

**To:** Council  
**Date:** 19 February 2018  
**Report of:** Head of Financial Services  
**Title of Report:** Chief Finance Officer's report on the robustness of the Council's 2018/19 budget

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	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: <ul style="list-style-type: none"> <li>a) the robustness of the estimates made for the purposes of the calculations of the budget; and</li> <li>b) the adequacy of the proposed financial reserves.</li> </ul> Council in considering its Budget should have regard to this advice.
<b>Recommendation: That Council notes this report in setting its budget for 2018/19 and the indicative budgets for 2019/20 – 2021/22.</b>	

<b>Appendices</b>	
Appendix 1	Statement of Reserves and Balances

## Finance Settlement

1. The Provisional Finance Settlement for 2018/19 published on 19 December 2017 included the following key features :
  - Confirmation of the Revenue Support Grant for 2018-19
  - Indicative figures for the Council's Business Rates baseline and tariffs for the next two years
  - Confirmation of the 3% referendum level for 2018/19 and 2019/20.
  - Confirmation of the New Homes Bonus figures for 2018-19
2. In total, the changes gave rise to a net increase of £445k of resources in the Council's budget over the next four years.
3. The Council's Settlement Funding Assessment (SFA) consists of the Revenue Support Grant (RSG) and the Councils share of locally retained business rates

(baseline funding). The amount of business rates retained by the authority relies on a number of factors including the amount of income collected in comparison to the baseline funding level. Baseline funding included within the SFA is therefore almost certainly not going to be the amount of business rates retained. Notwithstanding this the SFA for the authority has reduced from £6.7 million to £5.9 million over the next two year period.

4. There are still a number of significant uncertainties going forward around Housing, the implications of the Fair Funding Review on Business Rates, New Homes Bonus and the implications of Brexit and the knock on effect to income streams. 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 considered manageable.

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

5. As in previous years the Council has undertaken a prudent and robust approach in developing its Medium Term Financial Plan.
6. Over the next four years the Council will generate a further £2.9 million of efficiencies over the 4 year period, with on-going efficiencies of £1.2 million being achieved beyond 2021/22. They include:
  - Moving services to on-line setting - £474k over 4 years
  - Further roll out of mobile phones -£120k over 4 years
  - Savings in payroll ICT costs -£124k over 2 years
  - Reduced temporary accommodation costs £1.3 million over the 4 year period
  - Reduced staffing and resilience staffing re Universal Credit £600k over 4 years
  - Operational savings from construction of waste recycling station -£240k per annum
7. All aspects of the Council's budget, efficiency savings, additional income streams service reductions and pressures 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 Medium Term Financial Plan.
8. The 2018-19 budget indicates that Council services are funded by Government Grant (£0.6m), Business Rates( £8.1m), New Homes Bonus (£1.2m), Council Tax of £13.6 million and income from fees and charges (£34.7m), including car parking, commercial rent income, planning and building control fees and trading services income (£9m); primarily provided by Oxford Direct Services. The Medium Term Financial Strategy assumes additional traded income over the next four years of £2m.
9. Scrutiny of the budget has been undertaken by
  - The Finance Team
  - Directors and the Chief Executive

- Executive Members
  - The Scrutiny Committee's Finance Panel
10. 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 on 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

11. Assumptions on which the four year Medium Term Financial Plan are based are contained within the main budget report presented elsewhere on the agenda, however, the key assumptions include:
- **Council Tax increase**- The assumed Council Tax increase is 2.99% per annum for 2018-19 and 2019-20 with 1.99% thereafter. This is below the referendum level for 2018/19 and 2019/20.
  - **Finance Settlement** – The settlement figures are in line with the Government's announcement in December 2017.
  - **Investment Interest** – The Bank of England base rate is currently 0.50%. Interest rate projections in the MTFP range from 0.3% to 0.5% over the next four years in line with forecasts. The Council currently benefits from a number of property investments :
    - **External Managed Property Investments** – The Council has £10 million invested in two funds. The Council makes a return of around 3.5% plus any increase in the capital value
    - **OxWed Development** – The Council has made loans of approximately £6.5 million into its 50/50 Joint venture with Nuffield College which attracts a return of 6.5% and has agreed to loan a further £4.1 million on similar terms.
    - **Housing Company** – The Council has agreed a loan facility for the first four years with Oxford City Housing Ltd, of £74 million. The Council makes a return above that which it borrows from PWLB. The Council has already loaned £742k to the Company in respect of the acquisition of properties in 2016-17. All loans will be at state aid compliant rates which for social housing activity is 1% over PWLB and for non-social housing at 4% above PWLB. Interest currently included in the Council's MTFP over the next four years is £1.8million and is dependent on the Company undertaking the developments and drawing down the loans and the company continuing to take the loans from the Council, which are currently competitive in the market.
  - **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. Business rates income is a significant part of the Council's income and estimates going forward present a high risk to the Medium Term Financial Plan, as in addition to the risk of non-collection and rating appeals the implications of the

Government's Fair Funding Review and associated business rates reset due to be implemented in 2020-21 are as yet unknown.

- **Pay Assumptions** – During 2017/18 a new pay deal was agreed in respect of the three year period commencing 1/4/18. In accordance with the agreement the MTFP makes provision for increases based on the higher of 1.25% or £575, the reinstatement of spinal point increases with effect from 1/10/2019 and the removal of the Partnership Payment.
- **Contribution from Local Authority Trading Company (LATCO)** – Provision has been made for increased income from the LATCO of around £500k per annum once the company is fully established.
- **New Homes Bonus** – The Medium Term Financial Plan includes indicative payments for the three remaining years of the MTFP commencing 1/4/2019 based on housing projections and the existing methodology for calculation. NHB is used to finance schemes in the Capital Programme, giving the Council flexibility should NHB be significantly reduced.
- **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 totalling £60k - £100k per annum over the four year period. There are adequate provisions for bad debts and appeals against business rates valuations.
- **Revenue contributions to Capital** – Direct Revenue Funding for the Capital Programme is £5.4 million over the four years.

### **Housing Revenue Account (HRA) Assumptions**

12. The Scrutiny of the HRA budget and Business Plan has followed a similar process to that for the General Fund outlined above.
13. 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 Levy (HVCHL)** – The Government have confirmed that the HVCHL will be deferred for 2018-19. As a result the provision of £7.7 million has been removed from the budget. It remains in the budget from 1/4/2019 at £7.7 million per annum to mitigate the need to dispose of dwellings to pay for the levy. Funds released for next year 2018-19 will be released to invest in new Council housing.
  - **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 thereafter.
14. Other key assumptions in the HRA budget include:
  - **Debt Management Strategy** - The first £20m of the £200 million self-financing loan is due for repayment on 31 March 2021. Last year it was

agreed that this loan would be refinanced which will generate an initial net saving of £19.3 million. The overall strategy is to repay debt when possible allowing for commitments to be financed whilst maintaining a minimum HRA working balance of £3.5 million. Additional loan financing of around £10.7 million will be taken out over the period 2018-19 to 2024-25 to fund capital expenditure up the level of the Housing Debt cap of £233 million.

- **Right To Buy and other disposals** - Disposals of around 40 dwellings per year until 2021/22 are assumed. Additionally, the plan allows for 5 properties to be transferred to the Council's Housing Company which the Council is able to do without Secretary of States approval under Section 32 of the Housing Act 1985 (as amended) and set out in the DCLG's General Housing Consents
- **Inflation and pay assumptions** - All the assumptions for pay inflation are the same as for the Council's General Fund.

## Capital

15. The Council has set an ambitious Capital Programme for the next four years in excess of £245 million. Loans to the Housing Company to undertake development and acquisition of new dwellings including the social housing at Barton Park and the development of Lucy Faithful House are £74 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 - £3.4 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
- **Vehicle replacements** – Vehicle replacement programme for LATCO that are subsequently leased to Oxford Direct Services £9.8 million
- **Disabled Facility Grant** – Grant funding of disabled adaptations to private sector housing - £4.8 million
- **Housing Development at East Oxford** – Construction of dwellings on land around East Oxford Community Centre - £10.6 million
- **Estate Improvements and Council House Improvements** - £70million

16. The preparation of the Capital 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.

17. 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**

18. 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.
19. 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.
20. 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.
21. 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 potential sources of risk in the course of a financial year the impact could be significant, i.e. a 10% reduction in car parking income represents around £800k and a similar percentage reduction in commercial rent income £700k. Similarly there are financial risks around increased costs of homelessness, reduced Business Rates income, loss of investment income, reduced external trading income and loss of Housing Benefit Subsidy.
22. For this authority the Section 151 Officer recommends that the level of working balance for the General Fund should be in the region of £3.5 million to £4million and for the HRA around £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.
23. In total the Council's reserves and balances are forecast to be in the region of £62 million at 31<sup>st</sup> March 2018. This is forecast to reduce to £25 million at the 31<sup>st</sup> March 2019 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 1/4/2017</b>	<b>Projected Balance 31- 03-18</b>	<b>Projected Balance 31- 03-19</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>General Fund</b>			
Earmarked Reserves	35,028	21,790	15,823
Working Balance	3,622	4,000	3,900
<b>Sub Total</b>	<b>38,650</b>	<b>25,790</b>	<b>19,723</b>
<b>Housing Revenue Account</b>			
Earmarked Reserves	17,776	16,580	,220
Working Balance	4,000	4,900	3,500
<b>Sub Total</b>	<b>21,776</b>	<b>21,480</b>	<b>3,720</b>
<b>Insurance Funds</b>	1,700	1,700	1,700
<b>Total</b>	<b>62,126</b>	<b>48,970</b>	<b>25,143</b>

24. Approximately 48 % ( £30 million) of the Earmarked Reserves relate to the funding of the Council's £245 million Capital Programme.

Earmarked reserves include:

- ring fenced accounts funded by third parties which must be repaid if 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

25. **General Fund Working Balance** - This is forecast to be around £4 million at 31<sup>st</sup> March 2018 representing 2% of gross General Fund expenditure and 15% of net expenditure.

26. **Housing Revenue Account Working Balance**– The amount as at 31<sup>st</sup> March 2018 is estimated at £4 million representing around 2.58% of gross rental expenditure.

## **27. Treasury Management**

Reserves and Balances are an essential part of cash balances on which the Treasury function is based. Whilst waiting to be used they will attract interest ranging from 0.6% to 6% depending how they are invested. Longer term investments such as property funds and lending to companies including the Council's wholly owned companies will attract interest in the region of 4.5% to 6%, while investments held for short term liquidity purposes will be at the lower end. The budget for investment interest next year is £1.5 million rising to £3 million by 2020/21. Reserves and balances can also be 'internally borrowed' essentially deferring the need to borrow externally to meet capital commitments. Such borrowing is currently cheaper than accessing external borrowing sources such as PWLB.

## **Progress on the 2017/18 Budget**

28. Budget monitoring for the half year ending 31st December 2017 indicates a favourable variance of £0.516 million (2.4% of net expenditure) due largely to over achievement of income in Direct Services. The Housing Revenue Account is expecting to be in line with original budget.
29. At year end an assessment will be made of the Council's overall financial position and recommendations made to City Executive Board on the most appropriate use of any underspends.

## **Conclusion**

30. I have reviewed the budget preparation process for 2018-19 to 2021/22 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 especially around Business Rates Retention and pressures around income streams especially car parking. Brexit may also bring additional financial pressures depending on the reaction of the financial markets and also of local businesses. In addition there is an expectation that the new LATCO, Oxford Direct Services which goes operational on 1<sup>st</sup> April 2018 will deliver additional savings and income of £500k per annum and this require careful monitoring by the Council to ensure delivery is on target.
31. On Housing, the rules around future rent rises after the initial 4 year 1% reduction have been confirmed for the following 5 years from 1/4/2020 as CPI +1% . This is a welcome addition to the HRA Business Plan which will enable the Council to continue with its programme of housing improvements. However, the threat of the HVCH levy being implemented beyond 2018/19 remains. Holding provisions of £7.7 million per annum to mitigate such a levy is inefficient and yet necessary in the absence of further information on which to plan.
32. 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.
- 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).

### **Financial Implications**

33. Pending their use, Earmarked Reserves and Balances provide a useful source of revenue investment income for the authority estimated at £1.5 million for 2018/19 as well as being available for 'internal borrowing', thereby mitigating the costs of external borrowing in the short term.

### **Legal Implications**

34. These are covered within the report

### **Risk Implications**

35. 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.

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**APPENDIX A**

**STATEMENT OF RESERVES AND BALANCES**

Ref	Reserve Description	Balance	Projected	Projected
		31/03/2017	Balance	Balance
		£000's	31-03-18	31-03-19
		£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	478	478	478
2	Barton Reserve	70	70	70
3	Oxford Strategic Partnership reserve	38	38	38
54	Blue Bin League Reserve	164	100	50
52	S106 Commuted sums	683	500	300
49	Bob MK	9	9	9
<b>Other ring fenced accounts</b>				
6	Taxi Licence Reserve	147	147	147
7	Grants Reserve	1,165	1,000	500
8	HMO Licensing	71	71	71
10	General Licensing Reserve	55	55	55
<b>Other earmarked reserves</b>				
12	Town Hall Equipment Reserve	22	22	22
13	Work Of Art Reserve	5	5	5
14	Shopmobility Reserve	20	20	20
15	Severance Reserve	1,103	900	800
16	IT Infrastructure Reserve	1,329	1,100	700
18	Leisure Repairs & Maintenance	472	200	200
19	Business Transformation and Special Projects	1,071	600	400
20	City Council Elections Reserve	70	70	70
21	Chief Executive's Fund	3	3	3
23	Capital Funding Reserve	12,952	8,600	4000
25	Agresso Improvement Reserve	365	300	250
31	Homelessness Reserve	951	851	800
33	Lord Mayors Deposit Scheme	51	51	51
34	Home Choice Fund for Single Persons	36	36	36
36	Community Partnership Fund	317	317	317
37	Community and Neighbourhoods	135	135	135

	Reserve			
38	Town Team Partners	10	10	10
41	Westgate Redevelopment Reserve	737	737	737
42	Emergency Flood Reserve	357	357	357
43	Park and Ride - County Contribution to Maintenance	117	117	117
44	Organisational Development Reserve	836	600	400
48	Severe Weather Recovery Scheme	65	65	65
50	NNDR Retention Reserve	2,793	1900	1500
4	Economic Development Reserve	59	3	3
22	Indirect Property Fund	401	400	400
26	Museum Development Reserve	8	8	8
27	Disabled Community Transport	40	40	40
29	Ox futures Reserve	300	0	0
35	Dry Recyclate Reserve	1,400	0	0
40	Housing Benefits	504	204	200
53	External legal fees	65	65	65
55	Pear Tree Park and Ride	41	41	41
56	Housing Needs reserves	55	55	55
57	Grenoble Road Reserve	200	0	0
58	Vehicle purchase reserve	1,500	1,500	2,300
<b>Committed unspent budgeted amounts</b>				
45	Committed Projects Reserve	3,673	0	0
<b>Self-Insurance Funds</b>				
46	Self-Insurance Funds	1,708	1,700	1,700
<b>Total General Fund Earmarked Reserves</b>		<b>36,728</b>	<b>23,490</b>	<b>17,523</b>

<b>General Fund Working Balance</b>	<b>3,622</b>	<b>4,000</b>	<b>3,900</b>
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<b>Housing Revenue Account Earmarked Reserves</b>				
2	HRA CRM Reserve	120	120	120
3	IT Equipment Reserve	196	100	100
5	Capital Projects Reserve	17,240	16,240	0
6	Direct Payment Project Arrears	101	0	0
7	Eco Funding	119	120	0
<b>Total HRA Earmarked Reserves</b>		<b>17,776</b>	<b>16,580</b>	<b>220</b>

<b>Housing Revenue Account Working Balance</b>	<b>4,000</b>	<b>4,900</b>	<b>3,500</b>
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<b>Total Council Reserves and Balances</b>	<b>62,126</b>	<b>48,970</b>	<b>25,143</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.
- 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
- 29 Oxfutures Reserve – to cover potential liabilities around the Oxfutures EU Grant
- 31 Homelessness – unspent budget and grant monies associated with homelessness.
- 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
- 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
- 56 Housing Needs Reserve –Balance of Community Housing Fund to cover payments to Community First
- 57 To cover the Councils contribution to the planning application at Grenoble Road
- 58 Sinking fund for the purchase of vehicles

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

- 1. The IT Projects Reserve is to fund the HRA element of IT development projects
- 2. The IT equipment reserve is to fund future IT equipment purchased used specifically for HRA activity e.g. Housing Rents and Servitor job costing
- 3. Capital Projects Reserve – reserve created to manage variations in the HRA capital programme
- 4. Direct Payment Arrears – payment from the DWP in respect of tenant arrears arising from the direct payment project
- 5. External monies received for solar panels on council house roofs