

To: Council **Date:** 13 February 2020

Report of: Head of Financial Services

Title of Report: Chief Finance Officer's report on the robustness of the Council's 2020/21 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: That Council notes this report in setting its budget for 2020/21 and the indicative budgets for 2021/22 – 2023/24.

Appendix A: Statement of Reserves and Balances

Finance Settlement

1. The Final Finance Settlement for 2020/21 has yet to be published and consequently recommendations around Council tax are made based on the Provisional Settlement published in December 2019. It included the following key features:
 - Figures for the Council's Business Rates baseline and tariffs for 2020-21
 - Confirmation that district Councils will be allowed to apply the higher of the referendum limit of 2% or £5.

- Confirmation of the New Homes Bonus figures for 2020-21 with and the intention to remove New Homes Bonus after 31 March 2021
2. There are still a number of significant uncertainties going forward around the availability of Government Grant to fund homelessness prevention, the implications of the Fair Funding Review on Business Rates and the business rates reset from 1 April 2021, any replacement for New Homes Bonus and the future financial implications of Brexit.

Preparation of the Medium Term Financial Plan

3. As in previous years the Council has undertaken a prudent and robust approach in developing its Medium Term Financial Strategy (“MTFS”).
4. Over the next four year period the Council will generate a further £6 million of efficiencies during that period, with on-going efficiencies of £2.1 million per annum beyond 2023/24. They include:
 - Impact of Universal Credit Roll out - £240k per annum from 2022-23
 - ICT restructure – removal of temporary posts - £140k per annum
 - Robotic Process Automation – automation of processing initially in Revenues and Benefits to achieve savings in external support - £50k per annum
 - Mobile phones – reduction in number of renewals required - £50k per annum
 - ICT Storage costs – reduction in data retained resulting in reduced storage costs - £75k per annum
 - Homelessness grants – Review of the homelessness and rough sleeping service following the opening of Floyds Row - £150k per annum
 - Welfare Reform Team – Reduction in management costs following more joined up working - £132k over 2 years
 - Council Tax Reduction Scheme – Changes in the scheme to achieve administrative savings in the Benefits Team and Customer Services Team while avoiding adverse impacts upon claimants - £120k per annum
5. 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 MTFS.
6. The 2020-21 budget indicates that Council services are funded by New Homes Bonus (£0.6m), Business Rates(£9.0m), Council Tax of £14.4 million and income from fees and charges (£31.9m), including car parking, commercial rent income, planning and building control fees and dividends from Oxford Direct Services (“ODS”) of approximately £1.3m. Investment interest returns from loans to Oxford City Homes Limited (“OCHL”), Oxford West End Development Limited (“OxWed”). Interest from banks and building societies is estimated at around £4.3million rising to £5.3 million by the end of the 4 year MTFS period.
7. Scrutiny of the budget has been undertaken by
 - The Finance Team

- Directors and the Chief Executive
 - Executive Members
 - The Scrutiny Committee's Finance Panel
8. 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 Heads of Service at the Council's Operational Delivery Group and quarterly reports are presented to the Corporate Management Team and Cabinet.
 9. The Council has established a Project Management Office to oversee and undertake project management of projects within the Council's Capital Programme. Potential projects are subject to more rigour and resources are spent on establishing the feasibility and outline business case before a bid is made through Cabinet and Council for budget approval of funds to carry out the project.

General Fund Assumptions

10. Assumptions on which the four year MTFs 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 1.99% per annum for 2020-21 with 1.99% thereafter. This is below the referendum level for 2020/21.
 - **Finance Settlement** – The Final Finance settlement figures are in line with the Government's announcement in December 2019.
 - **Investment Interest** – The Bank of England base rate is currently 0.75%. Interest rate projections in the MTFs range from 1% to 1.3% over the next four years in line with forecasts. Net interest received rises to around £5million over the 4 year period from a number of investments:
 - **External Managed Property Investments** – The Council has £10 million invested in two funds. The Council makes a return of around 3.5% per annum 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% per annum
 - **Housing Company** – Loans to the Housing Company will increase over the next 4 years from around £51 million to £126 million with returns to the Council rising from £1.4 to £4.3 million over the same period.
 - **Retained Business Rates** – The MTFs 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 2020-21. Income is estimated to reduce from £8.9 million to £7.5 million over this period.

- **Pay Assumptions** – April 2020 is the final year of a three year pay agreement. The agreement allows for increases in October of the final year based on the higher of 1.25% or £500 with inflationary increases thereafter.
- **Inflation** – With the exception of contractual inflation e.g. Leisure contract 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 for on an ongoing basis.
- **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

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

12. Key assumptions in the HRA budget include:

- **Rent Setting**

For 2020/21 the Consumer Price Index (CPI) rate is 1.7% and hence council house rents are estimated to increase by 2.7% from 2019-20 levels, with 3% increases estimated for future years.

- **Debt Management Strategy**

Loan debt over the next 4 years increases from £198 million to £332 million to accommodate the purchase of affordable housing from the Housing Company.

- **Inflation and pay assumptions**

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

Capital

13. The Council has set an ambitious Capital Programme for the next four years in excess of £428 million.

14. 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.

15. Financing of schemes within the Programme is predominantly through borrowing which at £269 million over the 4 year programme represents 63% of the total programme. Of the total additional borrowing, £169 million is General Fund with the balance relating to the HRA. This will add to the existing HRA self-financing debt of £198 million. Most General Fund additional borrowing is in relation to loans to the Council's Housing Development Company (OCH(D)L) with the HRA borrowing

being in relation to the purchase of social housing units from OCH(D)L. Whilst this represents a significant increase in Council debt to just under £0.5 billion the associated revenue implications have been accounted for in the MTFs.

Adequacy of Reserves and Balances

16. The prudent level of reserves that the Council should maintain is a matter of judgement. Generally the higher the risk of the council's financial plans the higher the level of reserves and balances.
17. 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 ODS, reduced activity in OCHL or a reduction in the value of the Council's property investments it could lead to less return for the Council and potentially a deficit position. In the absence of reserves the Council would be forced to cut expenditure in a damaging or arbitrary way.
18. The Chartered Institute of Public and Finance and Accountancy (CIPFA) has 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 of level of reserves to net expenditure is desirable.

Financial Resilience

19. In December 2019 CIPFA undertook a survey of councils to understand their financial resilience. By analysing data from individual councils and providing comparisons on a number of key financial areas, CIPFA issued a risk rating against each of these measures in terms high, medium and low risk. The information for these measures for Oxford City Council compared to other non-metropolitan district councils is shown in Table 1 below.

Table 1: Resilience indicators - non metropolitan districts 2018/19

TABLE 1 : RESILIANCE INDICATORS - NON METROPOLITAN DISTRICTS - 2018-19				
	Minimum	Oxford Council	Maximum	Risk
Reserves sustainability measures	2.86	100.00	100.00	L
Level of reserves (%) 1	23.28	104.42	300.00	M
Change in reserves (%) 2	-51.16	7.36	490.83	M
Interest payable/ Net Revenue Expenditure	-7.13	24.35	525.04	H
Gross External Debt (£000)	0.00	198.50	1,212.00	H
Fees and Charges to Service Expenditure ratio (%)	1.58	29.23	70.32	L
Council Tax Expenditure/ Net Revenue Expenditure (%)	36.95	50.86	100.00	H
Growth above baseline %	-129.00	124.00	287.00	H
Unallocated reserves/ net revenue expenditure %	0.00	14.53	252.00	H
Earmarked reserves/ net revenue expenditure %	3.31	89.89	300.00	M
Notes				
1 The level of reserves to net revenue expenditure				
2 Average change in reserves over the last 3 years				
3 Current level of reserves and the average change in the level of reserves over the last 3 years				

20. The risk ratings allocated by CIPFA are relative to other non-metropolitan councils and one could argue that just because some of those indicators for Oxford City Council are high in comparison to others, it does not necessarily follow that the Council is at higher risk. The following comments in respect of Table 1 are also worthy of note:

- The overall level of reserves over the last 3 years in the Council have been largely unchanged and therefore the level of sustainability overall is relatively low risk.
- Interest payable in comparison to net revenue expenditure is high risk in comparison to some authorities. It should be noted that almost all of the interest payable is in respect of HRA loans outstanding of £198 million which in itself is deemed high risk in comparison to those authorities with nil debt. Given the financial position of the Council's HRA the risk in reality is low.
- The 'Oxford Model' does rely on significant income streams to fund its gross expenditure. Whilst this is not clearly at the higher end of 70.32% as a proportion of service spend as shown in the survey neither is it at the lower end of 1.58%. At 29.23% of service expenditure then one could argue that the Council's ratio may present a high to medium risk should income receipts fall. In fact going forward this risk will increase with the increasing reliance on income streams from ODS and OCHL.
- The high percentage of business rates growth above baseline for Oxford City Council is reflective of the opening of the Westgate Shopping Centre. On 1 April 2021 the government will re-adjust all Councils' business rates baseline, which will inevitably reduce the amount of business rates growth that can be retained by the Council. On the basis that the Council is currently significantly above its baseline, the Council has 'further to fall' and consequently this represents a significant risk to the Council's financial position. Although mitigation has been put in place there is still considerable uncertainty about the financial impact on the Council.
- At £3.6 million the General Fund Working Balance at around 14% of net revenue expenditure is deemed high risk in the survey. Whilst this is far short of the upper end of the sample group at 252% it is still considered by the Council's Section 151 Officer to be a reasonable level for this authority especially when combined with earmarked reserves.

21. Whilst the CIPFA work does provide some useful comparisons with other similar authorities, it does also indicate the subjectivity of the exercise.

Earmarked Reserves

22. Earmarked reserves will reduce over the 2 year period ended 31 March 2021 from £60 million to around £41million. Approximately 53% (£33 million) of the General fund and HRA Earmarked Reserves as at 1April 2019 relate to the funding of the Council's £424 million 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 2: Earmarked reserves and working balances

Table 2 : Earmarked Reserves and Working Balances			
Reserve Description	Balance	Projected	Projected
	01/04/2019	Balance	Balance
	£000's	31-03-20	31-03-21
		£000's	£000's
GENERAL FUND			
Earmarked Reserves	33,892	24,395	21,583
Working Balances	3,904	4,138	4,374
Sub Total	37,796	28,532	25,956
HOUSING			
Earmarked Reserves	25,943	23,793	18,793
Working Balances	4,941	5,432	5,884
Sub Total	30,884	29,225	24,677
Insurance Funds	1,165	1,165	1,165
TOTAL	69,844	58,922	51,798

23. 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

24. **General Fund Working Balance** - This is forecast to be around £4 million at 31 March 2020 representing 2.5% of gross General Fund expenditure and 16% of net expenditure. Although increasing over the next 12 month period the MTFs indicates that over the next 4 years it will reduce to around £3.5 million, a level deemed to be reasonable by the Council's Section 151 Officer to cover any unexpected eventualities.

25. **Housing Revenue Account Working Balance**— The amount as at 31 March 2020 is estimated at £5.4 million representing around 12% of gross rental expenditure.

Sensitivity Analysis

26. Whilst the authority would be exceptionally unlucky to suffer adverse consequences from all potential sources of risk in the course of a financial year risks relating to individual income streams can be significant. The following analysis indicates the financial impact of a 10% variation

Table 3: Sensitivity Analysis

Table 3: Sensitivity Analysis		
10% Variation in Income And Expenditure		
	Gross £000's	Risk £000's
Car Parking Income	6,800	680
Commercial rent income	12,200	1,220
Dividend from ODS	1,693	169
Business Rates	9,000	900
Returns from OCHL	1,300	130
Other investment interest	1,416	142
Homelessness expenditure	7,400	740
Planning income	1,600	160
Total	41,409	4,141

Treasury Management

27. 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% per annum 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 £4.3 million per annum at 1 April 2020 rising to £5.3 million 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 the Public Works Loan Board (PWLb).

Progress on the 2019/20 Budget

28. Budget monitoring for the 6 months ending 31 December 2019 indicates that the Council is on target to achieve its General Fund budget of £23.205 million. The Housing Revenue Account is expected to be in line with original budget.

Conclusion

29. I have reviewed the budget preparation process for 2020-21 to 2023-24 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 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 ODS will deliver £1.4 million of dividend back to the Council in 2020-21 and an additional £1.4 million at the end of the 4 year MTFs and ongoing. There is also a significant reliance of investment interest returns from loans to the

Council's Housing Company, OxWed and other investments in the order of £5.3million ongoing from 2023-24.

30. In relation to the HRA, there is a significant increase in borrowing to facilitate affordable housing purchases from the Council's wholly owned company although analysis would suggest that these purchases are financially viable in terms of Internal Rate of Return, Payback and Net Present Value.
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 £1.0 million for 2020/21 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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Appendix A – Reserves and Balances 1-4-2019 to 31-3-2021

Ref	Reserve Description	Balance 01/04/19 £000's	Projected Balance 31-03-20 £000's £000's	Projected Balance 31-03-21 £000's £000's
General Fund Earmarked Reserves				
Ring fenced accounts funded by third parties				
1	SALIX Energy Projects Reserve		736	641
2	Barton Reserve		159	159
3	Oxford Strategic Partnership reserve		93	19
54	Blue Bin League Reserve		72	72
52	S106 Commuted sums		482	382
49	BOB MK		9	9
66	Growth Deal - JSSP		197	197
Other ring fenced accounts				
6	Taxi Licence Reserve		249	249
7	Grants Reserve		4,199	5,700
8	HMO Licensing		29	29
10	General Licensing Reserve		16	0
Other earmarked reserves				
12	Town Hall Equipment Reserve		20	20
13	Work Of Art Reserve		5	5
15	Severance Reserve		988	988
16	ICT Infrastructure Reserve		1,369	0
17	Repairs & Maintenance Reserve		840	243
18	Leisure Repairs & Maintenance		175	175
19	Business Transformation and Special Projects		842	277
20	City Council Elections Reserve		34	91
21	Chief Executive's Fund		3	3
23	Capital Funding Reserve		7,372	5,555
25	Agresso Improvement Reserve		280	230
31	Homelessness Reserve		552	471

33	Lord Mayors Deposit Scheme	52	52	52
36	Community Partnership Fund	245	245	245
37	Community and Neighbourhoods Reserve	125	94	94
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	487	487	487
48	Severe Weather Recovery Scheme	42	42	42
50	NNDR Retention Reserve	4,731	2,159	3,159
4	Economic Development Reserve	3	3	3
22	Indirect Property Fund	487	487	487
26	Museum Development Reserve	15	4	4
29	OxFutures Reserve	231	231	231
35	Dry Recyclate Reserve	1,400	1,400	0
40	Housing Benefits	504	304	304
53	External Legal Fees	89	89	89
55	Pear Tree Park and Ride	41	41	41
57	Grenoble Road Reserve	257	257	257
58	Vehicle purchase reserve	2,300	300	300
59	Northway and Marston Flood Alleviation	606	606	606
60	Regeneration Projects Reserve	310	310	310
61	Public Health Burials Reserve	21	21	21
62	Ward Member Allowances Reserve	72	72	72
63	Recycling Incentive	100	100	100
64	Apprentices Reserve	207	207	207
65	Private Sector Safety Financial Penalties	263	263	263
67	Local Plan Costs	130	130	130
	Committed unspent budgeted amounts			
45	Committed Projects Reserve	1,972	478	478
	Self-Insurance Funds			
46	Self-Insurance Funds	1,165	1,165	1,165
Total General Fund Earmarked Reserves		35,057	25,560	22,748
General Fund Working Balance		3,904	4,138	4,374

Housing Revenue Account Earmarked Reserves				
2	HRA CRM Reserve	120	120	120
3	IT Equipment Reserve	196	196	196
5	Capital Projects Reserve	25,157	23,007	18,007
6	Direct Payment Project Arrears	101	101	101
7	Eco Funding	119	119	119
8	Feasibility Studies Reserve	250	250	250
Total HRA Earmarked Reserves		25,943	23,793	18,793
Housing Revenue Account Working Balance		4,941	5,432	5,884
Total Council Reserves and Balances		69,845	58,922	51,798

NOTES TO RESERVES

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 **Grants Reserve** -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 **Commutated 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 **Grenoble Road** -To cover the Councils contribution to the planning application at Grenoble Road

- 58 **Vehicles** -Sinking fund for the purchase of vehicles
- 59 **Flood Maintenance** -25yrs Repairs and Maintenance for Northway & Marston Flood scheme
- 60 **Regeneration Projects Reserve**
- 61 **Public Health Burials Reserve** - to cover legal duty to bury or cremate the body of any person who has died in Oxford where no other arrangements are made
- 62 **Ward Member Allowances Reserve-** Includes amounts of unspent budget remaining at year end
- 63 **Recycling Incentive** – Government monies to promote recycling
- 64 **Apprentices Reserve** – Includes amounts of unspent budget relating to apprentices at year end
- 65 Private Sector Safety Financial Penalties
- 66 **Growth Deal** – Government grant received from the County Council as accountable body pending use of the Joint Spacial Strategic Plan (JSSP)
- 67 **Local Plan Costs** – Held pending use of the Local Plan preparation

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 **Eco funding** - External monies received for solar panels on council house roofs
- 8 **Feasibility Studies Reserve** – held pending use of money on capital schemes requiring funding of feasibility studies