

Warwickshire County Council

Statement of Accounts

2025/26



*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.

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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 2025/26 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

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

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

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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 2026 and the income and expenditure for the year ended 31 March 2026. The unaudited draft accounts were authorised for issue on 30 June 2026. These will then be audited and presented at a meeting of the Audit & Standards Committee in November 2026. The approved accounts will then be authorised for issue on that date. The accounts will be subsequently presented at a meeting of the Council in December 2026.



Rob Powell
Executive Director for Resources and Section 151 Officer

Date: 30 June 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.

2024/25			Summary of revenue spending	2025/26		
Gross expenditure £m	Gross (income) £m	Net expenditure / (income) £m		Gross expenditure £m	Gross (income) £m	Net expenditure / (income) £m
			Money spent on services			
214.1	-53.1	161.0	~ Communities Directorate	231.0	-62.0	169.0
425.7	-50.0	375.7	~ Children and Young People Directorate	492.1	-45.5	446.6
374.8	-106.7	268.2	~ Social Care and Health Directorate	399.0	-107.4	291.7
95.5	-17.4	78.1	~ Resources Directorate	86.1	-17.8	68.3
189.6	-344.1	-154.6	~ Schools*	183.9	-373.5	-189.6
9.8	-49.7	-39.9	~ Corporate Services	12.2	-47.3	-35.1
0.0	-0.1	-0.1	~ Non-distributed costs	0.0	-2.3	-2.3
1,309.4	-621.1	688.3	Net cost of services	1,404.2	-655.7	748.5
24.0	0.0	24.0	~ Other operating expenditure (note 4)	47.4	0.0	47.4
40.1	-36.1	4.0	~ Financing and investment income and expenditure (note 5)	39.8	-35.1	4.7
0.0	-640.1	-640.1	~ Taxation and non-specific grant income and expenditure (note 6)	0.0	-683.6	-683.6
1,373.5	-1,297.2	76.3	Surplus (-) or deficit on the provision of services	1,491.5	-1,374.5	116.9
			Items that will not be reclassified to the surplus (-) /deficit on the provision of services			
		-56.7	~ Surplus (-) or deficit on revaluation of property, plant and equipment. (note 8)			-7.4
		0.1	~ Surplus (-) or deficit from investments in equity instruments designated at fair value through other comprehensive income. (note 13)			-0.1
		-43.9	~ Remeasurements of the net defined benefit liability / asset. (note 37)			7.4
		-100.6	Other comprehensive income and expenditure			-0.1
		-24.3	Total comprehensive income and expenditure			116.8

* For administrative reasons the Dedicated Schools Grant (DSG) is managed centrally as a single grant and shown within Schools in the CIES above. However, £186.4 million was used to fund education related services provided by the Council in 2025/26 (£153.8 million in 2024/25) which largely sit within the Children and Young People Directorate.

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.

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 - 2025/26	General Fund (Unearmarked Funds)	General Fund Earmarked Reserves	Total General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£ m	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Balance at 31 March 2025	32.5	199.8	232.3	0.0	0.6	233.0	911.9	1,144.8
Movement in Reserves during 2025/26								
Total Comprehensive Income and Expenditure	-116.9	0.0	-116.9	0.0	0.0	-116.9	0.1	-116.8
Adjustments between accounting basis and funding basis under regulations (note 2)	118.4	0.0	118.4	0.0	-0.1	118.2	-118.2	0.0
Net Increase / Decrease (-) before Transfers to Earmarked Reserves	1.4	0.0	1.4	0.0	-0.1	1.2	-118.1	-116.8
Transfers to / from (-) Earmarked Reserves (note 7)	1.1	-1.1	0.0	0.0	0.0	0.0	0.0	0.0
Increase / Decrease (-) in Year	2.5	-1.1	1.4	0.0	-0.1	1.2	-118.1	-116.8
Balance at 31 March 2026	35.0	198.7	233.8	0.0	0.5	234.2	793.8	1,028.0

Movement in Reserves Statement - 2024/25	General Fund (Unearmarked Funds)	General Fund Earmarked Reserves	Total General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£ m	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Balance at 31 March 2024	26.0	201.7	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	-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	80.9	0.0	-0.7	80.2	-80.2	0.0
Net Increase / Decrease (-) before Transfers to Earmarked Reserves	4.6	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
Increase / Decrease (-) in Year	6.5	-1.9	4.6	0.0	-0.7	4.0	20.4	24.3
Balance at 31 March 2025	32.5	199.8	232.3	0.0	0.6	233.0	911.9	1,144.8

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 2025 £ m		31 March 2026 £ m	Notes
1,505.8	Property, plant and equipment	1,476.9	8
6.3	Heritage assets	6.2	10
13.8	Investment property	12.5	11
0.2	Intangible assets	0.1	12
1,526.0	Total fixed assets	1,495.7	
59.9	Long-term investments	20.8	13
15.0	Long-term debtors	14.4	13
3.7	Long-term finance lease assets	3.6	32
1,604.7	Total long-term assets	1,534.6	
	Current assets		
166.4	Short-term investments	49.0	13
0.3	Short-term finance lease assets	0.3	32
0.6	Inventories	0.7	
133.7	Short-term debtors	141.4	15
96.5	Cash and cash equivalents	126.5	16
397.5	Total current assets	317.9	
	Current liabilities		
-3.6	Short-term provisions	-4.6	18
-191.2	Short-term creditors	-209.5	17
-0.7	Short-term finance lease liability	-0.7	32
-19.7	Short-term grants and contributions received in advance	-15.5	24
-215.2	Total current liabilities	-230.3	
182.3	Current assets less current liabilities	87.6	
-2.2	Long-term provisions	-2.2	18
-272.4	Long-term borrowing	-236.2	13
-2.0	Long-term creditors	0.0	13
-126.8	Long-term grants and contributions received in advance	-122.0	24
-3.0	Long-term finance lease liability	-2.6	32
-235.7	Liability related to defined benefit pension scheme	-231.3	37
-642.2	Long-term liabilities	-594.2	
1,144.8	Net assets	1,028.0	
233.0	Usable reserves	234.2	19
911.9	Unusable reserves	793.8	20
1,144.8	Total reserves	1,028.0	



Rob Powell
Executive Director for Resources and Section 151 Officer

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.

2024/25 £ m		Notes	2025/26 £ m
-76.3	Net surplus or (deficit) on the provision of services		-116.9
76.6	Adjustment to surplus or deficit on the provision of services for non cash movements	21	116.0
-97.5	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	-98.5
-97.2	Net Cash flows from Operating activities		-99.4
77.1	Net Cash flows from Investing Activities	22	158.1
10.3	Net Cash flows from Financing Activities	23	-28.6
-9.8	Net increase or (decrease) in cash and cash equivalents		30.0

2024/25 £ m		Notes	2025/26 £ m
106.3	Cash and cash equivalents at the beginning of the reporting period	16	96.5
96.5	Cash and cash equivalents at the end of the reporting period	16	126.5
-9.8	Net increase or (decrease) in cash and cash equivalents		30.0

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 2025/26 ('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 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 measured at fair value using appropriate valuation techniques. Dividends are recognised in the CIES when the right to receive payment is established. 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.

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.

Investments in joint ventures are accounted for in the Council's financial statements in accordance with IAS 27 Separate Financial Statements. The Council measures its interests in joint ventures at cost less any accumulated

impairment losses. Cost represents the fair value of the consideration paid at initial recognition. These investments are not subsequently adjusted to reflect the Council's share of profits or losses of the joint venture.

Dividends are recognised in the Surplus or Deficit on the Provision of Services when the Council's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment.

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

As lessee:

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

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

- Short-life exemption: Lease arrangements with a term of 12 months or less.
- Low value exemption: Lease arrangements relating to an asset with a low value. We apply a threshold of £10,000 on the "as new" value of an asset.

- Intangible asset exemption: We opt to exclude intangible assets from the scope of leased assets.

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

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

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

Concessionary leases:

With concessionary leases, there is no lease liability present on the balance sheet as we have no obligations in respect of future payments. The asset is brought into Property, Plant and Equipment at the fair value as deemed by our expert valuer. The addition to Property, Plant and Equipment 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 Property, Plant and Equipment 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 discount rate applied on inception of IFRS 16 was 5.25%. This is based upon the PWLB borrowing rate at 1st April 2024, the date of adoption of IFRS 16. Subsequent lease agreements will be measured using the rate implicit in the lease where this can be readily determined. If the implicit rate cannot be reliably established, the incremental borrowing rate applicable at the commencement date of the lease will be used.

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 Property, Plant and Equipment 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, on roads and bridges over 30 years, and on vehicles and equipment over their own useful lives (between 5 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 derecognised and the proceeds received are added to the calculation of the gain/loss on disposal. This is charged to the CIES and subsequently reversed out in the MIRS so that there is no impact on the General Fund.

Property, plant and equipment – Infrastructure Assets

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

Recognition

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

Measurement

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

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

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

Disposals and derecognition

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

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

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

Provisions

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

- they must be the result of a past event;
- a reliable estimate can be made; and

- there must be a clear responsibility for the Council to make a future payment because of the past event.

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

Reserves

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

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

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

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

Revenue expenditure funded from capital under statute

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

Schools and schools' assets

The balance of control for local authority maintained schools, foundation, voluntary aided and voluntary controlled schools are all deemed to lie with the local authority. We therefore recognise schools' assets, liabilities, reserves and cash flows in our financial statements as if they were transactions, cash flow and balances of the authority. Any asset provided by a third party and consumed in the provision of an education service with schools or donated to the school

will be treated as a donated asset. School assets are derecognised in full on the date that a school transfers to academy status. These are disposals for nil consideration. These losses on disposal/transfer are shown in the Other operating income and expenditure line in the CIES.

VAT

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

Notes to the Core Financial Statements

Note 1: Expenditure and Funding Analysis and associated notes

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

2024/25			2025/26			
Net Expenditure Chargeable to the General Fund £m	Adjustments Between the Funding and Accounting Basis £m	Net expenditure in the Comprehensive Income and Expenditure Statement £m	Summary of revenue spending	Net Expenditure Chargeable to the General Fund £m	Adjustments Between the Funding and Accounting Basis £m	Net expenditure in the Comprehensive Income and Expenditure Statement £m
			Money spent on services			
129.9	31.1	161.0	~ Communities Directorate	135.9	33.1	169.0
316.2	59.6	375.7	~ Children & Young People Directorate	396.5	50.1	446.6
267.4	0.8	268.2	~ Social Care & Health Directorate	293.1	-1.4	291.7
62.9	15.2	78.1	~ Resources Directorate	57.8	10.5	68.3
-151.0	-3.6	-154.6	~ Schools	-182.6	-7.1	-189.6
-198.7	158.7	-39.9	~ Corporate Services	-214.8	179.7	-35.1
0.0	-0.1	-0.1	~ Non-distributed costs	0.0	-2.3	-2.3
426.7	261.7	688.3	Net cost of services	485.8	262.7	748.5
-386.7	-225.4	-612.0	~ Other income and expenditure	-414.8	-216.6	-631.5
40.1	36.3	76.3	Surplus (-) or deficit on the provision of services	71.0	46.0	116.9
-44.7	44.7		DSG Deficit in Year Transferred to DSG Adjustment Account - adjustment between funding and accounting basis	-72.4	72.4	
-4.6	80.9		Transferred (to) / from General Fund Balances	-1.4	118.4	
227.7			Opening General Fund Balances	232.3		
4.6			Surplus or (Deficit) on General Fund Balance in Year	1.4		
232.3			Closing General Fund Balance	233.8		

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	2025/26			
	Adjustments for Capital Purposes (a) £m	Net change for Pensions Adjustments (b) £m	Other Statutory Differences (c) £m	Total Adjustments £m
~ Communities Directorate	32.2	0.2	0.7	33.1
~ Children & Young People Directorate	44.6	-4.1	9.6	50.1
~ Social Care & Health Directorate	0.7	-2.1	0.0	-1.4
~ Resources Directorate	11.9	-3.1	1.7	10.5
~ Schools	-0.5	-6.9	0.3	-7.1
~ Corporate Services	-11.9	-0.7	192.3	179.7
~ Non-distributed costs	0.0	-2.3	0.0	-2.3
Net cost of services	77.0	-18.9	204.6	262.7
~ Other income and expenditure from the Expenditure and Funding Analysis	-19.6	7.0	-204.0	-216.6
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services	57.4	-11.9	0.6	46.0
DSG Deficit in Year Transferred to DSG Adjustment Account - adjustment between funding and accounting basis			72.4	72.4
Total for MIRS	57.4	-11.9	73.0	118.4

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

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

2024/25 £m	Expenditure / (Income)	2025/26 £m
	Expenditure:	
415.9	~ Employee expenses	424.2
834.9	~ Other services expenses	916.4
65.8	~ Depreciation and amortisation	72.6
5.4	~ Impairment and revaluation losses (including reductions in fair value of investment property)	4.0
27.6	~ Interest payments	26.9
0.3	~ Precepts and Levies	0.3
23.7	~ Loss on the disposal of assets	47.2
1,373.5	Total Expenditure	1,491.5
	Income:	
-129.5	~ Fees, charges and other service income from contracts with customers	-132.9
-61.6	~ Other contributions, reimbursements and statutory income	-58.4
-9.0	~ Revaluation gains (Restatement of prior PPE revaluation and impairment losses)	-1.9
-22.0	~ Interest and investment income (including increases in fair value of investment property)	-21.2
-384.6	~ Income from council tax	-412.5
-0.1	~ Pensions Gain on settlements and curtailments	-2.3
-690.4	~ Grants & non domestic rates income	-745.3
-1,297.2	Total Income	-1,374.5
76.3	(Surplus) or Deficit on the Provision of Services	116.9

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

Adjustments between accounting basis and funding basis under regulations 2025/26	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	72.5			-72.5
~ Revaluation loss on property, plant and equipment assets	2.5			-2.5
~ Movements in the market value of investment properties	-0.2			0.2
~ Amortisation of intangible assets	0.1			-0.1
~ Capital grants and contributions applied	-95.7			95.7
~ Donated assets fair value less consideration	-0.4			0.4
~ Revenue expenditure funded from capital under statute	45.1			-45.1
~ Amounts of non-current assets written off on disposal to the CIES	49.1			-49.1
<u>Insertion of items not debited or credited to the CIES</u>				
~ Minimum Revenue Provision	-12.5			12.5
~ Capital expenditure charged to the General Fund Balance	-1.1			1.1
Adjustments primarily involving the Capital Grants Unapplied Account				
~ Application of Capital Grants to the Capital Adjustment Account	0.0		-0.1	0.1
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	-2.3	2.3		0.0
~ Deferred capital receipts realised in year	0.0	2.1		-2.1
~ Use of Capital Receipts Reserve to finance new capital expenditure	0.0	-4.4		4.4
Adjustments primarily involving the Pensions Reserve				
~ Grant funding of fire fighters' pension liabilities	-4.9			4.9
~ Reversal of net charges made for retirement benefits in accordance with IAS19	45.1			-45.1
~ Employer's pensions contributions and direct payments to pensioners	-52.0			52.0
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	72.4			-72.4
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	2.3			-2.3
~ Amount by which business rates income credited to the CIES is different from business rates income calculated in accordance with statutory requirements	1.9			-1.9
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	0.0			0.0
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	-3.9			3.9
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	0.5			-0.5
Total adjustments	118.4	0.0	-0.1	-118.2

Adjustments between accounting basis and funding basis under regulations 2024/25	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves net spending
	£ m	£ m	£ m	£ 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
<u>Insertion of items not debited or credited to the CIES</u>				
~ 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

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 2024/25 to 2025/26.

Note 4: Other operating expenditure

2024/25 £ m	Other operating expenditure	2025/26 £ m
0.3	Environment Agency Levy	0.3
23.7	Losses on disposal/transfer of non-current assets	47.2
24.0		47.4

The loss on the disposal/transfer of non-current assets in 2025/26 primarily relates to the transfer of 7 schools to academy status.

Note 5: Financing and investment income and expenditure

2024/25 £ m	Financing and investment (income) and expenditure	2025/26 £ m
14.0	Interest payable and similar charges	13.8
13.4	Net interest on the net defined benefit liability	12.9
-19.0	Interest receivable and similar income	-14.6
0.0	Discounts on early redemption of debt	-4.5
-0.2	Unrealised (gains) or losses on financial assets held at fair value through profit and loss transferred to unusable reserves	0.0
0.0	Realised (gains) or losses on financial assets held at fair value through profit and loss transferred to usable reserves	-0.5
-0.2	Increase or (decrease) in Impairments of financial assets	0.3
-13.8	Trading account income	-13.4
12.5	Trading account expenditure	12.4
-0.9	(Income) and expenditure on investment properties and changes in their fair value	-0.2
-0.3	(Gains) or losses on disposal of investment properties	-0.3
0.2	Other investment expenditure	0.2
-1.7	Other investment income	-1.5
-0.2	Finance Income - leased assets	-0.2
0.2	Finance Costs - leased assets	0.2
4.0		4.7

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

2024/25 £ m	Taxation and non specific grant (income) and expenditure	2025/26 £ m
-384.6	Council tax income	-412.5
-75.2	Business rates income and expenditure	-79.4
	Non-ringfenced Government grants:	
-7.0	~ Fire Pensions Fund Grant	-5.6
-99.4	~ Revenue grants	-119.4
-73.9	~ Capital grants and contributions	-66.6
-640.1		-683.6

Note 7: Transfers to / from earmarked reserves

Movement in earmarked reserves	Balance at 31	Transfers		Balance at 31	Transfers		Balance at 31
	March			March			March
	2024	Out	In	2025	Out	In	2026
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Schools Balances	17.2	0.0	0.2	17.3	-1.9	0.0	15.5
External Commitments Reserves	9.4	-5.2	2.9	7.0	-1.9	2.1	7.2
Redundancy Fund	4.9	0.0	-0.4	4.4	-0.1	0.0	4.4
Insurance Fund	8.6	0.0	0.0	8.6	0.0	2.5	11.0
Corporate Financial Risk Reserve	39.5	0.0	18.5	58.0	-0.5	0.0	57.5
Investment Funds	27.9	-15.1	4.0	16.9	-5.1	3.3	15.0
Projects and Policies Reserves	6.9	-1.5	14.8	20.2	-3.3	9.7	26.5
Volatility Reserves	47.3	-4.9	1.9	44.3	-35.6	2.0	10.8
Short-Term Financial Risk Reserve	13.7	-2.2	0.9	12.4	-13.8	23.8	22.4
Covid Grants Reserves	0.5	-0.5	0.0	0.0	0.0	0.0	0.0
Medium-Term Financial Strategy Reserve	25.9	-15.3	0.0	10.7	-4.8	11.6	17.4
LGR Implementation Reserve	0.0	0.0	0.0	0.0	0.0	11.0	11.0
Total	201.7	-44.6	42.7	199.8	-66.9	65.9	198.7

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;
- Corporate 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 £17.4 million in this reserve at 31 March 2026, £9.0 million is planned to be used as part of resourcing the delivery of our 2026-31 MTFS.
- LGR (Local Government Reform) Implementation Reserve: £11.0 million set aside in the 2026-31 Reserves Strategy to support the resourcing of Local Government Reorganisation and implementation costs, pre and post vesting day.

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 2025	822.4	9.8	38.3		7.8	102.1	980.3
Depreciation balance at 1 April 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 1 April 2025	803.1	9.8	15.5	567.6	7.8	102.1	1,505.8
Changes in the year							
~ opening balance adjustment	0.2	0.0	0.0	0.0	0.0	0.0	0.2
~ reclassifications	0.1	0.8	0.0	0.0	0.0	0.0	0.8
~ spending on assets	13.3	0.1	3.3	36.5	0.2	32.6	86.1
~ transfer of assets under construction to operational assets on project completion	15.7	0.2	0.0	12.6	0.0	-28.5	0.0
~ value of assets we have sold/transferred	-52.7	0.0	-5.5	0.0	0.0	0.0	-58.2
~ revaluation increases/ (decreases) recognised in the revaluation reserve	-25.3	0.4	0.0	0.0	0.4	0.0	-24.5
~ revaluation increases/ (decreases) recognised in the surplus/deficit on the provision of services	-2.8	0.0	0.0	0.0	0.4	0.0	-2.5
Depreciation							
~ depreciation written out to the revaluation reserve	31.6	0.3	0.0	0.0	0.1	0.0	32.0
~ depreciation written off on disposal	4.5	0.0	5.2	0.0	0.0	0.0	9.7
~ depreciation charge	-38.1	-0.3	-3.3	-30.7	-0.1	0.0	-72.5
Net book value at 31 March 2026	749.6	11.3	15.0	586.1	8.8	106.2	1,476.9
Gross book value at 31 March 2026	770.8	11.3	36.1		8.8	106.2	933.2
Depreciation balance at 31 March 2026	-21.3	0.0	-21.0		0.0	0.0	-42.3
Net book value (modified historical cost)*				586.1			586.1
Net book value at 31 March 2026	749.6	11.3	15.0	586.1	8.8	106.2	1,476.9

* 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	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

Our land and building assets include schools, fire stations, libraries, waste disposal sites and other buildings. Assets we have disposed of mainly relate to 7 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, on roads and bridges over 30 years, and on vehicles and equipment over their own useful lives (between 5 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 2026 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 2026	8.4	0.0	0.2	0.0	0.0	0.0	8.5
Other PPE NBV at 31 March 2026	741.2	11.3	14.8	586.1	8.8	106.2	1,468.3
Total PPE at 31 March 2026	749.6	11.3	15.0	586.1	8.8	106.2	1,476.9

Capital commitments

At 31 March 2026, 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 £66.4 million. Similar commitments at 31 March 2025 were £33.6 million. The increase is due to entering into a new 7-year contract for highways maintenance – this outstanding commitment will reduce year on year.

The largest outstanding commitments are as follows:

1. Highways Maintenance Contract - £34.9 million
2. Watling Meadows Primary School (Callendar Farm) - £12.2 million; and
3. Stratford School Expansion: Shipston High School - £6.0 million

Effects of changes in estimates

There have been no material changes to our accounting estimates for property, plant and equipment in 2025/26.

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	15.0	586.1	8.8	106.2	716.1
Valued at current value as at:							
31st March 2026	749.6	11.3	0.0	0.0	0.0	0.0	760.8
Total cost or valuation	749.6	11.3	15.0	586.1	8.8	106.2	1,476.9

All our assets carried at current value were valued in 2025/26. 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 £502.8 million (2024/25 - £547.4 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 2026	Land £ m	Buildings £ m	Other Assets £ m	Total £ m	Number of Schools
Community Schools	99.8	214.3	1.9	315.9	57
Voluntary Aided Schools	17.9	34.4	0.0	52.4	13
Voluntary Controlled Schools	28.8	73.0	0.0	101.7	26
Foundation Schools	7.3	25.5	0.0	32.8	4
Net book value at 31 March 2026	153.8	347.1	1.9	502.8	100

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

The number of schools has reduced by 7 which chose to take up academy status in 2025/26. 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 £6.2 million (£6.3 million in 2024/25). There have been no material acquisitions during 2025/26 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 2025 £ m	Investment properties	31 March 2026 £ m
14.6	Balance at the start of the year	13.8
-0.7	Reclassifications	-0.8
-1.0	Disposals	-0.6
0.9	Net gains from fair value adjustments	0.2
13.8	Balance at the end of the year	12.5

The following table 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 2026	0.0	12.5	0.0	12.5
31st March 2025	0.0	13.8	0.0	13.8

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 2026 is £0.1 million (£0.2 million at 31 March 2025). The carrying amount is amortised on a straight-line basis. The amortisation of £0.1 million (£0.1 million in 2024/25) was charged to revenue in 2025/26.

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 2025			31 March 2026		
	Current £m	Long-term £m	Total £m	Current £m	Long-term £m	Total £m
Investments:						
~ Fair Value through Profit and Loss	0.0	40.0	40.0	0.0	9.8	9.8
~ Amortised cost	166.4	16.7	183.1	49.0	7.7	56.6
~ Fair value through other comprehensive income - designated equity instruments	0.0	3.2	3.2	0.0	3.3	3.3
Total investments	166.4	59.9	226.3	49.0	20.8	69.7
Finance Lease Assets:						
~ Amortised cost	0.3	3.7	4.1	0.3	3.6	4.0
Total Finance Lease Assets	0.3	3.7	4.1	0.3	3.6	4.0
Debtors - at amortised cost:						
~ Amortised cost	2.6	15.0	17.6	3.3	14.4	17.7
~ Financial assets carried at contract amounts	84.1	0.0	84.1	89.9	0.0	89.9
Total Debtors	86.7	15.0	101.7	93.2	14.4	107.6
Cash:						
~ Cash and cash equivalents	96.5	0.0	96.5	126.5	0.0	126.5
Total Cash	96.5	0.0	96.5	126.5	0.0	126.5
Total Financial assets	350.0	78.6	428.6	269.0	38.8	307.8

Financial Liabilities	31 March 2025			31 March 2026		
	Current £m	Long-term £m	Total £m	Current £m	Long-term £m	Total £m
Borrowings:						
~ Financial liabilities at amortised cost	0.0	272.4	272.4	0.0	236.2	236.2
Total Borrowings	0.0	272.4	272.4	0.0	236.2	236.2
Creditors - amortised cost						
~ Financial liabilities at contractual amounts	90.1	2.0	92.1	98.2	0.0	98.2
Total Creditors	90.1	2.0	92.1	98.2	0.0	98.2
Finance Lease Liabilities:						
~ Financial lease at contractual amounts	0.7	3.0	3.7	0.7	2.6	3.2
Total Finance Lease Liabilities	0.7	3.0	3.7	0.7	2.6	3.2
Total Financial Liabilities	90.8	277.5	368.3	98.9	238.8	337.7

Reconciliation to Balance Sheet carrying amounts	2024/25 £m	2025/26 £m
Short Term Debtors that are financial instruments	86.7	93.2
Short Term Debtors that are not financial instruments	47.0	48.2
Total Debtors	133.7	141.4
Short Term Creditors that are financial instruments	90.1	98.2
Short Term Creditors that are not financial instruments	101.1	111.3
Total Creditors	191.2	209.5

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 £56.6 million (£183.1 million as at 31 March 2025) 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.

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 2025/26 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 2026	Valued at Cost	Quoted Market Price - Level 1	Using Observable Inputs - Level 2	Unobservable Inputs - Level 3	Total
	£ m	£ m	£ m	£ m	£ m
Financial Assets:-					
Investments:					
- Amortised Cost - other	56.6	0.0	0.0	0.0	56.6
- Fair Value through Profit and Loss	0.0	9.8	0.0	0.0	9.8
- Fair value through other comprehensive income - designated equity instruments	0.0	0.0	0.0	3.3	3.3
Finance Lease Assets:					
- Finance Lease Assets at contractual amounts	4.0	0.0	0.0	0.0	4.0
Debtors:					
- Amortised Cost - other	0.0	0.0	17.7	0.0	17.7
- Financial assets carried at contractual amounts (deemed to be fair value)	89.9	0.0	0.0	0.0	89.9
Cash:					
- Cash and Cash Equivalents - deemed to be fair value	20.1	106.4	0.0	0.0	126.5
Total Financial Assets	170.6	116.2	17.7	3.3	307.8
Financial Liabilities:-					
Borrowings:-					
- Financial liabilities carried at amortised cost	0.0	0.0	217.5	0.0	217.5
Creditors:-					
- Financial liabilities carried at contractual amounts (deemed to be fair value)	98.2	0.0	0.0	0.0	98.2
Finance Lease:-					
- Finance Lease Liabilities at contractual amounts	3.2	0.0	0.0	0.0	3.2
Total Financial Liabilities	101.5	0.0	217.5	0.0	319.0

Financial Instruments - Fair value 31 March 2025	Valued at Cost	Quoted Market Price - Level 1	Using Observable Inputs - Level 2	Unobservable Inputs - Level 3	Total
	£ m	£ m	£ m	£ m	£ 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

Interest paid and investment income received	(Surplus) / Deficit on the Provision of Services		Other Comprehensive (Income) and Expenditure	
	2024/25 £m	2025/26 £m	2024/25 £m	2025/26 £m
Net (gains) and losses				
~ Financial assets measured at fair value through profit and loss	-0.2	-0.5	0.0	0.0
~ Investment in equity instrument designated at fair value through other comprehensive income	0.0	0.0	0.1	-0.1
Total net gains	-0.2	-0.5	0.1	-0.1
Interest Revenue				
~ Financial assets measured at amortised cost	-19.0	-14.6	0.0	0.0
~ Financial assets carried at contract amounts	-0.2	-0.2	0.0	0.0
Total Interest Revenue	-19.2	-14.8	0.0	0.0
Interest Expense				
~ Financial liabilities measured at amortised cost	14.0	13.8	0.0	0.0
~ Financial lease liabilities at contractual amounts	0.2	0.2	0.0	0.0
Total Interest Expense	14.2	14.0	0.0	0.0

Financial Assets	31 March 2025		31 March 2026	
	Carrying Amount £ m	Fair Value £ m	Carrying Amount £ m	Fair Value £ m
Financial assets held at amortised cost	183.1	183.1	56.6	56.6
Financial assets at fair value through profit and loss	40.0	40.0	9.8	9.8
Cash and cash equivalents	96.5	96.5	126.5	126.5
Fair value through other comprehensive income - designated equity instruments	3.2	3.2	3.3	3.3
Debtors carried at amortised cost	2.6	2.6	3.3	3.3
Debtors carried at contractual amounts	84.1	84.1	89.9	89.9
Long term debtors - amortised cost	15.0	15.0	14.4	14.4
Finance lease assets at contractual amounts	4.1	4.1	4.0	4.0
Total	428.6	428.6	307.8	307.8

Financial Liabilities	31 March 2025		31 March 2026	
	Carrying Amount £ m	Fair Value £ m	Carrying Amount £ m	Fair Value £ m
Financial liabilities held at amortised cost	272.4	248.4	236.2	217.5
Financial liabilities at contractual amounts	92.1	92.1	98.2	98.2
Finance lease liabilities at contractual amounts	3.7	3.7	3.2	3.2
Total	368.3	344.2	337.7	319.0

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:

2024/25 £ m	Loans we have not yet repaid	2025/26 £ m
	We owe money to:	
272.4	~ Public Works Loans Board	236.2
272.4	Total	236.2
	When we will pay the money back:	
0.0	Less than 1 year	0.0
0.0	Between 1 and 2 years	0.0
18.0	Between 2 and 5 years	18.0
30.0	Between 5 and 10 years	38.7
224.4	More than 10 years	179.5
272.4	Total	236.2

Our level of borrowing is due to paying for capital spending in previous years. We have not borrowed any money from external sources in 2025/26 to pay for new capital spending.

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 2026, 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 £23.1 million (£27.9 million decrease in 2024/25).

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 £3.3 million (£3.2 million in 2024/25). 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 2025/26 this amounted to a gain of £0.1 million (£0.1 million loss in 2024/25). 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. In 2025/26 we disposed of one of these investments. This led to a £0.5 million gain being recognised due to the increase in the value since the previous balance sheet date.

At 31 March 2026 we had one holding in this category. This has been classified as a pooled investment vehicle which means a statutory override is applied to ensure any changes in fair value do not affect the General Fund. These are reversed in the MiRS and placed in the unusable Pooled Investment Funds Adjustment Account until the investment is either sold or-derecognised. There was no valuation change in 2025/26 (£0.2 million gain in 2024/25).

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 2025 £ m	Short-term debtors	31 March 2026 £ m
26.4	Trade Receivables	25.6
9.8	VAT	6.3
13.1	Other Public Sector Debtors	10.6
40.0	Council Tax and Non Domestic Rates - Taxpayers	42.3
4.2	Council Tax and Non Domestic Rates - Local authorities	3.1
-10.9	Council Tax and Non Domestic Rates - Bad Debt Provision	-11.6
3.9	Prepayments to External Organisations and Individuals	8.2
39.7	Social Care Debtors	46.5
1.9	Capital debtors from External Organisations and Individuals	2.9
13.2	Other debtors	15.0
-7.6	Bad Debt Provision	-7.4
133.7	Balance at the end of the year	141.4

Note 16: Cash and cash equivalents

31 March 2025 £ m	Cash and cash equivalents	31 March 2026 £ m
21.4	Cash held by the authority (including schools and imprest accounts)	9.9
65.1	Bank current accounts (call accounts and instant access deposit accounts)	111.6
10.0	Short-term deposits with building societies and other institutions 3 months or less maturity	5.0
96.5	Balance at the end of the year	126.5

Note 17: Creditors

31 March 2025 £ m	Short-term Creditors	31 March 2026 £ m
17.5	Trade Payables	16.6
6.4	Payroll related amounts owed to HMRC	7.2
5.5	Other Public Sector accruals	10.4
6.1	Council Tax and Non Domestic Rates - Taxpayers	6.7
23.8	Council Tax and Non Domestic Rates - Local authorities	26.9
9.3	Accumulated Absences	9.8
55.5	Receipts in Advance	60.7
12.1	Other accruals in relation to capital contracts	13.5
55.0	Other accruals to External Organisations and Individuals	57.7
191.2	Balance at the end of the year	209.5

Note 18: Provisions

Our provisions total £6.8 million (£5.8 million 2024/25). This excludes our bad debt provision which is included within short term debtors. This is £4.6 million short-term (£3.6 million 2024/25) and £2.2 million long-term (£2.2 million 2024/25).

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 2025: £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 £3.8 million (31 March 2025: £2.9 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 2025: £0.6 million) has been included.

All other provisions, totalling £0.3 million (31 March 2025: £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 2025 £ m	Usable reserves	31 March 2026 £ m
32.5	General Fund	35.0
199.8	Earmarked Reserves	198.7
0.6	Capital Grants Unapplied	0.5
233.0	Total usable reserves	234.2

Note 20: Unusable Reserves

31 March 2025 £ m	Unusable reserves	31 March 2026 £ m
353.5	Revaluation Reserve	326.4
866.0	Capital Adjustment Account	845.7
10.5	Deferred Capital Receipts Reserve	8.4
1.5	Financial Instruments Adjustment Account	5.4
2.9	Financial Instruments Revaluation Reserve	3.1
-0.2	Pooled Investment Funds Adjustment Account	-0.2
-9.3	Accumulated Absences Reserve	-9.8
0.5	Collection Fund Adjustment Account	-3.7
-77.9	Dedicated Schools Grant Adjustment Account	-150.3
-235.7	Pensions Reserve	-231.3
911.9	Total unusable reserves	793.8

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 2025 £ m	Revaluation Reserve	31 March 2026 £ m
327.6	Balance on 1 April	353.5
75.1	Revaluation increases	26.1
-18.4	Revaluation decreases	-18.7
-17.4	Depreciation adjustment to Capital Adjustment Account	-21.4
-13.5	Revaluation written off on disposal	-13.2
353.5	Balance on 31 March	326.4

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 2025 £ m	Capital Adjustment Account	31 March 2026 £ m
881.1	Balance on 1 April	866.0
6.5	Opening balance adjustments	0.2
0.9	Revaluation increase - Investment Properties	0.2
-19.5	Revaluation decrease	-7.9
22.8	Reversal of previous impairments	5.5
17.4	Depreciation adjustment to Revaluation Reserve	21.4
13.5	Revaluation written off on disposal	13.2
-32.4	Value of asset disposals	-49.1
-60.8	Transfer of spending on assets we do not own	-45.1
-65.8	Depreciation charge to revenue	-72.6
10.6	Minimum revenue provision (MRP)	12.5
91.6	Money used to buy assets	101.6
866.0	Balance on 31 March	845.7

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 2025 £ m	Deferred Capital Receipts reserve	31 March 2026 £ m
2.0	Balance on 1 April	10.5
8.5	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive Income and Expenditure Statement	0.0
0.0	Transfer to the Capital Receipts Reserve upon receipt of cash	-2.1
10.5	Balance on 31 March	8.4

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 discounts received in 2023/24 and 2025/26 are being credited to the General Fund over a period of 10 years.

31 March 2025 £ m		Financial Instruments Adjustment Account	31 March 2026 £ m	
	1.7	Balance on 1 April		1.5
0.0		Discounts received in the year and credited to the Comprehensive Income and Expenditure Statement	4.5	
-0.2		Proportion of discounts received to be credited to the General Fund balance in accordance with statutory requirements	-0.6	
	-0.2	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		3.9
	1.5	Balance on 31 March		5.4

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 2025 £ m		Financial Instrument Revaluation Reserve	31 March 2026 £ m	
3.0		Opening Balance		2.9
0.1		Upward revaluation of investments	0.1	
-0.1		Downward revaluation of investments	0.0	
	2.9	Balance at 31 March		3.1

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 2025 £ m		Pooled Investment Funds Adjustment Account	31 March 2026 £ m	
-0.4		Opening Balance		-0.2
0.2		Upward revaluation of pooled investments	0.0	
0.0		Fair value movements transferred to/from the General Fund in accordance with the statutory requirements	0.0	
	-0.2	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 2025 £ m		Movement in Accumulated Absences Account	31 March 2026 £ m	
	-7.3	Balance on 1 April		-9.3
7.3		Settlement or cancellation of accrual made at the end of the preceding year	9.3	
-9.3		Amounts accrued at the end of the current year	-9.8	
	-2.0	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		-0.5
	-9.3	Balance on 31 March		-9.8

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 2025 £ m		Movement in Collection Fund Adjustment Account	31 March 2026 £ m	
	2.0	Balance on 1 April		0.5
-2.1		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		-2.3
0.6		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		-1.9
	0.5	Balance on 31 March		-3.7

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 2025 £ m		Dedicated Schools Grant (DSG) Adjustment Account	31 March 2026 £ m	
	-33.2	Balance on 1 April		-77.9
	-44.7	Deficit on Schools Budget for the year		-72.4
	-77.9	Balance on 31 March		-150.3

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 2025 £ m	Pensions Reserve	On 31 March 2026 £ m
-285.1	Balance as 1 April	-235.7
409.5	Remeasurements of net defined (liability)/asset	28.3
-51.4	Reversal of net charges made for retirement benefits	-45.1
50.6	Employer's pension contributions and direct payments to pensioners payable in the year	52.0
6.3	Grant funding of firefighters' pensions liabilities	4.9
-365.6	Asset Ceiling Adjustment (LGPS)	-35.7
-235.7	Balance at 31 March	-231.3

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:

2024/25 £m		2025/26 £m
65.7	Depreciation	72.5
-3.3	Impairment and downward valuations	2.5
0.1	Amortisation	0.1
-0.5	Increase/(decrease) in provision for expected credit loss	0.0
7.5	Increase/(decrease) in creditors	7.6
-11.8	(Increase)/decrease in debtors including bad debt provision	-0.4
0.2	(Increase)/decrease in inventories	-0.2
-5.5	Movement in pension liability	-11.9
32.4	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	49.1
-8.2	Other non-cash items charged to the net surplus or deficit on the provision of services	-3.3
76.6	Total	116.0

The cash flows for operating activities include the following items:

2024/25 £m		2025/26 £m
20.2	Interest received	18.0
-21.1	Interest paid	-13.3
1.7	Dividends received	1.5

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

2024/25 £m		2025/26 £m
0.0	Proceeds from short-term and long-term investments	-0.5
-9.0	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-2.3
-88.6	Any other items for which the cash effects are investing or financing cash flows	-95.7
-97.5	Total	-98.5

Note 22: Cash Flow Statement – investing activities

2024/25 £ m	Cash flows from investing activities	2025/26 £ m
-89.1	Purchase of property, plant and equipment, investment property and intangible assets	-84.4
-115.9	Purchase (-) of short-term and long-term investments	-1.9
161.0	Proceeds of short-term and long-term investments	156.0
-1.3	Other receipts or payments (-) for investing activities	-2.2
0.5	Proceeds from the sale of property, plant and equipment and investment property	4.4
121.8	Other receipts from investing activities - capital grants	86.2
77.1	Net cash flows from investing activities	158.1

Note 23: Cash Flow Statement – financing activities

2024/25 £ m	Cash flows from financing activities	2025/26 £ m
0.0	Repayments of short and long term borrowing	-32.2
-0.5	Cash payments for the reduction of outstanding liabilities in relation to finance leases	-0.6
10.7	Other payments for financing activities	4.2
10.3	Net cash flows from financing activities	-28.6

Note 24: Grant Income

We credited the following grants to the CIES in 2025/26:

2024/25 £ m	Grant income	2025/26 £ m
	Revenue grants credited to Services:	
1.5	Adult & Community Learning	1.8
3.5	Adult Social Care Discharge Fund	0.0
5.3	Asylum Seekers Grant	5.0
17.1	Better Care Fund	17.7
4.2	Bus Service Grant	4.8
4.4	Core Schools Budget Grant (CSBG)	7.4
298.9	Dedicated Schools Grant	329.9
1.0	Digital Fund - Apprenticeship Levy	1.2
1.0	Drug and Alcohol Treatment and Recovery Improvement Grant	1.0
1.8	Holiday Activities and Food Programme	1.9
6.9	Household Support Grant	6.1
3.0	Leaving Care Grant	3.0
1.5	Other Schools Grants	0.2
25.6	Public Health Grant	27.3
11.4	Pupil Premium Grant	11.3
1.2	Refugees Re-settlement Grants	1.8
2.0	School PE Grant	1.7
7.4	Teachers Pay/Pension Grants	3.2
1.6	UK Shared Prosperity Fund	3.9
4.0	Universal Infant Free School Meals	3.9
10.5	Other revenue grants	11.8
413.8	Total revenue grants	444.8
	Capital grants and contributions credited to services:	
6.4	Disabled Facilities Grant	6.8
10.5	Private developer funding	15.7
4.2	Other grants/contributions	7.0
21.1	Total capital grants and contributions	29.5
434.9	Total	474.2

2024/25 £ m	Grant income	2025/26 £ m
	Revenue grants credited to Taxation and Non Specific Grant Income:	
55.0	Adult Social Care Grant	46.2
19.3	Business Rates Retention/Compensation Scheme	18.9
0.0	Children and Families Grant	4.6
0.0	Domestic Abuse Support Grant	1.4
0.0	Employers NI Contribution Grant	3.8
4.1	Family First for Children	3.5
7.0	Fire Pension Fund Grant	5.6
1.0	Fire Service Pensions Grant	0.9
2.1	Homes for Ukraine	2.6
0.0	Local Authority Better Care Grant	18.7
9.8	Market Sustainability Grant	9.8
1.4	New Homes Bonus	1.3
0.0	Extended Producer Responsibility for Packaging Grant	5.2
1.2	Revenue Support Grant	2.1
1.8	Tackling Troubled Families	0.0
3.8	Other Government Grants	0.6
106.4	Total revenue grants	125.0
	Capital grants and contributions credited to Taxation and Non Specific Grant Income:	
1.2	Devolved Formula Capital	0.7
2.0	High Need Capital Grant	6.2
21.4	Basic Need Capital Grant	0.0
5.0	Schools Condition Allowance	4.7
9.8	Local Transport Grant	2.7
11.0	Highway Maintenance	36.5
11.2	Private developer funding	12.2
6.5	Donated assets received	0.4
5.8	Other grants/contributions	3.3
73.9	Total capital grants and contributions	66.6
180.4	Total	191.6

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 to be returned. The balances at year end are as follows:

2024/25 £ m		2025/26 £ m
	Short-term grant receipts in advance - revenue	
0.4	Adult & Community Learning	1.1
3.8	Bus Service Grant	1.9
6.6	Homes for Ukraine	5.4
3.0	Refugees Re-settlement Grants	3.2
5.9	Other revenue grants	4.1
19.7	Total revenue grants	15.5
	Long-term grant receipts in advance - capital	
0.9	Devolved Formula Capital	0.8
2.8	Building Digital UK (BDUK)	2.5
105.4	Private developer funding	98.2
4.8	Active travel	7.0
0.0	Bus Service Improvement Plan (BSIP)	5.8
4.0	Local Electric Vehicle Infrastructure (LEVI)	4.0
4.3	Zero Emission Bus Regional Areas (ZEBRA)	0.3
2.5	Other Highways Grants	1.7
2.1	Other grants/contributions	1.7
126.8	Total capital grants	122.0
146.5	Total	137.5

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

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

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and ROI (Amendments to Heritage Assets). Issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). Issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11. Issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). Issues in December 2024.

These standards all apply to local authority accounts in 2026/27. 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 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance in relation to individual assets. In the current economic climate, the authority cannot be certain about its ability to sustain the current level of spending on repairs and maintenance bringing into doubt the useful lives of the assets.	As at 31 March 2026, the carrying value of Property Plant and Equipment is £1,476.9 million. The depreciation charge in 2025/26 was £72.5 million. If a reduction of asset life occurs, the depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £5.2 million for every year that useful lives are reduced.
Inflation	General inflation remains above the Bank of England inflation target. The key elements that could be negatively impacted include: <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 	We have £233.8m of general fund revenue reserves. We have £175.5m of cash and short-term investments at 31 March 2026. A significant proportion of these could be used/redirected to meet any immediate funding shortfall. Any material use would require a review of our medium-term spending and investment plans. Our long-term investments and investment property equate to 2.2% of our total long-term assets at 31 March 2026. A decrease in value of these assets will not affect the underlying strength of our asset base. £151.8m of our operational land and buildings assets are valued on the basis of their existing use. An 18%+ variation in the value of these

	provide the authority with expert advice about the assumptions to be applied.	<p>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 measured. See note 37 for further examples. A 1% variation in the fair value of our share of the Pension Fund's assets is £17.2m.</p>
Pensions liability	<p>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.</p>	<p>As at 31 March 2026, our total LGPS pension liability is £1,329.1 million.</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 applied to the LGPS, in isolation, would result in an increase in the pension liability of £20.8 million. See note 37 for further examples.</p>
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. 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 2026, the carrying value of Investment Properties is £12.5 million. The fair value of level 2 financial liabilities is £217.5 million and the value of level 2 and level 3 financial assets are £17.7 million and £3.3 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 following table, 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.

2024/25 £ m	Capital financing requirement	2025/26 £ m
265.7	Opening requirement	317.1
	Capital investment:	
95.8	- Property, plant & equipment	86.2
0.1	- Heritage assets	0.0
3.6	- Long term debtors relating to capital transactions	2.5
60.8	- Revenue spending from capital under statute	45.1
160.2	Total capital investment	133.8
	Sources of finance:	
-0.6	- Capital receipts	-4.5
-95.7	- Government grants and other contributions	-96.2
	- Sums set aside from revenue:	
-1.9	- Direct revenue contributions	-1.1
-10.6	- MRP	-12.5
-108.8	Total sources of income	-114.4
317.1	Closing capital financing requirement	336.6

2024/25 £ m	Explanation of movements in the year	2025/26 £ m
47.2	Change in underlying need to borrow	19.4
4.2	Assets acquired under finance leases	0.1
51.4	Increase/decrease(-) in Capital Financing Requirement	19.5

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:

- 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. The activity within other WCC group entities is 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 2025.

We confirm that the DSG receivable in 2025/26 was £333.1 million (made under section 14 of the Education Act 2002). This amount includes £2.3 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. 2024/25, thus creating a comparable position to the statutory funding basis for the 2025/26 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 2026/27 and will be shown in the table as an in-year adjustment. The -£0.4m in-year adjustment shown in the table is -£0.2m additional DSG income relating to the final in-year adjustment for 2024/25 and -£0.2m NNDR adjustments relating to 2025/26.

The deficit on the high needs block of the DSG, which funds Special Education Needs and Disabilities provision, is £161.5m at 31 March 2026 (£86.9m at 31 March 2025). A resolution to the ongoing deficits being experienced is subject to the Government's intention to reset the SEND system and provide a national solution to the future of SEND funding once the DSG Statutory Override ends on 31 March 2028. The Government has confirmed that funding will be provided to local authorities through a High Needs Stability Grant, with allocations of 90% of the DSG deficit positions as at 31 March 2026, subject to Department for Education (DfE) approval of a local SEND Reform Plan due for submission in July 2026. Arrangements for deficits accrued in 2026/27 and 2027/28 are yet to be confirmed.

In line with 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 2025/26 are shown below.

2024/25		2025/26		
Total		Central Spending	Individual schools budget (ISB)	Total
£ m		£ m	£ m	£ m
629.2	Final DSG for the year before Academy recoupment	123.4	582.0	705.4
-327.7	Less Academy recouped for the year	0.0	-372.3	-372.3
301.4	Total DSG after Academy recoupment for the year and agreed initial budget distribution in the year.	123.4	209.7	333.1
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
301.4	Agreed initial budgeted distribution in the year	123.4	209.7	333.1
0.1	In year Adjustments	0.0	-0.4	-0.4
301.5	Final budgeted DSG distribution for the year	123.4	209.3	332.7
-148.2	Actual central spending for the year	-196.8	0.0	-196.8
-198.1	Actual ISB deployed to schools	0.0	-208.3	-208.3
-44.7	Under/Over(-) spend for the year (carried forward)	-73.4	1.0	-72.4
-33.2	DSG unusable reserve brought forward at 1 April			-77.9
-44.7	Addition to DSG unusable reserve in year			-72.4
-77.9	Total of DSG unusable reserve carried forward at 31 March			-150.3
-77.9	Net DSG position carried forward at 31 March			-150.3

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, 7 Warwickshire schools chose to take up the new academy status in 2025/26 and a further 5 Warwickshire schools are anticipated to convert to academy status in 2026/27. 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 2026 will be in the region of £13.7 million.

Note 31: External audit costs

We expect to incur costs of £0.321 million (£0.312 million in 2024/25) in relation to the audit of the 2025/26 Statement of Accounts and £0.013 million (£0.013 million in 2024/25) in respect of certification of grant claims and other services provided by our external auditors.

We acquired no non-audit services from the external auditors in 2025/26 (£0.010 million in 2024/25). These 2024/25 non-audit services related 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 2026. The Council uses the low-value assets exemption in its application of IFRS 16 and therefore does not recognise a right-of-use asset where the at new cost of a given asset is less than the low-value asset threshold of £10,000.

Lessee: Right-of-use Assets	Land and buildings £ m	Vehicles, machinery, furniture and equipment £ m	Total £ m
Net book value at 1 April 2025	8.7	0.2	8.8
Changes in the year			
~ new leased right-of-use assets recognised	0.5	0.1	0.5
~ value of assets sold / transferred	-0.1	0.0	-0.1
~ revaluation increases/ (decreases) recognised in the revaluation reserve	-0.4	0.0	-0.4
Depreciation			
~ depreciation written out to the revaluation reserve	0.3	0.0	0.3
~ depreciation written out on disposal	0.1	0.0	0.1
~ depreciation charge	-0.7	-0.1	-0.8
Net book value at 31 March 2026	8.4	0.2	8.5

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

2024/25 £ m	Lessee Income and Expenditure	2025/26 £ m
-0.2	Interest Expense on Lease Liabilities	-0.2
-0.7	Expense - Short term leases	0.0
-1.5	Expense - Low value assets	-1.9
0.2	Income from subleasing right-of-use assets	0.2
-0.7	Leases - Total cash outflow	-0.8

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

31st March 2025 £ m	Lease Liabilities: Maturity Analysis	31st March 2026 £ m
0.7	Not later than 1 year	0.6
0.7	1 - 2 years	0.3
0.3	2 - 3 years	0.3
0.3	3 - 4 years	0.3
0.3	4 - 5 years	0.2
3.1	Later than 5 years	2.9
5.4	Total	4.7

Reconciliation to Balance Sheet:

31st March 2025 £ m	Short Term Lease Liabilities	31st March 2026 £ m
0.7	Obligated Lease Payments: Not later than 1 year	0.6
0.7	Short term lease liability per balance sheet	0.7
0.0	Variance:	0.0
0.0	Short Term: Discounting applied to calculate liability per balance sheet	0.0

31st March 2025 £ m	Long Term Lease Liabilities	31st March 2026 £ m
4.7	Obligated Lease Payments: Later than 1 year	4.1
3.0	Long term lease liability per balance sheet	2.6
1.7	Variance:	1.5
-1.7	Long Term: Impact of NPV application to obligations:	-1.5

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.

2024/25 £ m	Authority as lessor	2025/26 £ m
-3.2	Selling profit / (loss) relating to lessor arrangements	0.0
0.2	Finance income on the net investment in the lease	0.2
4.1	Operating Leases: Lease income	4.7

Finance Leases as Lessor:

As at 31/03/2026 the carrying value of the net investment in finance leases is £4.0 million (31/03/2025: £4.1 million).

31st March 2025 £ m	Lease payments receivable: Maturity Analysis	31st March 2026 £ m
0.3	Not later than 1 year	0.3
0.3	1 - 2 years	0.3
0.3	2 - 3 years	0.3
0.3	3 - 4 years	0.3
0.3	4 - 5 years	0.3
6.1	Later than 5 years	5.7
7.6	Total	7.3

Reconciliation to Balance Sheet:

-3.6	Discounting applied to calculate asset per balance sheet	-3.3
4.1	Investment in lease asset per balance sheet	4.0

0.3	Short term Lease Receivable:	0.3
3.7	Long term Lease Receivable:	3.6
4.1	Total	4.0

Operating Leases as Lessor:

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

31st March 2025 £ m	Operating Leases: Lease payments receivable	31st March 2026 £ m
2.2	Not later than 1 year	2.5
1.9	1 - 2 years	2.3
1.9	2 - 3 years	1.9
1.6	3 - 4 years	1.6
1.4	4 - 5 years	1.3
13.2	Later than 5 years	20.4
22.1	Total	29.9

The minimum lease payments receivable does 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

On 9 February 2026, the Government announced that it will fund 90% of local authorities' historic DSG deficits (to 31 March 2026) through a High Needs Stability Grant, subject to Department for Education (DfE) approval of local SEND Reform Plan. The Council expects to submit the required return during 2026/27, with funding payable in that year subject to approval.

As the conditions of the grant had not been met at 31 March 2026, no income has been recognised. However, as an inflow of economic benefits is considered probable, this is disclosed as a contingent asset. The potential value is significant, representing 90% of the Council's DSG deficit at 31 March 2026, although the exact amount and timing remain uncertain.

Note 34: Contingent liabilities

The Council is currently in discussion with a supplier in relation to a major capital project. The supplier has asserted claims for additional costs in relation to works performed. The Council is assessing these claims and is dealing with the matter in accordance with the provisions of the contract.

At the balance sheet date, the Council has assessed the matter and concluded that, whilst it is not presently probable that an outflow of resources will be required, there remains a possible obligation dependent on the outcome of the process. Accordingly, no provision has been recognised.

The final outcome may differ from current expectations and is subject to a number of factors such as the interpretation of contractual terms, the assessment of entitlement to additional payments and the timing and outcome should there be any formal proceedings.

Note 35: Members' allowances

Elected members were paid a total of £0.970 million (£0.942 million in 2024/25) in allowances and £0.040 million (£0.057 million in 2024/25) in expenses. In addition, we paid independent and co-opted members allowances and expenses of £0.014 million (£0.012 million in 2024/25). No single member was paid more than £50,000 during the year. Further details of allowances and expenses payments made to Elected Members in 2025/26 are available on our website. Payments to Elected Members include expenses for the Warwickshire 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 (including schools' 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.

2024/25	Remuneration Band	2025/26	Increase / (Decrease)
Number of Staff		Number of Staff	
327	£50,000 - £54,999	523	196
185	£55,000 - £59,999	231	46
135	£60,000 - £64,999	122	-13
66	£65,000 - £69,999	101	35
57	£70,000 - £74,999	77	20
37	£75,000 - £79,999	43	6
31	£80,000 - £84,999	34	3
36	£85,000 - £89,999	23	-13
9	£90,000 - £94,999	28	19
12	£95,000 - £99,999	16	4
6	£100,000 - £104,999	3	-3
5	£105,000 - £109,999	6	1
3	£110,000 - £114,999	2	-1
3	£115,000 - £119,999	3	0
2	£120,000 - £124,999	0	-2
1	£125,000 - £129,999	1	0
0	£130,000 - £134,999	2	2
0	£135,000 - £139,999	0	0
2	£140,000 - £144,999	1	-1
0	£145,000 - £149,999	0	0
917		1,216	299

The majority of the 299 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 July 2025, the National Joint Council confirmed the 2025/26 local government pay award, providing for a 3.2% increase on all NJC pay points with effect from 1 April 2025.

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)	2024/25	214,300	0	214,300	42,217	256,517
	2025/26	221,521	0	221,521	43,640	265,161
Executive Director for Resources - Rob Powell (Section 151 Officer)	2024/25	166,100	0	166,100	32,722	198,821
	2025/26	171,697	0	171,697	33,824	205,521
Executive Director for Children & Young People - Nigel Minns (Director of Children's Services)	2024/25	166,100	0	166,100	32,722	198,821
	2025/26	157,499	0	157,499	31,027	188,526
Note 1	2025/26	12,817	0	12,817	2,525	15,342
Executive Director for Communities - Mark Ryder	2024/25	166,100	0	166,100	32,722	198,821
	2025/26	171,697	0	171,697	33,824	205,521
Executive Director for Social Care and Health - Becky Hale	2024/25	153,957	0	153,957	29,426	183,383
	2025/26	163,312	0	163,312	30,366	193,678
Director of Strategy, Planning and Governance - Sarah Duxbury (Monitoring Officer)	2024/25	132,602	0	132,602	26,122	158,724
	2025/26	153,373	0	153,373	30,214	183,587
Chief Fire Officer	2024/25	144,635	0	144,635	54,291	198,925
	2025/26	148,676	0	148,676	55,902	204,579
Director of Public Health	2024/25	129,785	0	129,785	25,568	155,352
	2025/26	137,048	0	137,048	26,998	164,047
Chief Education Officer	2024/25	126,979	0	126,979	25,015	151,994
	2025/26	134,154	0	134,154	26,428	160,582
Director of Adult Social Services	2024/25	132,602	0	132,602	26,122	158,724
	2025/26	145,071	0	145,071	28,579	173,649
Total 2024/25		1,533,158	0	1,533,158	326,926	1,860,084
Total 2025/26		1,616,864	0	1,616,864	343,329	1,960,193

Note 1: Director of Children's Services: The role of Director of Children's Services was undertaken by two individuals during 2025/26. Initially Nigel Minns from 1 April 2025 to 28 February 2026. A new Director of Children's Services, John Coleman, started on 1 March 2026 on an annualised salary of £153,803.

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

A number of employees left during 2025/26. Exit packages agreed within 2025/26 totalled £0.8 million (£0.8 million in 2024/25). No packages agreed in 2025/26 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	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	5	65	22	16	27	81	0.148	0.350
£20,001 - £40,000	2	5	1	2	3	7	0.086	0.208
£40,001 - £60,000	0	1	2	2	2	3	0.090	0.134
£60,001 - £80,000	1	1	0	0	1	1	0.079	0.065
£80,001 - £100,000	0	0	0	0	0	0	0.000	0.000
£100,001 - £150,000	0	0	2	0	2	0	0.249	0.000
£150,001 - £200,000	0	0	1	0	1	0	0.183	0.000
£200,001 - £250,000	0	0	0	0	0	0	0.000	0.000
	8	72	28	20	36	92	0.835	0.756

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 2026.

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 £20.6 million in 2025/26 (£21.3 million in 2024/25).

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 2025/26 the payments relating to added pensionable years came to £3.2 million (£3.2 million in 2024/25).

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 2025/26, pension payments totalled £10.5 million (£9.4 million in 2024/25). Costs relating to early retirement totalled £1.2 million in 2025/26 (£3.0 million in 2024/25).

The estimated employer's contributions for the Firefighters' Pension Fund for the period to 31st March 2026 is approximately £4.9 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 2025/26 we paid £0.01 million (£0.01 million in 2024/25) 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 2025/26, we made normal employer's contributions totalling £42.7 million (£41.8 million in 2024/25). We are also responsible for all pension payments relating to benefits we have awarded for added years, together with related increases. In 2025/26, these came to £1.0 million (£1.0 million in 2024/25). The estimated employer's contribution for the period to 31st March 2027 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 2026 is based on the market value at 31 March 2026. The movement in our LGPS assets in the year is as shown below:

31 March 2025 £ m	Change in Fair Value of WCC Share of LGPS Assets	31 March 2026 £ m
1,507.4	Fair value of assets at the beginning of the year	1,573.6
-1.3	Effect of settlements	-6.7
73.1	Interest Income on plan assets	91.1
-7.4	Remeasurements on assets	60.9
42.8	Employers' contributions (including receipts covering early retirements)	43.7
12.8	Member contributions	13.3
-53.7	Benefits/transfers paid	-53.2
1,573.6	Fair value of assets at the end of the year	1,722.7

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

31 March 2025		LGPS Assets	31 March 2026	
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
169.5	83.4	Debt Securities:	176.1	89.4
0.0	108.6	Private equity:	0.0	113.3
		Real estate:		
120.4	0.0	UK property	110.3	0.0
13.9	0.0	Overseas property	10.7	0.0
		Investment funds and unit trusts:		
877.2	0.0	Equities	680.0	0.0
0.0	0.0	Bonds	311.3	0.0
0.0	173.8	Infrastructure	0.0	184.4
26.8	0.0	Cash and cash equivalents	47.1	0.0
1,207.8	365.8	Totals	1,335.6	387.1

The expected return on scheme assets does not affect the Balance Sheet position as at 31 March 2026 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.

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31 March 2025					Pension scheme accounting	31 March 2026				
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:					
36.7	0.0	1.2	0.3	38.2	Current service cost	27.4	0.0	1.0	0.2	28.6
0.4	0.0	0.0	0.0	0.4	Past service cost and curtailments	0.0	0.0	5.9	0.0	5.9
-0.5	0.0	0.0	0.0	-0.5	Effects of Settlement	-2.3	0.0	0.0	0.0	-2.3
73.8	1.7	10.0	0.9	86.5	Interest cost	91.5	1.7	10.2	0.7	104.1
-73.1	0.0	0.0	0.0	-73.1	Interest income on plan assets	-91.1	0.0	0.0	0.0	-91.1
37.3	1.7	11.2	1.2	51.4	Net charge to CIES	25.4	1.7	17.1	0.9	45.1
					Contribution from Pensions Reserve:					
2.5	6.7	33.1	7.1	49.4	Movement on the Pensions Reserve	8.3	1.9	-5.6	0.0	4.5
-362.6	-5.2	-34.0	-7.6	-409.5	Re-measurements recognised in CIES	-25.7	-0.3	-2.1	-0.2	-28.3
n/a	n/a	-6.3	n/a	-6.3	Funded by Government top up grant	n/a	n/a	-4.9	0.0	-4.9
365.6	n/a	n/a	n/a	365.6	Asset ceiling adjustment (LGPS)	35.7	n/a	n/a	n/a	35.7
5.5	1.4	-7.2	-0.5	-0.8	Contribution (from) Pensions Reserve	18.3	1.5	-12.6	-0.2	7.0
					Actual amount charged against council tax:					
42.8	n/a	4.0	n/a	46.8	Employer's contributions & ill-health contributions	43.7	n/a	4.5	n/a	48.1
0.0	3.2	0.0	0.7	3.9	Retirement benefits paid or due to be paid to and transfers out	0.0	3.2	0.0	0.7	3.9
42.8	3.2	4.0	0.7	50.6	Amount charged against council tax	43.7	3.2	4.5	0.7	52.0
					Amount funded by government top up grant					
n/a	n/a	11.8	n/a	11.8	Retirement benefits paid and due to be paid to pensioners and transfers out	n/a	n/a	10.9	n/a	10.9
n/a	n/a	-1.5	n/a	-1.5	Employee contributions	n/a	n/a	-1.5	n/a	-1.5
n/a	n/a	-4.0	n/a	-4.0	Employer's contributions & ill-health contributions	n/a	n/a	-4.5	n/a	-4.5
0.0	0.0	6.3	0.0	6.3	Government top up grant receivable	0.0	0.0	4.9	0.0	4.9
					Movement in Reserves Statement					
-37.3	-1.7	-11.2	-1.2	-51.4	Reversal of net charges made for retirement benefits	-25.4	-1.7	-17.1	-0.9	-45.1
42.8	n/a	4.0	n/a	46.8	Employer's contributions & ill-health contributions	43.7	n/a	4.5	n/a	48.1
n/a	3.2	n/a	0.7	3.9	Retirement benefits paid or due to be paid to pensioners and transfers out	n/a	3.2	n/a	0.7	3.9
5.5	1.4	-7.2	-0.5	-0.8	Movement in Reserves Statement	18.3	1.5	-12.6	-0.2	7.0

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

31 March 2025				Pension scheme assumptions	31 March 2026			
LGPS	Teachers	Firefighters	Firefighter Injury Award		LGPS	Teachers	New Firefighters	Firefighter and Injury Award
				Financial assumptions:				
2.75%	2.75%	3.15%	3.15%	Rate of Inflation CPI	3.00%	3.00%	3.30%	3.30%
3.75%	3.75%	3.15%	3.15%	Salary increase	4.00%	4.00%	3.30%	3.30%
2.75%	2.75%	2.80%	2.80%	Pensions increases	3.00%	3.00%	3.00%	3.00%
5.80%	5.80%	5.80%	5.80%	Rate of discount	6.20%	6.20%	6.20%	6.20%
				Life expectancy assumptions:				
21.5 (24.0)	21.5 (24.0)	25.6 (28.5)	25.8 (28.7)	A male (female) current pensioner aged 65	22.2 (24.6)	22.2 (24.6)	26.1 (28.7)	26.1 (28.7)
22.2 (25.5)	-	27.7 (30.5)	27.2 (30.0)	A male (female) future pensioner aged 65 in 20 years time	23.0 (25.9)	-	28.1 (30.8)	28.1 (30.8)
				Commutation of pension for lump sum at retirement:				
65%	n/a	90%	90%	~ Taking maximum cash	75%	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 2026	Approximate increase to Employer Liability %	Approximate monetary amount £ m
0.1% decrease in real discount rate	2%	20.8
1 year increase in member life expectancy	4%	53.2
0.1% increase in the salary increase rate	0%	0.8
0.1% increase in the pension increase rate	2%	20.0

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

31 March 2025					Change in present value of pension scheme liabilities during the year	31 March 2026				
LGPS	Teachers	Firefighters	Firefighter Injury Award	All Schemes		LGPS	Teachers	Firefighters	Firefighter Injury Award	All Schemes
£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
1,399.3	37.0	210.5	19.1	1,665.9	Benefit obligation at the beginning of the year	1,224.0	30.4	177.4	12.0	1,443.7
36.7	0.0	1.2	0.3	38.2	Current service costs	27.4	0.0	1.0	0.2	28.6
-1.9	0.0	0.0	0.0	-1.9	Effect of Settlements	-9.1	0.0	0.0	0.0	-9.1
67.7	1.7	10.0	0.9	80.3	Interest on pensions liabilities	70.3	1.7	10.2	0.7	82.9
12.8	0.0	1.5	0.0	14.3	Member contributions	13.3	0.0	1.5	0.0	14.8
0.4	0.0	0.0	0.0	0.4	Past service costs	0.0	0.0	5.9	0.0	5.9
-53.7	-3.2	-11.8	-0.7	-69.4	Benefits/transfers paid	-53.2	-3.2	-10.9	-0.7	-68.0
-237.3	-5.2	-34.0	-7.6	-284.1	Remeasurements on liabilities	56.4	-0.3	-2.1	-0.2	53.8
1,224.0	30.4	177.4	12.0	1,443.8	Present value of liabilities at the end of the year	1,329.1	28.5	183.0	12.0	1,552.7

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

31 March 2025					Pension assets and liabilities recognised in the Balance Sheet	31 March 2026				
LGPS	Teachers	Fire fighters	Firefighter Injury Award	Total		LGPS	Teachers	Fire fighters	Firefighter Injury Award	Total
£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
1,224.0	30.4	177.4	12.0	1,443.8	Present value of the defined benefit obligation	1,329.1	28.5	183.0	12.0	1,552.7
1,573.6	0.0	0.0	0.0	1,573.6	Less: Fair value of plan assets	1,722.7	0.0	0.0	0.0	1,722.7
-349.6	30.4	177.4	12.0	-129.8	Net Liability arising from defined benefit obligation (Pre asset ceiling adjustment)	-393.6	28.5	183.0	12.0	-170.0
365.6	n/a	n/a	n/a	365.6	Asset ceiling adjustment	401.3	n/a	n/a	n/a	401.3
16.0	30.4	177.4	12.0	235.7	Net Liability arising from defined benefit obligation	7.7	28.5	183.0	12.0	231.3
-2.5	-6.7	-33.1	-7.1	-49.4	Increase/decrease (-) in net liability from previous year	-8.2	-1.8	5.6	0.0	-4.5

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	2024/25	2025/26
	£m	£m
Funding provided to the pooled budget:		
~ Warwickshire County Council	25.0	25.0
~ NHS Coventry and Warwickshire ICB	52.7	53.5
	77.8	78.6
Expenditure met from the pooled budget:		
~ Warwickshire County Council	47.1	42.7
~ NHS Coventry and Warwickshire ICB	30.7	35.8
	77.8	78.6
Net Surplus arising on the pooled budget during the year:	0.0	0.0

The total pooled budget arrangement for 2025/26 is £78.6 million (£77.8 million in 2024/25) of which:

£6.4 million (£6.4 million in 2024/25) 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, £35.8 million (£30.7 million in 2024/25) was spent by the ICB for it to commission services.

In addition, £4.6 million (£4.4 million in 2024/25) 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 2024/25) and incurred total spend of £6.3 million in relation to ICES in 2025/26 (£6.2 million in 2024/25).

A total of £30.1 million (£34.6 million in 2024/25) revenue funding was allocated by the Council for commissioning services in accordance with the agreement.

Any 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 £4.7 million in 2025/26 (£4.6 million in 2024/25). 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	2024/25	2025/26
	£m	£m
Funding provided to the pooled budget:		
~ Warwickshire County Council	0.7	0.7
~ NHS Coventry and Warwickshire ICB	3.9	4.0
	4.6	4.7
Expenditure met from the pooled budget:		
~ Warwickshire County Council	4.6	4.7
~ NHS Coventry and Warwickshire ICB	0.0	0.0
	4.6	4.7
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 within creditors until such times as it is distributed. At 31st March 2026, the pool surplus held was £2.0 million (£2.0 million at 31st March 2025). This is held by the Council on behalf of the pool. The offsetting liability for the Council is reflected within Short-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 2025/26 is shown in note 35.

During 2025/26 £16.1 million (£20.1 million in 2024/25) was paid to entities in which elected members had an interest (this includes £14.7 million (£17.3 million in 2024/25) paid to District and Borough Councils in Warwickshire where they are also elected members).

During 2025/26 £4.7 million (£8.9 million in 2024/25) was received from entities in which elected members had an interest (this includes £3.9 million (£5.9 million in 2024/25) 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 2026, 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 2025/26 payments of £11.1 million (2024/25: £9.4 million) were made to organisations in which senior officers or members of their families had declared an interest. During 2025/26 payments of £1.5 million (2024/25: £2.5 million) were received from organisations in which senior officers or members of their families had declared an interest. At 31 March 2026, 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 the Council 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 the Council's wholly owned Local Authority Trading Companies.

Other Public Bodies

At the end of the year, the Council owed £48.3 million (£43.1 million in 2024/25) to other local authorities, central government and public bodies including £7.2 million (£6.4 million in 2024/25) to His Majesty's Revenue and Customs, and they owed the Council £33.0 million (£35.0 million in 2024/25), including £6.3 million (£9.8 million in 2024/25) from His Majesty's Revenue and Customs.

Warwickshire County Council is the administering body for the Warwickshire Pension Fund. In 2025/26 the Council charged the Warwickshire Pension Fund £2.6 million (£2.6 million in 2024/25) for carrying out administration work for the fund. In addition, the Council 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 2026.

Company	WCC Share Holding
Warwickshire Legal Services Trading Ltd	100% owned LATC (WCC)
Educaters 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 as at 31 March 2026. 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 2025/26 the Council received payments of £213k (£86k in 2024/25) from Warwickshire Legal Services Trading Ltd and made payments of £7k (£11k in 2024/25) to the entity. As at 31 March 2026, the Council was owed £7k (31 March 2025: nil) by the entity and did not owe anything to the Council (31 March 2025: nil).

- Educaters Ltd:

Educaters 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.

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

In 2025/26, aside from items relating to the loan amounts mentioned above, the Council (including Warwickshire's maintained schools) made payments of £6.9 million to Educaters Ltd (£7.8 million in 2024/25) and received payments of £0.2 million (£0.2 million in 2024/25). As at 31/03/2026, the County Council was owed £0.4 million (31 March 2025: £0.3 million) by Educaters Ltd and the Council owed Educaters nil (31 March 2025: nil).

- 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 2025 showed a net liability position of £1.2 million (31 December 2024: £1.7 million net liability position).

As at 31 March 2026, the Council had provided a working capital loan of £3.3 million (31 March 2025: £2.2 million). Interest is charged at an arm's length rate (and at an arm's length rate for the undrawn remainder of the £4 million total facility).

In 2025/26, aside from items relating to the loan amounts mentioned above, the Council made payments of £61k to WPDG (£68k in 2024/25) and received payments of £255k (£200k in 2024/25). As at 31/03/2026, the Council was owed £62k (31 March 2025: £49k) by WPDG and owed nothing to WPDG (31 March 2025: £36k).

- 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 2026, three sites had been transferred to WPD Ltd.

At 31 March 2026, the Council had provided a development loan of £2.4 million (31 March 2025: £1.3 million). Interest is charged at an arm's length rate.

In 2025/26, aside from items relating to the loan amounts mentioned above, the Council made no payments to WPD Ltd and received no payments (£1k in 2024/25) from WPD Ltd. As at 31/03/2026, the Council owed nothing to WPD Ltd (31 March 2025: Nil) and WPD Ltd owed £149k to the Council (31 March 2025: £43k).

- 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 2026, the Council had provided a loan of £6.5 million (31 March 2025: £6.5 million). Interest is charged at an arm's length rate.

In 2025/26, aside from items relating to the loan amounts mentioned above, the Council made payments of £0.8 million to WPM Ltd (£0.9 million in 2024/25) and received payments of £0.6 million (£0.5 million in 2024/25). As at 31/03/2026, the Council owed WPM Ltd £30k (31 March 2025: £36k) and WPM Ltd owed £43k to the Council (31 March 2025: £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 2024/25 or 2025/26.

- 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 2024/25 or 2025/26.

- 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 set up to deliver the first project undertaken by Develop Warwickshire LLP.

At 31 March 2026, one site had been transferred to the company. At 31 March 2026, there was no loan note (31 March 2025: £2.0 million) provided to Brookmill Meadows LLP by the Council.

In 2025/26, the Council made no payments (2024/25: Nil) to Brookmill Meadows LLP and received £391k payments (2024/25: £2k) from Brookmill Meadows LLP. As at 31/03/2026, the Council owed £27k to Brookmill Meadows LLP (31 March 2025: nil) and Brookmill Meadows LLP owed nothing to the Council (31 March 2025: £302k).

- 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 set up to deliver a project undertaken by Develop Warwickshire LLP.

At 31 March 2026, one site had been transferred to the company. At 31 March 2026, a loan note of £4.4 million (31 March 2025: £4.4 million) had been provided to Milby Meadows LLP by the Council in relation to a deferred capital receipt.

In 2025/26, aside from the items relating to the loan amounts mentioned above, Milby Meadows LLP made payments to the Council of £1.7 million (2024/25: £8k). The Council made payments of £381k to Milby Meadows LLP (2024/25: Nil). As at 31 March 2026, the Council was owed £0.6 million by Milby Meadows LLP (31 March 2025: £0.3 million).

- 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 set up to deliver a project undertaken by Develop Warwickshire LLP. In 2025/26, the Council made no payments to Overton View LLP (2024/25: £1k). No amounts were owed as at 31 March 2026 (31 March 2025: 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 was set up to promote business growth by engaging with the Coventry and Warwickshire business community.

In 2025/26, the Council made payments to C&W Growth Hub Ltd of £0.4 million (£0.4 million in 2024/25) and received no payments (nil in 2024/25) from C&W Growth Hub Ltd.

The Firefighters' Pension Fund

2024/25 £m	Fund account	2025/26 £m
	Income to the fund	
	Contributions receivable (funds due to us during the year):	
	- from employer: Warwickshire County Council	
-4.0	- normal contributions in relation to pensionable pay	-4.5
0.0	- early retirements	-0.1
-1.4	- from members (firefighters' contributions)	-1.6
	Transfers in:	
-0.1	- individual transfers in from other authorities	0.0
-5.5	Income to the fund	-6.2
	Spending by the fund	
	Benefits payable:	
9.4	- Pension payments	10.5
3.0	- Commutation of pensions and lump-sum retirement benefits	1.2
12.5	Spending by the fund	11.7
7.0	Net amount payable for the year (before top-up grant receivable from Government)	5.6
-7.0	Top-up grant payable by the Government	-5.6
0.0	Net amount payable or receivable (-) for the year	0.0

31 March 2025 £m	Firefighters' Pension Fund net assets statement	31 March 2026 £m
	Current assets:	
1.8	- Top-up grant receivable from Government	0.0
0.0	- Other current assets	1.1
	Current liabilities:	
-1.8	- Other current liabilities	0.0
0.0	- Top-up grant repayable to Government	-1.1
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 2026. 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.

Pensions expected return on assets

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.

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.