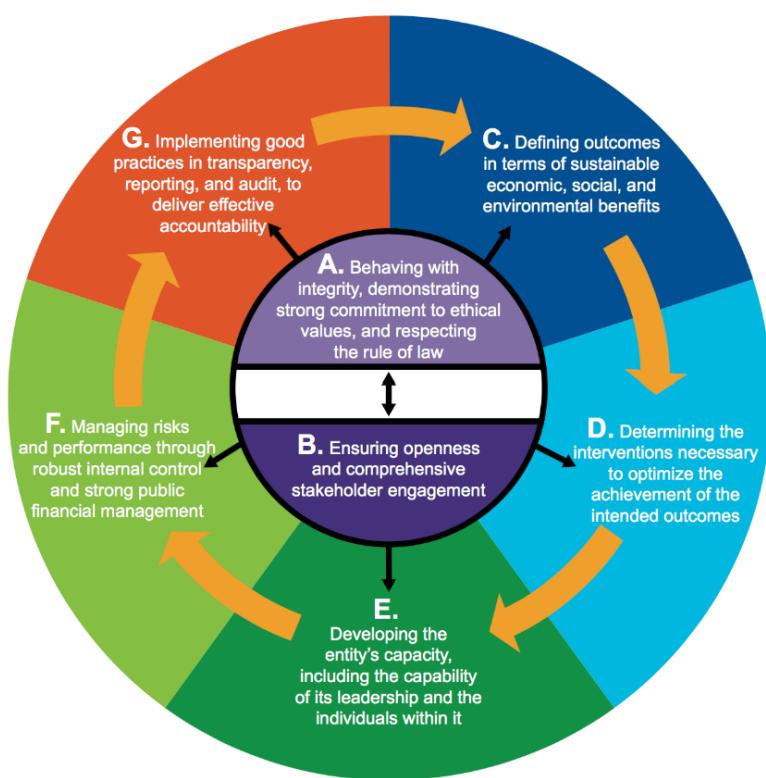


Figure 1: CIPFA's Principles of Good Governance

The Council's Code of Corporate Governance was updated and approved by Cabinet in 2021 and will be reviewed at least every 4 years, with the next review in 2025. The full details of our current code and how we meet the seven Principles of Good Governance of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* can be found on our website here: <http://www.warwickshire.gov.uk/corporategovernance> and are therefore not repeated in this document.

The AGS provides assurances that we are adhering to these principles and our processes are working in practice and help deliver our Council Plan priorities, including our supporting priority of being a great Council and partner.

We monitor external factors for their impact on the Council's governance arrangements and adapt our risk and management arrangements as appropriate. [8]

Financial Management Code of Practice

Our Code of Corporate Governance was enhanced by adopting CIPFA's Financial Management Code of Practice in 2021/22 and compliance with the Code is reviewed on an annual basis as part of the AGS process.

Our Framework allows us to direct resources in accordance with our priorities, monitor how we are achieving our strategic aims and ambitions, and to consider whether they have helped us to deliver appropriate services. The Framework also aims to assure we deliver value for money

The annual refresh of the CIPFA Financial Management Code Self-Assessment was reported to the Audit and Standards Committee in March 2024 and refreshed again in Spring 2025, being presented to Audit and Standards Committee at its meeting of 20 March 2025

As in previous years, this provided assurance that the Council meets the standards set out in the Financial Management Code and therefore any developments are from an on-going process of continuous improvement. The Committee also considered progress on the delivery of the Code's improvement action plan.

Given that the Council has assessed itself as compliant with the Code, the improvement action plan is focussed on continuing to push for best practice in relevant areas, rather than simply settling for basic compliance.

The assessment against the Financial Management Code is a partner document to the External Auditor's Value for Money assessment, reported as part of the 2023/24 Annual Audit Letter to the Committee on 28 November 2024. The Auditor's assessment rated the Council as "green" in all three categories of financial sustainability, governance, and improving economy, efficiency, and effectiveness. The self-assessment is consistent with these ratings given the evidence of positive action being taken proactively where opportunities to improve performance are identified.

We are alert to ensuring our governance arrangements support the Council to deliver value for money across all our activity and at all levels of accountability, and we continue to seek to adapt and improve our governance arrangements in that regard.

4. Key challenges, changes, and achievements in 2024/25

The Council continues to respond and operate in a changing environment, which in 2024/25 has included amendments to government policy and funding challenges, alongside locally led changes and improvements.

The most significant areas of challenge have included funding pressures in the areas of Special Educational Needs and Disability (SEND) and Inclusion services, home to school transport provision, an increased need for school places and the provision of Adults and Children's Social Care services.

During this AGS period, we have responded to the Government request to develop proposals for Local Government Reorganisation (LGR) in Warwickshire and continued to implement the Level 2 Devolution Deal for Warwickshire secured in March 2024. This includes the transfer of three key sets of functions and funds:

- responsibility for allocating the Adult Skills Fund, delivering 19+ further education and skills provision from August 2026 onwards;
- planning and delivery of the UK Shared Prosperity Fund from April 2025 onwards; and
- devolution of Homes England compulsory land assembly/purchase powers to be concurrently held with and exercisable by Homes England.

Economic development continues to be a priority, and significant results include securing significant investment at the Coventry and Warwick Gigapark site at Coventry Airport which forms part of a wider Investment Zone and will help small and medium sized enterprises (SMEs) break into new supply chains and create new jobs.

During this AGS period, we have updated and approved several strategies, including Economic Growth, Education, SEND and Inclusion, Education Sufficiency, Adult Social Care, Safe Accommodation, Health Protection, Serious Violence Prevention, Living Well with Dementia, and Treasury Management. All strategies are available on the Council website.

We have also continued to innovate in service delivery with the introduction and implementation of the Resourcing to Risk operating model for delivery of the Fire and Rescue Service, targeted at ensuring the right coverage in the right places at the right times and based on clear risk parameters to keep our residents and businesses safe. There has also been investment in a new Hot Fire Training Facility to provide our firefighters with realistic training.

Our commitment to good governance and best practice also saw us chosen to take part in the early adoption of the Government's Families First for Children initiative as a "Pathfinder Authority". This initiative forms part of the Government's children's social care implementation strategy and responds to recommendations across several national reviews into children's social care and safeguarding. This sees us remodelling our Children and Families services into a multi-agency delivery model, to drive innovation and best practice and deliver for those needing our support.

Governance improvements within this period have included an update of our Performance Management Framework to ensure we are measuring the right things to fully understand performance and drive improvements, and the update of our Risk Management frameworks looking at the Council's appetite for risk, and ensuring our strategic approach remains solid. We have also reviewed and refreshed our change function, updated our Council Delivery Plan, and relaunched the SEND and Inclusion Partnership Board which includes a range of stakeholders.

During this period and despite national and international challenges, the Council has continued to promote improvement and strong service delivery in general across the organisation. Key achievements in 2024/25 have included:

- Implementing the Families First for Children changes including new multi-agency safeguarding arrangements, expanding family networks, new multi-agency children protection and new multi-agency locality Family Help Teams.
- Completing the registration of three further Council-owned children's homes, making a total of five, providing a caring and supportive home in Warwickshire for 15 children in care. All our existing homes have been inspected by Ofsted and have been graded as "good" in all areas.
- Reaffirming our commitment to our armed forces community by re-signing the Armed Forces Covenant.
- Welcoming 1,049,490 visitors to [our Warwickshire's Country Parks](#), because of our continued work to improve access and offer a greater range of activities for our communities.
- Our Fire and Rescue services continue to deliver vital services to our communities, having attended 4426 emergency incidents and delivered 1740 Safe and Well checks to vulnerable Warwickshire people during the year.
- £6.5 million of investment was secured by Warwickshire businesses as a direct result of the Council's business support activities.
- Achieving all our Social Care & Health Commissioning intentions during 2024/25, including the procurement of domiciliary care, advocacy provision, supported living, day opportunities and respite provision for people with learning disabilities and autism, completion, and publication of the Adult Social Care Strategy.
- Continuing to quality assure all our social care and health commissioned provision, to ensure the services supplied to our local people are safe and of high quality.
- Delivering 9 education capital projects for September 2024 and providing 1628 more school places in the County. This included 1 new primary school, Myton Gardens in Warwick, making a total of 12 new schools that have opened in the County since 2010. Two secondary schools (in Warwick and Bedworth) and four primary SEND resourced provisions were also completed and opened for use, which are part of our continued commitment to establishing more SEND provision for the County.
- New government funded childcare entitlements were successfully introduced in Warwickshire, with children aged 2 and above, in working families accessing 15 hours from April 2024 and children 9 months plus, from September 2024. Current take-up for the latter cohort is 90%, (slightly above national/regional average).
- We have maintained Warwickshire's position of being amongst the highest performing areas in England for the proportion of young people aged 16-17 progressing into post 16 destinations.
- Allocating £2.5 million through our Social Fabric Fund initiative to local community organisations to help deliver local projects.

- Our Library services were designated as a National Portfolio Organisation by the Arts Council, and we rolled out automatic, universal library membership to all newborn babies.
- Securing several externally accredited awards for our services including libraries, workforce, our Elective Home Education Team, finance, carbon literacy and the Warwickshire Property Company.

5. Compliance with the seven principles of governance

The following pages set out our self-assessment of compliance against the seven principles of governance set out in our Corporate Code of Governance as adopted in our Governance Framework for 2024/25. These principles are supported across the Leadership team, and the table sets out the evidence of compliance along with an explanation.

The principles are:

- **Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- **Principle B:** Ensuring openness and comprehensive stakeholder engagement.
- **Principle C:** Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- **Principle D:** Determining the interventions necessary to optimise the achievement of the intended outcomes.
- **Principle E:** Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- **Principle F:** Managing risks and performance through robust internal control and strong public financial management.
- **Principle G:** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Hyperlinks are provided and the evidence sources are also collated in the Evidence Bank summarised in **Appendix 1**.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Compliance Overview	<p>The key policies, procedures and practices set out in the Code of Corporate Governance remained in place and were applied throughout the year. Our values and behaviours underpin our governance arrangements and are at the heart of all we do and our performance management.</p> <p>The Council's constitution continues to be the key document evidencing how decisions are made and delegated and has been reviewed and updated where required for any changes to legislation during the past year.</p>
Equality Duty	We continue to meet the Public Sector Equality Duty and our obligations more generally under the Equality Act 2010. We do not accept unlawful discrimination in the provision of services whether delivered by us or commissioned externally. Equality Impact Assessments have continued to be produced to inform all appropriate decisions during the financial year.
Whistle blowing	Integrity is incorporated into the Council's behaviours, which are

Register of interests Counter fraud	<p>clearly defined and accessible to all staff on the intranet. To ensure the Council's values and behaviours are upheld we have codes of conduct for officers and Councillors (aligned with the Nolan Principles), registers of gifts and hospitality, registers of financial interests, and policies on counter-fraud, anti-money laundering (updated with training provided in 2024) and whistleblowing (updated in November 2023).</p>
Member (Councillor) Code of Conduct	<p>We keep the Council's Member Code of Conduct under review following its approval at Council in July 2021. We have undertaken several refresher training sessions for Councillors on conduct and behaviours, and these have become part of the annual cycle of member development. As part of those sessions, we consider any developments in law or guidance on conduct and update members. We have responded to the Government consultation on changes to the Standards Regime (December 2024) and if there are any changes arising from that consultation, these will form the basis of a further formal review of the Code</p>
Member (Councillors) induction programme	<p>A formal induction programme for Councillors is undertaken following each quadrennial election. The programme has been refreshed and updated for the May 2025 induction and includes the legal principles governing decision making, the Code of Conduct, and the Council's culture and values. The programme also incorporates commercial awareness to ensure that Councillors understand their responsibilities in relation to governance of commercial activity and an introduction to the specific governance around the Council's companies. This provides Councillors with a fully rounded view of how the Council operates in the commercial area.</p> <p>Induction and training for Councillors also covers a broader understanding of Council finances and governance, including the role of scrutiny, the key Committee and Officer roles responsible for governing our finances and the wider responsibilities of the Council in terms of the services it provides. This is supplemented by on-going training for key areas like finance, conduct, major initiatives or areas of service provision, changes in the law or guidance that may arise, working with stakeholders and committee specific training.</p>
Member (Councillor) development programme including Induction (general)	<p>We aim, in our development programme, to cover a broad range of training relevant to the services provided by the Council. Some of these are repeated regularly (such as complaints and Code of Conduct training) and where issues or specific requirements are identified (including by request of members) additional sessions are delivered.</p> <p>During 2024/25, this included key sessions on the Code of Conduct, Corporate Parenting and working with health services, alongside focussed sessions on key priorities and on specific service delivery. These included sessions on knife crime, child exploitation, Children and Family centres, Community Powered Warwickshire, the Care Act, extreme weather events and flooding, highways infrastructure, mental health and wellbeing, school attendance, suicide prevention and rights of way.</p> <p>Following a Council motion, a series of training sessions related to SEND awareness were co-produced with groups representing the</p>

SEND training (2024)	parents and carers of children with SEND needs. These were delivered to all Councillors, and the topic now forms part of mandatory annual learning.
Member (Councillor) development – specialist sessions	<p>Additional training is also required for Councillors who sit on specific committees. Before sitting on Children and Young People Overview and Scrutiny Committee, Corporate Parenting Panel and Adoption Panel, Councillors must have completed the SEND training.</p> <p>Specific training is required for those who sit on Regulatory Committee, and ongoing knowledge sessions also take place in advance of the committee meetings to ensure that knowledge remains current. Bespoke training has been provided for participants of the Police & Crime Panel and new Independent Members appointed to the Audit and Standards Committee. Bespoke training has also been conducted for those sitting on the Pension Fund Investment Sub-Committee and the Local Pension Board who have access to learning portals provided by the Council's actuary.</p> <p>All Councillors are regularly advised of external sessions from groups such as Local Government Association, Information Commissioner's Office, Warwickshire Police, and others that are relevant to them. This has included training around personal safety (online and in person) and local government finance.</p>
Complaints policy	<p>We include ethical values in policies and procedures for all areas including procurement and partnership working. We have a Complaints Policy and a corporate complaints and feedback procedure to ensure that all complaints are investigated and are responded to as quickly as possible (http://www.warwickshire.gov.uk/complaints). This policy was reviewed and updated in February 2024 and considered recommendations arising from the then draft Complaint Handling Code issued by the Local Government and Social Care Ombudsman (LGSCO). A further refresh is underway, following confirmation of the LGSCO Code, to ensure that the Council's approach remains aligned to that set out in the Code.</p> <p>When complaints are received about councillors, these are investigated under our Member Code of Conduct procedures.</p>
Constitution and Decision-making framework	<p>The Constitution sets out the decision-making framework for the Council to ensure that all officers, key post holders and Councillors can fulfil their responsibilities in accordance with legislative requirements. All our reports to Council committees receive financial and legal checks prior to submission to ensure they comply with regulatory requirements.</p> <p>Our Monitoring Officer receives weekly reports to alert her to any legal issues which she shares with the Section 151 / Deputy Section 151 Officers and the Chief Executive (Head of Paid Service). The Chief Executive, Section 151 / Deputy Section 151 Officers and Monitoring Officer meet regularly to ensure any regulatory requirements are addressed and any regulatory risks are discussed and visible.</p>
Financial Regulations	<p>Our Constitution, including Contract Standing Orders and Financial Regulations, was reviewed during 2022/23. Minor updates were made to the Constitution during the 2024/25 financial year to</p>

	<p>ensure that it remained legislatively compliant and continued to reflect the organisation's operating arrangements.</p> <p>The Constitution is being reviewed generally in terms of financial and other delegations to ensure legislative compliance and that delegations necessary to reflect changes in procedure are captured.</p>
Contract Standing Orders and Financial Regulations	<p>A full review of Contract Standing Orders has taken place throughout 2024 to reflect the changes to procurement legislation that came into force from February 2025 (Procurement Regulations 2024), and the earlier requirements of the Health Care Services (Provider Selection Regime) Regulations 2023. Transitional arrangements apply for existing procurement activity (and contract management) and the new rules have been fully considered by a dedicated officer group to ensure that the new legislative requirements are embedded into our practice and procedures.</p> <p>Any changes to the Constitution and Contract Standing Orders are considered by the Cabinet before approval by full Council. Contract Standing Orders are also considered by Audit and Standards Committee before being considered by Cabinet.</p>
Procurement & Contract Management Strategy	Officers have also reviewed the Procurement and Contract Management Strategy in light of the legislative changes. Detailed training was provided to officers at all levels of the organisation on the new legislation from varying providers including CIPFA, central Government and specialist legal firms.
Cost centre management training	All officers with budget responsibilities receive training on general financial management and specifics around financial policies, procedures, systems, and propriety. During 2024/25, there have been regular and strengthened sessions delivered by the Executive Director for Resources/Section 151 Officer, the Director of Finance/Deputy Section 151 Officer and the Head of Strategic Finance focussing on the responsibilities of cost centre managers and budget holders and on the processes and procedures within the Council to monitor and approve spending, including regular briefings on the wider Council financial position, the budget and Medium-Term Financial Strategy.
Joint consultative committee and teacher trade unions	The Joint Consultative Committee meets on a quarterly basis providing the opportunity for our recognised trade union representatives from UNISON, Unite the Union, and GMB, to meet with senior management and discuss issues affecting the workforce including Health & Safety. Teacher Trade Unions meet separately with the Director of Education to discuss Education and Schools specific items. We have a positive working relationship with the Trade Unions, and they are proactively involved at a Directorate level in relation to change management and individual casework.
Data Controller, SIRO and named Protection Officers	We are registered as a data controller under the Data Protection Act as we collect, and process personal information. We have named Data Protection Officers who sit within the Information Governance team. We have General Data Protection Regulation (UK GDPR) compliant procedures that explain how we use and share information and arrangements for members of the public to access information. We have adopted the model publication scheme produced by the

	<p>Information Commissioner's Office (ICO), in accordance with the Freedom of Information Act 2000.</p> <p>The Senior Information Risk Owner (SIRO) in Warwickshire is responsible for overseeing the development and implementation of the Council's Information Risk Policy, working closely with the DPO (Data Protection Officer), Monitoring Officer and Caldicott Guardian, and acting as the champion for information risk on the Leadership Team.</p> <p>The SIRO leads the Information Governance risk assessment and management processes, ensures that the Leadership Team is informed about information risk issues, and oversees the development of an effective infrastructure to support information assurance. This year, new mechanisms have been introduced to better appraise Executive Directors and the Chief Executive of information incidents.</p>
Commercial Delivery Group	<p>The Commercial Delivery Group meets at least quarterly and is chaired by the Executive Director for Resources. The Group oversees delivery of our Commercial Strategy ensuring that we optimise commercial performance, become a more commercially focused organisation and invest in new commercial opportunities that bring financial returns as well as wider economic benefits for Warwickshire. The Group seeks assurance on the Council's commercial activities and provides robust challenge.</p>
Trading Companies Warwickshire Property Development Group	<p>Trading companies, wholly or partly owned by the Council, are scrutinised and challenged through Senior Officers acting as shareholder representatives. For Warwickshire Property and Development Group, given its size and remit, performance is monitored through senior officer governance groups including the Commercial Delivery Group and the Officer Advisory Group on a quarterly basis. Each scheme is subject to stringent due diligence by the Officer Advisory Group and a senior Governance Group before being presented to Cabinet for decision making.</p>
Warwickshire Investment Fund	<p>Councillor involvement and assurance on company performance is provided by the Member Oversight Group with each scheme requiring Cabinet approval before it can be implemented. The Member Oversight Group also considers Warwickshire Investment Fund (WIF) activity.</p> <p>In some instances, Council officers are appointed as Directors of the Council's companies. These officers are supported by training on issues of importance including their statutory duties as Directors, conflicts of interest and any legislative developments of relevance.</p>
Educaterers	<p>Annual General Meetings (AGMs) are held by all trading companies to allow the Council as shareholder to further review annual performance and governance. The Statutory Officers Group actively monitors the risk of potential conflicts and traded performance, with clearly articulated risk statements, monitored by legal and finance officers, designed to act as an early warning system of risks arising.</p> <p>A regular meeting of the S151 Officer, the Deputy S151 Officer and of the Monitoring Officer, supported by relevant officers takes place</p>

	<p>to enable the Council to undertake its shareholder responsibilities and to monitor the performance of the Educaterers company.</p>
Anti Money Laundering Policy	<p>The Council operates an anti-money laundering policy, and the Director of Finance (Deputy Section 151 Officer) is the Council's Anti-Money Laundering Responsible Officer (AMLRO). Training was provided in June 2024 for relevant officers, and the policy was reviewed and refreshed with external legal advice in September 2024.</p>

Principle B: Ensuring openness and comprehensive stakeholder engagement

Compliance Overview	<p>The key policies, procedures and practices set out in the Code of Corporate Governance remained in place and were applied throughout the year.</p>
Council Plan 22-27	<p>Our budget is informed by the priorities set in the Council Plan 2022-27 which drew upon extensive public consultation. Additionally, we undertake an annual consultation on the budget, engaging with business rate paying representatives and trade union representatives in line with our legal requirements.</p>
Council Meetings – Public-i	<p>Council and Committee meetings are live streamed and available as recorded webcasts through the Council's website. Access to Information legislation is complied with and agendas and decisions are recorded and published in line with legislation. Formal meetings allow for public attendance (subject to certain exemptions), and we have a petitions scheme and a public speaking scheme that govern participation at meetings by the public. Significant decisions involve public consultations where required.</p>
Consultation and Engagement Framework	<p>The Council's Consultation and Engagement Framework sets out organisational objectives and standards for consultation and engagement to ensure residents' and stakeholders' voices inform strategies and policies, service change and commissioning. Guidance and resources to support the Framework are made available on the Consultation and Engagement Information Hub and a key development in 2024-25 has been a new suite of specialist tutorials and skills guides to build good practice and improve design of activities by officers.</p>
Warwickshire Youth Council	<p>The Warwickshire Youth Council represents the voice of young people in Warwickshire. Every two years, young people across Warwickshire vote for self-nominated young people to represent them. Those elected meet monthly at Shire Hall and have the responsibility of campaigning and ensuring that the voice of young people is heard across the Council. The top three themes that emerged as priorities for young people in Warwickshire are Mental Health & Wellbeing, Experience in Schools and Crime & Safety. The Youth Council is undertaking activities to raise awareness and influence changes against these themes with its services. The Youth Council also</p>

	<p>incorporates three members of the Youth Parliament. Examples of key achievements include allocation of grants to support four local youth organisations to deliver programmes against Youth Council priorities, production of podcasts with professionals on mental health and the members of Youth Parliament representing Warwickshire on the benches in the Palace of Westminster, in the House of Commons.</p>
<p>Experts by Experience</p>	<p>Adult Social Care, have always carried out engagement, gathering people's experiences and using co-production to inform our approach but have worked to become more consistent in this over the last 18 months by making better use of the voice of people who draw on support and carers. We have worked with the Ideas Alliance and Curators of Change, and we are building on this with a co-production reference group and the creation of a dedicated post to bring additional capacity. We want to go further but this work has already made a difference with Experts by Experience prompting changes to website design and content, helping us revisit and refresh principles on how we work and positively influencing the process and enhancing the interviews for our advocacy contract.</p> <p>So far, the 'Over a Brew' sessions facilitated by Curators of Change, have been attended by more than 230 staff. Our local experts by experience have played an increasing role in leading these. They have also attended our management team where their input was really valued, and this will become a regular event. They have formed links with the regional co-production network, and we are continuing to recruit and support more Experts by Experience. It is also great to witness and to hear from them how this has made a big difference to them.</p> <p>We have relaunched our Care Champions approach within Quality Assurance with 7 Care Champions recruited and a further 3 considering joining us. The first in-person training session was held mid-April with more planned. The first provider visit is scheduled for May.</p>
<p>Council Delivery Plan</p>	<p>The Council Delivery Plan (CDP) tracks the key priority actions being delivered to ensure successful implementation of the Council Plan. This 2-year rolling Delivery Plan is reviewed annually and approved by Cabinet, with the latest Plan approved in March 2025. Progress against the related deliverables in the CDP are reported quarterly to Cabinet as part of the overall performance framework.</p>
<p>Warwickshire Children and Young People Strategy</p>	<p>We continue to be guided by the Children and Young People Strategy 2021 – 2030, Link: Warwickshire Children and Young People Strategy which has Child Friendly Warwickshire at its heart. Approved by Cabinet in October 2021, the Strategy outlines the Council's commitment to ensuring children and young people have a voice and are supported. The strategy's goals and ambitions were shaped by feedback from a survey completed by over a thousand young people across Warwickshire and will be the Council's approach to working with partners, families, and communities between now and 2030 to help young people reach their potential. Throughout 2024/25, we have continued to be guided by this strategy, which has been fundamental to developing our new Families First approach reflecting</p>

	<p>the government's new children's social care reforms. The Child Friendly Warwickshire Strategy also informs cross cutting issues in the Council including Public Health, Transport, Education Services, Skills and Employment, Libraries and Children's Social Care.</p>
Corporate Parenting Children in care Council & Care Leaver Forum	<p>As Corporate Parents we have high aspirations for our children in care and care experienced young people. We are committed to hearing the voice of those children through engagement with the Children in Care Council and the Care Leavers' Forum. Both forums seek to improve services for care experienced children and young people.</p> <p>Examples of key achievements include an improvement in services to siblings in care. Children in care told us they want us to ensure they are kept together with their brothers and sisters and where this is not possible that we ensure their relationships are supported and protected. This has led to new procedures, training, guidance, and events to support sibling relationships.</p> <p>Other examples include young people co-training alongside adult trainers in three separate ongoing workshops for newly qualified social care staff.</p> <p>Additionally, we have initiated work with parents who have lived experience of child protection processes, early support, and as foster carers. Examples of key achievements include involving the voice of parents/carers as part of the Families First Pathfinder.</p>
SEND & Inclusion IMPACT Parent Carer Voice	<p>We have also developed a Young Person's Forum for SEND called IMPACT. An example of a key achievement in this area of work includes the production of a short film for professionals called "Wrong Size Fits All" (Link: Wrong Size Fits All). This would give a voice to young people with SEND about their lived experience in school. The video has been used to train and support teachers, SEND practitioners, social workers, and youth workers in how best to understand, and support young people.</p> <p>We also continue to work with Warwickshire Parent Carer Voice on a range of projects, including the development of the SEND Strategy and co-production framework</p> <p>Representatives of both groups are full members of the Warwickshire SEND Partnership Board, helping to influence policy and service development.</p>
Co Production Framework	<p>The Council's Co-Production Framework document communicates our approach to ensuring that we work together with those using our services to design and improve those services to achieve better outcomes. The Framework ensures our approach is consistent and follows good practice. The Council has also commissioned a contract to enable direct specialist engagement and co-production activities with customers.</p>
Joint Strategic Needs Assessment (JSNA)	<p>The Warwickshire JSNA work programme has produced two JSNAs in the past year. The first is the Empowering Futures: Growing Up Well in Warwickshire JSNA.</p>

	<p>This JSNA examines the picture of physical health in school-aged children and young people, taking a new approach to produce a live and iterative interactive report. The second is the Adults with a Learning Disability JSNA. This JSNA examines the needs of the adult population with a learning disability aged 16 and over. The reports have been published and the findings shared with key partners across the health and care system to encourage action on the findings and recommendations.</p> <p>The JSNA work programme has also started providing JSNA Updates to keep stakeholders up to date with the new JSNA work programme which begins in April 2025. For more information about all Warwickshire's JSNAs, visit our website.</p>
Employee Engagement Approach	<p>We have an approach to Engaging with Our People, which ensures we listen, learn and act to create an inclusive organisation. Our Leaders and Managers hear and can then act on feedback from our people. We continue to focus on coaching and developing our people and ensuring clear communication about the direction of our Council.</p> <p>This approach is supported by employee forums and networks, and regular employee surveys, which measure employee engagement and our direction of travel against the Our People Strategy Delivery Plan which includes our people related measures.</p>
Your Say surveys	<p>Feedback from employees in the 'Your Say Survey' of March 2025 saw an increase in the employee engagement score to 80% (79% in February 2024), with 81% of respondents agreeing or strongly agreeing that 'Our internal communications keep me updated on what is happening'. Themes and outcomes from the survey will be fed into the future planning around communication.</p>
Corporate Board broadcasts	<p>Regular Corporate Board and Executive Director live broadcasts, supported by Director and Team briefings, are now embedded to engage with our people.</p>
Working for Warwickshire	<p>Additional information is also provided through other mechanisms, such as regular briefings and the Working 4 Warwickshire bulletin, issued weekly.</p> <p>Our intranet pages are updated as necessary and feature topical themes. This year we have introduced "Why Warwickshire" forums, to better understand why people like working for Warwickshire and for us to understand what would keep them here. We will be using the outputs of this to inform the renewal of Our Workforce Strategy and workforce priorities.</p>
Warwickshire Pension Fund + Staff & Pensions Committee	<p>The Warwickshire Pension Fund is governed by a Staff and Pensions Committee and a Pension Fund Investment Sub-Committee. These are formal committees of the Council. Oversight and guidance are provided by the Local Pension Board of the Warwickshire Local Government Pension Fund which is a body</p>

required by legislation. This body has an Independent Chair and is made up of a combination of Employer and Employee representatives from within the Pension Fund with the purpose of supporting the Scheme Manager to secure the effective and efficient governance and administration of the Fund, looking at complying with the code of practice on the governance and administration of public service pensions schemes, the LGPS regulations and any requirements of the Pensions Regulator.

Governance is further strengthened by representation through direct communications to stakeholders, including sharing new policies such as the Funding Strategy Statement, for comment.

The Pension Fund is currently rolling out online member self-service, which is improving the accessibility of information for fund members. A review of governance has taken place in Spring 2025 and the outputs of that review will be considered further in 2025/26 to take account of any changes that may arise from Local Government Reorganisation activity and the LGPS “Fit for the Future” consultation.

The Pension Fund participates in the governance of the Border to Coast Pension Partnership, which is now the Fund's largest asset manager, and this participation is both as an owner and a client, through mechanisms including a Joint Committee and shareholder meetings and votes. There is also a Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme performing an equivalent role in relation to that Scheme.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Compliance Overview	We have a clear set of priority outcomes in our five-year Council Plan 2022-27 and associated deliverables in our two-year rolling Council Delivery Plan (CDP), formerly the Intergrated Delivery Plan, applicable for the whole of 2024/25.
Council Plan	<p>The Council Plan 2022-27 has three priorities as follows:</p> <ul style="list-style-type: none"> • Priority 1: A County with a thriving economy and places with the right jobs, skills, and infrastructure; • Priority 2: A place where people can live their best lives; where communities and individuals are supported to live safely, healthily, happily, and independently; and • Priority 3: A County with sustainable futures which means adapting to and mitigating climate change and meeting net zero commitments.
Council Delivery Plan	<p>The Council Plan is supported by a Council Delivery Plan which is refreshed annually and most recently approved by Cabinet in March 2025. The Council Delivery Plan sets out the Council's key strategic priority deliverables and actions over a two-year rolling programme. It is further supported by business plans at service level as relevant. Projects and investments are scrutinised to ensure they deliver against the required outcomes and meet the Council's priorities. The Council Plan is supported by other strategies, which are guided by our corporate Strategy Framework with guidance to ensure consistency in developing strategies.</p>
MTFS	<p>The Medium-Term Financial Strategy (MTFS) supports the delivery of the Council Plan and is based on clear assumptions. Resources are aligned to priorities and ensure a balanced budget to sustain services and the longer-term financial health of the Council. The MTFS process, which includes scenario planning, assists with forward planning and responding to variations in financial forecasts and changes to assumptions. All Committee decisions identify any financial and environmental implications linked to the decisions in reports submitted.</p>
Capital programme Capital Strategy Board	<p>Capital programme management is overseen by the Capital Strategy Board which meets regularly, is chaired by the Director of Finance and administered by Strategic Finance. The Investigation Design Fund (IDF) continues to be utilised by services to provide up front funding to gain cost certainty on capital projects prior to approval of the full budget. This is monitored by the Strategic Finance Team. The IDF forms part of the three-stage approval process for all Capital Investment Fund projects which was implemented as part of the Capital Financial Management Improvement Project.</p>
Capital Investment Fund	<p>The Education Capital Programme is driven by strategic planning for places, as set out in the Education Sufficiency Strategy and the annual sufficiency update, to ensure we can meet our statutory duty to provide adequate school places. Education capital projects are developed via a Capital Working group and overseen by the Education Capital Access and Organisation Board. All additions to the</p>
Education Capital Programme	

Communities Capital Control Board	<p>Education Capital Programme are considered for approval by Cabinet.</p> <p>A significant element of the capital programme is in the Communities Directorate, and there is a dedicated Communities Capital Control Board to review and oversee capital projects. Capital performance measures are reviewed annually to ensure the most effective measures are in place to provide oversight of performance. These measures are reported on via the quarterly performance reports and within the capital annual report. The appraisal process for developments includes regard for Environmental, Social and Governance (ESG) factors.</p>
Sustainable Futures Strategy (net zero targets)	<p>The Council has also committed to working with all partners and residents in Warwickshire to support the County to net zero by 2050. The Sustainable Futures Strategy and accompanying Delivery Plan was approved by Cabinet in November 2023. This provides the framework and trajectory to deliver our net zero ambitions for the Council by 2030 and the County by 2050. The first annual report of progress was published in March 2025.</p>
Level 2 Devolution Deal including: <ul style="list-style-type: none"> • UK Shared Prosperity Funds • Adult Skills Fund • Local Skills Improvement Plan • Compulsory Purchase Powers 	<p>In March 2024 Cabinet approved progressing a Level 2 Devolution Deal for Warwickshire and entering into a devolution agreement with Government, which was announced in the Chancellor's budget statement of March 2024. This deal will include devolution of the Adult Skills Fund, responsibility for the UK Shared Prosperity Fund and the ability to input into the Local Skills Improvement Plan (LSIP). The Devolution Deal offers enhanced local control over funding whilst retaining the ability to operate devolved powers at a strategic county-wide scale to maximise impact, align with wider local activity, and enable greater focus on local need. It also offers an opportunity to enhance the powers that the Council currently holds in relation to land assembly and the compulsory purchase of land for this purpose to further drive growth and maximise impact.</p>
Warwickshire Pension Fund	<p>The Warwickshire Pension Fund completed the triennial valuation with a positive data quality assessment and updated Funding Strategy Statement in 2022. The Pension Fund has a Climate Risk Investment Strategy in place, and the Council's own Investment Strategy for non-treasury investments includes a dedicated ethical investment policy.</p>
Warwickshire Property & Development Group (WPDG)	<p>Warwickshire Property & Development Group (WPDG) continues to perform and as part of the Joint Venture, Develop Warwickshire, will play an important role in shaping Warwickshire as a place to invest, live and thrive.</p>
Warwickshire Investment Fund	<p>The Warwickshire Investment Fund (WIF) continues to be active, with the relevant capacity and contracts in place for the services and expertise required to manage the Fund. The Fund is managed by an Investment Panel. Both the WPDG and WIF have dedicated oversight from the Member Oversight Group, and further related governance arrangements are referenced in Principle A.</p>

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Compliance Overview	<p>Arrangements are in place to report critical management information on the key aspects of delivery of the Council Plan, including reporting of finance (monthly), risk and performance (quarterly) to Corporate Board and quarterly to Cabinet and Overview & Scrutiny Committees.</p> <p>We track delivery against the Council Delivery Plan on a quarterly basis alongside information on risk and performance. Our overall performance is reported quarterly to Corporate Board, Overview and Scrutiny Committees, and ultimately to Cabinet.</p> <p>All Directors have signed off statements providing assurance that they have been managing risks in their service areas.</p>
Performance Management Framework	<p>Our Performance Framework supports the delivery of the Council Plan, and includes mechanisms to assess progress, inform actions and interventions to achieve intended outcomes and benefits. The Framework is reviewed each year, and we ensure the specific performance measures included within it remain aligned with current Council priorities, as set out in the Council Delivery Plan. The Change Programmes Service monitors and scrutinises project delivery against plans and highlights actions needed to manage escalated risks and deliver project objectives. Each Directorate has escalation arrangements in place to its Directorate Leadership Team and performance reporting flows through the executive structure.</p>
Council Plan	<p>Delivery of Council Plan outcomes is tracked through multiple mechanisms including the Council Delivery Plan, business plans, strategies and programmes and project governance arrangements. The Council's staff appraisal system links Council objectives and priorities to individuals' personal objectives and personal development plans to further strengthen the assurance that activity is aligned to the Council Plan priorities.</p>
Financial challenges	<p>To help manage the significant financial challenges facing the Council and wider local government sector, financial monitoring and governance has been a key focus. Reflecting the heightened financial challenges around key services including Special Educational Needs and Disabilities, home to school transport, and Social Care, the Council has strengthened budget oversight with the formation of an executive-led Budget Delivery Oversight Group to increase scrutiny around budgets for those areas, governance around associated expenditure, and the delivery of proposed savings.</p>
Business Continuity Plans Local Resilience Forum	<p>Our Service Business Continuity Plans and procedures set out mitigating actions and contingency plans in response to potential business interruption events. We work in partnership with Coventry and Solihull Councils as part of the Coventry, Solihull, and Warwickshire (CSW) Resilience team, linking with the Warwickshire Local Resilience Forum to actively manage Civil Contingency requirements and responses.</p>

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Compliance Overview	<p>The key arrangements for building our capacity and capability continued to operate throughout the year. Leadership forums, including Senior Leadership Forum were maintained.</p>
Member (Councillor) Development	<p>A refreshed development programme is delivered each year to ensure the core development needs of Councillors aligned to their respective roles, are met and to take account of new and emerging issues. Further detail is recorded in Principle A.</p>
Our People Strategy & Delivery Plan	<p>Our People Strategy ensures our workforce can deliver the Council Plan and that they remain aligned with our vision and behaviours. Direction continued to be determined by Corporate Board with progress being overseen by the Director of Workforce and Local Services and member oversight provided by the Staff and Pensions Committee.</p> <p>The Our People Strategy recognises that the Council's people are its primary asset to enable the delivery of exceptional services to Warwickshire's communities and that the Council is a great place to work where diverse and talented people are enabled to be their best. Strategic workforce planning aims to ensure we have the right people, with the right skills in the right place, through effective planning, recruitment and retention, reward and recognition, leadership, equality, diversity, inclusion, and wellbeing. The Strategy is due for renewal during 2025, and engagement activity, with leaders, employee networks and forums will help shape it.</p>
Health and Safety	<p>The Council is committed to maintaining appropriate management arrangements to manage Occupational Health and Safety aligned with the requirements of the internationally accepted ISO 45001:2018 Health and Safety management framework. This includes ensuring that key strategic and operational Health and Safety risks are recorded as part of the Council's risk management process. As part of the Health and Safety management framework, the Council undertakes the following oversight actions.</p> <ul style="list-style-type: none">• Annually reviews the effectiveness of the policy to ensure it remains relevant and appropriate to the Council's activities and needs.• Communicates any resulting changes to employees and others affected.• Measures the safety performance of all Council services through effective ongoing compliance audits.• Reports Health & Safety performance on a quarterly basis Directorate Leadership Teams.• Reports annually to Staff and Pensions Committee detailing the Council's Health and Safety performance and progress on the targets and objectives set. <p>To support all this, our Health and Safety policy was relaunched in January 2024. We report annually to Staff and Pensions Committee detailing the Council's Health and Safety performance and progress on the targets and objectives set.</p>

Agile working principles	Our Agile Working Principles set out how employees can work as efficiently and productively as possible, whilst maintaining a priority focus on service needs.
Staff & Pensions Committee	The Staff and Pensions Committee provides overall oversight of the development of our people and approves the Our People Strategy and its Annual Delivery Plan.
Leadership programme	In 2023, we launched our refreshed approach to leadership which outlines our commitment, expectations and the support that is available for our leaders. This includes a differentiated development offer, which enables colleagues to continue their progression at all stages from preparing for leadership to inspiring other leaders
Annual Appraisal Behaviours Framework	We have a corporate process for annual appraisals and personal development plans, supported by regular 1:1 conversations. This provides the necessary clarity of expectations and behaviour, direction, support and opportunities for growth and development and allows employees and managers to have constructive discussions on performance, progress against outcomes, wellbeing, and development. The appraisal process is aligned to the Council's Behaviours Framework and our recruitment process for senior managers applies a behavioural assessment process, which includes leadership capability and identifies personal development areas. Our approach to performance is currently being scoped, ready for development, with a planned implementation from Spring 2026.
Senior Leadership Forum	We have a Senior Leadership Forum (SLF) consisting of our Directors and Heads of Service which meets to support strategic and organisational management.
Workplace Wellbeing	We invest in the health and wellbeing of our employees with a Workplace Wellness Strategy and supporting policies and processes including those to manage sickness absence and return to work. The health & wellbeing of our people remains a top priority and as well as engaging with employees as stakeholders we have a focus on building a resilient and high performing workforce. This means we maintain wellbeing and HR policy information on dedicated intranet sites
Keeping You well and working and Thrive at work accreditation	Keeping You Well and Working , through Working4Warwickshire with links to active internal and external support networks, resources, and employee well-being check in surveys; and actions arising from those surveys. We also hold regular live staff broadcasts from Corporate Board and Executive Directors, which help to communicate key well-being messages, updates and these allow for questions and answers. Further staff engagement takes place within services. In Autumn 2024, we achieved 'silver' Thrive at Work accreditation from the West Midlands Combined Authority, in recognition of our commitment to wellbeing.
Your Say survey	We have continued our approach to listening to the voice of our people, through our ' Your Say ' engagement survey. We measure our wellbeing score, as part of our Your Say Survey, which through a combination of questions, provides a high-level score, which is

	<p>currently at 80%. The main 'Your Say' survey has seen an increase in both our participation rate, from 56% to 58% and our engagement score, which is now 80%. Workload continues to be a focus, and 66% agree that workload is manageable. In line with national benchmarks, sickness absence rates have increased and then started to stabilise in the last year, with stress and mental health being the highest reasons for long-term absence. Workforce Services have been proactively working with services, through targeted actions to reduce absence and support our people to be well and in work. This will continue to be a key focus.</p>
Inclusion	<p>Guided by Our People Strategy, with oversight from Corporate Board and input from the Council's EDI Group, this approach aims to ensure that our people feel included, valued and accepted within their team and the wider organisation. The EDI Group is chaired by the Head of Workforce Planning and Development and is comprised of diverse employees from across the Council.</p> <p>Our commitment to Equality, Diversity and Inclusion and fulfilling our legal Public Sector Equality Duty is integral to everything we do including policy development, service delivery and partnership working (http://www.warwickshire.gov.uk/equality).</p>
Data and cyber security	<p>The Council pursues a proactive and comprehensive approach to cyber security, focusing on maintaining a strong defence against potential threats, supported by an annual improvement plan, agreed with Executive Directors.</p> <p>The threat of Cyber-attacks is also acknowledged as one of our strategic risks and managed as part of our risk management process. Specifically, the risk is owned at an Executive Director level, with key controls to manage this risk having been identified and reviewed regularly to help maintain the risk to an acceptable level. Strategic risks are reviewed and reported quarterly throughout the year to Audit and Standards Committee.</p> <p>The Council has implemented multiple layers of security including firewalls, junk email filters, and antivirus software to protect against cyber-attacks. Regular reviews of risk and protection levels are conducted by the Head of ICT Services. Further reviews and testing of systems are undertaken with external partners to ensure compliance with required standards and leading to preventative steps being taken daily to maintain or reduce risk levels.</p> <p>Recent measures include procuring additional services for automatic detection and response to internet-based attacks, updating corporate policies to improve the security around our BYOD (Bring Your Own Device policies), and consulting with Microsoft to optimize the security elements of our ICT estate. We regularly emphasise the importance of vigilance among staff, reminding them to use strong, unique passwords, be cautious with external links, and report any suspicious activity immediately.</p> <p>This multi-faceted approach ensures that the Council remains resilient and prepared in the face of evolving cyber threats. The</p>

	<p>Council is adopting the National Cyber Security Centre's (NCSC) Common Assessment Framework in 2025 to further enhance security approaches.</p>
Operational Resilience	<p>Our approach to assuring operational resilience is thorough and multifaceted, focusing on both property and ICT infrastructures. This includes proactive measures in its core office sites to help manage challenges such as rising utility costs and potential power outages. We have updated our winter planning strategies to ensure that critical infrastructure remains operational during disruptions. Key sites like Shire Hall, Saltisford Complex, and Kings House have been equipped with new, modern generator capacity to maintain essential services for up to 72 hours.</p> <p>The Council's approach to providing IT backup is robust and strategic, ensuring the security, availability, and recoverability of critical data. The Council has regular and repeated offsite data backup of all critical data stores, with these maintained to ensure a recoverable position in case of data loss. Additionally, disaster recovery (DR) testing, including power and generator tests, is being conducted to ensure the effectiveness of these backups. These measures demonstrate the Council's commitment to maintaining robust offsite backup protocols to safeguard critical data and ensure business continuity, and the Council's proactive stance in safeguarding data and ensuring uninterrupted access to essential services.</p>

Principle F: Managing risks and performance through robust internal control and strong public financial management

Compliance Overview	<p>The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been fully applied thought the year for the Council and for Warwickshire Pension Fund.</p>
Risk Management	<p>The Strategic Risk Management Framework was agreed by Cabinet in January 2024. The framework document is refreshed annually and considers key issues such as:</p> <ul style="list-style-type: none"> Ensuring the identified strategic risks remain current and relevant. Reassessment of risk appetites and associated risk themes Completion of an assurance exercise with peer authorities. Review of risk scoring and Gap analysis and deep dive work for the strategic risks. <p>In September 2024, responsibility for the risk management framework and associated reporting transferred to the Corporate Policy Unit. The move reflects an opportunity to strengthen the alignment between strategic foresight, risk management and strategy development.</p> <p>During September 2024, a revised approach has been developed which:</p>

	<ul style="list-style-type: none"> Creates a clearer aggregate view of risk at organisational and directorate level. Places greater emphasis on ownership, analysis, and oversight by each DLT and risk owners. Encourages addressing 'remedial action' on a regular basis and to align with reporting cycles. <p>During Q3 of 2024/2025 a "Deep Dive" review of all risks was undertaken at both a strategic and directorate level. This resulted in some risks being closed as well as new risks being identified in line with the Council Plan priorities.</p> <p>Strategic and Directorate Risk registers continue to be reviewed and updated at least quarterly by risk owners, control owners, leadership teams and Corporate Board, ahead of reporting to members as part of the integrated performance reports to Cabinet and Overview & Scrutiny Committees. This ensures risks are controlled and mitigated. The Council continues to apply the CIPFA Code of Practice for Managing the Risk of Fraud and Corruption, and this is reflected in our Counter Fraud, Bribery & Corruption Framework.</p>
Medium Term Financial Strategy (MTFS)	<p>Strong financial management is achieved through a robust Medium-Term Financial Strategy process which includes comprehensive involvement of Members and Senior Officers to enable the delivery of the priorities, outcomes and objectives set out in the Council Plan and a balance between robustness of financial management and achieving the Council's ambitions.</p> <p>The Council's budget is set as part of a rolling five-year Medium Term Financial Strategy, which is reviewed annually to ensure we remain prudent, robust, and ambitious, whilst being flexible and responsive to emerging situations. The Council's strong financial management includes a range of activities and controls including policies and procedures relating to financial management (including financial planning, budgetary control, and accounting), procurement, contracting and investment</p>
Procurement & Contract Management	<p>Our control arrangements for procurement and contract management have been robustly reviewed and updated considering the new procurement legislation, which has been covered within Principle A above. An officer working group including Legal, Procurement and Contract Management experts, have worked consistently across the year to ensure all policies and procedures, notices and procurement documents are fit for use in line with the new legislative regime. Internal and external training sessions have been provided for officers at all levels including senior leaders, cost centre managers, commissioners and those involved in advising on procurement activity to ensure the organisation is as ready as it can be for the new regime. Work will continue to modify processes as additional guidance is released by government.</p>
Performance framework	<p>Details of our Performance Framework have been provided under Principle D. Performance is reported to Overview & Scrutiny Committees</p>

	<p>and Cabinet on a quarterly basis. A suite of reports and dashboards provides HR, finance, risk and performance data to Executive Directors, Directors and Heads of Service for their areas of responsibility. This enables managers to interrogate information quickly and efficiently and identify any interventions needed.</p>
Revenue programmes Sustainable Futures Board Creating Opportunities Board	<p>For revenue programmes and projects, governance arrangements have been consistent throughout the 2024/25 year and consolidate the changes made in 2022/23. All revenue programmes and projects have been governed through the Directorate Leadership Teams during 2024/25 with each Executive Director responsible for reporting back to Corporate Board and/or escalating by exception. Two cross-cutting boards have remained reporting to Corporate Board, Sustainable Futures and Creating Opportunities (formerly Levelling Up).</p>
Change programme	<p>Change Programmes Service provide officer support in the delivery of programmes and projects outlined in the Council Delivery Plan, using professional standards, agreed governance controls and use of our electronic governance system. During 2024/25 we have reviewed the Change Programmes Service operating model and will during 2025/26 be implementing the outcomes of that review.</p>
Internal audit Audit & Standards Committee	<p>We have an effective system of internal audit delivered in line with the Public Sector Internal Auditing Standards and effective counter-fraud and corruption arrangements as well as whistleblowing policies (updated November 2023) and procedures. Internal Audit provide advice to service areas and change projects to help ensure the control environment remains strong. There is regular reporting on audit assurance outcomes to the Audit & Standards Committee.</p> <p>All public sector internal audit services are required to measure how well they are conforming to the standards. This can be achieved through undertaking periodic self-assessments, external quality assessments, or a combination of both methods. However, the standards state that an external reviewer must undertake a full assessment or validate the Internal Audit Service's own self-assessment at least once in a five-year period. See below for details of the last external assessment.</p>
Public service audit standards	<p>In February 2023, an independent review was performed by a representative of CIPFA to determine how Internal Audit has applied the Public Sector Internal Audit Standards PSIAS (revised 2016, 2017 and to be revised again for implementation in January 2025) following updating of global standards in January 2024) and CIPFA Local Government Application Note (LGAN) in practice. The review confirmed compliance with all requirements and there were no areas of partial or non-compliance. The audit opinion stated, "It is our opinion that the self-assessment for the Warwickshire County Council's Internal Audit Service is accurate, and we therefore conclude that the <i>Internal Audit Service generally conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.</i>"</p> <p>We gain assurances on internal control from:</p> <ul style="list-style-type: none"> • Director annual assurance statements; • Social care quality assurance policy and procedures;

	<ul style="list-style-type: none"> Internal Audit work programme reports; Risk management arrangements; and External sources of assurance including external audit opinions, statutory inspections, third party reviews and whole Council or service specific peer reviews.
Investment Fund and Strategy	In the 2024/25 Investment Strategy, the Warwickshire Investment Fund was reshaped. This included closing the bulk of the Business Investment Growth pillar of the Fund as demand was not sufficient. The other pillars of the fund remain active and continue to provide valuable support to businesses seeking to invest in Warwickshire and those Warwickshire business wishing to expand and develop.
Warwickshire Safeguarding	We actively promote safeguarding to prevent harm and reduce the risk of abuse or neglect, working with partners, including via the Warwickshire Safeguarding Boards for Adult Social Care and Children's Social Care. (https://www.safeguardingwarwickshire.co.uk/).

Principle G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Compliance Overview	<p>We endeavour always to be open and transparent. The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been applied throughout the year for the Council and for the Warwickshire Pension Fund and can be accessed here (https://www.warwickshirepensionfund.org.uk).</p> <p>Each year we publish information on our website outlining how we spend Council Tax income.</p>
Forward Plan Webcasts Intranet	<p>We have a forward plan which provides information about the key decisions that the Council has scheduled. Formal agendas, reports, and minutes for all committee meetings are published on our website which ensures that people know what decisions the Council is planning to take, and the decisions taken. Live and recorded webcasts of formal public meetings are available via the Council's website and our democracy pages provide information on how the Council's democratic process operates, contact details for Councillors, information on the remit of committees and the options for the public to engage with meetings. (http://www.warwickshire.gov.uk/democracy).</p>
Corporate Board and Directorate Leadership Teams	<p>Corporate Board, supported by Directorate Leadership Teams, takes responsibility for providing overall leadership and strategic direction to officers and specifically, for ensuring that the Council meets its statutory obligations and exercises sound corporate governance, effective resource management, and that the performance of the Council is managed effectively, including the delivery of key aspects of our change programmes.</p>
Overview and	Overview and Scrutiny Committees (OSCs) act as a critical friend

Scrutiny Committees (OSCs)	and hold Cabinet to account for its decisions. The terms of reference for all Overview and Scrutiny Committees are defined in the Constitution (http://www.warwickshire.gov.uk/scrutiny).
Audit and Standards Committee	The Audit and Standards Committee has oversight of internal and external audit matters, the Council's arrangements for corporate governance and risk management and any other measures for the maintenance of probity. In line with good practice, the Committee is chaired by an independent member. Following the retirement of the previous Chair, a new Independent Chair has been recruited along with an additional independent member to sit on the Committee, bringing the independent membership to three. All have significant experience of governance, finance and audit and provide a robust challenge role for the Council which is particularly valuable in the current financial climate nationally for local government,
Modern.Gov	All reports that are subject to decision making by a formal Committee, or for Leader / Deputy Leader / Portfolio Holder decisions, are considered by legal and finance colleagues who sign-off at the final stage before being released by Democratic Services. We use the Modern.Gov system to manage our process for drafting committee reports and formal decision making, and this supports consistent governance arrangements and appropriate checks through the report writing process.
Internal Audit	The Internal Audit Manager is designated as the Head of Internal Audit. Internal Audit reports regularly to Corporate Board, and the internal audit service is subject to Public Sector Internal Audit Standards (PSIAS) external quality assessments. Sufficient audits have been conducted to provide an annual audit opinion for the year.
External Inspections - HMICFRS, Ofsted, CQC	<p>In 2024/2025, the Council completed registration of three further Children's homes, taking the total to four Children's Homes. The existing Children's Home (Cherry Tree House) and two of the newly registered homes, had further regulatory graded inspections and were graded as 'good' in all areas. Cherry Tree House had a further Ofsted inspection on the 28th/29th January 2025 and again was graded good on all counts.</p> <p>As the Council is a Families First for Children Pathfinder Local Authority, there have been no further inspections in 2024/25.</p> <p>There have been no inspections or assurance visits in 2024/25 by the Care Quality Council (CQC) for either the Reablement Service or the Council's Adult Social Care delivery. The Council is preparing for Local Authority CQC assurance. This includes but is not limited to, reviewing and enhancing our current practices and policies to deliver compliance. Regular audits and internal assessments are being carried out to identify and address any areas requiring improvement. We are also updating our documentation and record-keeping systems to ensure accuracy. By fostering a culture of continuous improvement and open communication, we aim to demonstrate our commitment to meeting our duties under the Care Act.</p> <p>Adult Community Learning received a support visit from Ascentis the</p>

awarding organisation for our new qualifications in Nov 2024 and was deemed fully compliant. The service also completed an internal verification for Essential Digital Skills Qualification (EDSQ) in Jan 2025.

In February 2025, WFRS had a re-inspection against the causes of concern arising from the previous inspection by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) which confirmed that the service has successfully discharged all areas of concern.

6. Review of effectiveness and improvements to governance arrangements

Recognising the changes set out in Section 4 and having set out and evidenced how we meet the Governance principles in Section 5, it is a critical aspect of good governance that we also acknowledge where there are areas that can be further strengthened.

Accordingly, we have agreed a **Governance Improvement Action Plan** (Appendix 2) which is informed by:

- **Governance issues and challenges** - We have not experienced any major governance issues during the last year, and our arrangements remain fit for purpose and in accordance with the governance framework. However, we focus on continuous improvement and development of best practice.
- **Significant risks** - A primary purpose of the governance framework is to identify and manage strategic risks proactively and to ensure risks are appropriately mitigated. The Strategic Risk Management Framework was updated and approved by Cabinet in January 2024 and has been in place during this Annual Governance Statement period. It is and should remain a living document and the Council's strategic risks were therefore considered and refreshed during 2024/25 as part of the Council's commitment to good governance, with quarterly risk reviews taking place throughout the year. As in earlier years, global issues including macro-economic factors, inflationary pressures and international conflict continue to influence the Council's view of risk. The most up to date strategic risk register has been used for the purpose of this AGS and is appended at Appendix 1. The approach to risk ensures that risks are considered and mitigating actions identified can be monitored and reported against on a quarterly basis.
- **Major Improvement Plan** - The Council Plan 2022-2027 sets out the vision, priorities, and areas of focus for the Council. The associated Council Delivery Plan details how these ambitions and priorities will be achieved, highlighting key priority deliverables and areas for improvement. The two-year rolling Council Delivery Plan (CDP) was refreshed and approved by Cabinet in March 2025.

Where relevant these areas have helped shape the content of the Annual Governance action plan for 2025/26.

We have sought not to create further duplication where these actions are already being monitored, but instead to focus on those where there is a clear governance element.

Progress against these actions will be tracked throughout the year.

Given that the Annual Governance Statement will not be approved by Council until December 2025, alongside the statement of accounts, the actions in the 2025/26 action plan will be progressed before this date.

Appendix 1 – Strategic risks – Quarter 4 2024/25

The following table set out WCC's strategic risks for the end of year 2024/25.

Since Q2 2024/25 responsibility for the co-ordination and reporting of both Strategic and Directorate risk moved across to the Corporate Policy & Strategy team.

All risks are reviewed by both risk and control owners each quarter – including updates to scores, controls, and actions to be taken. These are then presented to presented to all Directorate Leadership Teams, Cabinet and Overview & Scrutiny Committees every quarter.

Strategic Risk	Owner	Residual Score	Target score
1 Slow economic growth & increase in inequalities across communities - Challenging economic conditions, slow growth in Warwickshire and increasing inequalities across communities.	Mark Ryder	12	12
2 Mismatch between demand and resources -- Increases in demand and / or reductions in resources creating a mismatch, which leads to being unable to meet the needs of the people and communities of Warwickshire.	Corporate Board	16	12
3 Being unable to keep the vulnerable children & adults of Warwickshire safe - Inability to keep children and vulnerable adults safe leads to a risk of serious harm to them and presents a reputational risk to the local authority.	Becky Hale/ Nigel Minns	10	10
4 Lack of movement towards Sustainable Futures - Lack of tangible movement towards reducing carbon emissions and our sustainable futures commitments.	Mark Ryder	15	10
5 Business Continuity - Lack of resilience and effective continuity arrangements leads to operational failures (renamed Q3 24/25).	Corporate Board (Mark Ryder)	8	6
6 Insufficient skilled & experienced workforce - Sustained labour market challenges lead to WCC being unable to recruit and retain people resulting in reduced capacity and capability and increasing workloads of our people.	Corporate Board (Rob Powell)	8	8
7 Cyber-attack – A cyber-attack leads to compromised systems and / or data either directly or within supply chains.	Rob Powell	15	8
8 A safe environment may not be sustained - Provision of a safe environment and infrastructure for our workforce may not be sustained.	Monica Fogarty	8	8
9 Failure of Governance arrangements - Within the operating environment, there may be challenges to the Council's governance arrangements.	Rob Powell	6	6
10 Dedicated Schools Grant – Risk to the Council's financial resilience and sustainability, as a result of the cumulative deficit of the Dedicated School Grant. (added at Q4 2024/25).	Nigel Minns	16	12

Appendix 2 – Governance Improvement Action Plan

Completed actions from 2023/24 Annual Governance Statement

Table 1: Governance Improvement Actions from 2023/24	Action Owner
The Governance Team (Legal Services) worked with colleagues across the Council to implement actions from the governance stocktake against the Framework and as agreed by Corporate Board.	Director of Strategy Planning and Governance
The Pension Fund responded to the Scheme Advisory Board's Good Governance Review and the Pension Regulator's General Code of Practice as the requirements were issued. A report was taken to Staff and Pensions Committee in December 2024 with an external assessment of our compliance with the code. Subsequently, a paper went to Staff and Pensions Committee with a full governance review and an action plan is being developed from these assessments.	Head of Investments, Audit & Risk
Targeted consideration of aspects of the Constitution and the Codes of Conduct was undertaken, and the Constitution was updated in September 2024.	Head of Legal & Governance
Responded to the new Procurement legislation by strengthening procurement practices across the Council as appropriate.	Director of Strategy Planning and Governance & Director of Finance
We implemented an improvement plan for School Admissions processes and practices.	Head of Access to Education
The Council's Strategic Risk Management Framework was reviewed and refreshed.	Head of Investments, Audit & Risk
Reviewed and improved the end-to-end approach to education capital programme procurement	Head of Property
An action plan was developed and implemented in response to the full inspection of WFRS undertaken by HMICFRS and which reported in September 2023.	Chief Fire Officer
A review of Multi-Agency Safeguarding Arrangements (MASA) was completed.	Executive Director for Children & Young People
Ethical standards to be defined in adopting artificial intelligence in the delivery of Council services. We have developed ethical principles and are continuing to develop our roadmap on the use of AI.	Head of Business Intelligence

2025/26 Action Plan

The following actions will be undertaken in 2025/26 to further strengthen the governance framework and built into either the Council Delivery Plan and/or relevant Business Plans

Issue	Action to be taken	Action Owner
Implement the elements of the Council's Level 2 devolution deal	<p>Rationale – Warwickshire's Level 2 devolution deal was secured in March 2024 with elements for adult skills, planning and strengthened partnerships to land in 2025/26</p> <p>Action to be taken:</p> <ul style="list-style-type: none"> • Adopt new Compulsory Purchase Order powers to be available for use as necessary • Secure Adult Skills Funding and implement associated processes and systems to meet the readiness criteria set by central government • Produce a new Skills Strategy and 'Get Back to Work' plan for Warwickshire, to meet new national policy requirements 	Director of Economy and Director of Strategy, Planning & Governance
Effectively deliver the 2025 County Council Elections and the effective induction of new Councillors	<p>Rationale - County Council elections will be held in May 2025.</p> <p>Action to be taken:</p> <ul style="list-style-type: none"> • Deliver a full programme of election support and delivery • Fully scope and deliver the New Councillor induction programme 	Director of Strategy, Planning and Governance
Ensuring strong governance of the Local Government Reorganisation (LGR) programme	<p>Rationale – Nationally led Local Government Reorganisation requires the development of a full proposal for reform in Warwickshire by 28th November 2025, with a decision expected to be made by Government in Summer 2026.</p> <p>Action to be taken:</p> <ul style="list-style-type: none"> • Ensure effective governance, coordination, and communication of the final proposal for submission to Government • Commence early implementation planning in time for a decision point on the agreed model by Government – currently expected Summer 2026 	Chief Executive
Implementing recommendations from independent Pension Fund	<p>Rationale – An independent review into Pension Fund governance was commissioned during 2024/25 and made several recommendations that the Pensions Team will</p>	Director of Finance

Governance Review	<p>be considering and bringing forward for discussion over the course of 2025/26</p> <p>Action to be taken:</p> <ul style="list-style-type: none"> Delivery of agreed action plan to provide assurance as to the effective governance of the Warwickshire Pension Fund. 	
Maintaining a balanced budget and MTFS and managing continued increases in costs and demand	<p>Rationale - Effective leadership and governance of the MTFS, during a period of continued challenges, growing demand, rising costs and uncertain budgets</p> <p>Action to be taken:</p> <ul style="list-style-type: none"> Closely monitor and manage our operating environment, ensuring that target savings are being delivered and manage the risks related to maintaining a balanced budget and agreed MTFS. Addition and ongoing tracking of a strategic risk for Dedicated Support Grant as part of the quarterly strategic risk reporting framework to Corporate Board and Cabinet. 	Executive Director for Resources
Prepare for external inspection of key services	<p>Rationale – Whilst dates are not yet known, ensure the Council and relevant services are fully prepared for anticipated external inspection in key service areas</p> <p>Action</p> <ul style="list-style-type: none"> Prepare for the Care Quality Commission inspection of Adult Social Care Prepare for the SEND Local Area inspection Prepare for the Inspection of Local Authority Children's services inspection Prepare for the inspection of Youth Justice Service Ongoing inspection of Warwickshire Children's Homes (completed annually) Prepare for HMICFRS inspection for Warwickshire Fire and Rescue Service 	Director of Education Director of Social Care and Support Director of Children & Families Chief Fire Officer
Refreshed Governance Stocktake *	<p>Rationale – Assuring ourselves that our governance arrangements are robust through a periodic stocktake is a key component of good governance.</p>	Director of Strategy Planning and Governance

	<p>The two-yearly stocktake (originally scheduled for Autumn 2024) will take place following completion of the 2025 elections with findings reported by 31 December 2025.</p> <p>Action</p> <ul style="list-style-type: none"> Undertake governance stocktake refresh and identify any actions to be undertaken 	
<p>Develop learning on governance and decision making aimed at committee report writers*</p>	<p>Rationale – robustness of information presented to members for decision making is an essential part of good governance.</p> <p>Following further consideration of the proposal for an e-learning module contained in the 2023/24 AGS action plan, it was considered that in-person training would be a more effective delivery model. Democratic Services have been undertaking individual and team-based training with officers in relation to the use of the committee management system and the route to decision making which have been helpful and welcomed</p> <p>Action</p> <ul style="list-style-type: none"> Consider how to further integrate report writing and wider governance issues into induction training and training for those officers new to report writing. 	<p>Director of Strategy, Planning and Governance</p>
<p>Build on the capital financial management framework project</p>	<p>Rationale - Following a root and branch review of the capital financial management framework which concluded in 2023, ongoing works seeks to enhance management of capital budgets.</p> <p>Action</p> <ul style="list-style-type: none"> Improve governance through the existing officer Capital Strategy Group and associated directorate forums; Use of new automation tools to create more capacity for finance to add value, advise and challenge; and Development of a capital management dashboard for project managers including RAG rating of forecasts. 	<p>Director of Finance</p>
<p>Delivery of the Children and Young People change</p>	<p>Rationale - SEND remains a critical priority for the Council with improvement activity delivered and monitored within the current Council Delivery Plan</p>	<p>Director of Education</p>

programme - SEND	Action <ul style="list-style-type: none"> • Roll-out the Inclusion Framework trial to further families of schools to improve SEN Support in schools; • Deliver a workforce development programme, designed with school leaders, to maintain support and confidence for supporting children with EHC plans in mainstream schools; and • Implement proposals for establishing and expanding new and existing SEND Resourced Provision – as an additional level of provision and an alternative to specialist provisions where appropriate 	
Continued focus on ethical standards in adopting digital tools to assist the delivery of Council services to supplement existing guidance to staff on artificial intelligence.*	<p>Rationale – AI remains a key area of development and opportunity for all organisations and across the public sector. It is important that the Council implements new digital tools to appropriate ethical standards.</p> <p>Initial guidance on the appropriate use of Artificial Intelligence tools has been issued to staff. A Data & Artificial Intelligence Ethics Policy has been drafted so that the Council can ensure it is utilising new technologies and capabilities in appropriate ways.</p> <p>Action</p> <ul style="list-style-type: none"> • Ensure that we continue to prioritise and develop policies as guidance from government and the Information Commissioner's Office is updated focussing on digital automation, artificial intelligence, and the responsible and lawful use of data across the organisation and with partners. 	Director of Enabling and Director of Strategy, Planning and Governance

Note - those items marked * are carried forward from 2024/25

Appendix 3 – Evidence base

Publicly available evidence to support this statement is listed below – electronic links have been included:

Frameworks

Decision making framework/The Constitution	The Constitution
Financial Regulations	The Constitution
WCC Behaviours Framework	Behaviours Framework
Our Approach to Engaging with Our People	Our Approach to Engaging with Our People
WCC Approach to Agile Working	Our Approach to Agile Working
WCC Appraisal Guidance	Appraisal guidance
WCC Consultation & Engagement Framework	Ask Warwickshire
Joint Strategic Needs Assessment (JSNA)	Warwickshire JSNA
Risk Management	Strategic Risk Management Framework
Performance framework incl. Key Business Measures	Business Planning and Performance Management Framework
MTFS & quarterly financial reporting	Quarterly Financial reporting
Counter Fraud, Bribery and Corruption Framework	Counter Fraud, Bribery and Corruption Framework

Committees

Council meetings including inspection outcomes	Council meetings
Local Resilience Forum	Warwickshire Resilience Forum
Creating Opportunities Board	Creating Opportunities
Audit & Standards Committee	Audit and Standards Committee
Warwickshire Adult & Children's Safeguarding Boards	Safeguarding in Warwickshire
Corporate Board and DLTs	Organisational structure

Policies

Equality, Diversity, and Inclusion Policy Statement 2022	WCC Equality, Diversity and Inclusion Policy Statement
Whistleblowing Policy 2023	WCC Whistleblowing Policy
Register of Interests for Members (Councillors) available to view by clicking on each member individually	Register of Interests for Members
Members (Councillors) Code of Conduct	WCC Member's Code of Conduct
Complaints policy & Customer Feedback	Customer feedback and complaints
Agile working principles	Our Approach to Agile Working
Information Rights Policy	Information Rights Policy

Strategies & Plans

Council Plan 22-27 MTFS	WCC Strategies and policies
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Internal Audit Strategy	Internal Audit Strategy and Plan 2025-2026
Medium Term Financial Strategy (2025-26 Revenue Resolution)	Medium Term Financial Strategy (2025-26 Revenue Resolution)
Council Delivery Plan for 2025-2027	Council Delivery Plan 2025-27
Sustainable Futures Strategy	Sustainable Futures Strategy
Sustainable Futures Action Plan	Sustainable Futures Action Plan
Our People Strategy	Our People Strategy
Our People Strategy Annual Review 2023-24	Our People Strategy Annual Review
Child Friendly Warwickshire Strategy	Child Friendly Warwickshire
Children and Young People Strategy	Children and Young People Strategy
Employee Engagement Strategy	Our People 23/24
Health and Wellbeing Strategy	Health and Wellbeing Strategy
Procurement Strategy	Procurement Strategy

Other

Capital Strategy Board Terms of Reference	Capital Strategy Board Terms of Reference
Corporate Parenting	WCC Corporate Parenting Panel
Children in Care Council & Care Leavers Forum	Be Heard-Child Friendly Warwickshire
Parent Carer Voice & IMPACT (SEND)	Be Heard-Child Friendly Warwickshire
Council Meetings – Modern.Gov	WCC Council Meetings
Warwickshire Youth Council	Be Heard-Child Friendly Warwickshire
Silver Thrive at Work Award	WCC Latest News: WCC earns Silver Thrive at Work Award
Values and Behaviours	Our Values and Behaviours

Warwickshire Pension Fund

Statement of Accounts

2024/25



Warwickshire
County Council



WARWICKSHIRE
PENSION FUND

We would welcome any comments or suggestions you have about this publication. Please send any comments or suggestions to wpfinvestments@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.

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Note on roundings: individual tables presented within disclosures may not sum exactly due to roundings. This does not reflect any inaccuracy or error.

Independent auditor's report to the members of Warwickshire County Council on the pension fund financial statements of Warwickshire Pension Fund

Opinion on financial statements

We have audited the financial statements of Warwickshire Pension Fund (the 'Pension Fund') administered by Warwickshire County Council (the 'Authority') for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement and notes to the pension fund financial statements, including a summary of significant accounting policies. 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 transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund's assets and liabilities;
- 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 Pension Fund's 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 Pension Fund'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 Pension Fund 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 Pension Fund'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 Pension Fund.

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 in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements 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 Pension Fund 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 Pension Fund'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 Pension Fund's financial statements and our auditor's report thereon, and our auditor's report on the Authority's 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 Pension Fund 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.

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 Pension Fund's financial statements, the other information published together with the Pension Fund's financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the Pension Fund 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 in relation to the Pension Fund.

Responsibilities of the Authority and the Executive Director for Resources

As explained more fully in the Statement of Responsibilities set out on page 9, 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. The Executive Director for Resources is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's 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 Pension Fund's financial statements, the Executive Director for Resources is responsible for assessing the Pension Fund'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 Pension Fund 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 Pension Fund's 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 Pension Fund 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 Public Service Pensions Act 2013, The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

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 Pension Fund'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 controls and any other fraud risks identified for the audit. We determined that the principal risks were in relation to large and unusual journals posted and any potential management bias in accounting 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,
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of level 2 and 3 investment valuations and IAS 26 pensions liability valuations; 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 those linked to significant accounting estimates. 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 pensions sector
- understanding of the legal and regulatory requirements specific to the Pension Fund 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 Pension Fund'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.

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 S 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 ensure we carry out these responsibilities properly in line with the Accounts and Audit (Amendment) Regulations 2022 and the Accounts and Audit Regulations 2015.

Responsibilities of the Pension Fund

We do the following:

- make sure that one of our officers is responsible for managing our financial affairs; for the Pension Fund, Warwickshire County Council's Executive Director for Resources (Section 151 Officer) is responsible for this;
- manage our affairs to use our resources efficiently and effectively and to 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 the Pension Fund 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 (the Code).

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 as 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 May 2025. Subsequent to audit, the accounts were then considered and approved at a meeting of the Council on 16 December 2025. These final 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

Warwickshire Pension Fund Account

2023/2024		2024/2025
£m	Notes	£m
	Dealings with members, employers and others directly involved in the fund	
(103.3)	Contributions	7 (116.5)
(12.2)	Transfers in from other pension funds	8 (13.4)
(115.5)		(129.9)
101.6	Benefits payable	9 114.7
12.3	Payments to and on account of leavers	10 11.2
113.9		125.9
(1.7)	Net (additions)/withdrawals from dealing with members	(4.0)
21.3	Management expenses	11 23.7
19.6	Net (additions)/withdrawals including fund management expenses	19.7
	Returns on investments	
(25.6)	Investment income	13 (33.3)
(246.3)	Profit and losses on disposal of investments	23 (170.4)
34.6	Changes in the market value of investments	23 57.4
(237.3)	Net return on investments	(146.3)
(218.0)	Net decrease/(increase) in the net assets available for benefits during the year	(126.6)
(2,750.5)	Opening net assets of the scheme	(2,968.5)
(2,968.5)	Closing net assets of the scheme	(3,095.1)

Net Assets Statement

31 March 2024		31 March 2025
£m	Notes	£m
1.2	Long-term Assets	15
2,839.3	Investment assets	15 / 16 / 17
0.0	Investment liabilities	15
105.8	Cash deposits	15 / 16 / 17
2,946.2	Total net investments	3,075.2
27.9	Current assets	29
(5.7)	Current liabilities	30
2,968.5	Net assets of the Fund available to fund benefits at the period end	3,095.1

The Fund's financial statements do not take into account liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed in the Actuary's Statement (Note 28).

**Notes to the Warwickshire Pension Fund Accounts for the year ended
31 March 2025**

Note 1: Description of Fund

The Warwickshire Pension Fund ('the Fund') is part of the Local Government Pension Scheme and is administered by Warwickshire County Council. Warwickshire County Council is the reporting entity for this pension fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Warwickshire Pension Fund Annual Report and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and The Local Government Pension Scheme (LGPS) Regulations.

a) General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended).

The Warwickshire Pension Fund is a defined benefit scheme administered by the Executive Director for Resources on behalf of Warwickshire County Council (the scheme administrator), five district councils and other scheduled and admitted public service organisations and their contractors. Teachers, police officers and firefighters are not included as they come within the remit of other national pension schemes.

The administration of the Fund is carried out through Warwickshire County Council's Staff and Pensions Committee, the Pension Fund Investment Sub-Committee and the Local Pension Board. The committees are comprised of elected County Council members whilst the Local Pension Board comprises an equal mix of representatives of scheme employers and scheme members with an independent chair. The Pension Fund Investment Sub-Committee receives advice and guidance from two independent financial advisors, its investment consultant (Hymans Robertson) and its Scheme Actuary (Hymans Robertson).

The Public Service Pensions Act 2013 included a requirement to establish a Local Pension Board with responsibility to assist the administering authority to:

- secure compliance with:
 - the LGPS regulations;
 - other legislation relating to the governance and administration of the LGPS; and
 - the requirements imposed by The Pensions Regulator in relation to the LGPS;
 - and

- perform an oversight role to ensure the effective and efficient governance and administration of the LGPS.

A Local Pension Board has been in place since February 2015.

b) Membership

Membership of the LGPS is automatic for entitled employees, but employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Warwickshire Pension Fund include:

- scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund; and
- admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There are 242 employer organisations with active members within Warwickshire Pension Fund including the County Council itself, as detailed below.

Warwickshire Pension Fund	31 March 2024	31 March 2025
Number of employers with active members	236	242
Number of employees in scheme		
County Council	8,490	8,585
Other employers	10,227	10,697
Total	18,717	19,282
Number of pensioners		
County Council	9,568	9,995
Other employers	8,115	8,691
Total	17,683	18,686
Deferred pensioners		
County Council	11,945	11,892
Other employers	9,689	9,887
Total	21,634	21,779
Total	58,034	59,747

c) *Funding*

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with The LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Contributions are also made by employers which are set based on triennial actuarial funding valuations. The valuation relevant to the 2024/25 financial year was carried out as at 31 March 2022 and a revised schedule of employer contribution rates became effective for the three years from 1 April 2023. Employer contribution rates range from 0% to 63.7% of pensionable pay.

d) *Benefits*

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised in the following table.

	Service pre-1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary
Lump Sum	Automatic lump sum of 3 x pension In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the LGPS became a career average scheme whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index. The changes also brought in a 50/50 option allowing members the opportunity to contribute 50% for 50% of the benefit entitlement.

Contributions to the LGPS prior to 1 April 2014 were assessed on full-time equivalent pay and excluded non-contractual elements of pay such as overtime and bonus. However, contributions since 1 April 2014 are assessed on all pensionable pay received including non-contractual elements. In addition, the contribution bandings were extended with many of the higher paid seeing an increase in contributions.

There are a range of other benefits provided under the scheme including early retirement, ill-health entitlements and life assurance.

Note 2: Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. They have been prepared on a going concern basis in accordance with IAS1.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. This is addressed by the Scheme Actuary's triennial valuation.

Accounting standards issued but not yet adopted

The code requires disclosure of any accounting standards issued but not yet adopted and their potential impact on the Fund. The new standards issued but not adopted for 2024/25 are:

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

The latest Code of Practice also brings in changes to the measurement of non-investment assets which include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

The above items are not expected to impact LGPS Pension Fund Accounts or have any significant impact on amounts reported in these 2024/25 financial statements.

Note 3: Summary of significant accounting policies

a) Contribution income

Normal contributions, both from members and employers, are accounted for on an accruals basis at the percentage rate recommended by the Scheme Actuary in the period to which they relate.

Employer deficit, augmentation and pension strain contributions are accounted for in the period in which the liabilities arise. Any amounts due in the year but unpaid will be classed as a current financial asset.

b) Transfers from and to other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with The Local Government Pension Scheme Regulations (see notes 8 and 10). This is normally when the member liability is accepted or discharged.

c) Investment income

i) Interest Income

Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is reflected within investment assets in the Net Assets Statement. Investment income arising from the underlying investments of the Pooled Investment Vehicles is either reinvested within the Pooled Investment Vehicles and reflected in the unit price or taken as dividends.

iii) Distributions from managed funds

Distributions from managed funds are recognised at the date of issue. Any amount not received by the end of the reporting period is reflected within investment assets in the Net Assets Statement.

iv) Profit and losses on disposal of investments

Profit and losses on the disposal of investments are recognised as income and comprise all realised profits/losses during the year.

v) Movement in the market value of investments

Changes in the market value of investments are recognised as income and comprise all unrealised profits/losses during the year.

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) *Taxation*

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless an exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

f) *Management expenses*

The Code does not require a breakdown of pension fund administration expenses. However, in the interests of greater transparency, the Council discloses its pension fund management expenses in accordance with the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses (2016)*.

i) Administrative expenses

All administrative expenses are accounted for on an accruals basis. All staff costs of the pensions administration team and associated accounting, management, accommodation and other overheads are apportioned and charged as expenses to the Fund.

ii) Oversight and governance costs

All oversight and governance expenses are accounted for on an accruals basis. All costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

iii) Investment management expenses

All investment management expenses are accounted for on an accruals basis. Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. Where these are deducted at source (as opposed to being charged via an invoice) the fee is identified and a journal posted to record the investment management fee and increase the investment income.

g) *Investment assets*

Shareholder investment in Warwickshire's LGPS asset pool, Border to Coast Pensions Partnership (the "pool"), is valued at transaction price i.e. cost. The pool's main trading company, Border to Coast Pensions Partnership Limited, became licensed to trade in July 2018.

The Pension Fund's view is that the market value of investments in the Border to Coast Pensions Partnership Ltd at 31 March 2025 cannot be reasonably assessed and that cost is therefore an appropriate estimate of fair value.

All other investment assets are included in the Net Assets Statement on a fair value basis as at the reporting date. An investment asset is recognised in the Net Asset Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised in the Fund account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Pension Fund Note 24). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) *Market-quoted investments*

The value of an investment for which there is a readily available market price is determined by the bid market price on the final day of the accounting period.

ii) *Fixed interest securities*

Are recorded at net market value based on their current yields.

iii) *Unquoted investments*

The fair value of investments for which market quotations are not readily available is determined as follows:

- directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or to the management agreement;
- investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager; and
- investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the *International Private Equity and Venture Capital Valuation Guidelines 2018*.

iv) *Limited partnerships*

Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) *Pooled investment vehicles*

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; if single priced, at the closing single price.

In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income, which is reinvested in the Fund net of applicable withholding tax.

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and on demand deposits and includes amounts held by the Fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

j) Investment liabilities

The Fund recognises investment liabilities at fair value as at the reporting date. An investment liability is recognised on the date the Fund becomes party to the liability and these are summarised in Note 15. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

k) Contingent liabilities

Contingent liabilities arise where an event prior to the year-end has created a possible financial obligation whose existence will only be confirmed by future events. These are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes as summarised in note 33.

l) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on an annual basis by the Scheme Actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 28).

m) Additional Voluntary Contributions (AVCs)

Warwickshire Pension Fund provides an additional voluntary contributions (AVCs) scheme for its members, the assets of which are invested separately from those of the pension fund. The Fund has appointed Utmost Life and Pensions and Standard Life as its AVC providers. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and movements in the year.

AVCs are not included in the accounts in accordance with section 4(1)(b) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 31).

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term, 'financial instrument' covers both financial assets and financial liabilities and includes financial assets and liabilities such as trade receivables and trade payables.

IFRS 13 Fair Value Measurement - The standard provides a consistent definition of fair value and enhanced disclosure requirements. It is designed to apply to assets and liabilities covered by those IFRS standards that currently permit or require measurement at fair value (with some exceptions). The Fund currently complies with this standard.

Note 4: Critical judgements in applying accounting policies

It has not been necessary to make any critical judgements in applying accounting policies in 2024/25.

Investment in Border to Coast Pensions Partnership Ltd (BCPP)

Although not a critical judgement, it is worth noting that the Fund's shareholding in the asset pool, Border to Coast Pensions Partnership Ltd, has been valued at cost as an appropriate estimate of fair value. The Class A share is valued at £1 and reflects the ownership stake in the company carrying full voting, dividend and capital distribution rights. The Class B shares are valued at £1.2m and represent the Fund's contribution to the company's regulatory capital requirement.

Fair value cannot be otherwise established for these assets as there is currently no market for the shares and no identical or similar market to compare to.

After two of the pool's partner funds merged in 2020, the obligations to meet the company's capital requirement were re-allocated between the remaining eleven partner funds. This serves as a precedent that in the event of a future exit from the partnership, the Fund's shares could be disposed of at cost back to the pool and re-issued to the remaining partners.

Border to Coast Pensions Partnership Ltd is intending to trade at a breakeven position (nominal profit or loss) with any values offset against partner funds' future costs. The company's own audited accounts show its shareholder funds to be equal to the regulatory capital invested plus small changes reflecting nominal profit or loss.

The cost of these shares has therefore been determined as a reasonable and appropriate estimate of their fair value.

Note 5: Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made considering historical experience, current trends and other relevant factors. The nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the accounts as at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits <p>Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.</p>	<p>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 assumption would result in an increase in the pension liability of £42m, a 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £2m, and a one-year increase in assumed life expectancy would increase the liability by approximately £90m.</p>
Private equity, Infrastructure, Private Debt and Property <p>Private equity investments are valued at fair value in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines</i> (2018). These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. Other private markets (unlisted) assets are treated similarly.</p> <p>All underlying property valuations are carried out by independent valuation providers on a "Fair Value" basis as defined in the RICS Appraisal and Valuation Manual (Red Book). As buildings are inherently illiquid and the transactional evidence can be scarce there is the potential for a mismatch between the valuation and actual transaction pricing.</p>	<p>The total value of Level 3 investments stands at £841m. There is a risk that these investments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The custodian reports a tolerance of +/- 2% around the net asset values on which the valuation is based. This equates to a tolerance of +/- £16.8m.</p>

Note 6: Events after the reporting date

Events from the balance sheet date to the date of authorisation for issue would be reflected as an adjustment to the Statement of Accounts whether favourable or unfavourable if there was provision of evidence that these conditions were in place at the end of the reporting period and these events were significant to the fair value of the Fund's net assets. There are no such significant events to report.

Note 7: Contributions receivable

By category

2023/2024		2024/2025
£m		£m
24.0	Employees' contributions	25.9
78.8	Employers' contributions:	86.3
4.6	Normal contributions	4.3
(4.1)	Deficit recovery contributions	-
79.3	Refund of surplus on exit	90.6
103.3	Total	116.5

By type of employer

2023/2024		2024/2025
£m		£m
51.0	Administering authority	54.8
55.8	Scheduled bodies	60.4
(3.5)	Admitted bodies	1.3
103.3	Total	116.5

Note 8: Transfers in from other pension funds

2023/2024		2024/2025
£m		£m
12.2	Individual transfers	13.4
12.2		13.4

Note 9: Benefits payable

By category

2023/2024		2024/2025
£m		£m
82.9	Pensions	90.9
16.8	Commutation and lump sum retirement benefits	21.0
1.9	Lump sum death benefits	2.8
101.6		114.7

By type of employer

2023/2024		2024/2025
£m		£m
52.5	Administering authority	58.4
43.2	Scheduled bodies	50.1
5.9	Admitted bodies	6.2
101.6		114.7

Note 10: Payments to and on account of leavers

2023/2024		2024/2025
£m		£m
0.5	Refunds	0.5
11.8	Individual transfers	10.7
12.3		11.2

Note 11: Management expenses

2023/2024		2024/2025
£m		£m
2.5	Administration costs	2.2
17.0	Investment management expenses	20.4
1.8	Oversight and governance costs	1.1
21.3	Total	23.7

This analysis of the costs of managing the Warwickshire Pension Fund during the period has been prepared in accordance with CIPFA guidance.

Indirect costs are incurred through the bid-offer spread on investment sales and purchases. These are reflected in the cost of investment acquisitions and in the proceeds from the sales of investments (Note 16 and Note 25).

Note 12: Investment management expenses

2023/24 Total		Management Fees	Performance Fees	2024/25 Total
£m		£m	£m	£m
2.8	Pooled Investments	3.0	0.0	3.0
0.8	Pooled Property	0.9	0.0	0.9
5.1	Private Equity	5.1	0.5	5.6
3.4	Infrastructure	4.5	3.0	7.5
4.3	Private Debt	2.7	0.6	3.3
0.5	Other Fund Expenses	0.0	0.0	0.0
0.1	Custody Fees	0.1	0.0	0.1
17.0	Total	16.3	4.1	20.4

Note 13: Investment income

2023/2024		2024/2025
£m		£m
4.7	Pooled Property	7.3
3.0	Infrastructure	6.8
2.0	Pooled Equity	1.5
2.6	Private Debt	2.6
9.4	Pooled Fixed Income	11.4
2.8	Private Equity	2.2
24.4	<i>Managed funds</i>	31.8
1.2	<i>Interest on cash deposits *</i>	1.5
25.6		33.3

* The 2023/24 total for interest on cash deposits has been restated by £1.1m. In the prior year accounts this amount was shown separately as Managed Fund income. There is no change to the overall total.

Note 14: Other Fund Account disclosures: external audit costs

Local Government audit fees are set by the Public Sector Audit Appointments body (PSAA). The scale audit fee set out in the PSAA contract for the 2024/25 audit is £93,314. The scale audit fee charged for 2023/24 was £82,406 with a further £7,530 subsequently agreed by PSAA for work required under auditing standard ISA 315.

Note 15: Investments

31 March 2024		31 March 2025
£m		£m
1.2	Long-term investments	1.2
	Equities	
	Total Long-term investments	1.2
	Investment Assets	
2,838.0	Pooled Investment Vehicles**	3,021.8
1,143.4	<i>Pooled Global Equity</i>	1,117.2
92.4	<i>Pooled UK Equity</i>	10.5
221.5	<i>Infrastructure</i>	333.7
165.5	<i>Private Debt</i>	168.8
204.7	<i>Private Equity</i>	212.1
243.8	<i>Pooled Property</i>	262.5
766.8	<i>Pooled Fixed Income</i>	917.0
105.8	Cash	52.1
1.3	Investment Current Assets	0.2
2,945.1	Total Investment Assets	3,074.1
	Investment Liabilities	
0.0	Investment Current Liabilities	-0.1
0.0	Total Investment Liabilities	-0.1
2,946.2	Total net investments	3,075.2

** This refers to the management structure of the Funds, where the Warwickshire Pension Fund does not directly own the underlying assets.

Note 16: Reconciliation of movements in investments

	Market value 31 March 2024	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2025
	£m	£m	£m	£m	£m
Investment Assets					
Equities	1.2	0.0	0.0	0.0	1.2
Pooled Investment vehicles	2,838.0	673.9	-582.7	92.6	3,021.8
• <i>Private Equity</i>	204.7	31.0	-30.1	6.5	212.1
• <i>Pooled Property</i>	243.8	12.2	-0.7	7.2	262.5
• <i>Pooled funds, Unit Trusts & Other Managed Funds</i>	2,002.5	489.2	-509.0	62.0	2,044.7
• <i>Infrastructure</i>	221.5	110.7	-15.6	17.1	333.7
• <i>Private Debt</i>	165.5	30.8	-27.3	-0.2	168.8
Other Investment Balances					
Cash	105.8	290.0	-344.0	0.3	52.1
Net investment current assets	1.3	1.8	-3.1	0.1	0.1
Total Net Investments	2,946.2	965.7	-929.8	93.0	3,075.2

	Market value 31 March 2023	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2024
	£m	£m	£m	£m	£m
Investment Assets					
Equities	1.2	0.0	0.0	0.0	1.2
Pooled Investment vehicles	2,657.3	1,044.8	-1,068.5	204.5	2,838.0
• <i>Private Equity</i>	203.7	26.0	-23.3	-1.7	204.7
• <i>Pooled Property</i>	239.6	9.2	-2.4	-2.6	243.8
• <i>Pooled funds, Unit Trusts & Other Managed Funds</i>	1,919.7	884.8	-1,002.0	200.0	2,002.5
• <i>Infrastructure</i>	189.8	40.0	-12.4	4.1	221.5
• <i>Private Debt</i>	104.4	84.7	-28.3	4.7	165.5
Other Investment Balances					
Cash	65.2	323.4	-272.3	-10.6	105.8
Net investment current assets	5.3	0.2	-3.7	-0.4	1.3
Total Net Investments	2,729.0	1,368.3	-1,344.4	193.5	2,946.2

Note 17: Derivatives

The Fund does not engage in any direct derivative activity however fund managers may make use of these to achieve investment objectives.

Note 18: Investments analysed by fund manager

Market value 31 March 2024		Market value 31 March 2025	
£m	%	£m	%
Investments managed by BCPP asset pool*			
41.4	1.4	Private Equity	62.7
134.6	4.6	Infrastructure	167.8
57.7	2.0	Private Debt	75.1
434.4	14.7	Global Equity Alpha Fund	322.1
92.3	3.1	UK Equity Alpha Fund	10.5
246.1	8.4	Investment Grade Credit	242.1
265.1	9.0	Multi-Asset Credit	284.7
707.0	24.0	Legal and General Investment Management (Index Tracker - Global Equities)**	795.1
255.5	8.7	Legal and General Investment Management (Index Tracker - Fixed Income)**	390.1
2,234.3	75.8	Total BCPP	2,350.2
712.0	24.2	Total Outside BCPP	725.0
2,946.2	100.0		3,075.2
Investments managed outside of BCPP asset pool			
0.1	0.0	MFS Investment Management (Global Equities)	0.1
128.6	4.4	Columbia Threadneedle Investments (Property)	137.3
121.1	4.1	Schroder Investment Management (Property)	127.5
167.5	5.7	HarbourVest (Private Equity)	149.4
-	-	IFM GI (Infrastructure)	81.1
28.1	1.0	Standard Life Capital (Infrastructure)	28.0
57.6	2.0	Partners Group (Infrastructure)	56.8
36.7	1.2	Alcentra (Private Debt)	27.6
11.5	0.4	Partners (Private Debt)	5.9
44.8	1.5	Barings (Private Debt)	44.5
11.6	0.4	ICG (Private Debt)	15.7
103.1	3.5	BlackRock (Cash)	19.9
-	-	Insight (Cash)	30.0
1.2	0.0	BCPP Shareholding	1.2
712.0	24.2	Total Outside BCPP	725.0
2,946.2	100.0		3,075.2
100.0			

* In this table, 'pool' refers to assets held within the Border to Coast Pensions Partnership.

** LGIM assets are classified as under pooled management due to the LGPS contract and BCPP oversight of funds.

Note 19: Investments representing more than 5% net assets of the scheme

Security	Market value 31 March 2025	% of total fund 31 March 2025
	£m	%
LGIM Equity funds	795.1	25.9
Border to Coast Global Alpha Equity Fund	322.1	10.5
Border to Coast Multi-Asset Credit	284.7	9.3
LGIM Bond funds	390.1	12.7
Border to Coast Investment Grade Credit	242.1	7.9

Security	Market value 31 March 2024	% of total fund 31 March 2024
	£m	%
LGIM Equity funds	707.0	24.0
Border to Coast Global Alpha Equity Fund	434.4	14.7
Border to Coast Multi-Asset Credit	265.1	9.0
LGIM Bond funds	255.5	8.7
Border to Coast Investment Grade Credit	246.1	8.4
HarbourVest (Private Equity)	167.5	5.7

Note 20: Stock lending

The Fund does not currently engage in any direct stock lending.

Note 21: Property holdings

The Fund does not hold property directly. Property is held in the form of pooled funds.

Note 22: Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities (excluding cash) by category and Net Assets Statement heading. No financial assets were reclassified during the accounting period.

Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost		Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost
31 March 2024 (£m)				31 March 2025 (£m)		
1.2			Investment Assets			
2,838.0			Equities	1.2		
1,143.4			<i>Pooled Investments</i>	3,021.8		
92.4			Global Equity	1,117.2		
221.5			UK Equity	10.5		
165.5			Infrastructure	333.7		
204.7			Private Debt	168.8		
243.8			Private Equity	212.1		
766.8	105.8		Pooled Property	262.5		
			Fixed Income	917.0		
			Cash deposits		52.1	
			Investment Current Assets		0.2	
			Debtors		4.6	
			Cash balances		22.4	
2,839.2	135.0	0.0		3,023.0	79.3	0.0
			Liabilities			
			Investment Current Liabilities			-0.1
		-5.7	Creditors			-7.1
0.0	0.0	-5.7		0.0	0.0	-7.2
2,839.2	135.0	-5.7	Net Assets	3,023.0	79.3	-7.2

Note 23: Net gains and losses on financial instruments

2023/2024		2024/2025
£m		£m
214.3	Financial Assets Fair value through profit and loss	113.0
0.0	Financial liabilities Fair value through profit and loss	0.0
214.3	Total	113.0

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Note 24: Valuation of financial instruments carried at fair value

The unquoted equity holding in Border to Coast Pensions Partnership is valued in these accounts at cost (i.e. transaction price), as an appropriate estimate of fair value. A fair value cannot be otherwise established for these assets as at 31 March 2025 because no comparable market for its shares exists. The company is a 'not for profit' organisation and its shares are not openly traded. The reliability of any observable or unobservable inputs used to calculate fair value could not be assessed with certainty.

All other investments are held at fair value in accordance with the requirements of the Code and IFRS 13. The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year.

All assets have been valued using fair value techniques based on the characteristics of each instrument with the overall objective of maximising the use of market-based information.

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed interest securities and quoted index linked securities.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active or where valuation techniques are used to determine fair value, these inputs are observable. Products classified as level 2 include unquoted bonds, pooled funds and unit trusts.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity and debt investments which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in private equity, infrastructure and private debt are based on valuations provided by the general partners of the funds in which Warwickshire Pension Fund has invested. All underlying property valuations are carried out by independent valuation providers on a "Fair Value" basis as defined in the RICS Appraisal and Valuation Manual (Red Book). As buildings are inherently illiquid and the transactional evidence can be scarce there is the potential for a mismatch between the valuation and actual transaction pricing.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines which follow the valuation principles of International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (GAAP). Valuations are undertaken quarterly and an adjustment is made to roll forward the latest available valuation to 31 March as appropriate.

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Pooled investments – fixed income and equity unit trusts Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price is published.	Net Asset Value (NAV) - based pricing set on a forward pricing basis	Not required
Other unquoted and private funds (including indirect property, infrastructure, private debt and private equity). Level 3	These investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018 special rules 2020 and US GAAP.	Earnings before interest, taxes, depreciation, and amortization (EBITDA) multiple; Revenue multiple; Discount for lack of marketability; Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.
All underlying property valuations are carried out by independent valuation providers on a "fair value" basis as defined in the RICS Appraisal and Valuation Manual (the "Red Book").			
Shares in Border to Coast Pensions Partnership	At cost	N/A	N/A

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price	Using observable inputs	With significant unobservable inputs	
Valuation at 31 March 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities*			1.2	1.2
Pooled Investments		2,044.7		2,044.7
Infrastructure			333.7	333.7
Private Debt			168.8	168.8
Private Equity			212.1	212.1
Pooled Property		137.3	125.2	262.5
<i>Financial assets at fair value through profit and loss</i>	0.0	2,182.0	841.0	3,023.0
<i>Financial liabilities at fair value through profit and loss</i>	0.0	0.0	0.0	0.0
Net financial assets	0.0	2,182.0	841.0	3,023.0

*Equities which represent Border to Coast Pensions Partnership shareholding

	Quoted market price	Using observable inputs	With significant unobservable inputs	
Valuation at 31 March 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities*			1.2	1.2
Pooled Investments		2,002.5		2,002.5
Infrastructure			221.5	221.5
Private Debt			165.5	165.5
Private Equity			204.7	204.7
Pooled Property		128.6	115.2	243.8
<i>Financial assets at fair value through profit and loss</i>	0.0	2,131.2	708.0	2,839.2
<i>Financial liabilities at fair value through profit and loss</i>	0.0	0.0	0.0	0.0
Net financial assets	0.0	2,131.2	708.0	2,839.2

*Equities which represent Border to Coast
Pensions Partnership shareholding

The following assets have been carried at cost:

	Quoted market price	Using observable inputs	With significant unobservable inputs	
Valuation at 31 March 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investment in: Border to Coast Pensions Partnership	0.0	0.0	1.2	1.2
Investments held at cost	0.0	0.0	1.2	1.2

Note 25: Reconciliation of fair value measurements within Level 3

	Market value 31 March 2024	Purchases during the year	Sales during the year	Change in market value during the year	Realised profit or loss (-) during the year	Market value 31 March 2025
	£m	£m	£m	£m	£m	£m
Private Debt	165.5	30.8	-27.3	-5.0	4.8	168.8
Private Equity	204.7	31.0	-30.1	-5.3	11.8	212.1
Infrastructure	221.5	110.7	-15.6	10.5	6.6	333.7
Pooled Property	115.2	12.1	-0.7	4.3	-5.7	125.2
Total	706.9	184.6	-73.7	4.5	17.5	839.8

Note 26: Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Council manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Investment Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels; and
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument, or its issuer, or factors affecting all such instruments in the market.

The Fund is exposed to share price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital.

The Fund's investment managers mitigate this price risk through diversification. The selection of securities and other financial instruments is monitored to ensure price risk is within limits specified in the Fund's investment strategy.

Following analysis of historical data and expected investment return movement, the Fund has determined that the following movements in market price risk were reasonably possible for the 2024/25 reporting period. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Asset Type	2024/25 Potential market movement %
UK Pooled Funds	16.3
Overseas Pooled Funds	18.6
Bonds	6.1
Cash	0
Property	15.2
Alternatives	8.2

The potential price changes disclosed above are broadly consistent with a one-year dispersion in the value of the assets and are based on observed historical volatility of the returns of the asset class. Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as follows:

Asset Type	Value as at 31 March 2025	Potential market movement	Value on increase	Value on decrease
	£m	£m	£m	£m
UK Pooled Funds	11.7	1.9	13.6	9.8
Overseas Pooled Funds	1,117.2	207.8	1,325.0	909.4
Total Bonds	917.0	55.9	972.9	861.1
Cash and current assets	52.2	0.0	52.2	52.2
Infrastructure, Private Debt and Private Equity	714.6	58.6	773.2	656.0
Property	262.5	39.9	302.4	222.6
Total	3,075.2	364.1	3,439.3	2,711.1

The prior year comparator is shown in the following table:

Asset Type	Value as at 31 March 2024	Potential market movement	Value on increase	Value on decrease
	£m	£m	£m	£m
UK Pooled Funds	93.5	15.0	108.5	78.6
Overseas Pooled Funds	1,143.4	194.4	1,337.8	949.0
Total Bonds	766.8	46.0	812.8	720.7
Cash and current assets	106	0.0	106.0	106.0
Infrastructure, Private Debt and Private Equity	591.7	47.3	639.0	544.3
Property	243.8	39.0	282.8	204.8
Total	2,945.0	341.7	3,286.9	2,603.5

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk is monitored as part of asset allocation decisions. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances. Changes to both the fair value of assets and the income received from investments impact on the net assets available to pay benefits.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates.

Asset Type	Duration	Value as at 31 March 2025	Value on 1% increase	Value on 1% decrease
	Years	£m	£m	£m
LGIM UK Corporate Bonds	5.2	88.9	84.3	93.6
LGIM UK Index Linked	14.2	301.2	258.4	344.0
BCPP Multi-Asset Credit	3.8	284.7	274.0	295.4
BCPP Investment Grade Credit	5.9	242.1	227.8	256.5
Cash balances	0.0	74.5	74.5	74.5
Total		991.4	919.0	1,064.0

Asset Type	Duration	Value as at 31 March 2024	Value on 1% increase	Value on 1% decrease
	Years	£m	£m	£m
LGIM UK Corporate Bonds	5.6	86.9	82.0	91.8
LGIM UK Index Linked	15.5	168.6	142.5	194.8
BCPP Multi-Asset Credit	3.7	265.1	255.3	275.0
BCPP Investment Grade Credit	6.1	246.1	231.1	261.1
Cash balances	0.0	129.8	129.8	129.8
Total		896.5	840.7	952.4

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any

currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

A strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The prior year comparator is shown below and based on the Fund's segregated overseas mandate which has now transitioned to the Border to Coast Pension Partnership (BCPP) pool:

	Value as at 31 March 2025	Volatility	Value on increase	Value on decrease
	£m		£m	£m
Overseas Pooled Funds				
LGIM All World Equity Index	354.01	9.0%	385.87	322.15
LGIM Fundamental Indexation	157.43	9.0%	171.60	143.26
LGIM Low Carbon Global Equity	138.80	9.0%	151.30	126.31
BCPP Global Equity	322.11	9.0%	351.10	293.12
Total	972.35	9.0%	1,059.86	884.84

	Value as at 31 March 2024	Volatility	Value on increase	Value on decrease
	£m		£m	£m
Overseas Pooled Funds				
LGIM Fundamental Indexation	149.82	9.4%	163.90	135.74
LGIM Europe (ex-UK)	61.79	9.4%	67.60	55.98
LGIM Asia Pacific (ex-Japan)	15.65	9.4%	17.13	14.18
LGIM Emerging Markets	13.26	9.4%	14.51	12.02
LGIM Japan	15.75	9.4%	17.23	14.27
LGIM North America	8.44	9.4%	9.24	7.65
BCPP Global Equity	434.39	9.4%	475.22	393.56
Total	699.10	9.4%	764.82	633.39

Credit risk

Credit risk represents the risk that the counterparty to a transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The Pension Fund closely monitors employer contributions each month. Most contributions from employers due to the Fund for the month of March 2025 were received by the Fund in April 2025. The Fund's current policy for all new employers into the scheme is to obtain a guarantee that will ensure all pension obligations are covered in the event of that employer facing financial difficulties.

The Pension Fund holds a current account and a deposit account with Lloyds Bank plc. Lloyds Bank has an 'A+' long term credit rating (Fitch Credit Rating Agency), maintains its status as a well-capitalised and strong financial organisation and has a 0% historic risk of default. At 31 March 2025, the total balance in the Lloyds accounts stood at £22.4m.

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments, particularly cash to meet pensioner payroll and other benefit costs, and cash to meet investment commitments.

The Pension Fund has immediate access to its cash holdings and has had a long-term positive cash flow. Cash flow surpluses are invested with fund managers. The Pension Fund is authorised to borrow on a short-term basis to fund cash flow deficits.

The actuary to the Pension Fund produces regular cash flow forecasts which are presented to the Investment Sub-Committee.

All financial liabilities as at 31 March 2025 are due within one year.

Note 27: Funding arrangements

In line with The Local Government Pension Scheme Regulations 2013, the Fund's Actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and set contribution rates for the three years commencing 1 April 2023.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment;
- to ensure that employer contribution rates are as stable as possible;

- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return;
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 19 years and to provide stability in contribution rates by spreading any increases in rates over a period of time. Normally this is three years but, in some cases, an extended period can be granted. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable. When an employer's funding level falls significantly short of the 100% funding target, then a deficit recovery plan will be put in place requiring additional contributions from the employer to meet the shortfall.

At the 2022 actuarial valuation, the Fund was assessed as 104% funded. This corresponds to a surplus of £98m.

Following the 2022 actuarial valuation, contribution rate changes (primary and secondary) are being phased in from 1 April 2023. The common contribution rate (i.e. the rate which all employers in the Fund pay) is as follows:

Valuation Date	31-Mar-22
Total contribution rate	
Primary Rate (% of pay)	20.7%
2023/24 Secondary Rate £000	4,865
2024/25 Secondary Rate £000	4,688
2025/26 Secondary Rate £000	4,495

Individual employer rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the Funding Strategy Statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions are as follows:

Financial assumptions

Financial assumptions	31 March 2022
	%
Discount Rate	4.0
Salary Increases	3.7
Price Inflation/Pension Increases	2.7

Demographic assumptions

Assumed life expectancy from age 65 is as follows.

Demographic assumptions	31 March 2022	
Assumed life expectancy at age 65	Male	Female
Pensioners	21.8	24.4
Non-pensioners	22.6	26.0

Commutation assumptions

At the 2022 valuation, it was assumed that future retirees will take 65% of the maximum additional tax-free lump sum up to HMRC limits for pre-April 2008 service and 65% of the maximum for post-April 2008 service.

50:50 Option

The assumption in the 2022 Actuarial Valuation was that 1.0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option.

Note 28: Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities on an IAS19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future (see Note 27).

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 27). The following is the full Pension Fund Accounts Reporting Requirement provided by the Fund's Actuary.

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS 26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Warwickshire Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS 19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS 26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS 19 and not the Fund's funding assumptions.

Present value of promised retirement benefits

Year ended	31 March 2024	31 March 2025
Active members (£m)	1,223	1,084
Deferred members (£m)	507	421
Pensioners (£m)	863	738
Total present value of promised retirement benefits (£m)	2,593	2,243
Fair value of scheme assets (bid value) (£m)	2,945	3,074
Net Asset (£m)	352	831

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS 19 report and are different as at 31 March 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £434m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £5m.

Financial assumptions

Year ended	31 March 2024 % p.a.	31 March 2025 % p.a.
Pension Increase Rate (CPI)	2.75	2.75
Salary Increase Rate	3.75	3.75
Discount Rate	4.85	5.80

Demographic assumptions

The longevity assumptions have changed since the previous IAS 26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.2 years	24.0 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.0 years	25.5 years

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

Sensitivity Analysis

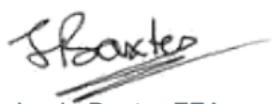
CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2	42
1 year increase in member life expectancy	4	90
0.1% p.a. increase in the Salary Increase Rate	0	2
0.1% p.a. increase in the Rate of CPI Inflation	2	39

Professional notes

This paper accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:



Jamie Baxter FFA

13 May 2025

For and on behalf of Hymans Robertson LLP

Note 29: Current assets

31 March 2024		31 March 2025
£m		£m
	<i>Debtors:</i>	
0.8	Contributions due: employees	0.9
2.6	Contributions due: employers	3.2
0.4	Invoiced debtors	0.4
0.1	Sundry debtors	0.1
24.0	Cash balances	22.4
27.9	Total	27.0

Note 30: Current liabilities

31 March 2024		31 March 2025
£m		£m
3.6	Owed to administering authority	2.4
1.9	Sundry creditors	3.8
0.2	Benefits payable	0.9
5.7	Total	7.1

Note 31: Additional Voluntary Contributions

Contributions Paid 2023/24	Market Value 31 March 2024		Contributions Paid 2024/25	Market Value 31 March 2025
£000	£m		£000	£m
841.2	3.9	Standard Life	1,601.2	5.1
3.4	0.2	Utmost Life and Pensions	2.4	0.2
844.6	4.1	Total	1,603.6	5.3

Note 32: Related Party Transactions

Warwickshire County Council

The Warwickshire Pension Fund is administered by Warwickshire County Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

During the reporting period, the Council incurred costs of £2.4m (2023/24: £2.3m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund. Employee and employer contributions from the Council amounted to £52.6m (£49.4m in 2023/24).

Border to Coast Pensions Partnership Ltd (BCPP)

The Warwickshire Pension Fund, through Warwickshire County Council as the Administering Authority, is a shareholder in BCPP Limited. The Partnership is a wholly owned private limited company registered in England and Wales founded to carry out pension fund asset pooling obligations set out by the Government. The company provides the facility to pool the pension fund investments of 11 local authorities in order to gain the benefits of economies of scale, concentration of expertise and improved ability to reduce investment costs. The company was incorporated in 2017/18 and the first transfers of investment assets into the pool occurred in 2018/19. As at the balance sheet date all 11 partners own an equal 1/11th share of the company.

BCPP is a joint venture that brings risks as well as benefits. The partnership has grown significantly, for example in terms of the value of assets under management and the number of personnel employed. At Fund level the pool manages 76.6% of total assets under management. Pooling and membership of the Border to Coast Pensions Partnership is a regular and high-profile feature of reporting to the Pension Fund Investment Sub-Committee and the Fund's risk register has regard to key pooling risks.

Governance

There are no members of the Pension Fund Investment Sub-Committee and the Staff and Pensions Committee who were in receipt of pension benefits from the Warwickshire Pension Fund during the year.

There are four members of the Local Pension Board who are active members of the Warwickshire Pension Fund and one active pensioner.

Each member of the Pension Fund Investment Sub-Committee, Staff and Pensions Committee and Local Pension Board is required to declare their interests at each meeting.

Key management personnel

Certain employees of Warwickshire County Council hold key positions in the financial management of the Warwickshire Pension Fund alongside their main responsibilities for Warwickshire County Council. The posts of Executive Director for Resources (5%), Director of Finance (4%), Head of Investments, Audit and Risk (40%) and Head of Finance Transformation & Transactions (30%) are considered to be key management personnel. The percentages represent the proportion of their time each post holder has spent on pension fund activities during the financial year and their aggregate financial relationship with the Fund is set out in the table below:

2023/24		2024/25
£'000		£'000
463.0	Short-term benefits	99.9
413.3	Post-employment benefits	-10.5

Prior to 2024/25, the posts of Technical Specialist Pensions (100%), Investment Analyst (100%), Lead Commissioner Pensions and Investment (100%) and Pensions Administration Delivery Lead (100%) were also included in the calculation of Key Management Personnel benefits. Following a review, these posts are no longer included and their removal has resulted in the reductions shown for 2024/25.

Note 33: Contingent Liabilities and Contractual Commitments

A contingent liability arises where an event prior to the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

Outstanding capital commitments at 31 March 2025 were as follows:

31 March 2024		31 March 2025
£m		£m
100.0	Private Equity	98.4
187.8	Infrastructure	79.9
134.0	Private Debt	119.8
421.8	Total	298.1

Note 34: Going Concern

Going concern is assessed by management using four key factors as follows:

- Investment returns and net asset values;
- Cashflow forecast and liquidity;
- Membership trends; and
- Funding level and delivery of agreed recovery plans.

Each is considered in turn below:

- The number of employing bodies has increased over time and currently stands at the highest number it has ever been (242) and current membership increased from 58,034 to 59,747, also an all-time high.
- The diversification of the Fund's assets provides protection from market volatility.
- The Fund has adequate liquidity in place to meet cashflow requirements.
- The 2022 valuation assessed the Funding level to be 104%.

For the reasons set out above, management are satisfied that the Warwickshire County Council Pension Fund is a going concern and the financial statements for 2024/25 have been prepared on this basis accordingly.

Glossary

Actuarial valuation

A review of the assets and *liabilities* of a pension fund to determine the surplus or deficit, and the future rate of contributions required.

Alternative investments

Investments other than the mainstream *asset classes* of *equities* and *bonds*. Alternatives include *hedge funds*, *private equity*, *private debt*, *infrastructure* and *commodities*. Property is also sometimes described as an alternative.

Asset allocation

The apportionment of a fund's assets between different *asset classes*.

Benchmark

A yardstick against which the investment policy or performance of a fund manager can be compared.

Currency risk

Investing in any securities not denominated in the investor's own base currency introduces currency risk due to the *volatility* of foreign exchange rates.

Defined benefit scheme

A type of pension scheme where the pension that will ultimately be paid to the employee is fixed, usually as a percentage of final salary. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set aside to meet the pension promised. Compare with *defined contribution scheme*.

Deferred Pensioners

Members of the Pension Fund who are no longer active employees making contributions to the Fund but who are not yet receiving their pension (may also be referred to as Deferred Members).

Diversification

The spreading of investment funds among different types of assets, markets and geographical areas in order to reduce *risk*.

Hedge Funds

A hedge fund is a capital pool that has the ability to use *leverage* and to take both *long* and *short* positions with the aim of achieving an *absolute return*. A large variety of hedge fund strategies exist, and the level of *risk* taken will vary. Investors looking for a diversified exposure to hedge funds will normally opt for a fund of hedge funds – a fund with underlying investments in several hedge funds covering different strategies and geographical areas.

IAS 19 (International Accounting Standards)

An accounting standard which requires organisations to incorporate their pension funds into their balance sheets and specifically that all pension fund *liabilities* should be valued

using an AA corporate bond yield. Any mismatch between assets and liabilities is effectively brought on to the organisation's balance sheet.

IAS 1

An accounting standard that sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Private equity

Funds put up by investors to finance new and growing businesses. Also known as venture capital

Pooled funds

Pooled funds are where the Fund does not directly own underlying assets.

Pool or LGPS Pool

This term refers to where LGPS administrating authorities have grouped into pools specifically set up to enable investment in line with the [Local Government Pension Scheme: investment reform criteria and guidance \(November 2015\)](#). The Warwickshire Pension Fund is part of the Border to Coast Pensions Partnership pool, which currently has 11 LGPS partner funds.

Private Debt

Private debt comprises mezzanine and other forms of debt financing that comes mainly from institutional investors such as funds and insurance companies – but not from banks.

Risk

In its simplest sense, risk is the variability of *returns*. Investments with greater inherent *risk* must promise higher expected returns if investors are to invest in them. Risk management is an important aspect of portfolio management and involves the use of complex statistical models.

Stock lending

The lending of a *security* by the registered owner, to an authorised third party, for a fixed or open period of time, for an agreed consideration secured by *collateral*. The demand to borrow *securities* comes mainly from *market makers* to cover *short positions* or take *arbitrage* opportunities.

Transaction costs

Those costs associated with trading on a portfolio, notably *stamp duty* and *commissions*.