

Statement of Accounts

2024/25

and Annual Governance Statement



Contents

Narrative Report	4 - 22
Statement of Accounts:	
Statement of Responsibilities	23
Comprehensive Income and Expenditure Statement	24
Movement in Reserves Statement	25
Balance Sheet	26
Cash Flow Statement	27
Note 1 - Accounting policies	28-42
Note 2 - Accounting standards that have been issued but have not yet been adopted	42-43
Note 3 - Critical judgements in applying accounting policies	43
Note 4 - Assumptions made about the future and other major sources of estimation uncertainty	43 - 45
Note 5 - Events after the reporting period	45
Note 6 - Prior Year Adjustment	45 - 54
Note 7 - Expenditure and funding analysis	55 - 58
Note 8 - Expenditure and income analysed by nature	58
Note 9 - Adjustments between accounting basis and funding basis under regulations	59 - 60
Note 10 - Movements in earmarked reserves	61 - 62
Note 11 - Other operating income and expenditure	62
Note 12 - Financing and investment income and expenditure	62
Note 13 - Taxation and non-specific grant income and expenditure	63
Note 14 - Property, plant and equipment	63 - 66
Note 15 - Heritage assets	66 - 67
Note 16 - Investment properties	68
Note 17 - Financial instruments	69 - 72
Note 18- Intangible Assets	72
Note 19 - Assets held for sale	73
Note 20 - Debtors	73
Note 21 - Debtors for local taxation	72
Note 22 - Cash and cash equivalents	74
Note 23 - Creditors	74
Note 24 - Provisions	74 - 75

Note 25 - Unusable Reserves	75 - 78
Note 26 - Cash flow statement - Operating activities	79
Note 27 - Cash flow statement - Investing activities	80
Note 28 - Cash flow statement - Financing activities	80
Note 29 - Reconciliation of liabilities arising from financing activities	80
Note 30 - Members' allowances	80
Note 31 - Officers' remuneration	81
Note 32 - Termination benefits	82
Note 33 - External audit costs	82
Note 34 - Usable reserves	82
Note 35 - Grant income	83 - 84
Note 36 - Related party transactions	84 - 86
Note 37 - Capital expenditure and capital financing	87
Note 38 - Leases	87
Note 39 - Impairment / revaluation losses	88
Note 40 - Defined benefit pension schemes	88 - 92
Note 41 - Nature and Extent of Risks Arising from Financial Instrument	93 - 96
Note 42 - Contingent Assets and Liabilities	96 - 97
Housing Revenue Account Income and Expenditure Statement	98
Movement on the Housing Revenue Account Statement	99
Notes to the Housing Revenue Account	99 - 101
Collection Fund	102
Notes to the Collection Fund	103
Group Accounts	104 - 108
Note to the Group Accounts	108 - 110
Glossary	111 - 117
Independent Auditor's Report to the Members of Warwick District Council	118 - 120
Annual Governance Statement	121 - 133

Andrew Rollins, ACMA, CGMA
Head of Finance

Narrative Report

Message from the Head of Finance

Andrew Rollins

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information so that members of the public, including electors and residents of Warwick District, partners, stakeholders and other interested parties can:

- Understand the overarching financial position of the Council and the financial outturn for 2024/25
- Have confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner; and
- Be assured that the financial position of the Council is secure.

Legislation requires that an authority's draft accounts be completed by 30 June following the year end, and an audited Statement of Accounts submitted to the appropriate body for approval by 30 September each year. To aid transparency, it also requires all local authorities to have a common thirty-day public inspection period which includes the first ten working days following the draft publication.

A decision was made to delay the publication of the unaudited 2024/25 Statement of Accounts. This was due to:

- The need to resolve outstanding issues which would impact upon the approach and information contained within the 2024/25 Statement of Accounts.
- Delays in the receipt of critical information from our external valuers.

- To provide more time to the Finance Team to ensure sufficient review of the draft statements has taken place before publication, noting that the External Audit had been agreed to commence from 15 September as per the Audit Plan.

The delay was notified through the publication of a notice in accordance with The Accounts and Audit Regulations 2015 - Regulation 15, as amended by The Accounts and Audit (Amendment) Regulations 2021, and by The Accounts and Audit (Amendment) Regulations 2022.

In order to clear the backlog of unaudited accounts up-to-and-including financial year 2024/25, the Government have introduced backstop dates by which authorities need to publish audited accounts. The backstop date for 2024/25 has been set at 27 February 2026. This will enable the Council to focus on the most recent accounts where assurance is most valuable and relevant to support strategic decision making.

The Narrative Report provides a summary of Warwick District Council, including the structure of the Council, its vision through the Corporate Strategy and the principal risks that it faces. It also demonstrates how the Council has used its available resources to achieve desired outcomes from both a financial and non-financial perspective and provides a summary of the financial position as at 31 March 2025.

The Council has three strategic priorities;

- Delivering valued, sustainable services
- Low cost low carbon energy across the district
- Creating vibrant, safe and healthy communities of the future

All priorities have an overarching theme of sustainability with the first focussing on financial sustainability and how the Council will look to continue to deliver high quality valued services funded directly from in-year sources, and move away from its recent reliance on reserves.

During 2024/25, the Council continued to face increased costs driven by inflation and interest rates remaining higher than forecast. Although significantly less than the previous year, these continue to put pressure on the Council's budget. Funding from reserves was approved by the Council to ensure a balanced budget was set in February 2024. Despite the challenging economic environment, the Council has continued to deliver the Medium-Term Financial Strategy focussing on maintaining quality services for its residents.

To ensure the effects of the challenges faced are mitigated and to support delivery of the strategic priorities, the Council launched a Change Programme in early 2024, with a focus on achieving £2.5m of recurrent efficiencies over the next four years. In 2024/25 the Council surpassed its first year target, achieving £0.323m of efficiencies and are on track to achieve the £0.700m target for 2025/26. The Council will continue to focus on bringing

forward further proposals to ensure that the programme delivers to plan. The Council will continue to monitor its performance, reporting on a quarterly basis to Cabinet and Council, and if necessary, revise its Medium-Term Financial Strategy (MTFS) to reflect the impact of the economic and social environment.

Looking ahead, central Government set out a number of proposals during the year which would have an impact upon the Council, with a focus on how it is structured (Local Government reorganisation), how it will be funded (the Fair Funding Review) and how the local audit system can be reformed, to rebuild assurance across the sector. As the financial statements demonstrate, the financial standing of the Council continues to be robust. This ensures that the Council is in a strong position going into a period of change.

The Finance Service has worked hard to address many of the challenges faced over the last three years, which resulted in disclaimed accounts. Investment in the team, including increasing staffing resources and continuing to refine the finance system implemented in 2021, has taken place. It is expected that the Statement of Accounts as presented here will be the first stage in building back assurance for the Council.



Key facts about the District

Warwick District is a fantastic place, with many strengths including historic buildings, green spaces, vibrant communities, a successful tourism industry as well as growing digital and creative sectors. The district is ambitious, innovative and embracing new ways of living and working, whilst cherishing history and traditions.

Warwick District includes the towns of Kenilworth, Royal Leamington Spa, Warwick and Whitnash, accounting for around 80% of the population. The remainder of residents live in Parishes, many of which are situated within the Green Belt. Warwick District is bordered to the south and west by Stratford-on-Avon District, to the east by Rugby Borough and to the north by Solihull and the city of Coventry.

The district provides a central location with excellent road and rail transport links. There are major routes across the area, including the M40, providing direct access to London and indirect links to the north-west via the M6 and M5, respectively. There are also excellent rail services to the rest of the West Midlands and London.

Warwick District has the largest population in the county, and the population density of 4.9 people per square hectare is the second highest in Warwickshire, and it is above national/regional averages. The population grew over the ten

years from 2011 to 2021 by over 7.8%, increased by a greater percentage than the overall population of the West Midlands (6.2%) and by a greater percentage than the overall population of England (up 6.6% since the 2011 Census).

The Council is undertaking some major initiatives across the district to improve residents' lives. These include leisure and sport developments, regenerating Leamington's creative quarter, a new country park and substantial infrastructure for new housing estates. These strategic priorities are designed to benefit our communities across the district, by regenerating areas, reducing heating bills and promoting healthier, safer, stronger communities.

Recently the Council has hosted two popular conferences; Interactive Futures, a key gaming conference, as well as Spark Ignite, an annual conference for the emerging creative community. In addition, a major redevelopment of the Stoneleigh Arms pub has been completed, cementing the south town as the heart of our creative sector. This year we will host the Lawn Bowls and Para Bowls Championships in Victoria Park, which will attract thousands of visitors from across the world to enjoy all that the district has to offer.



Political Structure

As at 31 March 2025, Warwick District had 17 wards and the Council consisted of 44 Councillors. The political make up of the Council is shown below.



The Council has adopted the Leader and Cabinet model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The Leader of the Cabinet has responsibility for the allocation of Portfolios and the delegation of Cabinet Functions. Cabinet members are held to account by a system of scrutiny which is also set out in the Constitution. Scrutiny of Cabinet decisions for 2024/25, including the setting of a balanced budget for 2024/25, has been undertaken by Committees including Overview and Scrutiny, Audit and Standards, Housing Scrutiny and the Budget Review Group, and recommending to Cabinet and Council as necessary.

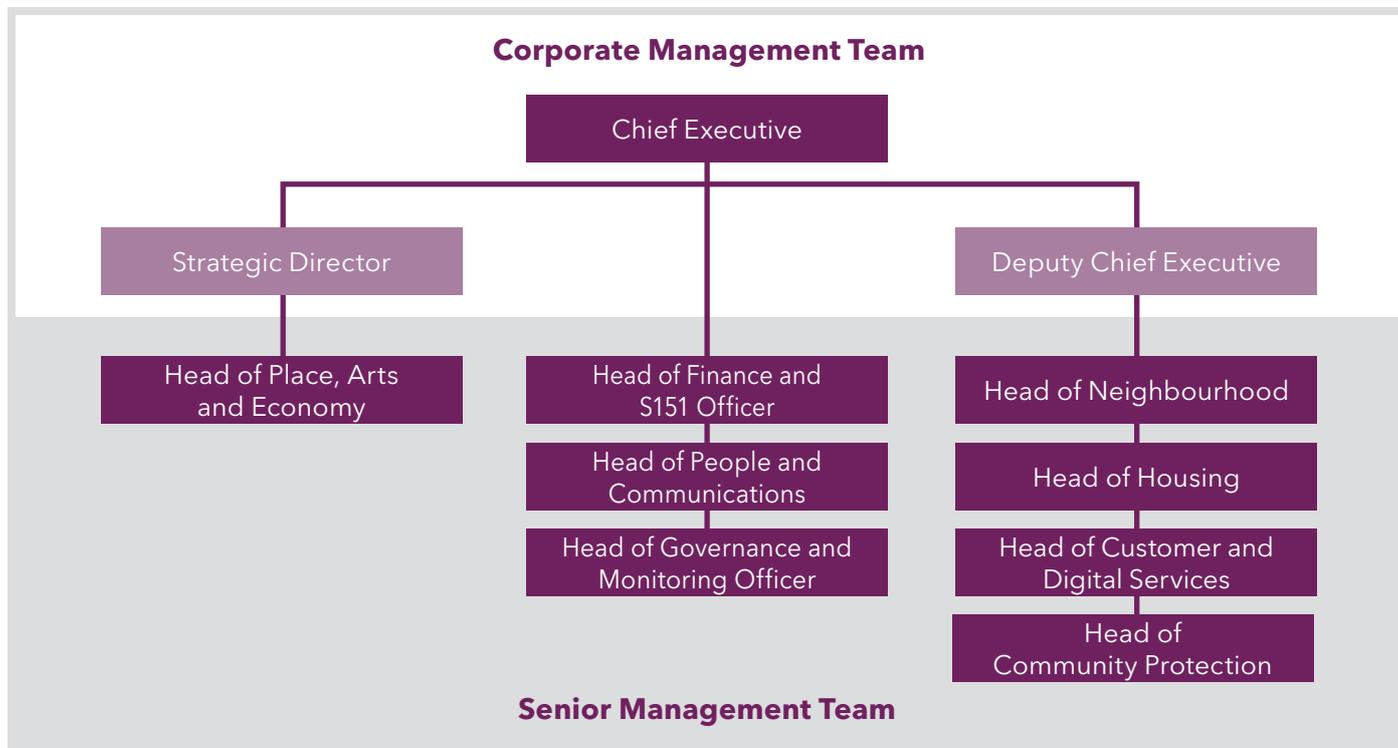
Warwick District Council Key Information

Warwick District Council is a multifunctional and complex organisation. Its policies are directed by the political leadership and implemented by Portfolio Holders, who make up the Cabinet (the Council's main decision making body) and officers of the Council.



Management Structure

Supporting the work of Councillors is the organisational structure of the Council, headed by the Corporate Management Team and led by the Chief Executive.



During 2024/25 the Corporate Management Team was comprised of the Chief Executive, a Strategic Director and a Deputy Chief Executive.

The Head of Finance periodically attends the Corporate Management Team meetings in his role as the Council's Chief Financial Officer (the officer responsible under statute for the administration of the Council's financial affairs) together with other Heads of Service as required. This ensures that the key statutory officers are represented at the most senior level of the Council.

The Corporate Management Team is responsible for the delivery of Council services, directing improvements and future plans for Warwick District. It provides managerial leadership and supports Councillors in:

- Developing strategies;
- Identifying and planning the use of resources;
- Delivering plans; and
- Reviewing the Council's effectiveness with the overall objective of providing excellent service to the public.

Supporting the Corporate Management Team is the Senior Management Team which consisted of eight Heads of Service as shown in the diagram above. This Management Structure was implemented at the beginning of October 2024.

Council Employees

The full time equivalent number of staff employed by the Council in April 2024 was 470. This increased over the year to 493 at the end of March 2025, including 10 apprentices, with 6 new Apprentices started in the year 24/25.

The Council is an Equal Opportunities employer that welcomes applications from all and uses a fair and open selection process based on knowledge, experience, skills, and behaviour with the aim of recruiting the best person for the job.

Warwick District Council promotes an environment that offers opportunities to all staff. The Council is committed to training and development, encourages a healthy work life balance for all staff and has achieved the National Award for England's Health and Wellbeing Charter and Investors in People accreditation.

Our Vision

The Council's Vision is 'To make Warwick District a great place to live, work and visit by improving lives and our environment'

The Council's latest Service Area Plans set out the delivery of these strands.

CORPORATE STRATEGY PRINCIPLES

The delivery of the Corporate Strategy will be underpinned by the following seven principles:

- Sustainability will be at the heart of our decision-making.
- Plan and invest for the long-term benefit for the people and environment of the district.
- Good governance and transparent decision-making.
- Use data, including insight from our customers, residents, businesses, and visitors to help us make the right decisions.
- Social value and inclusive growth will underpin the investments we make throughout the district to help ensure all our communities prosper.
- Consultation and engagement with stakeholders will be used to help inform and shape how we deliver improvements and change.
- We will evaluate how we make the best use of resources to offer the best service at the best value.

The Three strategic priorities of the Council are:

- Delivering valued, sustainable services.
- Low cost, low carbon energy across the district.
- Creating vibrant, safe and healthy communities of the future.

Our Values

Our values are at the heart of everything we do. They provide the basis within which we engage with our employees, and ultimately influence and shape our organisational culture. They are the driving force behind all the work we do.



WE WILL FIND A BETTER WAY

The Council will find creative, innovative and practical solutions to problems.



WE WILL MAKE IT HAPPEN

The Council are determined and take responsibility in all we do.



WE WILL SHOW RESPECT

The Council will value everyone, support each other and work objectively without bias or prejudice.



WE WILL BE COLLABORATIVE

The Council will work together with our partners and stakeholders to achieve shared goals.

Our Services

The Council provides valuable and accessible services for the community, which helps to promote Warwick District as a great place to live, work and visit, and these include:

FINANCE

- Accountancy
- Audit and Risk
- Procurement
- Revenue

CUSTOMER & DIGITAL SERVICES

- Application Support, Digital Mapping services
- Benefits & Customer Services
- Community Health & Wellbeing
- Transformation
- Helpdesk & Technical Support
- Infrastructure Services

PEOPLE & COMMUNICATIONS

- People
- Learning & Development
- Marketing & Communications
- Equalities Diversity & Inclusion

PLACE, ARTS AND ECONOMY

- Development Management
- Building Control
- Planning Policy and Delivery
- Arts & Culture
- Enterprise

- Economic Development & Regeneration

COMMUNITY PROTECTION

- Environmental Health & Licensing
- Corporate Health & Safety
- Private Sector Housing
- Community Safety

NEIGHBOURHOOD

- Bereavement Services
- Public Conveniences
- Off street Car Parking
- Refuse & Recycling Collections
- Street Cleansing
- Grounds Maintenance
- Sports & Leisure, Outdoor Sport
- Green Space

HOUSING

- Housing Needs
- Landlord Services
- Housing Strategy and Development
- Business Development and Change, within Housing

- Milverton Homes and Joint venture
- Compliance, Repairs & Maintenance
- Technical Surveying & Contracts
- Fire safety & Building Safety

GOVERNANCE & MONITORING

- Public Council, Cabinet & Committee meetings
- Councillor, Chairman support
- Policy, Performance and Complaints
- Electoral registers
- Public elections

STRATEGIC LEADERSHIP

- Corporate Policy
- Climate change, Low Cost, Low Carbon Energy
- Strategic Partnerships
- Leisure Development Programme
- Programme Team - Development & Delivery of Major public realm projects

Resource Strategies

The Corporate Strategy is supported by four resource strategies (Digital, People, Finance and Asset), which set out how the Council plans to utilise its resources to achieve its objectives:

DIGITAL STRATEGY AND CHANGE PROGRAMME

In 2024 the Council's Digital Strategy became an integrated part of the Council's Change Programme, which continues to build on the delivery of inclusive, valuable and effective services that meet the needs of our communities. The Change Programme is reshaping how our services are delivered and the priorities the Customer and Digital Services team focus on, including the creation of centralised customer service functions, designed to make access easier, more consistent, and to deliver the right answer at the first point of contact. The programme also addresses the effective internal use of technology by our services, to ensure the future sustainability and continued achievement of the Council's strategic priorities.

PEOPLE STRATEGY

The People Strategy sets out how the Council's approach to resourcing, learning and development, and cultural change ensures that

its workforce is able to support the Council's Corporate Strategy Warwick District 2030, as it is the staff who deliver the Council's vision to make Warwick District a great place to live, work and visit by improving lives and our environment.

MEDIUM TERM FINANCIAL STRATEGY FOR 2024/25 TO 2028/29

The Medium Term Financial Strategy (MTFS) was approved by the Council on 8 February 2024. This document sets out the financial framework used to ensure adequate financial resources are available to achieve the Council's objectives and that appropriate action is taken to address significant future challenges.

ASSET STRATEGY

A new General Fund Asset Management Strategy will be presented to July 2025 Cabinet and instigated thereafter. The Strategy covers the Council's General Fund corporate and community assets, and will derive best value through social, environmental and financial measures. A new Asset Challenge process will periodically review our assets and identify opportunities for investment, disposal or for potential future acquisitions.

Annual Service Area Plans

The Council has a Corporate Strategy and the delivery of this is supported by the Individual Service Area Plans. The Service Area plans, covering a period of 1 January 2024 through to 31 March 2025, were developed in parallel to the new Corporate Strategy and were adopted in December 2023. There were 9 service area plans: Customer & Digital Services, Finance, Governance, Housing Services, Neighbourhood, People and Communication, Place, Arts & Economy, Community Protection and Strategic Leadership. Each service area produces, in consultation with Portfolio Holders and relevant stakeholders, for particular areas of activity. The individual plans seek to describe the scope of each Service Area's services and projects and how delivery will be managed with available resources. In aggregate, the Service Area Plans represent the programme of work for the Council for each financial year.

Performance against the Service Area Plan is reviewed by the Overview and Scrutiny Committee with quarterly reports being presented to them, with these being made available to the public via the Council's website. To support this work all Councillors have access to the Service Area Plans and performance data to enable them to monitor the work.

Financial Overview 2024/25

The approved revenue budget sets out how the Council plans to allocate revenue funding during the year in order to deliver services to the people and communities within Warwick District.

Revenue resources available to finance the General Fund budget, used to provide services are forecast to be approximately £17.438m by 2027/28. A year-by-year breakdown is shown in the diagram below:

REVENUE RESOURCES	2024/25 Actual '£000	2025/26 Forecast '£000	2026/27 Forecast '£000	2027/28 Forecast '£000
Business Rates	7,363	6,729	4,126	4,126
Collection Fund Balance	100	(70)	0	0
New Homes Bonus	902	1,529	0	0
Funding Guarantee	2,462	1,347	1,000	1,000
Other Grants and Government Funding	22	1,185	0	0
Council Tax	10,616	11,203	11,766	12,357
Total Revenue Resources	21,465	21,923	16,892	17,438

The approved Medium Term Financial Strategy (MTFS) forecasts a surplus of £0.122m by 2027/28. This position is reliant on meeting the ambitious targets agreed by Cabinet as part of the Change Programme.

Other future changes that are anticipated to have an impact on the Council's finances are:

- Longer Term Local Finance Settlement being agreed by Government
- Economic Changes arising from current World Events.
- Efficient procurement to deliver quality services at minimum cost
- Population growth increasing demand for services provided
- Expenditure pressures relating to pay awards, inflation, and capital programme financing costs.

The change programme was born of the recognition that if the Council is to remain sustainable, we must alter how we do things. Given the significance of the change that is required, it is important that this is done with purpose and at all time, supports and enriches the Council's priorities and its vision to make Warwick District a great place to live, work and visit by improving lives and environment.

For 2024/25 the Council approved a net General Fund budget of £10.616m, which resulted in a D Band Council Tax charge of £182.15.

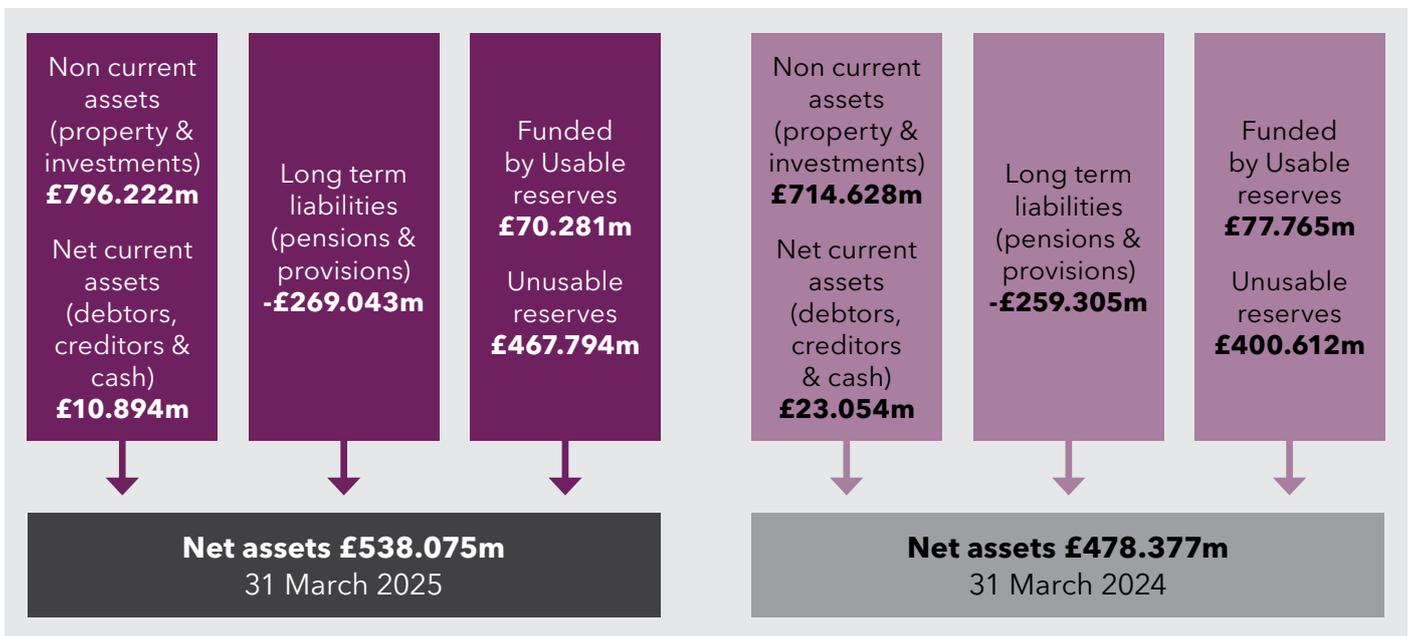
Financial Overview 2024/25



DURING THE YEAR, THE COUNCIL:

- Collected over £78.490m of Business Rates and £131.562m of Council Tax, of which £164.464m (78%) is passed onto Central Government and other agencies.
- Managed £16.247m of Investment Property which generated £0.971m of rental income which was used to support the provision of services within the District.
- Spent £131.158m (gross expenditure) on Council services.
- Received £61.674m of fees, charges and other service income, and Government grants and other contributions of £46.272m which were used to deliver Council services.
- Invested surplus cash balances to generate £2.091m of interest received.

The Council continues to be in a robust financial position and maintains a strong balance sheet despite the financial challenges it faces.



The specified minimum level of General Fund revenue reserves as determined by the Head of Finance is £1.5m. The level of General Fund reserves to be carried into 2025/26 is £26.974m, which is £25.474m above the specified minimum amount. £22.197m of this total relates to Earmarked Reserves which have been set aside for specific purposes.

Financial Performance 2024/25

The Council's financial outturn position in respect of both General Fund Services and the Housing Revenue Account is shown in the table below.

Revenue Outturn Position	Budget £000	Actual £000	Variation £000	Reserves Movements £000	Final Variance £000
Customer & Digital Services	2,750	2,793	43	30	73
Finance	4,255	3,578	(677)	0	(677)
Governance	570	800	230	11	241
Housing Services - GF	2,028	977	(1,031)	544	(487)
Neighbourhood	13,883	13,768	(115)	1,020	905
People and Communication	(133)	(187)	(54)	18	(36)
Place, Arts & Economy	10,824	10,336	(488)	329	(159)
Community Protection	3,661	3,569	(92)	(3)	(95)
Strategic Leadership	2,219	1,098	(1,121)	505	(616)
Net Revenue Expenditure on Services	40,057	36,752	(3,305)	2,454	(851)
Housing Services - HRA	1,780	3,140	1,360	0	1,360
Net Revenue Expenditure on Services	41,837	39,892	(1,945)	2,454	509

It should be noted that the above table shows the Council's net revenue expenditure, analysed by portfolio, as reported for resource management purposes. The Expenditure and Funding Analysis reconciles the net expenditure shown above, together with the accounting adjustments to provide a reconciliation to the Comprehensive Income and Expenditure Statement.

In overall terms, the Council achieved a General Fund surplus of £3.305m. Of this, £2.454m relates to unused Earmarked Reserves and Grants. £1.585m of these relate to delayed projects where the funding will be carried forward to 2025/26 budgets to complete these committed spend, the remaining has been allocated to their specific reserves to fund future projects. The revised the General Fund surplus of £0.851m has been allocated to the General Fund Volatility Reserve.

The HRA recorded a deficit of £1.360m which has been funded from the HRA Capital Investment Reserve.

HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA), is a ring-fenced account for services specifically relating to the provision of housing and associated services to Council tenants and leaseholders. The cost of providing these services is met from rents, service charges and grant funding. In 2024/25 £36.024m of income was received, of which £32.960m related to dwelling rents from 5,657 properties. £31.274m of this was spent on providing revenue services in year.

Capital Programme 2024/25 to 2028/29

The Council has an ambitious five year capital programme: it is planning to spend £236.2m over this period. This investment will deliver a range of objectives including:

- Realising local aspirations as set out in the Corporate Strategy - for example delivering a new Leisure Centre facility in Kenilworth and enhancements to surrounding Leamington Spa area for a Country Park at Tachbrook.
- Maintaining and enhancing the condition of existing assets including Pump Rooms roof repair and restoration and “invest to save” projects which generate revenue savings, releasing valuable resources for other purposes for example investing in Information and Communication Technology
- Achieving regeneration and economic vitality in the district through the development of the Europa Way site and the improvement of Leamington Old Town
- Increasing the number of affordable homes in the district

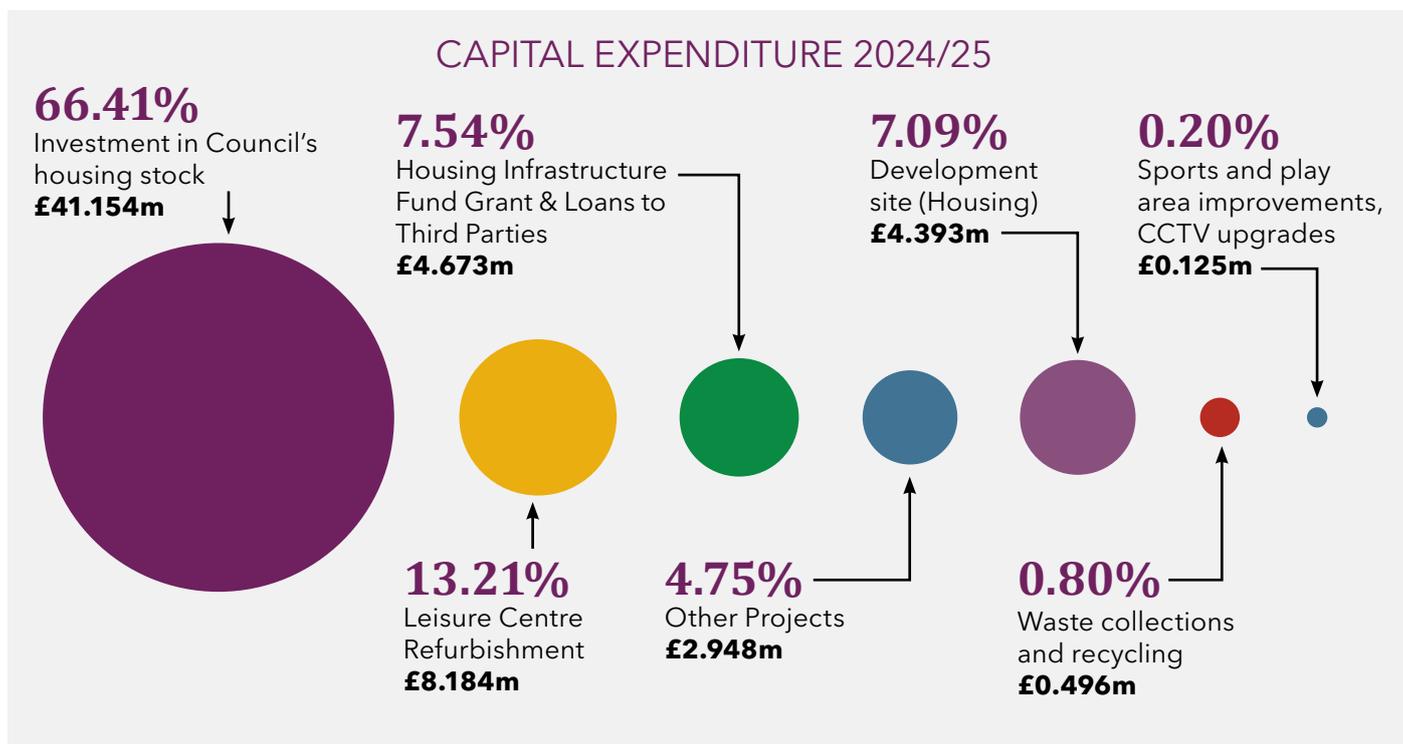
- Improvements to the Council’s existing housing stock

The main sources of funding for these future works are Right to Buy sales of council homes to eligible tenants and other usable capital receipts (£20.82m), contributions to capital works from developers (£16.2m), use of the Council’s own resources - either by revenue contributions to capital projects (£0.55m) or the use of earmarked reserves (£47.55m), and borrowing provided the Council can demonstrate that it can afford to service the debt (£249.35m).

The 2024/25 total capital budget of £104.17m was approved at the Council Meeting on 8 February 2024. This was subsequently revised to £102.27m with the addition of re-profiled expenditure from the previous financial year and further approvals in the year. Actual capital expenditure for 2024/25 was £61.97m (£55.13m 2023/24). The charts below detail this expenditure and the accompanying financing.



Capital Programme 2024/25

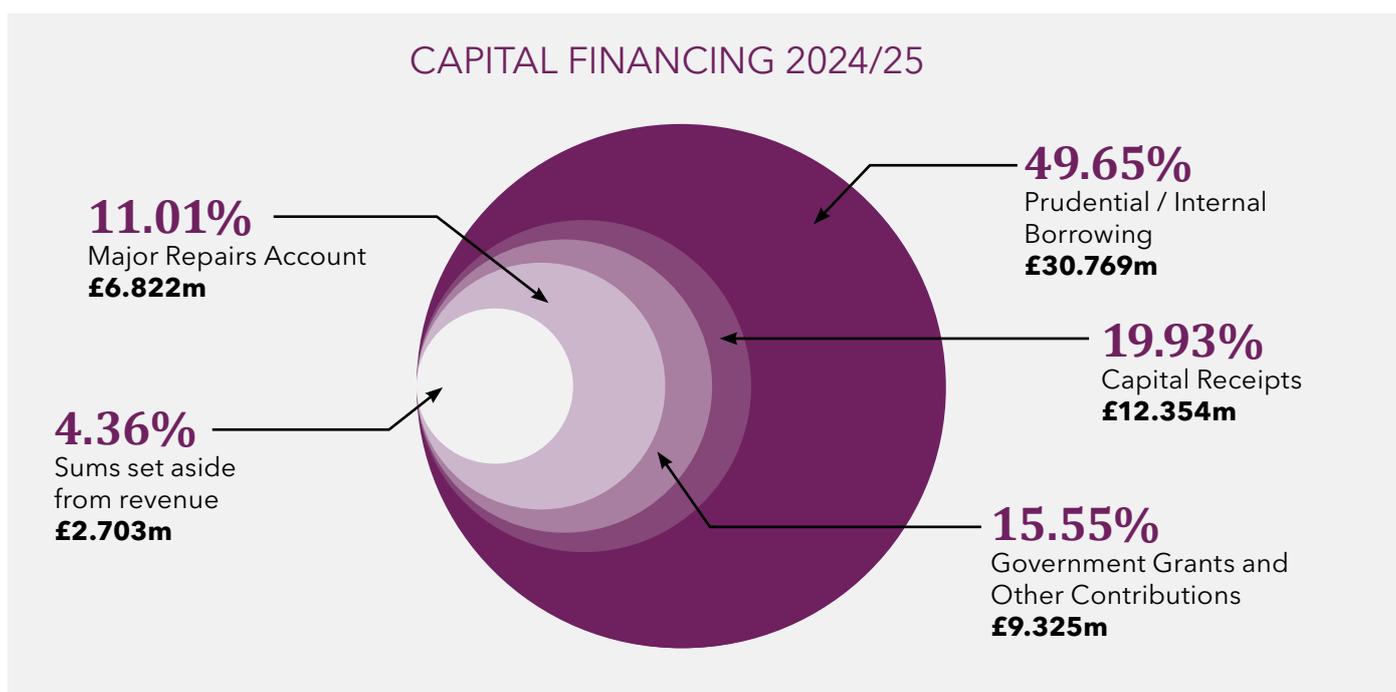


The expenditure analysis by portfolio, together with explanations of major project variances occurring in 2024/25 is shown in the tables below.

Capital Expenditure 2024/25	Latest Budget £000	Actual £000	Variation £000
Community Protection	10,043	9,689	(354)
Place, Arts & Economy	5,789	4,888	(901)
Finance	100	64	(36)
Strategic Leadership	607	460	(147)
Neighbourhood Services	1,552	956	(596)
Customer and Digital Services	617	425	(192)
Total Other Services Expenditure	18,708	16,482	(2,226)
New Build/Reprovision of Housing	42,772	35,117	(7,655)
Improvements/Renewals	19,659	10,373	(9,286)
Total HRA Related Housing Investment Programme (HIP)	62,431	45,490	(16,941)
TOTAL Capital Expenditure	81,139	61,972	(19,167)

CAPITAL EXPENDITURE VARIANCES 2024/25

Major variances caused by:	
Place, Arts & Economy	Pump Rooms Roof Repair: underspend due to delays in project £0.84mill.
Neighbourhood	Paddling Pools in Victoria Park and St. Nicholas Park: underspend of £0.52mill due to works not progressed as profiled. Abbey Fields Leisure Centre: underspend of £0.49mill.
Strategic Leadership	Leper Hospital: underspend £0.196mill due to delay with onsite issues.
HRA Related HIP	New Build work delays: underspend £8.655m. Fire Safety Works delays due to procurement of contract: underspend £10.65m. Window and door replacement: overspend £1.212m.



Key Strategic Partnerships

Milverton Homes Ltd. During 2020/21, Warwick District Council created a wholly owned Local Housing Company subsidiary named Milverton Homes Ltd. Milverton Homes Business Plan was approved by the Council's Cabinet on 10 December 2020. The Company was incorporated with Companies House on 8 January 2021, with the nature of the business being 4110 - Development of building projects. Four directors have been appointed to the Milverton Homes Board and are registered at Companies House, and the accounting reference period has been aligned with the Council's.

Milverton Homes entered into a joint venture, which is planned to last at least 6 years up to 2028 and will provide 248 affordable and social housing dwellings, which will be constructed and sold to the Council's The Housing Revenue Account (HRA) in phases.

Milverton Homes will also acquire 62 Market Rate Rental Dwellings from the Joint Venture, to be let out to the public and managed in line with agreed Market Rental Letting Policies. These dwellings will enable Milverton Homes to generate its own income to ensure future operations are financially viable.

Governance Framework

The Annual Governance Statement provides assurance to the community, service users, tax-payers, and other stakeholders that the Council has in place good business practices, high standards of conduct, and sound governance arrangements, including suitable risk management arrangements.

The Council has adopted a Local Code of Governance, which sets out the Council's commitments to seven core principles of governance.

Visit the Warwick District Council website for further information.

The Accounts and Audit Regulations 2015 require the Council to conduct a review, at least annually, of the effectiveness of its system of internal control and report the findings in an annual governance statement. The Council's 2024/25 Annual Governance Statement is included in the Financial Statements.



Corporate Risks 2024/2025

A risk management policy is in place which was approved by Cabinet in July 2024. This guides the Council on how to identify and evaluate risks to the Council's operations, key priorities and major projects. Significant risks are recorded in the Significant Risk Register which is reviewed and updated (at least) quarterly by the Senior Leadership Team, Cabinet, and Audit and Standards Committee. Some of the risks are confidential and, as such, the specific details are not included below, but will be shared directly with External Audit.

Key risks identified during 2024/25 include:

Risk/Issue	Probability of Occurrence	Management Action to Mitigate Risk
C1	High	Mitigating actions are included in the Confidential Strategic Risk Register
C4	Medium / High	Mitigating actions are included in the Confidential Strategic Risk Register
C8	Medium / High	Mitigating actions are included in the Confidential Strategic Risk Register
C13	Medium / High	Mitigating actions are included in the Confidential Strategic Risk Register
Ash dieback is already in the district. If ash dieback spreads, then this could impact up to 80% of the ash trees in the district which would impact biodiversity, the natural landscape & the cost to WDC of felling lots of trees.	Medium / High	Green Space are following the best practice from The Forestry Commission, Woodland Trust. There are regular independent tree inspections and WDC will fell dead and/or dying trees where appropriate
The indication from government is clear that they wish to move to unitary authorities across England but the precise timetable for completion of this is not defined at present. The risks at present therefore mainly focus on delivery of service through the impact on officer morale, potential for officers to look at roles away from the Council and inability to recruit to roles.	Medium / High	Strong continued message from Chief Executive, Senior officer and Councillors that it remains business as usual and commitment to support all staff, including active promotion of roles at WDC.



Content and Format of the Statement of Accounts

The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each financial year. These statements contain a number of different elements, which are explained below:



STATEMENTS OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the Council and the Chief Finance Officer (Head of Finance).

CORE FINANCIAL STATEMENTS

The Statement of Accounts comprises four core financial statements:

- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Cash Flow Statement

A description of the purpose of each statement is included with each core statement.

AUDITOR'S REPORT

Auditor's Report gives the auditor's opinion of the financial statements and of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.

MAIN CHANGES TO THE CORE STATEMENTS AND SIGNIFICANT TRANSACTIONS 2024/25

There are no significant changes to the 2024/25 Statement of Accounts.

STATEMENT OF ACCOUNTING POLICIES

This summarises the accounting rules and conventions that have been used in preparing these financial statements.

NOTES TO THE CORE FINANCIAL STATEMENTS

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



SUPPLEMENTARY STATEMENTS

The Housing Revenue Account (HRA) shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and Government grants. Authorities charge rents to cover expenditures in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Business Rates and its distribution to precepting bodies. For Warwick District, the Council Tax precepting bodies are Warwickshire County Council and the Office of the Police and Crime Commissioner for Warwickshire.

RECEIPT OF FURTHER INFORMATION

If you would like to receive further information about these accounts, please do not hesitate to contact Andrew Rollins. Please see below for details.

ACKNOWLEDGEMENTS

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Andrew Rollins, ACMA, CGMA

Head of Finance
Town Hall
Parade
Royal Leamington Spa
CV32 4AT

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In line with statute this is the Section 151 Officer. In this Council, that officer is the Head of Finance.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Section 151 Officer's Responsibilities

The Head of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code):

In preparing this Statement of Accounts, the Head of Finance has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code of Practice.

The Head of Finance has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that to the best of my knowledge and belief, the Statement of Accounts presents a true and fair view of the financial position of Warwick District Council at 31 March 2025, and its income and expenditure in the year ended 31 March 2025.

25 February 2026
Andrew Rollins, ACMA, CGMA
Head of Finance
Town Hall
Parade
Royal Leamington Spa
CV32 4AT

Approval of Statement of Accounts

Statement of Accounts have been presented at the Warwick District Council Audit and Standards Committee meeting held on 25 February 2026.

Chair of the Meeting
Councillor Hales

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Local Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure 2023/24 £000	Portfolio	Note	Gross Expenditure 2024/25 £000	Gross Income 2024/25 £000	Net Expenditure 2024/25 £000
25,346	(21,063)	4,283	Customer & Digital Services		24,065	(21,272)	2,793
1,067	(717)	350	Finance		4,403	(825)	3,578
960	(325)	635	Governance		1,937	(1,137)	800
4,488	(1,758)	2,730	Housing Services - GF		3,108	(2,111)	997
40,673	(33,621)	7,052	Housing Services - HRA		32,761	(36,659)	(3,898)
20,281	(9,881)	10,400	Neighbourhood		24,770	(11,002)	13,768
(29)	(80)	(109)	People and Communication		(103)	(84)	(187)
15,253	(6,355)	8,898	Place, Arts & Economy		21,825	(11,489)	10,336
5,412	(2,035)	3,377	Community Protection		5,919	(2,350)	3,569
2,039	(445)	1,594	Strategic Leadership		2,075	(531)	1,544
115,490	(76,280)	39,210	Cost of Services - continuing operations		120,760	(87,460)	33,300
2,144	(4,552)	(2,408)	Other Operating Income and Expenditure	11	2,308	(7,168)	(4,860)
5,820	(6,705)	(885)	Financing and Investment Income and Expenditure	12	8,090	(7,975)	115
0	(32,930)	(32,930)	Taxation and Non-Specific Grant Income and Expenditure	13	0	(37,553)	(37,553)
		2,987	(Surplus) or Deficit on Provision of Services				(8,998)
		(2,194)	(Surplus) or Deficit on revaluation of Non Current Assets				(65,365)
		33,355	Impairment Losses on Non Current Assets Charged to the Revaluation Reserve				12,988
		0	Surplus or deficit on revaluation of available for sale financial assets				0
		15,399	Remeasurement of the net defined benefit liability / (asset)				1,681
		46,560	Other Comprehensive Income and Expenditure				(50,696)
		49,547	Total Comprehensive Income and Expenditure				(59,694)

¹ The 2023/24 figures have been restated to reflect the updated cabinet portfolios. For further information, please see note 6 - prior period adjustments.

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on the different reserves held by the authority, analysed into “Usable Reserves” (i.e. those that can be applied to fund expenditure or reduce local taxation) and “Unusable Reserves”. The Statement shows how the movements in year of the authority’s reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following these adjustments.

2024/25	General Fund Balance	Housing Revenue Account	Capital Receipt Reserves	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024 carried forward	31,233	25,873	13,077	6,821	761	77,765	400,612	478,377
Movement in reserves during 2024/5								
Total Comprehensive Income and Expenditure	4,610	4,395	-	-	-	9,005	50,694	59,699
Adjustments from income & expenditure charged under the accounting basis to the funding basis (see note 8)	(9,517)	(7,529)	(314)	654	217	(16,489)	16,488	-
Increase / (Decrease) in 2024/25	(4,907)	(3,134)	(314)	654	217	(7,484)	67,182	59,699
Balance at 31 March 2025 carried forward	26,326	22,739	12,763	7,475	978	70,281	467,794	538,076

2023/24	General Fund Balance	Housing Revenue Account	Capital Receipt Reserves	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023 carried forward	33,258	30,288	11,555	6,956	7,615	89,671	432,204	521,875
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure	3,870	(7,867)	-	-	-	(3,996)	(21,821)	(25,817)
Adjustments from income & expenditure charged under the accounting basis to the funding basis (see note 8)	(5,895)	3,452	1,522	(135)	(6,854)	(7,910)	(9,771)	(17,681)
Increase / (Decrease) in 2023/24	(2,025)	(4,415)	1,522	(135)	(6,854)	(11,906)	(31,592)	(43,498)
Balance at 31 March 2024 carried forward	31,233	25,873	13,077	6,821	761	77,765	400,612	478,377

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Balance Sheet

The Balance Sheet shows the value at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority are matched by reserves held by the authority. Reserves are reported in two categories: Usable and Unusable Reserves.

The first category of reserves are usable reserves i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves, and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services and includes reserves that hold unrealised gains and losses where amounts only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Andrew Rollins. Head of Finance.

31 March 2024 £'000		Note	31 March 2025 £'000
	Operational Assets:		
450,097	Council Dwellings		502,739
11,208	HRA Land and Buildings		9,966
82,789	Other Land and Buildings		109,558
11,787	Vehicles, Plant, Furniture and Equipment		12,214
1,672	Infrastructure Assets		2,178
915	Community Assets		768
	Non-Operational Assets		
2,852	Surplus Assets		295
50,730	Assets under Construction		62,367
612,050	Property, Plant and Equipment	14	700,085
9,042	Heritage Assets	15	9,048
15,501	Investment Properties	16	16,247
341	Intangible Assets	18	515
977	Long Term Investments	17	1,494
76,717	Long Term Debtors	20	68,833
714,628	Long Term Assets		796,222
14,176	Short Term Investments	17	14,494
0	Assets Held for Sale	19	3,010
20	Inventories		9
16,828	Short Term Debtors	20	16,059
12,272	Cash and Cash Equivalents	22	11,039
43,296	Current Assets		44,611
(18,189)	Short Term Creditors	23	(32,041)
(2,053)	Provision Liabilities payable in less than 1 year	24	(1,675)
(20,242)	Current Liabilities		(33,716)
(153)	Long Term Creditors		(881)
(2,726)	Provision Liabilities payable in more than 1 year	24	(2,621)
(238,157)	Long Term Borrowing	17	(249,351)
0	Other Long Term Liabilities	17	0
(16,318)	Capital External Grants/Contributions in Advance	35	(14,166)
(1,951)	Net Pensions Liability	40	(2,023)
(259,305)	Long Term Liabilities		(269,042)
478,377	Net Assets		538,075
77,765	Usable Reserves	34	70,281
400,612	Unusable Reserves	25	467,794
478,377	Total Reserves		538,075

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income, or from the recipients of services provided by the authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2023/24 £000		Notes	2024/25 £000
(2,987)	Net (Surplus) or deficit on the provision of services		8,998
28,500	Adjust net (surplus) or deficit on the provision of services for non cash movements	26	15,702
	Adjust for items included in the net (surplus) or deficit on the		
8,860	provision of services that are investing and financing activities	26	(14,822)
34,373	Net cash flows from Operating Activities		9,878
(53,949)	Investing Activities	27	(31,073)
22,386	Financing Activities	28	19,962
2,810	Net (increase) or decrease in cash and cash equivalents		(1,234)
9,462	Cash and cash equivalents at the beginning of the reporting period		12,272
12,272	Cash and cash equivalents at the end of the reporting period		11,039

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Notes to the Accounts

1. Accounting Policies

General Principles

The content, layout and general rules used to prepare these accounts comply with the Code of Practice on Local Authority Accounting 2020/21 issued by the Chartered Institute of Public Finance, and Accountancy (CIPFA) in accordance with International Financial Reporting Standards (IFRSs).

Basis of Preparation

The Statement of Accounts is prepared on a “going concern” basis. This is the assumption that the Council will continue in operational existence for the foreseeable future.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

The Council’s Accruals Policy was revised in 2018/19 and as such the following is applicable.

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received in particular.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date when supplies are received and their consumption, they are carried as inventories on the balance sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- 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 or determined by the contract.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet, subject to a de-minimis limit of £10k for non-system generated accruals. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Where system generated accruals are created when revenue and expenditure have been recognised, but cash has not been received, or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet, a de-minimis limit is not applicable. In a similar fashion to non-system generated accruals; where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Exceptions to the above rule include:

- Items paid for on an annual or periodic basis (e.g. subscriptions, insurance premiums, etc.) where the accounts still show an annual equivalent cost.
- Housing benefit payments are paid every four weeks - where a payment run spans the year end it is accounted for in the year that it is included in the Government's annual Housing Benefit Subsidy claim, so that income and expenditure are recorded in the same period.
- Expenditure items funded from grants and reserves.

It is not expected that these exceptions or the de-minimis limit will be material to the overall accounting position.

Cash and Cash Equivalents

Cash is represented by cash at bank, and on-demand deposits with financial institutions. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced with the minimum revenue provision (MRP) in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Council Tax and Non-Domestic Rates

The Council, as a billing authority, acts as an agent collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as a principal, collecting council tax and NDR for itself. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax

and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund, is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

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 by 31 March each year even if the Council would never normally pay them, such as annual leave and time-off in lieu not taken at the year end. These are accrued for and shown in the net cost of services in the Comprehensive Income and Expenditure Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy. Termination benefits are recognised immediately as an expense to the service in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer, or when it recognises the cost of a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or the pensioner in the year, not the amount calculated according to the relevant accounting standards.

Post-Employment Benefits

Most employees of the Council are members of the Local Government Pension Scheme, administered by Warwickshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Warwickshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis, using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of future earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.80% (4.85% in 2023/24) at the IAS19 valuation date.

The assets of the Warwickshire County Council pension fund attributable to the Council are included in the balance sheet at their Fair Value:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unitised securities – current bid price.
- Property – market value.

The change in the net pension's liability is analysed into the following components:

Service Cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities arising from scheme amendment, or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Warwickshire Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require that the General Fund Balance is charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the final Statement of Accounts is authorised for issue in August. Two types of event can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of final authorisation for issue in August are not reflected in the Statement of Accounts.

Fair Value

Fair Value Measurement

The Council measures some of its non-financial assets, such as surplus assets and investment properties, and some of its financial instruments, such as equity share holdings at Fair Value, at each reporting date. Fair Value is 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. The Fair Value measurement assumes that the transaction to sell or transfer the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for an asset or liability.

The authority measures Fair Value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the Fair Value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses appropriate valuation techniques, that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities, for which Fair Value is measured or disclosed in the authority's financial statements are categorised within the Fair Value hierarchy as follows:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within the Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the authority becomes party to the contractual provisions of a financial instrument and are initially measured at Fair Value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective interest rate for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For any borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest), and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial Assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- Amortised cost.
- Fair Value through profit and loss (FVPL), and
- Fair Value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at Fair Value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains or losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority recognises expected credit losses on all its financial assets held at amortised cost, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 months' expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at Fair Value. Fair Value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The Fair Value measurements of the financial assets are based on the following techniques:

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

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 – unobservable inputs for the asset.

Any gains and losses that arise on the de-recognition of the asset, are credited or debited to the Financing and Investment Income and Expenditure in the CIES.

Soft Loans under Financial Instruments

Any loans made by the Council at less than market rates are called 'soft loans'. It has been determined that the few soft loans that the Council has e.g. car loans to employees or loans to private householders for disabled adaptations, require no adjustment to the accounts as they are de-minimis.

Government Grants and Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised in the Comprehensive Income and Expenditure Statement as income, except where the grant or contribution has conditions that have not been satisfied. General Grants and contributions (e.g. the Revenue Support Grant) are included in the Comprehensive Income and Expenditure Statement as non-ring-fenced Government grants. Specific grants and contributions are included as income for the relevant service area.

Where a grant or contribution has conditions outstanding at the Balance Sheet date the grant is held either as a receipt in advance, if not fulfilling the conditions would result in the return of the grant, or as an earmarked reserve.

Capital grants credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund Balance in the Movement in Reserves Statement. Unapplied grant is posted to the Capital Grants Unapplied Reserve; applied grant is posted to the Capital Adjustment Account.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy, with the exceptions of amounts applied to meet administrative expenses in accordance with the CIL Regulations, will be used to fund a number of infrastructure projects to support the development of the area (these include transport, schools and digital infrastructure). Where some or all a chargeable development takes place in a parish area, 15% of the income is passed to the relevant parish/town council – the Council acts as an agent for these amounts.

CIL is received without outstanding conditions. It is, therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for Government Grants and Contributions.

Heritage Assets

Heritage assets are assets that have historical, artistic, scientific, technological, geographical or environmental qualities that are held in trust for future generations because of their cultural, environmental or historical associations and contribution to knowledge and culture. They include museum collections, historic buildings and public works of art.

Recognition and Measurement

Heritage assets are held at Fair Value. High value items are valued by an appropriately qualified person. Low value items are held at an internally agreed nominal value of £50.

Heritage assets included in the Balance Sheet are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their Fair Value at year-end but as a minimum every five years. Increases and decreases in valuations are accounted for in accordance with the Council's policies for the revaluation of Property, Plant and Equipment as set out in the Property, Plant and Equipment section of the Accounting Policies Note.

Heritage assets that are used in the on-going delivery of the Council's services, such as parks and open space are not categorised as heritage assets, but are classified as operational assets within Property, Plant and Equipment, and are accounted for in accordance with the Council's accounting policies.

Depreciation, Amortisation and Impairment

Depreciation and amortisation are not required on heritage assets that are deemed to have indeterminate lives. Depreciation is charged on heritage assets with a determinate life using a straight-line allocation basis over the useful life of the asset, as estimated by the valuer or a suitably qualified officer.

The carrying amount of an item is reviewed where there is evidence of impairment, for example, where it has suffered physical deterioration, breakage or doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general accounting policies on impairment set out in these statements.

Disposal

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts as set out the Council's general accounting policies in these statements.

Investment Property

Investment properties are those that are used solely to earn rentals and / or for capital appreciation. The definition is not met if property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at Fair Value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Revaluation gains and losses are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rental income received is credited to the Financing and Investment Income line, and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses, are therefore, reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the Council. All other leases are classified as operating leases.

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

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at Fair Value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

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

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than

the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services using the leased asset. Charges are made on a straight-line basis over the life of the lease.

The Council as Lessor

It has been determined that all leases where the Council is the lessor are operating leases and are accounted for as described in the following paragraph.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease. Where identifiable, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, except for:

- Corporate and Democratic Core - costs relating to the Council's status as a multi-functional, democratic organisation.
- Non-Distributed Costs - the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

Prior Period Adjustments, Changes in Accounting Policy and Estimates and Errors

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

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

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

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment (PPE).

Recognition

Expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense as it is incurred.

For accounting purposes, the Council has the following de-minimis limits in relation to capital expenditure:

- On land and buildings - £20,000
- On vehicles, plant, or equipment - £5,000.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its Fair Value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at Fair Value. The difference between Fair Value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Community Assets (e.g. land and buildings purchased for the benefit of the community and with little or no prospect of ever being disposed of) and Infrastructure Assets (e.g. Flood Alleviation Works) and Assets Under Construction - depreciated historical cost.
- Housing Stock (Dwellings) – current value determined using the basis of existing use value for social housing (EUV-SH)
- Council Offices – current value, determined as the amount that would be paid for the asset in existing use (EUV)
- All other assets – current value determined as the amount that would be paid for the asset in its existing use (EUV)
- Surplus Assets – current value measurement base is Fair Value, estimated at highest and best use from a market participant's perspective.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets i.e. vehicles, plant and equipment have short useful lives, or low values (or both), depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their Fair Value at year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of an impairment loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement and reversed out to the Capital Adjustment Account.

Impairment

Assets are assessed at each year end for 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.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains),
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement and reversed out to the Capital Adjustment Account.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Council Houses – component depreciation method,
- Other buildings – straight line allocation over the useful life of the property as estimated by the valuers.

- Vehicles, plant, furniture and equipment – straight line allocation over the useful asset life as advised by a suitably qualified officer.
- Infrastructure – straight line allocation over 40 years or as appropriate to the relevant asset.
- Community Assets – Straight line allocation over a maximum life of 100 years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The policy adopted is as follows:

- Where there is more than one significant component part of the same asset with the same useful life, such component parts will be grouped together for depreciation purposes.
- A component may be an individual item or similar items with similar useful lives grouped.
- Where a component is replaced or restored, the carrying amount of the old component will be derecognised and the new component added. Where the carrying value of the derecognised/replaced component is not known a best estimate will be determined by reference to the current cost.
- Any future revaluation gains and losses will be applied across components as appropriate.

Housing Revenue Account

- Council Dwellings - Depreciation is calculated and charged in accordance with proper practices including separation of the housing stock into significant components for depreciation purposes, where the components have different useful lives to the remainder of the asset.
- Other Housing Revenue Account Assets – the approach outlined below for General Fund assets will be adopted.

General Fund

- Components of an asset will be separated where their value is significant in relation to the total value of the asset and where those components have different useful lives to the remainder of the asset for depreciation purposes. The Council applies a de-minimis threshold for componentisation purposes: All assets with a Current Net Book Value of less than £500,000 may not be assessed for componentisation on the grounds that the difference in depreciation will be limited.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

The asset is revalued immediately before reclassification at existing use value (EUV) and then carried at the lower of this amount and Fair Value i.e. market value, less costs to sell. Where there is a subsequent decrease to Fair Value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in Fair Value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating

Expenditure line in the Comprehensive Income and Expenditure Statement 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 thus calculating the gain or loss on the disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of the £10,000 capital receipts de-minimis limit are categorised as capital receipts. Under the 'Self Financing' regime receipts relating to housing disposals are shared between the Council and Government. The Council's share of the receipt is required to be credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is 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 appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Council puts amounts of money aside as a provision to meet specific service payments. For these amounts to count as provisions, they need to pass three tests:

- They must be the result of a past event
- A reliable estimate can be made
- There must be a clear responsibility to make this future payment because of the past event.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council becomes aware that it is probable a payment will be required. The provision is based on the best estimate of the likely settlement at the Balance Sheet date. When payments are made, they are charged to the provision already set up in the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts when it is probable that there will be an inflow of economic benefits or service potential.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance and Housing Revenue

Account in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The relevant amount from the reserve is then appropriated back into the General Fund Balance and Housing Revenue Account in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept in order to manage the accounting processes for non-current assets, financial instruments, retirements, and employee benefits, and do not represent usable resources for the Council.

Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset, e.g. Rural and Urban Capital Improvement Scheme Grants, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

Apprenticeship Levy

From 1 April 2017, the Council has made payments to HMRC in relation to the national Apprenticeship Levy. The full cost of the Levy will be recognised as a direct cost of employment in the Comprehensive Income and Expenditure Statement when it is paid to 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 Comprehensive Income and Expenditure Statement against the service benefiting from the training.

Rounding

Values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

2. Accounting Standards that have been Issued but have not yet been adopted

At the Balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom.

- **IAS 8 Accounting Policies**, Changes in Accounting Estimates and Errors will be amended to define accounting estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'. This change is not anticipated to significantly impact on the amounts held in the Council's financial statements.
- **IAS 21 The Effects of Changes in Foreign Exchange Rate** (Lack of Exchangeability) This was issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when

exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

- **IFRS 17 Insurance Contracts** Issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There remains uncertainty around future funding levels for Local Government. However, we have determined this is not yet sufficient to provide an indication that levels of service provision may need to be reduced, or that assets of the Council might be impaired because of the need to close facilities.
- All the Council's Investment Properties were revalued in 2024/25 and as such it is considered that for the purposes of IFRS13, the carrying value is equal to Fair Value under that standard. The properties were revalued using direct observation of the passing rents on similar properties within the local property market and this equates to a level 2 input according to our valuers Carter Jonas.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council 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 the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions						
Property, Plant and Equipment - Asset Life	Assets are depreciated by type over standardised useful lives. These lives are dependent on the individual asset condition and assumptions about the level of repairs and maintenance that will be incurred.	<p>Were the asset valuations to differ from those included within the Statement of Accounts, the carrying amount of the assets would change as follows:</p> <table> <tr> <td>2%</td> <td>£11.543m</td> </tr> <tr> <td>5%</td> <td>£28.857m</td> </tr> <tr> <td>10%</td> <td>£57.713m</td> </tr> </table> <p>Currently, the Revaluation Reserve balance is £169.129m, which would change by the amount of any respective movement in valuation.</p>	2%	£11.543m	5%	£28.857m	10%	£57.713m
2%	£11.543m							
5%	£28.857m							
10%	£57.713m							

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment - Depreciation	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on capital enhancements and repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings and associated components would have increased by £1.001m in this financial year if all the useful lives had to be reduced by 1 year.</p>
Arrears	<p>At 31 March 2025, the Council had a balance of arrears for Housing Rents, Council Tax, Business Rates and other sundry debtors of £13.04m. A review of the above suggested that an impairment of doubtful debts of 41.11% (£5.36m) was appropriate.</p>	<p>If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £5.36m to be set aside as an allowance.</p>
Provisions	<p>The Council has made provisions for insurance cover in respect of outstanding liability claims from the public, employees and HRA tenants. The extent of the provisions relates to the excess on existing claims as at 31 March 2025 where such excesses have been negotiated when agreeing premiums.</p> <p>Following the introduction of the retention of business rates scheme new provisions have been created to provide for the potential successful appeals against rateable values.</p>	<p>An increase over the forthcoming year of 10% in settlements would have the effect of adding £0.429m to the provisions needed.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>Warwickshire County Council utilise a firm of consulting actuaries Hymans Robertson LLP to provide all Warwickshire authorities with expert advice about the assumptions to be applied.</p>	<p>The effect of changes in these estimates on the net pension liability of the Council are reviewed on an ongoing basis.</p> <p>The actuaries model thousands of possible outcomes in order to establish the long-term estimates.</p> <p>The Council will use information from the Pensions actuary to set the employer's pension contribution rates to ensure that pension liabilities are met.</p> <p>A sensitivity analysis upon other variables affecting the net liability is set out in Note 40 Defined Benefit Pension Schemes.</p>

This list does not include assets and liabilities that are carried at Fair Value based on a recently observed market price supported by a professional valuation.

5. Events After the Reporting Period

Events taking place after the Reporting date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Accounts are authorised for issue. The Statement of Accounts will be authorised for issue by the Head of Finance on 24 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events took place before this date, provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

As at 31 March 2025 there is one event after the Reporting Period for the Council to disclose.

Non-Compliance of Pension Regulations

Following an enquiry from a former casual worker, the Council has become aware that it has not been compliant in relation to Pension regulations for entitled workers (casuals) who worked for the Council from 2012, whereby the Council had not informed them of their right to join a pension scheme. The consequence of the breach is that the Council referred themselves to the Pension Regulator in April 2025.

Officers have worked on a compliance action plan, through which rectification work has already been completed to update processes for staff now joining the Council. Further work is ongoing to contact other individuals who may be affected supported by our pension provider and using best practice from other organisations.

While the full extent of the liability is not yet known, the Working for Warwick Reserve has been identified as a source of funding for any potential costs associated with rectification.

6. Prior Year Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

In order to provide meaningful comparative information, the following statements have been restated

- (a) Warwick District Council changed the profile of its Portfolio's within the accounting year 2024/25.
Restated Notes: The Comprehensive Income & Expenditure Statement, Note 7 - Expenditure & Funding Analysis (EFA), Notes to the EFA and Segmented Income.
- (b) An Adjustment to the Balance Sheet to move a Government Grant stated in Revenue in 2023/24 to Capital Grants paid in Advance. To include IFRC 14 Pension Asset Ceiling adjustment introduced in 2023/24.
Restated Notes: Cash Flow, Note 13 - Taxation and non-Specific Grants, Note 25 – Unusable Reserves (including Pension Reserve), Note 26 - Cashflow Statement – Operating Activities, Note 34 - Usable Reserves, Note 35 – Grant Income, Note 40 - Pensions Assets and Liabilities Recognised in the Balance Sheet, Movement in Reserves Statement (MIRS) and Balance Sheet.
- (c) Reconciliation of Liabilities Arising from Financing Activities was misstated as 2022/23 figures.
Restated Note: Note 29 - Reconciliation of Liabilities Arising from Financial Activities.
- (d) An Adjustment to the closing Housing Stock numbers in 2023/24 to reflect seven new builds not included in previous statement,
Restated Note: HRA Note 1 - Housing Stock.

(a1) Comprehensive Income and Expenditure Statement 2023/24 restated to 2024/25 Portfolio.

Restatement of 2023/24 - Comprehensive Income & Expenditure Statement				
Portfolio as reported 2023/24	As reported in 2023/24 statement	Movement between Portfolios	As reported in 2024/25 Statement	Revised Portfolio Reported 2024/25
	£000	£000	£000	
Net Expenditure				
Neighbourhood & Assets	9,876	524	10,400	Neighbourhood
Safer Communities, Leisure & Environment	5,429	(2,052)	3,377	Community Protection
Place, Arts & Economy	8,898	-	8,898	Place, Arts & Economy
Finance	350	-	350	Finance
Housing Services - GF	6,102	(3,372)	2,730	Housing Services - GF
Housing Services - HRA	7,052	-	7,052	Housing Services - HRA
Customer & Digital Services	313	3,970	4,283	Customer & Digital Services
People and Communication	(105)	(4)	(109)	People and Communication
Strategic Leadership	1,295	299	1,594	Strategic Leadership
	-	635	635	Governance
Cost of Services - continuing operations	39,210	0	39,210	
Other Operating Income and Expenditure	(2,408)	-	(2,408)	Other Operating Income and Expenditure
Financing and Investment Income and Expenditure	(885)	-	(885)	Financing and Investment Income and Expenditure
Taxation and Non-Specific Grant Income and Expenditure	(32,930)	-	(32,930)	Taxation and Non-Specific Grant Income and Expenditure
(Surplus) or Deficit on Provision of Services	2,987	0	2,987	
Portfolio as reported 2023/24	As reported in 2023/24 statement	Movement between Portfolios	As reported in 2024/25 Statement	Revised Portfolio Reported 2024/25
	£000	£000	£000	
Gross Expenditure				
Neighbourhood & Assets	19,213	1,068	20,281	Neighbourhood
Safer Communities, Leisure & Environment	7,320	(1,908)	5,412	Community Protection
Place, Arts & Economy	15,253	-	15,253	Place, Arts & Economy
Finance	1,067	-	1,067	Finance
Housing Services - GF	8,948	(4,460)	4,488	Housing Services - GF
Housing Services - HRA	40,673	-	40,673	Housing Services - HRA
Customer & Digital Services	21,347	3,999	25,346	Customer & Digital Services
People and Communication	(25)	(4)	(29)	People and Communication
Strategic Leadership	1,694	345	2,039	Strategic Leadership
	-	960	960	Governance
Cost of Services - continuing operations	115,490	0	115,490	
Other Operating Income and Expenditure	2,144	-	2,144	Other Operating Income and Expenditure
Financing and Investment Income and Expenditure	5,820	-	5,820	Financing and Investment Income and Expenditure
Taxation and Non-Specific Grant Income and Expenditure	-	-	-	Taxation and Non-Specific Grant Income and Expenditure
(Surplus) or Deficit on Provision of Services	123,454	0	123,454	
Portfolio as reported 2023/24	As reported in 2023/24 statement	Movement between Portfolios	As reported in 2024/25 Statement	Revised Portfolio Reported 2024/25
	£000	£000	£000	
Gross Income				
Neighbourhood & Assets	(9,337)	(544)	(9,881)	Neighbourhood
Safer Communities, Leisure & Environment	(1,891)	(144)	(2,035)	Community Protection
Place, Arts & Economy	(6,355)	-	(6,355)	Place, Arts & Economy
Finance	(717)	-	(717)	Finance
Housing Services - GF	(2,846)	1,088	(1,758)	Housing Services - GF
Housing Services - HRA	(33,621)	-	(33,621)	Housing Services - HRA
Customer & Digital Services	(21,034)	(29)	(21,063)	Customer & Digital Services
People and Communication	(80)	-	(80)	People and Communication
Strategic Leadership	(399)	(46)	(445)	Strategic Leadership
	-	(325)	(325)	Governance
Cost of Services	(76,280)	0	(76,280)	
Other Operating Income and Expenditure	(4,552)	-	(4,552)	Other Operating Income and Expenditure
Financing and Investment Income and Expenditure	(6,705)	-	(6,705)	Financing and Investment Income and Expenditure
Taxation and Non-Specific Grant Income and Expenditure	(32,930)	-	(32,930)	Taxation and Non-Specific Grant Income and Expenditure
(Surplus) or Deficit on Provision of Services	(120,467)	0	(120,467)	

(a2) Note 7 (6 23/24) – Expenditure and Funding Analysis 2023/24 restated to 2024/25 Portfolio.

Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Net Expenditure Chargeable to the General Fund and HRA Balances					
Neighbourhood & Assets	8,358	(403)	7,955	Neighbourhood	7,955
Safer Communities, Leisure & Environment	5,242	(961)	4,281	Community Protection	4,281
Place, Arts & Economy	8,100	-	8,100	Place, Arts & Economy	8,100
Finance	361	-	361	Finance	361
Housing Services - GF	2,847	(143)	2,704	Housing Services - GF	2,704
Housing Services - HRA	(14,533)	-	(14,533)	Housing Services - HRA	(14,533)
Customer & Digital Services	763	740	1,503	Customer & Digital Services	1,503
People and Communication	(104)	(4)	(108)	People and Communication	(108)
Strategic Leadership	773	152	925	Strategic Leadership	925
	-	619	619	Governance	619
Net Costs of Services	11,807	-	11,807		11,807
Other Operating Income and Expenditure	12,264	-	12,264	Other Operating Income and Expenditure	12,264
(Surplus) or Deficit	24,071	-	24,071		24,071
Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Adjustments between the Funding and Accounting Basis					
Neighbourhood & Assets	1,518	927	2,445	Neighbourhood	2,445
Safer Communities, Leisure & Environment	187	(1,091)	(904)	Community Protection	(904)
Place, Arts & Economy	798	-	798	Place, Arts & Economy	798
Finance	(11)	-	(11)	Finance	(11)
Housing Services - GF	3,255	(3,229)	26	Housing Services - GF	26
Housing Services - HRA	21,585	-	21,585	Housing Services - HRA	21,585
Customer & Digital Services	(450)	3,230	2,780	Customer & Digital Services	2,780
People and Communication	(1)	-	(1)	People and Communication	(1)
Strategic Leadership	522	147	669	Strategic Leadership	669
	-	16	16	Governance	16
Net Costs of Services	27,403	-	27,403		27,403
Other Operating Income and Expenditure	(14,672)	-	(14,672)	Other Operating Income and Expenditure	(14,672)
(Surplus) or Deficit	12,731	-	12,731		12,731
Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Net Expenditure in the Comprehensive Income and Expenditure Statement					
Neighbourhood & Assets	9,876	524	10,400	Neighbourhood	10,400
Safer Communities, Leisure & Environment	5,429	(2,052)	3,377	Community Protection	3,377
Place, Arts & Economy	8,898	-	8,898	Place, Arts & Economy	8,898
Finance	350	-	350	Finance	350
Housing Services - GF	6,102	(3,372)	2,730	Housing Services - GF	2,730
Housing Services - HRA	7,052	-	7,052	Housing Services - HRA	7,052
Customer & Digital Services	313	3,970	4,283	Customer & Digital Services	4,283
People and Communication	(105)	(4)	(109)	People and Communication	(109)
Strategic Leadership	1,295	299	1,594	Strategic Leadership	1,594
	-	635	635	Governance	635
Net Costs of Services	39,210	-	39,210		39,210
Other Operating Income and Expenditure	(2,408)	-	(2,408)	Other Operating Income and Expenditure	(2,408)
(Surplus) or Deficit	36,802	-	36,802		36,802

(a3) Note 7 (6 23/24) – Note 1 to the Expenditure and Funding Analysis 2023/24 restated to 2024/25 Portfolio

Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Adjustments for Capital Purposes					
Neighbourhood & Assets	(1,512)	(928)	(2,440)	Neighbourhood	(2,440)
Safer Communities, Leisure & Environment	(180)	1,090	910	Community Protection	910
Place, Arts & Economy	(790)	-	(790)	Place, Arts & Economy	(790)
Finance	(130)	-	(130)	Finance	(130)
Housing Services - GF	(3,250)	3,229	(21)	Housing Services - GF	(21)
Housing Services - HRA	(21,605)	-	(21,605)	Housing Services - HRA	(21,605)
Customer & Digital Services	455	(3,229)	(2,774)	Customer & Digital Services	(2,774)
People and Communication	-	-	-	- People and Communication	-
Strategic Leadership	(517)	(150)	(667)	Strategic Leadership	(667)
	-	(12)	(12)	Governance	(12)
Net Costs of Services	(27,529)	-	(27,529)		(27,529)
Other income and expenditure from the Expenditure and Funding Analysis	20,002	-	20,002	Other income and expenditure from the Expenditure and Funding Analysis	20,002
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(7,527)	0	(7,527)	Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(7,527)
Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Adjustments between the Funding and Accounting Basis					
Neighbourhood & Assets	(8)	1	(7)	Neighbourhood	(7)
Safer Communities, Leisure & Environment	(9)	1	(8)	Community Protection	(8)
Place, Arts & Economy	(15)	-	(15)	Place, Arts & Economy	(15)
Finance	138	-	138	Finance	138
Housing Services - GF	(5)	(1)	(6)	Housing Services - GF	(6)
Housing Services - HRA	17	-	17	Housing Services - HRA	17
Customer & Digital Services	(7)	(1)	(8)	Customer & Digital Services	(8)
People and Communication	(3)	-	(3)	People and Communication	(3)
Strategic Leadership	(5)	1	(4)	Strategic Leadership	(4)
	-	(1)	(2)	Governance	(2)
Net Costs of Services	103	-	102		102
Other income and expenditure from the Expenditure and Funding Analysis	(607)	-	(607)	Other income and expenditure from the Expenditure and Funding Analysis	(607)
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(504)	0	(505)	Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(505)
Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Other Adjustments					
Neighbourhood & Assets	2	-	2	Neighbourhood	2
Safer Communities, Leisure & Environment	2	-	2	Community Protection	2
Place, Arts & Economy	7	-	7	Place, Arts & Economy	7
Finance	3	-	3	Finance	3
Housing Services - GF	-	1	1	Housing Services - GF	1
Housing Services - HRA	3	-	3	Housing Services - HRA	3
Customer & Digital Services	2	-	2	Customer & Digital Services	2
People and Communication	4	-	4	People and Communication	4
Strategic Leadership	-	2	2	Strategic Leadership	2
	-	(3)	(2)	Governance	(2)
Net Costs of Services	23	-	24		24
Other income and expenditure from the Expenditure and Funding Analysis	(4,723)	-	(4,723)	Other income and expenditure from the Expenditure and Funding Analysis	(4,723)
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(4,700)	0	(4,699)	Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(4,699)
Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Total Adjustments					
Neighbourhood & Assets	(1,518)	(927)	(2,445)	Neighbourhood	(2,445)
Safer Communities, Leisure & Environment	(187)	1,091	904	Community Protection	904
Place, Arts & Economy	(798)	-	(798)	Place, Arts & Economy	(798)
Finance	11	-	11	Finance	11
Housing Services - GF	(3,255)	3,229	(26)	Housing Services - GF	(26)
Housing Services - HRA	(21,585)	-	(21,585)	Housing Services - HRA	(21,585)
Customer & Digital Services	450	(3,230)	(2,780)	Customer & Digital Services	(2,780)
People and Communication	1	-	1	People and Communication	1
Strategic Leadership	(522)	(147)	(669)	Strategic Leadership	(669)
	-	(16)	(16)	Governance	(16)
Net Costs of Services	(27,403)	-	(27,403)		(27,403)
Other income and expenditure from the Expenditure and Funding Analysis	14,672	-	14,672	Other income and expenditure from the Expenditure and Funding Analysis	14,672
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(12,731)	0	(12,731)	Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services	(12,731)

(a4) Note 7 (6 23/24) – Segmented Income 2023/24 restated to 2024/25 Portfolio.

Portfolio as reported 2023/24	As reported in 2023/24 statement £000	Movement between Portfolios £000	As reported in 2024/25 Statement £000	Revised Portfolio Reported 2024/25	As reported in 2024/25 Statement £000
Income from Services					
Neighbourhood & Assets	(9,335)	(545)	(9,880)	Neighbourhood	(9,880)
Safer Communities, Leisure & Environment	(1,849)	960	(889)	Community Protection	(889)
Place, Arts & Economy	(5,744)	-	(5,744)	Place, Arts & Economy	(5,744)
Finance	(420)	-	(420)	Finance	(420)
Housing Services - GF	(568)	(12)	(580)	Housing Services - GF	(580)
Housing Services - HRA	(33,570)	-	(33,570)	Housing Services - HRA	(33,570)
Customer & Digital Services	(42)	(32)	(74)	Customer & Digital Services	(74)
People and Communication	(80)	-	(80)	People and Communication	(80)
Strategic Leadership	(399)	(46)	(445)	Strategic Leadership	(445)
	-	(325)	(325)	Governance	(325)
Total income analysed	(52,007)	-	(52,007)		(52,007)

(b1) Cashflow 2023/24

	Notes	Original 2023/24 £000	Adjustment	Restated 2023/24 £000
Net (Surplus) or deficit on the provision of services		2,987	(5,974)	(2,987)
Adjust net (surplus) or deficit on the provision of services for non cash movements	25	22,526	5,974	28,500
provision of services that are investing and financing activities	25	8,860	-	8,860
Net cash flows from Operating Activities		34,373	0	34,373
Investing Activities	26	(53,949)	-	(53,949)
Financing Activities	27	22,386	-	22,386
Net (increase) or decrease in cash and cash equivalents		2,810	0	2,810
Cash and cash equivalents at the beginning of the reporting period		9,462	-	9,462
Cash and cash equivalents at the end of the reporting period		12,272	0	12,272

(b2) Note 26 (25 23/24) Cashflow Statement – Operating Activities

	Original 2023/24 £000	Adjustment	Restated 2023/24 £000
Depreciation	16,425	-	16,425
Impairment & revaluations in consolidated income and expenditure	8,056	-	8,056
Amortisation of intangible assets	29	-	29
(Increase) / decrease in creditors	(0)	0	-
Increase / (decrease) in debtors	933	-	933
(Increase) / decrease in impairment for bad debt	-	-	-
Increase / (decrease) in inventories	(1)	-	(1)
Movement in pension liability	(710)	-	(710)
Carrying amount of non-current assets, assets held for sale, sold or derecognised	1,644	-	1,644
Other non-cash items charged to the net surplus or deficit on the provision of services	(3,850)	5,974	2,124
Adjust net (surplus)/deficit on the provision of services for non-cash movements	22,526	5,974	28,500

(b3) Note 13 (12 23/24) Taxation and non-specific grant income

	Gross Income 2023/24 £000	Adjustment	Restated 2023/24 £000
Council Tax income	(12,249)	-	(12,249)
Non-ringfenced Government Grants	(10,113)	1,007	(9,106)
Non-domestic rates income and expenditure	(2,367)	-	(2,367)
Capital Grants and Contributions	(8,200)	(1,007)	(9,207)
	(32,929)	-	(32,929)

(b4) Note 34 (33 23/24) Usable Reserves

	Original 31 March 2024 £'000	Adjustment	Restated 31 March 2024 £'000
General Fund Revenue Balance	32,240	(1,007)	31,233
Housing Revenue Account Balance	25,873	0	25,873
Major Repairs Reserve	6,821	0	6,821
Usable Capital Receipts Reserve	13,077	0	13,077
External Capital Grants / Contributions Unapplied	761	0	761
TOTAL USABLE RESERVES	78,772	(1,007)	77,765

(b5) Note 35 (34 23/24) Grant Income

	Original 2023/24 £000	Adjustment	Restated 2023/24 £000
Credited to Taxation and Non-Specific Grant Income			
Brownfield Land Release Fund	(1,008)	1,008	-
New Homes Bonus	(1,079)	-	(1,079)
Small Business Rate Relief	(5,899)	-	(5,899)
Lower Tier Service Income Grant	(139)	-	(139)
Funding Guarantee Grant	(1,840)	-	(1,840)
Revenue Support Grant	(148)	-	(148)
Non Ringfenced Revenue Grants	(10,113)	1,008	(9,105)
Commonwealth Games	-	-	-
S106 Contributions	859	-	859
Community Infrastructure Levy	(1,972)	-	(1,972)
Future Highstreets Fund	(6,765)	-	(6,765)
Green Homes Grant (LAD2)	-	-	-
UK Shared Prosperity Fund	(266)	-	(266)
Lawn Tennis Association	(21)	-	(21)
Brownfield Land Release Fund	-	(1,007)	(1,007)
Whitnash Town Council	(10)	-	(10)
Other	(26)	-	(26)
Capital Grants and Contributions:	(8,201)	(1,007)	(9,208)
Total Grants Credited to Taxation & Non Specific Grant Income	(18,314)	1	(18,313)
Credited to Services			
DWP Grants for Housing Benefits	(20,475)	-	(20,475)
Disabled Facilities Grant - HEART Scheme	(1,087)	-	(1,087)
Homelessness Reduction Act Grant	(836)	-	(836)
UKSPF Capacity Funding	(549)	-	(549)
Local Council Tax Admin Support Grant	(482)	-	(482)
Rough Sleeping Initiative Grant	(375)	-	(375)
Contribution towards NNDR Collection	(220)	-	(220)
Sport England Swimming Pool Support Fund	(166)	-	(166)
Police & Crime Commissioner Grant	(192)	-	(192)
Electoral Integrity Programme Funding	(96)	-	(96)
S31 Biodiversity Net Gain	(54)	-	(54)
COVID 19 - Income Recovery Scheme	(28)	-	(28)
S31 Redmond Review	(21)	-	(21)
Council Tax and Business Rates - New Burdens	(20)	-	(20)
Tenant Satisfaction Measures	(18)	-	(18)
Benefits - Verify Earnings and Pension (VEP) Service	(13)	-	(13)
Benefits - HBAA Initiative	(13)	-	(13)
Transparency Code - New Burdens	(8)	-	(8)
Credited to Services	(24,653)	-	(24,653)
TOTAL GRANTS	(42,967)	1	(42,966)

	Original 2023/24 £000	Adjustment	Restaed 2023/24 £000
Future High Street Fund	3,077		3,077
S106 Contributions towards social housing, sports & leisure facilities and play equipment	11,032		11,032
DHLUC - Brownfield Land Release (CLS)	-	1,007	1,007
West Midlands Combined Authority - CWG	81		81
DLUHC Cyber Support Fund	100		100
DLUHC UK Shared Prosperity Fund	575		575
Lawn Tennis Association	-		-
Network Rail Contribution	4		4
Racing Club Warwick	4		4
Football Association	35		35
English Sports Council	402		402
Capital Grants, Contributions Held in Advance	15,311	1,008	16,319

(b6) Note 25 (24 in 23/24) – Unusable Reserves and Pension Reserve

	Original 31 March 2024 £'000	Restatement	Restated 31 March 2024 £'000
Revaluation Reserve	121,709	0	121,709
Deferred Capital Receipts Reserve	788	0	788
Financial Instruments Revaluation Reserve	0	0	0
Capital Adjustment Account	286,202	0	286,202
Financial Instruments Adjustment Account	(11)	0	(11)
Pensions Reserve	23,367	(25,318)	(1,951)
Collection Fund Adjustment Account	(5,953)	0	(5,953)
Accumulated Absences Account	(172)	0	(172)
TOTAL UNUSABLE RESERVES	425,930	(25,318)	400,612

	Original 2023/24 £000	Restatement	Restated 2023/24 £000
Balance at 1 April	12,738	-	12,738
Remeasurements of the net defined benefit liability	9,919	-	9,919
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,741)	-	(2,741)
Employer's pensions contributions and direct payments to pensions payable in the year	3,451	-	3,451
Impact of Asset Ceiling	-	(25,318)	(25,318)
Balance at 31 March	23,367	(25,318)	(1,951)

(b7) Movement in Reserves Statement (MIRS)

2023/24	Original General Fund Balance	Adjustment	Restated General Fund Balance	Housing Revenue Account	Capital Receipt Reserves	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Adjustment	Restated General Fund Balance	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023 carried forward	33,258	-	33,258	30,288	11,555	6,956	7,615	89,671	432,204	-	432,204	521,875
Movement in reserves during 2023/24												
Total Comprehensive Income and Expenditure	4,877	(1,007)	3,870	(7,867)	-	-	-	(3,996)	(21,821)	-	(21,821)	(25,817)
Adjustments from income & expenditure charged under the accounting basis to the funding basis (see note 8)	(5,895)		(5,895)	3,452	1,522	(135)	(6,854)	(7,910)	15,547	(25,318)	(9,771)	(17,681)
Increase / (Decrease) in 2023/24	(1,018)	(1,007)	(2,025)	(4,415)	1,522	(135)	(6,854)	(11,906)	(6,274)	(25,318)	(31,592)	(43,498)
Balance at 31 March 2024 carried forward	32,240	(1,007)	31,233	25,873	13,077	6,821	761	77,765	425,930	(25,318)	400,612	478,377

(b8) Balance Sheet 2023/24.

	23/24 Note	24/25 Note	Original 31 March 2024 £'000	Adjustment	Restated 31 March 2024 £'000
Operational Assets:					
Council Dwellings			450,097	0	450,097
HRA Land and Buildings			11,208	0	11,208
Other Land and Buildings			82,789	0	82,789
Vehicles, Plant, Furniture and Equipment			11,787	0	11,787
Infrastructure Assets			1,672	0	1,672
Community Assets			915	0	915
Non-Operational Assets				0	
Surplus Assets			2,852	0	2,852
Assets under Construction			50,730	0	50,730
Property, Plant and Equipment	13	14	612,050	0	612,050
Heritage Assets	14	15	9,042	0	9,042
Investment Properties	15	16	15,501	0	15,501
Intangible Assets			341	0	341
Long Term Investments	16	17	977	0	977
Long Term Debtors	19	20	76,717	0	76,717
Long Term Assets			714,628	0	714,628
Short Term Investments	16	17	14,176	0	14,176
Assets Held for Sale	18	19	0	0	0
Inventories			20	0	20
Short Term Debtors	19	20	16,828	0	16,828
Cash and Cash Equivalents	21	22	12,272	0	12,272
Current Assets			43,296	0	43,296
Short Term Creditors	22	23	(18,189)	0	(18,189)
Provision Liabilities payable in less than 1 year	23	24	(2,053)	0	(2,053)
Current Liabilities			(20,242)	0	(20,242)
Long Term Creditors			(153)	0	(153)
Provision Liabilities payable in more than 1 year	23	24	(2,726)	0	(2,726)
Long Term Borrowing	16	17	(238,157)	0	(238,157)
Other Long Term Liabilities	16	17	0	0	0
Capital External Grants/Contributions in Advance	34	35	(15,311)	(1,007)	(16,318)
Net Pensions Liability	39	40	23,367	(25,318)	(1,951)
Long Term Liabilities			(232,980)	(26,325)	(259,305)
Net Assets			504,702	(26,325)	478,377
Usable Reserves	33	34	78,772	(1,007)	77,765
Unusable Reserves	24	25	425,930	(25,318)	400,612
Total Reserves			504,702	(26,325)	478,377

(b9) Note 40 (39 in 23/24) - Pensions Assets and Liabilities Recognised in the Balance Sheet

Comprehensive Income and Expenditure Statement	Original 2023/24 £000	Restatement	Resated 2023/24 £000
<i>Cost of Services:</i>			
- Current service cost	3,348	-	3,348
- Past service costs	-	-	-
- (Gain) / loss from settlements	-	-	-
Financing and Investment Income and Expenditure:			
- Net interest expense	(607)	-	(607)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	2,741	-	2,741
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	-	-	-
Remeasurement of the net defined benefit liability comprising:			
- Return on plan assets (excluding the amount included in the net interest expense)	(5,439)	-	(5,439)
- Actuarial gains and losses arising on changes in demographic assumptions	(864)	-	(864)
- Actuarial gains and losses arising on changes in financial assumptions	(8,124)	-	(8,124)
- Changes in the effect of the asset ceiling	-	25,318	25,318
- Other	4,508	-	4,508
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(7,178)	25,318	18,140
Movement in Reserves Statement			
- Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(2,741)	-	(2,741)
Actual amount charged against the General Fund and HRA Balances for pensions in the year:			
Employer's contributions payable to scheme	3,451	-	3,451
Pensions Assets and Liabilities Recognised in the Balance Sheet	Original 2023/24 £000	Restatement	Resated 2023/24 £000
Present value of the defined benefit obligation	145,125	25,318	170,443
Fair value of plan assets	(168,492)	-	(168,492)
Other movements in the liability / asset	-	-	-
Net liability arising from defined benefit obligation	(23,367)	25,318	1,951
Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):	Original 2023/24 £000	Restatement	Resated 2023/24 £000
Opening balance at 1 April	144,810	-	144,810
Opening balance adjustment *			-
Current service cost	3,348	-	3,348
Past service cost	-	-	-
Interest cost	6,831	-	6,831
Contributions from scheme participants	1,025	-	1,025
Remeasurement (gains) / losses:			
- Actuarial gains / losses arising from changes in demographic assumptions	(864)	-	(864)
- Actuarial gains / losses arising from changes in financial assumptions	(8,124)	-	(8,124)
- Changes in the effect of the asset ceiling	-	25,318	25,318
- Other experience	4,508	-	4,508
Benefits paid	(6,409)	-	(6,409)
Closing balance at 31 March	145,125	25,318	170,443

(c1) Note 29 (28 in 23/24) Reconciliation of Liabilities Arising from Financing Activities.

	01/04/2023 £000	Financing cash flows £000	Non-cash changes		31/03/2024 £000
			Acquisition £000	Other non- cash changes £000	
Long-term borrowings	(208,157)	(30,000)	-	-	(238,157)
Short-term borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Total liabilities from financing activities	(208,157)	(30,000)	-	-	(238,157)

(d1) HRA Note 1 – Housing Stock.

	Original 31/03/2024 Nos.	Adjustment	Restated 31/03/2024 Nos.
Houses	2,492	13	2,505
Flats	2,380	(6)	2,374
Bungalows	672	-	672
	5,544		5,551
	Original 31/03/2024 Nos.	Adjustment	Restated 31/03/2024 Nos.
Housing Stock at 1 April	5,514		5,514
New build	56	7	63
Buy Back Purchases	2		2
Reclassification from non-operational to operational stock	-		-
Right to Buy sales	(19)		(19)
Other Sales - Shared Ownership	(9)		(9)
Housing Stock at 31 March	5,544		5,551

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Portfolio:	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
2024/25	£000	£000	£000
Customer & Digital Services	3,357	221	3,578
Finance	1,916	(1,116)	800
Governance	1,029	(32)	997
Housing Services - GF	(3,660)	(238)	(3,898)
Housing Services - HRA	7,280	6,488	13,768
Neighbourhood	(2,816)	2,629	(187)
People and Communication	10,318	18	10,336
Place, Arts & Economy	186	3,383	3,569
Community Protection	3,001	(208)	2,793
Strategic Leadership	1,371	173	1,544
Net Costs of Services	21,982	11,318	33,300
Other Operating Income and Expenditure	(10,094)	5,234	(4,860)
(Surplus) or Deficit	11,888	16,552	28,440
	General Fund	HRA	Total
Opening Balance	(32,240)	(25,873)	(58,113)
Less/Plus Surplus / (Deficit)	5,914	3,134	9,048
Closing Balance at 31 March 2024	(26,326)	(22,739)	(49,065)

Portfolio:	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
2023/24	£000	£000	£000
Customer & Digital Services	1,503	2,780	4,283
Finance	361	(11)	350
Governance	619	16	635
Housing Services - GF	2,704	26	2,730
Housing Services - HRA	(14,533)	21,585	7,052
Neighbourhood	7,955	2,445	10,400
People and Communication	(108)	(1)	(109)
Place, Arts & Economy	8,100	798	8,898
Community Protection	4,281	(904)	3,377
Strategic Leadership	925	669	1,594
Net Costs of Services	11,807	27,403	39,210
Other Operating Income and Expenditure	12,264	(14,672)	(2,408)
(Surplus) or Deficit	24,071	12,731	36,802
	General Fund	HRA	Total
Opening Balance	(33,258)	(30,288)	(63,546)
Less/Plus Surplus / (Deficit)	1,018	4,416	5,434
Closing Balance at 31 March 2024	(32,240)	(25,872)	(58,112)

¹ The 2023/24 figures have been restated to reflect the updated cabinet portfolios. For further information, please see note 6 - prior period adjustments.

Note to the Expenditure and Funding Analysis:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Accounts 2024/25	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pension Adjustment (Note 2) £000	Other Adjustments (Note 3) £000	Total Adjustments £000
Customer & Digital Services	(246)	28	(3)	(221)
Finance	936	183	(3)	1,116
Governance	28	9	(5)	32
Housing Services - GF	219	22	(3)	238
Housing Services - HRA	(6,558)	75	(5)	(6,488)
Neighbourhood	(2,651)	26	(4)	(2,629)
People and Communication	(29)	13	(2)	(18)
Place, Arts & Economy	(3,434)	59	(8)	(3,383)
Community Protection	179	35	(6)	208
Strategic Leadership	(186)	16	(3)	(173)
Net Cost Of Services	(11,742)	466	(42)	(11,318)
Other income and expenditure from the Expenditure and Funding Analysis	(9,072)	-	3,838	(5,234)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(20,814)	466	3,796	(16,552)

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Accounts	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pension Adjustment (Note 2) £000	Other Adjustments (Note 3) £000	Total Adjustments £000
Customer & Digital Services	(2,774)	(8)	2	(2,780)
Finance	(130)	138	3	11
Governance	(12)	(2)	(2)	(16)
Housing Services - GF	(21)	(6)	1	(26)
Housing Services - HRA	(21,605)	17	3	(21,585)
Neighbourhood	(2,440)	(7)	2	(2,445)
People and Communication	-	(3)	4	1
Place, Arts & Economy	(790)	(15)	7	(798)
Community Protection	910	(8)	2	904
Strategic Leadership	(667)	(4)	2	(669)
Net Cost Of Services	(27,529)	102	24	(27,403)
Other income and expenditure from the Expenditure and Funding Analysis	20,002	(607)	(4,723)	14,672
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(7,527)	(505)	(4,699)	(12,731)

¹ The 2023/24 figures have been restated to reflect the updated cabinet portfolios. For further information, please see note 6 - prior period adjustments.

Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds depreciation and impairment and revaluation gains and losses in the service line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on the disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Changes for the Pensions Adjustments

Net changes for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension-related expenditure and income:

- For **services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other Differences

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

- For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be receivable at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Segmental Income

Income received on a segmental basis is analysed below:

2023/24 Income from Services £000	Portfolio	2024/5 Income from Services £000
(74)	Customer & Digital Services	(94)
(420)	Finance	(542)
(325)	Governance	(1,137)
(580)	Housing Services - GF	(1,075)
(33,570)	Housing Services - HRA	(36,641)
(9,880)	Neighbourhood	(11,002)
(80)	People and Communication	(84)
(5,744)	Place, Arts & Economy	(9,573)
(889)	Community Protection	(1,029)
(445)	Strategic Leadership	(497)
(52,007)	Total income analysed on a segmental basis	(61,674)

¹ The 2023/24 figures have been restated to reflect the updated cabinet portfolios. For further information, please see note 6 - prior period adjustments.

8. Expenditure and Income Analysed by Nature

The Council's expenditure and income by nature is analysed as follows:

2023/24 £000	Expenditure / Income	2024/25 £000
	Expenditure	
23,797	Employee benefits expenses	26,802
63,897	Other services expenses	72,500
27,795	Depreciation, amortisation and impairment	22,005
5,821	Interest payments	7,543
2,144	Precepts and Levies	2,308
	- Payments to Housing Capital Receipts Pool	-
123,454	Total Expenditure	131,158
	Income	
(52,007)	Fees, charges and other service income	(61,674)
(5,630)	Gain on the disposal of assets	(9,823)
(5,176)	Interest and investment income	(4,864)
(14,617)	Income from Council Tax and Business Rates	(16,369)
(43,037)	Government grants and contributions	(47,426)
(120,467)	Total Income	(140,156)
2,987	Surplus or Deficit on the Provision of Services	(8,998)

¹ The 2023/24 figures have been restated to reflect the updated cabinet portfolios. For further information, please see note 6 - prior period adjustments.

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund Balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available for funding Housing Revenue Account services.

Housing Revenue Account Balance

The Housing Revenue Account Balance contains the balance of income and expenditure as defined by the Part VI of the Local Government and Housing Act 1989 that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

Each year an amount equivalent to the depreciation charge on HRA assets is transferred into this reserve. This reserve can be used to fund capital expenditure to help maintain or improve HRA assets or repay HRA debt.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets that are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which there are no conditions, or the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

2024/25	Usable Reserves				
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income					
■ Pensions costs (transferred to (or from) the Pensions Reserve	1,349	260	-	-	-
■ Financial instruments (transferred to the Financial Instruments Adjustments Account)					
■ Council tax and NDR (transfers to or from Collection Fund Adjustment Account)	7,854	-	-	-	-
■ Holiday pay (transferred to / (from) the Accumulated Absences Reserve)	(36)	(6)	-	-	-
■ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to revaluation of Financial Instruments	-	-	-	-	-
■ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(2,278)	(10,766)	-	-	304
■ Write down long-term debtor loan as a capital receipt					
Total Adjustments to the Revenue Account	6,889	(10,512)	-	-	304
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	-	9,626	(9,625)	-	-
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	-	-	-	-	-
Posting of HRA resources from Revenue to the Major Repairs Reserve	-	7,476	-	(7,476)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,107	939	-	-	-
Total Adjustments between Revenue and Capital Resources	2,107	18,041	(9,625)	(7,476)	-
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	9,939	-	-
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	6,822	-
Application of capital grants unapplied credited to the CIES	521	-	-	-	(521)
Total Adjustments to Capital Resources	521	-	9,939	6,822	(521)
Total Adjustments	9,517	7,529	314	(654)	(217)

2023/24	Usable Reserves				
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income					
■ Pensions costs (transferred to (or from) the Pensions Reserve	593	117	-	-	-
■ Financial instruments (transferred to the Financial Instruments Adjustments Account)					
■ Council tax and NDR (transfers to or from Collection Fund Adjustment Account)	(4,723)	-	-	-	-
■ Holiday pay (transferred to / (from) the Accumulated Absences Reserve)	20	3	-	-	-
■ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to revaluation of Financial Instruments	-	-	-	-	-
■ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	5,257	(11,901)	-	-	8,777
■ Write down long-term debtor loan as a capital receipt					
Total Adjustments to the Revenue Account	1,147	(11,781)	-	-	8,777
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	1,536	4,552	(3,729)	-	-
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	-	-	-	-	-
Posting of HRA resources from Revenue to the Major Repairs Reserve	-	-	-	(6,386)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,289	3,777	-	-	-
Total Adjustments between Revenue and Capital Resources	2,825	8,329	(3,729)	(6,386)	-
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	2,207	-	-
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	6,521	-
Application of capital grants to finance capital expenditure	1,923	-	-	-	(1,923)
Total Adjustments to Capital Resources	1,923	-	2,207	6,521	(1,923)
Total Adjustments	5,895	(3,452)	(1,522)	135	6,854

10. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25:

	Balance at 1 April 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance at 31/03/2025 £000
General Fund:				
Art Gallery Gift Reserve	138	-	1	139
Asylum Dispersal Grant Reserve	-	-	589	589
Building Control Reserve	427	-	-	427
Business Rate Retention Volatility Reserve	8,231	(12,547)	4,316	-
Capital Investment Reserve	1,456	(64)	-	1,392
Car Park Displacement Reserve	253	(253)	-	0
Car Parks Repairs & Maintenance Reserve	122	-	-	122
Cemetery Land Purchase Reserve	48	-	10	58
Change Programme Delivery Reserve	-	(12)	500	488
Climate change Reserve	233	(175)	431	489
Commonwealth Games Reserve	129	(129)	-	()
Community Emergency Response Fund Reserve (NEW)	2	-	-	2
Community Projects Reserve	756	(278)	188	666
Corporate Assets Reserve	3,783	(2,220)	873	2,436
Covent Garden Multi Storey Reserve	900	(152)	929	1,677
Digital By Default Reserve	23	(6)	-	17
Earmarked Balances Reserve	1,880	(1,880)	457	457
Election Expenses Reserve	70	-	35	105
Energy Generation Projects Reserve	-	-	500	500
Enterprise Projects Reserve	188	(100)	-	88
Equipment Renewals Reserve	338	(413)	100	25
G M Commuted Sums Admin	-	-	44	44
G M Commuted Sums Reserve	1,593	(260)	147	1,481
General Fund Balance Reserve	5,212	(3,225)	30	2,017
General Fund Volatility Reserve	-	(5,853)	11,592	5,739
Harbury Lane Reserve	84	-	-	84
HMO Reserve	-	(9)	152	143
Homelessness Prevention Reserve	950	-	7	956
ICT Replacement Reserve	1,613	(404)	250	1,459
Insurance Reserve	274	-	-	274
Investment Volatility Reserve	100	-	-	100
Leisure Options Reserve	267	-	-	267
Local Plan Delivery Reserve	44	-	222	266
New bold Benches Reserve	6	-	-	6
Planning Appeal Reserve	374	(55)	0	319
Planning Investment Reserve	(120)	(120)	239	-
Public Amenity Reserve	403	(74)	42	371
Public Open Space Planning Gain Reserve	190	(25)	13	178
Revenue Grants / Contributions Received In Advance	480	(31)	69	519
Service Realignment Reserve	-	(900)	900	-
Services Transformation Reserve	895	(997)	1,258	1,156
Tennis Maintenance Reserve	16	-	10	26
Tourism Reserve	27	-	-	27
Trees for the future/Biodiversity Reserves	613	-	365	978
Ukrainian resettlement reserve	25	-	3	28
Working for Warwick Reserve	217	(25)	18	210
TOTAL GENERAL FUND	32,240	(30,205)	24,291	26,326
HRA:				
Housing Revenue Balance Reserve	1,500	-	-	1,500
HRA Capital Investment Reserve	24,626	(3,040)	-	21,587
HRA Early Retirements Reserve	21	-	-	21
HRA Earmarked Reserves	193	(193)	-	-
Lifeline funding reserve	21	47	-	68
HRA Rev Grants/Contribs in Advance Reserve	10	-	-	10
HRA Rough Sleeping Initiative	262	-	72	334
Sale of Council Houses	(762)	(4,129)	4,109	(781)
TOTAL HRA	25,873	(7,315)	4,182	22,739
TOTAL EARMARKED RESERVES	58,113	(37,520)	28,472	49,065

Some of the significant earmarked reserves, and their purpose are listed below

Business Rates Volatility Reserve: Used to provide finance for 'smoothing out' future retained Business Rate revenues.

Corporate Assets Reserve: Used to finance improvements and also major repairs and maintenance to the Council's General Fund property assets.

Community Projects Reserve: This reserve provides finance for various District-wide community projects.

Earmarked Balances Reserve: This reserve contains unspent budgets relating to specific items which require to be transferred from 2024/25 to 2025/26 due to unavoidable delays etc.

Capital Investment Reserve: Used to provide finance for the Council's General Fund capital programme not met by other resources e.g. borrowing, capital receipts, revenue contributions, external contributions and other reserves.

HRA Capital Investment Reserve: Used to finance significant council housing projects, including building or acquiring new council homes.

11. Other Operating Income and Expenditure

Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure 2023/24 £000		Gross Expenditure 2024/25 £000	Gross Income 2024/25 £000	Net Expenditure 2024/25 £000
2,144	0	2,144	Parish Council Precepts	2,308	0	2,308
0	0	0	Payments to Government Housing Capital Receipts Pool	0	0	0
0	(4,552)	(4,552)	Gain or Loss on the disposal of non-current assets	0	(7,168)	(7,168)
2,144	(4,552)	(2,408)	Total	2,308	(7,168)	(4,860)

12. Financing and Investment Income and Expenditure

Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure 2023/24 £000		Gross Expenditure 2024/25 £000	Gross Income 2024/25 £000	Net Expenditure 2024/25 £000
5,223	-	5,223	Interest Payable and similar charges	7,543	-	7,543
-	(607)	(607)	Pensions Interest Cost	-	(1,144)	(1,144)
-	(4,579)	(4,579)	Interest Receivable and similar income	-	(4,865)	(4,865)
48	(970)	(922)	Income and expenditure in relation to investment properties and changes in their fair value	547	(1,748)	(1,201)
-	-	-	Reversal of IFRS16 Lease Rental Payments	-	(218)	(218)
-	-	-	Reversal of Available for sale financial instruments	-	-	-
5,271	(6,156)	(885)		8,090	(7,975)	115

13. Taxation and Non-Specific Grant Income and Expenditure

Gross Income 2023/24 £000	Gross Income 2024/25 £000
(12,249) Council Tax income	(12,882)
(10,113) Non-ringfenced Government Grants	(10,738)
(2,367) Non-domestic rates income and expenditure	(4,784)
(8,200) Capital Grants and Contributions	(9,149)
(32,929)	(37,553)

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

14. Property, Plant and Equipment

Movement on Balances	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
Movements in 2024/25								
£000								
Cost or Valuation								
At 1 April 2024	450,097	94,947	16,764	-	941	2,742	50,730	616,221
Opening Balance Adjustment	12,667	748	110					13,525
Additions	12,988	1,973	1,747	509	-	-	40,767	57,984
Revaluation increases / (decreases) recognised in the Revaluation Reserve	10,316	22,979	-	-	(167)	(2,580)	-	30,548
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(10,001)	(17)	-	-	-	-	-	(10,018)
Derecognition - disposals	(2,458)	-	(260)	-	-	-	-	(2,718)
Assets reclassified (to) / from Other Accounts	29,130	-	-	-	-	-	(29,130)	-
Other movements in cost or valuation	-	-	-	-	-	-	-	-
At 31 March 2025	502,739	120,630	18,361		774	162	62,367	705,542
Accumulated Depreciation and Impairment								
At 1 April 2024	-	(950)	(4,977)	-	(26)	110	-	(5,843)
Depreciation charge for year	(6,371)	(4,361)	(1,379)	(3)	(30)	(31)	-	(12,175)
Depreciation written out to the Revaluation Reserve	6,371	4,052	-	-	50	54	-	10,527
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Depreciation written out on disposal	-	153	209	-	-	-	-	363
At 31 March 2025	-	(1,105)	(6,147)		(6)	133	-	(7,128)
Net Book Value								
31 March 2025	502,739	119,525	12,214		768	295	62,367	697,908
31 March 2024	450,097	93,997	11,787		915	2,852	50,730	610,378

Movement on Balances								
Movements in 2023/24	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
£000								
Cost or Valuation								
At 1 April 2023	453,493	93,589	15,103	1,659	939	242	51,129	614,495
Additions	20,688	9,088	1,661	51	-	-	13,670	45,158
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(24,183)	(1,376)	-	-	2	(3,854)	-	(29,411)
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(11,032)	-	-	-	-	-	(1,402)	(12,434)
Derecognition - disposals	(1,536)	-	-	-	-	-	-	(1,536)
Assets reclassified (to) / from Other Accounts	12,667	(6,354)	-	-	-	6,354	(12,667)	-
Other movements in cost or valuation	-	-	-	-	-	-	-	-
At 31 March 2024	450,097	94,947	16,764		941	2,742	50,730	616,272
Accumulated Depreciation and Impairment								
At 1 April 2023	-	-	(3,314)		-	(1)	-	(3,315)
Depreciation charge for year	(6,024)	(3,076)	(1,663)	(3)	(30)	(28)	-	(10,824)
Depreciation written out to the Revaluation Reserve	6,024	2,126	-	-	4	139	-	8,293
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2024	-	(950)	(4,977)		(26)	110	-	(5,846)
Net Book Value								
31 March 2024	450,097	93,997	11,787	-	915	2,852	50,730	610,378

Depreciation

The following useful lives have been used in the depreciation calculations:

- Council houses – component depreciation – up to 75 years
- Other land and buildings - 5 to 80 years
- Vehicles, plant, furniture and equipment - 3 to 25 years
- Infrastructure - 40 years
- Community Assets – up to 100 years

Capital Commitments and Planned Works 2024/25

As at 31 March 2025, the Council has entered a number of contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years.

The major contractual commitments at 31 March 2025 are:

General Fund	£000
None	-
Housing Investment Programme	£000
Purchase of land and properties	54,571
Construction of properties	527

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment that is required to be measured at current value is revalued at least every five years to ensure that carrying value does not differ significantly from that of the current value at the end of the reporting period.

Non-operational Surplus Property assets are measured at Fair Value in accordance with IFRS13, and analysed by Fair Value hierarchy as per the below table:

As at 31 March 2025	Fair Value £000	Land £000	Buildings £000	Valuation Technique Used to Determine Fair Value
1- quoted prices in active markets for identical assets	-	-	-	
2 - inputs other than quoted market prices	295	215	80	Direct observation of transactions involving similar properties within the local property market.
3 - unobservable inputs for the asset	-	-	-	
Total	295	215	80	

As at 31 March 2024	Fair Value £000	Land £000	Buildings £000	Valuation Technique Used to Determine Fair Value
1- quoted prices in active markets for identical assets	-	-	-	
2 - inputs other than quoted market prices	2,852	2,728	124	Direct observation of transactions involving similar properties within the local property market.
3 - unobservable inputs for the asset	-	-	-	
Total	2,852	2,728	124	

All property valuations were undertaken by Carter Jonas LLP. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

General Fund property 'Fair Values' in the Balance Sheet are based on 31 March 2025 valuations, following a full revaluation during the year. Housing Revenue Account property values are based on 31 March 2025 valuations.

The table below analyses all property, plant and equipment by valuation date: 31 March 2025

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	316	12,214	768	-	62,021	75,319
Valued at fair value as at:							
- 2024/25	502,739	117,969	-	-	296	346	621,350
- 2023/24	-	-	-	-	-	-	-
- 2022/23	-	1,239	-	-	-	-	1,239
- 2021/22	-	-	-	-	-	-	-
- 2020/21	-	-	-	-	-	-	-
- 2019/20	-	-	-	-	-	-	-
Total Cost or Valuation	502,739	119,524	12,214	768	296	62,367	697,908

15. Heritage Assets

Heritage assets are assets that are held by the Council principally for their contribution to knowledge and culture. They are a distinct class of asset which is reported separately from property, plant, and equipment. The Leamington Spa Art Gallery & Museum at the Royal Pump Rooms has a collection of over 14,000 objects. The heritage assets held by the Council have been categorised as follows:

- Decorative Arts Collection
- Visual Arts Collections
- Other Heritage Assets

Decorative Arts & Visual Arts Collections

The majority of the Council's collections of Decorative Arts (ceramics, porcelain, glass and other artefacts of a similar nature) and Visual Arts (paintings and drawings) were revalued by Tim Ritchie & Associates in February 2020. Those items not externally valued due to their low intrinsic worth were assigned an internal nominal value of £50. The policy is to revalue the collections every five years with the next valuation due in February 2025 but this was delayed until June 2025.

Human/Social History

This comprises the remainder of the Art Gallery and Museum's collections (Archaeology, Ethnography, Numismatics, Pictorial and Social History) and also the Abbey Fields Barn. In the case of the Art Gallery and Museum's collections some articles were valued externally as part of the February 2020 revaluation exercise referred to above but the vast majority have been given nominal values of £50 each by the Art Gallery and Museum staff during 2024/25, items amounting to £1,250 have been added to the Social History collection, all of which were of low intrinsic value and also additions for Fine Art of £95,175 which includes a painting by John Piper £37,500.

The Abbey Fields Barn was valued by Carter Jonas on 31 March 2025 at £0.17m on a depreciated replacement cost basis.

Council policy on acquisitions, disposals, preservation and management are set out in the published Collections Development Policy which the Council reviews every five years. This is a requirement of the national accreditation scheme for museums which is managed by Arts Council England. A copy of this policy is available on the Council's website.

Details of items in the collections can be found online at Windows on Warwickshire and Art UK, or by contacting the curators.

A reconciliation of the Carrying Value of Heritage Assets held by the Authority is shown below:

Cost or Valuation	Decorative Arts Collection £000	Visual Arts Collection £000	Other £000	Total £000
At 1 April 2024	319	7,691	1,032	9,042
Opening Balance Adjustment		-		-
Additions	-	96	1	97
Revaluation	-	-	(94)	(94)
Other Movements in Cost or Valuation	-	-	-	-
Derecognition - Disposals	-	-	-	-
Depreciation	-	-	3	3
At 31 March 2025	319	7,787	942	9,048
At 1 April 2023	319	7,664	1,034	9,017
Additions	-	27	1	28
Other Additions	-	-	-	-
Other Movements in Cost or Valuation	-	-	-	-
Derecognition - Disposals	-	-	-	-
Depreciation	-	-	(3)	(3)
At 31 March 2024	319	7,691	1,032	9,042

A summary of Heritage Assets transactions is shown below:

2023/24 £000		2024/25 £000
	Cost of Acquisitions of Heritage Assets	
	Purchases	
-	Decorative Arts	-
-	Visual Arts	38
-	Social History	-
	Donations	
1	Decorative Arts	-
1	Visual Arts	58
4	Social History etc.	1
6	Total Cost of Acquisitions	97
	Revaluation of Heritage Assets	
-	Decorative Arts	-
-	Visual Arts	-
(76)	Social History etc.	(94)
(76)	Total Revaluations	(94)
	Disposals of Heritage Assets	
-	Social History etc.	-
-	Carrying Value	-
-	Proceeds	-

16. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
	849 Rental income from investment property	971
	(481) Direct operating expenses arising from investment property	(610)
368	Net gain / (loss)	361

The following table summarises the movement in the Fair Value of investment properties over the year:

2023/24 £000		2024/25 £000
	14,931 Balance at start of the year	15,501
	570 Net gains / (losses) from fair value adjustments	746
15,501	Balance at end of year	16,247

All the Council's Investment Properties are revalued annually by Carter Jonas LLP.

Fair Value Hierarchy

Details of the Council's investment properties and information about the Fair Value hierarchy as at 31 March 2024 and 2025 are as follows:

As at 31 March 2025	Fair Value £000	Land £000	Buildings £000	Valuation Technique Used to Determine Fair Value
1 - quoted prices in active markets for identical assets	-	-	-	
2 - inputs other than quoted market prices	16,247	5,926	10,321	Direct observation of the passing rents on similar properties within the local property market.
3 - unobservable inputs for the asset	-	-	-	
Total	16,247	5,926	10,321	

As at 31 March 2024	Fair Value £000	Land £000	Buildings £000	Valuation Technique Used to Determine Fair Value
1 - quoted prices in active markets for identical assets	-	-	-	
2 - inputs other than quoted market prices	15,501	5,772	9,729	Direct observation of the passing rents on similar properties within the local property market.
3 - unobservable inputs for the asset	-	-	-	
Total	15,501	5,772	9,729	

There has been no change in the valuation techniques used during the year for investment properties.

17. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Non Current Investments 31 March 2024 £000	Non Current Debtors 31 March 2024 £000	Current Investments 31 March 2024 £000	Current Debtors 31 March 2024 £000	TOTAL 31 March 2024 £000	Financial Assets	Non Current Investments 31 March 2025 £000	Non Current Debtors 31 March 2025 £000	Current Investments 31 March 2025 £000	Current Debtors 31 March 2025 £000	TOTAL 31 March 2025 £000
977	-	14,909	-	15,885	Fair value through profit and loss	1,494	-	10,554	-	12,047
-	76,717	14,260	15,078	106,055	Amortised cost	-	68,833	14,636	14,096	97,565
977	76,717	29,169	15,078	121,940	Total	1,494	68,833	25,190	14,096	109,612

Non Current Borrowing 31 March 2024 £000	Non Current Creditor 31 March 2024 £000	Current Borrowing 31 March 2024 £000	Current Creditor 31 March 2024 £000	TOTAL 31 March 2024 £000	Financial Liabilities	Non Current Borrowing 31 March 2025 £000	Non Current Creditor 31 March 2025 £000	Current Borrowing 31 March 2025 £000	Current Creditor 31 March 2025 £000	TOTAL 31 March 2025 £000
(238,157)	(153)	-	(18,364)	(256,674)	Amortised cost	(249,351)	(916)	-	(32,041)	(282,308)
(238,157)	(153)	0	(18,364)	(256,674)	Total	(249,351)	(916)	0	(32,041)	(282,308)

Financial Instruments Designated at Fair Value Through Profit or Loss

The Council has no financial liabilities designated as Fair Value Through Profit and Loss, but the table below lists the Council's financial assets designated as Fair Value Through Profit and Loss at 31 March 2025, together with the maximum exposure and potential change in Fair Value associated with the credit risk relevant to the particular asset. No derivatives have been used to mitigate any potential losses through credit risk.

Asset	Rating	Exposure at 31 March 2025 £000	Maximum Exposure £000	Credit Default Risk £000	Maximum potential change in fair value through credit risk £000
Federated Money LVNAV Market Fund	AAAm / Aaa-mf / AAAmmf	1,738	10,000	0.04%	4
Federated Cash Plus VNAV Account	AAAf S1 / Aaa-bf / AAA/V1	-	6,000	0.04%	2
Deutsche Global LVNAV MMF	AAAm / Aaa-mf / AAAmmf	28	10,000	0.04%	4
Aberdeen/Standard Life (Ignis) LVNAV Money Market Fund	AAAm / Aaa-mf / AAAmmf	6,260	10,000	0.04%	4
Goldman Sachs LVNAV/Money Market Fund	AAAm / Aaa-mf / AAAmmf	57	10,000	0.04%	4
Royal London Cash Plus VNAV Money Market Fund	AAAf S1 / Aaa-bf / AAA/V1	1,377	6,000	0.04%	2
Invesco LVNAV Money Market Fund	AAAm / Aaa-mf / AAAmmf	456	10,000	0.04%	4
HSBC Liquidity Fund Including ESG	AAAm / Aaa-mf / AAAmmf	637	10,000	0.04%	4
Royal London Equity Income Fund	Low Risk	-	4,000	N/A	-
Threadneedle Equity Income Fund	Low Risk	-	4,000	N/A	-
Total		10,554	80,000		29

The above disclosures have been prepared using a variety of sources including credit ratings and historic default rates supplies through MUFGE, the Council's Treasury Management Advisors.

Income, Expense, Gains and Losses

31 March 2024 Surplus or Deficit on the Provision of Services £000	31 March 2024 Other Comprehensive Income and Expenditure £000		31 March 2025 Surplus or Deficit on the Provision of Services £000	31 March 2025 Other Comprehensive Income and Expenditure £000
		Net gains / (losses) on:		
-	-	Financial assets at fair value through profit and loss	-	-
-	-	Total net gains or (losses)	-	-
		Interest revenue:		
5,176	-	Financial assets measured at amortised cost	4,865	-
-	-	Other financial assets measured at fair value through profit or loss	-	-
5,176	-	Total interest revenue	4,865	-
		Interest expense		
		Fee expense:		
(5,821)	-	Financial assets or financial liabilities that are not at fair value through profit or loss	(7,547)	-
(5,821)	-	Total fee expense	(7,547)	-

Fair Values of Assets and Liabilities

The majority of the Council's financial assets and all of its financial liabilities are carried in the Balance Sheet at amortised cost. Their Fair Value can be assessed by calculating the present value of the cash flows that take place over the remaining term of the instruments using the following assumptions:

- For investments the prevailing benchmark market rates have been used to provide Fair Value
- 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
- The Fair Value of debtors and creditors is taken to be the invoiced or billed amount.

Some of the Council's financial assets are measured at Fair Value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

31 March 2024 £000	Financial Assets - Fair Value through Profit and Loss	Input Level in Fair Value Hierarchy	Valuation Techniques Used to Measure Fair Value	31 March 2025 £000
-	Corporate Equity Funds	2	Funds are not priced or traded on an exchange but priced by fund managers using underlying assets prices	-
14,909	Money Market Funds	2	Funds are not priced or traded on an exchange but priced by fund managers using underlying assets prices	10,554
-	Certificates of Deposit, Bonds, etc.	1	Based on "mid-price" basis where there is an active market for the actual instrument	-
14,909	Total			10,554

Current investments of £25.190m are made up of £10.554m of money market funds, as shown in the table above, as well as £14.636m simple deposits at amortised cost.

The Council took out £136.157m in PWLB fixed interest rate long term loans with varying maturities of between 41 and 50 years on the 28 March 2012, to fulfil its obligations under the new HRA self-financing regime.

£12m was taken in 2019/20 for General Fund purposes with a maturity to 28 August 2059, £60m was borrowed during 2021/22 for back-to-back loans to a Housing Joint Venture (JV), with periods between 1.5 and 5.5 years, £35m was borrowed during 2023/24 (£1m for the Milverton Homes and £34m for HRA housing development capital projects) and £21.2m was borrowed in 2024/25 (£2.2m for Milverton Homes and £19m for HRA housing development capital projects). £10m of the £60m borrowed for the JV in 2021/22 was repaid in 2024/25, in addition to £5m repaid in 23/24, leaving a net of £45m on the JV loans.

Although PWLB non-current loans are carried in the balance sheet at amortised cost, the Council is required to disclose the Fair Value of these loans. This requires a calculation of the net present value of the cash flows that are scheduled to take place over the remaining life of each loan. The Fair Value of these loans will be different to the amortised cost if prevailing interest rates differ from those applicable to the loans when taken out.

The introduction of IFRS 13 requires that the Fair Value should be calculated using two different interest rates - the PWLB redemption rate and the PWLB certainty rate. The Council's Treasury Management consultants, MUFG, has calculated the required Fair Value of these PWLB loans at 31 March 2025 using the PWLB redemption rate and these are £190.879m. The difference between this figure and the £249.351m carried in the balance sheet represents the discounts that would be received for early redemption of the loans as the current interest rates are above those in force when the borrowing took place between March 2012 and March 2025. However, the Council has a continuing ability to borrow from the PWLB at its certainty rate and on this basis the Fair Value of the £249.351m is £190.879m including net potential discounts of £59.079m, less accrued interest of £0.606m. As the Council has a net borrowing requirement to finance capital expenditure there is no opportunity to realise this potential discount, as alternative borrowing costs would offset the benefits. IFRS 13 requires disclosure of the valuation method by which the Fair Value is arrived at. There are three levels of inputs and in this instance MUFG has adopted a Level 2 input basis i.e. 'inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly'.

Except for the financial assets carried at Fair Value described in the table on the previous page, all other financial assets and liabilities held by the Council are carried in the Balance Sheet at amortised cost.

The Fair Values are calculated as follows:

31 March 2024 Carrying amount £000	31 March 2024 Fair value £000	Financial Assets	31 March 2025 Carrying amount £000	31 March 2025 Fair value £000
14,260	14,260	Short-term investments	14,636	14,636
-	-	Long-term investments	-	-
15,078	15,078	Short-term debtors	14,096	14,096
76,717	76,717	Long-term debtor	68,833	68,833
106,055	106,055	Total Financial Assets	97,565	97,565

31 March 2024 Carrying amount £000	31 March 2024 Fair value £000	Financial Liabilities	31 March 2025 Carrying amount £000	31 March 2025 Fair value £000
(238,157)	(190,935)	PWLB debt	(249,351)	(190,879)
(18,364)	(18,364)	Short-term creditors	(32,041)	(32,041)
(153)	(153)	Long-term creditors	(916)	(916)
-	-	Short-term finance lease liability	-	-
-	-	Long-term finance lease liability	-	-
(256,674)	(209,452)	Total Financial Liabilities	(282,308)	(223,836)

18. Intangible Assets

The balance of the Council's Intangible Assets is as follows:

2023/24 £000		2024/25 £000
1,342	Gross carrying amounts	1,359
(980)	Accumulated amortisation	(1,018)
362	Net carrying amount at start of year	341
17	Additions	228
	Other disposals	
(38)	Amortisation for the period	(54)
	Other changes	
341	Net carrying amount at end of year	515
1,359	Gross carrying amounts	1,587
(1,018)	Accumulated amortisation	(1,072)
341	Total	515

19. Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. There were no such assets at 31 March 2025.

2023/24 £000		2024/25 £000
-	Balance outstanding at start of year	-
	Assets newly classified as held for sale:	
-	- Property, Plant and Equipment	3,010
-	Assets sold	-
-	Balance outstanding at year-end	3,010

20. Debtors

Debtors are amounts due to the Council:

31 March 2024 £000		31 March 2025 £000
8,102	Trade receivables	10,000
5,065	Prepayments	251
	Other receivable amounts :-	
623	External funding	352
1,468	VAT	1,728
1,541	Business Rates/Council Tax etc	3,685
29	Investments	42
16,828	Total Short Term Debtors	16,059
55,000	Loans to housing joint venture	45,000
115	Deferred capital receipts	41
21,603	Other capital loans	23,792
76,717	Total Long Term Debtors	68,833
93,545	Total Debtors	84,891

21. Debtors for Local Taxation

The past due but not impaired amount for Local Taxation (Council Tax & non-domestic Rates) can be analysed by age as follows:

31 March 2024 £000		31 March 2025 £000
7,645	Less than three months	4,757
1,597	Three to six months	1,434
1,162	Six months to one year	2,143
1,256	More than one year	1,400
11,660	Total Debtors	9,734

22. Cash and Cash Equivalents

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

31 March 2024 £000		31 March 2025 £000
30	Cash held by the Council	30
(2,837)	Bank current accounts	312
15,079	Money Market deposits	10,697
12,272	Total Cash and Cash Equivalents	11,039

23. Creditors

Creditors are amounts owed to others by the Council:

31 March 2024 £000		31 March 2025 £000
(9,513)	Trade payables	(9,831)
	Other payable amounts :-	
(7,424)	External Funding	(9,737)
(983)	Business Rates, Council Tax etc	(11,895)
(268)	Investments	(578)
(18,189)	Total Creditors	(32,041)

24. Provisions

Provisional Liabilities Payable in More Than One Year	Business Rates Appeals £000	Insurances General Fund £000	Insurances HRA £000	Total £000
Balance at 1 April 2024	2,189	280	257	2,726
Additional provisions made in 2024/25	-	165	(54)	111
Amounts used in 2024/25	-	-	-	-
Amounts payable < 1 year transferred to short term provision	(216)	-	-	(216)
Balance at 31 March 2025	1,973	445	203	2,621

Provisional Liabilities Payable in Less Than One Year	Business Rates Appeals £000	Insurances General Fund £000	Insurances HRA £000	Total £000
Balance at 1 April 2024	2,021	30	2	2,053
Additional/reduced provisions made in 2024/25	(622)	19	26	(577)
Amounts used in 2024/25	-	(12)	(5)	(17)
Amounts payable < 1 year transferred from long term provision	216	-	-	216
Balance at 31 March 2025	1,615	37	23	1,675

Business Rates Appeals

Many companies employ specialists to try to have their business rates reduced. The claims are submitted to the Valuation Office and can take several years to be agreed. If the claims are approved refunds covering several years can result. Such payments can be substantial. The Council employs a specialist company to access the likelihood of successful claims.

Insurances

The potential for insurance claims is assessed annually by the Insurance Officer and the provisions are adjusted accordingly. A separate provision is maintained for the General Fund and the Housing Revenue Account.

25. Unusable Reserves

31 March 2024 £'000		31 March 2025 £'000
121,709	Revaluation Reserve	170,092
788	Deferred Capital Receipts Reserve	788
0	Financial Instruments Revaluation Reserve	0
286,202	Capital Adjustment Account	297,260
(11)	Financial Instruments Adjustment Account	(10)
(1,951)	Pensions Reserve	(2,023)
(5,953)	Collection Fund Adjustment Account	1,900
(172)	Accumulated Absences Account	(213)
400,612	TOTAL UNUSABLE RESERVES	467,794

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustment.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property. 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.

2023/24 £000		2024/25 £000
153,446	Balance at 1 April	121,709
3,022	Upward revaluation of assets	65,363
(34,759)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(12,989)
(31,737)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	52,374
	Recognition of Heritage Assets on Donation	-
	Difference between fair value depreciation and historical cost depreciation	(3,286)
	Accumulated gains on assets sold or scrapped	(705)
-	Amount written off to the Capital Adjustment Account	(3,991)
121,709	Balance at 31 March	170,092

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 Council 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.

2023/24 £000		2024/25 £000
788	Balance at 1 April	788
-	Transfer of deferred sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Account	-
788	Balance at 31 March	788

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at Fair Value through profit and loss. The balance is reduced when investments with accumulated gains are:

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

2023/24 £000		2024/25 £000
-	Balance at 1 April	-
-	Upward revaluation of investments	-
-	Downward revaluation of investments	-
-	Change in impairment loss allowances	-
-	Balance at 31 March	-

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 financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account contains accumulated gains and losses on Investment Properties and Assets Held for Sale and in the case of Heritage Assets the gains on initial recognition of donated Heritage Assets with no outstanding conditions.

Note 7 provides the details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000		2024/25 £000
266,692	Balance at 1 April	286,202
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(16,425)	- Charges for depreciation and impairment of non-current assets	(12,165)
4,380	- Revaluation losses on Assets Held For Sale and reversal of previous revaluation impairments	(5,368)
(29)	- Amortisation of intangible assets	(55)
(4,490)	- Revenue expenditure funded from capital under statute	(3,673)
(1,644)	- Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(2,651)
(53)	- Write down long-term debtor loan as a capital receipt	
(18,261)		(23,912)
	- Accumulated gains on assets sold or scrapped	705
	- Difference between fair value depreciation and historical cost depreciation	3,286
(18,261)	Net written out amount of the cost of non-current assets consumed in the year	(19,921)
	Capital Financing applied in the year:	
2,207	- Use of the Capital Receipts Reserve to finance new capital expenditure	9,939
6,521	- Use of the Major Repairs Reserve to finance new capital expenditure	6,822
13,088	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,676
8,777	- Application of grants to capital financing from the Capital Grants Unapplied Account	304
	- Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	
5,430	- Capital expenditure charged against the General Fund and HRA balances	3,047
36,023		28,788
1,177	Minimum Revenue Provision	1,445
571	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	746
-	Removal of initial recognition of Donated Assets credited to the Comprehensive Income and Expenditure Statement	-
286,202	Balance at 31 March	297,260

Pensions Reserve

The Pension Reserve absorbs timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

2023/24 £000		2024/25 £000
12,738	Balance at 1 April	(1,951)
9,919	Remeasurements of the net defined benefit liability	22,372
(2,741)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,229)
3,451	Employer's pensions contributions and direct payments to pensions payable in the year	3,838
(25,318)	Impact of Asset Ceiling	(24,053)
(1,951)	Balance at 31 March	(2,023)

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments

Collection Fund Adjustment Account

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

Council Tax 2023/24 £000	Council Tax 2023/24 £000	Total £000		Council Tax 2024/25 £000	Council Tax 2024/25 £000	Total £000
42	(1,297)	(1,255)	Balance at 1 April	(52)	(5,901)	(5,953)
(94)	(4,604)	(4,698)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	122	7,731	7,853
(52)	(5,901)	(5,953)	Balance at 31 March	70	1,830	1,900

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from this account.

2023/24 £000		2024/25 £000	2024/25 £000
(195)	Balance at 1 April		(172)
195	Settlement or cancellation of accrual made at the end of the preceding year	172	
(172)	Amounts accrued at the end of the current year	(213)	
23	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		(41)
(172)	Balance at 31 March		(213)

26. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
7,638	Interest received	5,323
(5,820)	Interest paid	(8,090)
-	Interest element of finance lease payments	-
1,818		(2,767)

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

2023/24 £000		2024/25 £000
16,425	Depreciation	12,165
8,056	Impairment & revaluations in consolidated income and expenditure	5,368
29	Amortisation of intangible assets	55
0	(Increase) / decrease in creditors	728
933	Increase / (decrease) in debtors	(4,553)
-	(Increase) / decrease in impairment for bad debt	-
(1)	Increase / (decrease) in inventories	11
(710)	Movement in pension liability	(1,609)
1,644	Carrying amount of non-current assets, assets held for sale, sold or derecognised	2,651
2,124	Other non-cash items charged to the net surplus or deficit on the provision of services	886
28,500	Adjust net (surplus)/deficit on the provision of services for non-cash movements	15,702

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

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

2023/24 £000		2024/25 £000
27,600	Investment Gains / (Losses)	4,000
(3,729)	Proceeds from the sale of PPE, investment properties and intangible assets	(9,625)
(15,011)	Any other items for which the cash effects are investing or financing cash flows	(9,197)
8,860	Adjust net (surplus)/deficit on the provision of services that are investing and financing activities	(14,822)

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

27. Cash Flow Statement – Investing Activities

2023/24 £000		2024/25 £000
(46,706)	Purchase of property, plant and equipment, investment property and intangible assets	(57,932)
(15,878)	Purchase of short-term and long-term investments	(8)
(8,885)	Other payments for investing activities	196
3,729	Proceeds from sale of property, plant and equipment, non-current assets held for sale, investment property and intangible assets	9,625
-	Proceeds from the sale of short-term and long-term investments	-
13,791	Other receipts from investing activities	17,045
(53,949)	Net cash flows from investing activities	(31,073)

28. Cash Flow Statement – Financing Activities

2023/24 £000		2024/25 £000
35,000	Cash receipts of short- and long-term borrowing	21,194
-	Other receipts from financing activities	-
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases	-
(5,000)	Repayments of short- and long-term borrowing	(10,000)
(7,614)	Other payments for financing activities	8,768
22,386	Net cash flows from financing activities	19,962

29. Reconciliation of Liabilities Arising from Financing Activities

	Non-cash changes				31/03/2025 £000
	01/04/2024 £000	Financing cash flows £000	Acquisition £000	Other non-cash changes £000	
Long-term borrowings	(238,157)	(11,194)	-	-	(249,351)
Short-term borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Total liabilities from financing activities	(238,157)	(11,194)	-	-	(249,351)

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments

30. Members' Allowances

In England, the Local Authorities (Members Allowances) (England) Regulations 2003, provide for the circumstances in which allowances are payable to members and the maximum amounts payable in respect of certain allowances.

2023/24 £000	Allowances	2024/25 £000
277	Basic	284
115	Special Responsibility	120
15	Chair and Vice Chair Allowances	14
1	Co-Optees	1
-	Other Allowances (Travel, Subsistence, etc.)	-
408	Total	419

31. Officers' Remuneration

The remuneration paid to the Council's senior employees as defined by the Accounts and Audit Regulations 2015 is as follows:

Post Title		Salary including Fees and Allowances	Pension Contribution	Total Remuneration including Pension Contribution
		£	£	£
Chief Executive	2024/25	140,400	27,755	168,155
	2023/24	146,206	25,429	171,635
Deputy Chief Executive	2024/25	109,705	22,039	131,744
	2023/24	96,498	19,390	115,888
Head of Finance	2024/25	96,769	19,403	116,172
	2023/24	87,275	17,629	104,904
Strategic Director	2024/25	97,476	19,690	117,166
	2023/24	102,915	20,775	123,690

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

2023/24 Number of Employees Total	2023/24 Number of Employees Left in Year	Remuneration Band	2024/25 Number of Employees Total	2024/25 Number of Employees Left in Year
20		- £50,000 - £54,999	27	1
13		- £55,000 - £59,999	10	1
1		- £60,000 - £64,999	7	-
-		- £65,000 - £69,999	1	-
6		- £70,000 - £74,999	-	-
1		- £75,000 - £79,999	5	-
-		- £80,000 - £84,999	1	-
-		- £85,000 - £89,999	-	-

32. Termination Benefits

The number of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the following table:

Number of compulsory redundancies 2023/24	Number of other departures agreed 2023/24	Total number of exit packages by cost band 2023/24	Total cost of exit packages in each band 2023/24 £	Exit package cost bands (including special payments)	Number of compulsory redundancies 2024/25	Number of other departures agreed 2024/25	Total number of exit packages by cost band 2024/25	Total cost of exit packages in each band 2024/25 £
-	-	-	-	- £0 - £20,000	2	2	4	40,892
-	-	-	-	- £20,001 - £40,000	1	-	1	31,846
-	-	-	-	- £40,001 - £60,000	-	-	-	-
-	-	-	-	- £60,001 - £80,000	-	1	1	61,051
0	0	0	0	Total	3	3	6	133,789

33. External Audit Costs

The Council incurred the following fees in relation to external audit and inspection:

2023/24 £000		2024/25 £000
179	Fees payable with regard to external audit services carried out by the appointed auditor	185
-	- Additional fees payable in respect of prior year external audit services	-
34	Fees payable for the certification of grant claims and returns	44
10	Additional fees payable for the certification of prior year grant claims and returns	-
223	Total	229

34. Usable Reserves

The movements on the Council's Usable Reserves are detailed in the Movement in Reserves Statement:

31 March 2024 £'000		31 March 2025 £'000
31,233	General Fund Revenue Balance	26,326
25,873	Housing Revenue Account Balance	22,739
6,821	Major Repairs Reserve	7,475
13,077	Usable Capital Receipts Reserve	12,763
761	External Capital Grants / Contributions Unapplied	978
77,765	TOTAL USABLE RESERVES	70,281

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

35. Grant Income

The authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24 £000		2024/25 £000
	Credited to Taxation and Non-Specific Grant Income	
	- Brownfield Land Release Fund	-
(1,079)	New Homes Bonus	(902)
(5,899)	Small Business Rate Relief	(7,191)
(139)	Lower Tier Service Income Grant	(24)
(1,840)	Funding Guarantee Grant	(2,463)
(148)	Revenue Support Grant	(158)
(9,105)	Non Ringfenced Revenue Grants	(10,738)
859	S106 Contributions	(2,716)
(1,972)	Community Infrastructure Levy	(834)
(1,007)	Brownfield Land Release Fund	-
(6,765)	Future Highstreets Fund	(3,583)
	- Food Waste Collection Capital Grant	(306)
(266)	UK Shared Prosperity Fund	(792)
(21)	Lawn Tennis Association	-
	- Sport England Grant	(234)
	- Arts Council England	(457)
	- Hatton Parish Council	(45)
(10)	Whitnash Town Council	-
	- DESNZ - HUG2 Grant	(57)
(26)	Other	-
(9,208)	Capital Grants and Contributions:	(9,149)
(18,313)	Total Grants Credited to Taxation & Non Specific Grant Income	(19,887)
	Credited to Services	
(20,475)	DWP Grants for Housing Benefits	(20,795)
(549)	UKSPF Capacity Funding	(1,610)
(836)	Homelessness Reduction Act Grant	(1,280)
(1,087)	Disabled Facilities Grant - HEART Scheme	(1,240)
(192)	Police & Crime Commissioner Grant	(307)
(375)	Rough Sleeping Initiative Grant	(222)
(482)	Local Council Tax Admin Support Grant	(288)
	- Local Plans Fund	(228)
(220)	Contribution towards NNDR Collection	(221)
	- Green Belt Fund	(70)
(96)	Electoral Integrity Programme Funding	(66)
(54)	S31 Biodiversity Net Gain	(27)
(21)	S31 Redmond Review	(23)
(20)	Council Tax and Business Rates - New Burdens	(22)
(18)	Tenant Satisfaction Measures	(18)
(13)	Benefits - HBAA Initiative	(11)
(8)	Transparency Code - New Burdens	(8)
	- Bully Abandonments - S31 Grant (DEFRA)	(3)
(13)	Benefits - Verify Earnings and Pension (VEP) Service	(5)
(166)	Sport England Swimming Pool Support Fund	-
(24,653)	Credited to Services	(26,444)
(42,966)	TOTAL GRANTS	(46,331)

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have legally binding conditions attached to them that will require the monies or property to be returned to the giver. The balances as at the year-end are:

2023/24 £000		2024/25 £000
	0 Conservation Grants	0
	3,077 Future High Street Fund	-
	11,032 S106 Contributions towards social housing, sports & leisure facilities and play equipment	11,589
	1,007 DHLUC - Brownfield Land Release (CLS)	807
	81 West Midlands Combined Authority - CWG	81
	100 DLUHC Cyber Support Fund	65
	575 DLUHC UK Shared Prosperity Fund	533
	4 Network Rail Contribution	4
	4 Racing Club Warwick	-
	35 Football Association	-
	402 English Sports Council	402
	DEFRA - Food Waste Collection	306
	Everest Clinic Ltd	1
	Arts Council	294
	Student Voice Safeguarding App	1
	DEFRA - Transitional Resource	82
	16,318 Capital Grants, Contributions Held in Advance	14,166

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

36. Related Party Transactions

The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government:

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework, within which the Council operates, provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grant receipts outstanding at 31 March 2025 are included within the figures shown in the Grant Income note 35.

Warwickshire County Council and the Office of the Warwickshire Police and Crime Commissioner:

These authorities issue precepts on the Council and these are shown in the Collection Fund Statement. Warwickshire County Council is the administering authority for the Pension Fund and details of the employer's contributions paid by this Council are shown in Defined Benefit Pension Schemes note 40.

Precepting Bodies:

The various Town and Parish Council's in the Council's area issue precepts on the Council. For 2024/25 the precepts issued totalled £2.308m (2023/24 £2.144m). The major preceptors were:

2023/24 £000	Major Preceptors	2024/25 £000
582	Warwick Town Council	641
443	Royal Leamington Spa Town Council	464
327	Whitnash Town Council	327
228	Kenilworth Town Council	250

Council Members and Chief Officers:

Council Members make disclosures of their pecuniary and non-pecuniary interests in the Members' Register and have to make declarations on individual committee agenda items. In addition to Council Members, the Chief Executive, Deputy Chief Executive, Strategic Director and Heads of Service also make annual declarations in respect of any Related Party Transactions they may have.

Council Members have direct control over the Council's financial and operating policies. Grants totalling £0.717m (2023/24 £6.543m) were paid to voluntary organisations in which 20 members had declared interest or held positions on the governing body. The grants were made with proper consideration of declarations of interest. The relevant members were excluded from any discussion or decision relating to the grants. The major grants awarded were:

2023/24 £000	Major Grants Awarded	2024/25 £000
6137	Kenilworth School Multi Academy Trust	375
156	Brunswick Healthy Living Centre	225
140	Lord Leycester Hospital Warwick	0
70	Citizens' Advice South Warwickshire	187
49	Warwickshire Community and Voluntary Action (CAVA)	116
48	Warwick Percy Estates Community Project/THE GAP	115
0	Bid - Leamington Board	109
108	Shakespeare's England Ltd	85
76	Sydenham Neighbourhood Initiatives	73
52	Warwick District Foodbank	0
0	ARC (Achieving Results in Communities)	59
38	Warwick Town Council	41
25	Hill Close Gardens Trust	27

Leamington Business Improvement District:

The Council acts as an agent in respect of Leamington Business Improvement District (BID) whereby it collects the levy due on the BID's behalf -£0.340m in 2024/25 (-£0.312m in 2023/24).

Entities Controlled or Significantly Influenced by the Authority:

Milverton Homes Ltd.

During 2020/21 Warwick District Council created a wholly owned Local Housing Company subsidiary named Milverton Homes Ltd. Company number 13123477. Milverton Homes most recent Business Plan was approved by the Council's Cabinet on 25 May 2021. The Company was incorporated with Companies House on 8 January 2021 with the nature of the business being 4110 – Development of building projects. Four directors have been appointed to Milverton Homes Board and registered on Companies House and the accounting reference period was shortened to align with the Council's.

Group Accounts have been prepared in the 2024/25 Financial Statements.

Milverton Homes has appointed an external accounting and audit company TC Group to provide accounts that are audited and meet Accounting Standards for consolidation into the Council's Group Accounts. Where possible the accounting policies adopted by Milverton Homes are aligned to the Council's accounting policies and are in line with private company reporting regulations from the Companies Act 2006.

Milverton Homes entered into a Joint Venture with Crewe Lane LLP which is a housing development vehicle and is a 50/50 Joint Venture between Milverton Homes Limited (Company Number 13123477) and Vistry Partnerships Limited (Company Number 00800384).

Crewe Lane LLP

Crewe Lane LLP is a housing development vehicle and is a 50/50 Joint Venture between Milverton Homes Limited (Company Number 13123477) and Vistry Partnerships Limited (Company Number 00800384).

During the 2020/21 and 2021/22 Financial years the Council issued Loans with a total value of £60m to Crewe Lane Kenilworth JV LLP (Company number OC426015) to facilitate the construction of 620 dwellings in Kenilworth.

The Council's Loan transactions have been included in the Council's Financial Statements. All loan interest and capital repayments will be serviced by and are the liability of Crewe Lane Kenilworth JV LLP and financial security and contingencies have been put in place in line with legal and financial advice. The interest payable to the Council for facilitation these loans is charged at a commercial rate and any surpluses will be retained by the Council to support service operation.

The Joint venture is planned to last at least 6 years up to 2028 and will provide 248 affordable and social housing dwellings which will be constructed and sold to the Council's HRA in phases. Milverton Homes Ltd will also purchase 62 dwellings from Crewe Lane LLP during this period.

Milverton Homes has £1 Capital invested in the Crewe Lane LLP Joint Venture. Milverton Homes has accounted for the £1 investment in its financial statements and has adopted the cost model of accounting for joint ventures in line with FRS 102 para 15.9 where Investments in Joint ventures are measured at cost, less any accumulated impairment losses.

37. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it.

2023/24 £000		2024/25 £000
288,872	Opening Capital Financing Requirement	296,249
(4,442)	Prior year adjustment	
	- Capital Investment:	
45,108	Property, Plant and Equipment	57,365
	- Investment Properties	-
50	Infrastructure Assets	509
	- Heritage Assets	38
	- Community Assets	-
17	Intangible Assets	228
	- Non-operational Surplus Assets	-
-	Revenue Expenditure Funded from Capital Under Statute:	
4,481	- Grants	3,674
5,473	- Long-term loans	159
	- Finance Leases Principal	
	Sources of Finance:	
(2,207)	Capital Receipts	(9,939)
(21,865)	Government grants and other contributions	(9,325)
(6,521)	Major Repairs Reserve	(6,822)
(5,430)	Sums set aside from revenue	(2,703)
(1,177)	Minimum Revenue Provision	(1,271)
(6,110)	Capital receipts set aside to repay the capital financing requirement	(10,000)
296,249	Closing Capital Financing Requirement	318,162
	Explanation of movements in year	
7,377	Increase underlying need to borrow (unsupported by Government financial assistance)	21,913
7,377	Increase in Capital Financing Requirement	21,913

38. Leases

Authority as Lessor

The Council, as a lessor, does not have any leases which qualify as finance leases.

Operating Leases

Within the Housing Revenue Account, the Council has a number of shops etc. which whilst still forming part of its Operational non-current assets are leased out on a commercial basis and derive rental income.

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

31 March 2024 £000		31 March 2025 £000
378	Not later than one year	362
1,259	Later than one year and not later than five years	1,192
1,006	Later than five years	760
2,644		2,314

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments

39. Impairment / Revaluation Losses

Enquiries were made of Service Areas, the Asset Management Team and our external valuers, Carter Jonas, to identify any additional properties that were physically impaired and which, therefore, required revaluation during 2024/25 to reflect their reduced capacity to operate at previous levels.

1 Warwick Street, Royal Leamington Spa, was purchased in 2019 and remains undeveloped for housing purposes. During 2023 a survey by Carter Jonas identified a few structural concerns, which resulted in Carter Jonas being asked to revalue this 'asset under construction', rather than disclose it at historic cost, as would be normal practice. This resulted in a revaluation reduction from £1.635m to £0.321m.

Carter Jonas undertook a full revaluation of operational assets that are not carried at historic cost during 2024/25, and there were no additional impairments identified.

40. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments for those benefits and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered locally by Warwickshire County Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2023/24 £000	Comprehensive Income and Expenditure Statement	2024/25 £000
	<i>Cost of Services:</i>	
3,348	- Current service cost	3,267
-	- Past service costs	106
-	- (Gain) / loss from settlements	-
	Financing and Investment Income and Expenditure:	
(607)	- Net interest expense	(1,144)
2,741	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	2,229
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
(5,439)	- Return on plan assets (excluding the amount included in the net interest expense)	830
(864)	- Actuarial gains and losses arising on changes in demographic assumptions	(256)
(8,124)	- Actuarial gains and losses arising on changes in financial assumptions	(21,646)
25,318	- Changes in the effect of the asset ceiling	24,053
4,508	- Other	(1,300)
18,140	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	3,910
	Movement in Reserves Statement	
(2,741)	- Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(2,229)
	Actual amount charged against the General Fund and HRA Balances for pensions in the year	
3,451	Employer's contributions payable to scheme	3,838

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

2023/24 £000		2024/25 £000
170,443	Present value of the defined benefit obligation	176,866
(168,492)	Fair value of plan assets	(174,843)
	Other movements in the liability / asset	
1,951	Net liability arising from defined benefit obligation	2,023

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets:

2023/24 £000		2024/25 £000
157,548	Opening fair value of scheme assets	168,492
	Opening balance adjustment *	
7,438	Interest income	8,143
	Remeasurement gain / (loss):	
	- Other experiences	
5,439	- The return on plan assets, excluding the amount included in the net interest expense	(830)
	The effect of changes in foreign exchange rates	
3,451	Contributions from employer	3,838
1,025	Contributions from employees into the scheme	1,124
(6,409)	Benefits paid	(5,924)
168,492	Closing fair value of scheme assets	174,843

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

2023/24 £000		2024/25 £000
144,810	Opening balance at 1 April	170,443
	Opening balance adjustment *	
3,348	Current service cost	3,267
-	Past service cost	106
6,831	Interest cost	6,999
1,025	Contributions from scheme participants	1,124
	Remeasurement (gains) / losses:	
(864)	- Actuarial gains / losses arising from changes in demographic assumptions	(256)
(8,124)	- Actuarial gains / losses arising from changes in financial assumptions	(21,646)
25,318	- Changes in the effect of the asset ceiling	24,053
4,508	- Other experience	(1,300)
(6,409)	Benefits paid	(5,924)
170,443	Closing balance at 31 March	176,866

1. The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Local Government Pension Scheme assets comprised:

31 March 2024 Quoted prices in active markets £000	31 March 2024 Quoted prices not in active markets £000	31 March 2024 Total £000		31 March 2025 Quoted prices in active markets £000	31 March 2025 Quoted prices not in active markets £000	31 March 2025 Total £000
6,241	-	6,241	Cash and cash equivalents	2,977	-	2,977
-	-	-	Equity Securities (by industry type):	-	-	-
-	-	-	- Consumer	-	-	-
-	-	-	- Manufacturing	-	-	-
-	-	-	- Energy and Utilities	-	-	-
-	-	-	- Financial Institutions	-	-	-
-	-	-	- Health and Care	-	-	-
-	-	-	- Information Technology	-	-	-
-	-	-	- Other	-	-	-
-	-	-	Sub-total equity	-	-	-
			Debt Securities			
19,050	-	19,050	- Corporate bonds (investment grade)	18,830	-	18,830
-	-	-	- Corporate bonds (non-investment grade)	-	-	-
-	-	-	- UK Government	-	-	-
-	6,529	6,529	- Other	-	9,265	9,265
19,050	6,529	25,579	Sub-total debt securities	18,830	9,265	28,095
			Property:			
12,261	-	12,261	- UK Property	13,379	-	13,379
1,688	-	1,688	- Overseas Property	1,549	-	1,549
13,949	-	13,949	Sub-total property	14,928	-	14,928
			Private Equity:			
-	11,955	11,955	- All	-	12,063	12,063
			Investment Funds and Unit Trusts:			
95,401	-	95,401	- Equities	97,466	-	97,466
-	-	-	- Bonds	-	-	-
-	-	-	- Hedge Funds	-	-	-
-	-	-	- Commodities	-	-	-
-	15,368	15,368	- Infrastructure	-	19,315	19,315
-	-	-	- Other	-	-	-
95,401	15,368	110,768	Sub-total Investments	97,466	19,315	116,781
134,641	33,851	168,492	TOTAL ASSETS	134,200	40,643	174,843

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years' dependent on assumptions about mortality rates, salary levels, etc.

The Warwickshire County Council Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2025.

The significant assumptions used by the actuary have been:

2023/24			2024/25
	Mortality assumptions:	Longevity at 65 for Current Pensioners:	
21.5 years		Men	21.4 years
24.2 years		Women	24.1 years
		Longevity at 65 for Future Pensioners	
22.4 years		Men	22.3 years
25.7 years		Women	25.7 years
3.20%	Rate of inflation		3.15%
3.75%	Rate of increase in salaries		3.75%
2.75%	Rate of increase in pensions		2.75%
4.85%	Rate of discounting scheme liabilities		5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Increase in Assumption £000	Decrease in Assumption £000
Longevity (increase or decrease in 1 year)	5,100	(5,100)
Rate of increase in salaries (increase or decrease by 0.1%)	115	(115)
Rate of increase in pensions (increase or decrease by 0.1%)	2,094	(2,094)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2,150	(2,150)

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 16 years. Funding levels are monitored on an annual basis, with the triennial valuation based as at 31 March 2025.

The weighted average duration of the defined benefit obligation for scheme members is 17 years, 2024/25 (17 years 2023/24).

41. Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Risk management is carried out by a central treasury team, under policies approved by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management, together with written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch's Ratings Services, except for Corporate Equity Funds which are rated as low or medium risk. The Annual Investment Strategy also imposes a maximum sum to be invested with each type of financial institution located within each category.

The credit criteria at 31 March 2025 in respect of investments held by the Council are:

Investment / Counterparty type:	S/term	L/term	Security / Min. credit rating	Max. limit per counterparty	Max. Maturity period	Portfolio at 31 March 2025 £000	Proportion of Portfolio at 31 March 2025
	(FITCH or equivalent)						
Specified instrument (repayable within 12 months):							
UK Govt. / Local Authorities / Public Corporations / Nationalised Industries	n/a		n/a	£10m	365 days	4,000	18.1%
Bank - Private UK (includes Fixed Term Deposits, CD's and Category 1 FRN's & Bonds)	F1	A	UK Sovereign	£5m	365 days	-	0.0%
	F1	A+	UK Sovereign	£7m	365 days	10,000	45.2%
	F1	AA- & above	UK Sovereign	£8m	365 days	-	0.0%
Money Market Fund (LVNAV)	AAA m / Aaa-mf/AAAmmf		n/a	£10m	liquid	7,116	32.2%
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/ AAA/V1		n/a	£6m	liquid	1,000	4.5%
Non-specified instruments							
Corporate Equity Funds		n/a	Low Risk	£4m	10 years	-	0.0%
Total						22,116	100.0%

Where appropriate the Council makes use of a credit checking agency so that customers for goods and services e.g. major contracts are assessed and suitable credit limits set.

At 31 March 2025, sundry debts outstanding stood at £1.708m of which £0.713m related to general debts and £0.995m to Housing Benefit and Council Tax Support overpayments. An assessment has taken place of the likelihood of these debts being defaulted upon and bad debts provisions of £0.553m have been established in respect of the general debts £0.058m and Housing and Council Tax Benefit Overpayments £0.495m.

An analysis by age of the £1.708m less £0.552m Credit Loss Allowances follows:

Warwick District Council has a substantial number of trade receivables. As the assets do not have a significant financing component, the loss allowance is based on the lifetime expected credit losses. The

Council uses a provision matrix, based on historical observed rates over the lifecycle of trade receivables, adjusted for forward-looking estimates.

Credit Loss Approach

Warwick District Council has a substantial number of trade receivables. As the assets do not have a significant financing component, the loss allowance is to be based on lifetime expected credit losses.

The Council uses a provision matrix, based on historical observed rates over the lifecycle of trade receivables, adjusted for forward-looking estimates:

More than 1 year	100.00%
Current year	5.26%

The loss allowance is calculated as follows:

Lifecycle stage	Gross carrying amount	Loss rate	Lifetime expected credit losses
	A £	B	A x B £
Over 1 year	37,062	100%	37,100
Current year	391,481	5.26%	20,600
		Loss allowance	57,700

Warwick District Council has a substantial number of Benefits debtors. As the assets do not have a significant financing component, the loss allowance is to be based on lifetime expected credit losses.

The Council uses a provision matrix, based on historical observed rates over the lifecycle of this type of debtor, adjusted for forward-looking estimates:

Credit Loss Approach

Warwick District Council has a substantial number of Benefits debtors. As the assets do not have a significant financing component, the loss allowance is to be based on lifetime expected credit losses.

The Council uses a provision matrix, based on historical observed rates over the lifecycle of this type of debtor, adjusted for forward-looking estimates:

01 - 03 months	10.00%
04 - 06 months	23.90%
07 - 09 months	27.36%
10 - 12 months	33.02%
Over 1 year	55.94%

The loss allowance is calculated as follows:

Lifecycle stage	Gross carrying amount	Loss rate	Lifetime expected credit losses
	A £	B	A x B £
01 - 03 months	76,500	10.00%	7,600
04 - 06 months	35,700	23.90%	8,500
07 - 09 months	37,000	27.36%	10,100
10 - 12 months	20,400	33.02%	6,700
Over 1 year	825,500	55.94%	461,800
		Loss allowance	494,700

Amounts Arising from Expected Credit Losses

The changes in the loss allowance for investments and long-term debtors during the year are as follows:

The Council has analysed the credit risk of the investments held at 31 March 2025 using the methodology recommended by its treasury advisers in order to comply with IFRS 9.

The calculated potential impairment of £0.009m equates to 0.04% of total investments of £25.190m. This has been assessed as being immaterial and no impairment of the investments has been made.

During 2024/25, the Council made a long-term loan for capital expenditure amounting to £0.159m. Due diligence was carried out to ensure that the borrower's capacity to repay the loans plus interest in a timely manner was adequate. Repayments of all existing loans are being made according to the various repayment plans and consequently there is little or no expectation of any form of credit default and, therefore, no expected credit loss has been included in the accounts.

At 31 March 2025, outstanding arrears in respect of Council house rents and charges stood at £6.382m; again, an assessment of the default rate on these arrears has been made and a bad debts provision of £1.898m has been established.

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council can borrow, subject to the limits imposed by the relevant Prudential Indicators, from the Money Markets to make up the shortfall. The relevant Prudential Indicators in this instance are the Operational Boundary for External Debt which manages the day-to-day cash flow requirements and the Authorised Limit for External Debt which sets an absolute ceiling on the amount of borrowing allowed.

All the Council's trade and other payables are due to be paid in less than one year.

Market Risk

This risk relates to market perceptions of the creditworthiness of particular counterparties or investment vehicles over and above those reflected in current credit ratings. The Council is not aware of any such perceptions which affect either counterparties that it has on its approved lending list or investment vehicles it is permitted to use.

Interest Rate Risk

The Council's external borrowing is made up of PWLB Fixed Rate Maturity loans with maturities of between 1 and 40 years and the average rate of the portfolio is 3.22%.

The main risk to its investment income comes from movements in Bank Rate and the Money Market Rates. For instance, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- Investments at fixed rates – the Fair Value of the assets will fall.

The treasury management team has an active strategy for assessing interest rate exposure. According to this assessment strategy, based on the 2024/25 outturn a 0.25% movement upwards in interest rates would have produced an additional £0.035m interest. Conversely the same movement downwards would have reduced investment interest.

Price Risk

The Council invests in Certificates of Deposits which are instruments where the price fluctuates. The Council manages this risk by only purchasing such investments with a relatively short term to run and by holding the investments to maturity thus nullifying the effect of price fluctuations as the investments are redeemed at par i.e. face value. No purchases have been made in 2024/25.

42. Contingent Assets and Liabilities

Contingent Liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council, or
- a present obligation that arises from past events but is not recognised because: a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or b) the amount of the obligation cannot be measured with sufficient reliability.

The following contingent liabilities have been identified for 2024/25:

Farmhouse, Europa Way

In October 2024 a significant fire, believed to be arson, severely damaged Heathcote Hill Farmhouse that the Council had purchased in June 2020. The building was insured, with the insurer aware it would remain unoccupied, though some restrictions applied, including inspection requirements. A claim has been submitted, however, the Council is waiting for confirmation whether it will be accepted in full or part. The Council changed building insurer in November 2024.

Prior to the incident, a prospective buyer had expressed interest in the property and remains interested, contingent on its reinstatement.

The site has since been secured with scaffolding and protective covering. The Council has indicated willingness to settle the insurance claim either on an indemnity basis (where repairs are not carried out) or on a diminution in market value basis, although the outcomes would not satisfy the purchaser's expectations.

There is a risk that the insurer may decline the claim, due to the condition of the property, break-ins and inspection gaps.

The incident is likely to result in a loss of anticipated income from the potential sale, the financial impact is uncertain at this stage depending on the outcome of the insurance claim and buyer negotiations.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

The following contingent assets have been identified for 2024/25:

Tachbrook Park (TCP Land parcel plan)

- The transfer of the 'Gallagher/L&Q land parcel' is near completion, with signing and final documents expected in the first quarter of 2025/26.
- Severn Trent land is anticipated to transfer at an undetermined future date.
- Progress on the works for the Country Park continues, with minor civil works expected to begin following the discharge of pre-commencement conditions and be completed by November 2025. Meanwhile, the specification for the larger works contract is in development, with procurement scheduled to commence later in 2025, and construction targeted for spring/summer 2026.

Business Rate Pooling – Local Volatility Fund

Following the Local Government Finance Bill, with effect from 1 April 2013, the Council agreed to participate in the Warwickshire and Coventry Business Rates Pool consisting of the following Authorities:

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Stratford-On-Avon District Council
- Warwick District Council
- Warwickshire County Council

Under the new legislation, 50% of business rates collected by the billing authority is retained locally, the other 50% is paid to the Government. The Locally retained business rates are then split 80% to the pool and 20% to Warwickshire County Council.

Part of the Memorandum of Understanding for the Warwickshire and Coventry Business Rates Pool allocates 25% of the benefit of being in the pool to be set aside in a Local Volatility Fund. This is to provide protection for Pool members from falls in business rate income. The Local Volatility Fund is held by Warwickshire County Council as the lead authority and a memo account is maintained for each authority.

As at the end of March 2025, Warwick District Council held £0.359m within the Fund. This would be released to us if our business rates income fell by more than 5% of our baseline funding level or if we left the pool or the pool dissolved.

Housing Revenue Account Income & Expenditure Statement

The Housing Revenue Account (HRA) reflects the obligation to maintain a separate revenue account for the Council's housing provision. The HRA Income and Expenditure Statement shows the cost in the year of providing these housing services.

2023/24 £000		2024/25 £000
	Expenditure	
9,330	Repairs and Maintenance	12,917
10,977	Supervision and Management	10,421
310	Rents, Rates, Taxes and Other Charges	289
19	Increased Provision for Bad Debts	151
6,957	Depreciation and Impairment of Non-Current Assets	7,497
	- Debt Management Costs	-
	- Amortisation of Intangible Assets & Revenue Expenditure Funded from Capital Under Statute	-
27,593	Total Expenditure	31,274
	Income	
(30,438)	Dwelling Rents	(32,960)
(1,084)	Non-Dwelling Rents	(1,111)
(1,447)	Charges for Services and Facilities	(1,691)
(137)	Contributions Towards Expenditure	(262)
(33,106)	Total Income	(36,024)
(5,513)	Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	(4,750)
74	HRA services' share of Corporate and Democratic Core	74
21	HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services	21
(5,418)	Net Income for HRA Services	(4,656)
(1,536)	Gain or Loss on sale of HRA non-current assets	(7,167)
4,870	Interest payable and similar charges	6,633
(100)	Net interest on the net defined benefit asset or liability	(207)
597	HRA Interest and Investment Income	227
	- Capital Grants and Contributions Receivable	-
(1,587)	(Surplus) / Deficit for the year on HRA services	(5,170)

Movement on the Housing Revenue Account Statement

The 'Surplus or (Deficit) for the year on Housing Revenue Account (HRA) services' line shows the true economic cost of providing the authority's services. The 'Net Increase / (Decrease) before transfers to earmarked reserves' line shows the change in the statutory HRA Balance before any discretionary transfers to or from reserves undertaken by the Council.

2023/24 £000		Notes	2024/25 £000	2024/25 £000
862	Balance on the HRA at the end of the previous year			10,317
1,587	Surplus or (deficit) for the year on the HRA Income and Expenditure Statement	HRA I&E	5,170	
3,452	Adjustments between accounting basis and funding basis under statute	Main Notes 9	(7,553)	
5,039	Net increase or (decrease) before transfers to or from reserves		(2,383)	
4,416	Transfers (to) or from reserves	Main Note 10	3,133	
9,455	Increase or (decrease) in year on the HRA			750
10,317	Balance on the HRA at the end of the current year			11,067

Notes to the Housing Revenue Account

1. Housing Stock

The Council was responsible for managing the following Council dwellings included in the Housing Revenue Account:

31/03/2024 Nos.		31/03/2025 Nos.
2,503	Houses	2,590
2,376	Flats	2,389
672	Bungalows	678
5,551		5,657

The change in housing stock can be summarised as follows:

2023/24 Nos.		2024/25 Nos.
5,514	Housing Stock at 1 April	5,551
63	New build	142
2	Buy Back Purchases	5
-	- Reclassification from non-operational to operational stock	-
(19)	Right to Buy sales	(26)
(9)	Other Sales - Shared Ownership	(15)
5,551	Housing Stock at 31 March	5,657

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

2. Housing Revenue Account Non-Current Assets and Assets Held for Sale

The total Housing Revenue Account non-current assets and assets held for sale can be analysed as follows:

1 April 2024 £000		1 April 2025 £000
450,097	Council Dwellings	502,739
10,579	Other Properties	10,629
629	Land	(663)
480	Equipment	429
41,610	Assets Under Construction	1,670
	- Surplus Assets	-
	- Assets Held for Sale	3,010
503,394	Total Balance Sheet Items	517,813

3. Valuation of Dwellings

The 'vacant possession' value of dwellings represents the open market value of the housing stock, whilst the Balance Sheet value represents the reduced valuation owing to the stock being used for social housing. The difference between the two valuations (a reduction to 40% of the market valuation) is the 'Economic Cost' of providing Council housing at less than open market rents.

31/03/2024 £000		31/03/2025 £000
1,117,690	Vacant Possession Value of Dwellings (Open Market Value)	1,169,228
(463,028)	Balance Sheet Value of Dwellings (Social Housing Value) (40% of Open Market Value)	(502,739)
654,662	Economic Cost to Government	666,489

4. Summary of Capital Expenditure Funding Sources

2023/24 £000		2024/25 £000
13,592	Prudential Borrowing	27,265
5,817	Government Grant	608
2,207	Usable Capital Receipts	9,654
3,777	Revenue and Other Contributions	1,141
6,521	Major Repairs Reserve	6,822
31,913	Total Capital Expenditure Funding	45,491

5. Revaluations Impairment

A full valuation of the Housing Revenue Account dwellings, other properties and land was undertaken for the 31st March 2025 valuation by the Council's Valuer, Carter Jonas LLP. Revaluation Losses of £13.851m, and gains of £26.383m were credited to the Housing Revenue Account Revaluation Reserve resulting in a net loss of £12.532m.

The housing stock is valued on an "Existing Use – Social Housing" (EUV-SH) basis, derived from the Open Market Value (OMV), discounted by a Regional Adjustment Factor, which is determined by the Ministry of Housing, Communities and Local Government (MHCLG) previously known as the Department for Communities and Local Government (DCLG). Currently, this is just 40% of the Open Market Value.

6. Summary of Capital Receipts

2023/24 £000		2024/25 £000
2,290	Sale of Council Houses	4,109
710	Other Non RTB Sales	1,181
3,000	Total Capital Receipts	5,290

7. Depreciation of Fixed Assets

2023/24 £000		2024/25 £000
6,024	Council Dwellings	6,371
883	Other Buildings	1,055
50	Equipment	50
6,957	Total Depreciation	7,476

8. Arrears and Provision for Loss Allowances

2023/24 £000		2024/25 £000
	HRA Rent & Charges Arrears	
4,611	Current Tenant Rent Arrears	4,707
1,013	Former Tenant Rent Arrears	876
5,624	Dwelling Rent Arrears	5,583
44	Garage Rent Arrears	51
15	Supporting People Charge Arrears	16
185	Court Cost Arrears	206
-	Overpayment of Benefit Arrears	122
104	Insolvency	118
221	Other Arrears	286
6,193	Total Arrears	6,382
	Prepayments	
(550)	Dwelling Rent Prepayments	(559)
(15)	Garage Rent Prepayments	(16)
123	Other Prepayments	(4)
(442)	Total Prepayments	(578)
5,751	Net Arrears	5,804
	HRA Bad Debt Provisions	
(1,779)	Rent Bad Debt Provision	(1,585)
(280)	Court Cost Bad Debt Provision	(313)
(2,059)	Total Bad Debt Provisions	(1,898)
	Arrears as a proportion of gross rent net of housing benefit	
17.96%	Current Tenant Rent Arrears	16.85%
22.40%	Net Arrears	20.76%

Collection Fund

This statement details the transactions relating to the collection of council tax and business rates. The Council acts as an agent to collect council tax and business rates on behalf of Warwickshire County Council and the Office of the Warwickshire Police and Crime Commissioner and business rates on behalf of the Government.

2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000		2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000
Income						
(123,384)	-	(123,384)	Council Tax Receivable	(131,562)	-	(131,562)
-	(69,721)	(69,721)	Business Rates Receivable	-	(78,489)	(78,489)
-	(5,448)	(5,448)	Transitional Protection Payments Receivable	-	(2,550)	(2,550)
(123,384)	(75,169)	(198,553)	Total Income	(131,562)	(81,039)	(212,601)
Expenditure						
Precepts and Demands:						
-	37,603	37,603	Central Government	-	38,661	38,661
95,361	7,521	102,882	Warwickshire County Council	101,186	7,732	108,918
15,958	-	15,958	The Office of the Warwickshire Police and Crime Commissioner	16,885	-	16,885
12,343	30,082	42,425	Warwick District Council	12,760	30,928	43,688
123,662	75,206	198,868		130,831	77,321	208,152
Distribution of earlier years' Collection Fund Surplus/(Deficit):						
155	854	1,009	Warwickshire County Council	(772)	(1,501)	(2,273)
-	4,269	4,269	Central Government	-	(7,503)	(7,503)
28	-	28	The Office of the Warwickshire Police and Crime Commissioner	(129)	-	(129)
19	3,415	3,434	Warwick District Council	(100)	(6,002)	(6,102)
202	8,538	8,740		(1,001)	(15,005)	(16,006)
Charges to the Collection Fund:						
230	637	867	Write-offs of uncollectable amounts	392	150	542
-	220	220	Warwick District Council: Cost of Collection Allowance	-	221	221
203	-	203	Increase / (Decrease) in Bad Debts Provision	106	-	106
-	1,730	1,730	Increase / (Decrease) in Provision for Appeals	-	(1,554)	(1,554)
-	-	-	Transitional Protection Payments payable	-	-	-
-	73	73	Renewable Energy Disregard	-	80	80
-	-	-	Designated Areas	-	1,443	1,443
-	108	108	Interest payable	-	87	87
433	2,768	3,201		498	427	925
Movement On Fund:						
913	11,343	12,256	Net (Surplus) / Deficit for Year	(1,234)	(18,296)	(19,530)
(389)	3,376	6,489	(Surplus) / Deficit brought forward 1 April	524	14,719	15,243
524	14,719	18,745	(Surplus) / Deficit carried forward 31 March	(710)	(3,576)	(4,286)

Notes to the Collection Fund

1. General

The Collection Fund is a statutory account which shows the transactions of the billing authority (Warwick District Council) in terms of Council Tax and Business Rates and demonstrates how income from these sources is distributed to precepting bodies and the General Fund. The surplus or deficit on the Collection Fund at the year-end is distributed to, or recovered from, the billing authority and the precepting bodies on the basis of fund outturn balance estimates made in January before the year end.

2. Council Tax

Council Tax income is derived from charges according to the value of residential properties that have been classified into eight valuation bands. These numbers are adjusted for various items. The number of properties for each band is then converted into a Band D equivalent by applying a designated ratio to arrive at the Council Tax Base. Individual charges are determined by dividing the demands and precepts of the Council, Warwickshire County Council and The Office of the Warwickshire Police and Crime Commissioner by the Council Tax base. The Council Tax base for 2024/25 was calculated as follows:

Band	Dwellings in Banding List	Disabled Persons Adjustments No of Cases	Less Exemptions Properties Affected	Less Discounts	Adjusted Amount for Council Tax	Ratio	Band D Equivalent Dwellings	
@	-	10	-	(1.20)	8.80	5 / 9	4.89	
A	5,081	15	379	(1,417.20)	4,057.80	6 / 9	2,705.20	
B	12,476	44	631	(2,781.20)	10,369.80	7 / 9	8,065.40	
C	18,697	8	628	(2,999.90)	16,333.10	8 / 9	14,518.31	
D	13,476	(18)	432	(1,878.00)	12,012.00	9 / 9	12,012.00	
E	8,293	(26)	446	(1,358.50)	7,354.50	11 / 9	8,988.83	
F	5,533	21	151	(554.20)	5,150.80	13 / 9	7,440.04	
G	4,623	(32)	71	(320.00)	4,342.00	15 / 9	7,236.67	
H	457	(22)	11	(31.50)	414.50	18 / 9	829.00	
	68,636	-	2,749	(11,341.70)	60,043.30		61,800.34	
	Adjustment for new properties, collection rates, changes during the year for successful appeals against valuation banding, demolitions, disabled persons relief and exempt properties							665.25
	Less Council Tax Support Scheme							(4,192.34)
	Council Tax Base 2024/25							58,273.25

3. Income from Business Ratepayers

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area which are based on local rateable values multiplied by a uniform rate.

The two multipliers set by Government are:

- The Small Business Non-Domestic Rate Multiplier of 49.9p for businesses with a rateable value of less than £50,999.
- The Non-Domestic Rate Multiplier of 54.6p for other businesses with a rateable value of £51,000 or greater.

The total rateable value of properties in the Warwick District area was £200,783,233 at 31 March 2025.

Group Accounts

Introduction

The Council is a complex organisation and undertakes a broad range of activities, often in conjunction with external organisations. In some cases, the Council has an interest in these organisations demonstrated through ownership or control/significant influence.

The CIPFA Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the Council's financial activities, and the resources employed in carrying out those activities.

“A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent.”

Milverton Homes Ltd is classified as a subsidiary of Warwick District Council and has therefore been consolidated and the required group accounts produced.

The financial statements of Milverton Homes Ltd have been consolidated with those of Warwick District Council on a line-by-line basis which has eliminated intra-group balances, transactions, income and expenditure between the Council and the subsidiary

The Council incorporated Milverton Homes Ltd Company number 13123477 during 2020/21 as a wholly owned subsidiary company with the nature of the business being 41100 – Development of building projects and the provision of privately rented housing. Incorporation was achieved with Companies House on 8th January 2021.

The Accounts for Milverton Homes Ltd 2024/25 have been produced externally by TC Group (formally known as FORTUS Audit Ltd), Chartered Accountants & Statutory Auditors.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement – shows all resources related to providing services and managing the Group including expenses and income on an accrual's basis.
- Group Movement in Reserves - shows the movement in the year on the usable and unusable reserves together with the Group reserves.
- Group Balance Sheet - reports the Group financial position at the year-end.
- Group Cash Flow Statement - shows the changes in cash and cash equivalents of the Group during the year.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts or material in nature.

Group Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the Group accounting cost in the year of providing services and operations

Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Gross Income 2023/24 £000	Portfolio	Gross Expenditure 2024/25 £000	Gross Income 2024/25 £000	Gross Income 2024/25 £000
25,346	(21,063)	4,283	Community Protection	24,065	(21,272)	2,793
1,067	(717)	350	Customer & Digital Services	4,403	(825)	3,578
960	(325)	635	Finance	1,937	(1,137)	800
4,488	(1,758)	2,730	Governance	3,108	(2,111)	997
40,673	(33,621)	7,110	Housing Services - GF	32,761	(36,659)	(3,856)
20,281	(9,881)	10,425	Housing Services - HRA	24,770	(11,002)	13,786
(29)	(80)	(109)	Neighbourhood	(103)	(84)	(187)
15,253	(6,355)	8,898	People and Communication	21,825	(11,489)	10,336
5,412	(2,035)	3,377	Place, Arts & Economy	5,919	(2,350)	3,569
2,039	(445)	1,594	Strategic Leadership	2,075	(531)	1,544
115,490	(76,280)	39,293	Cost of Services - continuing operations	120,760	(87,460)	33,360
2,144	(4,552)	(2,408)	Other Operating Income and Expenditure	2,308	(7,168)	(4,860)
5,820	(6,705)	(843)	Financing and Investment Income and Expenditure	8,090	(7,975)	194
0	(32,930)	(32,930)	Taxation and Non-Specific Grant Income and Expenditure	0	(37,553)	(37,553)
0	0	3,112	(Surplus) or Deficit on Provision of Services	0	0	(8,859)
0	0	0	Associates & Joint Ventures Accounted for on an Equity Basis	0	0	0
0	0	0	Tax Expenses of Subsidiaries	0	0	0
0	0	0	Group Surplus/Deficit	0	0	0
0	0	(2,194)	(Surplus) or Deficit on revaluation of Non Current Assets	0	0	(65,365)
0	0	33,355	Impairment Losses on Non Current Assets Charged to the Revaluation Reserve	0	0	12,988
0	0	0	Surplus or deficit on revaluation of available for sale financial assets	0	0	0
0	0	11,497	Remeasurement of the net defined benefit liability / (asset)	0	0	1,537
(393)	0	(393)	Share of Other Comprehensive Income & Expenditure of Subsidiaries, Associates & Joint Ventures	271	0	271
(393)	0	42,265	Other Comprehensive Income and Expenditure	271	0	(50,569)
		45,377	Total Comprehensive Income and Expenditure		0	(59,428)

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Group Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on the different reserves held by the group.

2024/25	General Fund Balance	Housing Revenue Account	Capital Receipt Reserves	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Council's Share of Reserves of Subsidiaries	Total Group Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024 carried forward	31,233	25,873	13,077	6,821	761	77,765	404,514	482,278	(878)	481,400
Movement in reserves during 2024/25	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income and Expenditure	4,610	4,391	-	-	-	9,001	50,838	59,839	-	59,839
Adjustments from income & expenditure charged under the accounting basis to the funding basis (see note 8)	(9,517)	(7,529)	(314)	654	217	(16,489)	16,488	-	-	-
Adjustments Between Group Accounts & Authority Accounts	-	-	-	-	-	-	-	-	(517)	(517)
Increase / (Decrease) in 2024/25	(4,907)	(3,138)	(314)	654	217	(7,488)	67,326	59,839	(517)	59,322
Balance at 31 March 2025 carried forward	26,326	22,735	12,763	7,475	978	70,277	471,840	542,117	(1,395)	540,722

2023/24	General Fund Balance	Housing Revenue Account	Capital Receipt Reserves	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Council's Share of Reserves of Subsidiaries	Total Group Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023 carried forward	33,258	30,288	11,555	6,956	7,615	89,672	432,204	521,875	(878)	520,997
Movement in reserves during 2023/24	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income and Expenditure	3,870	(7,867)	-	-	-	(3,997)	(21,821)	(25,818)	-	(25,818)
Adjustments from income & expenditure charged under the accounting basis to the funding basis (see note 8)	(5,895)	3,452	1,522	(135)	(6,854)	(7,910)	(5,869)	(13,779)	-	(13,779)
Adjustments Between Group Accounts & Authority Accounts	-	-	-	-	-	-	-	-	-	-
Increase / (Decrease) in 2023/24	(2,025)	(4,415)	1,522	(135)	(6,854)	(11,907)	(27,690)	(39,597)	0	(39,597)
Balance at 31 March 2024 carried forward	31,233	25,873	13,077	6,821	761	77,765	404,514	482,278	(878)	481,400

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments

Group Balance Sheet

The Group Balance Sheet summarises the financial position of the Council and its subsidiary as a whole. It shows the value of group assets and liabilities at the end of the financial year.

Group Total 31 March 2024 £000		Group Total 31 March 2025 £000
	Operational Assets:	
450,097	Council Dwellings	502,739
11,208	HRA Land and Buildings	9,966
82,789	Other Land and Buildings	109,558
11,787	Vehicles, Plant, Furniture and Equipment	12,214
1,672	Infrastructure Assets	2,178
915	Community Assets	768
	- Non-Operational Assets	
2,852	Surplus Assets	295
50,730	Assets under Construction	62,367
612,050	Property, Plant and Equipment	700,085
9,042	Heritage Assets	9,048
18,220	Investment Properties	19,772
341	Intangible Assets	515
99	Long Term Investments	99
0	Long Term Investment in Subsidiaries, Associates & Joint Ventures	-
76,717	Long Term Debtors	65,744
716,469	Long Term Assets	795,263
14,176	Short Term Investments	14,494
	- Assets Held for Sale	3,010
19	Inventories	9
15,850	Short Term Debtors	15,969
12,458	Cash and Cash Equivalents	11,705
42,503	Current Assets	45,187
(18,212)	Short Term Creditors	(32,242)
(2,053)	Provision Liabilities payable in less than 1 year	(1,675)
(20,265)	Current Liabilities	(33,917)
(1,341)	Long Term Creditors	(881)
(5,285)	Provision Liabilities payable in more than 1 year	(5,445)
(238,157)	Long Term Borrowing	(249,351)
	- Other Long Term Liabilities	-
(16,318)	Capital External Grants/Contributions in Advance	(14,166)
1,951	Net Pensions Liability	2,023
(259,150)	Long Term Liabilities	(267,820)
479,557	Net Assets	538,713
75,044	Usable Reserves	66,873
404,514	Unusable Reserves	471,840
479,558	Total Reserves	538,713

¹ The 2023/24 figures have been restated. For further information, please see note 6 - prior period adjustments.

Group Cash Flow Statement

The Cash Flow Statement shows the Group changes in cash and cash equivalents during the reporting period. No Dividends were paid out by Milverton Homes in 2024/25.

2023/24 £000		2024/25 £000
2,987	Net (Surplus) or deficit on the provision of services	8,998
22,526	Adjust net (surplus) or deficit on the provision of services for non cash movements	15,702
8,860	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	(14,822)
34,373	Net cash flows from Operating Activities	9,878
(53,949)	Investing Activities	(31,590)
22,420	Financing Activities	20,007
2,844	Net (increase) or decrease in cash and cash equivalents	(1,706)
9,462	Cash and cash equivalents at the beginning of the reporting period	12,272
12,306	Cash and cash equivalents at the end of the reporting period	10,566

Notes to the Group Accounts

Explanatory Notes to the Group Accounts

The relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the Group entities into the Council's accounts or are material in nature.

1. Group Accounting Policies

Milverton Homes Ltd has prepared 2024/25 accounts using accounting policies consistent with those applied by the Council.

Milverton Homes Ltd accounting policies differ to the Councils where Taxation is concerned, Milverton Homes is not currently VAT Registered and is liable to pay Corporation Tax.

Milverton Homes Financial Statement have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

Both entities have an aligned financial year end of 31 March.

Warwick District Council is the immediate parent company and ultimate controlling party of Milverton Homes Limited as its sole shareholder.

2. Basis of Preparation

The Statement of Accounts is prepared on a "going concern" basis. This is the assumption that the Council and Milverton Homes Ltd will continue in operational existence for the foreseeable future.

3. Inclusion within the Group Accounts

The Council has business relationships with a number of entities over which it has varying degrees of control or influence. These are classified into the categories of subsidiaries, associates, and joint ventures. The meaning of these terms is outlined below:

- Subsidiary - “A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent.” Milverton Homes Ltd is the wholly owned Subsidiary of Warwick District Council and accounts have therefore been consolidated.
- Associate - “An associate is an entity over which an investor (the Council) has significant influence.”
- Joint Venture – “A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement”

The Council does not currently have any other material associate or joint venture arrangements with any other entities that need to be consolidated into the Group Accounts.

The Council does have a number of Joint Operations which have not been included in the Group Accounts; more detail regarding each of these organisations can be found in the Related Parties Note.

4. Consolidation of Subsidiaries

As a subsidiary entity, Milverton Homes Ltd Accounts have been consolidated on a line-by-line basis with all intra-group transactions and balances removed.

5. Related Parties - Other Entities linked with the Subsidiary and Council

Crewe Lane LLP is a housing development vehicle and is a 50/50 Joint Venture between Milverton Homes Limited (Company Number 13123477) and Vistry Partnerships Limited (Company Number 00800384).

During the 2020/21 and 2021/22 Financial years the Council issued Loans with a total value of £60m to Crewe Lane Kenilworth JV LLP (Company number OC426015) to facilitate the construction of 620 dwellings in Kenilworth.

The Councils Loan transactions were included in the Council's 2020/21 Financial Statements. All loan interest and capital repayments will be serviced by and are the liability of Crewe Lane Kenilworth JV LLP and financial security and contingencies have been put in place in line with legal and financial advice. The interest payable to the Council for facilitation these loans is charged at a commercial rate and any surpluses will be retained by the Council to support service operation.

The Joint venture is planned to last at least 6 years up to 2028 and will provide 248 affordable and social housing dwellings will be constructed and sold to the Council's HRA in phases. Milverton Homes Ltd will also purchase 62 dwellings from Crewe Lane LLP during this period.

Milverton Homes has £1 Capital invested in the Crewe Lane LLP Joint Venture and there have been no material transactions between the Crewe Lane LLP and Milverton Homes Ltd in the 2024/25 financial year. Milverton Homes has accounted for the £1 investment in its financial statements and has adopted the cost model of accounting for joint ventures in line with FRS 102 para 15.9 where Investments in Joint ventures are measured at cost, less any accumulated impairment losses.

6. Risks

Milverton Homes depends on the Council for Ongoing Financial Support. The Council is committed to providing this support in the short to medium term as Milverton Homes Ltd assists with the provision of market rental and affordable housing in Warwick District. Provision of expected loan drawdowns and other financial support has been incorporated into the Council's cash flow forecasts and medium-term financial plans

7. Property Plant & Equipment

Milverton Homes adopted Investment Properties during the 2024/25 financial year, these properties are dwellings that are to be rented out to the private rental market. All stock has been revalued at 31st March 2025 and holds the following Values:

Number of Dwellings	Dwelling Types	Purchase Price Including SDLT £000	Revaluation Gain £000	Total Value of Dwellings £000
10	Houses	3,089	976	4,065

Glossary

This section explains complicated or technical terms that have been used in this document.

Accruals

Cost of goods and services received in the financial year but not yet paid for.

Actuarial Gain (Loss)

The changes in the pension fund's deficits or surpluses that arise because of:

- a) Events have not coincided with the assumption used by the actuary when carrying out the previous triennial (three-yearly) valuation of the fund or
- b) The actuary changing the assumptions used in the current triennial valuation exercise from those used previously.

Agency

Where one authority (the main authority) pays another authority (the agent) to do work for them.

Amortisation

The drop in the economic benefit value of capital assets as they become out of date or depreciate.

Non-Current Asset

An item which is intended to be used for several years such as a building or a vehicle.

Band D Equivalent

Council tax is a tax on domestic properties. Each domestic property is placed in a 'Band' from A to H, based on the capital value of that property in April 1991. Band D is the middle band, and the other bands are weighted in relation to Band D (e.g. Band A is weighted 6/9ths of Band D and Band H is 18/9ths of Band D). Using the weighted number of the domestic properties in the area produces the 'Band D Equivalent' number of properties.

Best Value

Under the Local Government Act 1999, local authorities must constantly aim to improve their services. Best Value is the approach introduced that gives local authorities a duty to provide local people with high-quality and efficient services.

Billing Authority

This is the local authority which collects the council tax for its area. In shire counties the district or borough council is the billing authority.

Budget

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

Business Rates (Non-Domestic Rates – NDR)

Businesses pay these rates instead of Council Tax. Each year, the Government sets the rate in the pound and business rates are collected by the billing authority. The amount charged is based on multiplying the rateable value of each business property by the national rate in the pound. From 1 April 2013 Government reforms have amended this process by allowing some degree of business rate retention.

Business Rate Retention Scheme

Councils are able to keep a proportion of the business rates revenue, as well as growth on the revenue that is generated in their area. It provides a direct link between business rates growth and the amount of money councils will have to spend on local people and local services.

Capital Adjustment Account

A reserve set aside from revenue resources or capital receipts to fund capital expenditure, or the repayment of external loans and certain other capital financing transactions.

Capital Programme

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

Capital Receipt

Income from selling non-current assets. Capital receipts can be used to finance new capital expenditure or repay long term debt within rules set by central Government, but they cannot be used to finance day-to-day revenue spending.

Capital Spending

Spending on non-current assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles.

Capital Spending Charged to Revenue

Paying for capital spending direct from the Council's revenue monies.

Cash-flow Statement

Summarises cash paid to and received from other organisations and individuals for capital and revenue purposes.

CIPFA

Chartered Institute of Public Finance and Accountancy. One of the major accountancy institutes that specialises in the public sector.

Collection Fund

A fund managed by the billing authority (this Council), to receive business rates income and council tax income. It is also used to make payments to the national business rates pool and to pay a share of council tax collected to the County Council, Police Authority, this Council and the town and parish councils.

Community Assets

The class of fixed assets held by an authority in perpetuity that have no determinable useful life and may have restriction on their disposal, such as parks and open spaces, historical buildings, works of art, etc.

Component Depreciation

The cost of a large item of property, plant and equipment is allocated to different components of the asset - such as land, building or plant - and each component is depreciated separately based on its expected useful life, which vary by component. For HRA rental dwellings there are five components covering structure, roof, windows, central heating and kitchen/bathroom. This procedure is also referred to as componentisation.

Contingent Asset

An asset arising from past events, whereby its existence can only be confirmed by one or more uncertain future events not wholly within the control of the Council.

Contingent liability

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

Corporate and Democratic Core

Spending relating to the need to co-ordinate and account for the many services we provide to the public, including the cost of member representation and activities associated with public accountability.

Council Tax

A tax charged on domestic householders based on which of eight Council Tax Bands their property falls into. There is a reduction for empty properties or if you live on your own. Since 1 April 2013 council's must have a council tax reduction scheme, which allows for council tax reductions for people, or classes of people, who are considered to be in financial need. In Warwickshire, the district or borough council issues council tax bills and collects the council tax. The level is determined by the revenue expenditure requirements for each authority divided by the council tax base for the year.

Council Tax Base

An assessment by each billing authority of the number of properties, converted to Band D equivalents (the average band), on which a tax can be charged. The calculation allows for new properties, exemptions, discounts, appeals and a provision for non-collection.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation or country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the entity being able to pay back a loan.

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 that constantly change in value such as inventories, debtors and bank balances.

Current Liabilities

Monies that are due to be paid in less than one year, such as bank overdrafts and money owed to suppliers.

Current Service Cost

The current service cost is the increase in the value of the pension scheme's future pension liabilities arising from the employee's ongoing membership of the pension scheme.

Current Spending

The yearly running costs of local authorities, not including specific grants and the cost of acquiring non-current assets.

Curtailed Costs

Curtailed costs are the amounts of money that are paid to a new pension scheme when a defined group of staff transfer from one pension scheme to another. The costs represent the value of the pension rights accrued by the transferring staff.

Debtors

People who owe us money for goods and services that is not paid by the end of the financial year.

Depreciation

The drop in the economic benefit value of tangible non-current assets such as buildings and vehicles, which reflects wear and tear, age and obsolescence.

Earmarked Reserves

Money set aside for a specific purpose.

Expected Credit Loss

The probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of a financial instrument.

Fair Value

The price that could be received for an asset sold or a liability settled in an orderly transaction, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy or sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Financial Instrument

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

General Fund

The account that records and finances Council revenue expenditure, other than HRA.

General Reserves

Money set aside to be used in the future to meet unforeseen eventualities.

Government Grants

Payment by the Government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or to fund local services generally (revenue support grant).

Gross Spending

The cost of providing our services before allowing for Government grants or other income.

Heritage Asset

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account (HRA)

A separate statutory account dealing with the revenue income and expenditure arising from the provision of Council-owned and managed dwellings.

Impairment

A reduction in the carrying value of a non-current asset as a result of a physical change in its condition, or a significant decline in its market value.

Infrastructure Assets

A class of assets whose life is of indefinite length and which are not usually capable of being sold, such as highways, drains and footpaths.

International Financial Reporting Standards (IFRS)

Accounting standards / practices on the way we need to treat certain items in our accounts.

Inventories

Goods bought that have not yet been used. Also known as stock.

Investments

The purchase of financial instruments in order to receive income and/or make capital gain at a future time, however with the overriding concern being security of the initial sum invested.

Investment Properties

Land and/or buildings held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

Liabilities

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

Loss

The amount left over when expenses are higher than all income received.

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'.

Materiality

Information is material if its omission or misstatement, individually or collectively, could influence the decisions that users make on the basis of financial information about a specific reporting entity.

Minimum Revenue Provision (MRP)

The prudent minimum amount which the Council must set aside each year to repay loans and other long term liabilities such as finance leases. This has the effect of reducing the Capital Financing Requirement.

Net Book Value (NBV)

The balance sheet value of a non-current asset after depreciation and/or impairment.

Net Spending

The cost of providing a service after allowing for specific grants and other income from fees and charges (i.e. not including council tax and money from the Government).

Non-Distributed Costs

Past service pension costs including settlements and curtailments which are not to be included in total individual service costs.

Notional

An accounting entry where there is no actual cash transfer.

Operating Lease

A type of lease, usually of computer equipment, vehicles, office equipment, etc., where the ownership of the goods and any risks and rewards remain with the lessor, therefore it is revenue expenditure and not capital expenditure.

Overheads

Spending on items not directly related to the supply of our services, for example, office cleaning costs.

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

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

Petty Cash

Small sums of cash kept by departments to pay minor expenses.

Precept

The demand levied by a non-billing authority (County Council, Police Authority, parish and town council's) on the Collection Fund managed by a billing authority (this Council) towards their annual spending.

Property, Plant and Equipment (also known as Non-Current Assets)

A physical (tangible) asset that is expected to be held for operational purposes for several years, such as land, buildings and vehicles.

Provisions

Amounts set aside to meet specific service liabilities of uncertain timing or amount and to meet spending.

Prudential Code

A statutory code of practice introduced on 1 April 2004 by Part 1 of the Local Government Act 2003, which allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Rateable Value (RV)

A value placed on all non-domestic properties (businesses) on which rates have to be paid, broadly based on the rent that the property might earn, after deducting the cost of repairs and insurance. The rateable value is determined by the Valuation Office Agency.

Reconciliation

A reconciliation explains how figures are worked out, and shows how they are used in different statements in our accounts.

Reimbursements

Payments we receive for work we do for other public organisations, for example, the Government.

Reserves and Funds

Savings we have built up from surpluses that are carried forward to meet future obligations.

Revaluation Reserve

Store of gains on the revaluation of non-current assets.

Revenue Spending

Spending on the day-to-day running of services including salaries and wages, running expenses of buildings and equipment, contract payments, supplies and capital financing costs. These costs are met from council tax, business rates, Government grants, fees and charges.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

Revenue Support Grant

Traditionally the main Government grant to support local authority services. From 2019/20 onwards this reduces to nil for this Council.

Soft Loans

Loans made at less than the market rate of interest.

Specific Grants

Payments from the Government to cover local authority spending on a particular service or project. Specific grants are usually a fixed percentage of the costs of a service or project.

Surplus

The remainder after taking away all expenses from income.

Signed:

Councillor Ian Davison
Leader of the Council

Dated:

25 February 2026

Christopher Elliott
Chief Executive

26 February 2026

Independent Auditors Statement

Independent Auditor's Report to the members of Warwick District Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Warwick District Council (the 'Council') and its subsidiaries (the 'Group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including accounting policies and other information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements of the Council or the Group. Due to the significance of the matter described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date"). This date has been put in law with the purpose of clearing the backlog of historical financial statements in English local government.

We have been unable to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Council's and group's financial statements for the year ended 31 March 2025 as a whole are free from material misstatement. In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2024 by the backstop date as a result of disclaimed opinions in previous financial years. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2024 or whether there were any consequential effects on the Council's and group's income and expenditure for the year ended 31 March 2025. Any adjustments from the above matters would have a consequential effect on the Council's and group's net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024 and on the Council and group income and expenditure and cash flows for the years then ended.

We have concluded that the possible effects on the financial statements of undetected misstatements arising from these matters could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Council to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2025 by 27 February 2026.

Opinion on other matters required by the Code of Audit Practice

The Council are responsible for the other information. The other information comprises the information included in the Statement of Accounts other than the financial statements and our auditor's report thereon.

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") we are required to consider, based on the work undertaken in the course of the audit of the financial statements, whether the other information published together with the audited financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have been unable to form an opinion whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

Under the Code of Audit Practice we are also required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and

SOLACE, or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

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

Responsibilities of the Council and the Head of Finance

As explained in the Statement of responsibilities [set out on page 23], the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Head of Finance. The Head of Finance is responsible for the preparation of the Council's Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Head of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Head of Finance is responsible for assessing the Council's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government to cease the provision of the services provided by the Council. The Head of Finance is required to comply with the requirements set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's and the Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the 'Basis for disclaimer of opinion' section of our report.

Report on other legal and regulatory matters

Reports in the public interest or use of other statutory powers

Under the Code of Audit Practice, we are required to report to you if, in the course of or at the conclusion of the audit, we:

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

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

Report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources

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

We have nothing to report in this respect.

Responsibilities of the Council

As explained in the Statement of responsibilities, the Council is required to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets. The Council is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

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

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

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

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

Delayed certificate

We cannot formally conclude the audit and issue an audit certificate for Warwick District Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice (the "Code") until we have completed all our responsibilities mandated by the Code.

- Our Whole of Government Accounts work for the year ended 31 March 2025, as mandated under the National Audit Office's group instructions, is currently outstanding; and
- We have received an objection from an elector in relation to the financial statements under section 27 of the Local Audit and Accountability Act 2014 which is currently under consideration.

We are satisfied that this work does not have a material effect on the financial statements, or on our conclusion on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2025.

In addition, we have not yet certified the closure of the audit for the year ended 31 March 2024.

Use of our report

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

Andrew Reid, Key Audit Partner

for and on behalf of Azets Audit Services, Local Auditor
Birmingham

25 February 2026

Annual Governance Statement

Warwick District Council Annual Governance Statement 2024/25

1 Introduction

- 1.1 The Accounts and Audit Regulations 2015 require the Council to prepare an annual governance statement.
- 1.2 Governance is about how an organisation is directed and controlled to achieve its objectives. It therefore comprises the systems, structures, and values that an organisation has in place to achieve those objectives. Good governance requires that objectives be achieved not only efficiently and effectively but also ethically and in compliance with laws and recognised standards of conduct.
- 1.3 Good governance comprises robust systems and sound structures together with effective leadership and high standards of behaviour.
- 1.4 In short, governance is “Doing the right things, in the right way.”

2 The Purpose of the Annual Governance Statement

- 2.1 This Statement provides a summarised account of how Warwick District Council’s processes and structures meet the principles of good governance set out in the Council’s Constitution and how assurance is obtained that these are effective and appropriate. It is written to provide the reader with a clear and straightforward assessment of how the governance framework has operated over the past financial year (but also up to the time of approval of the financial statements) and to identify any weaknesses or gaps in our arrangements that need to be addressed.
- 2.2 The format and scope of this Statement follows that which is prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3 The Council’s Governance Framework

- 3.1 Warwick District Council must operate in accordance with the law and appropriate standards and ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.
- 3.2 Warwick District Council also has a duty under the Local Government Act 1999 to try to secure continuous improvement in the way in which its functions are exercised.
- 3.3 In discharging these responsibilities, Warwick District Council is responsible for putting in place suitable governance arrangements, including provisions for the management of risk.
- 3.4 The governance framework comprises the systems and processes, culture, and values by which the authority is directed and controlled as well as its activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

- 3.5 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore provide only reasonable, not absolute, assurance of effectiveness.
- 3.6 Warwick District Council has approved and adopted a Local Code of Corporate Governance that is consistent with the principles of the latest CIPFA/SOLACE¹ Framework for Delivering Good Governance in Local Government (2016).
- 3.7 The Council's Corporate Strategy (known as Warwick District 2030) sets out the Council's objectives and priorities for the district and how these are to be achieved. The strategy is based around three strategic priorities and is used to identify and prioritise the work programme up to 2030. This strategy and the priorities included within were agreed with the administration that has been in place since the May 2023 elections.
- 3.8 Delivery of the Council's Corporate Strategy is usually through the Service Area Plans (SAPs) in which the corporate objectives are translated into more specific aims and objectives, and corporate projects. Due to the timing of the implementation of the current Corporate Strategy, the SAPs, which were linked to the new strategic priorities, covered the eighteen-month period from January 2024 to 31 March 2025. New SAPs, to run from 1 April 2025 to 31 March 2026, were agreed in February 2025.
- 3.9 These are then fed into individual performance development reviews through the Council's performance appraisal system and 1-1s. These include agreed expectations and, where appropriate, service standards against which service quality and improvement can be judged. Performance is monitored by individual services, made available to all Councillors and Senior Officers through SharePoint, and reported to Overview & Scrutiny Committee each quarter.
- 3.10 Warwick District Council's Constitution establishes the roles and responsibilities for members of the Cabinet and other Committees, together with officer functions.
- 3.11 The Chair of the Overview and Scrutiny Committee has explained that, over the past twelve months, the Committee has continued to ensure they have maintained the right focus between scrutinising the cabinet agenda and developing their own work programme. This has helped it to become more proactive as a committee with a number of items being examined prior to them appearing on the cabinet agenda and has enabled the Committee to have input earlier in the process, improving impact and reducing the need for later intervention.
- 3.12 There have been significant issues to consider including the South Warwickshire Local Plan, West Midlands Investment Zone, and challenges with the financial performance of the housing portfolio. Despite being highly technical issues, these sessions where these items have been discussed have been helpful and constructive.
- 3.13 One important development this year, which will make the Committee work more effectively, is the development of the Performance Management Framework. Early indications are that this will help the Council to focus on key issues in an extremely broad and complex area. There are a number of areas of further focus for the year ahead, with the effectiveness of scrutiny often being influenced by the quality of the reports. Shorter, more targeted reports often get to the heart of the matter more quickly.

¹ Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives

- 3.14 Over the next twelve months, it is anticipated that much of the Committee's workload will be in supporting the scrutiny of the proposals related to devolution and the creation of a unitary authority. During the project to create a single district across South Warwickshire, the Scrutiny Committee played an important role in shaping these discussions, and giving visibility to Members and the Committee should be able to play a similar role here.
- 3.15 The Chair of the Audit and Standards Committee has explained that the Committee has continued to operate and are pleased with the completion of the closure of accounts for previous years, recognising the significant effort by officers to ensure these were completed within the legal timeframe. However, they also appreciate the challenge this presents in terms of assurance that can be provided by the Council's new external auditor which is likely to continue for 2024/25 and 2025/26. Therefore, during this time, increased due diligence by this Committee and all Councillors is required.
- 3.16 The Committee also recognise that more audits internally are not achieving substantial rating, this is worth monitoring to look for any wider reasons for this but could be due to revised approach to internal audit. The Committee themselves have reflected on their own performance and are undertaking a self-assessment survey (based on the CIPFA model) which will be evaluated and brought to the Committee with an action plan for improvement during 2025/26.
- 3.17 The Council created a new Scrutiny Committee in 2024 with a purpose to review and challenge the progress in respect of ensuring compliance for safety under the Social Housing (Regulation) Act and to gain an overall view on the operation and delivery of the Housing Investment Plan and the HRA. They provide assurance on the delivery of this to Cabinet (as the responsible body) on behalf of the Council.
- 3.18 The Chairs of the Housing Scrutiny Committee, Audit and Standards Committee, and Overview and Scrutiny Committee have quarterly meetings to share themes and areas of common work, but also to act as mutual improvement group through sharing best practice and ideas for development of each Committee.
- 3.19 The Council also has the Budget Review Group in place which meets the evening before Cabinet to consider papers regarding the fees and charges, HRA and General Fund Budget. This has a membership of Councillors from both the Audit & Standards Committee and the Overview & Scrutiny Committee, along with the Chair of Housing Scrutiny Committee. It provides comments directly to the Cabinet. It was felt that the Budget Review Group has been more effective in its discussions this year but still suffers from low attendance. It would be helpful if the group was enabled to accommodate substitutes in future.
- 3.20 To further support Councillor understanding of Council finances, it has been agreed there will be briefings for all Councillors on the quarterly budget reports, budget and fees and charges reports, the Friday before the Cabinet meeting to consider these. The dates for these have been set for 2025/26 and invites sent to all Councillors.
- 3.21 The Constitution includes details of delegation arrangements, the Councillors' Code of Conduct, and protocols for councillor / officer relations. From May 2022, the Council has operated under the Local Government Association Model Code of Conduct for Councillors. The Constitution is kept under review to ensure that it continues to be fit for purpose and within the year there has been a number of minor revisions. During the year, the Change Board approved funding for an external peer review of the Constitution to be undertaken and provide guidance on how it could be revised to improve ease of use.
- 3.22 The Council has adopted a Standards regime pursuant to the Localism Act 2011 and appointed the Audit and Standards Committee to be responsible for such matters. Conduct of officers is governed

through the Employee Code of Conduct and through the values and behaviours which are part of the Council's Corporate Strategy and embedded within performance appraisals.

- 3.23 The Constitution contains procedures, rules and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and ensure expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by post-holders' membership (whether permanent or 'as required') of the Senior Leadership Team² (SLT).
- 3.24 In 2010 CIPFA published a statement on the Role of the Chief Financial Officer (CFO) in local government, setting out core principles and standards relating to the role of the CFO and how it fits into the organisation's governance arrangements. A revised version of the statement was subsequently published in 2016.
- 3.25 A specific statement is required to be reported in the Annual Governance Statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement.
- 3.26 The governance requirements in the CIPFA Statement are that the CFO should be professionally qualified and suitably experienced, report directly to the Chief Executive and be a member of the Leadership Team³, with a status at least equivalent to other members of the team. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the Council's Annual Governance Report, together with how these deliver the same impact.
- 3.27 The Council's financial management arrangements conform to the CIPFA Statement other than in just one specific aspect:
- Head of Finance having responsibility for Asset Management (that is to say, the Head of Finance does not have responsibility for the Assets function).
- 3.28 With regard to asset management, the day-to-day responsibility for this changed during 2024/25 following a restructure of the Senior Leadership Team and the posts that report to them. The responsibilities initially fell under the remit of the Head of Neighbourhood and Assets until this post was removed in the restructure. Subsequently, asset management responsibilities have been split between the Head of Housing (for HRA assets) and the Strategic Director (for general fund assets). Whilst the Head of Finance does not have direct responsibility for the Assets function, he retains responsibility for any financial implications arising from any decisions to be taken over the management of the assets.
- 3.29 The Cabinet provides the strategic direction for the Council, ensuring that the Council's priorities are established and that corporate objectives are set and achieved. In order to strengthen cross-party leadership of the Council's business, all the Council's Political Group Leaders meet with the Cabinet regularly on a non-Constitutional forum known as the Leadership Coordination Group (LCG). The role of the LCG is to try to ensure that there is a unified cross-party response to the challenges facing the Council. This forum is used to review all draft Cabinet reports and receive officer briefings on the

² The Senior Leadership Team comprises heads of services together with the Chief Executive, Deputy Chief Executive and Strategic Director.

most important Council matters. It has enabled the Council's business to continue unabated despite no one party having a majority.

- 3.30 The primary counterbalance to Cabinet is the Overview and Scrutiny Committee and the Housing Scrutiny Committee. The roles of these committees include the opportunity to provide a robust challenge to Cabinet.
- 3.31 Both Committees can establish 'Task and Finish' Groups, comprising solely councillors, to examine issues in detail. These Groups report back to the Committee with recommendations on improvements which are, when approved, taken forward.
- 3.32 The Audit and Standards Committee fulfils the core functions of a typical 'audit committee' in respect of External Audit, Internal Audit and Risk Management. The Committee seeks assurance from the relevant Cabinet Councillor (Portfolio Holder) and / or senior manager when it has concerns or queries in respect of matters relating to particular service areas.
- 3.33 The Council has a formal complaints procedure that allows the public or other stakeholders to make a complaint regarding the service received or the conduct of Councillors. The Audit and Standards Committee has responsibility for overseeing the investigation of complaints against Councillors. Mandatory training on Standards was provided to Members in March 2025. Overall, the Council continues to have a low volume of complaints about services but has recently reviewed its complaints policy and procedures to ensure they are robust and has taken steps to ensure that any complaints are correctly identified (as opposed to being logged as service requests).
- 3.34 The Council has policies to help safeguard the organisation and its staff when making decisions. An Anti-Fraud and Corruption Statement and a Whistleblowing Policy and Procedure are in place and are currently under review prior to a relaunch.
- 3.35 The Council has embedded Risk Management throughout its arrangements with the Significant Risk Register (in effect, the Council's corporate and strategic risk register) being reviewed and updated each quarter, firstly by the Senior Leadership Team and then by Cabinet who assumes overall responsibility for it. It is also considered by the Audit and Standards Committee. A significant review of the Council's approach to risk management began in 2023/24 with the new processes being implemented during 2024/25.
- 3.36 Council services are delivered by staff with the appropriate skills, training, and level of experience. Job Descriptions and Person Specifications are in place for all posts and, together with a rigorous recruitment and selection process, this helps to ensure that the best candidates are appointed into each position. A significant commitment has also been made towards retaining skilled staff by offering numerous 'work friendly' schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost. Training needs are identified both through the performance appraisal system and throughout the year.
- 3.37 The individual performance appraisal system is operated in the Council, having been subject to regular review and refinement. Staff are measured against operational objectives that derive from the Corporate Strategy. The performance appraisal system also helps individuals identify learning and developmental needs to ensure that appropriate training is provided to staff to enable them to undertake their role effectively and have the opportunity to develop.
- 3.38 During the first year of the administration, a review was undertaken by the Leader on how to engage Councillors effectively within the delivery of the Corporate Strategy. Three Programme Boards were

introduced (to cover each of the three key themes in the Corporate Strategy), as well as advisory groups to support these.

³ In the Council's case, this is the Senior Leadership Team.

- 3.39 The Council has a joint advisory group of Councillors and a Joint Cabinet Committee with Stratford-on-Avon District Council in respect of the delivery of the South Warwickshire Local Plan.
- 3.40 The Council strives to be open and accessible to the community. All communication is delivered across a combination of platforms, including website, social media, press releases, and printed leaflets and posters, to ensure it is accessible to all residents. In addition, consultations and surveys are carried out to encourage engagement and seek the views of residents when developing new policies and initiatives.
- 3.41 All Council, Cabinet and Committee meetings are open to the public, except where confidential matters are concerned. During this year, the Council returned to the Town Hall, following a period at Shire Hall, and, as a result, meetings are again now being broadcast live to YouTube. Agendas and minutes for Council meetings are placed on the website along with the Council's policies and strategies. Councillors are encouraged to submit questions in advance of all committee meetings, to maximise the time available in formal meetings and enable greater focus on specific areas of concern. The responses to these pre-meeting questions are made available to the public on the website.
- 3.42 There are terms of reference and constitutions set up for key partnerships that ensure that partners act lawfully throughout the decision-making process. Warwick District Council also works closely with a number of other councils and agencies and operates shared services for Building Control, Corporate Fraud, Information Governance, and Legal Services.
- 3.43 The Council complies with the 2015 Local Government Transparency Code by publishing specific information on the Council's website in prescribed format. The Council strives to publish information on the website that is accessible and understandable for the public and continues to seek to make improvements in this. An example of this is achievement of the required Website Content Accessibility Guidelines (WCAG 2.2). The Council's website accessibility is independently audited every two years by Acquia Optimize with ongoing, automated testing also being undertaken.
- 3.44 As a key element of the governance framework, Internal Audit reviews are undertaken regularly on a range of activities including one undertaken annually on an alternating aspect of governance.
- 3.45 The Governance framework for Milverton Homes is set out in the Articles of Association and the Shareholders Agreement. The latter sets out the parameters for decision making and requires the company to prepare and submit for approval an annual Business Plan (including financial strategy), audited accounts, and other performance related information upon request (e.g. risk register). Work is ongoing to ensure that these crucial governance arrangements and deadlines are met. Reserved Matters as detailed in Schedule 2 of the Agreement, may not be carried out without the prior written consent of WDC as Shareholder. The company is only able to carry out business in accordance with its Business Plan which must be approved annually by the Cabinet.
- 3.46 The Council has appointed two Council Directors in accordance with the Articles of Association. It retains the right to appoint any person to be a Council Director and may remove from office any Council Director. The Council appointed the Chair who has a casting vote if the number of votes for and against a proposal at a meeting of Directors are equal. The Directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded of every unanimous or majority decision taken by the Directors. The Council, as sole shareholder, may by special resolution direct the directors to take, or refrain from taking, specified actions.

3.47 A re-emerging issue for the Council is its role in the region and particularly its previous non-membership of the West Midlands Combined Authority (WMCA). During 2024/25 it became a non-constituent member of the WMCA. This situation, and the existence of the Council as an individual body, will evolve following the Government's Devolution White Paper. However, for now, the Council is following a 'business as usual' model and, as such, its governance arrangements continue to operate as set out above.

4 Review of Effectiveness

4.1 Warwick District Council is required legally to conduct an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's annual report, annual service assurance statements completed by heads of services and by the findings and reports issued by the external auditors and other review agencies and inspectorates.

4.2 More information on the arrangements that provide this assurance is set out below.

4.3 The Council's Monitoring Officer (also Head of Governance) has responsibility for overseeing the implementation and operation of the Council's Code of Corporate Governance, maintaining and updating the Code in the light of latest guidance on best practice, contemplating any changes that may be necessary to maintain it and ensure its effectiveness. All reports to Cabinet, Committees and Council are seen by the Monitoring Officer to ensure compliance with legal requirements.

4.4 The Head of Governance & Monitoring Officer, working with the Audit & Risk Manager, commissioned a review of the Council's Code of Corporate Governance as part of the Internal Audit work programme for 2024/25 in recognition that the Code had not been reviewed in detail since April 2018. The audit did not identify any significant issues, although made some minor suggestions in terms of content and presentation.

4.5 The Council's Section 151 Officer has responsibility for the proper administration of the Council's finances. This includes responsibility for maintaining and reviewing the Code of Financial Practice and Code of Procurement Practice to ensure they remain fit for purpose and submitting any additions or changes necessary to Council for approval. The Section 151 Officer is also responsible for reporting any significant breaches of the Codes to the Cabinet and/or the Council. All reports to Cabinet, Committees and Council are seen by appropriate staff within the Finance Department to ensure compliance with financial requirements.

4.6 The CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations requires the Head of Internal Audit to give an opinion annually to the Authority on its risk management, governance, and control environment and that this should be used as a primary source of evidence for the annual governance statement. In regard to this, the Audit and Risk Manager's Annual Report and Opinion for 2024/25 has concluded that, in overall terms, the Council has an effective internal control and governance environment. This statement is based, however, on those audits that were able to be completed – due to staffing changes and emerging risks, the original plan was amended during the course of the year and one of the remaining audits was not completed which inevitably qualifies this opinion.

4.7 In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included assurances, set out on "service assurance statements", from heads of services on the effectiveness of the internal control environment. The Statements did not reveal any issues of significant concern.

- 4.8 The work of the Council's Internal Audit function is governed by the UK Public Sector Internal Audit Standards (PSIAS). The PSIAS are mandatory for all internal auditors working in the UK public sector. The Standards require an external and independent assessment at least every five years of the performance of public sector internal audit units and their conformance with the PSIAS. The PSIAS are being replaced by the Global Internal Audit Standards with effect from 1 April 2025 (for local authorities), and the Internal Audit function will ensure that these are adhered to.
- 4.9 Under regulation 13 of the Local Audit (Appointing Person) Regulations 2015, Azets Audit Services was appointed as the Council's External Auditor with responsibility for reviewing the Council's Statements of Accounts for five years from 2023/24 to 2027/28. The previous auditors (Grant Thornton) continued their work on reviewing the 2021/22 and 2022/23 Statement of Accounts during 2024/25 and issued disclaimed opinions on the Council's arrangements for both financial years, including those relating to securing value for money, by the backstop date of 13 December 2024. Azets completed their work on the 2023/24 Statement of Accounts with a disclaimed audit opinion being issued by the backstop date of 28 February 2025.
- 4.10 In December 2020, the Council's Executive approved the formation of a Local Housing Company. The Company – Milverton Homes Ltd. – is a separate legal entity, wholly-owned by the Council, set up to support the Council's housing development plans and objectives and provide the Council with housing-related commercial opportunities. The Company is 'Teckal-exempt' which means that, because it is wholly owned by the Council and at least 80% of the work is for the Council, the Council can pass work to the Company without exposing it to competitive tender and the Company will be exempt from corporation tax.
- 4.11 The Teckal exemption is, however, subject to certain critical tests – the control test and the functional test. The control test means that the Council must control all the shares in the Company and exercise effective day-to-day control over its affairs; thus, the relationship between the authority and the company is the same as the relationship between the authority and its internal services departments. The functional test ensures that the essential activities undertaken by the company are controlled by the Council.
- 4.12 Fortus, the External Auditor of Milverton Homes, is responsible for reviewing the accounts and financial systems of the company. The External Auditor supports the presentation of accounts to the shareholders at the Annual General Meeting (AGM), thus providing assurance to Shareholders. During the year, the Head of Finance undertook the role of Shareholder Representative in liaison between the company and the Council.
- 4.13 A review of the governance arrangements in respect of Milverton Homes was initially included in the internal audit plan for 2024/25. However, this audit was deferred when the amended plan was produced (see 4.6 above) and will now be undertaken during 2025/26. The audit is now at draft report stage, and it is anticipated that this will be presented to Audit and Standards Committee in November 2025.
- 4.14 In respect of Milverton Homes there are concerns in respect of governance, which will come forward in the abovementioned audit. More broadly, there are concerns and actions that need to be addressed and acted on ahead of the next Business Plan for Milverton Homes, due with Council officers in draft before 20 December 2025, ahead of formal consideration by Cabinet in February or March 2026.
- 4.15 While these will, in part, be addressed with the significant changes to the Board of Directors at Milverton Homes, there are wider concerns regarding the Joint Venture that also need to be addressed. These cannot be understated, but the action being taken by the Council to challenge the

Joint Venture, through external advice in August 2025 should also be noted. However, concerns are so significant it is considered that the Audit and Standards Committee should have a confidential update to each of its meetings on the progress and changes.

- 4.16 Cabinet agreed to establish a change management programme to ensure that a co-ordinated approach to service development is in place. The programme launched at a manager's workshop on 22 February 2024 continued to operate during 2024/25.

5 Significant Governance Issues

- 5.1 The following governance issues have been identified and will be responded to through the action plan for this year (Appendix 2) which sets out the actions required as well as the current position:
- 5.1.1 The Council has made referrals to the Housing regulator and the Pensions regulator in respect of issues identified. Action plans have been set up and reported to Members.
- 5.1.2 The increased requirement for oversight of procurement in accordance with the new procurement regulations (originally due to be implemented in October 2024 but, following legislative delays, commenced in February 2025). Updated Code of Procurement Practice and Corporate Procurement Strategy were implemented in February 2025.
- 5.1.3 The audit of Corporate Governance covered a review of the policies that the Council has in place. This highlighted that a number of policies were out of date and needed to be reviewed and updated.
- 5.1.4 There are governance issues in respect of the relationship between the Council, Milverton Homes and the Joint Venture, which need to be addressed in the coming year.
- 5.2 The significant governance issues raised in last year's annual governance statement have all been addressed. This is set out in Appendix 1, below.

6 Conclusion

- 6.1 The governance framework described in this document has been in place at Warwick District Council for the year ended 31 March 2025 and up to the date of approval of the annual statement of accounts.
- 6.2 We confirm our commitment to implementation of actions to address the governance issues identified in this Statement (and summarised in Section 5, above).

Signed:

Councillor Ian Davison
Leader of the Council

Dated: 25 February 2026

Signed:

Christopher Elliott
Chief Executive

Dated: 25 February 2026

WDC Annual Governance Statement 2023/24: Action Plan for Governance Issues

AGS Ref.	Governance Issue	Responsibility	Progress to Date:	
			Previously-reported Positions	Latest Position
4.4	Review of Code of Corporate Governance	Head of Governance & Audit & Risk Manager	Audit commissioned for early 2025	Review completed and scheduled for changes to be brought to Cabinet in September 2025
5.1.1	The governance and oversight of property compliance and building safety, as highlighted in the report from Pennington Choices.	Head of Housing	A detailed action plan is in place, with monitoring of progress being reported to the Governance Board and the Housing Scrutiny Committee. Progress against the plan will continue to be monitored.	
5.1.2	The need for the reporting of Performance Data to Councillors and SLT on a regular basis.	Head of Governance	Quarterly reports have started for Overview & Scrutiny Committee	This process is now in place along with a performance management framework. Revisions have been made to Service Area Plans during the year to improve the format of reporting.
5.1.3	The LGA Corporate Peer Challenge report from July 2023 highlighted (amongst other things) the need to 'Build on the existing processes to further strengthen and ensure transparent and robust governance. Ensure that there is a clear politically-led process for identifying and delivering priorities and sufficient capacity and authority to manage the level of risk of the organisation. Review the effectiveness of the Programme Advisory Boards, and replicate good sectoral practice	SLT & Cabinet	The new Corporate Strategy has been implemented, and a follow-up peer review meeting has been held during 2024. Progress against the action plan is regularly reported to Cabinet.	A review of the Corporate Strategy is to be undertaken in 2025, with Cabinet reports due in July and November 2025.

AGS Ref.	Governance Issue	Responsibility	Progress to Date:	
			Previously-reported Positions	Latest Position
	such as establishing formal, regular statutory officer meetings.'			
5.1.4	The increased requirement for oversight of procurement in preparation for the new procurement regulations (originally due to be implemented in October 2024 but now due to commence in February 2025).	Head of Governance & Head of Finance	Procurement Sub-Group of SLT has been established to support the appropriate procedures and policies coming to Cabinet for consideration. Increased visibility through the Procurement Champions who have asked officers to consider how to promote this further with reporting to public meetings	Procurement activity log is available for all Councillors via SharePoint with a weekly reminder sent on how to access this. Regular reports to Cabinet seeking procurement approval plus setting out other procurement activities underway. Consideration of further reporting on procurement activity reporting in parallel to the review of effectiveness of Audit & Standards Committee

WDC Annual Governance Statement 2024/25: Action Plan for Governance Issues

AGS Ref	Governance Issue	Responsibility	Action Required / Current Status
5.1.1	The Council has made referrals to the Housing regulator and the Pensions regulator in respect of issues identified. Action plans have been set up and reported to Members.	Head of Housing / Head of People and Communications	<p>Housing:</p> <p>The Council's self-referral has resulted in positive monthly engagement meetings with the Regulator of Social Housing (RSH), which have been focussed on providing the RSH with assurance that the Consumer Standards Strategy and action plan are being delivered at pace, and that the Council can evidence compliance with the Standards.</p> <p>Good progress is being made to deliver the improvements, supported by a robust governance framework which has been developed at officer, member, and resident levels, and which also includes independent sector experts.</p> <p>These groups compliment the Housing Scrutiny Committee and provide a further level of check, challenge, and support.</p> <p>Further actions are underway to strengthen officer governance even further, and a refresh of the Resident Engagement Strategy action plan is being undertaken to strengthen engagement and communication with residents.</p> <p>Pensions:</p> <p>The Council's self-referral to the Pensions regulator has resulted in a robust, phased, action plan to address the issues highlighted.</p> <p>Support from Finance and WCC Pensions have supported the plan and processes to ensure continued communication and engagement with those affected.</p>

5.1.2	The increased requirement for oversight of procurement in accordance with the new procurement regulations (originally due to be implemented in October 2024 but, following legislative delays, commenced in February 2025). Updated Code of Procurement Practice and Corporate Procurement Strategy were implemented in February 2025	Head of Finance	Training to be provided in advance of the new thresholds going live in Autumn 2025.
5.1.3	The audit of Corporate Governance covered a review of the policies that the Council has in place. This highlighted that a number of policies were out of date and needed to be reviewed and updated.	Head of Governance and Monitoring Officer	The action plan from the audit will be completed as required. Work has already begun to create a corporate library of policies and, as a result, it has been further recognised that the Council needs to define what it considers to constitute a strategy, a policy, and a procedure, with this to be formally considered by Cabinet in October 2025.
5.1.4	There are governance issues in respect of the relationship between the Council, Milverton Homes and the Joint Venture which need to be addressed in the coming year.	Head of Finance and Head of Governance and Monitoring Officer	Meetings are being arranged to discuss the issues and agree action plans by end of September.