

**To:** Council  
**Date:** 17 February 2021  
**Report of:** Head of Financial Services  
**Title of Report:** Chief Finance Officer's report on the robustness of the Council's 2021/22 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 2022/23 – 2024/25.

## Appendix A: Statement of Reserves and Balances

### Introduction

- 1 The COVID 19 pandemic has brought with it significant financial hardship for many businesses and individuals in the city. The Council has not been immune from such problems with the Head of Financial Services reporting an estimated £29 million budget deficit to Cabinet in his report of June 2020 recommending that the Council take immediate action to mitigate this potential overspend. Part of the action required was art the drawing on £10 million of reserves pending the preparation of the Budget and Medium Term Financial Strategy (MTFS) in December 2020.
- 2 This report to Council is a statutory requirement of the Councils Chief Financial Officer under Section 25 of the Local Government Act 2003, to report to Council on :
  - a) The robustness of estimates made for the calculation of the budget
  - b) The adequacy of reserves

Council are required to consider this report alongside their budget setting discussions.

### **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”) based on information that available to date. There is still uncertainty over a number of areas, some surrounding income streams which have been adversely affected by the pandemic, and others around Government policy such as retained business rates. Members should have regard to this when considering this report and officers will ensure that the position is closely monitored going forward.

### **Robustness of Estimates**

- 4 Additional Efficiencies totalling £9.5 million are estimated for the four year period with 2.7 million ongoing from 2024-25 as contained in the Budget Report to Cabinet on 10th February and Council on 17th February.
- 5 All aspects of the Council’s budget, efficiency savings, additional income streams, 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 over the life of the MTFS.
- 6 Scrutiny of the budget has been undertaken by
  - The Finance Team
  - Directors and the Chief Executive
  - Executive Members
  - The Scrutiny Committee’s Finance Panel
- 7 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 Corporate Management Team with quarterly updates presented to Cabinet.
- 8 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**

- 9 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 2021-22 with 1.99% thereafter. This is below the referendum level for 2021/22.
- **Income Streams** – income streams especially those susceptible to reduction from COVID related issues have been budgeted prudently. Most are forecast to bounce back in 12 – 18 months whilst others such as commercial rental income are estimated to be depressed by around £2 million per annum for a number of years to come
- **Investment Interest** – The Bank of England base rate is currently 0.10% and is estimated to be at this rate for some time to come leading to reduced investment income return
- **Externally 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. Although there has been some reduction in the capital value of such investments, there are signs of them increasing. The dividend returns (derived from rentals) has been steady even in recent times and there are no grounds to assume this will not continue
- **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. This will continue for the foreseeable future.
- **Oxford Direct Services Ltd** - ODS are experiencing difficult trading conditions at present with forecast losses in the current financial year 2020-21 which will lead to a reduced dividend return. Going forward there is an expectation that this gradually will pick back up. Adequate adjustment has been made in the dividend returns previously forecast to allow for these conditions.
- **Oxford City Housing Ltd** – (OCHL) -Work programmes within OCHL have been disrupted by between 4-9 months which will effect spend, loans drawn down from the Council and ultimately financial return to the Council. No dividend is expected from the Company until 2023-24 at which point the company are forecasting to be in surplus. Surpluses are expected to recover in future and a prudent view has been taken about how much of these surpluses will be payable by way of dividend to the council.
- **Borrowing** – The Councils Capital Finance Requirement (CFR) representing the underlying need to borrow to finance the capital programme over the MTFS will increase from £287 million to around £642m (HRA £442/ General Fund £200m). External debt will increase from £198million to around £548million over the same period. Sufficient provision has been made within the General Fund and the HRA for financing costs including the Minimum Revenue Provision (MRP) in accordance with the Councils MRP policy.
- **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 2021-22. Income is estimated to reduce from £8.2 million to £6.5 million over this period as the Government reviews the business rates retention system. Although the

details of this are unknown at the present, the reduction of income provided for the in the MTFs is a reasonable assumption at this stage.

- **Pay Assumptions** – April 2021 is the final year of a three year pay agreement. The unions, Unison and Unite have confirmed their acceptance of a pay freeze proposed by the Council for 2021-22 in exchange for a one-off non-consolidated “Recognition” payment of £400 to all staff on permanent or fixed-term contracts of not less than 6 months at 1-4-2021, payable on 1-4-2021. Inflationary rises have been allowed for in the MTFs going forward
- **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 provided for at £500k per annum plus a one off increase of £1million in 2021-22. This is deemed to be adequate to cushion the revenue account against potential shortfalls in efficiency savings and additional income as well as shortfalls in returns from the Councils wholly owned companies arising from non-performance.

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

- 10 The Scrutiny of the HRA budget and Business Plan has followed a similar process to that for the General Fund outlined above.
- 11 Key assumptions in the HRA budget include:

- **Rent Setting**  
For 2021/22 the Consumer Price Index (CPI) rate is 0.5% and hence council house rents are estimated to increase by 1.5% from 2020-21 levels, with 3% increases estimated for future years.
- **Debt Management Strategy**  
Loan debt over the next 4 years increases from £198 million to £444 million to accommodate the purchase of affordable housing from the Housing Company. Sufficient provision has been made in the HRA to cover the cost of this debt.
- **Inflation and pay assumptions**  
All the assumptions for pay inflation are the same as for the Council's General Fund.

### **Capital**

- 12 The Council has set an ambitious Capital Programme for the next four years in excess of £607 million. In addition the MTFs make provision for the financing of further capital spend especially in relation to work that may arise from the stock condition survey of all council operational and commercial buildings, the results of which will not be known for some months.

- 13 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.
- 14 Financing of schemes within the Programme is predominantly through borrowing which at £206 million over the 4 year programme represents 43% of the total programme. 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 and the debt is manageable.

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

- 15 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.
- 16 The pandemic arising from COVID 19 has seen the council experience significant losses of income and increased expenditure totalling around £29 million. In balancing the budget and MTFS, Council agreed at Cabinet in June 2020 to bridge part this forecast deficit from reserves and balances. In the final budget report presented to Cabinet in February the amount to be taken is estimated at around £11.3 million over the 4 year period.
- 17 The Head of Financial Services undertook an exercise to move around £11 million of previously earmarked reserves into a COVID emergency reserve to cover the net deficit in the MTFS over the four year period. The movements from the capital reserve, NNDR reserve, carry forwards and other service based areas will have created pressures in the Council since they their original intended use will no longer be achievable. However, these pressures should be containable albeit aspirations in some areas will have needed to be curtailed.
- 18 The level of the Councils overall reserves and balances is shown in Appendix 1 and summarised in Table 1 below

<b>Table 1 : Earmarked Reserves and Working Balances</b>			
<b>Reserve Description</b>	<b>Balance</b>	<b>Projected</b>	<b>Projected</b>
	<b>01/04/2020</b>	<b>Balance</b>	<b>Balance</b>
	<b>£000's</b>	<b>31-03-21</b>	<b>31-03-22</b>
		<b>£000's</b>	<b>£000's</b>
<b>GENERAL FUND</b>			
<b>Earmarked Reserves</b>			
Ring fenced accounts funded by third parties	2,073	1,837	1,672
Other ringfenced accounts	4,336	5,240	5,240
Other earmarked reserves	32,811	30,098	22,115
Working Balances	3,856	3,856	3,856
<b>Sub Total</b>	<b>43,075</b>	<b>41,031</b>	<b>32,882</b>
<b>HOUSING</b>			
Earmarked Reserves	31,421	31,571	31,571
Working Balances	4,941	5,432	5,884
<b>Sub Total</b>	<b>36,362</b>	<b>37,003</b>	<b>37,455</b>
<b>Insurance Funds</b>	<b>1,165</b>	<b>1,165</b>	<b>1,165</b>
<b>TOTAL</b>	<b>80,602</b>	<b>79,198</b>	<b>71,502</b>

## Notes

- 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
- Other ring fenced accounts -reserves which have a statutory limitation on their use; such as the Taxi Licensing Reserve and the HMO Licensing Reserve
- Other earmarked reserves which have been earmarked but are largely unspent
- accounts which it is considered prudent to set aside for a specific purpose such as the Insurance Fund

## 19 Other points worthy of note :

- The COVID Emergency Reserve (number 68) is shown as £8.606 million as at 1-4-2021. Approximately £2.4 million of the £11 million accumulated into this reserve is forecast to be used in the current financial year 2020-21. The remaining balance of this reserve will be used in the period 1-4-2021 to 31-3-2024 after which the Council may be in a position to top up the reserves using funds transferred from Company surpluses.
- Unringfenced earmarked reserves are estimated to reduce to around £22 million by 31<sup>st</sup> March 2022 i.e. a 31% reduction compared to the estimated position at 31-3-2021 with the COVID reserve standing at £3.2 million at this point which is forecast to be used in future years.
- The Councils General Fund working balance remains at around £3.8 million through the period of the MTFS

- The HRA working is estimated at around £5.4 million representing around 12% of gross rental expenditure, sufficient to meet any unexpected financial issues that may arise.

## Financial Resilience

- 20 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.
- 21 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.
- 22 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. No further data has been issued but it is understood that this may be forthcoming sometime this year. Previous data has been based on the authority's financial position for 2018-19. Given the significant change in local authority finances brought about by COVID 19 any use of this data would be at best misleading.
- 23 Suffice to say that when financial resilience was previously looked at in comparison to other non-metropolitan districts :
- Reserves at £33.954 million were between the lowest and the highest. At 127% of net revenue expenditure this is not the highest and is more reflective of the extent of risk arising from the Oxford Model.
  - The level of reserves over the last 3 years had increased year on year by around 15% far less than the lowest recorded figures but higher than some authorities where reserves have clearly reduced
  - Interest payable was low compared to net revenue expenditure especially since all this interest relates to housing debt.
  - The 'Oxford Model' relies 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 37.50% 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.
  - Whilst debt is currently relatively low although there were a number of authorities with nil debt, this is scheduled to increase over the next few years.

- 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 2022 the government will re-adjust all Councils' business rates baseline (the level of business rates income that the Government believe you need to run services), which will inevitably reduce the amount of business rates growth that can be retained by the Council. On the basis that the Council's business rates growth is currently 105% 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 £3.8 million the General Fund Working Balance at around 16% of net revenue expenditure. Whilst this was 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.

24 Whilst the CIPFA work does provide some useful comparisons with other similar authorities, it does also indicate the subjectivity of the exercise and what will be more interesting to see is the comparative position, post COVID since many authorities will have used reserves to balance the budget..

### Sensitivity Analysis

25 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

<b>Table 2: Sensitivity Analysis based on 2021-22 Budget</b>		
<b>10% Variation in Income And Expenditure</b>		
	<b>Gross</b> £000's	<b>Risk</b> £000's
Car Parking Income	5,300	600
Commercial rent income	9,400	940
Dividend from ODS	1,300	130
Business Rates	8,475	848
Returns from OCHL	2,700	270
Other investment interest	805	80
Homelessness expenditure	7,400	740
Planning income	3,364	336
<b>Total</b>	<b>38,744</b>	<b>3,874</b>



## Treasury Management

- 26 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 0.4% 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.
- 27 The budget for investment interest from all sources is around £4.3 million per annum at 1 April 2021 rising to £12.9 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 2020/21 Budget

- 28 Budget monitoring for the 6 months ending 31 December 2019 indicates a budget deficit of £2.899 million. This will need to be met from reserves and balances referred to in this report. This figure is net of Government Grant estimated at around £7.6 million. A further grant based on 3 months loss of sales fees and charges in 2021-22 announced by the Government is estimated to be worth around £1 million to the Council and this has already been factored into the Budget. The Housing Revenue Account is expected to be in line with original budget.

## Conclusion

- 29 I have reviewed the budget preparation process for 2021-22 to 2024-25 and the level of reserves and balances. The Council still faces significant financial challenges in a number of areas including
- **Business Rates Retention** – although the Government have confirmed that fairer funding and business rates reset have been pushed back to 2022, it is still no clearer how this will affect the authority
  - **Pressures around income streams** especially commercial rents brought about by the COVID 19 pandemic. Prudent estimates have been made of the likely estimated position of these income streams with some such as commercial rents not considered to return to their pre COVID position for many years.
  - **Brexit** may also bring additional financial pressures depending on the reaction of the financial markets and also of local businesses.
  - **The success of the council's wholly owned companies** will be key to its financial success with returns and dividend over the MTFS of around £37 million. The performance of these companies will need to be closely monitored.
  - **Transformation efficiency changes** – the Councils ambitious programme of transformation to drive out £2.7 million of ongoing efficiency savings by 2024-25 will need close monitoring by the Transformation Board to ensure delivery.

- 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 based on current information
  - The level of contingencies provided for unachieved efficiency savings and income projections etc. is prudent.
- 32 The level of reserve will fall by 30% between 2020-21 and 2021-22 to amount of £22 million. The use of reserves coupled, with prudent robust estimates whilst being a pragmatic way to protect services has impacted on the financial stability of the Council. This has allowed the Council to reset its budget in a planned and structured manner unlike some councils who have implemented emergency budget resets underlying the importance of maintaining reserves at a sufficient level.
- 33 The Head of Financial Services had always reinforced the need for reasonable levels of reserves especially given the Oxford Model which ensures services are maintained, funded from external generated income either from services provided or from our wholly owned companies. The alternative is to reduce services and hence spend.
- 34 The reserves are forecast to be replenished albeit in year 2024-25 of the MTFS. Ideally this replenishment should come earlier and members should consider seek to top these up as a first call should surpluses in the revenue account become available, to strengthen its financial position when it can.

### **Financial Implications**

- 35 These are covered within the report

### **Legal Implications**

- 36 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**

- 37 An analysis of 'Key Risks' is shown in the main Budget report elsewhere on the agenda. They are key factors to take into account when determining the level of reserves that the authority should retain

<b>Report author</b>	Nigel Kennedy
Job title	Head of Financial Services
Service area or department	Finance
Telephone	01865 252708
e-mail	nkennedy@oxford.gov.uk

<b>Appendix A: Statement of Reserves and Balances</b>
---



Ref	Reserve Description	Balance	Projected Balance	Projected Balance
		01/04/2020	31-03-21	31-03-22
		£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	542	554	518
2	Barton Reserve	159	31	98
3	Oxford Strategic Partnership reserve	19	-	-
54	Blue Bin League Reserve	72	72	72
52	S106 Commuted sums	382	282	282
49	BOB MK	14	14	14
66	Growth Deal - JSSP	884	884	884
<b>Other ring fenced accounts</b>				
6	Taxi Licence Reserve	270	205	205
7	Grants Reserve	4,022	5,035	5,035
8	HMO Licensing	29	-	-
10	General Licensing Reserve	16	-	-
<b>Other earmarked reserves</b>				
12	Town Hall Equipment Reserve	20	-	-
13	Work Of Art Reserve	5	-	-
15	Severance Reserve	2,988	2,988	2,988
16	ICT Infrastructure Reserve	1,287	1,443	1,054
17	Repairs & Maintenance Reserve	468	-	-
18	Leisure Repairs & Maintenance	163	61	61
19	Business Transformation and Special Projects	536	-	-
20	City Council Elections Reserve	91	162	82
21	Chief Executive's Fund	3	-	-
23	Capital Funding Reserve	7,740	3,102	3,102
25	Agresso Improvement Reserve	379	-	-
31	Homelessness Reserve	435	621	621
33	Lord Mayors Deposit Scheme	52	52	52
36	Community Partnership Fund	294	285	285
37	Community and Neighbourhoods Reserve	94	94	94
38	Town Team Partners	10	-	-
42	Emergency Flood Reserve	357	357	357
43	Park and Ride - County Contribution to Maintenance	117	-	-
44	Organisational Development Reserve	477	-	-
48	Severe Weather Recovery Scheme	40	4	4
50	NNDR Retention Reserve	7,473	4,473	4,473
4	Economic Development Reserve	3	-	-
22	Indirect Property Fund	1,388	1,388	1,388
26	Museum Development Reserve	4	4	4
29	OxFutures Reserve	231	201	201
35	Dry Recyclate Reserve	1,400	-	-
40	Housing Benefits	504	504	504
53	External Legal Fees	89	-	-
55	Pear Tree Park and Ride	41	-	-
57	Grenoble Road Reserve	766	766	766

58	Vehicle purchase reserve	2,300	3,046	957
59	Northway and Marston Flood Alleviation	581	581	581
60	Regeneration Projects Reserve	310	-	-
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	311	311	311
68	COVID Emergency Reserve	-	8,606	3,204
	<b>Committed unspent budgeted amounts</b>			
45	Committed Projects Reserve	1,477	800	777
	<b>Self-Insurance Funds</b>			
46	Self-Insurance Funds	1,165	1,165	1,165
	<b>Total General Fund Earmarked Reserves</b>	<b>40,384</b>	<b>38,339</b>	<b>30,191</b>
	<b>General Fund Working Balance</b>	<b>3,856</b>	<b>3,856</b>	<b>3,856</b>
	<b>Housing Revenue Account Earmarked Reserves</b>			
2	HRA CRM Reserve	120	120	120
3	IT Equipment Reserve	196	196	196
5	Capital Projects Reserve	30,635	30,785	30,785
6	Direct Payment Project Arrears	101	101	101
7	Eco Funding	119	119	119
8	Feasibility Studies Reserve	250	250	250
	<b>Total HRA Earmarked Reserves</b>	<b>31,421</b>	<b>31,571</b>	<b>31,571</b>
	<b>Housing Revenue Account Working Balance</b>	<b>4,941</b>	<b>5,432</b>	<b>5,884</b>
	<b>Total Council Reserves and Balances</b>	<b>80,602</b>	<b>79,198</b>	<b>71,502</b>

<b>General Fund Earmarked Reserves</b>	
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
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	Committed 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
59	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
63	Recycling Incentive
64	Apprentices Reserve
65	Private Sector Safety Financial Penalties
66	Growth Deal - JSSP
67	Local Plan Costs
68	Covid Emergency Response
<b>Housing Revenue Account Earmarked Reserves</b>	
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	Feasibility Studies Reserve

This page is intentionally left blank