



Draft

Statement of Accounts

2023-24

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CONTENTS

	PAGES
FOREWORD	
INTRODUCTION	5
STATEMENT OF RESPONSIBILITIES	6
NARRATIVE REPORT	7-20
CORE FINANCIAL STATEMENTS & EXPENDITURE AND FUNDING ANALYSIS:	
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	23
EXPENDITURE AND FUNDING ANALYSIS	24
MOVEMENT IN RESERVES STATEMENT	25
BALANCE SHEET	26
CASH FLOW STATEMENT	27
NOTES TO THE CORE FINANCIAL STATEMENTS	29-89
SUPPLEMENTARY FINANCIAL STATEMENTS:	
HOUSING REVENUE ACCOUNT AND NOTES	93-98
COLLECTION FUND AND NOTES	99-100
GROUP ACCOUNTS	101-128
ACCOUNTING POLICIES	131-149
GLOSSARY OF TERMS AND ABBREVIATIONS	151-157
INDEPENDENT AUDITORS REPORT AND CERTIFICATES	XXX-XXX

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FOREWORD

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INTRODUCTION

Welcome to Oxford City Council's Statement of Accounts for the year ending 31 March 2024.

The Statement of Accounts is a statutory document providing information on the cost of services provided by Oxford City Council to the council tax payer and the council house tenant and detailing how those services were financed. In addition, it provides information, within the Balance Sheet on [page 26](#) of the value of the assets the Council owns and the liabilities that it owes. It is in essence, a statement of how well it has managed your money over the last twelve months.

The Statement provides, in accordance with International Financial Reporting Standards (IFRS), the accounts for the General Fund, Housing Revenue Account, Collection Fund and all other accounts for which the Council is responsible. The Council's Balance Sheet provides details of its Assets and Liabilities as at 31 March 2024. Other supporting statements are provided to help explain the figures in the accounts. In addition, a glossary can be found on [pages 151 to 157](#) to help explain some of the technical terms.

On [pages 101 to 128](#) the main Accounting Statements are replicated to incorporate the Group Accounts of the Council. These Group Accounts reflect the Council's financial position inclusive of its 50% share in Barton Oxford LLP, the Council's Joint Venture with Grosvenor Developments Limited; its 50% share in Oxwed LLP, the Council's joint venture with Nuffield College Developments 1 Limited, a wholly owned subsidiary of Nuffield College, its 100% share of Oxford City Housing Limited (OCHL), its 100% share in Oxford Direct Services Limited (ODSL); and its 100% share in Oxford Direct Services Trading Limited (ODSTL).

The Accounts and all relevant documents are subject to review by the Council's External Auditors, Ernst & Young, who will provide their opinion on the Council's Accounts.

Should you have any comments or wish to discuss this Statement in further detail then please contact the Council's Financial Accounting Manager, Bill Lewis at blewis@oxford.gov.uk.

I hope you find the Statement of interest and may I take the opportunity of thanking you for taking time to read it.

Nigel Kennedy
Head of Financial Services (Section 151 Officer)

Oxford City Council
Town Hall
St. Aldates
Oxford
OX1 1BX

STATEMENT OF RESPONSIBILITIES

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Head of Financial Services (Section 151 Officer).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets, and
- approve the Statement of Accounts.

The Responsibilities of the Head of Financial Services (Section 151 Officer)

The Head of Financial Services (Section 151 Officer) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing the Statement of Accounts, the Head of Financial Services (Section 151 Officer) has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent, and
- complied with the Local Authority Code.
- kept proper accounting records which are up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts as set out on pages 23 to 149 presents a true and fair view of the financial position of Oxford City Council as at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

The unaudited Accounts were issued on XXX and the audited accounts have been authorised for issue on XXX.

Signed	_____	Date	XXX
	Nigel Kennedy		_____
	Head of Financial Services (Section 151 Officer)		

Signed	_____	Date	XXX
	Councillor		_____
	Chair of Audit & Governance Committee		

CONTENTS

Purpose of the Narrative Report

The purpose of the narrative report is to provide an explanation of the Council's financial position, and assist in the interpretation of the financial statements. It contains commentary on the major influences affecting the Council's income and expenditure, cash flows and information on the financial needs and resources of the Council.

1. The Statement of Accounts

The Statement of Accounts consists of the following:

- The Statement of Responsibilities, setting out the general responsibilities of both the City Council, and the Section 151 Officer (The Head of Financial Services). The Head of Financial Services has to sign a statement that the Accounts present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for that year then ended (page 6 and page 26).
- The Core Financial Statements and the Expenditure and Funding Analysis (pages 21 to 27), the supplementary statements (pages 91 to 100) and group accounts (pages 101 to 128) incorporating:
 - a. A Movement in Reserves Statement (MIRS) - a statement used to adjust International Financial Reporting Standard accounting practice to Local Government proper practice to ensure the accounting changes do not impact on Council Tax and create any additional burden to the tax payer.
 - b. The Comprehensive Income and Expenditure Statement - a statement which incorporates all revenue income and expenditure relating to the year.
 - c. Expenditure and Funding Analysis - a statement that supports and provides more information on the Comprehensive Income and Expenditure Statement.
 - d. A Balance Sheet - which records all the assets and liabilities at the Balance Sheet date of 31 March.
 - e. A Cashflow Statement - a statement that shows the inflows and outflows of cash during the year reconciled to the year end cash position.
 - f. The Housing Revenue Account - a statement which brings together all transactions during the year in relation to the management and maintenance of the Council's 7,833 dwelling stock.
 - g. Collection Fund - a statement which brings together all transactions during the year relating to the collection of Business Rates and Council Tax income together with payments and receipts from Government and payments made to the preceptors; the County Council, Police and Crime Commissioner (Thames Valley) and Parish Councils.
 - h. Group Accounts - statements which reflect the Council's 50% interest with Grosvenor Developments Limited in a joint venture for the construction of dwellings at Barton, a 50% interest with Nuffield College Developments 1 Limited in a joint venture for the regeneration of the West End area of Oxford, (Oxwed LLP) and the Council's wholly owned companies: Housing Company Group, Oxford City Housing Ltd (OCHL), Oxford Direct Services Limited (ODSL) and Oxford Direct Services Trading Limited (ODSTL). The Council's share of the assets and liabilities of these entities are required to be incorporated into the Council's accounts.
- The Statement of Accounting Policies, setting out the detailed rules under which we account for assets, liabilities, income and expenditure (pages 131 to 149).

NARRATIVE REPORT

Details Of The Core Financial Statements

The Movement in Reserves Statement (MIRS)

The MIRS shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) totalling around £117.9 million as at 31 March 2024 and Unusable Reserves which are not 'cash backed' totalling £980.1 million.

The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (page 23). These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes.

The Net Increase / Decrease Before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Council.

The Comprehensive Income and Expenditure Statement

This Statement (page 23) shows the net cost in the year of providing services, which is -£24.0 million, in accordance with generally accepted accounting practice, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Expenditure and Financing Analysis and the supporting note 6 (pages 24 and 37), provide further information on the income and expenditure in the Comprehensive Income and Expenditure Statement. The Comprehensive Income and Expenditure Statement reconciles back to the management accounts reported quarterly to the City Executive Board; further details and the outturn are discussed below.

The Balance Sheet

This statement (page 26) shows the value as at 31 March 2024 of the assets and liabilities recognised by the Council which are £1,098.0 million net. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The Cash Investments, Assets Held For Sale and Stock has decreased due to the reductions in short term investments following cash balances being used to for capital financing in lieu of external borrowing. Amounts owed by the Council has reduced, primarily a reduction in creditors, and money the Council is owed has increased primarily due to an increase in debtors. This includes a shift in pension balances from creditors to debtors. The value of land and property owned by the Council has gone up between 2022/23 and 2023/24.

	2023/24 £'000	2022/23 £'000	Variation £'000
Value of Land and Property Owned	1,161,775	1,108,648	53,127
Cash Investments, Assets Held For Sale and Stock	20,975	63,929	(42,954)
Money the Council Owes	(313,271)	(356,268)	42,997
Money the Council is Owed	228,567	196,779	31,788
Net Worth of Council at 31st March	1,098,046	1,013,088	84,958

Reserves are reported in two categories:

- Usable Reserves - £117.9 million - those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves to meet unforeseen circumstances and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt and the earmarked reserves of £69.2 million which are set aside to fund future expenditure).

NARRATIVE REPORT

- Unusable Reserves - £980.1 million - those reserves that the Council is not able to use to provide services. This category of reserves includes those that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that reflect timing differences shown in the Movement in Reserves Statement line "Adjustments Between Accounting Basis and Funding Basis Under Regulations".

Cash Flow Statement

The Cash Flow Statement (page 27) shows the changes in Cash and Cash Equivalents of the Council during the reporting period. The Statement shows how the Council generates and uses Cash and Cash Equivalents by classifying cash flows as operating, investing and financing activities.

The amount of 'Net Cash Flows from Operating Activities' is £8.0 million and is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for the purchase of resources which are intended to contribute to the Council's future service delivery.

The overall decrease in Cash and Cash Equivalents between 2022/23 and 2023/24 is approximately £4.7 million due predominantly to a reduction in money market funds and cash held at the bank; money market funds are instant access and are classified as a cash equivalent. Cash has reduced due to the internal financing of capital expenditure and short term transfers of cash between companies to maintain bank balances in line with banking agreements.

The Housing Revenue Account Income and Expenditure Statement

The HRA Income and Expenditure Statement (page 93) shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practice, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost.

The Collection Fund

The Collection Fund (page 99) is the statement reflecting the Council's statutory obligation as a Billing Authority to maintain a separate Collection Fund. The Statement shows the transactions the Council as a Billing Authority has undertaken in relation to the collection of council tax and business rates and distribution of resources to local authorities and Government.

The Collection Fund Balance at the end of the year was a £2.4 million net deficit. This represents a £1.7 million deficit on Business Rates and a £0.7 million deficit on the Council Tax element respectively. The Council Tax balance is shared between Oxford City Council, Oxfordshire County Council, and the Police and Crime Commissioner (Thames Valley) in proportion to their precept. The Business Rates balance is shared between Central Government, Oxford City Council and Oxfordshire County Council in the percentages 50% / 40% / 10% respectively.

	Business Rates 2023/24 £'000	Council Tax 2023/24 £'000	Total 2023/24 £'000
Oxford City Council	668	107	775
Oxfordshire County Council	167	552	719
Police and Crime Commissioner (Thames Valley)	-	82	82
Central Government	835	-	835
Total (Surplus)/Deficit c/f	1,670	741	2,411

NARRATIVE REPORT

2. General Fund Outturn Position

The Council set a budget for spending on General Fund services of £25.866 million, to be financed by Council Tax of £15.416 million (net of parish precepts), retained business rates of £8.517 million, contributions from earmarked reserves of £1.271 million, and grant of £0.660 million.

The Council Tax for a Band D property was set at £342.13 (including parish precepts which are precepted on the Council), a 2.88% increase for the City Council Tax on the previous year. The basic amount of Council Tax (excluding the parish elements) was £336.30, a rise of 2.99% on the previous year.

The table below shows the Council's outturn position at service level against the latest budget: a favourable position of £3.968 million against the balanced budget agreed in February 2023. This position is after carry forward of unspent budgets of £0.064 million and a budgeted transfer of £1.271 million from earmarked reserves. In summary the position is as follows:

	Net Approved Budget 2023/24 £000	Net Revised Budget 2023/24 £000	Net Expenditure 2023/24 £000	Variance 2023/24 £000
Housing Services	4,383	3,233	4,764	1,531
Regulatory Services & Community Safety	710	874	997	123
Community Services	4,275	4,936	4,538	(398)
Communities & People	9,368	9,043	10,299	1,256
Corporate Property	(8,027)	(7,626)	(8,480)	(854)
Regeneration and Economy	810	982	888	(94)
Planning Services	349	325	465	140
Development	(6,868)	(6,319)	(7,127)	(808)
Corporate Strategy	905	893	822	(71)
Environmental Sustainability	946	1,148	681	(467)
Chief Executive	1,086	1,120	1,160	40
Chief Executive Department	2,937	3,161	2,663	(498)
Oxford Direct Services Client	13,092	11,438	7,077	(4,361)
ODS Development Director	13,092	11,438	7,077	(4,361)
Business Improvement	9,242	9,949	10,675	726
Financial Services	3,380	3,631	3,640	9
Law and Governance	2,607	2,669	2,117	(552)
Corporate Resources	15,229	16,249	16,432	183
Total Service Expenditure	33,758	33,572	29,344	(4,228)
Service Level Agreements	(9,632)	(9,632)	(10,605)	(973)
Corporate Accounts and Contingencies	1,739	735	(1,869)	(2,604)
Net General Fund Expenditure	25,865	24,675	16,870	(7,805)
Transfers To/From Earmarked Reserves	(1,271)	5,815	9,792	3,977
Net Budget Required	24,594	30,490	26,662	(3,828)
Total Funding Available	24,594	30,490	30,630	140
Net (Surplus) / Deficit for the Year	-	-	(3,968)	(3,968)
Working Balance	(3,622)	(3,622)	(3,622)	

The main variances making up the overall £3.968 million general fund favourable variance are as follows:

NARRATIVE REPORT

Housing Services had an overspend of £1.5 million. This is primarily due to the high demand for Temporary Accommodation. This high usage aligns with the national trend, with temporary accommodation levels in England now at the highest level since records began. The cost of living seems to be the major factor driving this pattern, with people unable to afford to stay in accommodation in the Private Rented Sector (PRS) where the Local Housing Allowance is frozen despite rental inflation being high. Additionally, some landlords have been selling their properties and exiting the market due to increased interest rates.

Community Services had an underspend of £0.400 million at the end of the financial year consisting of a favourable variance of £0.514 million of accrued income due from previous leisure management contractor and savings in staffing in parks, youth ambition and localities team of £0.370 million offset by cost pressures arising from the tendering of the leisure centre contract of £0.239 million and £0.270 million pressure from the delay in leasing St Aldates Chambers.

In **Corporate Property** the majority of the favourable variance of £0.853million was due to a reduction in the corporate Property Bad Debt Provision (£1.5 million), established to cover debt arising over the COVID period, and additional rental income from leasehold properties offset by delays in the letting of Cadogan House and an extra post for leisure clienting.

Environmental Sustainability had a favourable variance of £0.466 million due to additional income from Zero Emission Zone (ZEZ) for 2023-24 and an unexpected allocation from 2022-23 of £0.310 million relating to an underspend from costs payable to the County Council in respect of the ZEZ bid of which £0.140 million costs were also funded by DEFRA.

The **ODS Client** had an overall favourable variance of £4.362 million mainly due to a £4 million dividend payment in respect of prior years.

Business Improvement had an adverse variance of £0.527 million. This includes staffing cost pressures in Transformation Projects and other ICT system maintenance costs and services of £0.267 million, staffing pressures within the Customer Contact Centre of £0.113 million, failure to achieve Customer Change Experience Programme efficiencies of £0.060 million and an overspend of £0.089 million on printing and postage due to more spend by different services.

Law & Governance had a favourable variance of £0.552 million driven by savings on election costs of £0.350 million. The other main drivers for the law and governance underspend are reduced requirements for external legal fees (£0.123 million favourable) & staff advertising (£0.036 million favourable): arising from a full complement of the in-house legal team during 2023/24.

Corporate Accounts, Service Level Agreements and Contingencies had a number of variances including a favourable variance of £1.571 million in due to the net effect of reduced interest payable and increased interest receivable; £1.586 million unused direct revenue finance; and £1.122 million underspend on the minimum revenue provision calculation. All of this arose due to reductions in capital expenditure in this year and previous years. Budget of £1.320 million were not utilised leading to a favourable variance. These favourable variations were partially netted down by an overspend in local cost of benefits of £1.874 million due to £1.6 million subsidy not being claimable on benefit paid to charitable organisations which are not registered providers and who provide supported accommodation to vulnerable clients and with the balance being related to on local authority errors. This latter can potentially be reclaimed from claimants.

Company Financial positions

The Council has three wholly owned companies: Oxford Direct Services Ltd (ODSL), Oxford Direct Services Trading Ltd (ODSTL), and Oxford City Housing Ltd (OCHL). The OCHL holding company has two wholly owned subsidiaries: Oxford City Housing Development Ltd (OCH(D)L) and Oxford City Housing Investment Ltd (OCH(I)L). The Council also has two joint ventures: Oxwed LLP and Barton Oxford LLP.

NARRATIVE REPORT

ODSL made a surplus of £2.7 million in 2023/24 (1.4 million in 2022/23). ODSTL made a surplus of £0.7 million in 2023/24 (£0.5 million in 2022/23). From 2021/22 onwards, ODSL performed work only for the Council and work for any entities other than the Council was performed by ODSTL.

OCHL group made a profit of £3.581 million for the 2023/24 financial year (£2.784 million for 2022/23).

Oxwed LLP made a loss of £2.987 million for 2023/24 (£3.255 million in 2022/23) mainly due to financing costs from servicing the loans from the partners (which mainly relate to the costs of land assembly) and the costs of the preparation for development. The company is currently working on bringing the site forward for development

3. Housing Revenue Account Outturn Position

	Net Approved Budget 2023/24 £000	Net Revised Budget 2023/24 £000	Net Expenditure 2023/24 £000	Variance 2023/24 £000
Dwelling Rent	(48,344)	(48,344)	(48,404)	(60)
Service Charges	(2,194)	(2,797)	(2,767)	30
Garage Income	(228)	(228)	(272)	(44)
Miscellaneous Income	(806)	(806)	(1,100)	(294)
Right to Buy (RAF)	-		(23)	(23)
Income	(51,572)	(52,175)	(52,566)	(391)
Management & Services (Stock Related)	12,852	12,852	12,145	(707)
Other Revenue Spend (Stock Related)	972	972	313	(659)
Misc Expenditure (Not Stock Related)	872	872	201	(671)
Bad Debt Provision	840	840	523	(317)
Responsive and Cyclical Repairs	15,202	16,837	18,137	1,300
Interest Paid	9,517	8,620	9,567	947
Depreciation	10,133	9,998	9,998	-
Expenditure	50,388	50,991	50,884	(107)
Net Operating Expenditure / (Income)	(1,184)	(1,184)	(1,682)	(498)
Investment Income	(48)	(48)	(991)	(943)
	(48)	(48)	(991)	(943)
Net (surplus)/deficit	(1,232)	(1,232)	(2,673)	(1,441)
Working Balance	(4,000)	(4,000)	(4,000)	-

NARRATIVE REPORT

HRA Summary

At the end of 2023/24 the HRA outturn variance was a surplus of £1.441 million above the original budgeted surplus of £1.232 million which has been transferred into earmarked reserves. The HRA working balance remains unchanged at £4.0 million.

Major variations include:

Income

Net Income

Dwelling Rents and Service Charges achieved slightly more income than budgeted. The favourable variance on miscellaneous income includes The New Burdens government grant of £0.018 million that was received to assist the Tenancy Involvement Team to comply with the latest government requirements. Additional £0.120 million income has arisen from increased take up of the Furnished Tenancy scheme, due to new homes developed by OCHL and £0.120 million backdated rent from a leased property.

Expenditure

Management and Services (Stock related)

There was an additional spend of £0.295 million on Furnished Tenancies, £0.124 million of Council tax payments on void properties, and a £0.249 million increase in utility costs. These overspends were offset by underspends including several vacant posts in Landlord Services (£0.275 million) and other areas (£0.193 million) and reduced spend on Supplies & Services (£0.787 million) mainly due to a reduced spend on contracted services.

Other Revenue spend (stock related)

There was a favourable variance of £0.659 million as the result of reduced spend on consultants (£0.172 million), external legal counsel (£0.100 million), guide service (£0.180 million), General Contracted Services (£0.164 million), Miscellaneous costs (£0.058 million), and Software (£0.090 million).

Misc. Expenditure (not stock related)

Underspends arose through salary savings from vacant posts (£0.365 million), consultancy fees (£0.229 million) and an underspend on feasibility work on potential developments (£0.076 million)

Responsive and Cyclical Repairs

The final position is an overspend of £1.301 million which includes an unbudgeted additional charge from ODSL of £0.481 million for the contact centre. Overall this will have nil impact on the authority. Work was undertaken throughout the year to capitalise the majority of unplanned capital works. The majority of the overspend has been incurred against the General Minor Works budget line which overspent by a total of £1.8 million. The Council has now revised the approach to this area and will have a programme of planned refurbishment works for a more holistic approach which should help minimise future overspends.

Interest Paid & Depreciation

The actual interest charged for the year on external debt came in over budget at £9.567 million, an adverse variance of £0.947 million due to increases in interest rates.

Investment income

There is a favourable variance of £0.943 million on investment income due to slippage in the capital programme leading to higher cash balances and an increase in interest rates.

NARRATIVE REPORT

4. Capital Outturn Position

The latest revised budget in February 2024 was £132.619 million with a final outturn in March of £58.773 million i.e. 44.3% spend against latest budget and 24.9% against the original budget of £235.623 million set in February 2023.

	Latest Budget 2023/24 £'000	Spend to 31 March 2023/24 £'000	Outturn Variance to Latest Budget 2023/24 £'000	Outturn Variance due to Slippage 2023/24 £'000	Outturn Variance due to Over / (Under) spend 2023/24 £'000
General Fund	59,999	20,539	(39,460)	(39,460)	-
Housing Revenue Account	72,620	38,235	(34,385)	(34,385)	-
Grand Total	132,619	58,774	(73,845)	(73,845)	-

All of the unspent budget is being carried forward into future years, although not all will remain in the 2024/25 financial year but will be phased over the years spend is expected to occur.

As part of the variance there are notable projects which have slipped compared to budget including:

General Fund

Housing Delivery - £14.4 million

Expenditure related to project budgets in respect of Barton Park, OCHL and Oxford North schemes delayed into 24/25 following revised Business plans produced during Quarter 3 of the 2023/24 financial year.

Regeneration & Economy - £15.184 million

Oxford Flood Alleviation - £4.3 million. Further work related to Deed of Variation on the funding agreement with Homes England is required to ensure drawdown of funding and reduce risk to Council; this pushed scheme into 2024/25.

Blackbird Leys Regeneration - £6.540 million. Scheme delayed due to multiple factors into 24/25.

Osney Mead Path works - £1.398 million main works will occur in 2024/25

Cowley Branch Line - £0.887 million – Some payments delayed into 2024/25 but overall the project is still on schedule to finish on time.

New Burial Meadow - £0.211 million – Agreeing Heads of Terms has been delayed until May 2024 and there is also slower progress obtaining planning permission from the County Council.

Corporate Property - £3.438 million

Enabling Works – Decarbonisation - £0.638 million - most planned work delayed into 2024/25

Stock Condition Surveys - £0.819 million – this is a rolling programme and the costs will be incurred in future years

Asset Surveys—£0.300 million – The surveys have been delayed until a new Asset Management System is obtained to ensure that the information obtained is compatible with the new system.

Old Gas Works Bridge – £0.770 million – scheme delayed into Quarter 1 and 2 2024/25.

Covered Market (Master Plan) - £0.276 million – scheme further delayed whilst updated essential and enabling works are determined.

Planned Maintenance - £0.250 million – Levels of expenditure on Planned Repairs and Maintenance and LED Lighting replacement scheme below budget set.

Business Improvement - £1.4 million

Asset Management System – £0.280 million - Scheme delayed whilst further scoping work is carried out to ensure that the system with best fit to Council needs is procured

End-point devices – £0.249 million – rolling programme for laptops and telephony devices is in procurement but contracts not yet complete.

NARRATIVE REPORT

ICT Feasibility & Projects - £0.283 million – some expenditure delayed into 2024/25

Scanning of all Planning Files - £0.150 million – transformation project required to enhance the use of the Town Hall building delayed into 2024/25

HRA

The HRA overall is £34.345 million underspent on the latest budget. Most of the schemes have underspent against budget and the schemes with the largest variance are as follows:

Energy Efficiency Initiatives - £2.985 million - The project is part grant funded and due to the grant funding is a 2 year project.

Southfield Park Leases - £1.5 million - This project has been delayed due to capacity issues

Oxford North Development - £1.157 million - residual expenditure on this large scheme will slip into 2024/25, however the majority of the scheme budget has been spent.

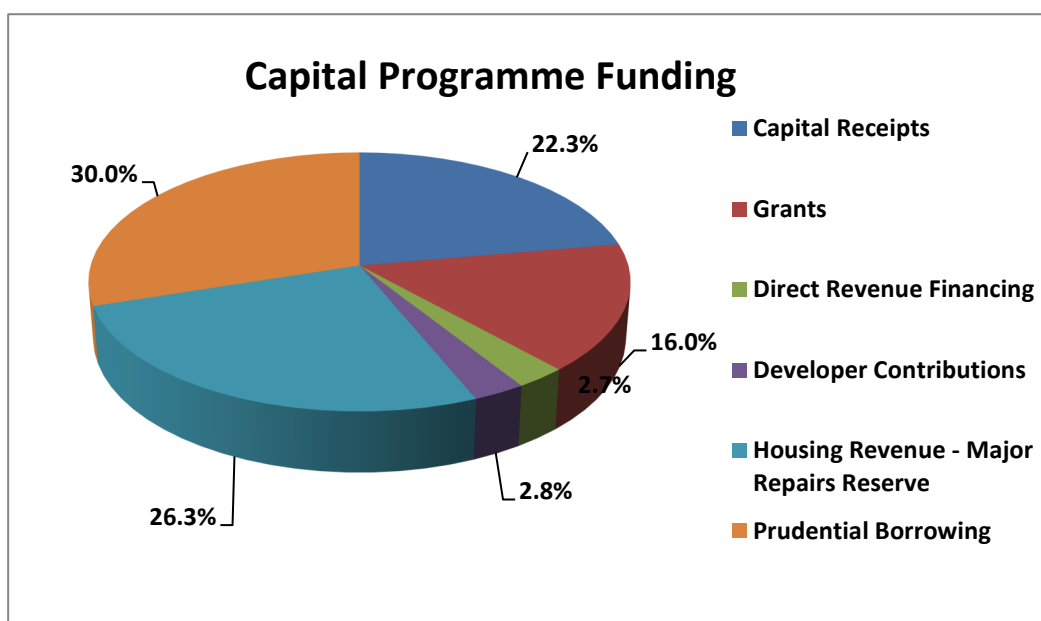
Properties Purchased From OCHL - £18.963 million - There has been slippage on a number of schemes, mostly around planning or planning related delays, the highest value projects being Meadow Lane (£5.2 million) and Railway Lane (£6 million)

Northfield Hostel - £1.761 million - Delays have been due to obtaining a suitable contractor; a decision was taken in January 2024 to re-tender the contract.

Funding the Capital Programme

The General Fund Capital Programme spend totalled £20.539 million and was funded through a combination of Capital Receipts (£8.978 million), Grants (£4.006 million), Developer Contributions (£1.654 million), borrowing (£5.622 million) and direct revenue financing (£0.279 million).

The Housing Capital Programme spend totalled £38.235 million and was funded through a combination of Direct Revenue Finance (£1.302 million), Grants (£5.386 million), Capital Receipts (£4.108 million), Major Repairs Reserve (£15.439 million) and Borrowing (£12.000 million).



5. Material Items of Income and Expenditure

The Council's accounting policies are set out on [pages 131 to 149](#) of the Statement of Accounts. These policies are largely unchanged from last year. However, there are some key events that have taken place over the year which have a material impact on the understanding of the Accounts. They are detailed as follows:

• Pension Fund

The Council's liability to provide for the cost of past employment benefits to staff has decreased in the year ended 31 March 2024. The liability reported as at 31 March 2023 was £16.64 million. This has now become an asset as at the 31 March 2024 of £24.02 million. The decrease in liability of £40.65 million is due to a number of factors but primarily:

- ♦ An actuarial gain for 2023/24 of £38.30 million is reported on the Comprehensive Income and Expenditure Account, which is subsequently adjusted (in accordance with proper practice) via the Movement in Reserves Statement to ensure it has no General Fund Balance implications. This arises from:
 - ♦ Returns on plan assets of £25.10 million netted down by £12.71 million losses on assets
 - ♦ Changes in actuarial financial assumptions resulting in a gain of £23.45 million;
 - ♦ Changes in demographic assumptions giving a benefit of £2.45 million

More information regarding the Defined Benefit Pension Scheme can be found in [Note 39](#) of the Statement of Accounts (pages 84 to 87).

6. Contingencies and Provisions

As at 31 March 2024 the Council had made provision for £5.85 million of expenditure likely to be incurred sometime in the future. Included in this figure are the following amounts:

- **Rent Deposit Scheme** - £1.596 million - this provision covers deposits paid on behalf of tenants placed in private rented properties by the Council.
- **Council Tax Court Costs** - £0.452 million - this provision is against outstanding court costs that have been raised against Council Tax arrears.
- **Provision for NNDR Appeals** - £3.034 million - following the reform of Business Rates, the risk of appeals is shared between Central Government, the Council and Oxfordshire County Council. This relates to the Council's potential liability for the cost of appeals. The Council's share of the overall Collection Fund Balance has been transferred to Earmarked Reserves.
- **Insurance Provision** - £0.769 million - reflecting an actuarial estimate of the cost of insurance claims received but not yet paid.

7. Current Borrowing Levels

The Council currently has external borrowing of £218.50 million with Public Works Loan Board. £198.50 million was taken out in 2012 to facilitate the self-financing of the Housing Revenue Account and the first repayment of this borrowing of £20 million was made at the end of 2020/21 and was then replaced by another loan of the same amount from the Public Works Loans Board. The remainder of the balance also relates to the Housing Revenue Account and was taken out to finance capital expenditure.

NARRATIVE REPORT

8. Group Accounts

Barton Oxford LLP

The Council entered into a partnership with Grosvenor Developments Limited to form a joint venture company to develop housing on land owned by the Council at Barton. The Council provided Group Accounts for the first time in 2011/12 to record the Council's share in the joint venture.

Oxwed LLP

The Council is a 50% owner of Oxwed LLP, a newly incorporated Joint Venture, with Nuffield College Developments 1 Ltd. The purpose of the company is to develop and regenerate the West End area of Oxford and produce a mixed use development including commercial and domestic properties for sale and rent. The assets and liabilities of the Oxford West End Developments Limited were transferred to Oxwed LLP.

Oxford Direct Services Limited (ODSL) and Oxford Direct Services Trading Limited (ODSTL)

ODSL and ODSTL are 100% owned group subsidiaries of the Council. The purpose of the companies is to provide construction and maintenance services to the Council and to external customers.

Oxford City Housing Limited (OCHL)

OCHL is a 100% owned group subsidiary of the Council. The purpose of the company is to secure more housing and more affordable housing in the city and to improve housing supply, quality and delivery.

The Council's Group Balance Sheet records the Council's share of the Oxwed and the Barton Oxford LLPs Net Assets using the Equity method of group accounting due to these being joint ventures. ODSL, ODSTL and OCHL are consolidated on a line by line basis because they are wholly owned by the Council. The net figure for all five entities as at 31 March 2024 is a net asset of £10.073 million.

Wholly Owned Entities: -

	ODSL 2023/24 £'000	ODSTL 2023/24 £'000	OCHL 2023/24 £'000	Sub-Total 2023/24 £'000
Council's share of Net Assets	15,928	1,824	48,924	66,676
Capital classified as a liability	(13,105)	-	(40,659)	(53,764)
Council's Share shown in the Group Accounts	2,823	1,824	8,265	12,912
	ODSL 2022/23 £'000	ODSTL 2022/23 £'000	OCHL 2022/23 £'000	Sub-Total 2022/23 £'000
Council's share of Net Assets	17,069	1,124	54,015	72,208
Capital classified as a liability	(11,497)	-	(47,328)	(58,825)
Council's Share shown in the Group Accounts	5,572	1,124	6,687	13,383

NARRATIVE REPORT

Joint Ventures and Total: -

	OxWED LLP 2023/24 £'000	Barton LLP 2023/24 £'000	Sub-Total 2023/24 £'000	Total 2023/24 £'000
Council's share of Net Assets	16,758	-	16,758	83,452
Capital classified as a liability	(19,615)	-	(19,615)	(73,379)
Council's Share shown in the Group Accounts	(2,857)	-	(2,857)	10,073
	OxWED LLP 2022/23 £'000	Barton LLP 2022/23 £'000	Sub-Total 2022/23 £'000	Total 2022/23 £'000
Council's share of Net Assets	16,841	-	16,841	89,049
Capital classified as a liability	(18,205)	-	(18,205)	(77,030)
Council's Share shown in the Group Accounts	(1,364)	-	(1,364)	12,019

The overall net assets of the entities shown on the Balance Sheets of the entities are split in proportion to the ownership of the entities. The amount shown in the Council's Group Accounts is the Council's share of net assets adjusted for entries that are already included in the Council's accounts to avoid double counting.

See pages [101 to 128](#) for more details on the Group Accounts.

9. Financial Prospects Looking Forward

General Fund

The financial backdrop for Local authorities is challenging. There have been a significant increase this year in the number of local authorities issuing Section 114 notices, effectively declaring bankruptcy, and many more threatening to take similar action. It is reported there is a £2 billion funding gap in 2024-25 and the provisional financial settlement provides only limited additional financial support. Many tier 1 authorities are experiencing significant increasing demand, especially for adult social care, and tier 2 authorities like Oxford have similar problems with temporary accommodation cost for homelessness.

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 that should prudently be held. The Oxford Model's reliance on income streams from its wholly owned companies and other sources of income such as commercial rents is a higher risk approach than simply reducing spend. In such situations it is prudent and advisable to hold an adequate amount of reserves and balances to deal with any volatility in these areas. The consequence of not keeping a prudent level of reserves can be significant. One serious problem, or a series of events, can have a significant impact on the Council's finances such as a downturn in the financial position of ODS or reduced activity in OCHL, as has been recently seen, or a reduction in the rental value of the Council's property holding 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.

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. 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. There is still uncertainty over a number of areas including temporary accommodation and others around Government policy such as retained business rates. The Council approved a balanced 4 year MTFS at its meeting in February 2024. The budget includes some transfers from reserves and additional identified efficiencies.

NARRATIVE REPORT

Housing Revenue Account (HRA)

Key assumptions in the HRA budget include:

- ♦ Rent Setting

For 2024/25 the Consumer Price Index (CPI) rate was 6.7% in September and hence in line with Government policy of CPI +1%, council house rents are estimated to increase by 7.7% from 2023-24 levels.

The Council has also approved the option to exercise the Rent Flexibility option in respect of re-lets to new tenants.

- ♦ Debt Management Strategy

Loan debt over the next 4 years increases from £218 million to £640 million peak debt in 2028-29 to accommodate the purchase of affordable housing from the Housing Company and other sources. 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.

Local Authority Trading Companies

OCHL

Oxford City Housing Company Group purchases social housing stock developed as part of the Barton Park development. The Company is also developing sites within Oxford producing affordable dwellings to the HRA and is currently making annual surpluses, primarily arising from the development schemes.

ODS

The Council has two wholly owned Companies which were set up to deliver the work of the Council's Direct Services Department. One of these companies (Oxford Direct Services Limited) undertakes work relating to the Council's statutory responsibilities in respect of refuse and recycling, street cleaning, highways and building maintenance and as such has received Teckal exemptions in respect of the procurement of such services. The other company (Oxford Direct Services Trading Limited) pursues a more commercial approach commencing with trade waste without the legislative limitations that were placed on the Direct Services Department as part of the Council's organisational structure. The companies commenced trading on 1 April 2018. Dividends of £1.2 million for 2023/24 and £4.0 million relating to previous years were paid in 2023/24.

Oxwed

The Council set up Oxford West End Developments Limited as a joint venture with Nuffield College. During 2021/22 the work of the Company was transferred into a Limited Liability Partnership, Oxwed LLP whose partners are Oxford City Council and Nuffield College Developments 1 Ltd, a wholly owned subsidiary of Nuffield College. Oxwed LLP is now tasked with formulating the development plans and seeking planning permission for the site, following which strategic infrastructure will be installed, and onward sale of plots for development of housing and commercial properties will be made, with dividends in respect of these sales forecast to be returned to the shareholders over the next 4 to 5 years.

Future Borrowing

The Council is planning to undertake significant borrowing over the next four year period to finance loans to Oxford City Housing Limited (OCHL) and also other capital spend, with the Capital Financing Requirement estimated to increase to around £904 million at the end of 2027/28 from £343 million at the end of 2023/24. The level of additional external borrowing is currently estimated at £512 million up to the end of 2025/26 of which £341 million is expected to be in respect of HRA capital expenditure. The balance of borrowing used to finance capital expenditure will be funded from internal resources. External borrowing is expected to be taken from the Public Works Loans Board. All capital loans will be secured against property and land purchased by the entities or will have the option to place a charge on property. Interest rates on the loans have been calculated by the Council to be subsidy control compliant.

NARRATIVE REPORT

10. Performance Management

The Council had thirteen Corporate Performance Indicators which it monitored and reported on during the year and these are listed below. Of the thirteen indicators, 6 (46.15%) did not achieve their target and 7 (53.85%) did meet the target .

Measure	Target	Result for 2023/24
The number of rough sleepers without an offer of accommodation	30	32
Jobs in the City created or saved by OCC	1,000	279
Physically active adults	76%	85.6%
Number of Oxford Living Wage employers and employees	90	136
Satisfaction with parks and green spaces	91%	93%
% of BAME staff	15.0%	14.6%
% increase of online forms completed and submitted for Housing, Revenues and Benefits only	5	6
% of privately rented homes improved	65%	68%
% of Council spend with SMEs (excluding ODS and OCHL)	45.00%	65.62%
% of Council spend with local businesses (excluding ODS and OCHL)	40.00%	28.76%
Total income collection as % of plan (Council Tax)	96.50%	95.56%
Total income collection as % of plan (Business Rates)	95.00%	96.62%
Efficiencies delivered against plan	£1.969m	£1.600m

11. Conclusion

I would like to thank Finance staff for their work in preparing these Statements. I hope the information is helpful in allowing you to have a clear understanding of how the Council's money has been spent in 2023/24. We've tried hard to present information as clearly as possible, but if you want to find out more about these accounts you can:

- ♦ visit our website at www.oxford.gov.uk
- ♦ send an e-mail to either:
Head of Financial Services (Section 151 Officer) (Nigel Kennedy at nkennedy@oxford.gov.uk) or
Financial Accounting Manager (Bill Lewis at blewis@oxford.gov.uk)
- ♦ write to us at:
Oxford City Council
Town Hall
St Aldate's
Oxford OX1 1BX
- ♦ or, contact our auditors Ernst & Young LLP via the Audit Manager, Adrian Balmer at abalmer@uk.ey.com

**CORE FINANCIAL
STATEMENTS &
EXPENDITURE AND FUNDING
ANALYSIS**

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EXPENDITURE AND FUNDING ANALYSIS FOR THE YEAR ENDED 31 MARCH 2024

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2023/24		2022/23	
	Net Expenditure GF & HRA £'000	Adjustments Between Funding and Accounting Basis £'000	Net Expenditure GF & HRA £'000	Adjustments Between Funding and Accounting Basis £'000
Communities & People	10,314	-	9,577	-
Development	1,787	(54)	2,073	53
Chief Executive	1,503	-	1,387	-
ODS Development Director	14,955	-	15,159	-
Corporate Resources	17,641	-	17,799	-
Housing Revenue Account (HRA)	(10,148)	(4,728)	(9,755)	(118,598)
Service Level Agreements and Capital Charges	7,651	4,000	(11,190)	(25,013)
Corporate and Democratic Core	6,314	430	7,680	422
Cost of Services	50,017	(352)	32,730	(143,136)
Other Income and Expenditure	(63,640)	10,736	(24,742)	27,279
(Surplus)/Deficit on Provision of Services	(13,623)	10,384	7,988	(115,857)
Opening Balance (General Fund and HRA)	63,623		71,611	
Surplus/(Deficit) on General Fund and HRA Balance in Year	13,623		(7,988)	
Closing Balance (General Fund and HRA)	77,246		63,623	
				123,845

6

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/(Decrease) before Transfers to/from Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments

Note	General Fund Balance		Earmarked GF Reserves		Housing Revenue Account Balance		Earmarked HRA Reserves		Major Repairs Reserves		Capital Receipts Reserve		Capital Grants Unapplied Reserve		Total Usable Reserves		Total Unusable Reserves		Total Authority Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022 carried forward	3,622	52,570	4,000	11,419	4,711	7,758	17,156	101,236	757,393	858,629										
Movement in Reserves during 2022/23																				
Surplus/(Deficit) on the Provision of Services	(12,531)	-	(111,314)	-	-	-	-	(123,845)	-	-	-	-	-	-	-	-	-	-	-	(123,845)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	278,304
Total Comprehensive Income and Expenditure	(12,531)	-	(111,314)	-	-	-	-	(123,845)	-	-	-	-	-	-	-	-	-	-	-	154,459
Adjustments between Accounting Basis & Funding Basis under Regulations	5,397	-	110,460	-	1,325	5,824	7,232	130,238	(130,238)	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(7,134)	-	(854)	-	1,325	5,824	7,232	6,393	148,066	154,459										
Transfers to/from Earmarked Reserves	7,134	(7,134)	854	(854)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in 2022/23	-	(7,134)	-	(854)	1,325	5,824	7,232	6,393	148,066	154,459										
Balance at 31 March 2023 carried forward	3,622	45,436	4,000	10,565	6,036	13,582	24,388	107,629	905,459	1,013,088										
Movement in Reserves during 2023/24																				
Surplus/(Deficit) on the Provision of Services	25,220	-	(1,213)	-	-	-	-	24,007	-	-	-	-	-	-	-	-	-	-	-	24,007
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,951
Total Comprehensive Income and Expenditure	25,220	-	(1,213)	-	-	-	-	24,007	-	-	-	-	-	-	-	-	-	-	-	84,958
Adjustments between Accounting Basis & Funding Basis under Regulations	(11,864)	-	1,480	-	(4,333)	(2,060)	3,067	(13,710)	13,710	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	13,356	-	267	-	(4,333)	(2,060)	3,067	10,297	74,661	84,958										
Transfers to/from Earmarked Reserves	(13,356)	13,356	(267)	267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in 2023/24	-	13,356	-	267	(4,333)	(2,060)	3,067	10,297	74,661	84,958										
Balance at 31 March 2024 carried forward	3,622	58,792	4,000	10,832	1,703	11,522	27,455	117,926	980,120	1,098,046										

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The Cash Flow Statement shows the changes in the Cash and Cash Equivalents of the Council during the reporting period. The statement shows how the Council generates and uses Cash and Cash Equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

	Note	2023/24 £'000	2022/23 £'000
Net (Surplus)/Deficit on the Provision of Services		(24,007)	123,845
Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements		32,057	(157,922)
Net Cash Flows from Operating Activities		8,050	(34,077)
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		55,666	73,794
Purchase of Short-Term and Long-Term Investments		(55,718)	(16,644)
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(9,930)	(18,347)
Other Capital Cash Receipts in Advance		(192)	3,044
Total Cash Flows from Investing Activities		(10,174)	41,847
Purchase of Short and Long Term Borrowing		(30,000)	(11,000)
Repayment of Borrowing		11,000	38,000
Other payments/(receipts) from Financing Activities		16,381	(2,737)
Payments for the reduction of a Finance Lease Liability		-	1
Total Cash Flows from Financing Activities		(2,619)	24,264
Net (Increase)/Decrease in Cash and Cash Equivalents		(4,743)	32,034
Cash and Cash Equivalents at the Beginning of the Reporting Period		5,831	(26,203)
Cash and Cash Equivalents at the End of the Reporting Period	21	1,088	5,831

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NOTES TO THE CORE FINANCIAL STATEMENTS

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NOTES TO THE CORE FINANCIAL STATEMENTS

1. Accounting Standards issued, but not yet adopted by the Code of Practice 2023/24

The following disclosure provides information relating to the impact of accounting changes that will be required by new accounting standards that have been issued but not yet adopted

The International Financial Reporting Standards introduced or amended in the 2024-25 code are applicable from the 1 April 2024. The following disclosure provides information relating to the impact of accounting changes that will be required by the new accounting standards that have been issued but not yet adopted. The impact that initial application of the IFRS as adopted by the code is expected to be immaterial and have minimum effect on the Oxford City's financial statements, except for **IFRS 16 Leases**

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) **IFRS 16 Leases.**
- b) **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
 - ♦ specify that an entity's right to defer settlement must exist at the end of the reporting period
 - ♦ clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - ♦ clarify how lending conditions affect classification, and
 - ♦ clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- c) **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) **Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- e) **International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - ♦ a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
 - ♦ targeted disclosure requirements for affected entities.
- f) **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)** issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - ♦ assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
 - ♦ understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to them

IFRS 16 Leases

The implementation of IFRS 16 (Leases) has been mandated by CIPFA/LASAAC from the 1 April 2024 which means Oxford City are required to include IFRS 16 in their consideration of accounting standards that have been issued but not yet adopted. The impact of the changes are important and significant and have therefore been disclosed in this note. Note that Transition Arrangements incorporated into Appendix F of the ACOP para 4.2.2.96 allow where leases existed prior to 1 April 2024 cumulative restatement of reserve balances only

Finance Leases inward

The Council will adopt the IFRS 16 with effect from 1 April 2024. The adoption will require an amendment for Finance leases inward which will be required to be recognised regardless of whether a component is land or buildings, and this will have the effect of introducing one additional entry for the St Aldates Land lease increasing Asset and liabilities by £0.048 million.

NOTES TO THE CORE FINANCIAL STATEMENTS

Property Leases previously classified as operating leases

Paragraph 4.2.2.99 of the code requires a lessee to recognise a lease liability at 1 April 2024 for leases previously classified as an operating lease applying IAS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, unless the lease is of low value or of short duration.

Oxford City has set the low value at £5,000 or less. The short term duration applies to leases with only a year or less to run from the 1 April 2024. Leases previously recognised as operational leases have been assessed, and **one lease** is of low value, below £5,000, and will continue to be disclosed as an operational lease.

Six other leases inward where annual rentals have been used to compute a right to use asset value and liability have resulted in calculated assets and liabilities of £4.835 million. Some of these had previously been included in the balance sheet and their total value was £2.087 million.

Equipment Leases previously classified as operating leases

Four printing copying machines have been identified where the outright purchase price would exceed the Oxford City low value policy, and these result in an increase of Assets and liabilities on the balance sheet as at 01.04.2024 of £0.034 million. The impact on the revenue account will be a reduction in operating expenditure and an increase in the minimum revenue provision during 2024-25 and 2025-26, but with a nil impact on revenue reserves.

Peppercorn leases

Many leases inward exist where nil rentals are paid, or are peppercorn leases. These should be recognised in the Balance sheet as donated assets, if they are not included at present, or converted to fair value. There are 15 leases which have not featured in the balance sheet, and will now add £9.572 million to assets. Some of these had previously been included in the balance sheet and their total value was £6.002 million and therefore the assets will be increase by £3.570m. Some of the existing balances may be related to revaluations and not related to the lease value.

Social Housing Leases

Social Housing leases have also been identified amounting to an asset value of £4.736 million all of which had already been included in the balance sheet at EUV-SH and under the transitional IFRS16 rules can continue on that basis.

Leases Outwards

Leases outward have been recognised previously, but sub lease income which has previously only been disclosed as lease income will under IFRS16 need to be recognised as a finance lease. One lease exists in this respect, and when IFRS 16 is introduced will result in an increase in the long term debtors of £0.245 million. Furthermore the income previously treated as revenue income will be split between finance and repayment with the repayment element regarded as a capital receipt. However, for transition leases the income can remain as revenue and will have no revenue impact

In summary therefore:

- ♦ The application of the IFRS, as adopted by this Code, is required from 1 April 2024
- ♦ the date as at which the authority will adopt the IFRS initially from 1 April 2024
- ♦ the impact that initial application of the IFRS as adopted by this Code is expected to be immaterial and have minimum effect on the authority's financial statements except for IFRS16, which due to its impact has been disclosed in this note

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

NOTES TO THE CORE FINANCIAL STATEMENTS

Changes to Levels of Funding for Local Government

There remains a high degree of uncertainty about future levels of Grant funding for local government. A proportion of this funding is derived from retained Business Rates, which is subject to an index linked tariff payable to Central Government. Whilst the Council can benefit to a limited degree from increased Business Rates from new businesses, it can also lose (subject to a safety net) if Business Rates income starts to decline. The Council has determined the level of uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

Componentisation of Fixed Assets

Where assets had been found to have significant components which would materially affect the depreciation charge, components have been identified and the depreciation of individual components applied. The Council's housing stock is subject to componentisation. The policy treats the components with a short life such as kitchens and heating systems as cost items only affected by additions and disposals and de-recognition. The land and structure of the building are the elements that benefit from any Revaluation Gain.

Pension Fund Transactions

The Council has entered into an agreement with Oxford Direct Services Limited and Oxfordshire Pension Fund to the effect that the Council will bear the costs of all risks and uncertainties in relation to the LGPS pension fund operated for Oxford Direct Services Limited. Oxford Direct Services Limited will therefore account for its pension costs as if the fund is defined by contribution. All IAS19 pension transactions in relation to Oxford City Council and Oxford Direct Services Limited will therefore be accounted for in the Council's single entity accounts, excepting the contributions made by Oxford Direct Services Limited which will be accounted for in the accounts of that entity.

3. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Business Rates Appeals	<p>The Council is required to estimate the value of successful Business Rates appeals, and make a provision for possible successful appeals. The Council have taken a prudent approach and the level for the 31 March 2023 has been estimated in the Statement of Accounts. The total appeals provision for business rates as at 31 March 2024 is £7.58 million of which the Oxford City share is £3.03 million.</p> <p>The Council has carried out sensitivity analysis on the data received from the Valuation Office to ensure that the provision is robust and evidence supports the level of this provision and has adjusted the data for known local factors.</p>	<p>If the assumption is incorrect, there would be an impact on the collection fund balance. A 1% increase in the provision would lead to an increased charge of £75,845. This would be split between the Council and Preceptors with 40% (£30,340) impacting the Council</p>

NOTES TO THE CORE FINANCIAL STATEMENTS

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	General Fund and HRA Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will occur in relation to individual assets. HRA capital spending on housing stock was £38.23 million in 2023/24, while approved budgets have been established in subsequent years to undertake major repairs and maintenance which underpin the assumptions made regarding the useful lives assigned to the assets.	If the useful lives of assets are reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that if the annual depreciation charge for assets were to increase by 1% the extra charge would amount to £181,930.
Pensions Liability	Estimation of the net pension's liability depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries (Hymans Robertson) is engaged to provide the Council with expert advice about the assumptions to be applied	The effects on the net pension's liability of changes in individual assumptions cannot be measured accurately. During 2023/24, the Council's actuaries advised that the net pension's liability had decreased by £40.650 million. The total Pension deficit has moved to a surplus of £16.635 million as at 31 March 2024
Rent Deposit Provision	The Council operates a rent deposit scheme which provides the deposit necessary for an eligible resident to occupy private rented accommodation. The deposit is repayable. The certainty of repayment is very difficult to estimate. The Council has continued to make a provision during 2023/24 and the total provision now stands at £1.596 million. The accumulated provision represents 85% of the outstanding deposits.	If the Council's provision were found to be inaccurate, providing for an additional 1% provision would amount to £15,960
Arrears	At 31 March 2024, the Council had a balance of short term debtors of £77.3 million. A review of these suggested that an impairment of doubtful debts of £13.6 million was appropriate. The net balance of debtors is therefore £63.7 million.	The economic climate uncertain meaning that the recoverability of debt is uncertain and therefore the doubtful debt allowance may be insufficient. An increase of 1% of doubtful debts would require an additional £136,302 to be set aside as an allowance

NOTES TO THE CORE FINANCIAL STATEMENTS

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the Discounted Cash Flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's chief valuation officer and external valuer). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 15 and 17 below</p>	<p>The authority may use the discounted cash flow (DCF) model to measure the fair value of some of its investment properties. This has not been required in 2023/24. If DCF were to be applied, the significant unobservable inputs used in the fair value measurement will include management assumptions regarding rent growth, demand and vacancy levels and discount rates – adjusted for regional factors. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties.</p>

NOTES TO THE CORE FINANCIAL STATEMENTS

The bad debt provision has been calculated on the following basis:

General Fund General Sundry Debtors		Collection Fund Council Tax NNDR			Court Costs	
Age of Debt	Provision	Year Debt Raised	Provision	Provision	Year Debt Raised	Provision
		2023/24	1.5%	25.0%	2023/24	40%
<1 Year	0%	2022/23	25.0%	25.0%	2022/23	45%
<2 Years	100%	2021/22	50.0%	50.0%	2021/22	65%
<3 Years	100%	2020/21	75.0%	75.0%	2020/21	65%
<4 Years	100%	2019/20	80.0%	80.0%	2019/20	85%
<5 Years	100%	2018/19	92.0%	92.0%	2018/19	85%
<6 Years	100%	2017/18	92.0%	92.0%	2017/18	85%
>6 Years+	100%	2016/17	92.0%	92.0%	2016/17	85%
		2015/16	92.0%	92.0%	2015/16	85%
		2014/15	94.0%	94.0%	2014/15	85%
		2013/14	96.0%	96.0%	2013/14	90%
		2012/13	97.0%	97.0%	2012/13	96%
		2011/12 & prior years	100.0%	100.0%	2011/12 & prior years	100%

Additionally where there are specific concerns about a customer's likelihood to pay debts, a bad debt provision is made based on an assessment of the risk of non-payment of the outstanding debt held by that customer.

NOTES TO THE CORE FINANCIAL STATEMENTS

4. Material Items of Income and Expenditure

Pension Fund Actuarial Gain

The Pension Fund Actuary has reported an actuarial gain for 2023/24 of £38.297 million. This is reported as a gain in Other Comprehensive Income and Expenditure and is reversed out through the MiRS and therefore has no General Fund Balance implications.

5. Post Balance Sheet Events

Events taking place after 31 March 2024 are not reflected in the financial statements or notes, unless they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no events to report after the Balance Sheet date that deem adjustment or disclosure in the accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

6. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

	2023/24				2022/23			
	Adjustment for Capital Purpose £'000	Net Change for Pensions Adjustment £'000	Other Differences £'000	Total Adjustment £'000	Adjustment for Capital Purpose £'000	Net Change for Pensions Adjustment £'000	Other Differences £'000	Total Adjustment £'000
Communities & People Development	(54)	-	-	(54)	-	-	-	-
Chief Executive	-	-	-	-	53	-	-	53
ODS Development Director	-	-	-	-	-	-	-	-
Corporate Resources	-	-	-	-	-	-	-	-
Housing Revenue Account (HRA)	(5,070)	322	20	(4,728)	(117,304)	(1,290)	(4)	(118,598)
Service Level Agreements and Capital Charges	1,393	2,434	173	4,000	(12,463)	(12,473)	(77)	(25,013)
Corporate and Democratic Core	-	430	-	430	-	422	-	422
Cost of Services	(3,731)	3,186	193	(352)	(129,714)	(13,341)	(81)	(143,136)
Other Income and Expenditure	17,104	(833)	(5,535)	10,736	22,965	(4,447)	8,761	27,279
(Surplus)/Deficit on Provision of Services	13,373	2,353	(5,342)	10,384	(106,749)	(17,788)	8,680	(115,857)

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the Comprehensive Income and Expenditure Account recognised by the Council in year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves the adjustments are made against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities are to be met, except to the extent that statute provides otherwise. These rules can specify the financial year in which liabilities and payments should impact the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) in future years;

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve (MRR), which was created to control the application of the "notional" Major Repairs Allowance (MRA) calculated having regard to MHCLG's self-financing valuation for Oxford City Council. From 2017/18 the MRR is credited with the equivalent of the total in-year depreciation of Council Houses. The MRR is restricted to being applied to new capital investment on HRA assets, the repayment of HRA debt, or meeting liabilities under credit arrangements. The MRR is used to record a balance of usable capital resources.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Council have yet to incur or apply the expenditure. The grant terms restrict the application of expenditure and/or the financial year in which this can take place.

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations 2023/24

2023/24	Usable Reserves					Unusable Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation of Non-Current Assets	6,175	-	-	-	-	(6,175)
Movements in the market value of Investment Properties	-	-	-	-	-	-
Amortisation of Intangible Assets	775	-	-	-	-	(775)
Revaluation and Impairment charged to revenue	(14,360)	4,600	-	-	-	9,760
Revenue expenditure funded from Capital under Statute	6,017	470	-	-	-	(6,487)
Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	3,282	4,652	-	-	-	(7,934)
Impairments of Deferred Capital Receipts	769	-	-	-	-	(769)
Donated assets recognised through revenue	-	-	-	-	-	-
Repayment of debtors from capital receipt	-	-	(11,640)	-	-	11,640
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	(182)	-	-	-	-	182
Capital expenditure charged against the General Fund and HRA balances	(279)	(1,302)	-	-	-	1,581
Capital grants and contributions unapplied	(14,114)	-	-	-	14,114	-
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(11,047)	11,047
Interest paid to the capital grants reserve	-	-	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,332)	(6,598)	9,930	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(13,086)	-	-	13,086
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	-	-	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	12,736	-	-	(12,736)

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations 2023/24 – cont.

2023/24	Usable Reserves					Unusable
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustment primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	-	-	-	11,106	-	(11,106)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(15,439)	-	15,439
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Movements in the market value of Rent-to-mortgage properties	54	-	-	-	-	(54)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	3,239	261	-	-	-	(3,500)
Employer's pensions contributions and direct payments to pensioners payable in the year	(5,270)	(583)	-	-	-	5,853
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	5,079	-	-	-	-	(5,079)
Adjustment primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(173)	(20)	-	-	-	193
Adjustments involving the Financial Instruments Adjustment Account:						
Upward revaluation on investments	(554)	-	-	-	-	554
Downward revaluation on investments	1,010	-	-	-	-	(1,010)
Change in impairment loss allowances	-	-	-	-	-	-
Total Adjustments	(11,864)	1,480	(2,060)	(4,333)	3,067	13,710

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations 2022/23

2022/23	Usable Reserves					Unusable Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation of Non-Current Assets	5,902	-	-	-	-	(5,902)
Movements in the market value of Investment Properties	-	-	-	-	-	-
Amortisation of Intangible Assets	626	-	-	-	-	(626)
Revaluation and Impairment charged to revenue	580	117,015	-	-	-	(117,595)
Revenue expenditure funded from Capital under Statute	5,355	289	-	-	-	(5,644)
Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,609	7,064	-	-	-	(11,673)
Impairments of Deferred Capital Receipts	(336)	-	-	-	-	336
Donated assets recognised through revenue	-	-	-	-	-	-
Repayment of debtors from capital receipt	-	-	(3,217)	-	-	3,217
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	(37)	-	-	-	-	37
Capital expenditure charged against the General Fund and HRA balances	(4,333)	(2,732)	-	-	-	7,065
Capital grants and contributions unapplied	(8,853)	-	-	-	8,853	-
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(1,621)	1,621
Interest paid to the capital grants reserve	-	-	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(5,877)	(12,470)	18,347	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(14,759)	-	-	14,759
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	-	-	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	5,453	-	-	(5,453)

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations 2022/23 – cont.

2022/23	Usable Reserves					Unusable
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustment primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	-	-	-	8,648	-	(8,648)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(7,323)	-	7,323
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Movements in the market value of Rent-to-mortgage properties	(53)	-	-	-	-	53
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	20,637	1,751	-	-	-	(22,388)
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,139)	(461)	-	-	-	4,600
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(12,646)	-	-	-	-	12,646
Adjustment primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	77	4	-	-	-	(81)
Adjustments involving the Financial Instruments Adjustment Account:						
Upward revaluation on investments	-	-	-	-	-	-
Downward revaluation on investments	3,885	-	-	-	-	(3,885)
Total Adjustments	5,397	110,460	5,824	1,325	7,232	(130,238)

NOTES TO THE CORE FINANCIAL STATEMENTS

8. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2023/24.

	Balance at 31 March 2024 £'000	Transfers In 2023/24 £'000	Transfers Out 2023/24 £'000	Balance at 31 March 2023 £'000	Transfers In 2022/23 £'000	Transfers Out 2022/23 £'000	Balance at 31 March 2022 £'000
General Fund:							
NNDR Retention Reserve	(14,504)	(11,191)	5,437	(8,750)	-	7,437	(16,187)
Direct Revenue Funding of Capital	(10,508)	(1,625)	198	(9,081)	(394)	537	(9,224)
Risk Reserve	(9,410)	(4,760)	200	(4,850)	(10)	1,980	(6,820)
Grants Reserve	(9,170)	(13,449)	11,930	(7,651)	(4,704)	4,546	(7,493)
Property Fund Guarantee Reserve	(2,960)	-	-	(2,960)	(2,013)	122	(1,069)
Employee Cost Reserve	(2,943)	-	-	(2,943)	-	-	(2,943)
Committed Projects Reserve	(1,406)	(158)	123	(1,371)	(167)	87	(1,291)
IT Infrastructure and Equipment Reserve	(1,199)	-	-	(1,199)	-	-	(1,199)
Net Zero Transition Fund	(523)	(174)	-	(349)	(183)	1	(167)
Housing Benefit Reserve	(504)	-	-	(504)	-	-	(504)
Northway and Marston Flood Alleviation	(493)	-	17	(510)	-	17	(527)
Private Sector Safety Financial Penalties	(460)	(80)	-	(380)	(19)	16	(377)
OxFutures Reserve	(444)	(387)	144	(201)	(86)	59	(174)
Apprentices Reserve	(358)	-	-	(358)	-	-	(358)
Flood Reserve	(266)	-	91	(357)	-	-	(357)
SALIX Energy Projects Reserve	(264)	(76)	108	(296)	(79)	-	(217)
Grenoble Road Reserve	(226)	-	89	(315)	-	80	(395)
Local Plan Costs	(226)	(34)	-	(192)	-	-	(192)
Homelessness	(200)	(22)	-	(178)	-	215	(393)
SALIX Management Fee	(198)	(17)	-	(181)	(77)	47	(151)
City Council Elections Reserve	(190)	-	-	(190)	-	-	(190)
Commuted Sums (Parks)	(175)	-	-	(175)	-	-	(175)
S106 Monitoring Income	(158)	-	-	(158)	(44)	42	(156)
Selective Licensing Income Reserve	(122)	(107)	-	(15)	(15)	-	-
HMO Licensing Reserve	(118)	(25)	-	(93)	(37)	-	(56)
Community Services Carry Forward Reserve	(115)	-	26	(141)	(83)	177	(235)
Growth Deal - JSSP	(111)	-	-	(111)	-	-	(111)
Taxi Licensing Reserve	(83)	(101)	58	(40)	(160)	174	(54)
Section 106 Commuted Sums Reserve	(82)	-	100	(182)	-	-	(182)
EV Projects Income	(78)	-	-	(78)	(90)	25	(13)
Blue Bin League Reserve	(72)	-	-	(72)	-	-	(72)
Lord Mayors Deposit	(52)	-	-	(52)	-	-	(52)
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(6)	-	4	(10)	(4)	-	(6)
Museum Development Reserve	(4)	-	-	(4)	-	-	(4)
ESO Electricity Budget Reserve	-	-	295	(295)	(295)	-	-
Life Chances	-	-	30	(30)	(15)	-	(15)
Oxfordshire Total Refit Project (EU Funding)	-	-	-	-	-	37	(37)
Proclamation Reserve	-	-	-	-	-	10	(10)
Total General Fund	(43,124)	(21,015)	13,413	(35,522)	(8,475)	8,172	(35,219)

Continued overleaf...

NOTES TO THE CORE FINANCIAL STATEMENTS

General Fund Reserve	Balance at 31 March 2024 £'000	Description
NNDR Retention Reserve	(14,504)	This reserve is to cover the deficit in NNDR Collection Fund that will be charged to the General Fund in future years.
Direct Revenue Funding of Capital	(10,508)	Created to fund future rolling programme capital requirements.
Risk Reserve	(9,410)	This reserve has been set up to mitigate against the risks inherent in balancing the Council's Medium Term Financial Plan and in order to balance the surpluses and deficits between years.
Grants Reserve	(9,170)	This reserve was initially set up to hold various grant monies received by the City Council and or unused in-year budgetary provision for various community/non-HRA housing based activities. As the utilisation of these grants spreads across several years the release of those resources will be undertaken gradually as well as new grant monies being added.
Property Fund Guarantee Reserve	(2,960)	The Council has investments in Property Funds. This reserve is held against the risk future investment losses.
Employee Cost Reserve	(2,943)	Created to cover the severance and associated payments relating to employees, following organisational development reviews.
Committed Projects Reserve	(1,406)	Created to cover carry-forward requests from service areas, and fund expenditure commitments
IT Infrastructure and Equipment Reserve	(1,199)	Used to fund the purchase of new IT infrastructure equipment and IT projects across the Council.
Net Zero Transition Fund	(523)	Net Zero Transition Fund
Housing Benefit Reserve	(504)	This reserve is to mitigate against future fluctuations in residual local cost of benefits costs following the transition to universal credit
Northway and Marston Flood Alleviation	(493)	Used to fund the 25 year repairs and maintenance programme for Northway and Marston Flood Alleviation scheme
Private Sector Safety Financial Penalties	(460)	Created for potential penalties payable
OxFutures Reserve	(444)	This reserve is linked to the EU funded Oxfordshire Total Refit (OTR / OxFutures) project to fund potential future project pressures.
Apprentices Reserve	(358)	For the Apprentice scheme which runs over 2 years - Sept 2019 - Aug 2021
Flood Reserve	(266)	Reserve created to fund flood maintenance work not eligible for Government re-imbursement under the Belwin scheme.
SALIX Energy Projects Reserve	(264)	Created from an initial grant made available via Salix. The reserve is used to implement energy efficient schemes within the City.
Grenoble Road Reserve	(226)	Reserve to cover costs relating to action on Grenoble Road
Local Plan Costs	(226)	Local Plan Costs
Homelessness	(200)	The Council as part of its 2011/12 budget committed to annually setting aside resources to assist in the anticipated increased cost of Homelessness activity predicted to occur for the City as a result of welfare reforms. This reserve holds the balance of the resources so far provided.
SALIX Management Fee	(198)	Reserve represents contributions received to fund future energy assistant post activities.
City Council Elections Reserve	(190)	Created from the budget surplus/(deficit) on the City Council Elections activity. City elections are held every 2 years and this reserve is used to fund additional costs in election year.
Commuted Sums (Parks)	(175)	This is S106 income from Ashurts LLP which is ring-fenced to fund the maintenance costs at Barton Park Sports Pavilion and pitches
S106 Monitoring Income	(158)	S106 and CIL money that has been earmarked for administration and monitoring of the schemes
Selective Licensing Income Reserve	(122)	A reserve to ring fence surplus Selective Licensing income in order to operate the service going forwards.
HMO Licensing Reserve	(118)	Reserve to ensure the ring-fencing of HMO Licensing income to fund future service area expenditure.
Community Services Carry Forward Reserve	(115)	Reserve reflects additional Directorate's expenditure commitments including funding of future cultural Community and Neighbourhood initiatives and community safety/educational activities
Growth Deal - JSSP	(111)	To cover future costs associated with Growth Deal - JSSP
Taxi Licensing Reserve	(83)	Created to support future taxi licensing activities. Year-end taxi licensing surpluses are transferred to this reserve that funds future service improvements within the Taxi Licensing area.
Section 106 Commuted Sums Reserve	(82)	Created to hold Commuted Sums monies established via planning agreements.
EV Projects Income	(78)	Represents income received for consultancy work which is ring-fenced to fund the costs of the Go Ultra Low
Blue Bin League Reserve	(72)	This represents a DCLG grant received to fund the Blue Bin League, a waste and recycling initiative to increase the amount of recycling across the City of Oxford.
Lord Mayors Deposit	(52)	Reserve represents resources held for assisting homeless applicants with rent deposit and/or bonds.
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(6)	Planning Fund ring fenced between Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Councils. Oxford City Council administers this fund.
Museum Development Reserve	(4)	Funding to support the future development of the museum.
ESO Electricity Budget Reserve	-	- A reserve to mitigate against the risk of additional energy capacity payments at Redbridge Park & Ride EV Hub.
Life Chances	-	- Life Chances

NOTES TO THE CORE FINANCIAL STATEMENTS

	Balance at 31 March 2024 £'000	Transfers In 2023/24 £'000	Transfers Out 2023/24 £'000	Balance at 31 March 2023 £'000	Transfers In 2022/23 £'000	Transfers Out 2022/23 £'000	Balance at 31 March 2022 £'000
HRA:							
HRA Capital Projects	(8,868)	(1,569)	1,302	(8,601)	(1,419)	2,731	(9,913)
Committed Projects Reserve	(1,444)	-	-	(1,444)	(916)	458	(986)
Feasibility Studies Reserve	(316)	-	-	(316)	-	-	(316)
HRA - CRM Work	(120)	-	-	(120)	-	-	(120)
Total HRA	(10,748)	(1,569)	1,302	(10,481)	(2,335)	3,189	(11,335)
Insurance Funds:							
Self Insurance Fund	(1,248)	-	-	(1,248)	-	-	(1,248)
Total Insurance Funds	(1,248)	-	-	(1,248)	-	-	(1,248)
Grand Total	(69,624)	(33,775)	20,152	(56,001)	(10,810)	18,798	(63,989)

HRA Reserve	Balance at 31 March 2024 £'000	Description
HRA Capital Projects	(8,868)	Created to provide the resources for both the slipped capital projects that were to be initially funded from revenue contributions and other miscellaneous revenue projects.
Committed Projects Reserve	(1,444)	Created to cover carry-forward requests from service areas, and fund expenditure commitments
Feasibility Studies Reserve	(316)	For investigation work on HRA sites to check their suitability for future development site
HRA - CRM Work	(120)	This reserve was created to fund IT work projects.
Insurance Funds	Balance at 31 March 2024 £'000	Description
Self Insurance Fund	(1,248)	The Self Insurance Fund reserve is used to cover the actuarially assessed value of costs of claims that, based on historical data, have happened but not yet been notified.

NOTES TO THE CORE FINANCIAL STATEMENTS

9. Other Operating Expenditure

	2023/24 £'000	2022/23 £'000
Parish Council Precepts	277	281
(Gains)/Losses on the Disposal of Non-Current Assets	(1,996)	(6,674)
Total	(1,719)	(6,393)

10. Financing and Investment Income and Expenditure

	2023/24 £'000	2022/23 £'000
Interest Payable and Similar Charges	7,844	6,852
Pensions Interest Costs and Expected Return on Pensions Assets	833	4,447
Finance Charges	(3,448)	(3,453)
Interest Receivable and Similar Income	(6,051)	(1,851)
Impairment / (Revaluation) of National Homelessness Property Fund	769	(336)
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	(24,453)	(7,204)
Dividends	(7,400)	(600)
Total	(31,906)	(2,145)

11. Taxation and Non Specific Grant Income

	2023/24 £'000	2022/23 £'000
Council Tax Income	(15,571)	(15,097)
Non Domestic Rates	(9,595)	(13,887)
Non-Ringfenced Government Grants	(1,324)	(1,190)
Capital Grants and Contributions	(14,261)	(13,309)
Total	(40,751)	(43,483)

NOTES TO THE CORE FINANCIAL STATEMENTS

12. Property, Plant and Equipment - Movements in 2023/24

Movements in 2023/24

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2023	775,596	186,630	5,752	2,689	1,043	172	15,959	987,841
Additions	24,678	5,115	1,985	8	79	-	14,512	46,377
Assets recognised / derecognised under finance lease	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	5,265	6,319	-	-	-	30	-	11,614
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,225)	(7,095)	-	-	-	-	-	(13,320)
Derecognition - disposals	(1,109)	(3,282)	(1,782)	-	-	-	-	(6,173)
Derecognition - other	(1,289)	-	(53)	-	-	-	-	(1,342)
Assets reclassified (to)/from Held for Sale	(2,756)	-	-	-	-	-	-	(2,756)
Other movements in cost or valuation	12,288	(8,402)	-	-	-	-	(12,242)	(8,356)
At 31 March 2024	806,448	179,285	5,902	2,697	1,122	202	18,229	1,013,885
Accumulated Depreciation and Impairment								
At 1 April 2023	(614)	-	(3,482)	(628)	-	-	-	(4,724)
Depreciation charge	(10,300)	(6,016)	(558)	(71)	(4)	-	-	(16,949)
Depreciation written out to the Revaluation Reserve	7,949	3,086	-	-	4	-	-	11,039
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,862	2,792	53	-	-	-	-	4,707
Derecognition - disposals	-	-	-	-	-	-	-	-
Derecognition - other	43	138	-	-	-	-	-	181
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2024	(1,060)	-	(3,987)	(699)	-	-	-	(5,746)
Net Book Value								
At 31 March 2024	805,388	179,285	1,915	1,998	1,122	202	18,229	1,008,139
At 31 March 2023	774,982	186,630	2,270	2,061	1,043	172	15,959	983,117
Movement in NBV	30,406	(7,345)	(355)	(63)	79	30	2,270	25,022

NOTES TO THE CORE FINANCIAL STATEMENTS

12. Property, Plant and Equipment - Comparative Movements in 2022/23

Movements in 2022/23

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2022	764,784	184,619	9,754	2,689	1,039	2,162	10,233	975,280
Additions	36,908	8,880	1,918	-	2	-	12,648	60,356
Assets recognised / derecognised under finance lease								-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	101,401	(1,131)	-	-	(180)	(28)	-	100,062
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(121,148)	(8,075)	-	-	-	14	-	(129,209)
Derecognition - disposals	(919)	(2,772)	(1,740)	-	-	(1,976)	(1,293)	(8,700)
Derecognition - other	(1,190)	-	(4,283)	-	-	-	(2)	(5,475)
Assets reclassified (to)/from Held for Sale	(4,251)	-	-	-	-	-	-	(4,251)
Other movements in cost or valuation	11	5,109	103	-	182	-	(5,627)	(222)
At 31 March 2023	775,596	186,630	5,752	2,689	1,043	172	15,959	987,841
Accumulated Depreciation and Impairment								
At 1 April 2022	(3,876)	(12,677)	(7,238)	(531)	(43)	(306)	-	(24,671)
Depreciation charge	(8,099)	(5,198)	(527)	(97)	(9)	(152)	-	(14,082)
Depreciation written out to the Revaluation Reserve	7,061	11,795	-	-	52	-	-	18,908
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,260	6,080	4,283	-	-	2	-	14,625
Derecognition - disposals	-	-	-	-	-	456	-	456
Derecognition - other	40	-	-	-	-	-	-	40
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2023	(614)	-	(3,482)	(628)	-	-	-	(4,724)
Net Book Value								
At 31 March 2023	774,982	186,630	2,270	2,061	1,043	172	15,959	983,117
At 31 March 2022	760,908	171,942	2,516	2,158	996	1,856	10,233	950,609
Movement in NBV	14,074	14,688	(246)	(97)	47	(1,684)	5,726	32,508

NOTES TO THE CORE FINANCIAL STATEMENTS

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	-	-	1,915	1,998	133	-	18,229	22,275
Valued at Fair Value as at:								
31 March 2024	-	-	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-	-	-
31 March 2022	-	-	-	-	-	-	-	-
De-minimis	-	-	-	-	-	-	-	-
Valued at Current Value as at:								
31 March 2024	805,388	-	-	-	-	-	-	805,388
31 March 2023	-	179,284	-	-	540	202	-	180,026
31 March 2022	-	-	-	-	-	-	-	-
De-minimis	-	1	-	-	449	-	-	450
Total Cost or Valuation	805,388	179,285	1,915	1,998	1,122	202	18,229	1,008,139

a) Capital Commitments

At 31 March 2024, the Council had entered into a number of contracts for the construction of or enhancement to Property, Plant and Equipment for completion in 2024/25 and future years, estimated at £62.2 million. Similar commitments at 31 March 2023 were £22.5 million. The major commitments are:

		31 Mar 2024 £'000	31 Mar 2023 £'000
Oxford North Development - Affordable Housing Development Agreement relating to land and buildings situated at Blackbird Leys Estate, Oxford	Hill Residential Ltd	20,370	-
Construction of 26 flats at Princes Street and Collins	Peabody Trust	13,272	13,939
Refurbishment and New Build of East Oxford Community Centre	Life Build Solutions Ltd	7,602	-
Social Housing Decarbonisation Fund Wave 2.1 Housing Site - Former Council Depot, Lanham Way	Oxford Direct Services Ltd	5,900	-
Cowley Branch Line	Vinci Construction Uk Ltd	4,178	-
Revenues and Benefits System	Feltham Construction Ltd	2,708	-
Microsoft Licences	Network Rail Infrastructure Ltd	2,510	3,261
Fixed Line Telephony	Civica UK Ltd	1,318	1,447
	Phoenix Software Ltd	720	1,129
	Class Affinity Projects T/A Class Networks	669	692
1-3 George Street - Main Contract Works	Oxford Direct Services Ltd	510	546
Gaswork Pipe Bridge Refurbishment	B & M Mchugh Ltd	449	927
Cowley Branch Line Infrastructure Place Study	Bloom Procurement Services Ltd	423	-
PCSA for Oxpens River Bridge	Balfour Beatty Civil Engineering Ltd	409	-
Construction at Northfield Hostel	Equans Regeneration Ltd	273	-
Deed of Professional Appointment relating to the Barton Regeneration Project	Arcadis LLP	270	349
Town Hall – Repairs to Concrete Soffits including Plaster Repairs	Oxford Direct Services Ltd	262	-
Project Manager / Contract Manager	Baily Garner LLP	256	-
Architect Led Consultancy Team for Blackbird Leys Community Centre	Jessop & Cook Architects Ltd	108	173
		62,207	22,463

NOTES TO THE CORE FINANCIAL STATEMENTS

b) Asset Lives

The table below shows the range of asset lives in years for depreciation purposes at the point of recognition. Assets under construction are not depreciated until after completion. Land has an indefinite life and is excluded from the figures in the table.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets
Maximum Life	90 years	90 years	20 years	69 years	125 years	N/a
Minimum Life	15 years	0 years	5 years	10 years	125 years	N/a
Average	42 years	47 years	9 years	22 years	125 years	N/a

c) Revaluations

Valuations and desktop reviews were undertaken by external registered valuers. The effective date for all valuations and reviews was 31st March 2024. The firms engaged were Savills (UK) Limited, Carter Jonas LLP and Marshalls Chartered Surveyors. Summary of external valuation work undertaken:

- **Investment Property**
A desktop review and revaluation programme was undertaken by an external firm of valuers, Carter Jonas. This exercise identified 35 properties requiring further inspection. The valuations were conducted or reviewed by, Cecilia Fellows MRICS, Chris Rhodes MRICS, Archie Rettie MRICS, Tom Vecchione MRICS and Anna Kwiatkowski of Carter Jonas.
- **Council Dwellings**
A full review and revaluation process of all beacon properties was undertaken by Chris Wallin MRICS, Andy Garrett FRICS and Catherine Wilson MRICS of Savills. This exercise will ensure the entire portfolio reflects accurate values at the reporting date based on the valuation methodology set out by the Royal Institute of Charter Surveyors and the guidance published in Stock Valuation for Resource Accounting: Guidance for valuers – 2016 published by the Department for Communities and Local Government in November 2016.
- **Other Land and Buildings**
A desktop review and revaluation programme was undertaken by an external firm of valuers, Carter Jonas. This exercise identified 42 properties requiring further inspection. The valuations were conducted or reviewed by, Cecilia Fellows MRICS, Chris Rhodes MRICS, Archie Rettie MRICS, Tom Vecchione MRICS and Anna Kwiatkowski of Carter Jonas.

Additionally, Houses in Multiple Occupation were reviewed and valued by Ben Nield MRICS and Andy Garrett FRICS of Savills. Rent to Mortgage properties were valued by Mark Shirley FRICS of Marshalls Chartered Surveyors.

The significant assumptions applied in estimating the current values are:

Existing Use Value (EUV) is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing. The parties are taken to have acted knowledgeably, prudently and without compulsion. The valuation will disregard potential alternative uses and any other characteristics of the property which would cause its market value to differ from that needed to replace the existing service.

Where insufficient market-based evidence of Current Value is available because an asset is specialised and/or rarely sold, the CIPFA Code permits the use of Depreciated Replacement Cost (DRC).

Existing Use Value Social Housing (EUV-SH) is the estimated amount for which a social housing property should exchange on the date of valuation, between a willing buyer and a willing seller, in an arm's-length transaction. There is presumption of proper marketing, that the parties are acting knowledgeably, prudently and without compulsion, and that the property will continue to be used for social housing purposes.

NOTES TO THE CORE FINANCIAL STATEMENTS

Market Value (MV)

Market Value is defined as 'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

13. Heritage Assets

This Statement discloses the major transactions that have taken place on Heritage Assets. The Assets were shown in 2010/11 for the first time and were introduced mainly at Market Value. The assets were revalued as at 25 November 2020 and are now showing in our accounts as at that date; the next valuation is due in 2025 for the 2025/26 financial year. The majority of Heritage Assets including Non-Operational Property were valued by Coram James, specialist Art and Antique valuers - Robert Coram James BA MRICS MNAVA undertook the valuation work.

An assessment of impairment was undertaken as part of the revaluation and all impairment that was recognised was due to downward valuation rather than deterioration in the assets.

All of the heritage assets are subject to a five year cycle of valuation where appropriate.

Reconciliation of the Carrying Value of Heritage Assets Held by the Authority	The Great Mace	Furniture	Civic Regalia	Fire Arms	Pictures and Drawings	Non Operational Property Fountain & Sculpture	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 April 2022	1,684	55	412	42	458	1,037	3,688
Movements	-	-	-	-	-	-	-
31 March 2023	1,684	55	412	42	458	1,037	3,688
1 April 2023	1,684	55	412	42	458	1,037	3,688
Movements	-	-	-	-	-	-	-
31 March 2024	1,684	55	412	42	458	1,037	3,688

14. Heritage Assets - Further Information

The Great Mace, Plate Room Silver Plaques and Cutlery and the Willis Organ

This collection includes a number of maces and silver cups of historic interest and importance. The Great Mace dating to circa 1660 was made to coincide with the restoration of Charles II, with the previous Commonwealth mace being used in the making of the Great Mace.

The Plate Room includes many cups and trophies, while many other silver items of cutlery, badges, tankards are retained in the collection held by the Council.

Other historic cups are displayed and these include the Coronation Cup given by Charles II to the City of Oxford.

A late 19th Century Organ built by Henry Willis and Sons in 1896/97 is sited in the Main Hall of the Town Hall. The Organ is rococo style case with three towers and two flats. For the purpose of grouping assets into categories the value has been placed in with the Civic Regalia.

NOTES TO THE CORE FINANCIAL STATEMENTS

Furniture

The Furniture recorded as heritage assets includes four notable mahogany sets of furniture. The Council considers that due to a combination of the diverse nature and immaterial values, obtaining valuations for any less significant furniture would involve a disproportionate cost in relation to the benefit to the users of financial statements and therefore they are not included on the Balance Sheet.

Civic Regalia and Chains of Office

The Chains of Office include those belonging to the Lord Mayor and Mayoress, the Sheriff and Sheriff's lady, and Deputy Lord Mayor. These are very ornate and valuable items mainly of gold and enamel. The Mayoral chain dates back to 1883, and includes a badge relief decorated and enamelled with the City Arms.

Firearms

The Firearms date back to the 17th Century, and include a collection of English Lock Muskets. The Firearms are displayed in the Town Hall in glass fronted cases.

Pictures and Drawings

The Art Collection includes paintings (both oil and watercolour) and sketches and is reported on the Balance Sheet at Insurance Value.

A large number of Portraits are to be found in the collection, as well as oils on canvass such as "The rape of the Sabines" presented to the Council by the Duke of Marlborough in 1901.

Memorial Gardens and City Walls

The Council has identified War Memorials and a Garden in St Giles, and the War Memorial in Marston Road, which along with the ancient City walls and Bastion (inside New College, and Hall Street) and the Rewley Abbey Wall meet the criteria of Heritage assets. However, due to their diverse nature these assets lack any comparable market values and cost records do not exist. The cost of providing a Balance Sheet valuation on these assets would be disproportionate to any benefit to the user of the Authorities financial statements and therefore are excluded from the Balance Sheet.

Heritage Non Operational Property

A number of Properties owned by Oxford City are of historic interest but these are operational assets and therefore held within Property, Plant and Equipment.

The Council has identified the Plain Fountain, comprising an ornate stone fountain covered by an octagonal plate roofed open sided structure with stone columns. A clock with four faces is sited on top of the roof with a decorative metal weather vane installed above. This is a significant Asset in terms of its cultural and Heritage presence and the Asset is included in the Balance Sheet at its Depreciated Replacement Cost.

In the 2015/16 revaluation of heritage assets, the Council's valuer identified a number of sculptures which are predominantly situated in public outdoor spaces and recognized these as heritage assets. These have been included in the balance sheet at market value.

Oxford City First Registration number Plate

The Mayoral Car carries the first registration plate issued in Oxford, and the plate is valued at market value.

NOTES TO THE CORE FINANCIAL STATEMENTS

15. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2023/24 £'000	2022/23 £'000
Rental Income from Investment Property	10,950	10,303
Direct Operating Expenses arising from Investment Property	(1,710)	(1,084)
Net Gain/(Loss)	9,240	9,219

Investment Property valuations were reviewed to identify assets that could have experienced a significant change in value. All such assets identified were valued as at 31st March 2024. Consideration was given to subsequent movements and nothing identified which merited further adjustments

There are no restrictions on the Council's ability to realise the value inherent in its Investment Property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property.

The following table summarises the movement in the Fair Value of Investment Properties over the year:

	2023/24 £'000	2022/23 £'000
Balance at start of the year	117,688	114,227
Additions:		
Purchases	-	-
Subsequent expenditure	1,830	1,965
Net gain / (loss) from Fair Value adjustments	18,380	1,272
Less:		
Disposals	-	-
Net balance prior to transfers	137,898	117,464
Transfers:		
(To)/from Property Plant and Equipment	8,402	224
Balance at the end of the year	146,300	117,688

Fair Value Hierarchies

The table below summarises the use of the three fair value hierarchies used during 2023/24. The market approach using current market conditions, recent sales prices, and other relevant information for similar assets in the local area was used for all assets valued using a level 2 valuation approach.

	Quoted Prices in Active Markets for Identical Assets (Level 1) £'000	Other Significant Observable Inputs (Level 2) £'000	Significant Unobservable Inputs (Level 3) £'000	Fair Value as at 31 March 2024 £'000
Fair Value Measurement	-	146,300	-	146,300
Total	-	146,300	-	146,300

	Quoted Prices in Active Markets for Identical Assets (Level 1) £'000	Other Significant Observable Inputs (Level 2) £'000	Significant Unobservable Inputs (Level 3) £'000	Fair Value as at 31 March 2023 £'000
Fair Value Measurement	-	117,688	-	117,688
Total	-	117,688	-	117,688

NOTES TO THE CORE FINANCIAL STATEMENTS

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between the Fair Value Hierarchy Levels during 2022/23

Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for investment properties has primarily been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties and therefore no transfers to or from measurement using the Level 3 methodology.

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally by Carter Jonas LLP, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's Corporate Property team work closely with the external valuers and finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

NOTES TO THE CORE FINANCIAL STATEMENTS

16. Intangible Assets

The Council accounts for its software as an Intangible Asset, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware or Equipment. Intangible Assets includes both purchased licenses and software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The Council amortises Intangible Assets according to the expected economic useful life on a straight line basis.

The average amortisation period is 5 years.

	2023/24 £'000	2022/23 £'000
Balance at 1 April		
- Gross Carrying Amounts	6,415	6,249
- Accumulated Amortisation	(2,260)	(2,181)
Net Carrying Amount at Start of Year	4,155	4,068
Additions:		
- Purchases	737	1,181
- Amortisation for the period	(1,244)	(1,094)
	(507)	87
Disposals:		
- Derecognition	(434)	(1,015)
- Amortisation write back	434	1,015
Net Carrying Amount at End of Year	3,648	4,155
Comprising:		
- Gross Carrying Amounts	6,718	6,415
- Accumulated Amortisation	(3,070)	(2,260)
	3,648	4,155

The amortisation of £1.2 million is shown in the Service Level Agreements and Capital Charges section within the Comprehensive Income and Expenditure Statement.

NOTES TO THE CORE FINANCIAL STATEMENTS

17. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet (page 26).

Financial Assets	Non Current				Current			
	Investments		Debtors		Investments		Debtors	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Fair Value through Profit or Loss	19,691	20,146	141,123	146,154	-	43,000	56,159	41,209
Total Financial Assets	19,691	20,146	141,123	146,154	-	43,000	56,159	41,209

Financial Liabilities	Non Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Amortised Cost	(218,528)	(198,528)	(1,423)	(1,401)	(11,088)	(16,831)	(27,475)	(57,194)
Total Financial Liabilities	(218,528)	(198,528)	(1,423)	(1,401)	(11,088)	(16,831)	(27,475)	(57,194)

The figures in the table above have been adjusted to only reflect non statutory creditors and debtors.

NOTES TO THE CORE FINANCIAL STATEMENTS

a) Income, Expense, Gains and Losses

	2023/24		2022/23	
	Surplus / (Deficit) on the Provision of Services £'000	Other Comprehen- sive Income and Expenditure £'000	Surplus / (Deficit) on the Provision of Services £'000	Other Comprehen- sive Income and Expenditure £'000
Net gains/losses on:				
Financial Assets Measured at Fair Value	(1,225)	-	(3,549)	-
	(1,225)	-	(3,549)	-
Interest Revenue				
Financial Assets Measured at Fair Value	1,264	-	1,095	-
Financial Assets Measured at Amortised Cost	5,243	-	4,641	-
	6,507	-	5,736	-
Interest Expense	(7,844)	-	(6,852)	-

b) Fair Values of Financial Assets

			Valuation Techniques used to measure Fair Value	
			31 Mar 2024 £'000	31 Mar 2023 £'000
Property and Multi-Asset Funds				
Property Fund Investments with CCLA	Level 1	Unadjusted quoted prices in active markets for identical shares	3,474	3,615
Property Fund Investments with Lothbury	Level 1	Unadjusted quoted prices in active markets for identical shares	6,068	6,903
Multi-Asset Fund Investments with Artemis	Level 1	Unadjusted quoted prices in active markets for identical shares	5,379	4,825
Multi-Asset Fund Investments with Fidelity	Level 1	Unadjusted quoted prices in active markets for identical shares	4,089	4,123
Total			19,010	19,466

Investments in Property and Multi Asset Funds

The Council has invested £3 million in the CCLA Property Fund and £7 million in the Lothbury Property Fund. During 2020/21 the Council invested £5 million in the Artemis Multi-Asset Fund and in 2021/22 invested £5 million in the Fidelity Multi-Asset Fund. The units in all of these funds are valued based on the overall valuation of the funds. The Council is generally free to divest itself of its investments at any time and would receive a payment based on the number of units held multiplied by the quoted redemption price per unit. These investments are treated as available for sale financial instruments and have therefore been revalued as at 31 March 2023 based on the redemption value as at that date. The change in valuation has then been credited or debited to Other Comprehensive Income and Expenditure and is currently reversed out through the MiRS. When the Council redeems these investments, the excess over the original investment will be charged to Other Comprehensive Income and Expenditure and credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Fair Value Hierarchy Levels during the year.

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for the financial instruments.

18. Nature and Extent of Risks Arising from Financial Instruments

The Council's overall risk management programme focuses on minimising the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practice and has written principles for overall risk management as well as policies and procedures covering specific areas such as credit, liquidity, refinancing and market risk.

a) Credit Risk

Credit risk arises from short-term lending of surplus funds to banks, building societies and other Local Authorities as well as credit exposures to the Council's customers. It is the Council's policy to place funds only with a limited number of high quality banks, building societies and other Local Authorities whose credit rating is independently assessed as sufficiently secure by the Council's Treasury Advisors and to restrict lending to a prudent maximum amount for each financial institution. In addition the Council has invested in Property Funds, which has been assessed by the Council and their Treasury Advisors. The Council also maintains a formal counterparty policy in respect of those financial institutions and other bodies from which it may borrow, or with whom it may enter into other financing arrangements.

The Council does not generally allow credit for customers, such that all creditors are due within 3 months.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies was £0.0 million as at 31 March 2024 and in case cannot be assessed generally because the risk of any institution failing to make interest payment or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of un-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise.

The Council has increased risk with its investment in CCLA (Charities, The Church of England and Local Authorities) and Lothbury Property Funds and the Artemis and Fidelity Multi-Asset Funds, however this is mitigated by an Earmarked Reserve.

b) Liquidity Risk

The Council has ready access to borrowing from the Public Works Loan Board. As a result, there is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments. The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time to mitigate the impact of re-borrowing at a time of unfavourable interest rates. The Council has specific percentage limits for debt maturing in different periods to ensure an excessive amount of loans do not fall due for repayment at the same time. This ensures prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

NOTES TO THE CORE FINANCIAL STATEMENTS

c) Refinancing and Maturity Risk

The Council maintains a significant investment portfolio. Whilst the cash flow procedures cover the short and medium term cash needs, the risk in the longer term relates to the danger of having to replace a maturing long term investment at disadvantageous rates.

The approved prudential indicator limiting the amount of funds placed in investments for terms exceeding one year is a key factor limiting this risk, as is a medium term financial policy on reducing the Council's reliance on interest earnings to fund its core activities.

The Council's Treasury and Investment Strategy addresses the main risks and the Council's treasury team address the operational risks within the approved parameters. These include:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt or ensuring sufficient funds to make repayments on due dates; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day-to-day cash flow needs, and the spread of longer-term investments providing stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity analysis of financial liabilities is as follows:

	2023/24	2022/23
	£'000	£'000
Up to 1 year	38,893	78,319
Between 1 and 5 years	20,000	20,000
Between 5 and 10 years	60,000	40,000
Over 10 years	138,528	138,528
	257,421	276,847

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, the fair value is assumed to be equal to the carrying amount.

NOTES TO THE CORE FINANCIAL STATEMENTS

d) Analysis of Financial Liabilities

The analysis of financial liabilities is included in the table below. The amortised cost is an accumulation of the principal and accrued interest. The fair value is as per the notification received from the Public Works Loan Board (PWLB). The fair value of the liabilities is higher than the amortised cost due to the premiums that would become payable if the loans were to be repaid.

	2023/24 £'000	2022/23 £'000
Short Term Borrowing	11,088	11,000
Long Term Borrowing - Public Works Loan Board	218,528	198,528
Local Bonds	-	-
Finance Lease Liability	291	292
Cash	330	10,125
Creditors	27,475	57,194
	257,712	277,139
Amortised Cost	257,712	277,139
Fair Value	225,472	244,609

e) Analysis of Financial Assets

The analysis of Financial Assets is shown in the table below. The amortised cost is an accumulation of the principal and the accrued interest. The majority of investments are at a fixed rate and for a fixed term therefore the accrued interest is based on the agreed rates at the inception date of the investment, and therefore a fair value has not been used as a comparator.

The Council also has £3 million invested in CCLA Property Fund, £7 million in Lothbury Property Fund, £5 million in Artemis Multi-Asset Fund and £5 million in Fidelity Multi-Asset Fund. A fair value for these investments has been included.

	2023/24 £'000	2022/23 £'000
Short Term Investments	-	43,000
Long Term Investments	20,542	20,542
Cash	-	-
Debtors	56,159	41,209
Long Term Debtors	141,123	146,154
Amortised Cost	217,824	250,905
Fair Value	216,972	293,188

All trade and other payables are due to be paid in less than one year. The figures in sections c, d and e have been amended to only reflect the non statutory creditors and debtors.

NOTES TO THE CORE FINANCIAL STATEMENTS

f) Market Risk

Interest rate risk – The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise
- Borrowings at fixed rates – the fair value of the borrowing liability will fall
- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- Investments as fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Income and Expenditure Account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the movement in reserves, unless the investments have been designated as Fair Value through the Income and Expenditure Account.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury options, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The Council's treasury team monitor market and forecast interest rates within the year to adjust exposures appropriately, for instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

The risk of interest rate loss is partially mitigated by Government grant payable on financing costs.

The Council does not have any variable rate borrowings, therefore the impact of a 1% increase or decrease in interest rates would have a nil financial impact. However it does have deposits in Money Market Funds (MMF), which are at a variable rate. These funds fluctuate daily but normally within a range of approximately 0.01% unless there is a general change to interest rates.

Price Risk – The Council has investments in Property Funds. The unit price can fluctuate both up and down and is monitored closely by the Council. Potential impact is also mitigated by an Earmarked Reserve.

Foreign Exchange Risk – The Council does not partake in any financial assets or liabilities denominated in foreign currencies.

g) Financial Instruments Gains and Losses

There is a net loss of £0.456 million recognised in the Consolidated Income and Expenditure Statement in relation to the property and multi asset fund investments. These are held as Financial Instruments Available for Sale and the appropriate accounting treatment is applied. There are no other gains or losses recognised in the Consolidated Income and Expenditure Statement in relation to financial instruments in this financial year.

NOTES TO THE CORE FINANCIAL STATEMENTS

h) Fair value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- For Property Fund investments, the unit price has been used to provide the fair value;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Fair Value of Assets and Liabilities carried at Amortised Cost	2023/24		2022/23	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
PWLB Debt	218,528	197,706	198,528	187,123
Non - PWLB Debt	11,088	11,088	11,000	11,000
Total Debt	229,616	208,794	209,528	198,123
Trade Creditors	27,475	27,475	57,194	57,194
Total Financial Liabilities	257,091	236,269	266,722	255,317
Investments < 1 year	-	-	43,000	43,000
Investments > 1 year	19,690	19,690	20,146	20,146
Long Term Debtors	141,123	141,123	146,154	146,154
Trade Debtors	56,159	56,159	41,209	41,209
Total Loans and Receivables	216,972	216,972	250,509	250,509

NOTES TO THE CORE FINANCIAL STATEMENTS

19. Short Term Debtors

The table below shows the amount that the Council was owed at 31 March 2023 by third parties, together with amounts paid by the Council in advance of receipt of goods or services.

	2023/24 £'000	2022/23 £'000
Trade Receivables	30,939	15,622
Other Receivables	32,490	35,003
Total	63,429	50,625

20. Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	2023/24 £'000	2022/23 £'000
Less than one year	6,179	9,518
More than one year	11,603	11,488
Total	17,782	21,006

The past due but not impaired amount for local taxation (for the Council only removing the agency debt figures) is as follows:

	2023/24 £'000	2022/23 £'000
Less than one year	1,431	2,293
More than one year	2,887	2,944
Total	4,318	5,237

NOTES TO THE CORE FINANCIAL STATEMENTS

21. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	2023/24 £'000	2022/23 £'000
Cash Held by the Council	330	10,125
Bank Current Accounts	(1,418)	(15,956)
Total Cash and Cash Equivalents	(1,088)	(5,831)

22. Assets Held for Sale

	Current	
	2023/24 £'000	2022/23 £'000
Balance Outstanding at Start of Year	761	527
Assets newly classified as Held for Sale:		
Council Dwellings	2,756	4,453
Assets declassified as Held for Sale:		
Property, Plant & Equipment	-	(202)
Assets sold	(2,285)	(4,017)
Other Movements	31	-
Balance Outstanding at Year End	1,263	761

23. Short Term Creditors

The table below shows the amount that the Council owed as at 31 March 2023 to third parties, together with amounts received by the Council in advance of supply of goods or services.

	2023/24 £'000	2022/23 £'000
Trade Payables	(20,413)	(27,569)
Other Payables	(24,247)	(59,379)
Total	(44,660)	(86,948)

NOTES TO THE CORE FINANCIAL STATEMENTS

24. Provisions

Provisions for doubtful debts are separately treated against debtors on the Balance Sheet. The total value of Provisions held as at 31 March 2024 are:

	Other Provisions		Total
	Current £'000	Non Current £'000	£'000
Balance at 1 April 2022	-	(7,536)	(7,536)
Additional Provisions Made in Year	-	7,319	7,319
Amounts Used in Year	-	(4,383)	(4,383)
Unused Amounts Reversed in Year	-	(95)	(95)
Total Provisions as at 31 March 2023	-	(4,695)	(4,695)
Balance at 1 April 2023	-	(4,695)	(4,695)
Additional Provisions Made in Year	-	(9,396)	(9,396)
Amounts Used in Year	-	8,205	8,205
Unused Amounts Reversed in Year	-	36	36
Total Provisions as at 31 March 2024	-	(5,850)	(5,850)

Note: There are no outstanding legal cases or injury and damage compensation provisions (current or non-current).

Other Provisions

NNDR Appeals - There is a requirement for the Council to provide for potential future obligations arising from appeals made to NNDR valuations - £3.034 million. The NNDR provision is set aside to cover the estimated costs of NNDR appeals that have been lodged with the VOA for which the timing of appeals is uncertain and there is no information available on which to base an estimate. Whereas the Council expects some appeals to be settled in the following financial year, the Council expects that the majority of these appeals will be settled later than the following financial year. Consequently the whole of the provision has been classified as long term in the accounts.

Rent Deposit Scheme - There is a present obligation to the landlord, a large number of deposits are currently not returned due to damage to properties, and there is a probable outflow on these. It is estimated that the payment will not be greater than the original bond - £1.596 million

Insurance - There are insurance claims that the Council has received that have not yet been settled. This is an actuarial estimate of the cost of these insurance claims received but not yet paid and the provision stands at £0.769 million.

Council Tax Court Costs - Provision set aside for future obligations due to inability to collect costs - £0.452 million

25. Usable Reserves

Movements in the Council's Usable Reserves are detailed in the Movement of Reserves Statement (page 25), Note 7 (pages 39 to 43), and Note 8 (pages 44 to 46).

NOTES TO THE CORE FINANCIAL STATEMENTS

26. Unusable Reserves

	2023/24 £'000	2022/23 £'000
Revaluation Reserve	(431,694)	(421,613)
Capital Adjustment Account	(388,593)	(350,842)
Deferred Capital Receipts Reserve	(138,625)	(147,103)
Pensions Reserve	(24,015)	16,635
Collection Fund Adjustment Account	771	(4,308)
Financial Instruments Revaluation Reserve	852	396
Accumulated Absences Account and Employee Reserve	1,184	1,377
Total Unusable Reserves	(980,120)	(905,458)

a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets are:

- revalued downwards or impaired
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of

The Reserve contains only revaluation gains/losses accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(421,613)	(319,622)
Upward revaluation of assets	(87,080)	(273,519)
Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services (Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus)/Deficit on the Provision of Services	64,427	154,549
	(444,266)	(438,592)
Accumulated gains on assets sold or scrapped	-	-
Amount written off to the Capital Adjustment Account	12,572	16,979
Balance at 31 March	(431,694)	(421,613)

NOTES TO THE CORE FINANCIAL STATEMENTS

b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement and depreciation. Impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert Fair Value figures to a Historical Cost basis). The Account is credited with amounts set aside by the Council to finance the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created.

Note 7 (pages 39 to 43) provides details of the source of all the transactions posted to the Account apart from those involving the Revaluation Reserve.

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
Balance at 1 April		(350,842)		(458,871)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	6,175		5,902	
Revaluation losses on Property, Plant and Equipment charged to CI&E	(9,760)		117,595	
Amount written off from the Revaluation Reserve	(12,575)		(16,977)	
Amortisation of Intangible Assets	776		626	
Revenue expenditure funded from capital under statute	6,487		5,644	
HRA Depreciation made available for capital financing	11,105		8,648	
Adjustments to Deferred Capital Receipts	5,081		8,941	
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to Comprehensive Income and Expenditure Statement	7,934		11,673	
Net written out amount of the cost of non-current assets consumed in the year		15,223		142,052
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(13,086)		(14,759)	
Use of the Major Repairs Reserve to finance new capital expenditure	(15,439)		(7,323)	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(11,046)		(1,621)	
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(182)		(37)	
Repayment of debt on repaid debtor from capital receipts	(11,640)		(3,218)	
Capital expenditure charged against the General Fund and HRA balances	(1,581)		(7,065)	
		(52,974)		(34,023)
Movements in the market value of Investment properties debited or credited to the Comprehensive Income and Expenditure Statement		-		-
Balance at 31 March		(388,593)		(350,842)

NOTES TO THE CORE FINANCIAL STATEMENTS

c) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as available for financing new capital expenditure until they are backed by cash. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(147,103)	(143,226)
Adjustment for restatement in respect of Finance Leases	-	-
Adjustment for capital loans and leases	(5,081)	(8,941)
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	54	(53)
Impairment of deferred capital receipts	769	(336)
Transfer to the Capital Receipts Reserve upon receipt of cash	12,736	5,453
Balance at 31 March	(138,625)	(147,103)

d) Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service; updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the Pension Fund or pays pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the resources the Council has set aside compared to the benefits earned by past and current employees. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	16,635	158,180
Actuarial (gains) or losses on pensions assets and liabilities	(38,297)	(159,333)
Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	3,500	22,388
Employer's pensions contributions and direct payments to pensioners payable in the year	(5,853)	(4,600)
Balance at 31 March	(24,015)	16,635

NOTES TO THE CORE FINANCIAL STATEMENTS

e) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(4,308)	8,338
Amount by which Council Tax Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	5,079	(12,646)
Balance at 31 March	771	(4,308)

f) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account was created on 1st April 2019 in response to changes in accounting standards applied and any balance on the previous Available for Sale Financial Instruments Reserve was transferred into here on that date. The Financial Instruments Adjustment Account contains the statutory over-ride reversal for unrealised gains and losses on Financial Instruments and Financial Instruments Impairments

	2023/24 £'000	2022/23 £'000
Balance at 1 April	396	(3,489)
Upward revaluation of investments	(554)	-
Downward revaluation of investments	1,010	3,885
Change in impairment loss allowance	-	-
Balance at 31 March	852	396

g) Accumulated Absences Account and Employment Reserve Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

The Employment Reserve accounts for the Termination Payments that have been accrued but not paid as at 31 March. These accruals are reversed and therefore mitigated through the Movement in Reserves Statement.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	1,377	1,297
Settlement or cancellation of accrual made at the end of the preceding year	(1,377)	(1,297)
Additional accrual during the year	1,184	1,377
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(193)	80
Balance at 31 March	1,184	1,377

NOTES TO THE CORE FINANCIAL STATEMENTS

27. Operating Activities

Operating activities within the Cashflow Statement include the following cashflows relating to Interest

	2023/24 £'000	2022/23 £'000
Interest Received	7,725	7,734
Interest Paid	(7,844)	(6,852)
Dividends received	7,400	600
Total	7,281	1,482

28. Acquired and Discontinued Operations

There were no acquired or discontinued operations in 2023/24.

29. Trading Operations

A number of operations that the Council undertakes are technically classified as Trading Operations. Most of these operations provide services on an internal basis to other parts of the Council. The activities set out below are included in Net Operating Expenditure.

		2023/24 £'000	2022/23 £'000
Building Control Charging Account	Turnover	(429)	(472)
	Expenditure	606	772
	(Surplus)/Deficit	177	300
Investigations	Turnover	(291)	(234)
	Expenditure	240	311
	(Surplus)/Deficit	(51)	77
Net (Surplus)/Deficit on Trading Operations		126	377

NOTES TO THE CORE FINANCIAL STATEMENTS

30. Agency Services

For a number of years, Oxford City Council have exercised their right under Section 42 of the Highways Act to maintain the unclassified roads in Oxford using funding provided by Oxfordshire County Council including routine and other maintenance.

	2023/24 £'000	2022/23 £'000
Routine Maintenance Expenditure	567	88
Section 42 Agreement	1,220	733
Section 101 Agreement	-	212
Net Expenditure Recharged through the Agency Arrangement	1,787	1,033

With effect from 1st April 2018, under a new agreement with the County Council, Oxford City Council has been appointed as agent of Oxfordshire County Council under Section 101 of the Local Government Act 1972 and Section 9EA of the Local Government Act 2000 to carry out the specified work. A back-to-back contract has then been made between Oxford City Council and Oxford Direct Services Ltd (ODSL) for delivery of the services. In practice this forms part of the wider services contract that the council has with ODSL. Existing Oxfordshire County Council staff have transferred under TUPE to ODSL as the entity carrying out the activities.

The Section 101 Agreement funds ODSL back office staff for managing this contract on behalf of Oxfordshire County Council. Part of the agreement was that 4 posts were TUPE to ODSL and these cost plus a % of ODSL Existing Management Team can be claimed back.

This agency work covers areas such as pothole maintenance, footpath maintenance, road improvement schemes, carriageway surface dressing, grass verge cutting and road and path side tree maintenance. Also included are winter maintenance, white lining and drainage maintenance.

ODSL on behalf of Oxford City Council carry out most of the maintenance operations under the agreement. This work is split into three; Highways engineering, (carriageway and pavement maintenance) and grass cutting which are undertaken by the Engineering teams and Grounds Maintenance teams respectively, both of which are managed by Oxford Direct Services Limited. The final area of work is tree maintenance, which is carried out by the Leisure & Parks Tree team.

31. Members' Allowances

The Council paid the following amounts to Members of the Council during the year:

	2023/24 £'000	2022/23 £'000
Members' Allowances		
Allowances	389	379
Expenses	4	1
Total Payments	393	380

NOTES TO THE CORE FINANCIAL STATEMENTS

32. Officers Remuneration - Senior Employees

The remuneration paid to the Council's senior employees is as follows:

Name/Title		Salary, Fees and Allowances	Pension Contributions	Total	Note
		£	£	£	
Chief Executive	2023/24	168,847	22,626	191,472	32.1
	2022/23	164,729	26,686	191,415	
Executive Director - Development	2023/24	124,593	16,651	141,244	
	2022/23	121,232	19,640	140,872	
Executive Director - Corporate Services	2023/24	124,262	16,651	140,913	32.2
	2022/23	111,129	18,003	129,132	
Executive Director of Sustainable City	2023/24	-	-	-	
	2022/23	59,688	1,323	61,012	
Executive Director - Communities and People	2023/24	26,872	3,284	30,156	32.3
	2022/23	121,232	19,640	140,872	
Head of Law & Governance/Monitoring Officer	2023/24	70,886	9,475	80,361	32.4
	2022/23	108,546	18,038	126,584	
Head of Financial Services/Section 151 Officer	2023/24	101,494	13,549	115,043	
	2022/23	98,593	15,914	114,507	

32.1 - The Chief Executive has an annualised salary of £168,161

32.2 - A new post of Executive Director Corporate Services was created and the post holder started on the 1 May 2022.

32.3 - The disclosure relates to an employee who last day of service was on the 11 June 2023, being replaced by contractor that is not disclosed under the ACOP guidance.

32.4 - Two officers held the post in 2023-24. The original post holder departed on the 16 April 2023 and the new post holder started on the 7 August 2023.

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Other Employees Receiving more than £50,000	Number of employees 2023/24	Number of employees 2022/23
£50,000 - £54,999	19	26
£55,000 - £59,999	13	6
£60,000 - £64,999	20	20
£65,000 - £69,999	6	2
£70,000 - £74,999	6	4
£75,000 - £79,999	5	4
£80,000 - £84,999	2	1
£85,000 - £89,999	6	5
£90,000 - £94,999	1	1
£95,000 - £99,999	-	2
£100,000 - £104,999	2	-
£120,000 - £124,999	-	1
£125,000 - £129,999	1	-
Total Number of Employees	81	72

NOTES TO THE CORE FINANCIAL STATEMENTS

Exit Package cost band including special payments

	Number of other agreed departures		Total number of packages		Total cost of exit packages	
	2023/24 Nos	2022/23 Nos	2023/24 Nos	2022/23 Nos	2023/24 £'000	2022/23 £'000
£0- £20,000	2	4	2	4	23	7
£20,001- £40,000	1	-	1	-	25	-
£40,001- £60,000	1	-	1	-	44	-
Total	4	4	4	4	92	7

33. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts by the Council's external auditors:

	2023/24 £'000	2022/23 £'000
External Audit	228	82
External Audit Scale Fee Variation	-	68
Grant Claims	81	22
Grant Income	-	(35)
Total	309	137

34. Grant Income

The Council has credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24:

Grants Credited to Taxation and Non Specific Grant Income

	2023/24 £'000	2022/23 £'000
Community Infrastructure Levy (Various)	4,307	5,211
Growth Deal - Osney Bridge (County)	2,700	2,876
Local Authority Housing Fund (DLUHC)	1,569	1,421
Disabled Facilities Grant (DLUHC)	1,545	1,000
Oxford Station Funding (Various)	1,046	718
Social Housing Decarbonisation Fund (DLUHC)	1,027	533
Affordable Housing Programme (Homes England)	949	245
New Homes Bonus - (DLUHC)	663	471
Brownfield Land Release Fund (DLUHC)	340	404
Single Homelessness Accommodation Programme (DLUHC)	295	173
Services Grant - (DLUHC)	250	160
Funding Guarantee - (DLUHC)	214	137
Revenue Support Grant (RSG) (DLUHC)	198	97
New Burdens (BEIS)	148	-
Shared Prosperity Fund (DLUHC)	120	70
Tennis Funding (Lawn Tennis Association)	92	60
Housing Infrastructure Fund Blackbird Leys (DLUHC)	80	50
Youth Investment Fund (Social Investment Business Foundation)	34	40
Oxford Growth Deal - City Cycle Schemes (DLUHC)	8	17
Homes for Ukraine (County)	-	816
Total	15,585	14,499

NOTES TO THE CORE FINANCIAL STATEMENTS

Grants Credited to Services	2023/24	2022/23
	£'000	£'000
Housing Benefit Subsidy (DWP)	36,647	35,659
Rough Sleeping Initiative (DLUHC)	2,413	1,668
Homelessness Prevention Grant (DLUHC)	1,508	1,256
Out of Hospital Care (Various)	1,285	1,182
Homes for Ukraine (County)	1,281	223
Rough Sleeping Accommodation Programme (DLUHC)	782	434
Discretionary Housing Payment (DWP)	423	171
Afghan Citizens Resettlement Scheme (Home Office)	411	280
Council Tax Hardship Fund (County)	322	-
New Burdens (DWP & DLUHC)	303	601
Household Support Fund (County)	260	475
Syrian Vulnerable Person Relocation Scheme (Home Office)	214	96
Asylum Dispersal Grant (Home Office)	196	9
Elections Grant (PCC)	155	-
Health Development (County)	144	-
Community Safety Fund (PCC)	119	107
Winter Pressures Fund (DLUHC)	113	129
Museum Funding (Various)	92	6
Homelessness Contributions (Various)	86	-
Accommodation for Ex Offenders (DLUHC)	84	-
Zero Carbon Oxfordshire Partnership (ZCOP)	83	44
Community Vaccine Champion (Various)	68	364
Shared Prosperity Fund (DLUHC)	65	42
Council Tax - Care Leavers (County)	65	-
You Move (County)	61	1
Museum of Oxfordshire Contributions (Various)	57	36
Youth Ambition Fund (DWP)	53	40
Oxfordshire Cultural Educational Partnership (OXCEP)	52	65
Story Exchange Project (CEP)	52	-
Dancing Oxford (Various)	50	-
Move Together (County)	46	36
Museum NPO Associate Award (Oxford Uni)	43	-
Safer Streets Fund (PCC)	35	96
Leisure for All (Sports England)	35	6
CHS Officer (Samsung)	34	-
County Contributions (County)	33	-
Single Homelessness Accommodation Programme (Homes England)	29	-
Biodiversity Net Gain (DEFRA)	27	-
Building Better Opportunities (ESF)	26	263
Chewing Gum Grant (Keep Britain Tidy)	25	-
District Contributions (District Councils)	24	16
Project LEO (Innovate)	23	121
Storm Henk Recovery Fund (DLUHC)	19	-
Low Carbon Skills Fund (Salix)	19	-
Families Affected by Imprisonment (Innovate)	17	-
Youth Ambition Project (Thames Valley Police)	15	15
Torch Funding (Torch)	15	-
Sub Total	47,909	43,441

Continued overleaf...

NOTES TO THE CORE FINANCIAL STATEMENTS

Grants Credited to Services - Continued

	2023/24 £'000	2022/23 £'000
Air Quality Grant (DEFRA)	12	193
Museum Funding (National Heritage)	12	58
Homes England (Homes England)	11	44
COMF (County)	11	-
Gas Safe Fund (FILTSSE)	10	14
Dance Contributions (Various)	10	10
General Contributions (Various)	10	-
Domestic Abuse Funding (DLUHC)	5	140
West End Project (BGO Spires II Propco)	5	28
Play Area Contributions (Various)	5	-
Voter ID (DLUHC)	3	-
Community Profiles (County)	2	15
Go Active (County)	2	12
Access to Work (DWP)	2	-
Oxford Lottery (Various)	1	-
Active Oxfordshire (Various)	1	177
Energy Superhub Oxfordshire (Innovate)	-	738
Community Infrastructure Levy (Various)	-	454
Ukraine Resettlement Scheme (Home Office)	-	110
Arts Council England Grants (ACE)	-	107
Kickstart (DWP)	-	93
Disabled Facilities Grant (Various)	-	39
HIF Capacity Fund (Homes England)	-	38
Redmond Review (DLUHC)	-	36
community Liaison (County)	-	34
Floyds Row (Various)	-	34
Culture Recovery Fund (Various)	-	33
Growth Deal Cowley Branch Line (County)	-	32
Barton Healthy New Town Fund (NHS)	-	16
Council Tax Discount (DLUHC)	-	16
Test & Trace Support Payment (BEIS)	-	14
New Burden - Air Quality (DEFRA)	-	12
Canal & River Trust Fund (CRT)	-	11
May Day (Various)	-	7
Oxford Train Station (Various)	-	7
Pavement Licensing Grant (DLUHC)	-	5
Councillor Contributions (Various)	-	5
Cooperative Councils Innovation Network (Various)	-	5
CCTV Project (PCC)	-	3
Carol Concert (Lord Mayor)	-	2
Transport Officer (County)	-	2
Contribution (PCC)	-	1
Going Green Grant (Royal Pavilion & Museums)	-	1
NLA Licence (ODS)	-	1
Sub Total	102	2,547
Grand Total	48,011	45,988

NOTES TO THE CORE FINANCIAL STATEMENTS

Capital Grants Receipts in Advance

	2023/24 £'000	2022/23 £'000
Section 106 Contributions (Various)	14,165	13,973
Oxford Growth Deal - Osney Bridge (Growth Deal)	5,522	5,522
Growth Deal (HRA) (DLUHC)	3,760	3,760
Oxford Growth Deal - General (DLUHC)	2,066	2,066
Oxford Growth Deal - Cycle Schemes (DLUHC)	1,015	1,015
Clean Bus Tech Grant (Department of Transport)	653	653
GULO Grants (Office for Zero Emissions)	572	572
Oxford Growth Deal - William Morris Close (DLUHC)	347	347
Local Authority Housing Fund (HRA) (DLUHC)	333	333
Green Homes Grant (HRA) (BEIS)	307	307
Total	28,740	28,548

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the money to be returned to the provider if they are not used for the purpose specified. The balances at the year end are as follows:

Revenue Grants Receipts in Advance

	2023/24 £'000	2022/23 £'000
Kickstart (DWP)	254	254
Test & Trace (BEIS)	227	298
CT Hardship Fund (DLUHC/County)	167	-
Community Profile Grants (County)	126	95
Community Vaccine Champion (DLUHC)	113	121
Other Arts Grants (Arts Council)	96	78
Active Oxfordshire (Sports Council)	90	120
Council Tax Rebate (DLUHC)	75	75
Restart 21/22 (BEIS)	61	1,838
Museum of Oxford (MOX Dev. Trust)	60	14
Safer Streets Funding (Oxfordshire County Council)	32	-
Gas Safe Fund (FILTSSE)	17	12
Domestic Abuse Fund (DLUHC)	15	5
Unidentified (BEIS)	14	14
Culture Recovery Fund (Arts Council)	5	18
Local Restriction Support Grant (Closed) (BEIS)	-	9,486
Energy Bills Support Scheme (BEIS)	-	603
DLUHC - Council Tax	-	339
Local Restriction Support Grant (Open) (BEIS)	-	269
RSDATG - to county	-	229
Additional Restrictions Grant (BEIS)	-	211
New Burdens 5&6 (BEIS)	-	118
Omicron Hospitality & Leisure Grant (BEIS)	-	60
Alternative Fuel Payment (BEIS)	-	40
Community Safety Fund (Oxfordshire County Council)	-	35
Household Support Fund (Oxfordshire County Council)	-	24
Youth Investment Fund	-	22
Youth Ambition Fund (DWP)	-	18
Practical Support Payment (Oxfordshire County Council)	-	11
Wet Led Pub Top Up (BEIS)	-	2
Total	1,352	14,408

NOTES TO THE CORE FINANCIAL STATEMENTS

The Council has received a number of grants and contributions that have not been matched against related expenditure and therefore are held in an earmarked reserve rather than credited to the General Fund balance. Some of these amounts also appear in the previous table if they were received in year. The balances at the year end are as follows:

Revenue Grants Earmarked Reserve	2023/24 £'000	2022/23 £'000
Homelessness Prevention Grants (DLUHC)	2,294	1,778
Flexible Homelessness Support Grant (DLUHC)	1,295	1,295
Homes for Ukraine (County)	816	-
Out of Hospital Models for People (DHSC)	771	134
Rough Sleeping Initiative (DLUHC)	519	409
Air Quality Grant/ZEZ (DEFRA)	480	517
Syrian Vulnerable Persons Relocation Scheme (Home Office)	458	704
Discretionary Business Grants - Administration Costs (BEIS)	397	249
Afghan Resettlement Grants (Home Office)	287	17
Council Tax Hardship Fund (DLUHC)	244	-
Asylum Dispersal (Home Office)	220	48
Eco moorings (DEFRA)	193	193
Homelessness Prevention (New Burdens HRA17) (DLUHC)	156	206
Discretionary Housing Payment (DWP)	149	-
Containment Outbreak Management Fund (DHSC)	138	138
Controlling Migration Fund (DLUHC)	96	106
Cyber Security (DLUHC)	85	85
Next Steps Accommodation Programme (Revenue) (DLUHC)	66	-
Homelessness Prevention (Trailblazers) (DLUHC)	54	54
Building Better Opportunities (European Social Fund)	53	53
Leaving EU Preparation Grant (DLUHC)	52	52
Care Leavers Fund (County)	52	-
Heat Networks Delivery Unit Grant (Department of Energy and Climate Change)	46	46
Custom Build Homes (DLUHC)	45	45
Rapid Rehousing Pathway Funding (DLUHC)	42	42
Verify Earnings and Pensions Funding (DWP)	41	41
Brownfield Register Pilot (DLUHC)	30	30
Revenues & Benefits Grant (DWP)	24	186
Test & Trace Grant (Comms) (DHSC)	18	18
Decentralisation & Neighbourhood Planning (DLUHC)	16	16
Contaminated Land Grant (DEFRA)	14	14
Cold Weather funding (DLUHC)	6	6
I-Tree Project (DEFRA)	6	6
Heritage Conservation Fund (NLHF)	5	5
Priority Zone Funding (Table Tennis England)	2	2
Out of Hospital Model (DHSC)	-	979
Low Energy Oxfordshire funding (Innovate UK)	-	128
UKSPF (DLUHC)	-	22
New Burden Admin Fees (DWP)	-	19
Fraud Hub Grant (DLUHC)	-	8
Total	9,170	7,651
Capital Grants Unapplied Account	2023/24 £'000	2022/23 £'000
Community Infrastructure Levy (Various)	19,792	17,138
Oxford Growth Deal - Osney Bridge (DLUHC/County)	1,664	173
Disabled Facilities Grant (Department of Health & Social Care)	1,566	1,211
Housing Infrastructure Fund Northern Gateway (DLUHC)	1,154	1,158
Affordable Housing Programme (Homes England)	949	-
Museum Funding (National Heritage)	417	461
Social Housing Decarbonisation Fund (DLUHC)	415	-
Rough Sleepers Accommodation Project (DLUHC)	317	317
Local Authority Housing Fund (DLUHC)	283	-
Non Decarb Projects (Salix)	162	162
Ward Member Community Infrastructure Levy (Various)	158	158
Decarbonisation Fund (Salix)	147	162
Go Ultra Low Oxford (Office for Zero Emissions)	105	114
Meanwhile in Oxford B0131 (OXLEP)	64	67
Greenways Project Contribution (University of Oxford)	33	33
Additional Disabled Facilities Grant (Department of Health & Social Care)	31	31
Greenways Project Contribution (NHS)	26	40
Brownfield Land Release Fund - (DLUHC)	23	-
Shared Prosperity Fund (DLUHC)	10	70
Oxford Growth Deal - Purchase of Properties from OCHL (DLUHC)	-	2,795
Brownfield Land Release Fund - EOCC/Collins Street (DLUHC)	-	87
East Oxford Community Centre (DFG) (DLUHC)	-	40
Cowley Branch Line B0152 (Various)	-	32
Total	27,316	24,249

NOTES TO THE CORE FINANCIAL STATEMENTS

35. Related Parties

The Council is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another parties ability to bargain freely with it.

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Grant receipts outstanding at 31 March 2024 are shown in [Note 34 \(pages 74 to 78\)](#).

Members of the Council have direct control over the Council's financial and operating policies. A number of members and senior officers are members of voluntary organisations which may receive small grants and funding from the Council. The grants and funding were made with proper consideration of declarations of interest. The Register of Members' Interest is held at the Town Hall and published online, and is open for public inspection. There are loans held of £3.868 million with the Low Carbon Hub on which a senior officer is a board member . A number of Members serve on both the City Council and Oxfordshire County Council for which there are a number of transactions including grants and payments for services. A number of Members are also members of parish councils who receive precepts from the Council. One Member sits on Littlemore Parish Council which received £0.084 million Community Infrastructure Levy which is not material to the City Council but is to the parish. The total of members allowances is shown in [Note 31 \(page 72\)](#).

Members represent the Council on various organisations. Appointments are reviewed annually, unless a specific termination date for the term of office applies. None of these appointments places the Members concerned in a position to exert undue influence or control. One member is a Council appointed member of the Management Committee for West Oxford Community Association which received income from hall hire from the Council which is not material to the City Council but is to the association.

There are a number of senior officers who are appointed Directors of the Barton Oxford LLP, an arms length company set up between the Council and Grosvenor Developments Limited to facilitate new housing in Barton, the Oxwed LLP, a joint venture with Nuffield College Developments 1 Ltd set up to facilitate regeneration of the Oxpens area of Oxford, Oxford City Housing Limited (OCHL), a wholly owned company set up to deliver housing within Oxford, and Oxford Direct Services Limited (ODSL) and Oxford Direct Services Trading Limited (ODSTL), two wholly owned companies set up to deliver services to the Council and to outside bodies. The Oxwed LLP holds loans from the Council which were agreed through the Council's normal governance processes. At balance sheet date the amount due from OxWED was £19.615 million. The OCHL Group has been advanced loans of £47.779 million, including accrued interest, which were agreed through the Council's normal governance processes, to purchase properties from the Council and other parties. Oxford Direct Services Limited holds assets leased from the Council to the value of £6.328 million as at balance sheet date, the Council has £1.875 million of debtors outstanding owed from ODSL, £5.509 million of creditor balances sat with the Council owed to ODSL and ODSTL and ODSL undertakes a significant level of work for the Council.

The Council has the following relationships; all of the material relationships under the Accounting Code of Practice are declared above.

- Central Government – Central Government provide a number of grants to local authorities.
- Housing Associations – the Council is a partner with various Housing Associations for the purpose of providing Social Housing.
- Oxfordshire County Council – the Council undertakes agency work on behalf of the County Council. The County Council also administers the Council's local government pension scheme.
- Fusion Lifestyle - The Council had a contract during 2023/24 with Fusion Lifestyle a social enterprise with charitable status to manage and develop the Council's seven public leisure facilities.

NOTES TO THE CORE FINANCIAL STATEMENTS

- Oxford City Housing Limited - a wholly owned company set up to deliver housing within Oxford.
- Oxford Direct Services Limited - a wholly owned company set up to deliver work to the Council and other bodies.
- Oxford Direct Services Trading Limited - a wholly owned company set up to deliver work to external bodies.
- Local Boards and Trusts – Officers and Members represent the Council on various organisations.

36. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with associated financing. Where capital expenditure is to be financed in future years by charges to revenue as assets are used, the expenditure results in an increase in the Capital Financing Requirement (CFR). The CFR is explained and analysed in the second part of this note.

The Council is required to make a charge to its revenue account to reflect debt repayment, this is known as the Minimum Revenue Provision (MRP).

	2023/24 £'000	2022/23 £'000
Opening Capital Financing Requirement	336,953	295,308
Capital Investment		
Property Plant and Equipment	46,377	60,356
Assets Held for Sale	44	-
Investment Properties	1,830	1,965
Intangible Assets	737	1,182
Long Term Capital Debtors	3,299	6,521
Revenue Expenditure Funded from Capital under Statute	6,486	5,644
Total Capital Spend	58,773	75,668
Sources of Finance		
Capital Receipts	(13,086)	(14,759)
Government Grants and other Contributions	(11,046)	(1,621)
Sums Set Aside from Revenue	(1,581)	(7,065)
Major Repairs Reserve	(15,439)	(7,323)
Capital Debtor Repayment	(11,640)	(3,218)
Minimum Revenue Provision	(182)	(37)
Sources of Finance Total	(52,974)	(34,023)
Closing Capital Financing Requirement	342,752	336,953
Explanation of Movements in Year		
(Increase) in Underlying Need to Borrow (unsupported by Government Financial Assistance)	(17,621)	(44,900)
Decrease in Underlying Need to Borrow (unsupported by Government Financial Assistance)	11,822	3,255
(Increase)/Decrease in Capital Financing Requirement	(5,799)	(41,645)

NOTES TO THE CORE FINANCIAL STATEMENTS

37. Leases

a) Authority as Lessee

FINANCE LEASE

The Council has recognised a finance lease relating to an administrative building, and equipment. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	31 Mar 2024 £'000	31 Mar 2023 £'000
Other Land and Buildings	10,741	10,923
Total	10,741	10,923

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council. Finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Finance lease liabilities (net present value of minimum lease payments)		
- Current	-	-
- Non Current	291	291
Finance Costs Payable in Future Years	584	591
Minimum Lease Payments	875	882

Minimum lease payments include both the repayment obligation and the finance costs payable in future years, however, finance lease liabilities only include the repayment obligation.

The minimum lease payments are payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 Mar 2024 £'000	31 Mar 2023 £'000	31 Mar 2024 £'000	31 Mar 2023 £'000
Not later than one year	6	6	-	-
Later than one year and not later than five years	26	26	2	2
Later than five years	844	850	289	290
Total	876	882	291	292

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. There were no contingent rents for 2023/24 or 2022/23.

OPERATIONAL LEASES

The Council leases property on operating lease arrangements with an average life of 183 years. The future minimum lease payments due under non-cancellable leases in future years are:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Operating Leases		
Not later than one year	352	113
Later than one year and not later than five years	203	345
Later than five years	1,124	1,032
Total	1,679	1,490

NOTES TO THE CORE FINANCIAL STATEMENTS

The following lease payments are recognised as expenses, with separate amounts for the contingent rents and sublease payments receivable.

	31 Mar 2024 £'000	31 Mar 2023 £'000
Minimum lease payment	353	113
Contingent rent	66	54
Sublease payment receivable	(20)	(75)
Total	399	92

Sublease payments receivable over the full lifetime of the leases as at 31 March 2024 amounted to £1.02million (£2.8 million at 31 March 2023) after excluding 1-5 Broad Street from the portfolio.

The full Broad Street lease in did not start until April 2024 and was included in error in 2022/23. The sublease payable figure for 2022/23 has therefore reduced in the comparative figures by the amount for Broad Street of £0.702 million from those previously published.

b) Authority as Lessor

FINANCE LEASES

The Council leases out many properties, and an assessment has been undertaken to establish those that are considered to have transferred the risks of ownership to the lessee. From 2018/19, the Council is leasing vehicles to its wholly owned company, Oxford Direct Services Limited.

	31 Mar 2024 £'000	31 Mar 2023 £'000
Finance Lease debtor (net present value of minimum lease payments)		
- Current	1,598	1,868
- Non Current	66,680	66,496
Unguaranteed Residual Value of Property*	4,073	4,073
Gross Investment in the Lease	72,351	72,437

* Detail required by paragraph 4.2.4.2(11) of the code.

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment In The Lease		Minimum Lease Payments	
	31 Mar 2024 £'000	31 Mar 2023 £'000	31 Mar 2024 £'000	31 Mar 2023 £'000
Not later than one year	1,598	1,868	1,598	1,868
Later than one year and not later than five years	3,983	4,054	3,983	4,054
Later than five years	66,770	66,515	62,697	62,442
Total	72,351	72,437	68,278	68,364

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

In 2023/24 £0.517 million contingent rents were receivable by the Authority (£0.231 million in 2022/23)

NOTES TO THE CORE FINANCIAL STATEMENTS

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

In 2023/24 £0.517 million contingent rents were receivable by the Authority (£0.231 million in 2022/23)

OPERATIONAL LEASES

The Council leases out property and equipment as Operational Leases. These include shorter term leases, where the risks and rewards are retained by the Council. The future sums receivable under non cancellable leases in future years are:

Operating Leases	31 Mar 2024 £'000	31 Mar 2023 £'000
Not later than one year	6,410	7,262
Later than one year and not later than five years	20,947	24,115
Later than five years	108,572	111,059
Total	135,929	142,436

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 £0.61 million contingent rents were received by the Authority (£0.34 million in 2022/23.)

The full Broad Street lease in did not start until April 2024 and was included in error in 2022/23. The amounts payable later than 5 years for 2022/23 has therefore reduced in the comparative figures for 2022/23 by the amount for Broad Street of £0.019 million from those previously published.

38. Termination Benefits and Exit Payments

Termination benefits are payable as a result of either:

- An employer's decision to terminate an employee's employment before the normal retirement date, or
- An employee's decision to accept voluntary redundancy in exchange for termination benefits.

There were no curtailment costs during 2023/24 included in the IAS19 report (There were none in 2022/23). These costs would be accounted for through the Comprehensive Income & Expenditure Statement as part of the IAS19 accounting, and therefore would not be recorded as termination costs which avoids double counting.

Exit Payments

Exit payments are required to be disclosed in bands of £20,000 up to £100,000 and bands of £50,000 thereafter, shown on Note 32 (pages 73 to 74). The exit payment includes Pension Strain costs on termination as well as redundancy and other payments. However, Pension Strain costs represent a future liability rather than a current year payment. The termination costs and IAS 19 Curtailment costs do not include redundancy payments which are included in the disclosure note for exit payments.

The Council terminated the contracts of a number of employees in 2023/24, incurring total costs of £0.092 million (£0.007 million in 2022/23).

NOTES TO THE CORE FINANCIAL STATEMENTS

39. Defined Benefit Pension Scheme

a) Participation in the Pension Scheme

As part of the terms and conditions of employment of its Officers, the Council makes contributions towards the costs of Scheme Member Employment Benefits. Although these benefits will not actually be payable until an employee retires, the Council has a commitment to make the payments at the time that the employee earns their future entitlements. Due to arrangements with Oxford Direct Services Limited and Oxfordshire Pension Fund all IAS19 pension transactions in relation to Oxford City Council and Oxford Direct Services Limited are accounted for in the Council's single entity accounts, excepting the contributions made by Oxford Direct Services Limited which will be accounted for in the accounts of that entity.

b) Transactions Relating to Post Employment Benefits

The costs of retirement are recognised and reported in the Cost of Service when they are earned by the employees, rather than when the benefits are paid. However, the charge required to be made to the Council Tax is based on the cash payable in the year, so the real costs of post employment retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme	
	2023/24 £'000	2022/23 £'000
Cost of Services		
Current Service Cost	2,638	17,941
Past Service Costs	29	-
Financing and Investment Income and Expenditure		
Interest Cost	833	4,447
Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	3,500	22,388
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the Net Benefit Liability Comprising		
Return on Plan Assets (excluding amount included in the net interest expense)	(25,096)	24,737
Other actuarial (gains) / losses on assets	12,705	31,092
Changes in Financial Assumptions	(23,452)	(211,965)
Actuarial gains and losses arising on the change of demographic assumptions	(2,454)	(3,197)
Total Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(38,297)	(159,333)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(34,797)	(136,945)
	2023/24 £'000	2022/23 £'000
Movement in Reserves Statement		
Reversal of Net Charges made to the Surplus/(Deficit) for the Provision of Services for Post Employment Benefits in accordance with the Code	(3,500)	(22,388)
Actual amount charges against the General Fund Balance for pensions in the year		
Employers' Contributions Payable to Scheme	5,853	4,600

NOTES TO THE CORE FINANCIAL STATEMENTS

c) Basis for Estimating Assets and Liabilities

Both the Local Government Pension Scheme and discretionary benefit liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. In order to assess the value of the Employer's liabilities in the Fund as at 31 March 2023, the actuary has rolled forward the value of the Employer's liabilities calculated at the latest formal valuation date, allowing for the different financial assumptions required under the Accounting Standard at the reporting date. The liabilities are discounted to their value at current prices, using a discount rate of 2.0%. The discount rate used is based on the Hymans Robertson corporate bond yield curve constructed based on the constituents of the iBoxx AA corporate bond index. In calculating the current service cost the actuary has allowed for changes in the Employer's pensionable payroll as estimated from contribution information provided. In calculating the asset share, the actuary has rolled forward the Employer's share of the assets calculated at the latest formal valuation date, the effect of contributions paid into, and estimated benefits paid from, the Fund by the Employer and its employees.

The principal assumptions used by the actuary are:

	2023/24	2022/23
Mortality Assumptions:		
Longevity at 65 for Current Pensioners		
Men	21.5	22.3
Women	24.2	24.9
Longevity at 65 for Future Pensioners		
Men	22.2	23.0
Women	25.8	26.3
Rate of Inflation		
CPI	2.75%	3.20%
Rate for Discounting Scheme Liabilities	4.85%	2.70%
Rate of Increase in Pensions	2.75%	3.20%
Rate of increase in Salaries	2.75%	3.20%
Take up option to convert annual pension to lump sum	50.00%	50.00%

Members Assumption

It is assumed members will exchange half of their commutable pension for cash at retirement. Active members will retire one year later than they are first able to without reduction.

d) Prepayment

During 2023/24, the Council made a prepayment of pension payments of £5.0 million which serves to reduce the employers pension contribution percentage charged to the Council for the 2023/24 financial year and the subsequent two financial years.

NOTES TO THE CORE FINANCIAL STATEMENTS

d) Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2023/24 £'000	2022/23 £'000
Opening Balance 1 April	370,323	530,242
Current Service Cost	2,638	17,941
Interest Cost	18,370	14,863
Actuarial (Gains) and Losses from Changes in Financial Assumptions	(23,452)	(211,965)
Changes in demographic assumptions	(2,454)	(3,197)
Experience (Gain) / Loss on Defined Benefit Obligation	12,705	31,092
Benefits Paid	(14,597)	(11,297)
Past Service Cost Including Curtailments	29	-
Contributions by Scheme Participants	3,157	3,097
Unfunded Pension Payments	(488)	(453)
Closing Balance 31 March	366,231	370,323

Reconciliation of movement in the Fair Value of the Schemes (Plan) Assets

	2023/24 £'000	2022/23 £'000
Opening Fair Value of Scheme Assets 1 April	353,688	372,062
Interest Income	17,537	10,416
Return on Plan Assets Less Interest	25,096	(24,737)
Other Actuarial Gains and Losses	-	-
Employers Contributions	5,365	4,147
Contributions by Scheme Participants	3,157	3,097
Settlements	(14,597)	(11,297)
Closing Balance 31 March	390,246	353,688

Pension Assets and Liabilities Recognised in the Balance Sheet

	2023/24 £'000	2022/23 £'000
Present Value of Liabilities		
Present value of the defined benefit obligation	(360,162)	(364,100)
Fair Value of Assets in the Local Government Pension Scheme	390,246	353,688
Present Value of Unfunded Obligation	(6,069)	(6,223)
Surplus/(Deficit) in the Scheme	24,015	(16,635)

Sensitivity Analysis

Impact on the Defined Benefit Obligation in the Scheme

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 March 2024

	Approximate % Increase to Employers Liability	Approximate Monetary amount £000's
0.1% decrease in Real Discount Rate	2%	7,543
1 year increase in member life expectancy	4%	15,632
0.1% Increase in the Salary Increase Rate	0%	288
0.1% Increase in the Pension Increase Rate (CPI)	2%	7,396

NOTES TO THE CORE FINANCIAL STATEMENTS

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

Notes:

In order to quantify the impact of a change in the financial assumptions used, the change has been calculated and compared the value of the scheme liabilities at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures. The above figures have been derived based on the membership profile of the Council as at the date of the most recent actuarial valuation.

The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

The Local Government Pension Scheme Assets Comprised:

	Fair Value of Scheme	
	2023/24 £'000	2022/23 £'000
Cash and Cash Equivalents	5,895.6	5,343.4
Debt Securities		
By Sector		
UK Govt	5,028.6	4,557.6
Other	2,054.1	1,861.7
Private Equity	18,318.1	16,602.1
Investment Funds and Unit Trusts		
Equities	217,816.9	197,412.0
Bonds	24,970.0	22,630.8
Infrastructure	13,453.6	12,193.2
Others	102,691.7	93,071.7
Derivatives		
Foreign Exchange	17.7	16.0
Other	0.3	0.3
Total	390,246.6	353,688.8

41. Contingent Liabilities

There are no contingent liabilities for 2023/24.

42. Contingent Assets

There are no contingent assets for 2023/24.

43. Exceptional items

There are no exceptional items in 2023/24.

NOTES TO THE CORE FINANCIAL STATEMENTS

44. Going Concern

The Council has set a balanced budget for the financial years to 2027/28 and in doing so carried out a detailed assessment of pressures on its financial position and performance. This work has included consideration of the following: -

- ♦ Review of income on a service by service basis, due to reduction in demand and increased collection losses.
- ♦ Additional expenditure on a service by service basis
- ♦ Changes to government policy, e.g. changes to business rate reliefs, guidance on supplier relief, additional funding for local authorities, and additional responsibilities which sit alongside this.
- ♦ The progress on delivery of the Council's capital programme including the revenue impacts of any changes
- ♦ The projected returns from the Council's subsidiaries and joint ventures.
- ♦ The impact of all of the above on the Council's cash flow and treasury management, including availability of liquid cash, investment returns, and availability of external borrowing if required.
- ♦ The estimated overall position on the Council's General Fund and Housing Revenue Account reserves.
- ♦ The Council's reported and projected balances, are as follows (with audited figures up to 31st March 2021; figures as at 31st March 2022 onwards being either unaudited or forecast):

Date	General Fund Balance	General Fund Earmarked Reserves	Housing Revenue Account Balance	Housing Revenue Account Earmarked Reserves
	£'000	£'000	£'000	£'000
31 March 2021	3,622	69,132	4,000	39,633
31 March 2022	3,622	52,570	4,000	11,419
31 March 2023	3,622	45,436	4,000	10,565
31 March 2024	3,622	58,793	4,000	10,364
31 March 2025	3,622	57,426	4,000	16,846
31 March 2026	3,622	56,622	4,000	15,964

The Council manages its cashflow to ensure that it has a reasonable amount of liquid cash that can be accessed readily. The Council normally aims to have at least £5m invested in overnight money market funds and instant access deposit accounts during the majority of the year. The Council is able to borrow short term from other Local authorities if required and has access to longer term borrowing from the PWLB within two working days, borrowing against its internal borrowing within the Council's Capital Financing Requirement; the Council is significantly under-borrowed compared to its Capital Financing Requirement and would therefore be able to borrow should any cashflow issues arise.

The main service pressure for the Council at the moment is in the homelessness service relating to the costs of temporary accommodation. Current adverse budget variance for temporary accommodation for 2024-25 is estimated at £3 million for 2024-25. This is an area which is currently receiving focus from all levels within the organisation in order to mitigate the current pressures.

The budgets for 2024/25 and the future plans were scrutinised by the Finance Team, Directors and the Chief

NOTES TO THE CORE FINANCIAL STATEMENTS

Executive, Executive Members and the Scrutiny Committee's Finance Panel, and the figures presented within the budget were a sound estimate of the position. Uncertainty was highlighted around key income streams, such as car parking and rents, however the section 25 report concluded that the budgets for 2024/25 were robust and that the level of reserves were adequate to support the Council over the following four years.

The Council recognises that there remains a large degree of uncertainty over the future and the key risk areas have been assessed and the impacts reflected in financial projections. Where there are changes, this will clearly have an impact on the assumptions that sit behind the financial modelling and this will therefore be monitored on an ongoing basis and revised as appropriate. The Council therefore has formed its plans using prudent estimates and included mitigations and contingencies.

In terms of the Council's Group Accounts, there are potential pressures arising from the delays in developments being undertaken by Oxford City Housing (Development) Limited which are currently being closely monitored and potential mitigations identified and analysed.

There is enough headroom within the General Fund to absorb estimated financial impacts in the short to medium-term with financial planning in place through to 12 months from the authorization of these accounts. Furthermore, the Code requires that local authorities prepare their accounts on a going concern basis as they can only be discontinued under statutory prescription. For these reasons, the Council considers that the financial statements should be prepared on a going concern basis.

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SUPPLEMENTARY FINANCIAL STATEMENTS

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HOUSING REVENUE ACCOUNT

Housing Revenue Account Income and Expenditure Statement

	2023/24 £'000	2022/23 £'000
Expenditure		
Repairs & Maintenance	18,034	16,853
Supervision & Management	11,907	13,317
Rents, Rates, Taxes & Other Charges	302	318
Depreciation and Impairment of Non-Current Assets	16,175	125,952
Movement in the Allowance for Bad Debts (not specified by the Code)	522	291
Total Expenditure	46,940	156,731
Income		
Dwelling Rents (Gross)	(48,404)	(44,558)
Non Dwelling Rents (Gross)	(492)	(301)
Charges for Services & Facilities	(3,673)	(3,244)
Total Income	(52,569)	(48,103)
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	(5,629)	108,628
HRA Services' share of Corporate and Democratic Core	209	215
Net Income for HRA Services	(5,420)	108,843
HRA share of the Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:		
(Gain)/Loss on Sale of HRA Fixed Assets	(1,946)	(5,407)
Interest Payable and Similar Charges	9,569	8,267
Interest and Investment Income	(991)	(389)
Capital Grants and Contributions Receivable	-	-
(Surplus)/Deficit for the year on HRA Services	1,212	111,314

HOUSING REVENUE ACCOUNT

Movement on the Housing Revenue Income & Expenditure Account

The HRA Income and Expenditure Account shows the actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Council is required to account for its statutory housing activity on a different accounting basis, the main differences being that:

- the gain or loss on the disposal of HRA assets has to be reversed before a final balance is calculated; and
- any impairment on HRA assets, either due to economic consumption or valuation, has to be reversed from the account before a statutory balance can be finalised.

The reconciliation statement below summarises the differences between the outturn on the Income and Expenditure Account and the Housing Revenue Account Balance.

MOVEMENT ON THE HRA STATEMENT

	2023/24 £'000	2022/23 £'000
Balance on the HRA at the end of the Previous Year	(4,000)	(4,000)
(Surplus)/Deficit for the Year on the HRA Income and Expenditure Account	1,212	111,314
Adjustments between Accounting Basis and Funding Basis Under Statute		
- Difference between any other item of income and expenditure	20	(4)
- Gain or loss on sale of HRA non-current assets	1,946	5,407
- HRA share of contributions to or from the Pensions Reserve	322	(1,290)
- Capital expenditure funded by the HRA	1,302	2,731
- Transfer to/from the Major Repairs Reserve	(470)	(289)
- Transfer to/from the Capital Adjustment Account	(4,600)	(117,015)
- Transfer to/from the Capital Grants Unapplied Account	-	-
Net Increase/(Decrease) before Transfers to or from Reserves	(268)	854
Transfer (to)/from Reserves	268	(854)
Increase/(Decrease) in Year on the HRA	-	-
Balance on the HRA at the end of the Current Year	(4,000)	(4,000)

NOTES TO THE HOUSING REVENUE ACCOUNT

H1. Housing and Garage Stock Numbers

	2023/24	2022/23
Houses		
1 bedroom	272	272
2 bedrooms	834	832
3 bedrooms	2,789	2,791
More than 3 bedrooms	297	295
Flats		
1 bedroom	1,723	1,687
2 bedrooms	1,800	1,793
3 bedrooms	162	157
More than 3 bedrooms	7	6
Overall Total	7,884	7,833

	2023/24	2022/23
Summary of Changes in Stock		
Stock at 1 April	7,833	7,791
Sales	(18)	(39)
Other Disposals	(3)	-
Additions	72	81
Stock at 31 March	7,884	7,833

	2023/24	2022/23
Garages and Parking Spaces		
Garages Within Curtilage	208	208
Parking Spaces	802	791
Overall Total	1,010	999

	2023/24	2022/23
Summary of Changes in Garages & Parking Spaces		
Stock at 1 April	999	1,026
Demolished/ Disposed	-	(40)
Additions to Garages Within Curtilage	-	3
Additions to Parking Spaces	11	10
Stock at 31 March	1,010	999

NOTES TO THE HOUSING REVENUE ACCOUNT

Following revaluation on 31st March 2024, the vacant possession value (EUV) of the Council's housing stock (Council Dwellings) amounted to £2,364 million. Application of the social housing factor of 33% (EUV-SH) to the general housing stock, representing the economic cost to government of providing council housing, resulted in a Balance Sheet value of £780 million. At 31 March 2024, application of the social housing factor to the general housing stock resulted in a total value of £806.4 million.

The table below shows the HRA property values at appropriate measures of Fair Value as at 31 March 2024 along with comparatives for the previous year:

	2023/24			2022/23		
	Cost or Valuation	Depreciation	Net Book Value	Cost or Valuation	Depreciation	Net Book Value
	£'000	£'000	£'000	£'000	£'000	£'000
Council Dwellings	806,448	(1,060)	805,388	775,596	(614)	774,982
Other Land and Buildings	3,870	-	3,870	4,521	-	4,521
Vehicles, Plant, Furniture and Equipment	19	(8)	11	19	(7)	12
Assets Under Construction	7,673	-	7,673	13,334	-	13,334
Assets Held for Sale	1,263	-	1,263	761	-	761
As at 31 March	819,273	(1,068)	818,205	794,231	(621)	793,610

H2. Movement on the Major Repairs Reserve

	2023/24 £'000	2022/23 £'000
Opening Balance	(6,036)	(4,711)
Transfer from Capital Adjustment Account	(11,105)	(8,648)
Financing of Capital Expenditure (MRA Applied)	15,439	7,323
Closing Balance	(1,702)	(6,036)

H3. Capital Expenditure and Financing

	2023/24 £'000	2022/23 £'000
Property, Plant and Equipment	37,765	46,095
Revenue Expenditure Funded from Capital under Statute	470	289
Total Spend	38,235	46,384
Sources of Finance		
Major Repairs Reserve	15,439	7,323
Grants and Contributions	5,386	382
Capital Receipts	4,108	5,148
Borrowing	12,000	30,800
Revenue Contributions to Capital	1,302	2,731
Total Financing	38,235	46,384

NOTES TO THE HOUSING REVENUE ACCOUNT

H4. Capital Receipts Received

	2023/24 £'000	2022/23 £'000
Land & Buildings	(8,395)	(15,117)
Less Administrative Costs	23	51
Total	(8,372)	(15,066)

H5. Revenue Expenditure Funded from Capital Under Statute

Revenue expenditure funded from Capital under statute relates to capital expenditure which does not necessarily result in an asset. In 2022/23 this was £0.289 million (In 2021/22 this was £0.491 million).

H6. Interest Received

The Housing Revenue Account is credited with interest on cash balances and interest on loans granted to enable tenants to purchase council dwellings.

	2023/24 £'000	2022/23 £'000
Interest on Cash Balances	(991)	(389)
Total	(991)	(389)

The Housing Revenue Account was debited with Item 8 interest of £9.569 million in 2023/24 which relates to the borrowing interest chargeable to the Housing Revenue Account.

H7. Financial Reporting Standard (IAS) 19 – Pensions

Included within the Net Cost of Service is the HRA share of contributions from the Pension Reserve. The pension contributions have been calculated in accordance with IAS 19. An adjustment is made within the adjustments between accounting basis and funding basis under statute, so that there is no effect on the HRA surplus for the year.

NOTES TO THE HOUSING REVENUE ACCOUNT

H8. Rent Arrears

	2023/24		2022/23	
	£'000	% of total rents due	£'000	% of total rents due
Arrears Details				
Current Tenants	1,562	3.34%	1,372	2.93%
Former Tenants	1,084	2.32%	814	1.74%
Overall	2,646	5.65%	2,186	4.67%
Total Rents due in Year	46,820		46,820	

	2023/24 £'000	2022/23 £'000
Doubtful Debt provision		
Opening Balance	1,151	1,163
Write-offs in Year	(212)	(258)
Additional Provision	465	246
Closing Balance	1,404	1,151

H9. Capital Commitments

Description	Contractor	2023/24 £'000	2022/23 £'000
		Oxford North Development - Affordable Housing	Hill Residential Ltd
Construction of 26 flats at Princes Street and Collins Street	Life Build Solutions Ltd	7,602	-
Social Housing Decarbonisation Fund Wave 2.1	Vinci Construction Uk Ltd	4,178	-
Development Agreement relating to land and buildings situated at Blackbird Leys Est	Peabody Trust	3,333	4,000
Housing Site - Former Council Depot, Lanham Way	Feltham Construction Ltd	2,708	-
Construction at Northfield Hostel	Equans Regeneration Ltd	273	-
Deed of Professional Appointment relating to the Barton Regeneration Project	Arcadis LLP	270	349
Project Manager / Contract Manager	Baily Garner LLP	256	-
Total HRA Capital Commitments		38,990	4,349

COLLECTION FUND

The Collection Fund is the Council's statement reflecting its statutory obligation as a Billing Authority to maintain a separate Fund showing the transactions it undertaken in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates.

The Collection Fund is a separate statutory fund under the provision of the Local Government Act 1988. Its assets and liabilities are included in the General Fund Balance Sheet and its income and expenditure is shown below:

	Note	Business Rates 2023/24 £'000	Council Tax 2023/24 £'000	Total 2023/24 £'000	Business Rates 2022/23 £'000	Council Tax 2022/23 £'000	Total 2022/23 £'000
Income							
Council Tax Receivable	CF1	-	(106,786)	(106,786)	-	(102,488)	(102,488)
Council Tax Discounts funded by the General Fund		-	(205)	(205)	-	(488)	(488)
Business Rate Receivable	CF2	(81,299)	-	(81,299)	(85,091)	-	(85,091)
Business Rate Transitional Protection Payments		(8,770)	-	(8,770)	-	-	-
Sub Total		(90,069)	(106,991)	(197,060)	(85,091)	(102,976)	(188,067)
Expenditure							
Central Government share of PY (Deficit)/Surplus		1,237	-	1,237	(14,319)	-	(14,319)
Oxford City share of PY (Deficit)/Surplus		990	151	1,141	(11,455)	(407)	(11,862)
Oxfordshire County share of PY (Deficit)/Surplus		247	763	1,010	(2,864)	(1,960)	(4,824)
Police & Crime Commissioner share of PY (Deficit)/Surplus		-	113	113	-	(286)	(286)
Sub Total		2,474	1,027	3,501	(28,638)	(2,653)	(31,291)
Precepts, Demands and Shares							
Central Government Share		47,566	-	47,566	45,613	-	45,613
Oxford City Share		38,052	15,682	53,734	36,491	15,028	51,519
Oxfordshire County Precept Share		9,513	79,485	88,998	9,123	74,642	83,765
Police & Crime Commissioner share of PY Precepts Share		-	11,747	11,747	-	10,904	10,904
Sub Total		95,131	106,914	202,045	91,227	100,574	191,801
Disregarded Amounts							
Renewable Energy		21	-	21	14	-	14
Sub Total		21	-	21	14	-	14
Charges							
Transitional Protection due to Central Government		-	-	-	206	-	206
Write Offs		900	631	1,531	471	472	943
Increase/(Decrease) in Bad Debt Provision		713	211	924	(1,515)	1,454	(61)
Increase/(Decrease) in Provision for Appeals		10,822	-	10,822	(3,189)	-	(3,189)
Appeals charged to the Collection Fund		(8,157)	-	(8,157)	(4,168)	-	(4,168)
Cost of Collection		234	-	234	234	-	234
Sub Total		4,512	842	5,354	(7,961)	1,926	(6,035)
(Surplus)/Deficit arising during year		12,069	1,792	13,861	(30,449)	(3,129)	(33,578)
(Surplus)/Deficit brought forward 1st April		(10,399)	(1,051)	(11,450)	20,050	2,078	22,128
(Surplus)/Deficit Carry forward		1,670	741	2,411	(10,399)	(1,051)	(11,450)

NOTES TO THE COLLECTION FUND

CF1. Council Tax

The Council Tax Base is a measurement of the taxable capacity of the area. Dwellings are converted into Band D equivalents, taking into account exemptions and discounts. Dwellings are classified into eight valuation bands (A to H) based on 1991 capital valuations. The Council Tax is set for Band D dwellings and the tax for the other bands is calculated as a proportion of the Band D charge.

For 2023/24 Council Tax including precepts was set at £342.13 for a Band D property (£332.54 for 2022/23). The Council Tax Base was calculated as follows:

Valuation Band	Total no. Dwellings on Valuation List	Total Equivalent Dwellings (after discounts, etc)	Ratio to Band D	Band D equivalents
A-	-	2.2	5/9	1.2
A	3,111	1,608.9	6/9	1,072.6
B	9,930	5,671.6	7/9	4,411.2
C	19,576	14,267.1	8/9	12,681.9
D	16,139	12,480.1	9/9	12,480.1
E	7,474	5,543.4	11/9	6,775.2
F	3,076	2,570.1	13/9	3,712.3
G	3,338	2,922.6	15/9	4,871.0
H	607	384.0	18/9	768.0
	63,251	45,449.9		46,773.5
Crown Properties				-
Allowance of 2% for non-collection				(935)
Total				45,838.1

The amount due during the year based on actual properties and exemptions and discounts that occurred during the year was £106.786 million. Precepts for the year are calculated using the council tax base estimate which resulted in an overall precepted value of £106.914 million of which the amount for Oxford City Council is £15.682 million (45,838.1 multiplied by £342.13).

CF2. Non-Domestic Rates

Under the arrangements for Business Rates, the Council collects Non-Domestic Rates for its area, based on local rateable values, multiplied by a uniform business rate. From April 2013 the Business Rates Retention Scheme has replaced the former scheme. The Council's "Total retained income" figure for 2023/24 was assessed at £8.239 million but the Council must pay a 50% Levy on income above the funding baseline of £6.494 million. The Council was required to pay to Central Government both the Central Share of £47.566 million plus the tariff figure of £30.373 million. In addition the Council was required to pay £9.513 million to Oxfordshire County Council.

The local rateable value (2023 Rating List) as at 31 March 2024 was £289.1 million (£278.7 million at 31 March 2023 on the 2017 Rating List). The multiplier for 2023/24 was set at 51.2 pence in the pound (51.2 pence for 2022/23). The current rating list came into force from April 1st 2023 and will remain in force until March 31st 2026.

Our initial estimated rates income for 2023/24 was £91.785 million (£96.184 million for 2022/23). Due to Transitional Protection Payments, this was reduced to £81.299 million (£85.091 million for 2022/23).

GROUP ACCOUNTS

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CONTENTS

	PAGES
INTRODUCTION	104-105
SUBSIDIARIES	
G1 OXFORD DIRECT SERVICES LTD	106-107
G2 OXFORD DIRECT SERVICES TRADING LTD	108-109
G3 OXFORD CITY HOUSING LIMITED (OCHL)	110-111
JOINT VENTURES	
G4 BARTON OXFORD LLP	112-113
G5 OXWED LLP	114-115
BASIS OF ACCOUNTING	116
METHOD OF CONSOLIDATION	117
GROUP FINANCIAL STATEMENTS:	
GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	118
GROUP MOVEMENT IN RESERVES STATEMENT	119
GROUP BALANCE SHEET	120
GROUP CASHFLOW	121
NOTES TO THE GROUP FINANCIAL STATEMENTS	122-128

INTRODUCTION

Group Accounts are required by the Accounting Code of Practice where an authority has interests in subsidiaries, associates and/or jointly controlled entities, subject to consideration of materiality.

The Council has interests in a number of companies that are classified as a subsidiary, associate or joint venture, all of which have been considered for consolidation. Details of the companies considered for consolidation are shown below.

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with the entities in scope.

The following pages include:

- Details of Subsidiaries
- Details of Joint Ventures
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Movement in Reserves Statement
- Group Cash Flow Statement
- Notes to the Group Accounts

Basis of Identification of the Group Boundary

In its preparation of these Group Accounts, the Council has considered its relationship with entities that fall into the following categories:

- ◆ Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group on a line by line basis.
- ◆ Associates – where the Council exercises a significant influence and has a participating interest. These are included in the group.
- ◆ Jointly Controlled Entities – where the Council exercises joint control with one or more organisations. These are included in the group using the equity method.
- ◆ No group relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

In accordance with this requirement, the Council has determined its Group relationships as follows:

Entity	Category	Interest	Treatment
Oxford Direct Services Limited	Subsidiary	100%	Consolidated on a line by line basis
Oxford Direct Services Trading Limited	Subsidiary	100%	Consolidated on a line by line basis
Oxford City Housing Limited	Subsidiary	100%	Consolidated on a line by line basis
Barton Oxford LLP	Jointly Controlled Entity	50%	Consolidated using the Equity Method
Oxwed LLP	Jointly Controlled Entity	50%	Consolidated using the Equity Method

INTRODUCTION

Group Accounts have therefore been prepared to incorporate within the Statement of Accounts two Joint Venture (JV) activities within which the Council holds a 50% share of the operations of the ventures and three subsidiary companies of which the Council is the sole owner.

The two ventures are as follows:

- ♦ Barton Oxford LLP
- ♦ Oxwed LLP

The accounting requirements in "IFRS 11 Joint Arrangements" state the presentation requirements basis for these joint ventures as the Equity method, and this means that a disclosure note is provided showing Oxford City Council's share of the net assets and liabilities of these entities as at 31 March 2024. In addition "Disclosure of interests in Other Entities IFRS 12" requires disclosure of summary information for the joint venture as a whole and not just the Council's share. The Council's Group accounts show the long term investment in the Balance Sheet, and profits and losses in the Council's Comprehensive Income and Expenditure.

The wholly owned subsidiaries are:

- ♦ Oxford City Housing Limited (OCHL)
- ♦ Oxford Direct Services Limited (ODSL)
- ♦ Oxford Direct Services Trading Limited (ODSTL)

The accounting requirements in "IFRS 10 Consolidated Financial Statements" state the presentation requirements for wholly owned subsidiaries as line-by-line consolidation.

SUBSIDIARIES

G1. Oxford Direct Services Limited (ODSL)

ODSL was established during 2017/18 by the Council as a wholly owned company and became active on 1st April 2018. The Council has a 100% interest in the Company and bears the risks and benefits of all profits and losses.

The Company has been formed to provide services to the Council alone, although in the short term, due to the limitations of software systems, also provides services to other customers. The objectives of the Company are closely aligned to those of the Council. All of the non-current assets of the Company are leased to the company by the Council with interest rates which are state aid compliant so as not to distort the market. The company has applied for and received "Teckal" tax exemptions from HMRC allowing services performed for the Council to be outside the corporation tax regime.

The Company operates a pension scheme within the Oxfordshire Pension Fund which is underwritten by the Council. All risks and liabilities of the scheme are borne by the Council. As such the Company accounts for the pension scheme as a defined contribution pension scheme and all actuarial assessed risks and liabilities are accounted for within the Council's single entity accounts.

The Group Statements in the Comprehensive Income and Expenditure and Balance Sheet reflect the line by line consolidation required under IFRS 10. The consolidation excludes the leases from the Council and the debtors and creditors with the Council.

The Company made a surplus for the year of £2.652 million (£1.386 million in 2022/23) and declared a dividend of £5.400 million in 2023/24 (£0.600 million in 2022/23).

Financial Information on ODSL

Profit & Loss Account	2023/24	2022/23
	£'000	£'000
Revenue	(61,481)	(60,803)
Cost of Sales	40,048	42,366
Gross (Profit) / Loss	(21,433)	(18,437)
Administrative Expenses	17,942	16,041
Operating (Profit) / Loss	(3,491)	(2,396)
Interest Charges / (Income)	807	908
(Profit) / Loss Before Taxation	(2,684)	(1,488)
Tax on Profit	32	102
Total Comprehensive Income and Expenditure (Profit) / Loss	(2,652)	(1,386)

SUBSIDIARIES

Balance Sheet	2023/24	2022/23
	£'000	£'000
Property Plant and Equipment	15,281	13,431
Non-current Assets	15,281	13,431
Inventories	286	144
Debtors	11,597	17,510
Contract Assets	3,501	5,088
Current Assets	15,384	22,742
Long Term Creditors	(117)	(122)
Provisions	-	(644)
Non-current Liabilities	(117)	(766)
Cash and Cash Equivalents	(3,205)	(5,617)
Creditors	(11,415)	(12,721)
Current Liabilities	(14,620)	(18,338)
Net Assets	15,928	17,069
Financed By:		
Finance Lease Liabilities	13,105	11,497
Equity	2,823	5,572
Total Equity and liabilities	15,928	17,069

Members' interests	Oxford City	Oxford City
	Share	Share
	2023/24	2022/23
	£'000	£'000
Finance Leases	13,105	11,497
Equity	2,823	5,572
Oxford City Council Interests as at 31 March	15,928	17,069

Oxford City Council Commitment to ODSL

The City Council has allocated budgets to purchase vehicles for lease to the Company. The Council has underwritten the pension scheme and as such all risks and liabilities of the pension scheme are retained by the Council.

SUBSIDIARIES

G2. Oxford Direct Services Trading Limited (ODSTL)

ODSTL was established during 2017/18 by the Council as a wholly owned company and became active on 1st April 2018. The Council has a 100% interest in the Company and bears the risks and benefits of all profits and losses.

The Company has been formed to provide services to the customers other than the Council, although in the short term, due to the limitations of software systems, only the trade waste service is provided through this Company. The objectives of the Company are closely aligned to those of the Council and are to provide a commercial return to pay to the Council via dividend.

The Group Statements in the Comprehensive Income and Expenditure and Balance Sheet reflect the line by line consolidation required under IFRS 10. The consolidation excludes the leases from the Council and the debtors and creditors with the Council.

The Company made a surplus for the year of £0.700 million (£0.541 million in 2022/23) and did not declare a dividend. There have been no Investing activities for the year ended 31 March 2024 and none in 2022/23.

Financial Information on ODSTL

Profit & Loss Account	2023/24 £'000	2022/23 £'000
Revenue	(13,799)	(11,501)
Cost of Sales	9,644	7,474
Gross (Profit) / Loss	(4,155)	(4,027)
Administrative Expenses	3,271	3,393
Operating (Profit) / Loss	(884)	(634)
Interest Charges / (Income)	(49)	(34)
Profit Before Taxation	(933)	(668)
Tax on Profit	233	127
Total Comprehensive Income and Expenditure (Profit) / Loss	(700)	(541)

SUBSIDIARIES

Balance Sheet	2023/24	2022/23
	£'000	£'000
Debtors	4,820	1,340
Cash and Cash Equivalents	2,008	3,097
Contract Assets	513	1,314
Current Assets	7,341	5,751
Long Term Creditors	(17)	(17)
Non-current Liabilities	(17)	(17)
Creditors	(5,500)	(4,610)
Current Liabilities	(5,500)	(4,644)
Net Assets	1,824	1,107
Financed By:		
Equity	1,824	1,124
Total Equity and liabilities	1,824	1,124

Members' interests	Oxford City	Oxford City
	Share	Share
	2023/24	2022/23
	£'000	£'000
Equity	1,824	1,124
Oxford City Council Interests as at 31 March	1,824	1,124

Oxford City Council Commitment to ODSTL

The City Council has made no commitments which would give rise to a future outflow of cash or other resources.

SUBSIDIARIES

G3. Oxford City Housing Limited (OCHL)

OCHL was established during 2016/17 by the Council as a wholly owned company. The Council has a 100% interest in the company and bears the risks and benefits of all profits and losses. OCHL has two wholly owned subsidiaries, Oxford City Housing (Investment) Limited and Oxford City Housing (Development) Limited) OCHDL whose financial transactions have been consolidated into the Group Accounts for OCHL.

As part of the City Council's strategy to secure more housing and more affordable housing in the city and to improve housing supply, quality and delivery the Council established a Local Authority Housing Company to procure and develop new homes. The City Council approved the establishment of a Local Authority housing company in March 2016 and OCHL was incorporated in June 2016. The objectives of the Company are closely aligned to those of the Council. The loans to the Company are made available solely by the Council which charges the Company interest at rates which are state aid compliant so as not to distort the market.

The Group Statements in the Comprehensive Income and Expenditure and Balance Sheet reflect the line by line consolidation required under IFRS 10. The consolidation excludes the loan from the Council and the debtors and creditors with the Council.

The Company made a surplus for the year of £3.581 million (surplus of £2.784 million in 2022/23) and paid a dividend in the year of £2.000 million.

Financial Information on OCHL

Profit & Loss Account	2023/24	2022/23
	£'000	£'000
Rental Income	(1,224)	(979)
Sale of Properties	(11,531)	(30,707)
Other Income	(1,949)	(958)
Expenses	10,225	27,324
Operating (Profit) / Loss	(4,479)	(5,320)
Interest Charges	2,032	1,904
(Profit) / Loss Before Taxation	(2,447)	(3,416)
Tax on Profit	594	763
Other Comprehensive Expenditure	(1,728)	(131)
Total Comprehensive Income and Expenditure (Profit) / Loss	(3,581)	(2,784)

SUBSIDIARIES

Balance Sheet	2023/24 £'000	2022/23 £'000
Operational Property	27,316	21,681
Non-current Assets	27,316	21,681
Inventories	12,093	14,978
Debtors	705	5,491
Cash and cash equivalents	14,685	18,750
Current Assets	27,483	39,219
Deferred tax	(1,697)	(1,091)
Non-current Liabilities	(1,697)	(1,091)
Amounts falling due within one year	(4,178)	(5,794)
Current Liabilities	(4,178)	(5,794)
Net Assets	48,924	54,015
Financed By:		
Long term loans	29,984	35,598
Short term loans	10,675	11,730
	40,659	47,328
Equity	8,265	6,687
Total Equity and liabilities	48,924	54,015

Members' interests	Oxford City Share 2023/24 £'000	Oxford City Share 2022/23 £'000
Loans to OCHL	40,659	47,328
Equity	8,265	6,687
Oxford City Council Interests as at 31 March	48,924	54,015

Oxford City Council Commitment to OCHL

The City Council has allocated budgets to make loans to the investing and developing arms of the company, however each loan has to be approved individually. As such the Council has made no firm commitments which would give rise to a future outflow of cash or other resources.

JOINT VENTURES

G4. Barton Oxford LLP

The Barton Oxford LLP is a legally committed body contracted to develop homes on land at Barton. Strategic financial and operating decisions relating to the Joint Venture requires the unanimous consent of the parties sharing control. The Barton Oxford LLP controls the assets of the joint venture, incurs liabilities and expenses and earns income.

The Barton Oxford LLP was established on 23 September 2011. The Council entered into a partnership with Grosvenor Developments Limited to form the Barton Oxford LLP, a joint venture vehicle to develop social and affordable housing on land owned by the Council at Barton. The Council has a 50% interest in the company and shares profits and losses.

The Council transferred land to the LLP on 31 October 2011. Based on the Members' Agreement and the financial projections of the development it is no longer anticipated that the payment for the land will now be received. The land debt has therefore been fully impaired in both the Council's accounts and in the accounts of the LLP. Due to the Council no longer anticipating any return from the LLP, the LLP has been consolidated into the Council's Group Accounts at nil value.

Barton Oxford LLP accounts are completed on a UK GAAP basis under FRS2 and the Council's accounts are completed on an IFRS basis, however all accounting policies are compatible.

Financial Information on Barton LLP

Profit & Loss Account

	2023/24 £'000	2021/22 £'000
Sales	(167)	-
Cost of Sales	182	-
Gross (Profit) / Loss	15	-
Expenses	18	22
Operating (Profit) / Loss	33	22
Interest receivable	(695)	(977)
Total Comprehensive Income and Expenditure (Profit) / Loss	(662)	(955)

Balance Sheet

	2023/24 £'000	2021/22 £'000
Development Properties	-	654
Debtors	13,340	18,350
Cash and cash equivalents	101	207
Current Assets	13,441	19,211
Amounts falling due within one year	(7,039)	(8,506)
Current Liabilities	(7,039)	(8,506)
Net Assets attributable to members	6,402	10,705

JOINT VENTURES

Members' interests

Capital classified as a liability

Other reserves classified as equity

Members' Interests as at 31 March

Barton Oxford LLP as at 31 March 2024		
Oxford City Share £'000	Grosvenor D L Share £'000	Total £'000
-	6,742	6,742
-	(340)	(340)
-	6,402	6,402

Capital classified as a liability

Other reserves classified as equity

Members' Interests as at 31 March

Barton Oxford LLP as at 31 March 2023		
Oxford City Share £'000	Grosvenor D L Share £'000	Total £'000
-	11,706	11,706
-	(1,001)	(1,001)
-	10,705	10,705

Oxford City Council Commitment to Barton LLP

The City Council has made no commitments which would give rise to a future outflow of cash or other resources

JOINT VENTURES

G5. Oxwed LLP

Oxford West End Development Limited was established during 2015/16. The Council entered into a partnership with Nuffield College to form the Oxford West End Development Limited, a joint venture vehicle to develop The Oxford West End area. The Council had a 50% interest in the company and shares profits and losses.

The Oxwed scheme involves the acquisition of railway lands jointly with Nuffield College and combines the site with the Council's adjoining holdings and promotes mixed-use development. Nuffield College has entered into a JV partnership with the Council through an investment vehicle on a 50:50 basis and has invested half the cost of the acquisition of the LCR land. The adjoining Council land was transferred to Oxford West End Development Limited during 2018/19 at a value of £8.4 million which was funded by loans to the same value, split 50:50 between the Council and Nuffield College. During 2020/21, the Council's share in the limited company was sold to Nuffield and the company was subsequently renamed Nuffield College Developments 1 Limited. At the same time, a Limited Liability Partnership (Oxwed LLP) was formed with two 50:50 owners, Oxford City Council and Nuffield College Developments 1 Limited and the loan debt and the land was transferred from the Limited Company to the Oxwed LLP.

The LLP is in the process of deciding on a development plan and selecting a partner to take the scheme through planning and the build stage. The development will proceed with planning permission sought, strategic infrastructure being installed, and onward sale of plots for development of housing and commercial properties.

Oxwed LLP made a loss for the year of £2.987 million (£3.255 million in 2022/23) of which the Council is responsible for half.

Profit & Loss Account	2023/24	2022/23
	£'000	£'000
Revenue	(13)	(10)
Cost of Sales	-	-
Gross Profit	(13)	(10)
Other Income	(574)	(470)
Expenses	1,254	1,583
Operating (Profit) / Loss	667	1,103
Interest charges	2,320	2,152
Loss from Continuing Operations	2,987	3,255
Total Comprehensive Income and Expenditure (Profit) / Loss	2,987	3,255
Balance Sheet	2023/24	2022/23
	£'000	£'000
Non Current Assets	-	-
Inventories	33,169	33,169
Debtors	187	186
Cash and cash equivalents	351	582
Current Assets	33,707	33,937
Creditors	(191)	(255)
Current Liabilities	(191)	(255)
Net Assets attributable to members	33,516	33,682

JOINT VENTURES

Members' interest

Capital classified as a liability

Other reserves classified as equity

Members' Interests as at 31 March

Oxwed Limited Liability Partnership as at 31 March 2024		
Oxford City Share £'000	Nuffield College Share £'000	Total £'000
19,615	19,615	39,230
(2,857)	(2,857)	(5,714)
16,758	16,758	33,516

Members' interest

Capital classified as a liability

Other reserves classified as equity

Members' Interests as at 31 March

Oxwed Limited Liability Partnership as at 31 March 2023		
Oxford City Share £'000	Nuffield College Share £'000	Total £'000
18,205	18,205	36,410
(1,364)	(1,364)	(2,728)
16,841	16,841	33,682

Oxford City Council Commitment to Oxwed LLP

The City Council has made no commitments which would give rise to a future outflow of cash or other resources.

BASIS OF ACCOUNTING

Oxford City Council Statement of Accounts are prepared on an IFRS basis, as modified for public sector application, which include revaluation of assets when and where appropriate. The Group Accounts of Oxford City Council incorporate the financial statements of Oxford Direct Services Limited (ODSL), Oxford Direct Services Trading Limited, Barton Oxford LLP, Oxwed LLP and Oxford City Housing Limited (OCHL). Oxford City Council are joint members of the LLP with Grosvenor Development Limited, are joint owners of Oxwed with Nuffield College Developments 1 Limited and are sole owners of OCHL, ODSL and ODSTL.

Accounting Policies

Accounting Policies of Oxford City Council, the LLPs and the Companies have been considered to ensure the underlying accounting standards are compatible for the Group. In all respects the standards are compatible for 2023/24 and 2022/23. Cash and cash equivalents, debtors and creditors are all provided on the same basis. The development expenditure of the LLP is recorded at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees and construction costs but excludes overheads. This is compatible with Oxford City Council accounting policies in that the assets are under construction and therefore recorded at cost under IFRS. Therefore in all material respects for 2023/24 and 2022/23 the accounting policies are materially aligned.

Oxford City Housing Limited (OCHL)

The OCHL financial statements have been prepared under IFRS rules and include the Group Accounts for Oxford City Housing (Investment) Limited (OCHIL) and Oxford City Housing (Development) Limited (OCHDL). The Group Accounts for OCHL have been used to consolidate in to the Council's Group Accounts. Where there are options for accounting treatment, the option chosen has been compatible with the Public Sector adaptation in the Code as published by CIPFA. The accounts are therefore directly compatible with the Oxford City Council accounts.

Oxford Direct Services Limited (ODSL)

The ODSL financial statements have been prepared under IFRS rules. The accounts of ODSL have been used to consolidate in to the Council's Group Accounts. Where there are options for accounting treatment, the option chosen has been compatible with the Public Sector adaptation in the Code as published by CIPFA. The accounts are therefore directly compatible with the Oxford City Council accounts.

Oxford Direct Services Trading Limited (ODSTL)

The ODSTL financial statements have been prepared under IFRS rules. The accounts of ODSTL have been used to consolidate in to the Council's Group Accounts. Where there are options for accounting treatment, the option chosen has been compatible with the Public Sector adaptation in the Code as published by CIPFA. The accounts are therefore directly compatible with the Oxford City Council accounts.

Barton Oxford LLP

The Barton Oxford LLP financial statements have been prepared under UKGAAP applying FRS102 which is broadly equivalent to IFRS. For previous years the LLP applied the historical cost convention in accordance with applicable United Kingdom law, accounting standards and the Limited Liability Partnerships Statement of Recommended Practice. The change to reporting under FRS102 has not had a material effect on the comparable figures from the previous period. The accounting policies have been applied consistently throughout the current and preceding year on a going concern basis, except in respect of the equity accounting replacement.

Oxwed LLP

The Oxwed LLP financial statements have been prepared under IFRS rules. Where there are options for accounting treatment, the option chosen has been compatible with the Public Sector adaptation in the Code as published by CIPFA. The accounts are therefore directly compatible with the Oxford City Council accounts. The LLP was incorporated in December 2020.

METHOD OF CONSOLIDATION

The method of consolidation adopted in the financial statements is to provide separate core financial statements consolidated on an Equity basis in the case of the Oxwed LLP and the Barton LLP (at nil value) and on a line by line basis for OCHL, ODSL and ODSTL.

Significant transactions with the entities:

Oxford City Council has provided capital loans to OCHIL of which £21.094 million is still outstanding for the purchase of properties including £3.299 million in 2023/24. Oxford City Council has also provided capital loans to OCHDL for property development of which £14.181 million is still outstanding net of the debt repayment of £10.723 million in 2023/24; no loans were provided in 2023/24. The loans are expected to be repaid in accordance with the cash flow of the Companies and repayment is not expected within the year. It has been recorded in the Oxford City Council accounts as a long term debtor. There are also a number of debtors and creditors with the Council. These creditors and debtors are expected to be settled during the next financial year and are recorded as short term debtors and creditors in the Company and Council accounts.

Oxford City Council leases vehicles and property to ODSL. The vehicles are held as finance leases and therefore appear as debtors in the Council's accounts and as assets and a creditor in the Company accounts; the overall value of these is the same in both entities. The total value of the vehicle leases at the balance sheet date is £6.328 million. The property is held as operational leases within the Council's accounts and these therefore appear as assets in the Council and as expenditure and income in the ODSL and Council accounts respectively. There are also a number of trade debtors and creditors with the Council. These creditors and debtors are expected to be settled during the next financial year and are recorded as short term debtors and creditors in the Company and Council accounts.

Oxford City Council does not have any significant transactions with ODSTL.

Oxford City Council has provided land with an initial transfer value of £850,000 to the Barton Oxford LLP. Interest on the transfer value had been accrued at a fixed rate of 5% compounded monthly. This loan and interest has been fully impaired in the LLP and Council accounts.

Oxford City Council has provided loans to Oxwed of £13.290 million for capital and working capital loans plus equity of £0.681 million. Loans of £0.250 million were advanced in 2023/24. The loans are expected to be repaid when development on the site has been completed and are therefore recorded in the Oxford City Council accounts as long term debtors.

**GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

This statement shows the accounting cost in year, of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement (page 119).

	2023/24		2022/23	
	Gross Expenditure £'000	Gross Income £'000	Gross Expenditure £'000	Gross Income £'000
Communities & People	25,690	(15,937)	21,995	(12,564)
Development	10,789	(8,673)	9,784	(7,751)
Chief Executive	2,226	(806)	2,876	(1,460)
ODS Development Director	5,762	(10,354)	4,954	(9,119)
Corporate Resources	20,545	(2,687)	20,351	(2,249)
Housing Revenue Account (HRA)	29,133	(52,488)	140,698	(48,001)
Oxford Direct Services Ltd	51,828	(13,743)	53,221	(15,134)
Oxford City Housing Group	9,673	(14,031)	27,238	(32,452)
Service Level Agreements and Capital Charges	7,076	-	17,148	(175)
Corporate and Democratic Core	43,234	(37,350)	45,798	(37,782)
Cost of Services	205,956	(156,069)	344,063	(166,687)
Other Operating Expenditure	277	(1,996)	(6,393)	-
Financing and Investment Income and Expenditure	13,417	(43,504)	14,829	(23,455)
Taxation and Non-Specific Grant Income	-	(40,751)	-	(43,483)
(Surplus)/Deficit on Provision of Services	219,650	(242,320)	352,499	(233,625)
Share of (Surplus)/Deficit of Joint Ventures		1,493		1,628
Tax Expenses		858		991
Group (Surplus)/Deficit		2,351		2,619
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets		(24,380)		(119,033)
Actuarial (Gains)/Losses on Pension Assets and Liabilities		(38,298)		(159,333)
Other Comprehensive Income and Expenditure		(62,678)		(278,366)
Total Comprehensive Income and Expenditure		(82,997)		(156,873)

The services shown above reflect the new management structure of the Council which was put in place in 2019/20. The Group Comprehensive Income and Expenditure Statement figures for 2018/19 have been amended to reflect this new structure in order to provide proper comparatives.

GROUP MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

This statement shows the total Movement in Reserves for the whole group.

	Council's Usable Reserves	Subsidiary Usable Reserves	Total Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2022 carried forward	312,098	(205,215)	106,883	757,392	3,899	761,291	868,174
Movement in Reserves during 2022/23							
Total Comprehensive Income and Expenditure	(124,445)	2,952	(121,493)	278,304	131	278,435	156,942
Adjustments between Group Accounts and Council Accounts	76,146	(76,146)	-	-	-	-	-
Total Comprehensive Income and Expenditure	(48,299)	(73,194)	(121,493)	278,304	131	278,435	156,942
Adjustments between Accounting Basis & Funding Basis under Regulations	130,238	-	130,238	(130,238)	-	(130,238)	-
Annual Retained Earnings Transfers	-	62	62	-	(62)	(62)	-
Consolidation adjustments to profit	-	(8)	(8)	-	-	-	(8)
Increase/(Decrease) in 2022/23	81,939	(73,140)	8,799	148,066	69	148,135	156,934
Balance at 31st March 2023 carried forward	394,037	(278,355)	115,682	905,458	3,968	909,426	1,025,108
Movement in Reserves during 2023/24							
Total Comprehensive Income and Expenditure	16,608	3,711	20,319	60,951	1,727	62,678	82,997
Adjustments between Group Accounts and Council Accounts	82,848	(82,848)	-	-	-	-	-
Total Comprehensive Income and Expenditure	99,456	(79,137)	20,319	60,951	1,727	62,678	82,997
Adjustments between Accounting Basis & Funding Basis under Regulations	(13,710)	-	(13,710)	13,710	-	13,710	-
Annual Retained Earnings Transfers	-	102	102	-	(102)	(102)	-
Consolidation adjustments to profit	-	(4)	(4)	-	-	-	(4)
Increase/(Decrease) in 2023/24	85,746	(79,039)	6,707	74,661	1,625	76,286	82,993
Balance at 31st March 2024 carried forward	479,783	(357,394)	122,389	980,119	5,593	985,712	1,108,101

GROUP BALANCE SHEET AS AT 31 MARCH 2024

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are Usable Reserves, i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves to deal with unforeseen events and any statutory limitations on their use (for example the Capital Receipts Reserve can only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; as well as reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

	Note	2023/24 £'000	2022/23 £'000
Property, Plant & Equipment	2	1,041,894	1,010,927
Heritage Assets		3,688	3,688
Investment Properties		146,300	117,688
Intangible Assets		3,648	4,155
Long Term Investments	11	36,449	36,988
Long Term Debtors	11	86,784	87,805
Other Long Term Assets		24,015	-
Long Term Assets		1,342,778	1,261,251
Short Term Investments	11	-	43,000
Assets Held for Sale		1,263	761
Inventories	3	12,401	15,145
Short Term Debtors	5	51,912	38,210
Cash and Cash Equivalents	4 & 11	12,399	10,399
Contract Assets		884	3,432
Current Assets		78,859	110,947
Short Term Borrowing	11	(10,000)	(11,000)
Short Term Creditors	6	(47,163)	(84,408)
Current Liabilities		(57,163)	(95,408)
Long Term Creditors	11	(2,512)	(1,896)
Provisions		(5,850)	(5,339)
Long Term Borrowing	11	(218,528)	(198,528)
Other Long Term Liabilities	11	(743)	(17,371)
Capital Grants Receipts in Advance		(28,740)	(28,548)
Long Term Liabilities		(256,373)	(251,682)
Net Assets		1,108,101	1,025,108
Usable Reserves	MIRS	(122,389)	(115,682)
Unusable Reserves		(985,712)	(909,426)
Total Reserves		(1,108,101)	(1,025,108)

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

This statement shows the total Cashflow for the whole group.

	Note	2023/24 £'000	2022/23 £'000
Net (Surplus)/Deficit on the Provision of Services		(20,319)	121,493
Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements		36,976	(195,662)
Net Cash Flows from Operating Activities		16,657	(74,169)
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		54,473	75,336
Purchase of Short-Term and Long-Term Investments		(42,829)	(19,831)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(9,930)	(18,347)
Other Capital Cash Receipts in Advance		(192)	3,044
Total Cash Flows from Investing Activities		1,522	40,202
Purchase of Long Term Borrowing		(30,000)	(11,000)
Repayment of Borrowing		11,000	36,000
Other receipts from Financing Activities		(1,179)	25,349
Payments for the reduction of a Finance Lease Liability		-	-
Total Cash Flows from Financing Activities		(20,179)	50,349
Net (Increase)/Decrease in Cash and Cash Equivalents		(2,000)	16,382
Cash and Cash Equivalents at the Beginning of the Reporting Period		(10,399)	(26,781)
Cash and Cash Equivalents at the End of the Reporting Period	4	(12,399)	(10,399)

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Financing and Investment Income and Expenditure

	2023/24 £'000	2022/23 £'000
Interest Payable and Similar Charges	7,082	6,852
Pensions Interest Costs and Expected Return on Pensions Assets	833	4,447
Finance Charges	(2,985)	(2,998)
Interest Receivable and Similar Income	(4,022)	(1,961)
Impairment of National Homelessness Property Fund	769	(336)
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	(24,905)	(7,572)
Other Investment Income	(6,859)	(7,058)
Total	(30,087)	(8,626)

NOTES TO THE GROUP FINANCIAL STATEMENTS

2 Property, Plant and Equipment Movements in 2023/24

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2023	775,596	208,312	24,761	2,689	1,043	172	15,959	1,028,532
Additions	24,678	8,514	2,095	8	79	-	14,512	49,886
Assets recognised / derecognised under finance lease	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	5,265	8,760	-	-	-	30	-	14,055
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,225)	(7,095)	-	-	-	-	-	(13,320)
Derecognition - disposals	(1,109)	(3,487)	-	-	-	-	-	(4,596)
Derecognition - other	(1,289)	-	(53)	-	-	-	-	(1,342)
Assets reclassified (to)/from Held for Sale	(2,756)	-	-	-	-	-	-	(2,756)
Other movements in cost or valuation	12,288	(8,402)	-	-	-	-	(12,242)	(8,356)
At 31 March 2024	806,448	206,602	26,803	2,697	1,122	202	18,229	1,062,103
Accumulated Depreciation and Impairment								
At 1 April 2023	(614)	-	(16,363)	(628)	-	-	-	(17,605)
Depreciation charge	(10,300)	(6,205)	(2,140)	(71)	(4)	-	-	(18,720)
Depreciation written out to the Revaluation Reserve	7,949	3,273	-	-	4	-	-	11,226
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,862	2,794	53	-	-	-	-	4,709
Derecognition - disposals	-	-	-	-	-	-	-	-
Derecognition - other	43	138	-	-	-	-	-	181
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2024	(1,060)	-	(18,450)	(699)	-	-	-	(20,209)
Net Book Value								
At 31 March 2024	805,388	206,602	8,353	1,998	1,122	202	18,229	1,041,894
At 31 March 2023	774,982	208,312	8,398	2,061	1,043	172	15,959	1,010,927
Movement in NBV	30,406	(1,710)	(45)	(63)	79	30	2,270	30,967

NOTES TO THE GROUP FINANCIAL STATEMENTS

2. Property, Plant and Equipment—cont.—Comparative Movements in 2022/23

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2022	764,784	204,515	27,971	2,689	1,039	2,162	10,233	1,013,393
Additions	36,908	11,773	1,918	-	2	-	12,648	63,249
Assets recognised / derecognised under finance lease								-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	101,401	1,222	-	-	(180)	(28)	-	102,415
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(121,148)	(11,232)	-	-	-	14	-	(132,366)
Derecognition - disposals	(919)	(3,075)	(948)	-	-	(1,976)	(1,293)	(8,211)
Derecognition - other	(1,190)	-	(4,283)	-	-	-	(2)	(5,475)
Assets reclassified (to)/from Held for Sale	(4,251)	-	-	-	-	-	-	(4,251)
Other movements in cost or valuation	11	5,109	103	-	182	-	(5,627)	(222)
At 31 March 2023	775,596	208,312	24,761	2,689	1,043	172	15,959	1,028,532
Accumulated Depreciation and Impairment								
At 1 April 2022	(3,876)	(12,922)	(19,464)	(531)	(43)	(306)	-	(37,142)
Depreciation charge	(8,099)	(5,345)	(2,117)	(97)	(9)	(152)	-	(15,819)
Depreciation written out to the Revaluation Reserve	7,061	12,177	-	-	52	-	-	19,290
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,260	6,080	4,283	-	-	2	-	14,625
Derecognition - disposals	-	10	935	-	-	456	-	1,401
Derecognition - other	40	-	-	-	-	-	-	40
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2023	(614)	-	(16,363)	(628)	-	-	-	(17,605)
Net Book Value								
At 31 March 2023	774,982	208,312	8,398	2,061	1,043	172	15,959	1,010,927
At 31 March 2022	760,908	191,593	8,507	2,158	996	1,856	10,233	976,251
Movement in NBV	14,074	16,719	(109)	(97)	47	(1,684)	5,726	34,676

NOTES TO THE GROUP FINANCIAL STATEMENTS

3. Inventories

	Consumable Inventories		Maintenance Inventories		Construction Work in Progress		Total	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance Outstanding at Start of Year	23	11	144	324	14,978	24,388	15,145	24,723
Purchases / Additions	59	42	2,423	(144)	6,261	15,195	8,743	15,093
Recognised as an Expense in the Year	(60)	(30)	(2,281)	-	(9,146)	(24,605)	(11,487)	(24,635)
Inventory balances sold		-	-	(36)	-	-	-	(36)
Balance Outstanding at Year End	22	23	286	144	12,093	14,978	12,401	15,145

4. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

	2023/24 £'000	2022/23 £'000
Cash Held by the Council	330	10,125
Bank Current Accounts	(1,418)	(15,956)
Cash Held by Subsidiaries	13,487	16,230
Total Cash and Cash Equivalents	12,399	10,399

5. Short Term Debtors

The table below shows the amount that the group was owed at 31 March 2024 by third parties, together with amounts paid by the group in advance of the receipt of goods or services.

	2023/24 £'000	2022/23 £'000
Trade Receivables	31,901	19,690
Other Receivables	20,011	18,520
Total	51,912	38,210

6. Short Term Creditors

The table below shows the amount that the group owed as at 31 March 2024 to third parties, together with amounts received by the group in advance of supply of goods or services.

	2023/24 £'000	2022/23 £'000
Trade Payables	(22,010)	(27,554)
Other Payables	(25,153)	(56,854)
Total	(47,163)	(84,408)

7. External Audit Costs

The group has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non-audit services provided by the external auditors:

	2023/24 £'000	2022/23 £'000
External Audit	443	293
Total	443	293

NOTES TO THE GROUP FINANCIAL STATEMENTS

8. Finance Leases as a Lessor

The group leases out many properties and an assessment has been undertaken to establish those that are considered to have transferred the risks of ownership to the lessee from the group. This note excludes the vehicles leased within the group from the Council to its wholly owned company, Oxford Direct Services Limited.

	31 Mar 2024 £'000	31 Mar 2023 £'000
Finance Lease debtor (net present value of minimum lease payments)		
- Current	10	825
- Non Current	61,940	61,150
Unguaranteed Residual Value of Property*	4,073	4,073
Gross Investment in the Lease	66,023	66,048

* Detail required by paragraph 4.2.4.2(11) of the code

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment In The Lease		Minimum Lease Payments	
	31 Mar 2024 £'000	31 Mar 2023 £'000	31 Mar 2024 £'000	31 Mar 2023 £'000
Not later than one year	825	825	825	825
Later than one year and not later than five years	1,403	1,403	1,403	1,403
Later than five years	63,795	63,820	59,722	59,747
Total	66,023	66,048	61,950	61,975

9. Operational Leases as a Lessor

The group leases out Property and Equipment under Operational Leases. These include shorter term leases where the risks and rewards are retained by the group. This note excludes the depot property leases which are leased by the Council to Oxford Direct Services Limited.

Operating Leases	31 Mar 2024 £'000	31 Mar 2023 £'000
Not later than one year	5,754	6,606
Later than one year and not later than five years	18,322	21,061
Later than five years	102,667	104,492
Total	126,743	132,159

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

NOTES TO THE GROUP FINANCIAL STATEMENTS

10. Revaluation Reserve

The Revaluation Reserve contains the gains made by the group arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- ♦ revalued downwards or impaired and the gains are lost
- ♦ used in the provision of services and the gains are consumed through depreciation, or
- ♦ disposed of and the gains are realised

The Reserve contains revaluation gains accumulated by the Council and the Oxford City Housing Limited Group in their Revaluation Reserves.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(425,581)	(323,520)
Upward revaluation of assets	(88,807)	(273,651)
Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services (Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus)/Deficit on the Provision of Services	64,427	154,549
	(449,961)	(442,622)
Accumulated gains on assets sold or scrapped	-	-
Amount written off to the Capital Adjustment Account	12,572	16,979
Annual Retained Earnings Transfers	102	62
Balance at 31 March	(437,287)	(425,581)

11. Financial Instruments

Financial Assets

	Non Current				Current			
	Investments		Debtors		Investments		Debtors	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Fair Value through Profit or Loss	36,449	36,988	86,784	87,805	-	43,000	50,463	40,979
Amortised Cost	-	-	-	-	12,399	10,399	-	-
Total Financial Assets	36,449	36,988	86,784	87,805	12,399	53,399	50,463	40,979

Financial Liabilities

	Non Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Amortised Cost	(218,528)	(198,528)	(3,255)	(2,632)	(10,000)	(11,000)	(35,047)	(65,688)
Total Financial Assets	(218,528)	(198,528)	(3,255)	(2,632)	(10,000)	(11,000)	(35,047)	(65,688)

NOTES TO THE GROUP FINANCIAL STATEMENTS

	2023/24 Surplus / (Deficit) on the Provision of Services £'000	2022/23 Surplus / (Deficit) on the Provision of Services £'000
Net gains/losses on:		
Financial Assets Measured at Fair Value	(1,225)	(3,549)
	(1,225)	(3,549)
Interest Revenue		
Financial Assets Measured at Fair Value	1,264	1,095
Financial Assets Measured at Amortised Cost	3,042	4,497
	4,306	5,592
Interest Expense	(7,081)	(6,852)

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ACCOUNTING POLICIES

ACCOUNTING POLICIES

Accounting Policies

AP1. General Principles

The Statement of Accounts summarises the Council's financial transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, and this requires the preparation to be in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance, issued under Section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historic cost modified by the revaluation of certain categories of non-current assets and financial instruments.

Going Concern

The Council is required to prepare an annual Statement of Accounts which summarises the Council's transactions for the financial year and its position as at the year-end of 31 March of that year. The Statement of Accounts must be prepared in accordance with proper accounting practices as per the Accounts and Audit Regulations 2015. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom supported by International Financial Reporting Standards (IFRS).

The accounts are prepared on a going concern basis, assuming that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are approved.

AP2. Accruals of Income and Expenditure

All transactions of the Council are accounted for in the year in which they take place, not simply when the cash payments are made or received:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services; revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council
- supplies and services are recorded as expenditure when they are consumed; where there is a gap between the date supplies are received and their consumption they are carried as Stock on the Balance Sheet. This also applies where the Council acts as agent, most significantly for Council Tax and NNDR collection. The Council collects all precepts on behalf of the major preceptors and the deficit or surplus held will be shown as a debtor or creditor balance respectively
- expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received, rather than when payments are made.
- interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- income and expenditure are credited and debited to the relevant service or other revenue accounts, unless they properly represent capital receipts or capital expenditure.

ACCOUNTING POLICIES

Exceptions to this principle are:

- i. utility bills and similar instalment payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts
- ii. certain payments made on a claims basis which are regular in terms of incidence (such that the accounting period contains twelve full months) or for which the accrual would be immaterial
- iii. accruals of less than £500 are not adjusted for within the accounts due to the level of materiality of the transactions.

AP3 Acquisitions and Discontinued Operations

Discontinued Operations

The staff and services provided by the Council's Direct Services department were transferred at 1st April 2018 to two new companies wholly owned by the Council:

- Oxford Direct Services Limited
- Oxford Direct Services Trading Limited

The staff were transferred under TUPE arrangements. Accounting treatment of the pension arrangements is included in the Employee Benefits accounting policy. Further details of the transfer are included in a separate note to the accounts.

On 15th December 2021, the Council disposed of its shares in Oxford West End Developments Limited and set up OxWED LLP, a Limited Liability Partnership, as a 50% partner in the LLP alongside Nuffield College Developments Ltd, a wholly owned subsidiary of Nuffield College. Oxwed LLP took ownership of the land previously owned by Oxford West End Developments Limited along with the loan debt and will continue with facilitating development of the site. This process was undertaken in order to change the type of joint venture rather than strictly disposing of or acquiring operations but is included here for completeness.

AP4. Cash and Cash Equivalents

Cash is represented by cash in hand and demand deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash Equivalents are readily convertible to known amounts of cash with insignificant risk of change in value. The Council regards overnight funds to represent a Cash Equivalent. Cash also includes bank overdrafts that are repayable on demand and that are integral to a Council's cash management. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

AP5. Prior Period Adjustments, Changes in Accounting Policies and Material Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

ACCOUNTING POLICIES

AP6. Charges to Revenue for Non-Current Assets

Services, Support Services and Trading Accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of Intangible Fixed Assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from Revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are replaced by the contribution (Minimum Revenue Provision) in the General Fund Balance by way of adjusting transactions within the Capital Adjustment Account in the Movement in Reserves Statement.

The principles of capital accounting are applicable to all non-current assets. However, the Council is able to prepare the financial statements in accordance with the concept of materiality; capitalisation of expenditure on fixed assets is not necessary where the amounts involved are not material to the fair presentation of the financial position and which would not affect the understanding of the users of the accounts. The Council has a general de-minimis level of £5,000 for capital expenditure purposes. Therefore, the Council will capitalise new assets that are greater than the following limits:

- Individually have a cost of at least £5,000 (£1,500 for residential properties); or
- Collectively have a cost of at least £5,000 (£1,500 for residential properties) and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Or where they form part of the initial equipping and setting-up cost of a new building, or significant refurbishment, irrespective of their individual or collective cost.

Where an asset has been acquired for less than £5,000 but has been funded by ring fenced capital funding, this will be treated as capital.

AP7. Council Tax and Non Domestic Rates-Principal and Agent Accounting Policy

Oxford City Council is a Billing Authority and acts as an agent, collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principal, collecting Council tax and NDR for themselves. Billing Authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and NDR. Under the legislative framework for the Collection Fund, Billing Authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The Council Tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

ACCOUNTING POLICIES

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

AP8. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits (those falling due within 12 months of the year end) such as wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits for current employees, are considered as an expense in the year in which the employee renders the service to the Council.

An accrual is made against services in the surplus or deficit on the provision of service, (where considered material) for the cost of holiday entitlement and other forms of leave earned by employees but not taken before the year end and which may be carried forward into the next financial year based on following years' salary. Accruals are not made for immaterial costs in respect of outstanding car mileage claims. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the surplus or deficit on the provision of services at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the yearend.

Post-employment Benefits

Employees of the Council are members of the Local Government pension fund administered by the Oxfordshire County Council.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- Oxford City Council includes the output of the actuary IAS 19 report within the accounts which provides an actuarial valuation of the pension costs of staff of the Council and the staff of the Oxford Direct Services Limited. This is because any burden of pension costs above the LATC set contribution rate are guaranteed to be met by the Council. Pension costs are therefore accounted for with the Oxford Direct Services Limited accounts at the contribution rate since their element of the scheme is defined by contribution rather than benefit (as per the pension pooling agreement between the Council, Oxfordshire County Council and Oxford Direct Services Limited)
- The liabilities of the Oxfordshire County Council Pension Fund attributable to the Council, and Oxford Direct Services Limited are therefore included in the Oxford City Council Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to-date by employees, based on assumptions about mortality

ACCOUNTING POLICIES

rates, employee turnover rates, etc., and projections of projected earnings for current employees.

- The liabilities are discounted to their value at current prices, using a discount rate based on a suitable index which is detailed in the notes to the accounts at Note 39c).
- the assets of Oxfordshire County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

The change in the net pension's liability is analysed into the following components:

- Service cost comprising:
 - Current Service Cost – the increase in liabilities as a result of years of service earned this year is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past Service Cost – the increase or reduction in liabilities arising from current year decisions or as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years is debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - Net interest on the net defined benefit liability (asset) i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial Gains and Losses – changes in the net pension liability that arises because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These are charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- Charge comprising:
 - Contributions paid to Oxfordshire County Council Pension Fund – cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

ACCOUNTING POLICIES

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

AP9 Events After the Reporting Period

Events after the Balance Sheet date that are reported are those material events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events except where it is a matter that will involve future expenditure in which case the circumstances and an estimate of the cost will be reported.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

AP10. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effected rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

This means that, for most of the borrowings that the Council has, the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is

ACCOUNTING POLICIES

the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Lease receivables are based on the rental on the leased assets which in turn is based on the value of those assets. On cessation of a lease, the asset will revert to being accounted for in non current assets so it is therefore not considered appropriate to make an impairment charge to revenue.

The Council has provided capital loans to its wholly owned Housing Company. These are assessed for impairment based on the business plans of the company and if there is an assessed impairment then these loans will be impaired in line with the Council's MRP policy.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit of Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Fair Value through Other Comprehensive Income (FVOCI)

The Council is able to designate Equity held in its own companies as FVOCI – the default is FVPL – since they are not held for trading. The designation is irrevocable & must be made at initial recognition. The Council has not designated any investments in equity instruments to FVOCI; its shares in its own companies are held at cost.

Reclassifications, modifications or derecognition or transfer of financial assets

There are no reclassifications, modifications or derecognitions or transfers of financial assets.

ACCOUNTING POLICIES

AP11. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify the way in which the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are to be consumed by the recipient, or the future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport and flood defences) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure. CIL recognised in Comprehensive Income and Expenditure Statement will be earmarked where appropriate through the MIRS.

AP12. Tangible Heritage Assets

A tangible Heritage Asset is a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. An intangible Heritage Asset is an intangible asset with cultural, environmental or historical significance. Examples of intangible Heritage Assets include records of significant historical events. Heritage Assets are revalued every 5 years. The next valuation date due is disclosed at note 14 to the accounts.

Property Heritage Assets that are operational are not separately identified, and are included in the appropriate Property Plant and Equipment, or Investment property category of the Council's Balance Sheet.

Property Heritage Assets that are not operational will be identified separately on the face of the Balance Sheet in the Category of Heritage Assets and will follow the accounting treatment appropriate to the asset.

ACCOUNTING POLICIES

Measurement Rules in relation to other Heritage assets

The Council's Heritage Assets can be categorised as follows:

- The Great Mace and Plate Room Silver Plaques and Cutlery
- Furniture
- Civic Regalia and Chains of Office (including number Plate)
- Firearms
- Pictures and Drawings

These assets are deemed to have an indeterminate life and high residual values, and the Council does not consider it necessary to provide for depreciation. The assets movements are relatively static with very little acquisitions or disposals. However, acquisitions are initially recognised at cost. These assets are valued at market value in the Statement of Accounts. Valuations are undertaken every five years where a material change in value is anticipated. New acquisitions will only be recognised where the cost is greater than £5,000.

- Heritage Non Operational Property

The Council has identified the Plain Fountain, Martyrs' Memorial, and surviving fragments of the City walls and accompanying bastions, which are significant assets in terms of their cultural and heritage presence. These assets are included in the Balance Sheet their depreciated replacement cost. Their values will be reviewed every five years to ensure any potential material changes can be reflected.

- Rewley Abbey Wall

The Council has identified Rewley Abbey Wall as meeting the criteria of Heritage Assets. However, this asset lacks any comparable market values and cost records do not exist. The cost of providing a Balance Sheet valuation would be disproportionate to any benefit to the user of the Council's financial statements and therefore is excluded from the Balance Sheet.

- Oxford City First Registration number plate

The Council's Mayor's Car carries the first registration plate issued in Oxford, and the plate is valued at market value. The value will be reviewed every five years to ensure any potential material changes can be reflected.

These assets are deemed to have an indeterminate life and high residual values, and the Council does not consider it necessary to provide for depreciation. The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment - see note AP.18. The Council may occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with the statutory accounting requirements relating to capital expenditure and capital receipts where any receipt is greater than £10,000.

AP13.Intangible Assets

Expenditure on non monetary assets that do not have physical substance but are controlled by the Council as a result of a past event (e.g. software licences and system development expenditure) is capitalised when it is expected that future benefits or service potential will flow from the intangible asset to the Council and are amortised to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

ACCOUNTING POLICIES

Internally Generated Assets are capitalised when it is demonstrable that the project is technically feasible and it is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase. Research expenditure is not capitalised.

Expenditure on the development of websites is not capitalised if the website is primarily intended to promote or advertise the Council's goods or services. Website development for a business purpose would be capitalised.

Intangible Assets are initially measured at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an Intangible Asset is amortised over the asset's useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an Intangible Asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on Intangible Assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of General Fund Balance in the Movement of Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

AP14. Interest in Companies and Other Entities

The Council has material interest in the Barton Oxford LLP. The LLP is a joint venture developing Land which will be sold for Housing development. The Council has a 50% interest in the Company and shares the profit and losses.

The Council has material interest in the OxWED LLP. The LLP is a joint venture developing Land which will be sold for Housing or commercial development or retained for rental. The Council has a 50% interest in the LLP and shares the profit and losses.

The Council has a wholly owned Housing Company Group, Oxford City Housing Limited (OCHL). The Group will hold Housing for rent, predominantly at social rent rates, and will develop land to produce additional housing within Oxford. The Council has a 100% interest in the Holding Company and owns any profits and losses.

The Council has two wholly owned companies to undertake work previously undertaken by the Direct Services department, Oxford Direct Services Limited (ODSL) and Oxford Direct Services Trading Limited (ODSTL). The Pension arrangements in respect of the IAS19 calculations will be included in the single entity accounts.

The Council therefore has material interests in Barton Oxford LLP, OxWED LLP, ODSL, ODSTL and OCHL which require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as Long term Debtors and Investments and these are removed on consolidation into the Group Accounts to prevent double counting. Where the Council holds shares in these entities, they are held on the balance sheet at cost.

ACCOUNTING POLICIES

AP15. Inventories and Long Term Contracts

Inventories are normally valued at the lower of cost or net realisable value where practical. However, for small value stocks current purchase price or average cost may be used. This is a departure from the Code, but the effect is not material to the Council's accounts.

Where the Council has entered into contracts that run for longer than one year, they are disclosed as a note to the accounts. Entries are only realised in the Balance Sheet if the contracts become onerous, in which case the Council would recognise the difference between the fair value of the contract and the actual payments due to be made, effectively creating a Provision.

AP16. Investment Property

Investment Properties are those that are used solely to earn rentals and/or capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods, or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use subject to data availability from Tenants and materiality considerations. Properties are not depreciated but are re-valued annually according to market conditions at the year-end, This involves an assessment of properties where material changes could have occurred and valuation to all those cases. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to Investment Property are credited to the Financing and Investment line in the Comprehensive Income and Expenditure Statement, and result in a gain for the General Fund Balance. Revaluation and Disposal Gains and Losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale cash received, where greater than £10,000).

AP17. Leases

Lease classification is made at the inception of the lease, which is at the earlier of the date of the lease agreement and the date of commitment by the parties to the principle provision of the lease. Leases are classified as Finance Leases where the terms of the lease transfer substantially all the risk and rewards incidental to ownership of the property, plant or equipment to the lessee. All other leases are classified as Operating Leases. Where a lease covers both land and buildings, the land and building elements are considered separately for classification. Land is treated as having an indefinite economic life, unless impairment or extraction has an impact of such substance that the indefinite economic life is brought into question.

Each lease is assessed by reference to a number of primary indicators which collectively or individually to provide evidence of a Finance Lease. Arrangements that do not have a legal status of a lease but convey a right to use an asset in return for payments are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. Arrangements will not be accounted for as leases where the value is less than £5,000; this is in line with the Council's general de-minimis level of £5,000 for capital expenditure purposes.

a) The Authority as Lessee

Finance Leases

Property, Plant and Equipment held under Finance Leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the

ACCOUNTING POLICIES

lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the Property, Plant or Equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under Finance Leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under Operating Leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

b) The Authority as Lessor Finance Leases

Where the Council grants a Finance Lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a Capital Receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the rentals are received, the repayment element is used to write down the long term debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the

ACCOUNTING POLICIES

Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an Operating Lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

AP18. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Oxford City Council's arrangements for accountability and financial performance.

AP19. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation and replacement of components is capitalised on an accruals basis. The cost of components replaced are added to the asset carrying value, and an assessment of the carrying value of the component replaced is made, and then derecognised. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Council does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase are deemed to be at fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets, vehicles, plant & equipment and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of Existing Use Value for Social Housing (EUV-SH) surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – fair value, determined as the amount that would be paid for the asset in its Existing Use Value (EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum they are

ACCOUNTING POLICIES

re-valued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that they may be impaired. Where indications exist and differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, and where material, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Assets are not depreciated in their year of acquisition but are depreciated in full in the year of disposal.

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life, as advised by a suitably qualified officer
- infrastructure – straight-line

Where an asset comprises major components whose costs are significant in relation to the total cost of the asset, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is

ACCOUNTING POLICIES

revalued immediately before reclassification and then carried at the lower of this amount and fair value less sales costs. Where there is a subsequent decrease in the net fair value, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The Revaluation Reserve on Assets Held for Sale (AHFS) is frozen in the previous asset category as the identification of an AHFS removes the capital accounting requirement. It is only when the asset disposal takes place that the revaluation reserve is moved to the Capital Adjustment Account.

Disposals

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to Housing Revenue Account (HRA) asset disposals (75% for Right to Buy (RTB), 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. In the case of pooling of HRA land and other asset receipts the Council can apply the sums to capital regeneration, and social housing investment. Furthermore, the Council entered into an agreement in 2012/13 with the Secretary of State in which capital receipts in relation to RTB disposals over and above the number specified for the year in Communities and Local Governments (CLG) self-financing valuation for Oxford City Council will not be subject to pooling, as long as the Council re-cycles the non-pooled receipts into new affordable housing within 3 years.

The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

AP20. Provisions, Contingent Liabilities and Contingent Assets Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by the transfer of economic benefit, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or payment of compensation.

The Council maintains a Provision for the funding of the self-financed element of known insurance claims. This Provision is funded through contributions from the relevant Service Revenue Accounts.

Provisions for bad or doubtful debts are separately disclosed against debtors on the Balance Sheet and are

ACCOUNTING POLICIES

not included in the Provisions figure. Known uncollectible debts have been written off.

Provisions are charged to the appropriate Revenue Account and when payments for expenditure are incurred to which the Provision relates they are charged direct to the Provision. Provisions are reviewed at each Balance Sheet date and if no longer required are reversed. In addition, Provisions for bad debts have been made within the accounts for expected losses of income in respect of sums due but not received from debtors.

With effect from 1 April 2013 onwards, under the Local Government Finance act 2013, where the Council is acting as an agent under the Business Rates retention scheme on behalf of the major preceptors, Central Government, and the Council itself (as principal), the Council makes provisions for ratepayer appeals against the rateable value of business properties in accordance with the CIPFA Code of Practice on Local Authority Accounting. The amount recognised as a provision is the best estimate at the Balance Sheet date of the expenditure required to settle the present obligation, taking account of the risks and uncertainties that surround many events and circumstances.

Contingent Liabilities

Contingent Liabilities are not recognised as liabilities in the Balance Sheet; however, all contingent liabilities are disclosed if there is a possibility of an outflow of economic benefit.

A Contingent Liability arises where an event has taken place that gives the Council a possible obligation and whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent Liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent Assets

A Contingent Asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent Assets are not recognised in the Balance Sheet but disclosed in a Note to the Accounts where it is probable that there will be an inflow of economic benefit or service potential.

The Council does not make provisions for unequal pay because the risk of claims continues to reduce, and the sums are not regarded as material.

AP21. Reserves

Useable Reserves

A reserve is money that the Council has set aside to cover expenditure that will be incurred in a future period, and this can be created from excess income over expenditure resulting in a balance on the General Fund or Housing Revenue Account. Reserves are created by appropriating amounts from the General Fund or Housing Revenue Account Balance through the Movement in Reserves Statement, and are held voluntarily to meet future activity costs. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate Service Revenue Account in that year to count against the Net cost of Services in the Income and Expenditure Account. The Reserve is then appropriated back to the General Fund balance so that there is no net charge against Council Tax for the expenditure.

Useable reserves can also be created from a capital source such as capital grants. These can also be earmarked or held in a general unapplied reserve, but capital reserves can only be used for expenditure of a capital nature or in special cases where statute provides an exception.

The Major Repairs Reserve is required by statutory provision in relation to the Housing Revenue Account (HRA).

ACCOUNTING POLICIES

The Council also has other specific Earmarked Reserves set out in more detail in the Notes to the Core Statements. These are set aside for purposes falling outside the definition of provisions. They are earmarked specifically to meet future requirements of revenue or capital expenditure.

Unusable Reserves

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits. They do not represent usable resources for the Council.

The main unusable reserves are:

- the Capital Adjustment Account which represents the balance of the surpluses or deficits arising from the periodic revaluations of fixed assets and the amounts set aside from revenue or capital receipts to finance expenditure on fixed assets and certain other capital financing transactions;
- the Revaluation Reserve which contains valuation gains recognised since 1 April 2007; and
- the Pension Reserve which reflects the Council's liability to the pension fund.

AP22. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax. An example of such expenditure would include Disabled Facilities Grants.

AP23. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

AP24. Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

ACCOUNTING POLICIES

AP25. Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

AP26. Dividends from Owned Companies

The Council will accrue dividends from its wholly owned or part owned companies into its single entity accounts in the year that a dividend has been approved by Directors and agreed by shareholders.

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GLOSSARY OF TERMS AND ABBREVIATIONS

GLOSSARY OF TERMS AND ABBREVIATIONS

ACE

Arts Council England.

Accounting Period

The period of time covered by the accounts, normally a period of 12 months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accruals

Sums included in the final accounts of the Council to cover income or expenditure attributable to the accounting period for which payment has not been received/made in the financial year. Local authorities accrue for both revenue and capital expenditure.

Amortisation

The term used to refer to the charging of the value of a transaction or asset (usually related to intangible assets) to the Income and Expenditure Account over a period of time, reflecting the value to the Council; similar to the depreciation charge for tangible fixed assets.

Asset

An asset is an economic resource which can be tangible or intangible. An asset is owned or controlled to produce positive economic value.

Asset Held for Sale

Assets are classified as held for sale if their carrying amount is going to be recovered principally through a sale transaction rather than through continued use. This excludes from consideration any assets that are going to be abandoned or scrapped at the end of their useful lives.

Balance Sheet

The balance sheet is the summary of the financial balances of the Council.

Beacon Dwelling

A generic property type representative of other assets held in the Council dwelling portfolio.

Billing Authority

A local authority responsible for collecting Council Tax and National Non-Domestic Rates.

Capital Expenditure

Spending which produces or enhances an asset, like land, buildings, roads, vehicles, plant and machinery, and intangible assets such as computer software. Definitions are set out in Section 40 of the Local Government and Housing Act 1989. Any expenditure which does not fall within the definition must be charged to a revenue account.

Capital Adjustment Account

A reserve that reflects financing of capital from revenue and capital receipts together with the adjustment of the minimum revenue provision.

Capital Receipts

The proceeds from the sale of fixed assets such as land and buildings. Capital receipts can be used to repay any outstanding debt on fixed assets or to finance new capital expenditure, within rules set down by government. Capital receipts cannot, however, be used to finance revenue expenditure.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The professional accountancy body concerned with local authorities and the public sector.

GLOSSARY OF TERMS AND ABBREVIATIONS

CO

Cabinet Office.

Code of Practice (The Code)

The Code of Practice on Local Authority Accounting in the United Kingdom. The Code specifies the principles and practices of accounting required to prepare a Statement of Accounts which 'presents fairly' the financial position and transactions of a local authority. It prescribes the accounting treatments and disclosures for all normal transactions of an authority and involves interpretations of accounting standards issued by the International Accounting Standards Board.

Collection Fund

The Collection Fund is a statutory fund set up under the provisions of the Local Government Finance Act 1988. It includes the transactions of the charging Authority in relation to Non-Domestic Rates and Council Tax, and illustrates the way in which the fund balance is distributed to preceptors and the General Fund.

Collection Fund Adjustment Account

A reserve account that reconciles differences between statutory requirements as a Billing Authority and proper accounting practice.

Contingent Assets/Liabilities

Potential gains and losses for which a future event will establish whether a liability exists and for which it is inappropriate to set up a debtor or provision in the accounts.

Contingent Rent

A contingent rent is the difference between the inception rent and the current rent, and can relate to both rental income and rental expenditure on leased properties. A contingent rent on a leased property is the increases in the amount to be paid for the property arising from rent reviews during the contract, and these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. A contingent rent on leased out property is where the contingent rental increases due to rent reviews are recognised in income as they are received as an addition to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Current Asset

A current asset is any asset which can reasonably be expected to be sold, consumed, or exhausted within a year. Typical current assets include cash, cash equivalents, short-term investments, accounts receivable, inventory and the portion of prepaid liabilities which will be paid within a year.

DCMS

Department of Culture, Media and Sport.

DECC

Department of Energy and Climate Change.

Deferred Credits

This is the term applied to deferred capital receipts. These transactions arise when fixed assets are sold and the amounts owed by the purchasers are repaid over a number of years, e.g. mortgages. The balance is reduced by the amount repayable in any financial year.

Deferred Grants

Amounts received or receivable which have been used to finance capital expenditure within the year. Under the capital accounting arrangements these amounts will be written off over the same period as the assets to which they relate.

GLOSSARY OF TERMS AND ABBREVIATIONS

DEFRA

Department for Environment, Food and Rural Affairs.

Depreciation

The measure of the wearing out, consumption or other reduction in the useful life of a fixed asset.

DFT

Department for Transport.

DWP

Department of Work and Pensions.

Earmarked Reserves

These are funds set aside for a specific purpose, or a particular service, or type of expenditure.

Earmarked Reserves

Earmarked reserves are amounts set aside from the General Fund and HRA Balances to provide financing for future expenditure plans. These amounts can be moved to and from the revenue account in accordance with the rules in the Council's constitution. During the year there are usually numerous transfers to and from earmarked reserves and the net effect of this is shown in a note to the accounts.

Finance Lease

Arrangement whereby the lessee is treated as the owner of the leased asset, and is required to include such assets within fixed assets on the balance sheet.

GAAP

Generally Accepted Accounting Practice.

General Fund

The General Fund is the Council's main account which contains all of its revenue expenditure.

General Fund Balance

Balance at Year End not earmarked for any specific purpose.

Group Accounts

Are the collective financial statements of a group, plus the investments in associates and interests in joint ventures, presented as a single economic entity.

HCA

Homes Communities Agency.

Heritage Assets

Are assets with historic, cultural, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

HIA

Home Improvement Agency.

HMO

House in Multiple Occupation.

GLOSSARY OF TERMS AND ABBREVIATIONS

Housing Revenue Account (HRA)

The Housing Revenue account is a ring fenced account within the Council's General Fund which can only be used for expenditure (mainly management and maintenance) and income (mainly rent from tenants) relating to the council-owned housing stock and cannot be used for funding any other council expenditure.

IAS

International Accounting Standard.

Intangible Asset

An intangible asset is an asset that lacks physical substance (unlike physical assets such as machinery, software and buildings) and usually is very hard to evaluate. It includes patents, copyrights, franchises, goodwill, trademarks, trade names and computer software.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are approved by the International Accounting Standards Board and are designed as a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. Oxford City Council's accounts are prepared in accordance with IFRS modified for use in the public sector by CIPFA.

Impairment

An accounting adjustment made to the value of the asset when its carrying amount (the amount at which an asset is recognised in the Balance Sheet after deducting accumulated depreciation and impairment losses) exceeds its recoverable amount (the higher of assets fair value less cost of sale and its value in use).

Investments

Deposits for less than one year with approved institutions.

Infrastructure Assets

Expenditure on works of construction or improvement but which have no tangible value, such as construction of, or improvement to highways.

Inventory

Inventory or stock refers to the goods and materials that are held for the ultimate purpose of use, resale or repair.

Investment Property

Investment property is (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of operations.

Joint Venture

Contractual or binding agreement whereby two or more parties are committed to undertake an activity that is subject to joint control.

LGA

Local Government Association.

Liability

A liability is the measure of future payments or other economic settlement that the Council is obliged to make to other entities as a result of past transactions or other past events.

GLOSSARY OF TERMS AND ABBREVIATIONS

Long Term Assets - Tangible

Tangible assets (i.e. land and buildings) that yield benefits to the Council and the services it provides for a period of more than one year.

Long Term Assets – Intangible

Assets which are of benefit to the organisation but have no physical presence such as software licences.

Long Term Debtors

Amounts due to the Council more than one year after the Balance Sheet date.

MHCLG

Ministry for Housing, Communities and Local Government.

National Non-Domestic Rates (NDR)

Under the arrangements for uniform business rates, which came into effect on 1 April 1990, the Council collects Non-Domestic Rates for its area based on local rateable values, multiplied by nationally set rates. The total amount, less certain relief and deductions, is paid to a central pool managed by the Government, which in turn, pays back to Councils their share of the pool based on a standard amount per head of the local adult population

Non-Current Asset

This is the same as a Long Term Asset.

Non operational Assets

Fixed assets held by an organisation but not directly occupied, used or consumed in the delivery of services. An example of a non operational asset is an investment property or an asset being held pending its sale.

Operational Asset

Fixed assets held by the Council and used or consumed in the delivery of its services.

Operating Lease

An arrangement whereby the risks and rewards of ownership of the leased asset remain with the leasing company.

Pension Fund

An employees' pension fund maintained by an authority, or a group of authorities, in order primarily to make pension payments on retirement of participants. It is financed from contributions from the employing authority, the employee and investment income.

Pooling of Housing Capital Receipts

Pooling is the term given to the requirement to pay Central Government a proportion of certain types of capital receipt. From 1 April 2004 Housing capital receipts have been subject to pooling at a rate of 75% for Right To Buy (RTB) dwellings and 50% for other Housing land and assets, net of statutory deductions and allowances. Furthermore, the Council in June 2012, entered into an agreement with the Secretary of State to exclude "additional" RTB capital receipts from the pooling mechanism as long as the Council recycled the retained resources into the provision of replacement social housing properties (1-4-1) within 3 years and in accordance with an agreed funding formula.

Precept

The amount by which a Precepting Authority (e.g. a County Council) requires from a Billing Authority (e.g. District Councils) to meet its expenditure requirements.

GLOSSARY OF TERMS AND ABBREVIATIONS

Provisions

Sums set aside to meet future expenditure where a specific liability is known to exist but is of uncertain timing or amount.

PWLB

Public Works Loans Board - part of Central Government from which the Council can obtain borrowing.

Revenue

Cost and income relating to the day-to-day running of services e.g. salaries and wages, supplies and services, transport and service relating income.

Revenue Expenditure Funded from Capital Under Statute (Refcus)

Capital expenditure which is allowable by statute to be funded from capital resources but which does not fall within the Code's definition of fixed assets. Examples include grants and similar advances made to other parties to finance capital investment.

Reserves – Unusable

Funds set aside to adjust for accounting transactions. These funds cannot be used to pay for future Council expenditure and can only be adjusted in accordance with the Code.

Reserves – Usable

Funds set aside or saved for future use to pay for future Council expenditure.

Revenue Support Grant

This funding is the Government Grant provided by the Ministry of Housing, Communities and Local Government (MHCLG), which is based on the Government's assessment as to what should be spent on local services. The amount provided by the MHCLG is fixed at the beginning of each financial year.

Surplus Asset

Where assets are not in use but do not meet the criteria of Assets Held for Sale they will be considered surplus and will be accommodated in the class of Property, Plant and Equipment.

Surplus or Loss on the Sale of Fixed Assets

This is an accounting requirement which requires the book value of the asset sold to be compared to the net proceeds to calculate the surplus or deficit on the transaction.

Teckal Exemption

This refers to procurement exemptions that can apply to companies, over which the authority has control, providing statutory local authority services in lieu of the local authority. The exemption removes the requirement for these companies to go through a full procurement process in order to be awarded with the work. This is based on the case of *Teckal Srl v Comune di Viano (1999)*.

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INDEPENDENT AUDITORS REPORT AND CERTIFICATE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD CITY COUNCIL

INDEPENDENT AUDITORS REPORT AND CERTIFICATE

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INDEPENDENT AUDITORS REPORT AND CERTIFICATE

(Key Audit Partner)

Date

Ernst & Young LLP (Local Auditor)

Reading

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Statement of Accounts

2023-24