

**To:** Council

**Date:** 20 February 2017

**Report of:** Head of Financial Services

**Title of Report:** Report of the Council's Chief Finance Officer on the robustness of the 2017/18 budget

### Summary and Recommendations

**Purpose of report:** Under Section 25 of the Local Government Act 2003 there is a requirement for the Council's Chief Financial Officer to report to Council on:

- a) the robustness of the estimates made for the purposes of the calculations of the budget; and
- b) the adequacy of the proposed financial reserves.

Council in considering its Budget should have regard to this advice.

**Recommendation:**

- a) That Council notes this report in setting its budget for 2017/18 and the indicative budgets for 2018/19 – 2020/21.
- b) That Council notes the budget provision for Grenoble Road and work in connection with Local Government restructure and devolution, together with associated funding as referred to in para 30, to be recommended by the Board Member for Finance, Assets and Public Health.

## **Appendix A : Statement of Reserves and Balances**

### **Finance Settlement**

- 1 The Final Finance Settlement for 2017/18 published on 8<sup>th</sup> February included the following key features :
  - Confirmation of the three year funding settlement for the Council which sees the removal of Revenue Support Grant by 1<sup>ST</sup> April 2019

- Indicative figures for the Councils Business Rates baseline and tariffs for the next three years
  - Indicative figures for Government's New Homes Bonus following the conclusion of the NHB Consultation carried out last Summer
- 2 In total, the changes gave rise to a reduction of £497k of resources in the Council's budget over the next four years.
  - 3 The Council's Settlement Funding Assessment (SFA) has reduced from £7.3 million to £6.4 million over the four year period.
  - 4 There are still a number of uncertainties going forward around Housing, Business Rates and New Homes Bonus but given the robust scrutiny of the Council's budget setting process, prudent financial management and significant efficiency savings together with other mitigations, including the prudent level of reserves and balances the Council's financial position over this period is manageable.

### **Preparation of the Medium Term Financial Plan**

- 5 The Council has undertaken a prudent and robust approach in developing its Medium Term Financial Plan, as in previous years. This has reaped rewards in terms of the delivery of significant levels of savings and provides a firm foundation on which to build. To this extent the Council has agreed to reduce the level of contingencies held for unachieved efficiencies and increased income, from 40% of those identified as high risk and 30% medium risk as in previous years, to 30% for high risk. This reduces the contingency down considerably but still retains some as encouragement for Heads of Service to bring forward proposals for savings
- 6 Over the next four years the Council will generate a further £3.5 million of efficiencies, with on-going efficiencies of £1.2 million being achieved from 2020/21 onwards. They include:
  - Multi skilling in the Contact Centre - £110k
  - A reduction in the number of ICT Business Partners - £115k per annum
  - The merger of Customer Service Centres at St. Aldate's from 2018 - £141k per annum
  - Savings on ICT contracts £136 per annum
  - Staff savings in Financial Services - £168k per annum
  - Renegotiation of the leisure centre contract - £216k per annum
  - Procurement savings £150k per annum
- 7 The efficiency savings, additional income streams and service reductions have been subject to rigorous review, with Service Heads being required to review the plans they put forward in previous years and confirm delivery of the proposals. Any changes to previous proposals put forward have been reflected in the updated plan.
- 8 This year the Council reintroduced a series of Fundamental Service Reviews and will complete in depth reviews of all principle services across the Council over the next three years. These reviews challenge current working practices, look at benchmarking data for performance and cost, explore best practice and alternate delivery models elsewhere. Reviews have already been undertaken in a number of service areas as follows:

- **General Fund Housing Services** -
    - **Housing Benefit Subsidy** - £100k saving for 2 years in restructuring contracts with service providers in order to mitigate loss of housing benefit subsidy
    - **Homelessness** – A spend to save initiative delivering ongoing savings of £200k from purchasing 39 units for around £10million to house homeless families saving both temporary accommodation costs and making a small return for the Council. .
  - **Waste services** –High performing against most comparator authorities with limited ability to make more efficiencies. Additional £16k per annum income included in MTFP together with limited number of changes to charging arrangements such as increasing charges for green waste to cost recovery. Confirmed the business case to provide a local recycling transfer station.
  - **Human Resources and Organisational Development** – Ongoing savings of £80k per annum due to reorganisation of the team to ensure that it is fit for purpose in providing services to managers
  - **Procurement and Payments** – £150k per annum from frontline and back office services based on a work programme of services being subject to tendering and also contract management
- 9 Work on the Law & Governance and Leisure Services reviews is still ongoing
- 10 The 2017-18 budget indicates that Council services are funded by Government Grant (£1.5m), Business Rates( £6.6m), other grants and contributions (£3.7m) and income from fees and charges (£34.7m),including car parking, commercial rent income, planning and building control fees. Approximately £9m of this income is derived from trading services primarily provided by Oxford Direct Services. The Medium Term Financial Strategy assumes additional traded income over the next four years of £2m. To facilitate its delivery the City Executive Board will be asked to agree the set-up of a wholly owned company at its March 2017 meeting.
- 11 Scrutiny of the budget has been undertaken by
- The Finance Team
  - Directors and the Chief Executive
  - Executive Members
  - The Scrutiny Committee’s Finance Panel
- 12 Monitoring of the budget through the year is undertaken by Financial Services in conjunction with Heads of Service and Cost Centre Managers to ensure that the budget is on target or variations are reported and acted upon at an early stage. Monthly monitoring reports are considered by the Council’s Corporate Management Team and quarterly reports are presented to the City Executive Board.

## General Fund Assumptions

- 13 Assumptions on which the four year Medium Term Plan are based are contained within the main budget report presented elsewhere on the agenda, however, some of the key assumptions include:
- **Council Tax increase**- The assumed Council Tax increase is 1.99% per annum for each of the four years. This is below the referendum level for 2017/18.
  - **Finance Settlement** – The settlement figures are in line with the Government’s announcement in December 2017. The authority, like 97% of all authorities opted into a four year funding settlement subject to authorities issuing an Efficiency Plan.
  - **Retained Business Rates** – The Medium Term Plan includes estimates of the amount of Retained Business rates income for the authority, based on the Government’s indication of tariffs and baseline income
  - **New Homes Bonus** – The Medium Term Financial Plan includes indicative payments for the next four based on housing projections following the Government’s Consultation
  - **Inflation** – With the exception of contractual inflation e.g. Leisure contact and ICT maintenance contracts and pay budgets all other budgets are cash limited
  - **Contingencies and Provisions** - Contingencies have been allowed for potential shortfalls in efficiency savings, additional income and planned service reductions based on 30% of the value of high risk proposals.
  - **Revenue contributions to Capital** – Direct Revenue Funding for the Capital Programme over the four years is £1.4m, £1.8m, £1.6m and £1.4m respectively.

## Housing Revenue Account (HRA) Assumptions

- 14 The Scrutiny of the HRA budget and Business Plan has followed a similar process to that for the General Fund outlined above.
- 15 Prudent assumptions have been built into the HRA Business Plan although there are still a number of areas of uncertainty on which the Council are awaiting clarification from the Government including:
- **High Value Council Housing (HVCH)** – Shortly before Christmas 2016 the Government announced the levy would not be implemented in 2017-18. A provision of £7.7 million per annum has been made from 1.4.2018 to mitigate the need to dispose of dwellings to pay for the levy. The position will be reviewed when further information is known.
  - **Council Housing rent setting** - The 1% rent decrease for the four years ending 1/4/2020 introduced by the Welfare Reform and Work Bill continues. In the absence of further legislation the assumption is that the Council will adopt a rent strategy that moves rents to target rent over the period 2020/21 to 2023/24.
- 16 Other key assumptions in the HRA budget include:

- **Debt Management Strategy** - The first £20m self- financing loan is due for repayment on 31 March 2021. Last year it was agreed that this payment would be deferred which would generate an initial saving of £20m offset by the additional annual interest cost of approximately £0.658m. The overall strategy is to repay debt when possible allowing for commitments to be financed whilst maintaining a minimum HRA working balance of £4 million. Self- financing debt at the end of the 4 year planning period will stand at around £222 million.
- **Right To Buy**  
Disposals of around 40 dwellings per year until 2021/22 are assumed due to the Government's re-invigorating Right to Buy initiative.
- **Inflation and pay assumptions**  
All the assumptions for pay inflation are the same as for the Council's General Fund.
- **Service Charges**  
Service charges such as caretaking, cleaning, CCTV, communal areas etc. have been increased in line with the convergence formula in previous years. The Council agreed to remove any associated service charge limiter (credits) over a 4 year period limited to a maximum of £1 per week

## Capital

- 17 The Council has set an ambitious Capital Programme for the next four years in excess of £226 million. Loans to the Housing Company to undertake development and acquisition of new dwellings including the social housing at Barton Park are £61 million. Other significant schemes including invest to save proposals include:
- **Investment properties** – Work to existing Council held investment properties in order to maintain and increase income streams -£10 million
  - **Purchase of homes for homeless families** – Purchase of 50 properties to house homeless families, reducing the spend on temporary accommodation as well as achieving a net revenue stream - £10 million
  - **Loan to Oxwed** – A loan to enable the company in which has 50/50 ownership to purchase land for further development £4.1 million
  - **Extension to Seacourt Park and Ride** – Extending park and ride by 668 spaces - £3.8 million
  - **New Recycling Transfer Station** – Construction of a new recycling transfer station facility at Redbridge Park and Ride leading to reduced transportation costs - £2.4 million
- 18 The preparation of the on-going Programme has undergone similar scrutiny to the other areas of the Council's budget with the Capital Asset Management Group also having an oversight of all new bids. Contingencies are included within individual schemes for variations in spend with any other variations outside these amounts being subject to the normal virement and supplementary estimate approvals set out in the Council's Financial Rules.
- 19 Financing of schemes within the Programme is predominantly through revenue, borrowing and capital receipts. General Fund borrowing will increase to over £80 million over the period and require the Council to access external funding. This will add to the existing HRA self- financing debt of £198 million. There are however, sufficient resources to fund the Capital Programme together with the associated

revenue implications.

### **Adequacy of Reserves and Balances**

- 20 The prudent level of reserves that the Council should maintain is a matter of judgement and cannot be judged merely against the current risks facing the Council as these can and will change over time.
- 21 The consequence of not keeping a prudent level of reserves can be significant. In the event of a serious problem, or a series of events; the Council could run the risk of a deficit and or be forced to cut expenditure in a damaging or arbitrary way should reserves not be available.
- 22 CIPFA (Chartered Institute of Public and Finance and Accountancy) have stated that there should be no imposed limit on the level or nature of balances required to be held by an individual Council. However, for a district council, where changes to a few areas can have a disproportionate impact, a higher percentage level of reserves to net expenditure is desirable.
- 23 The Council has maintained a reasonable level of reserves and working balances as a result of its prudent financial management. Such balances are unallocated and held specifically to cover unexpected adverse variations in the Council's financial position. Whilst the authority would be exceptionally unlucky to suffer adverse consequences from all major potential sources of risk in the course of a financial year by way of example a 10% reduction in car parking income represents around £800k and a similar percentage reduction in commercial rent income would represent around £700k reduced income. Similarly there are financial risks around increased costs of homelessness and loss of investment income, reduced external trading income and housing benefit subsidy.
- 24 For this authority the Section 151 Officer has recommended the level of working balance for the General Fund should be in the region of £3.5 million and that of the HRA £4 million. Whilst over the planning period there are transfers to and from General Fund balances, the working balance is returned to the recommended level.
- 25 In total the Council's reserves and balances are forecast to be in the region of £41 million at 31<sup>st</sup> March 2017. This is forecast to reduce to £33 million at the 31<sup>st</sup> March 2018 as the Council uses its capital reserve to finance the Capital Programme. A full schedule of reserves and balances is attached at Appendix A with an explanation as to their intended use and the anticipated position as at the end of this financial year and next. A summary is shown below:

**Table 1: Earmarked Reserves and Working Balances**

<b>Reserve Description</b>	<b>Balance 1/4/2016</b>	<b>Projected Balance 31- 03-17</b>	<b>Projected Balance 31- 03-18</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>General Fund</b>			
Earmarked Reserves	33,975	19,683	10,312
Working Balance	3,621	3,621	4,013
<b>Sub Total</b>	<b>37,596</b>	<b>23,304</b>	<b>14,325</b>
<b>Housing Revenue Account</b>			
Earmarked Reserves	17,978	12,353	12,776
Working Balance	4,000	4,000	4,000
<b>Sub Total</b>	<b>21,978</b>	<b>16,353</b>	<b>16,776</b>
<b>Insurance Funds</b>	<b>1,762</b>	<b>1,762</b>	<b>1,762</b>
<b>Total</b>	<b>61,336</b>	<b>41,419</b>	<b>32,863</b>

26 Earmarked reserves include:

- ring fenced accounts funded by third parties which must be repaid if it not used for the purpose specified, e.g. Salix Fund and much of the Grants Reserve
- reserves which have a statutory limitation on their use; such as the Taxi Licensing Reserve and the HMO Licensing Reserve
- accounts which it is considered prudent to set aside for a specific purpose such as the Insurance Fund
- committed but unspent budgeted amounts carried forward at the end of the financial year to fund/complete specific projects

27 **General Fund Working Balance** - This is forecast to be around £4 million at 31<sup>st</sup> March 2017 representing 2.10% of gross General Fund expenditure and 19.10% of net expenditure.

28 **Housing Revenue Account Working Balance**– The amount as at 31<sup>st</sup> March 2017 is estimated at £4 million representing around 8% of gross rental income

**Progress on the 2017/18 Budget**

29 Budget monitoring for the half year ending 30<sup>th</sup> September 2016 presented to the City Executive Board in December on the General Fund indicated a forecast favourable variance of £1.68 million (8.5% of net expenditure) due largely to over achievement of income in Direct Services and underspends on contingencies in

respect of savings and increased fees and charges. It was subsequently resolved to transfer £1.5 million to the capital financing reserve. The Housing Revenue Account is expecting to be in line with original budget.

30 It has recently emerged that the Council is experiencing in year pressures which are not currently included within the revenue budget and will require financing these include:

- **Grenoble Road Planning Fees**

In 2016-17 CEB approved a budget in the order of £560k representing a third of the costs that the Council would bear together with Magdalen College and Thames Water for the submission of a planning application at Grenoble Road. The original cost was around £1.7 million and the Council's share was consequently estimated at £560k but with increases arising from archaeological and other technical studies, holding of public engagement activities and project management it now seems prudent to increase this to £600k. In addition it may be appropriate to subject a second phase of the Grenoble Road site in ownership of the Council through the Planning examination which currently resides outside of the existing planning application. The resultant negotiation with South Oxfordshire District Council, the potential cost of call in for this and other sites and promotion of the site through their local plan examination, would be in the region of £540k, with the Council's third being £180k. The total additional cost is therefore estimated at £220k which can be funded from either reserves or the current years underspend. It is appropriate to hold this as a reserve rather than place it in the base budget as a decision on whether to progress with this application will be taken in conjunction with partners at the appropriate time.

- **Devolution**

The Council is preparing to respond to the County Councils proposal in respect of local government reorganisation and work in respect of a devolution deal. It is intended to allocate funds from the transformation and special projects reserve to fund policy and communications work if needed in connection with devolution bids and propositions, such as any work towards unitary councils or a combined authority, as needed in the order of £75k.

31 At year end an assessment will be made on the council's overall financial position and recommendations made to City Executive Board on the most appropriate use of any underspends.

## **Conclusion**

32 I have reviewed the budget preparation process for 2017-18 to 2020/21 and the level of reserves and balances. The Council still faces significant financial uncertainty; with a number of areas of clarification required from the Government.

33 On Housing, the rules around future rent rises after the next three years are uncertain and could have a material effect on the Council's HRA Business Plan going forward. The amount of levy required to pay for the High Value Council Housing Initiative is unknown and the Council has set aside an amount of £21million over the next four years in a contingency as mitigation. On the General Fund, although the Settlement Funding deal gives authorities clarity on Revenue Support Grant over the next three years there is still uncertainty around business rates income and the level of New Homes Bonus.



- 34 Despite the issues highlighted above the Council has taken a rigorous approach to its budget setting, more specifically I would conclude that:
- 35 Despite the issues highlighted above the Council has undertaken a rigorous process in its budget setting for the Medium Term and more specifically I would conclude that:
- The process for the formulation of General Fund, HRA and Capital budgets, together with the level of challenge, provides a reasonable assurance of their robustness.
    - The approach which has been taken to those funding streams which are currently uncertain is prudent and puts the Council in a positive position to manage underlying pressures going forward.
    - The level of contingencies provided for unachieved efficiency savings and income projections etc. is prudent.
    - Approximately 60% (£29 million) of the earmarked reserves relate to the funding of the Council's £43 million Capital Programme for 2016-17.
    - The level of the Council's total reserves is sufficient to provide:
      - A working balance to cushion the impact of unexpected events or uneven cash flows and
      - The setting aside of funds to meet known or anticipated liabilities (earmarked reserves).
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### **Financial Implications**

- 36 Pending their use, earmarked reserves and balances provide a useful source of revenue investment income for the authority estimated at £1 million for 2017/18 as well as being available for 'internal borrowing', thereby mitigating the costs of external borrowing.

### **Legal Implications**

- 37 These are covered within the report

### **Risk Implications**

- 38 An analysis of 'Key Risks' is shown in the main Budget report elsewhere on the agenda and should be considered before making any decisions upon the use of reserves.

#### **Name and contact details of author:-**

Name: Nigel Kennedy

Job title: Head of Financial Services

Service Area / Department: Finance

Tel: 01865 252708 e-mail: [nkennedy@oxford.gov.uk](mailto:nkennedy@oxford.gov.uk)



## STATEMENT OF RESERVES AND BALANCES

## APPENDIX A

Ref	Reserve Description	Balance	Projected Balance	Projected Balance
		31/03/2016	31-03-17	31-03-18
		£000's	£000's	£000's
<b>General Fund Earmarked Reserves</b>				
<b>Ring fenced accounts funded by third parties</b>				
1	SALIX Energy Projects Reserve	325	200	200
2	Barton Reserve	69	0	0
3	Oxford Strategic Partnership reserve	38	38	38
54	Blue Bin League Reserve	262	150	0
49	Bob MK	9	9	9
<b>Other ring fenced accounts</b>				
6	Taxi Licence Reserve	135	135	135
7	Grants Reserve	1,309	500	500
8	HMO Licensing	0	200	200
9	Reserve for Land Charges	317	300	300
10	General Licensing Reserve	48	48	48
<b>Other earmarked reserves</b>				
12	Town Hall Equipment Reserve	20	10	0
13	Work Of Art Reserve	5	5	5
14	Shopmobility Reserve	20	20	20
15	Severance Reserve	1,258	1,000	1,000
16	IT Infrastructure Reserve	710	200	200
18	Leisure Repairs & Maintenance	414	0	0
19	Business Transformation and Special Projects	1,188	700	500
20	City Council Elections Reserve	71	20	20
21	Chief Executive's Fund	3	3	3
23	Capital Funding Reserve	13,383	8,500	2,000
25	Agresso Improvement Reserve	365	100	50
30	Ward Members Budget	0	10	10
31	Homelessness Reserve	952	700	700
32	Loan Guarantee Reserve	115	0	0
33	Lord Mayors Deposit Scheme	52	50	50
34	Home Choice Fund for Single Persons	36	36	36
36	Community Partnership Fund	308	200	200
37	Community and Neighbourhoods Reserve	151	151	0
38	Town Team Partners	10	10	0

41	Westgate Redevelopment Reserve	737	300	0
42	Emergency Flood Reserve	357	357	357
43	Park and Ride - County Contribution to Maintenance	119	0	0
44	Organisational Development Reserve	385	200	200
48	Severe Weather Recovery Scheme	65	65	65
50	NNDR Retention Reserve	4,329	2,300	2,100
4	Economic Development Reserve	158	100	0
22	Indirect Property Fund	702	700	700
26	Museum Development Reserve	5	0	0
27	Disabled Community Transport	50	0	0
28	Jobs Club	25	25	25
29	Ox futures Reserve	300	100	100
35	Dry Recyclate Reserve	1,400	1,400	0
40	Housing Benefits	804	400	400
51	Rose Hill Demolition	339	0	0
52	Section 106 Commuted sums	707	400	100
53	External legal fees	65	0	0
55	Pear Tree Park and Ride	41	41	41
<b>Committed unspent budgeted amounts</b>				
45	Committed Projects Reserve	1,814	0	0
<b>Self-Insurance Funds</b>				
46	Self-Insurance Funds	1,762	1,762	1,762
<b>Total General Fund Earmarked Reserves</b>		<b>35,737</b>	<b>21,445</b>	<b>12,074</b>

<b>General Fund Working Balance</b>	<b>3,621</b>	<b>3,621</b>	<b>4,013</b>
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<b>Housing Revenue Account Earmarked Reserves</b>				
1	Committed Projects Reserve	38	0	0
4	Salix Energy Project Reserve	18	0	0
2	HRA CRM Reserve	120	120	120
3	IT Equipment Reserve	196	196	0
5	Capital Projects Reserve	16,568	11,537	12,156
6	Direct Payment Project Arrears	101	0	0
7	Eco Funding	119	0	0
8	Major Repairs Reserve	818	500	500
<b>Total HRA Earmarked Reserves</b>		<b>17,978</b>	<b>12,353</b>	<b>12,776</b>

<b>Housing Revenue Account Working Balance</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
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<b>Total Council Reserves and Balances</b>	<b>61,336</b>	<b>41,419</b>	<b>32,863</b>
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## General Fund Earmarked Reserves

- 1 The Salix Energy Projects reserve created from a grant made available via Salix. The fund is used to loan money to Service Areas within Oxford City Council. Services then utilise these funds to implement energy efficient schemes. Savings on energy costs are then used to repay the initial loan.
- 2 Barton – The balance of a Housing Communities Agency grant to fund set up costs in relation to the joint venture with Grosvenor for the development of housing at Barton.
- 3 Oxford Strategic Partnership – balance of Local Area Agreement / Breaking cycle of deprivation funding received.
- 4 Economic Development Reserve – remaining balance of unspent budgets relating to City Deal
- 5 Improvement Efficiency Social Enterprise Grant Reserve – remaining balance of grant allocation from the Improvement and Efficiency Social Enterprise for Oxfordshire Procurement Hub.
- 6 The Taxis A/C reserve was created to manage the ring fenced taxi licensing cost centre. Surplus / deficits associated with this cost centre are collected and the balance is used to improve and / or address pressures within the Taxi Licensing area.
- 7 A reserve established under accounting convention to accumulated all unspent balances of grants received in the year pending their spend on projects including Oxfordshire Sports Partnership, Homelessness, Community Safety and flood prevention.
- 8 Houses in Multiple Occupation Licensing Reserve – Ringfenced licensing income in respect of HMO's to fund future service area expenditure.
- 9 The Reserve for Land Charges collects the surplus / deficit associated with Land Charges. This is a ring fenced account; funds are used to improve the services/ address pressures associated with the Land Charges area.
- 10 General Licensing Reserve – net surplus on the administration of licences
- 12 The Town Hall Equipment Reserve is used to fund new / replacement or repair of Town Hall equipment. The balance represents the net surplus of this cost centre year on year.
- 13 The Work of Art Reserve - created to aid the purchase or restoration of Council works of art.
- 14 The Shopmobility Reserve - created to fund replacement or repair of Shopmobility equipment. Any under or overspend associated with the service is collected in this reserve account.
- 15 Severance Reserve - created to cover any unexpected pressures related to employee costs e.g compensation for loss of office.
- 16 The IT Infrastructure Reserve is used to fund IT Infrastructure replacement across the Council.
- 18 Leisure repairs and maintenance – established to fund repairs and refurb of leisure centres.
- 19 The Business Transformation Reserve is a transitory account. At the year end budgets associated with transformation projects not yet completed are transferred to this reserve. At the start of the following year projects are approved to continue and the funds allocated back to the projects.
- 20 The City Council Elections reserve is created from the budget surplus / deficit on the City Council Elections cost centre. City elections are held every 2 years and this reserve is used to fund additional costs in election year.

- 21 Chief Executives Fund – used for initiatives put forward by Chief Exec
- 22 Indirect Property Fund – To fund any shortfall in the value of indirect property funds
- 23 Capital Funding Reserve – created to fund capital expenditure.
- 25 Agresso Improvement Reserve – used to fund the implementation of modules on the Financial Management system
- 26 Museum Development Reserve – Funding to support the future development of the museum
- 27 Disabled Community Transport – to fund community transport for elderly persons
- 28 Jobs Club – funding to support the ongoing jobs club initiative
- 29 Oxfutures Reserve – to cover potential liabilities around the Oxfutures EU Grant
- 30 Ward members Reserve – established to carry forward unspent balances of monies allocated to ward members
- 31 Homelessness – unspent budget and grant monies associated with homelessness.
- 32 Loan Guarantee Reserve – Created to fund potential shortfalls in recovery of loans to small organisations.
- 33 Lord Mayors Deposit Scheme to help people on a low income afford to move into private rented accommodation by issuing a Deposit Guarantee Bond to landlords.
- 34 Homes Choice Funds – needed as top-up for bonds/deposits re Private Sector properties.
- 35 Dry Recyclate Reserve – Reserve to cover the cost of funding a waste transfer station included within the Councils Capital Programme
- 36 Communities Partnership Fund – Used in connection with community safety schemes
- 37 Community and Neighbourhood Reserve- includes ring-fenced project funding for Connecting Communities, Community Actions Groups and Wood Farm Community Centre.
- 38 Town Team Partners- grant to improve the High Street working with Local Businesses. Additional financial support for the City Council will be required to work up a scheme.
- 40 Housing Benefit reserve– established to cushion the revenue account from unexpected variations in housing benefit subsidy
- 41 Westgate Redevelopment Reserve – established to fund the provision of temporary car parking following the demolition of Westgate multi story car park in relation to the redevelopment of the Westgate
- 42 Emergency Flood Reserve – established to cover the costs of flooding in the city
- 43 Park and Ride maintenance – monies in respect of maintenance of park and ride car parks
- 44 Organisational Development Reserve – This fund was set up in to fund the Council's Partnership Payment and support the Council's organisational development aspirations.
- 45 Committed projects is a reserve relating to the carry forward unspent budgeted amounts from previous years for committed projects
- 46 The Self-Insurance Reserve is used to cover claim costs that are below the Council's insurance policy excess limit. The fund was subject to actuarial review in 2012/13 and will be adjusted in line with any recommendations flowing from it
- 48 Severe Weather Recovery Scheme – Grant to be used in connection with costs incurred by the council arising from flooding
- 49 BOB MK – Oxford City Council hosts a Planning Forum funded by subscriptions received from Local Authorities in Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes. The budget is ring-fenced and any surpluses in year need to be carried forward to future years.
- 50 NNDR Retention Reserve - Reserve created to cushion the effect on the of Business Rates appeals on the councils Retained Business Rates income

- 51 Rose Hill Demolition reserve – held to fund demolition of redundant buildings following the construction of Rose Hill Community Centre
- 52 Commuted sums – sums received from developers to fund revenue maintenance works
- 53 Legal fees – balance of budget for central legal fees fund
- 54 Blue bin league – External monies received to promote recycling
- 55 Pear Tree park and ride – to cover outstanding permit claim re Pear Tree Park and Ride

### **Housing Revenue Account Earmarked Reserves**

- 1 The Committed projects reserve is for funding uncompleted projects at the end of the financial year
- 2 The IT Projects Reserve is to fund the HRA element of IT development projects
- 3 The IT equipment reserve is to fund future IT equipment purchased used specifically for HRA activity e.g. Housing Rents and Servitor job costing
- 4 Salix – external monies received from Salix related projects
- 5 Capital Projects Reserve – reserve created to manage variations in the HRA capital programme
- 6 Direct Payment Arrears – payment from the DWP in respect of tenant arrears arising from the direct payment project
- 7 External monies received for solar panels on council house roofs
- 8 Major Repairs Reserve – a statutory account to be held in the HRA to neutralise the impact of depreciation on the revenue account.

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