

**Report of: Head of Financial Services**

**To: Council**

**Date: 13 February 2019**

**Title of Report: Chief Finance Officer’s report on the robustness of the Council’s 2019/20 budget**

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| **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:**  That Council notes this report in setting its budget for 2019/20 and the indicative budgets for 2020/21 – 2022/23. |

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

**Finance Settlement**

1 The Final Finance Settlement for 2019/20 for local authorities was published on 29th January 2019 with no changes from the Provisional Settlement published in December 2018. It included the following key features :

         Figures for the Council’s Business Rates baseline and tariffs for 2019-20

* Confirmation of the 3% referendum level for 2019/20.
* Confirmation of the New Homes Bonus figures for 2019-20

1. The Council’s Settlement Funding Assessment (SFA) from 2019-20 relates only to 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.
2. Baseline funding included within the SFA is therefore almost certainly not going to be the amount of business rates retained.
3. There are still a number of significant uncertainties going forward around Housing, the implications of the Fair Funding Review on Business Rates on which the Government are consulting, New Homes Bonus and the implications of Brexit.

**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 £6.5 million of efficiencies over the 4 year period, with on-going efficiencies of £2 million being achieved beyond 2022/23. They include:

* Staffing and consultancy costs in Regeneration Services - £239k per annum
* Staffing and reactive maintenance in property services - £110k pa
* Closure of Templars Square neighbourhood office £100k pa
* Capitalisation of ICT project management - £278k pa
* Staff savings following Universal Credit roll out - £240k pa
* Service redesign and staff savings in Community Services - £120kpa
* Operational savings from construction of waste recycling station -£320k per annum

7 All aspects of the Council’s budget, efficiency savings, and 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 2019-20 budget indicates that Council services are funded by New Homes Bonus (£0.9m), Business Rates( £9.2m), Council Tax of £14.2 million and income from fees and charges (£31.9m), including car parking, commercial rent income, planning and building control fees and trading services income (£2m); primarily provided by Oxford Direct Services and interest from loans to OCHL, Oxwed and banks and building societies of around £3million per annum over the next four year medium term. The Medium Term Financial Strategy assumes additional traded income over the next four years of £1.8m from an investment in Oxford Direct Services Ltd of around £15 million.

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 Heads of Service at the Council’s Operational Delivery and quarterly reports are presented to the Corporate Management Team and City Executive Board.

11 The Council are also developing the concept of a Project Management Office and Project Delivery Group which will instil more rigour into the development of capital projects from Project Idea, through Feasibility, Business Case and Delivery.

**General Fund Assumptions**

12 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 2019-20 with 1.99% thereafter. This is below the referendum level for 2019/20.
* **Finance Settlement** – The settlement figures are in line with the Government’s announcement in January 2019.
* **Investment Interest** – The Bank of England base rate is currently 0.75%. Interest rate projections in the MTFP range from 1% to 1.3% 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 £10.6 million into its 50/50 Joint venture with Nuffield College which attracts a return of 6.5%
    - **Housing Company** – The Council has agreed loans to its Housing Company of approximately £1million to date together with additional loans over the next four years of £72 million. The Council makes a return above that which it borrows from PWLB. Interest currently included in the Council’s MTFP will rise to £1.6 million by the end of the MTFP.
* **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 for 2019-20. From 2020-21 the methodology for the calculation of Retained Business Rates income will change and business rates baselines will be reset. Whilst the financial implications of these changes are still uncertain, it is fair to say that any uplift currently enjoyed by the authority in respect of the Westgate shopping centre will be significantly reduced. 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.
* **Pay Assumptions** – April 2019 is the second year of a three year pay agreement. The agreement allows for increases in October each year based on the higher of 1.25% or £500 plus a spinal point increase on 1/10/2019. Inflationary increases have been allowed for thereafter. There will be further negotiations with our trade unions in this area.
* **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. By 2022-23 around £500k has been provided ongoing.
* **Revenue contributions and reserve transfers to Capital –** Direct Revenue Funding for the Capital Programme is £17.1 million over the four years.

**Housing Revenue Account (HRA) Assumptions**

13 The Scrutiny of the HRA budget and Business Plan has followed a similar process to that for the General Fund outlined above.

14 Key assumptions in the HRA budget include:

* **Rent Setting**

For 2019-20 the Council has followed Government policy of 1% reduction. From 1-4-2020 onwards the Government is consulting on setting rents at CPI+1% for the next 5 years

* **Debt Management Strategy**

The first £20m PWLB loan of the £198 million self- financing debt was due for repayment on 31 March 2021. Last year it was agreed that this payment would be deferred. This decision would generate an initial saving of £20m offset by the additional annual interest cost of approximately £0.658m per annum. The debt redemption strategy is to repay debt when financially possible allowing for known commitments whilst maintaining minimum HRA working balances of £3.5 million. Further loan repayments of the self-financing loan will recommence in 2025-27

* **Inflation and pay assumptions**

All the assumptions for pay inflation are the same as for the Council’s General Fund.

**Capital**

15The Council has set an ambitious Capital Programme for the next four years in excess of £229 million.

16 The preparation of the Capital Programme has undergone similar scrutiny to the other areas of the Council’s budget with the Development Board 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 £118 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. Generally the higher the risk of the councils financial plans the higher the level of reserves and balances.

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 such as a downturn in the financial position of ODSL , reduced activity in OCHL or a reduction in the value of the Councils property investments could lead to less return for the Council and potentially a deficit positon. In the absence of reserves the Council would be forced to cut expenditure in a damaging or arbitrary way.

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 £63 million at 31 March 2018. This is forecast to reduce to £55 million at 31 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**

|  |  |  |  |
| --- | --- | --- | --- |
| **Reserve Description** | **Balance**  **1/4/2018** | **Projected Balance 31-03-19** | **Projected Balance 31-03-20** |
|  | **£000’s** | **£000’s** | **£000’s** |
| **General Fund** |  |  |  |
| Earmarked Reserves | 34,765 | 27,420 | 19,333 |
| Working Balance | 4,006 | 4,141 | 3,839 |
| **Sub Total** | **38,771** | **31,561** | **23,072** |
| **Housing Revenue Account** |  |  |  |
| Earmarked Reserves | 17,871 | 16,182 | 6,182 |
| Working Balance | 4,941 | 5,432 | 5,884 |
| **Sub Total** | **22,812** | **21,614** | **12,066** |
| **Insurance Funds** | 1,659 | 1,659 | 1,659 |
| **Total** | **63,242** | **54,834** | **36,797** |

24Approximately 47 %( £30 million) of the Earmarked Reserves relate to the funding of the Council’s £229 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 March 2018 representing 2.5% of gross General Fund expenditure and 16% of net expenditure.

26 **Housing Revenue Account Working Balance–** The amount as at 31 March 2018 is estimated at £4 million representing around 11.6% 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 from all sources is around £3million per annum over the next 4 years. 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 2018/19 Budget**

28 Budget monitoring for the half year ending 31 December 2018 indicates a favourable variance of £0.114 million (0.5% of net expenditure) due largely to over achievement of income in Oxford Direct Services Ltd, increased business rates from Westgate and increased commercial rental income. Car parking income conversely is £738k down on the total car park revenues of around £7.5 million. The Housing Revenue Account is expecting to be in line with original budget.

**Conclusion**

29 I have reviewed the budget preparation process for 2019-20 to 2022-23 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 Oxford Direct Services will deliver £1.4 million of dividend back to the Council in 2019-20 and an additional £1.4 million at the end of the 4 year MTFP and ongoing.

30 On Housing, although the rules around future rent rises post 2019-20 after the initial 4 year 1% reduction have yet to be confirmed the HRA is more financially stable and the removal of the debt cap in October 2018 and the High Value Levy has presented the Council the option to increase house building of much needed affordable housing, plans for which will be brought forward shortly.

31 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**

32 Pending their use, Earmarked Reserves and Balances provide a useful source of revenue investment income for the authority estimated at £1.8 million for 2019/20 as well as being available for ‘internal borrowing’, thereby mitigating the costs of external borrowing in the short term.

**Legal Implications**

33 In addition to the obligation for the Chief Finance Officer to report under Section 25 of the Local Government Act 2003 set out in the purpose of this report, the provisions of the Local Government Finance Act 1992 set out what the Council has to base its budget calculations upon, and requires the Council to set a balanced budget having regard to the advice of its chief finance officer (section 151).

**Risk Implications**

34 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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| **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) |

**APPENDIX A – RESERVES AND BALANCES 1-4-2018 TO 31-3-2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ref** | **Reserve Description** | **Balance** | **Projected Balance  31-03-19** | **Projected Balance  31-03-20** |
| **01/04/2018** |
| **£000’s** | **£000’s** | **£000’s** |
|  |  |  |  |  |
| **General Fund Earmarked Reserves** | | | | |
|  | **Ring fenced accounts funded by third parties** | | | |
| 1 | SALIX Energy Projects Reserve | 723 | 730 | 458 |
| 2 | Barton Reserve | 159 | 154 | 149 |
| 3 | Oxford Strategic Partnership reserve | 116 | 116 | 96 |
| 54 | Blue Bin League Reserve | 72 | 52 | - |
| 52 | S106 Commuted sums | 582 | 482 | 482 |
| 49 | BOB MK | 9 | 9 | 9 |
|  | **Other ring fenced accounts** | | | |
| 6 | Taxi Licence Reserve | 236 | 236 | 236 |
| 7 | Grants Reserve | 3,519 | 2,416 | 953 |
| 8 | HMO Licensing | 98 | 98 | 98 |
| 10 | General Licensing Reserve | - | - | - |
|  | **Other earmarked reserves** | | | |
| 12 | Town Hall Equipment Reserve | 20 | 20 | 20 |
| 13 | Work Of Art Reserve | 5 | 5 | 5 |
| 15 | Severance Reserve | 988 | 988 | 988 |
| 16 | ICT Infrastructure Reserve | 2,000 | 357 | 250 |
| 17 | Repairs & Maintenance Reserve | 239 | 139 | 2 |
| 18 | Leisure Repairs & Maintenance | 175 | 175 | - |
| 19 | Business Transformation and Special Projects | 798 | 284 | - |
| 20 | City Council Elections Reserve | 104 | 14 | 71 |
| 21 | Chief Executive´s Fund | 3 | 3 | 3 |
| 23 | Capital Funding Reserve | 9,030 | 7,174 | 5,274 |
| 25 | Agresso Improvement Reserve | 365 | 115 | 65 |
| 31 | Homelessness Reserve | 952 | 725 | 460 |
| 33 | Lord Mayors Deposit Scheme | 52 | 52 | 52 |
| 34 | Home Choice Fund for Single Persons | 36 | 36 | 36 |
| 36 | Community Partnership Fund | 245 | 245 | 245 |
| 37 | Community and Neighbourhoods Reserve | 125 | 125 | 125 |
| 38 | Town Team Partners | 10 | 10 | 10 |
| 42 | Emergency Flood Reserve | 357 | 357 | 357 |
| 43 | Park and Ride - County Contribution to Maintenance | 117 | 117 | 117 |
| 44 | Organisational Development Reserve | 721 | 543 | 543 |
| 48 | Severe Weather Recovery Scheme | 73 | 42 | 42 |
| 50 | NNDR Retention Reserve | 4,531 | 4,031 | 3,531 |
| 4 | Economic Development Reserve | 3 | 3 | - |
| 22 | Indirect Property Fund | 401 | 401 | 401 |
| 26 | Museum Development Reserve | 13 | 13 | 13 |
| 27 | Disabled Community Transport | 20 | 20 | 20 |
| 29 | OxFutures Reserve | 239 | 131 | 31 |
| 35 | Dry Recyclate Reserve | 1,400 | 1,400 | - |
| 40 | Housing Benefits | 504 | 504 | 504 |
| 53 | External Legal Fees | 89 | 89 | 89 |
| 55 | Pear Tree Park and Ride | 41 | 41 | 41 |
| 56 | Housing Needs reserves | 23 | - | - |
| 57 | Grenoble Road Reserve | 257 | 257 | 657 |
| 58 | Vehicle purchase reserve | 1,500 | 2,200 | 600 |
| 59 | Northway and Marston Flood Alleviation | 624 | 584 | 504 |
| 60 | Regeneration Projects Reserve | 170 | 170 | - |
| 61 | Public Health Burials Reserve | 21 | 21 | 21 |
|  |  |  |  |  |
|  | **Committed unspent budgeted amounts** | | | |
| 45 | Committed Projects Reserve | 3,001 | 1,737 | 1,675 |
|  | **Self-Insurance Funds** |  |  |  |
| 46 | Self-Insurance Funds | 1,659 | 1,659 | 1,659 |
| **Total General Fund Earmarked Reserves** | | **36,424** | **29,079** | **20,893** |
|  |  |  |  |  |
|  | **General Fund Working Balance** | **4,006** | **4,141** | **3,839** |
|  |  |  |  |  |
| **Housing Revenue Account Earmarked Reserves** | | | | |
| 2 | HRA CRM Reserve | 120 | 120 | 120 |
| 3 | IT Equipment Reserve | 196 | 196 | 196 |
| 5 | Capital Projects Reserve | 17,335 | 15,396 | 5,396 |
| 6 | Direct Payment Project Arrears | 101 | 101 | 101 |
| 7 | Eco Funding | 119 | 119 | 119 |
| 8 | Feasibility Studies Reserve | - | 250 | 250 |
| **Total HRA Earmarked Reserves** | | **17,871** | **16,182** | **6,182** |
|  |  |  |  |  |
|  |  |  |  |  |
|  | **Housing Revenue Account Working Balance** | **4,941** | **5,432** | **5,884** |
|  |  |  |  |  |
|  | **Total Council Reserves and Balances** | **63,242** | **54,834** | **36,797** |
|  |  |  |  |  |

**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**

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

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 The feasibility study reserve will provide funds to allow business cases for capital schemes to be prepared with the use of external support