



Draft

Statement of Accounts

2024-25

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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 2025.

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 CIPFA code of practice and relevant statutory guidance, 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 the balance sheet date. 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
Group Finance Director (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 Group Finance Director (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 Group Finance Director (Section 151 Officer)

The Group Finance Director (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 Group Finance Director (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 21 to 149 presents a true and fair view of the financial position of Oxford City Council as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

The unaudited Accounts were issued on 23 July 2025 and the audited accounts have been authorised for issue on (Date to be inserted).

Signed

Nigel Kennedy

Group Finance Director (Section 151
Officer)

Date

Signed

Councillor

Chair of Audit & Governance Committee

Date

NARRATIVE REPORT

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 Group Finance Director). The Group Finance Director 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 and to sign the balance sheet (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 7,884 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 £135.0 million as at the balance sheet date and Unusable Reserves which are not 'cash backed' totalling £1,088.4 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 £36.7 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 38), 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 the balance sheet date of the assets and liabilities recognised by the Council which are £1,223.4 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 increased, primarily an increase in creditors, and money the Council is owed has increased primarily due to an increase in the pensions asset. The value of land and property owned by the Council has increased between 2023/24 and 2024/25 predominantly through revaluation.

	2024/25 £'000	2023/24 £'000	Variation £'000
Value of Land and Property Owned	1,311,257	1,161,775	149,482
Cash Investments, Assets Held For Sale and Stock	18,071	20,976	(2,905)
Money the Council Owes	(399,523)	(314,711)	(84,812)
Money the Council is Owed	293,589	229,686	63,903
Net Worth of Council at 31st March	1,223,394	1,097,726	125,668

Reserves are reported in two categories:

- Usable Reserves - £135.0 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 £68.0 million which are set aside to fund future expenditure).

NARRATIVE REPORT

- Unusable Reserves - £1,088.4 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 £16.6 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 increase in Cash and Cash Equivalents between 2023/24 and 2024/25 is approximately £2.3 million due predominantly to an increase in money market funds and cash held at the bank following external borrowing to cover capital financing costs; 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 the accounting rules, 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 £4.9 million net deficit (£2.4 million prior year). This represents a £3.5 million deficit on Business Rates and a £1.5 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	Council Tax	Total
	2024/25	2024/25	2024/25
	£'000	£'000	£'000
Oxford City Council	1,393	207	1,600
Oxfordshire County Council	348	1,091	1,439
Police and Crime Commissioner (Thames Valley)	-	162	162
Central Government	1,740	-	1,740
Total (Surplus)/Deficit c/f	3,481	1,460	4,941

NARRATIVE REPORT

2. General Fund Outturn Position

The Council set a budget for spending on General Fund services of £30.324 million, to be financed by Council Tax of £16.014 million (net of parish precepts), retained business rates of £11.175 million, contributions from earmarked reserves of £1.367 million, and grant of £1.768 million.

The Council Tax for a Band D property was set at £352.07 (including parish precepts which are precepted on the Council), a 2.91% increase for the City Council Tax on the previous year. The basic amount of Council Tax (excluding the parish elements) was £346.36, 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: an adverse position of £1.053 million against the balanced budget agreed in February 2024. The variance to budget is after the budgeted transfer of £1.367 million from earmarked reserves. The £1.053 million deficit was transferred from earmarked reserves. In summary the position is as follows:

	Net Approved Budget 2024/25 £000	Net Revised Budget 2024/25 £000	Net Expenditure 2024/25 £000	Variance 2024/25 £000
Companies	12,933	11,821	9,059	(2,762)
Companies Client	12,933	11,821	9,059	(2,762)
Communities & Citizen Services	6,556	7,162	6,095	(1,067)
Information & Technology	3,946	4,322	5,216	894
Housing Services	4,908	5,944	7,834	1,890
Community Safety	814	878	827	(51)
City and Citizens' Services	16,224	18,306	19,972	1,666
Corporate Strategy	471	519	478	(41)
Financial Services	3,958	4,857	5,987	1,130
Chief Executive	742	916	928	12
Law and Governance	3,402	3,759	3,696	(63)
People	1,733	1,844	1,678	(166)
Corporate Services	10,306	11,895	12,767	872
Corporate Property	(7,916)	(7,476)	(7,559)	(83)
Economy, Regeneration & Sustainability	1,786	2,337	2,349	12
Planning & Regulatory Services	308	885	937	52
Place	(5,822)	(4,254)	(4,273)	(19)
Total Service Expenditure	33,641	37,768	37,525	(243)
Service Level Agreements	(6,550)	(6,550)	(6,304)	246
Corporate Accounts and Contingencies	2,881	(452)	598	1,050
Net General Fund Expenditure	29,972	30,766	31,819	1,053
Transfers To/From Earmarked Reserves	(1,367)	46	46	-
Net Budget Required	28,605	30,812	31,865	1,053
Total Funding Available	28,605	30,812	30,812	-
Net (Surplus) / Deficit for the Year	-	-	1,053	1,053
Working Balance	(3,622)	(3,622)	(3,622)	-

The main variances making up the overall £1.053 million general fund adverse variance are as follows:

Housing Services had an overspend of £1.89 million due to the high demand for Temporary Accommodation. Demand continues to fluctuate whilst supply of housing is being increased via a variety of routes such as the Housing Revenue Account (HRA) and the Private Rented Sector. This level of demand for temporary accommodation continues to align with the national trend and the cost of living is a major factor driving this ongoing pattern.

NARRATIVE REPORT

Community & Citizen's Services recorded an actual underspend of £1.067 million against budget for 2024/25. This arose mainly from a £0.14 million underspend for Community Centres, due to the East Oxford and Blackbird Leys community centres being closed for redevelopment thereby reducing running costs, and a Leisure services underspend of £0.8 million comprising:

- a one-off £0.387 million favourable variance for the concluded Fusion leisure contract as a result of the debt position and proposed repayment plan compared to actual repayment progress in 2024/25.
- an underspend of £0.543 million compared to the budget for the in-year procured SERCO leisure contract relating to savings for utilities of £0.38 million and contingency of £0.16 million offset by leisure central management costs mainly due to insurance.

Information & Technology Services had an actual adverse variance of £0.9 million for 2024/25 due to:

- £1.183 million adverse pressure resulting from SCC server hosting costs, the costs of migrating individual systems to an Azure cloud-based platform and IT absorbing unbudgeted running costs arising from the introduction of new systems commissioned by different service areas. A new SCC contract was agreed in October 2024 which provides mitigation against recurring expenditure at this level.
- £0.26 million one-off contractual payments regarding telephony services, incurred during the delivery of the new contract.
- £0.5 million favourable variance from the recharge of ICT salaries to other revenue service areas and capital schemes

In **Corporate Property** there was an underspend of £0.083 million for 2024/25 due to unbudgeted savings on staff costs of £0.25 million from vacant posts during the year and an overspend on Business Rates of £0.56 million. Refunds relating to the latter may be obtainable in due course. More savings were achieved from underspends of £0.22 million on maintenance and minor repairs together with unbudgeted income from Pitch and Site Rents of £0.16 million.

The Council Companies' Client had an overall favourable variance of £2.761 million on budget due to:

- an additional £0.925 million of dividend income compared to budget
- additional unbudgeted income of £1.54 million in the Parking Management area relating to all car parks but most notably from Oxpens, Worcester Street, St Clements
- an underspend of £0.34 million across the Street Cleansing and Motor Transport areas arising from lower costs for statutory services provision, Council Tax / Business Rates costs and a budget for Consultant's Fees that was not utilised.

People Services recorded an adverse variance of £0.166 million driven by savings related to the reduction in FTE for business partnering resource and apprentice intake being lower than budgeted.

Corporate Accounts, Service Level Agreements and Contingencies had an overall adverse variance of £1.297 million for 2024/25 resulting from a number of variances including:

Net cost of housing benefit payments – the adverse variance of £1.491m for 2024/25 is the overspend on costs related to benefit paid to non-registered provider organisations in respect of supported accommodation. The number of such providers in the city is limited and the service is commissioned largely by bodies outside the City Council i.e. NHS/ Oxfordshire County Council and other District Councils. Whilst the Council will try to mitigate this issue, the extent to which it can do so is limited. There will be an increased impact from 1 April 2025 as a result of working age housing benefit claimants being transferred to Universal Credit. The Council will monitor the position closely and continue to lobby government and the LGA, within its ability, with regards to changing the housing benefit regulations to mitigate the impact of this issue.

NARRATIVE REPORT

Interest Payable, Interest Receivable and Investment Income – a net £2.037 million favourable year-end position (excluding the year end adjustment of £1.8 million relating to finance lease accounting) due to:

- lower anticipated general fund borrowing costs than anticipated as a result of slippages in the capital programme
- lower interest income from companies than anticipated, largely as a result of the redemption of housing investment company loans during the year
- income from HRA internal borrowing related to HRA capital programme prudential borrowing finance. The Council is currently maximising the use of internal cash balances before borrowing externally and making the statutory interest change from the General Fund to the HRA.

Charges to revenue for capital borrowing – the statutory charge to revenue in relation to the principal element of capital borrowing was lower by £0.590 million due to lower amount of General Fund capital spend needing to be financed from borrowing.

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.

ODSL made a surplus of £3.115 million in 2024/25 (£2.652 million in 2023/24). ODSTL made a surplus of £1.027 million in 2024/25 (£0.7 million in 2023/24). 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 £0.511 million for the 2024/25 financial year (£3.581 million for 2023/24).

Oxwed LLP made a loss of £2.627 million for 2024/25 (£2.987 million in 2023/24) 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

Due to the nature of the arrangement, the operation of Barton Oxford LLP does not have a financial impact on the Council

NARRATIVE REPORT

3. Housing Revenue Account Outturn Position

	Net Approved Budget 2024/25 £000	Net Revised Budget 2024/25 £000	Net Expenditure 2024/25 £000	Variance 2024/25 £000
Dwelling Rent	(53,249)	(53,309)	(53,980)	(671)
Service Charges	(2,897)	(2,837)	(3,113)	(276)
Garage Income	(228)	(228)	(298)	(70)
Miscellaneous Income	(806)	(806)	(1,184)	(378)
Right to Buy (RAF)	-	-	(31)	(31)
Income	(57,180)	(57,180)	(58,606)	(1,426)
Management & Services (Stock Related)	13,975	14,050	13,296	(754)
Other Revenue Spend (Stock Related)	972	897	694	(203)
Misc Expenditure (Not Stock Related)	826	826	122	(704)
Bad Debt Provision	931	931	773	(158)
Responsive and Cyclical Repairs	12,735	12,735	19,583	6,848
Interest Paid	12,191	12,191	10,223	(1,968)
Depreciation	9,706	9,706	11,122	1,416
Expenditure	51,336	51,336	55,813	4,477
Net Operating Expenditure / (Income)	(5,844)	(5,844)	(2,793)	3,051
Investment Income	(42)	(42)	(495)	(453)
Reserve Movements	-	-	3,549	3,549
(Gain) / Loss on sale of fixed assets	-	-	(6,882)	(6,882)
Capital expenditure funded by the HRA	12,367	12,367	3,677	(8,690)
	12,325	12,325	(151)	(12,476)
Net (surplus)/deficit	6,481	6,481	(2,944)	(9,425)
Working Balance	(4,000)	(4,000)	(4,000)	-

HRA Summary

At the end of 2024/25 the HRA outturn was a favourable position of £2.944 million, compared to the 2024/25 budget deficit of £6.481 million. This favourable variance of £9.43 million is mostly due to a change in the mix of appropriations for which there is a favourable variance of £12.6 million compared to budget, including a lower than budgeted revenue contribution to capital by £8.69 million and £6.88 million gain on the sale of fixed assets; this is offset by reduced net operating income of £2.79 million.

Major variations include:

Income

Net Income

Dwelling Rents and Service Charges exceeded the budget by £0.67 million due to the transfer of OX Place properties during the year. Also, since the budget was set, 428 properties have been re-let and moved to formula rent.

An increase to Service Charges income of £0.276 million arose from additional income from Leaseholders; unbudgeted Major Works income; actual bills compared to estimated charges; plus, additional income from OX Place transfer properties.

An increase to Misc Income of £0.378 million arose from Furnished Tenancies, leased properties and grant funding for Tenant Satisfaction Measures New Burdens Payments.

NARRATIVE REPORT

Expenditure

Management and Services (Stock related)

There was an overall underspend of £0.754 million arising from £0.415 million saving on salaries, namely from Landlord Services, new budget bid of £0.86 million added in, new posts to be filled and some existing vacant posts from prior year with recruitment on hold pending Landlord Services Transformation.

Additional savings of £0.68 million on utilities and £0.55 million on SLA charges were offset by overspends of Council Tax payments on void properties, furniture purchases in the Furnished Tenancy Scheme, Supplies and Services including Housing Consultants and an increased insurance premium.

Other Revenue spend (stock related)

There was a favourable variance of £0.203 million as a result of underspends including on purchase card spend in relation to decants and B&B's, compensation payments to tenants. These were offset by £0.2 million of costs on new developments of which £0.28 million relates to abortive costs.

Misc. Expenditure (not stock related)

An underspend of £0.704 million arose through a number of budgets not being utilised, namely £0.46 million unspent of new developments and £0.21 million on general contracted services.

Responsive and Cyclical Repairs

There has been a significant overspend in repair costs of £7.024 million in 2024-25. This overspend is due to an exceptional year of demand led General Minor Works and day to day jobs raised and the introduction of significant changes to the compliance standards set by the Housing Regulator. The latter has required a rapid response by the Council resulting in an increase to the number of specialist surveys carried out, as well as any remedial works required. Notable areas in respect of this are Fire Safety, Asbestos and Electrical Upgrades/ Inspections.

To address the overspend, the proposed budgets included in the 2025/26 MTFP have been increased to accommodate the expected ongoing planned compliance works which should be at a more managed level going forward. The Council has also undertaken a significant amount of work in Business and Asset Management Planning to compile a comprehensive programme of capital investment that over the longer term will reduce the ad-hoc demand for repairs and maintenance.

Gain on Sale of Fixed Assets

The 2024/25 actual gain of £6.882m relates to the realisation of the increase in values of properties sold. Every year the HRA properties are valued and any increases / decreases in valuation are recorded on the balance sheet. However, when a property is sold, this increase in value is "realised" as the difference between the historic cost of the property (the original cost plus any subsequent capital investment) and the sales value. As most of the stock is over 50 years old, the base asset values will have increased significantly over the lifetime of the properties.

Interest Paid & Depreciation

The actual interest charged for the year on external debt came in under budget at £10.22 million giving a favourable variance of £1.97 million due to lower capital expenditure than expected over the last and previous few years.

Investment income

There is a favourable variance of £0.495 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 2025 was £164.884 million with a final outturn in March of £145.349 million i.e. 88.2% spend against latest budget and 61.7% against the original budget of £235.719 million set in February 2024.

	Latest Budget 2024/25 £'000	Spend to 31 March 2024/25 £'000	Outturn Variance to Latest Budget 2024/25 £'000	Outturn Variance due to Slippage 2024/25 £'000	Outturn Variance due to Over / (Under) spend 2024/25 £'000
General Fund	48,903	39,671	(9,232)	(7,354)	(1,878)
Housing Revenue Account	115,981	105,678	(10,303)	(1,967)	(8,336)
Grand Total	164,884	145,349	(19,535)	(9,321)	(10,214)

Of the unspent budget of £19.535 million, slippage of £9.32 million is being carried forward into future years, although not all will remain in the 2025-26 financial year but will be phased over the years that spend is expected to occur. The variance of £10.21 million due to underspend on budgeted capital projects is mainly associated with the HRA demand driven spend on communal, internal and external works on council houses and underspent budget relating to housing company loans.

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

General Fund

Housing Services - £1.813 million

Housing Company loans - £1.50 million – the full value budgeted in 2024-25 related to housing projects delivery was not drawn down as planned due to the receipts the company received in year.

Old Gas Works Bridge – £0.313 million – the variance relates to retention payments which will become due in 2025-26.

Regeneration & Economy - £2.624 million

Osney Bridge and Path works – £1.758 million. These related projects are delayed due to Judicial Review; a decision was received on 10 March 2025 however an appeal process can occur. Funding remains in place despite the delays.

Go Ultra Low Oxford - On Street - £0.495 million – the project and payment to Oxfordshire County Council is delayed into 2025-26

UK Shared Prosperity Fund Investment Plan - £0.372 million – this is unspent and to be vired to the Covered Market Masterplan programme in 2025/26.

Corporate Property - £2.263 million

Salary Costs - £1.572 million – this is a rolling programme of work to support a variety of projects and the variance is due to a reduced level of capitalizable staff costs in 2024-25

Gloucester Green Car Park (H&S) - £0.319 million - unspent budget, the project is complete with all costs incurred.

Planned Building Improvements - £0.372 million – this is due to a reduced level of capitalisable maintenance costs in 2024-25 compared to budget. This is a rolling programme of work and the costs will be incurred in future years

Information & Technology - £0.255 million

Information@Work system – £0.255 million – This project is for the renewal or replacement of the software application and the full budget will not be needed as expected due to the re-tendering of the service which was awarded to the incumbent supplier.

NARRATIVE REPORT

HRA

The HRA overall variance is £10.303 million underspent on the latest budget. £7.214 million of this 2024/25 underspend relates to the HRA Capital Maintenance programme being under-utilised with the consequential overspend in revenue expenditure on HRA repairs and maintenance as highlighted above. Any works not completed will be addressed within the new planned maintenance programme that commenced in 2025/26. £1.967 million is slippage is being carried forward into future years.

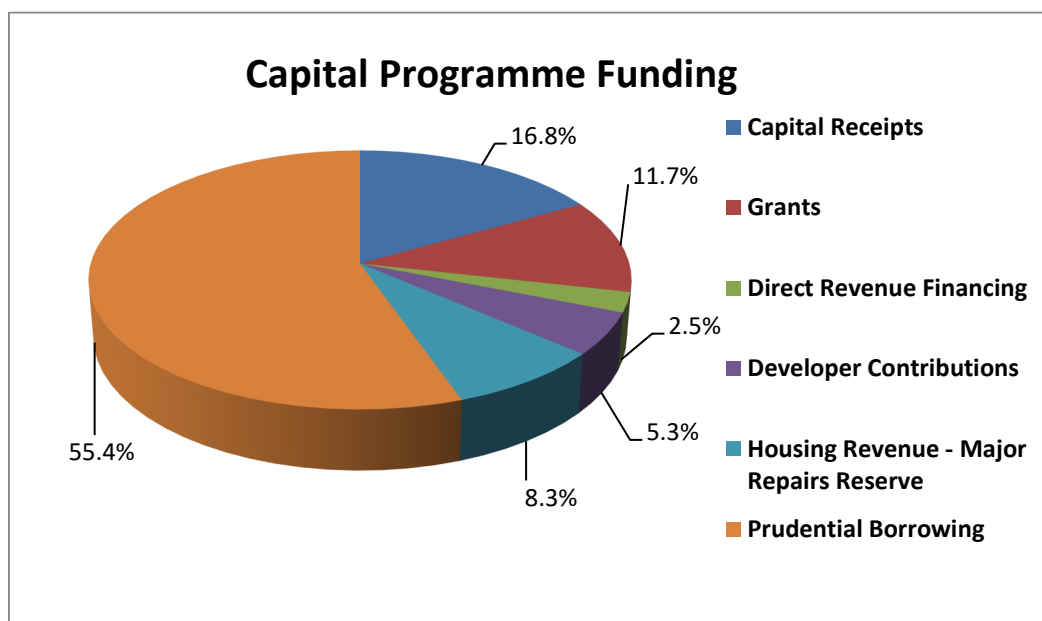
Of the remaining schemes, those with the largest variances are as follows:

- **Properties Purchased From OCHL** - £0.995 million underspend due to slippage on a number of schemes
- **East Oxford development** - £809k slippage into 2025/26
- **HRA Barton Acquisitions and Regeneration** - £524k slippage into 2025/26
- **Next Steps Accommodation Programme** – £582k slippage into 2025/26
- **Juniper** - £385k unspent; this scheme has been removed from the programme
- **Oxford North Development** - £0.602 million overspend at 31 March 2025 although the overall programme cost remains on track.

Funding the Capital Programme

The General Fund Capital Programme spend totalled £39.671 million and was funded through a combination of Capital Receipts (£15.466 million), Grants (£11.149 million), Developer Contributions (£7.505 million), and borrowing (£5.551 million).

The Housing Capital Programme spend totalled £105.678 million and was funded through a combination of Direct Revenue Finance (£3.677 million), Grants (£5.825 million), Capital Receipts (£9.018 million), Major Repairs Reserve (£12.030 million), Developer Contributions (£0.128 million), and Borrowing (£75.000 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:

NARRATIVE REPORT

• Pension Fund

The Council's asset to provide for the cost of past employment benefits to staff has increased in the year ended 31 March 2025. The asset reported as at 31 March 2024 was £24.02 million. This has now increased as at 31 March 2025 to £82.79 million. The increase in asset of £58.78 million is due to a number of factors but primarily:

- ♦ A change in the discount rate used within the calculations. The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption. This serves to reduce the employer's obligations and led to a gain of around £63.15 million;
- ♦ The actual Pensions Increase Order for April 2025 was 1.7% which is lower than the pension increase rate assumption built into the obligations at the start of the accounting period. This increases pensions in payment, deferred pensions and CARE pots by less than expected, which has served to reduce the Employer's obligations and led to a gain of £3.60 million on the balance sheet
- ♦ The total investment return achieved by the Fund over the accounting period was 2.6%, compared to an expected accounting return of 4.85%, which led to a £9.19 million loss on the balance sheet.

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 the balance sheet date the Council had made provision for £5.53 million of expenditure likely to be incurred sometime in the future. Included in this figure are the following amounts:

- **Rent Deposit Scheme** - £1.597 million - this provision covers deposits paid on behalf of tenants placed in private rented properties by the Council.
- **Council Tax Court Costs** - £0.434 million - this provision is against outstanding court costs that have been raised against Council Tax arrears.
- **Provision for NNDR Appeals** - £3.241 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** - £0.258 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 £288.50 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 repayments of this borrowing have then been replaced by other loans 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.

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.

NARRATIVE REPORT

Oxwed LLP

The Council is a 50% owner of Oxwed LLP, a 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 respectively.

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 the balance sheet date is a net asset of £8.493 million.

Wholly Owned Entities: -

	ODSL 2024/25 £'000	ODSTL 2024/25 £'000	OCHL 2024/25 £'000	Sub-Total 2024/25 £'000
Council's share of Net Assets	15,804	2,851	15,928	34,583
Capital classified as a liability	(11,766)	-	(10,152)	(21,918)
Council's Share shown in the Group Accounts	4,038	2,851	5,776	12,665
	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

Joint Ventures and Total: -

	OxWED LLP 2024/25 £'000	Barton LLP 2024/25 £'000	Sub-Total 2024/25 £'000	Total 2024/25 £'000
Council's share of Net Assets	16,948	-	16,948	51,531
Capital classified as a liability	(21,120)	-	(21,120)	(43,038)
Council's Share shown in the Group Accounts	(4,172)	-	(4,172)	8,493
	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	83,434
Capital classified as a liability	(19,615)	-	(19,615)	(73,379)
Council's Share shown in the Group Accounts	(2,857)	-	(2,857)	10,055

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 continues to be difficult. A number of local authorities continue to issue Section 114 notices, effectively declaring bankruptcy and others continue to threaten similar action. The Provisional Finance Settlement for 2025-26 has not been good for district council's with most if not all receiving no increase in core spending power which only exacerbates existing financial pressures. Oxford City Council continues to experience financial pressures around temporary accommodation and although the increase in Homelessness Preventative Grant of £600k was welcome this has only been confirmed for one year and only partially mitigates the £1.8 million of ongoing financial cost which we are currently suffering.

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 to cover General Fund expenditure 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.

As in previous years and despite the difficult financial environment in which the council operates, the Council has undertaken a prudent and robust approach in developing its Medium Term Financial Strategy ("MTFS") including 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. The Council approved a balanced 4-year MTFS at its meeting in February 2025 which is planned to be realised through a combination of efficiencies, additional fees and charges and returns from our wholly owned companies with the balance of £7.5 million over the 4-year period being funded from council reserves. Reluctantly there are some minimal budget cuts in Community Services, the council tax reduction scheme and service provided by ODS in order to stay within the budget envelope.

Housing Revenue Account (HRA)

Key assumptions in the HRA budget include:

- ♦ **Rental and Service Charges Income**
The HRA is reliant on income raised from council house rents and service charges to cover its day to day activities and to finance borrowing which will escalate from its current level of around £270 million to £896 million over the next 4-year period. The level of borrowing has to be affordable and is controlled by reference to the Interest Cover Ratio, which is maintained at or above 1.25. At this level expenditure in the HRA both capital and revenue based on the estimates is affordable over the next 5 years although there is no room for any further spend over that period. Beyond this period should the council continue to be allowed to increase rents by CPI +1% there is more scope to spend on priorities such as decent homes, new housing and climate change mitigations.
- ♦ **New Dwellings**
The HRA will continue to purchase the affordable housing from OCHL's 10 year development programme 1,051 properties within a gross overall budget envelope for all years of £452m before grant and shared ownership sales.
- ♦ **Debt Management Strategy**
An increase in the level of HRA debt for the new build acquisitions by £200 million to cover all capital commitments over the next 4-year period. Debt is controlled by reference to the Interest Cover Ratio (ICR) i.e. how many times surpluses cover the debt interest charges.
- ♦ **Inflation and pay assumptions**
All the assumptions for pay inflation are the same as for the Council's General Fund.

NARRATIVE REPORT

Local Authority Trading Companies

OCHL

Oxford City Housing Company Group is developing sites within Oxford producing affordable dwellings to the HRA and is currently making annual surpluses, primarily arising from the development schemes. The property holding arm of the group is currently not trading having passed all of its housing stock to the Council in 2024/25 for £33.2 million and settling all of its loan debt with the Council at the same time..

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.

Oxwed LLP

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 2028/29 from £343 million at the end of 2024/25. The level of additional external borrowing is currently estimated at £542 million up to the end of 2028/29 of which £335 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.

10. 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 2024/25. 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:
Group Finance Director (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, Preeti Malik at pmalik@uk.ey.com

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

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**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED
31 MARCH 2025**

This statement shows the accounting cost in year of providing services in accordance with generally accepted accounting practice, 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 25).

	2024/25			2023/24		
Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	28,784	(14,824)	13,960	26,436	(11,332)	15,104
ODS Development Director	36,188	(16,193)	19,995	32,326	(14,817)	17,509
City and Citizens' Services	15,100	(2,357)	12,743	13,121	(2,928)	10,193
Corporate Services	16,826	(12,607)	4,219	15,185	(11,588)	3,597
Place	88,666	(58,316)	30,350	47,149	(52,569)	(5,420)
Housing Revenue Account (HRA)	18,314	(3,344)	14,970	7,076	(3,425)	3,651
Service Level Agreements and Capital Charges	42,052	(37,067)	4,985	43,234	(37,350)	5,884
Corporate and Democratic Core						
Cost of Services	245,930	(144,708)	101,222	184,527	(134,009)	50,518
Other Operating Expenditure	4,782	(37)	4,745	277	(1,996)	(1,719)
Financing and Investment Income and Expenditure	23,150	(22,387)	763	8,677	(40,412)	(31,735)
Taxation and Non-Specific Grant Income	-	(70,051)	(70,051)	-	(40,751)	(40,751)
(Surplus)/Deficit on Provision of Services	273,862	(237,183)	36,679	193,481	(217,168)	(23,687)
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(103,916)			(22,653)
Actuarial (Gains)/Losses on Pension Assets and Liabilities			(58,431)			(38,298)
Other Comprehensive Income and Expenditure			(162,347)			(60,951)
Total Comprehensive Income and Expenditure			(125,668)			(84,638)

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

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

	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
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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
Movement in Reserves during 2023/24									
Surplus/(Deficit) on the Provision of Services	24,900	-	(1,213)	-	-	-	-	23,687	-
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	60,951
Total Comprehensive Income and Expenditure	24,900	-	(1,213)	-	-	-	-	23,687	60,951
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	13,036	-	267	-	(4,333)	(2,060)	3,067	9,977	74,661
Transfers to/from Earmarked Reserves	(13,036)	13,036	(267)	267	-	-	-	-	-
Increase/(Decrease) in 2023/24	-	13,036	-	267	(4,333)	(2,060)	3,067	9,977	74,661
Balance at 31 March 2024 carried forward	3,622	58,472	4,000	10,832	1,703	11,522	27,455	117,606	980,120
Movement in Reserves during 2024/25									
Surplus/(Deficit) on the Provision of Services	2,019	-	(38,698)	-	-	-	-	(36,679)	-
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	162,347
Total Comprehensive Income and Expenditure	2,019	-	(38,698)	-	-	-	-	(36,679)	162,347
Adjustments between Accounting Basis & Funding Basis under Regulations	(2,868)	-	38,314	-	(938)	4,874	14,692	54,074	(54,074)
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(849)	-	(384)	-	(938)	4,874	14,692	17,395	108,273
Transfers to/from Earmarked Reserves	849	(849)	384	(384)	-	-	-	-	-
Increase/(Decrease) in 2024/25	-	(849)	-	(384)	(938)	4,874	14,692	17,395	108,273
Balance at 31 March 2025 carried forward	3,622	57,623	4,000	10,448	765	16,396	42,147	135,001	1,088,393

BALANCE SHEET AS AT 31 MARCH 2025

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are Usable Reserves, i.e. those reserves that the Council 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 Council 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 & Funding Basis under Regulations'.

		2024/25 £'000	2023/24 £'000
Property, Plant & Equipment	12	1,158,631	1,008,139
Heritage Assets	13	3,688	3,688
Investment Properties	15	145,810	146,300
Intangible Assets	16	3,128	3,648
Long Term Investments	17	14,620	19,691
Long Term Debtors	17	118,027	142,790
Other Long Term Assets	39	82,791	24,015
Long Term Assets		1,526,695	1,348,271
Short Term Investments	17	-	-
Assets Held for Sale	22	2,214	1,263
Inventories		12	22
Short Term Debtors	19	90,545	62,881
Cash and Cash Equivalents	17 & 21	1,225	-
Contract Assets		195	-
Current Assets		94,191	64,166
Short Term Borrowing	17	(20,000)	(10,000)
Short Term Creditors	23	(57,712)	(45,196)
Contract Liabilities	23	(3,301)	(2,982)
Cash and Cash Equivalents	17 & 21	-	(1,088)
Current Liabilities		(81,013)	(59,266)
Long Term Creditors	17	(3,493)	(1,584)
Provisions	24	(3,498)	(5,850)
Long Term Borrowing	17	(268,528)	(218,528)
Other Long Term Liabilities	17	(26,561)	(743)
Capital Grants Receipts in Advance	34	(14,399)	(28,740)
Long Term Liabilities		(316,479)	(255,445)
Net Assets		1,223,394	1,097,726
Usable Reserves	MIRS	(135,001)	(117,606)
Unusable Reserves	26	(1,088,393)	(980,120)
Total Reserves		(1,223,394)	(1,097,726)

The unaudited Accounts were issued on 23 July 2025 and the audited accounts were authorised for issue on XXX.

Signed *Nigel Kennedy*
 Nigel Kennedy
 Group Finance Director (Section 151
 Officer)

Date XXXX

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

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	2024/25 £'000	2023/24 £'000
Net Surplus/(Deficit) on the Provision of Services		(36,679)	23,687
Adjustments to Net Surplus/(Deficit) on the Provision of Services for Non-Cash Movements		51,725	(32,141)
Net cash in/(out) flows from Operating Activities		15,046	(8,454)
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		(136,940)	(55,263)
(Purchase)/Proceeds of Short-Term and Long-Term Investments		34,092	55,717
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets		26,742	9,930
Other Capital Cash Receipts in Advance		(14,341)	192
Total cash in/(out) flows from Investing Activities		(90,447)	10,576
Purchase of Short and Long Term Borrowing		70,000	30,000
Repayment of Borrowing		(10,000)	(11,000)
Other (payments)/receipts from Financing Activities		17,714	(16,379)
Payments for the reduction of a Finance Lease Liability		-	-
Total cash in/(out) flows from Financing Activities		77,714	2,621
Net Increase/(Decrease) in Cash and Cash Equivalents		2,313	4,743
Cash and Cash Equivalents at the Beginning of the Reporting Period		(1,088)	(5,831)
Cash and Cash Equivalents at the End of the Reporting Period	21	1,225	(1,088)

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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 2024/25

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 2025-26 code are applicable from the 1 April 2025. 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 The changes to the measurement of non-investment assets within the 2025/26 Code including adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) **IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts
- c) **IAS 16 Measurement of non-investment assets.**

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4. of the code. :

IAS 16 represents a substantial and significant accounting change in the 2025-26 Code due to CIPFA / LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets.

The main changes included in the Code are:

- ♦ A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available.
- ♦ Intangible assets to be held at historical cost only.
- ♦ Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.
- ♦ existing adaptations has been removed to allow both options permitted by IAS 16 for the treatment of accumulated depreciation when assets are revalued.
- ♦ A clarification to ensure that undertaking a full revaluation should not be a default process to demonstrate there has not been a material impairment of an asset and to comply with IAS 36.

These changes will have a significant effect on administering the revaluation process and should make the Valuation of assets closer to the 31 March valuations

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:

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.

Investment Property Classification

The Council has made judgements on whether assets are classified as Investment Property or Property Plant and Equipment. These judgements are based on the main reason that the Council is holding the asset. If the asset is used in the delivery of services or is occupied by third parties who are subsidised by the Council, they are deemed to be Property, Plant and Equipment assets. If there is no subsidy and/or full market rent is being charged this would indicate that the asset is an Investment Property. The classification determines the valuation method to be used.

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.

NOTES TO THE CORE FINANCIAL STATEMENTS

The items in the Council's Balance Sheet at 31 March 2025 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
Pensions Asset / Liability	<p>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.</p> <p>In June 2023, the UK High Court, in the case <i>Virgin Media Limited v NTL Pension Trustees II Limited</i>, ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.</p> <p>No additional allowance has been made for this within the accounting balance sheet. This is because:</p> <ul style="list-style-type: none"> • the ruling only applies to the above-named private sector pension scheme • it is unknown whether Section 37 certificates exist for prior LGPS scheme amendments • it is unknown whether there would be any potential remedy required to public service schemes (including the LGPS) • it is unknown what the impact of any potential remedy would be • DWP are being asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation (eg introduce legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes). <p>There are two court cases which may also impact LGPS benefits in the future, however the current understanding is that these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for any potential remedies to these judgements.</p>	<p>The effects on the net pension's liability of changes in individual assumptions cannot be measured accurately. During 2024/25, the Council's actuaries advised that the net pension's liability had decreased by £58.776 million. The total Pension deficit has moved to a surplus of £82.791 million as at 31 March 2025</p>

NOTES TO THE CORE FINANCIAL STATEMENTS

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>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 £105.68 million in 2024/25, 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.</p>	<p>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 £177,680.</p>
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 2025 has been estimated in the Statement of Accounts. The total appeals provision for business rates as at 31 March 2025 is £8.10 million of which the Oxford City share is £3.24 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 £81,015. This would be split between the Council and Preceptors with 40% (£32,406) impacting the Council</p>
Rent Deposit Provision	<p>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 2024/25 and the total provision now stands at £1.597 million. The accumulated provision represents 85% of the outstanding deposits.</p>	<p>If the Council's provision were found to be inaccurate, providing for an additional 1% provision would amount to £15,971</p>
Arrears	<p>At 31 March 2025, the Council had a balance of short term debtors of £100.8 million. A review of these suggested that an impairment of doubtful debts of £10.3 million was appropriate. The net balance of debtors is therefore £90.5 million.</p>	<p>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 £103,255 to be set aside as an allowance</p>

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 2024/25. 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 Debtors		Rent Debtors			Overpaid Housing Benefit			Court Costs	
					Ongoing Deductions	No Ongoing Deductions	Year Debt Raised	Year Debt Raised	Provision
Age of Debt	Provision	Level of Debt	Provision	Year Debt Raised	Provision	Provision	Year Debt Raised	Provision	
Up to 1 Year	0%	< 4 Weeks	0%	2024/25	0%	45%	2024/25	40%	
Over 1 Year	100%	4 - 13 Weeks	10%	2023/24	0%	70%	2023/24	45%	
		13 - 26 Weeks	25%	2022/23	0%	75%	2022/23	65%	
		26 - 39 Weeks	50%	2021/22	0%	85%	2021/22	65%	
		39 - 52 Weeks	75%	2020/21 & prior years	0%	90%	2020/21	85%	
		> 52 Weeks	95%				2019/20	85%	
		Former Tenants	95%				2018/19	85%	
							2017/18	85%	
							2016/17	85%	
							2015/16	85%	
							2014/15	90%	
							2013/14	96%	
							2012/13 & prior years	100%	

Debt under 12 months does not normally attract a bad debt provision, however 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. In general no provision is made on debt between the Council and its companies.

The bad debt provision for housing rents is made on the basis of the level of debt outstanding. The oldest debt is assumed to be repaid first and so the age of debt can be calculated by dividing the arrears by the weekly debit. The percentages in the table above are then applied to the arrears outstanding on each account.

For Council Tax a provision is calculated as the lower of 1% of the gross collectible debit for the year or the total arrears. The NNDR provision is calculated as the lower of 0.5% of the gross collectible debit for the year or the total arrears.

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 on financial assumptions for 2024/25 of £63.156 million. This is reported as a gain in Other Comprehensive Income and Expenditure and therefore has no General Fund Balance implications.

5. Post Balance Sheet Events

Events taking place after 31 March 2025 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 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There is one non-adjusting post balance sheet event:

Oxford City Council was subject to a cyber security incident over a weekend in June 2025. An unauthorised presence was detected within the network and the automated security systems kicked in, removed the presence and minimised the access the attackers had to systems and databases. The Council then rapidly deployed external cyber security specialists and proactively took down each of the Council's main systems to carry out full security checks and investigate the incident. These precautionary measures resulted in disruption to some services but systems were brought back online after full checks over the period of a couple of weeks. The attackers were able to access some historic data on legacy systems but there is no evidence of a mass download or extraction of data.

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.

	2024/25				2023/24			
	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
ODS Development Director	-	-	-	-	-	-	-	-
City and Citizens' Services	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-
Place	195	-	-	195	(54)	-	-	(54)
Housing Revenue Account (HRA)	(43,287)	(71)	(13)	(43,371)	(5,070)	322	20	(4,728)
Service Level Agreements and Capital Charges	(33,037)	(1,182)	(221)	(34,440)	1,393	2,434	173	4,000
Corporate and Democratic Core	-	454	-	454	-	430	-	430
Cost of Services	(76,129)	(799)	(234)	(77,162)	(3,731)	3,186	193	(352)
Other Income and Expenditure	40,306	1,144	266	41,716	17,104	(833)	(5,535)	10,736
(Surplus)/Deficit on Provision of Services	(35,823)	345	32	(35,446)	13,373	2,353	(5,342)	10,384

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 2024/25

2024/25	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
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	5,756	-	-	-	-	(5,756)
Amortisation of Intangible Assets	891	-	-	-	-	(891)
Revaluation and Impairment charged to revenue	18,006	42,727	-	-	-	(60,733)
Revenue expenditure funded from Capital under Statute	8,384	560	-	-	-	(8,944)
Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	25,358	5,502	-	-	-	(30,860)
Impairments of Deferred Capital Receipts	(574)	-	-	-	-	574
Repayment of debtors from capital receipt	-	-	(31,712)	-	-	31,712
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	(1,227)	-	-	-	-	1,227
Capital expenditure charged against the General Fund and HRA balances	-	(3,677)	-	-	-	3,677
Capital grants and contributions unapplied	(39,300)	-	-	-	39,300	-
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(24,608)	24,608
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	(19,860)	(6,882)	26,742	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(24,509)	-	-	24,509
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(37)	-	37	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	34,316	-	-	(34,316)

NOTES TO THE CORE FINANCIAL STATEMENTS

7. Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25 – cont.

2024/25	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	-	-	-	11,092	-	(11,092)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(12,030)	-	12,030
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	391	-	-	-	-	(391)
Movements in the market value of Rent-to-mortgage properties	(195)	-	-	-	-	195
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(416)	71	-	-	-	(4,400)
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	844	-	-	-	-	(844)
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	221	13	-	-	-	(234)
Adjustments involving the Financial Instruments Adjustment Account:						
Upward revaluation on investments	(365)	-	-	-	-	365
Downward revaluation on investments	(745)	-	-	-	-	745
Total Adjustments	(2,868)	38,314	4,874	(938)	14,692	(54,074)

NOTES TO THE CORE FINANCIAL STATEMENTS

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

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
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)
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)
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
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
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):						
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)
Total Adjustments	(11,864)	1,480	(2,060)	(4,333)	3,067	13,710

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 2024/25.

	Balance at 31 March 2025 £'000	Transfers In 2024/25 £'000	Transfers Out 2024/25 £'000	Balance at 31 March 2024 £'000	Transfers In 2023/24 £'000	Transfers Out 2023/24 £'000	Balance at 31 March 2023 £'000
General Fund:							
NNDR Retention Reserve	(16,711)	(2,207)	-	(14,504)	(11,191)	5,437	(8,750)
Direct Revenue Funding of Capital	(10,406)	(9)	111	(10,508)	(1,625)	198	(9,081)
Grants Reserve	(8,974)	(1,477)	1,673	(9,170)	(9,958)	8,439	(7,651)
Risk Reserve	(7,463)	(999)	2,626	(9,090)	(4,760)	520	(4,850)
Property Fund Guarantee Reserve	(2,960)	-	-	(2,960)	-	-	(2,960)
Employee Cost Reserve	(2,943)	-	-	(2,943)	-	-	(2,943)
Committed Projects Reserve	(1,573)	(194)	27	(1,406)	(125)	90	(1,371)
IT Infrastructure and Equipment Reserve	(1,199)	-	-	(1,199)	-	-	(1,199)
Net Zero Transition Fund	(564)	(41)	-	(523)	(174)	-	(349)
Housing Benefit Reserve	(504)	-	-	(504)	-	-	(504)
OxFutures Reserve	(476)	(32)	-	(444)	(387)	144	(201)
Northway and Marston Flood Alleviation	(475)	-	18	(493)	-	17	(510)
Private Sector Safety Financial Penalties	(470)	(70)	60	(460)	(80)	-	(380)
Apprentices Reserve	(358)	-	-	(358)	-	-	(358)
Local Plan Costs	(325)	(99)	-	(226)	(34)	-	(192)
Flood Reserve	(247)	(29)	48	(266)	-	91	(357)
Homelessness	(200)	-	-	(200)	(22)	-	(178)
S106 Monitoring Income	(198)	(40)	-	(158)	-	-	(158)
City Council Elections Reserve	(190)	-	-	(190)	-	-	(190)
Commuted Sums (Parks)	(175)	-	-	(175)	-	-	(175)
SALIX Management Fee	(167)	(19)	50	(198)	(17)	-	(181)
Taxi Licensing Reserve	(164)	(157)	76	(83)	(101)	58	(40)
Community Services Carry Forward Reserve	(115)	-	-	(115)	-	26	(141)
Growth Deal - JSSP	(111)	-	-	(111)	-	-	(111)
Section 106 Commuted Sums Reserve	(82)	-	-	(82)	-	100	(182)
EV Projects Income	(78)	-	-	(78)	-	-	(78)
Blue Bin League Reserve	(72)	-	-	(72)	-	-	(72)
Lord Mayors Deposit	(52)	-	-	(52)	-	-	(52)
HMO Licensing Reserve	(9)	-	109	(118)	(25)	-	(93)
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(6)	-	-	(6)	-	4	(10)
Museum Development Reserve	(4)	-	-	(4)	-	-	(4)
SALIX Energy Projects Reserve	-	(125)	389	(264)	(76)	108	(296)
Grenoble Road Reserve	-	(226)	452	(226)	-	89	(315)
Selective Licensing Income Reserve	-	-	122	(122)	(107)	-	(15)
ESO Electricity Budget Reserve	-	-	-	-	-	295	(295)
Life Chances	-	-	-	-	-	30	(30)
Total General Fund	(57,271)	(5,724)	5,761	(57,308)	(28,682)	15,646	(44,272)

Continued overleaf...

NOTES TO THE CORE FINANCIAL STATEMENTS

General Fund Reserve	Balance at 31 March 2025 £'000	Description
NNDR Retention Reserve	(16,711)	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 Grants Reserve	(10,406) (8,974)	Created to fund future rolling programme capital requirements. 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.
Risk Reserve	(7,463)	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.
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	(1,573)	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	(564)	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
OxFutures Reserve	(476)	This reserve is linked to the EU funded Oxfordshire Total Refit (OTR / OxFutures) project to fund potential future project pressures.
Northway and Marston Flood Alleviation	(475)	Used to fund the 25 year repairs and maintenance programme for Northway and Marston Flood Alleviation scheme
Private Sector Safety Financial Penalties	(470)	Created for potential penalties payable
Apprentices Reserve	(358)	For the Apprentice scheme which runs over 2 years
Local Plan Costs	(325)	Local Plan Costs
Flood Reserve	(247)	Reserve created to fund flood maintenance work not eligible for Government re-imburement under the Belwin scheme.
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.
S106 Monitoring Income	(198)	S106 and CIL money that has been earmarked for administration and monitoring of the schemes
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 Ashurst LLP which is ring-fenced to fund the maintenance costs at Barton Park Sports Pavilion and pitches
SALIX Management Fee	(167)	Reserve represents contributions received to fund future energy assistant post activities.
Taxi Licensing Reserve	(164)	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.
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
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 Oxford on Street (GULO-O) project
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.
HMO Licensing Reserve	(9)	Reserve to ensure the ring-fencing of HMO Licensing income to fund future service area expenditure.
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.
SALIX Energy Projects Reserve		- Created from an initial grant made available via Salix. The reserve is used to implement energy efficient schemes within the City.
Grenoble Road Reserve		- Reserve to cover costs relating to action on Grenoble Road
Selective Licensing Income Reserve		- A reserve to ring fence surplus Selective Licensing income in order to operate the service going forwards.
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 2025 £'000	Transfers In 2024/25 £'000	Transfers Out 2024/25 £'000	Balance at 31 March 2024 £'000	Transfers In 2023/24 £'000	Transfers Out 2023/24 £'000	Balance at 31 March 2023 £'000
HRA:							
HRA Capital Projects	(8,316)	(4,561)	5,113	(8,868)	(1,569)	1,302	(8,601)
Committed Projects Reserve	(1,444)	-	-	(1,444)	-	-	(1,444)
Feasibility Studies Reserve	(316)	-	-	(316)	-	-	(316)
HRA - CRM Work	(120)	-	-	(120)	-	-	(120)
Total HRA	(10,196)	(4,561)	5,113	(10,748)	(1,569)	1,302	(10,481)
Insurance Funds:							
Self Insurance Fund	(604)	(604)	1,248	(1,248)	-	-	(1,248)
Total Insurance Funds	(604)	(604)	1,248	(1,248)	-	-	(1,248)
Grand Total	(68,071)	(10,889)	12,122	(69,304)	(30,251)	16,948	(56,001)

HRA Reserve	Balance at 31 March 2025 £'000	Description
HRA Capital Projects	(8,316)	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 2025 £'000	Description
Self Insurance Fund	(604)	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

	2024/25 £'000	2023/24 £'000
Parish Council Precepts	274	277
Payments to the Housing Capital Receipts Pool	(37)	-
(Gains)/Losses on the Disposal of Non-Current Assets	4,508	(1,996)
Total	4,745	(1,719)

10. Financing and Investment Income and Expenditure

	2024/25 £'000	2023/24 £'000
Interest Payable and Similar Charges	10,016	7,844
Pensions Interest Costs and Expected Return on Pensions Assets	(1,144)	833
Finance Charges	(3,455)	(3,448)
Interest Receivable and Similar Income	(4,565)	(5,880)
Impairment / (Revaluation) of National Homelessness Property Fund	(574)	769
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	5,385	(24,453)
Dividends	(4,900)	(7,400)
Other Investment Income	-	-
Total	763	(31,735)

11. Taxation and Non Specific Grant Income

	2024/25 £'000	2023/24 £'000
Council Tax Income	(16,142)	(15,571)
Non Domestic Rates	(12,684)	(9,595)
Non-Ringfenced Government Grants	(1,767)	(1,471)
Capital Grants and Contributions	(39,458)	(14,114)
Donated Assets	-	-
Total	(70,051)	(40,751)

NOTES TO THE CORE FINANCIAL STATEMENTS

12. Property, Plant and Equipment - Movements in 2024/25

Movements in 2024/25

	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 2024	806,448	179,285	5,902	2,697	1,122	202	18,229	1,013,885
Additions	64,145	8,890	1,399	1	404	-	51,719	126,558
Assets recognised / derecognised under finance lease	105	13,905	-	-	375	-	-	14,385
Revaluation increases / (decreases) recognised in the Revaluation Reserve	44,891	48,871	-	-	22	24	-	93,808
Revaluation increases / (decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(44,103)	(20,494)	-	-	-	-	-	(64,597)
Derecognition - disposals	(303)	(11,336)	-	-	(1)	-	-	(11,640)
Derecognition - other	(2,084)	-	(1,013)	-	-	-	-	(3,097)
Assets reclassified (to)/from Held for Sale	(4,052)	-	-	-	-	-	-	(4,052)
Other movements in cost or valuation	1,715	(720)	(741)	-	-	-	(995)	(741)
At 31 March 2025	866,762	218,401	5,547	2,698	1,922	226	68,953	1,164,509
Accumulated Depreciation and Impairment								
At 1 April 2024	(1,060)	-	(3,987)	(699)	-	-	-	(5,746)
Depreciation charge	(10,376)	(5,275)	(595)	(68)	(3)	-	-	(16,317)
Depreciation written out to the Revaluation Reserve	7,707	2,398	-	-	3	-	-	10,108
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	2,091	2,873	1,013	-	-	-	-	5,977
Derecognition - disposals	-	4	-	-	-	-	-	4
Derecognition - other	67	-	-	-	-	-	-	67
Other movements in depreciation and impairment	29	-	-	-	-	-	-	29
At 31 March 2025	(1,542)	-	(3,569)	(767)	-	-	-	(5,878)
Net Book Value								
At 31 March 2025	865,220	218,401	1,978	1,931	1,922	226	68,953	1,158,631
At 31 March 2024	805,388	179,285	1,915	1,998	1,122	202	18,229	1,008,139
Movement in NBV	59,832	39,116	63	(67)	800	24	50,724	150,492

NOTES TO THE CORE FINANCIAL STATEMENTS

12. Property, Plant and Equipment - Comparative 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

	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			1,978	1,931	507		68,953	73,369
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 2025	865,220	218,400			565	226	-	1,084,411
31 March 2023	-	-	-	-	-	-	-	-
31 March 2022	-	-	-	-	-	-	-	-
De-minimis	-	1	-	-	850	-	-	851
Total Cost or Valuation	865,220	218,401	1,978	1,931	1,922	226	68,953	1,158,631

a) Capital Commitments

At 31 March 2025, the Council had entered into a number of contracts for the construction of or enhancement to Property, Plant and Equipment for completion in 2025/26 and future years, estimated at £38.9 million. Similar commitments at 31 March 2024 were £62.2 million. The major commitments are:

	31 Mar 2025 £'000	31 Mar 2024 £'000
Oxford North Development - Affordable Housing	16,979	20,370
Construction of 26 flats at Princes Street and Collins Street	4,347	7,602
Development Agreement relating to land and buildings situated	3,818	13,272
Social Housing Decarbonisation Fund Wave 2.1	3,139	4,178
Refurbishment and New Build of East Oxford Community	2,413	5,900
6x Refuse Collection Vehicles DE 26T RCV	1,507	-
Revenues and Benefits System	1,318	1,318
Leys Leisure Centre, Development of Youth Hub	747	-
Architectural Services for the refurbishment and improvement of Oxford Covered Market	653	-
Fixed Line Telephony	638	669
Social Housing Decarbonisation Fund Wave 2.1	590	-
2x Refuse Collection Vehicles DE 18T RCV	450	-
Cowley Branch Line	399	2,510
St Michael's Street Public Realm Improvements	323	-
Construction at Northfield Hostel	272	273
Deed of Professional Appointment relating to the Barton Regeneration Project	266	270
Project management consultancy to deliver the Oxford Microsoft Licences	255	-
1-3 George Street - Main Contract Works	190	720
Principal and sub-consultants for the planning and delivery of Concrete and plaster repairs to soffits in the Town Hall	180	510
Long Bridges Nature Park – Riverside Wall	173	-
Architect Led Consultancy Team for Blackbird Leys	167	-
Town Hall – Repairs to Concrete Soffits including Plaster	52	108
Project Manager / Contract Manager	13	262
Housing Site - Former Council Depot, Lanham Way	5	256
Gaswork Pipe Bridge Refurbishment	-	2,708
Cowley Branch Line Infrastructure Place Study	-	449
PCSA for Oxpens River Bridge	-	423
	-	409
	38,894	62,207

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 2025. 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, Christopher Rhodes MRICS, Jamie Young MRICS, Abhinav Shally MRICS and Anna Kwiatkowski of Carter Jonas.
- **Council Dwellings**
A full review and revaluation process of all beacon properties was undertaken by Andy Garrett FRICS, Gabby Picker MRICS 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 46 properties requiring further inspection. The valuations were conducted or reviewed by, Cecilia Fellows MRICS, Christopher Rhodes MRICS, Jamie Young MRICS, Abhinav Shally 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

NOTES TO THE CORE FINANCIAL STATEMENTS

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.

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 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
1 April 2024	1,684	55	412	42	458	1,037	3,688
Movements	-	-	-	-	-	-	-
31 March 2025	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.

	2024/25 £'000	2023/24 £'000
Rental Income from Investment Property	10,717	10,950
Direct Operating Expenses arising from Investment Property	(2,224)	(1,710)
Net Gain/(Loss)	8,493	9,240

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 2025. 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:

	2024/25 £'000	2023/24 £'000
Balance at start of the year	146,300	117,688
Additions:		
Purchases	-	-
Subsequent expenditure	1,107	1,830
Net gain / (loss) from Fair Value adjustments	(10,623)	18,380
Less:		
Disposals	(7,780)	-
Net balance prior to transfers	129,004	137,898
Transfers:		
(To)/from Property Plant and Equipment	-	8,402
Other Changes (net revaluation)	16,806	-
Balance at the end of the year	145,810	146,300

Fair Value Hierarchies

The table below summarises the use of the three fair value hierarchies used during 2024/25. 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	-	145,810	-	145,810
Total	-	145,810	-	145,810
	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	-	146,300	-	146,300
Total	-	146,300	-	146,300

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 the year.

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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April		
- Gross Carrying Amounts	6,718	6,415
- Accumulated Amortisation	(3,070)	(2,260)
Net Carrying Amount at Start of Year	3,648	4,155
Additions:		
- Purchases	931	737
- Amortisation for the period	(1,451)	(1,244)
	(520)	(507)
Disposals:		
- Derecognition	(204)	(434)
- Amortisation write back	204	434
Net Carrying Amount at End of Year	3,128	3,648
Comprising:		
- Gross Carrying Amounts	7,445	6,718
- Accumulated Amortisation	(4,317)	(3,070)
	3,128	3,648

The amortisation of £1.5 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 & Cash at Bank		Debtors	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Fair Value through Profit or Loss	14,620	19,691	118,027	142,790	-	-	75,313	55,611
Amortised Cost	-	-	(1)	-	1,225	-	-	-
Total Financial Assets	14,620	19,691	118,026	142,790	1,225	-	75,313	55,611

Financial Liabilities	Non Current				Current			
	Borrowings		Creditors & Other Liabilities		Borrowings & Overdrafts		Creditors	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Amortised Cost	(268,528)	(218,528)	(30,054)	(2,327)	(20,000)	(11,088)	(31,355)	(28,011)
Total Financial Liabilities	(268,528)	(218,528)	(30,054)	(2,327)	(20,000)	(11,088)	(31,355)	(28,011)

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

a) Income, Expense, Gains and Losses

	2024/25		2023/24	
	Surplus / (Deficit) on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus / (Deficit) on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Net gains/(losses) on:				
Financial Assets Measured at Fair Value	930	-	(1,225)	-
	930	-	(1,225)	-
Interest Revenue				
Financial Assets Measured at Fair Value	1,050	-	1,264	-
Financial Assets Measured at Amortised Cost	3,160	-	5,243	-
	4,210	-	6,507	-
Interest Expense	(10,016)	-	(7,844)	-

NOTES TO THE CORE FINANCIAL STATEMENTS

b) Fair Values of Financial Assets

		Valuation Techniques used to measure Fair Value	31 Mar 2025 £'000	31 Mar 2024 £'000
Property and Multi-Asset Funds				
Property Fund Investments with CCLA	Level 1	Unadjusted quoted prices in active markets for identical shares	3,540	3,474
Property Fund Investments with Lothbury	Level 1	Unadjusted quoted prices in active markets for identical shares	719	6,068
Multi-Asset Fund Investments with Artemis	Level 1	Unadjusted quoted prices in active markets for identical shares	5,678	5,379
Multi-Asset Fund Investments with Fidelity	Level 1	Unadjusted quoted prices in active markets for identical shares	4,003	4,089
Total			13,940	19,010

Investments in Property and Multi Asset Funds

The Council has invested £3 million in the CCLA Property Fund, £5 million in the Artemis Multi-Asset Fund and £5 million in the Fidelity Multi-Asset Fund. The Council had £7 million invested in the Lothbury Property Fund but requested return of these funds on the fund encountering financial troubles; it has now gone into liquidation. Funds are being returned to the Council as properties are sold. As at 31st March 88.3% of the fund had been distributed with any losses being charged to the revenue account. The remaining investment, based on the value of the original investment, is £0.816 million out of the £7 million.

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 the balance sheet date 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.

NOTES TO THE CORE FINANCIAL STATEMENTS

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 2025 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 2025 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:

	2024/25	2023/24
	£'000	£'000
Up to 1 year	55,660	40,517
Between 1 and 5 years	80,000	20,000
Between 5 and 10 years	50,000	60,000
Over 10 years	138,528	138,528
	324,188	259,045

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.

	2024/25 £'000	2023/24 £'000
Short Term Borrowing	20,000	11,088
Long Term Borrowing - Public Works Loan Board	268,528	218,528
Local Bonds	-	-
Finance Lease Liability	27,164	291
Cash	4,305	1,418
Creditors	31,355	28,011
	351,352	259,336
Amortised Cost	351,352	259,336
Fair Value	316,726	226,008

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, £0.819 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.

	2024/25 £'000	2023/24 £'000
Short Term Investments	5,530	-
Long Term Investments	14,162	20,543
Cash	-	-
Debtors	74,080	55,611
Long Term Debtors	121,291	142,790
Amortised Cost	215,063	218,944
Fair Value	215,521	218,092

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 gain of £0.179 million recognised in the Consolidated Income and Expenditure Statement in relation to the ongoing property and multi asset fund investments. These are held as Financial Instruments Available for Sale and the appropriate accounting treatment is applied. There is also a loss of £0.754 million recognised in the Consolidated Income and Expenditure Statement in relation to the redeemed element of the Lothbury Property Fund investment.

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	2024/25		2023/24	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
PWLB Debt	268,528	258,207	218,528	197,706
Non - PWLB Debt	20,000	20,000	11,088	11,088
Total Debt	288,528	278,207	229,616	208,794
Trade Creditors	31,355	31,355	28,011	28,011
Total Financial Liabilities	319,883	309,562	257,627	236,805
Investments < 1 year	1,325	1,325	-	-
Investments > 1 year	14,520	14,520	19,691	19,691
Long Term Debtors	121,291	121,291	142,790	142,790
Trade Debtors	74,080	74,080	55,611	55,611
Total Loans and Receivables	211,216	211,216	218,092	218,092

NOTES TO THE CORE FINANCIAL STATEMENTS

19. Short Term Debtors

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

	2024/25 £'000	2023/24 £'000
Trade Receivables	24,515	31,323
Other Receivables	66,030	31,558
Total	90,545	62,881

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:

	2024/25 £'000	2023/24 £'000
Less than one year	9,185	6,179
More than one year	10,769	11,603
Total	19,954	17,782

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

	2024/25 £'000	2023/24 £'000
Less than one year	2,461	1,431
More than one year	2,599	2,887
Total	5,060	4,318

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:

	2024/25 £'000	2023/24 £'000
Cash Held by the Council	5,530	330
Bank Current Accounts	(4,305)	(1,418)
Total Cash and Cash Equivalents	1,225	(1,088)

22. Assets Held for Sale

	Current	
	2024/25 £'000	2023/24 £'000
Balance Outstanding at Start of Year	1,263	761
Assets newly classified as Held for Sale:		
Property Plant and Equipment	-	-
Council Dwellings	4,052	2,756
Assets declassified as Held for Sale:		
Council Dwellings	-	-
Property, Plant & Equipment	-	-
Assets sold	(3,182)	(2,285)
Other Movements	81	31
Balance Outstanding at Year End	2,214	1,263

23. Short Term Creditors and Contract Liabilities

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

	2024/25 £'000	2023/24 £'000
Trade Payables	(19,903)	(20,946)
Other Payables	(37,809)	(24,250)
Total	(57,712)	(45,196)

The table below shows the movement in contract liabilities between balance sheet dates.

	2024/25 £'000	2023/24 £'000
Expenditure recognised that was included in the as a Contract Liability in the prior year accounts as a Contract Liability	(2,982)	(2,682)
Decreases due to cash paid	2,961	2,507
Increase to continuing Contract Liabilities	(29)	(219)
New Contract Liabilities as at 31 March	(3,251)	(2,588)
Total	(3,301)	(2,982)

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 the balance sheet date are:

	Other Provisions		Total
	Current £'000	Non Current £'000	£'000
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)
Balance at 1 April 2024	-	(5,850)	(5,850)
Additional Provisions Made in Year	-	(7,010)	(7,010)
Amounts Used in Year	-	6,803	6,803
Unused Amounts Reversed in Year	-	2,559	2,559
Total Provisions as at 31 March 2025	-	(3,498)	(3,498)

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 - £3.240 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.

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 £0.257 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

	2024/25 £'000	2023/24 £'000
Revaluation Reserve	(520,484)	(431,694)
Capital Adjustment Account	(374,702)	(388,593)
Deferred Capital Receipts Reserve	(113,191)	(138,625)
Pensions Reserve	(82,791)	(24,015)
Collection Fund Adjustment Account	1,615	771
Financial Instruments Revaluation Reserve	(258)	852
Accumulated Absences Account and Employee Reserve	1,418	1,184
Total Unusable Reserves	(1,088,393)	(980,120)

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.

	2024/25 £'000	2024/25 £'000
Balance at 1 April	(431,694)	(421,613)
Upward revaluation of assets	(161,472)	(87,080)
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	57,556	64,427
	(535,610)	(444,266)
Accumulated gains on assets sold or scrapped	1,484	-
Amount written off to the Capital Adjustment Account	13,642	12,572
Balance at 31 March	(520,484)	(431,694)

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.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
Balance at 1 April		(388,593)		(350,842)
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	5,756		6,175	
Revaluation losses on Property, Plant and Equipment charged to CI&E	60,733		(9,760)	
Amount written off from the Revaluation Reserve	(13,642)		(12,575)	
Amortisation of Intangible Assets	891		776	
Revenue expenditure funded from capital under statute	8,944		6,487	
HRA Depreciation made available for capital financing	11,092		11,105	
Adjustments to Deferred Capital Receipts	8,504		5,081	
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	29,375		7,934	
Net written out amount of the cost of non-current assets consumed in the year		111,653		15,223
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(24,509)		(13,086)	
Use of the Major Repairs Reserve to finance new capital expenditure	(12,030)		(15,439)	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(24,608)		(11,046)	
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(1,226)		(182)	
Repayment of debt on repaid debtor from capital receipts	(31,712)		(11,640)	
Capital expenditure charged against the General Fund and HRA balances	(3,677)		(1,581)	
		(97,762)		(52,974)
Movements in the market value of Investment properties debited or credited to the Comprehensive Income and Expenditure Statement		-		-
Balance at 31 March		(374,702)		(388,593)

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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	(138,625)	(147,103)
Adjustment for capital loans and leases	(8,113)	(5,081)
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	(195)	54
Impairment of deferred capital receipts	(574)	769
Transfer to the Capital Receipts Reserve upon receipt of cash	34,316	12,736
Balance at 31 March	(113,191)	(138,625)

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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	(24,015)	16,635
Actuarial (gains) or losses on pensions assets and liabilities	(58,431)	(38,297)
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	4,400	3,500
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,745)	(5,853)
Balance at 31 March	(82,791)	(24,015)

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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	771	(4,308)
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	844	5,079
Balance at 31 March	1,615	771

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

	2024/25 £'000	2023/24 £'000
Balance at 1 April	852	396
Upward revaluation of investments	(365)	(554)
Downward revaluation of investments	(745)	1,010
Balance at 31 March	(258)	852

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.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
Balance at 1 April		1,184		1,377
Settlement or cancellation of accrual made at the end of the preceding year	(1,184)		(1,377)	
Additional accrual during the year	1,418		1,184	
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		234		(193)
Balance at 31 March		1,418		1,184

NOTES TO THE CORE FINANCIAL STATEMENTS

27. Operating Activities

	2024/25 £'000	2023/24 £'000
Operating activities within the Cashflow Statement include the following cashflows relating to Interest		
Interest Received	9,088	7,725
Interest Paid	(10,016)	(7,844)
Dividends received	4,900	7,400

28. Reconciliation of Liabilities Arising from Financing Activities

	01 Apr 2024 £'000	Financing cash flows £'000	Other non financing cash flows £'000	31 Mar 2025 £'000
Long term borrowings	(218,528)	(50,000)	-	(268,528)
Short term borrowings	(10,000)	(10,000)	-	(20,000)
Other payments/(receipts) from Financing Activities	(45,196)	(16,658)	(5,198)	(57,712)
Lease Liabilities	-	(1,056)	-	(1,056)
Total Liabilities from Financing Activities	(273,724)	(77,714)	(5,198)	(347,296)

	01 Apr 2023 £'000	Financing cash flows £'000	Other non financing cash flows £'000	31 Mar 2024 £'000
Long term borrowings	(198,528)	(20,000)	-	(218,528)
Short term borrowings	(11,000)	1,000	-	(10,000)
Other payments/(receipts) from Financing Activities	(86,948)	16,379	(25,373)	(45,196)
Lease Liabilities	-	-	-	-
Total Liabilities from Financing Activities	(296,476)	(2,621)	(25,373)	(273,724)

29. Acquired and Discontinued Operations

There were no acquired or discontinued operations in 2024/25.

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.

	2024/25 £'000	2023/24 £'000
Routine Maintenance Expenditure	1,063	567
Section 42 Agreement	1,623	1,220
Net Expenditure Recharged through the Agency Arrangement	2,686	1,787

With effect from 1st April 2018, under an 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:

	2024/25 £'000	2023/24 £'000
Members' Allowances		
Allowances	408	389
Expenses	2	4
Total Payments	410	393

NOTES TO THE CORE FINANCIAL STATEMENTS

32. Officers Remuneration - Senior Employees

Name/Title		Salary, Fees and Allowances	Pension Contributions	Total	Note
		£	£	£	
Chief Executive, Caroline Green	2024/25	168,847	23,957	192,804	32.1
	2023/24	168,847	22,626	191,472	
Deputy Chief Executive - Place	2024/25	133,971	17,905	151,875	32.2
	2023/24	124,593	16,651	141,244	
Deputy Chief Executive - City & Citizens' Services	2024/25	133,617	17,905	151,521	32.2
	2023/24	124,262	16,651	140,913	
Executive Director - Communities and People	2023/24	26,872	3,284	30,156	32.3
Director Law, Governance & Strategy/Monitoring Officer	2024/25	109,238	14,638	123,876	32.1
	2023/24	70,886	9,475	80,361	32.4
Group Finance Director/Section 151 Officer	2024/25	109,558	14,638	124,196	32.2
	2023/24	101,494	13,549	115,043	
Head of People	2024/25	84,798	11,363	96,161	32.5

32.1 - The position of Chief Executive is named, in accordance with regulations, due to the salary level

32.2 - The Title of the role changed as a result of the new council senior management structure from 1st February 2025

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 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

32.5 - The Role of Head of People became a senior employee role as a result of the senior management restructure of 1st February 2025 following which the post reports directly to the Chief Executive

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 2024/25	Number of employees 2023/24
£50,000 - £54,999	40	19
£55,000 - £59,999	26	13
£60,000 - £64,999	9	20
£65,000 - £69,999	18	6
£70,000 - £74,999	6	6
£75,000 - £79,999	14	5
£80,000 - £84,999	4	2
£85,000 - £89,999	-	6
£90,000 - £94,999	2	1
£95,000 - £99,999	3	-
£100,000 - £104,999	-	2
£105,000 - £109,999	3	-
£125,000 - £129,999	1	1
£165,000 - £169,999	1	-
Total Number of Employees	127	81

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	
	2024/25 Nos	2023/24 Nos	2024/25 Nos	2023/24 Nos	2024/25 £'000	2023/24 £'000
£0- £20,000	3	2	3	2	17	23
£20,001- £40,000	-	1	-	1	-	25
£40,001- £60,000	1	1	1	1	44	44
Total	4	4	4	4	61	92

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:

	2024/25 £'000	2023/24 £'000
External Audit	247	228
Grant Claims	27	81
Grant Income	(32)	-
Total	242	309

34. Grant Income

The Council has credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

Grants Credited to Taxation and Non Specific Grant Income	2024/25 £'000	2023/24 £'000
Oxford Growth Deal - General HRA Funding (MHCLG)	6,443	-
Blackbird Leys - HRA (Homes England)	6,250	-
Single Homelessness Accommodation Programme (Homes England)	5,923	295
Oxford Growth Deal - Osney Bridge (MHCLG / Oxfordshire County Council)	5,252	2,700
Housing Infrastructure Fund (Homes England)	4,552	80
Cowley Branch Line (Various)	3,280	-
Disabled Facilities Grant (Department of Health & Social Care)	1,764	1,545
Social Housing Decarbonisation Fund (DESNZ)	1,277	1,027
Local Authority Housing Fund (MHCLG)	1,189	1,569
Funding Guarantee (MHCLG)	1,161	214
Oxford Growth Deal - City Cycle Schemes (MHCLG)	1,015	8
Clean Bus Tech Grant (Department of Transport)	653	-
Go Ultra Low Oxford (Office for Zero Emissions)	572	-
Youth Investment Fund (Social Investment Business Foundation)	473	34
UK Shared Prosperity Fund (MHCLG)	416	120
New Homes Bonus (MHCLG)	352	663
Green Homes Grant (BEIS)	307	-
Revenue Support Grant (RSG) (MHCLG)	211	198
Section 106 (Various)	128	-
Communities Foundation (FCC)	100	-
Swimming Pool Swimming Fund (Sports England)	99	-
Market St Contributions (Oxfordshire County Council)	50	-
Services Grant (MHCLG)	44	250
Blackbird Leys - GF (Homes England)	40	-
Upgrade Existing Tennis Courts	39	-
Changing Places Grant (MHCLG)	(40)	-
Community Infrastructure Levy (Various)	(325)	4,307
Oxford Station Funding (Various)	-	1,046
Affordable Housing Programme (Homes England)	-	949
Brownfield Land Release Fund (MHCLG)	-	340
New Burdens (BEIS)	-	148
Tennis Funding (Lawn Tennis Association)	-	92
Total	41,225	15,585

NOTES TO THE CORE FINANCIAL STATEMENTS

Grants Credited to Services	2024/25	2023/24
	£'000	£'000
Housing Benefit Subsidy (DWP)	36,349	36,647
Out of Hospital Care (NHS Oxfordshire)	1,915	1,285
Rough Sleeping Initiative (MHCLG)	1,773	2,413
Homelessness Prevention Grant (MHCLG)	1,511	1,508
Afghan Resettlement Scheme (Home Office)	863	411
Homes for Ukraine (MHCLG via Oxfordshire County Council)	776	1,281
Rough Sleeping Accommodation Programme (MHCLG)	592	782
Rough Sleeping Winter Pressures (MHCLG)	363	113
Shared Prosperity Fund (MHCLG)	307	65
United Kingdom's Resettlement Scheme (Home Office)	274	-
Zero Carbon Oxfordshire Partnership (ZCOP)	260	83
Discretionary Housing Payment (DWP)	254	423
Asylum Dispersal Grant (Home Office)	226	196
Elections Grant (MHCLG)	183	155
Community Health Development Officers funding (Oxfordshire County Council)	176	144
Community Profiles (Oxfordshire County Council)	176	2
Youth Investment Fund (Social Investment Business Foundation)	158	-
Safer Streets Fund (PCC)	151	35
Household Support Fund (Oxfordshire County Council)	143	260
Community Safety Fund (PCC)	129	119
Single Homelessness Accommodation Programme (Homes England)	129	29
Story Exchange Project (Paul Hamlyn Foundation)	113	52
Community Vaccine Champion (MHCLG)	113	68
Whole Systems Approach to Physical Education (Active Oxfordshire)	108	-
Future Fit Area Based Insetting (Innovate)	104	-
New Burdens (MHCLG)	102	303
CHS Officer (Samsung)	95	34
Accommodation for Ex Offenders (MHCLG)	75	84
Museum Funding (MOX Development Trust)	72	92
Central Oxfordshire Movement and Place Framework (Oxfordshire County Council)	70	-
50 Years & Beyond: Embedding Community Voices (National Lottery Heritage Fund)	68	-
Youth Ambition Fund (DWP)	63	53
Dancin' Oxford (Arts Council England)	61	50
Oxfordshire Food Strategy Action Plan Development (Oxfordshire County Council)	61	-
You Move (Active Oxfordshire)	57	61
Domestic Abuse Funding (MHCLG)	54	5
New Burdens (DWP)	41	-
Paradise Square (Developer contributions)	39	-
Additional New Burdens Funding (DWP)	36	-
Museum NPO Associate Award (Oxford University)	35	-
Move together (Active Oxfordshire)	33	46
Financial Reporting Support (MHCLG)	32	-
Healthy Place Shaping (Oxfordshire County Council)	30	-
PJA consultant commission (PO 9005229774) (Oxfordshire County Council)	30	-
Gas Safe Fund (FILTSSE)	29	10
Bellwin Flooding Grant (MHCLG)	27	-
Chewing Gum Cleanup (Keep Britain Tidy)	27	25
Housing Benefit Accuracy Award Initiative (DWP)	27	-
Biodiversity Net Gain (DEFRA)	27	27
Play Area Contributions (Developer contributions)	24	5
Central Oxfordshire Movement and Place Framework (PO 9005130069) (Oxfordshire County Council)	22	-
PJA consultant commission (PO 9005403586) (Oxfordshire County Council)	20	-
Windrush Day Grant (MHCLG)	19	-
Project LEO (Innovate)	17	23
Out of Hours Service (Oxford Brookes University)	16	-
Community Connector Mapping (Oxfordshire County Council)	15	-
Museum of Oxfordshire Contributions (Various)	13	57
Sub Total	48,483	46,946

Continued overleaf...

NOTES TO THE CORE FINANCIAL STATEMENTS

Grants Credited to Services - Continued

	2024/25 £'000	2023/24 £'000
Air Quality Grant (DEFRA)	12	12
Valuing the Everyday (University of Oxford)	12	-
Cost of Living Support: Hospital Discharge (Oxfordshire County Council)	10	-
West End Programme (Oxfordshire County Council)	10	-
Marketing and communications consultancy (PO 40007775) (South Oxfordshire District Council)	10	-
Bathing Place Project (National Lottery Heritage Fund)	10	-
Heat Network Efficiency Scheme (DESNZ)	10	-
ACE Place Partnership (Cherwell District Council)	8	-
VERP DMP Project (OxLEP)	8	-
District Contributions (Cherwell District Council)	7	-
District Contributions (South Oxfordshire District Council)	7	-
District Contributions (Vale of White Horse District Council)	7	-
District Contributions (West Oxfordshire District Council)	7	-
Culture Recovery Fund (Arts Council England)	7	-
Museum Resilience Fund (Arts Council England)	7	-
Community Health Development Officers Development (NHS England)	6	-
Lighting Design services for the City Council (Michael Grubb Studio)	6	-
Funding for the Verify Earnings and Pensions Service (DWP)	6	-
Neighbourhood Planning Grant (BBL) (MHCLG)	5	-
Cowley Road CCTV (Littlemore Parish Council)	5	-
Connected Communities Fund (OCVA)	5	-
Littlemore Community Profiles Grant (Arts Council England)	5	-
Going Green Grant (South East Museum Development)	4	-
CEP Project Manager Support (Cherwell District Council)	3	-
Lighting Design services for the City Council (Oxfordshire County Council)	3	-
Dance 4 Parkinsons Contributions (Public Donations)	3	10
Museum Funding (University of Oxford)	3	-
Cultural Education Partnership (Cherwell District Council)	3	-
Storm Henk - Business Rate Relief Reimbursement (MHCLG)	2	19
Windrush Project (University of Oxford)	2	-
Oxford Lottery (Oxford Community Fund)	1	1
Skills Builder Individual Grant (South East Museum Development)	-	-
Council Tax Hardship Fund (County)	-	322
Syrian Vulnerable Person Relocation Scheme (Home Office)	-	214
Homelessness Contributions (Various)	-	86
Council Tax - Care Leavers (County)	-	65
Oxfordshire Cultural Educational Partnership (OXCEP)	-	52
Museum NPO Associate Award (Oxford Uni)	-	43
Leisure for All (Sports England)	-	35
County Contributions (County)	-	33
Building Better Opportunities (ESF)	-	26
District Contributions (District Councils)	-	24
Low Carbon Skills Fund (Salix)	-	19
Families Affected by Imprisonment (Innovate)	-	17
Youth Ambition Project (Thames Valley Police)	-	15
Torch Funding (Torch)	-	15
Museum Funding (National Heritage)	-	12
Homes England (Homes England)	-	11
COMF (County)	-	11
General Contributions (Various)	-	10
West End Project (BGO Spires II Propco)	-	5
Voter ID (DLUHC)	-	3
Go Active (County)	-	2
Access to Work (DWP)	-	2
Active Oxfordshire (Various)	-	1
Grand Total	48,677	48,011

NOTES TO THE CORE FINANCIAL STATEMENTS

Capital Grants Receipts in Advance

	2024/25 £'000	2023/24 £'000
Section 106 Contributions (Various)	13,976	14,165
Youth Investment Fund (Social Investment Business Foundation)	423	-
Oxford Growth Deal - Osney Bridge (Growth Deal)	-	5,522
Growth Deal (HRA) (DLUHC)	-	3,760
Oxford Growth Deal - General (DLUHC)	-	2,066
Oxford Growth Deal - Cycle Schemes (DLUHC)	-	1,015
Clean Bus Tech Grant (Department of Transport)	-	653
GULO Grants (Office for Zero Emissions)	-	572
Oxford Growth Deal - William Morris Close (DLUHC)	-	347
Local Authority Housing Fund (HRA) (DLUHC)	-	333
Green Homes Grant (HRA) (BEIS)	-	307
Total	14,399	28,740

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

	2024/25 £'000	2023/24 £'000
Kickstart (DWP)	254	254
Test & Trace (BEIS)	227	227
CT Hardship Fund (Oxfordshire County Council)	167	167
Council Tax Rebate (MHCLG)	75	75
Restart 21/22 (BEIS)	61	61
Revenue Support Grant	23	-
Other BEIS (Unidentified)	14	14
Community Profile Grants (County)	-	126
Community Vaccine Champion (DLUHC)	-	113
Other Arts Grants (Arts Council)	-	96
Active Oxfordshire (Sports Council)	-	90
Museum of Oxford (MOX Dev. Trust)	-	60
Safer Streets Funding (Oxfordshire County Council)	-	32
Gas Safe Fund (FILTSSE)	-	17
Domestic Abuse Fund (DLUHC)	-	15
Culture Recovery Fund (Arts Council)	-	5
Total	821	1,352

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 a usable 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:

Capital Grants Unapplied Account	2024/25 £'000	2023/24 £'000
Community Infrastructure Levy (Various)	11,961	19,792
Single Homelessness Accommodation Programme (Homes England)	6,638	-
Blackbird Leys - HRA (Homes England)	6,250	-
Housing Infrastructure Fund (Homes England)	5,710	1,154
Oxford Growth Deal - Osney Bridge (MHCLG / Oxfordshire County Council)	4,748	1,664
Oxford Growth Deal - General HRA Funding (MHCLG)	1,761	-
Disabled Facilities Grant (Department of Health & Social Care)	1,530	1,597
Youth Investment Fund (Social Investment Business Foundation)	473	-
Go Ultra Low Oxford (Office for Zero Emissions)	443	105
Oxford Growth Deal - City Cycle Schemes (MHCLG)	411	-
Brownfield Land Release Fund (MHCLG)	340	23
Oxford Growth Deal - RP Funding (MHCLG)	272	-
Clean Bus Tech Grant (Department of Transport)	263	-
Rough Sleepers Accommodation Project (MHCLG)	238	317
Affordable Housing Programme (Homes England)	234	949
Non Decarb Projects (Salix)	162	162
Decarbonisation Fund (Salix)	147	147
Cowley Branch Line (Various)	137	-
Swimming Pool Swimming Fund (Sports England)	99	-
Meanwhile in Oxford (OXLEP)	62	64
Market St Contributions (Oxfordshire County Council)	50	-
Blackbird Leys - GF (Homes England)	40	-
Upgrade Existing Tennis Courts	39	-
Museum Funding (National Heritage)	-	417
Social Housing Decarbonisation Fund (MHCLG)	-	415
Local Authority Housing Fund (MHCLG)	-	283
Ward Member Community Infrastructure Levy (Various)	-	158
Greenways Project Contribution (University of Oxford)	-	33
Greenways Project Contribution (NHS)	-	26
UK Shared Prosperity Fund (MHCLG)	-	10
Total	42,008	27,316

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 balance sheet date 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 £3.768 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 councillor is a trustee of an organisation that was paid £0.016 million for project support and is on the controlling body of a youth organisation that received funds from the Community Infrastructure Levy (CIL) and funds for building improvements totalling £0.031 million; these are not material to the Council but are to the receiving bodies. A number of Members are also members of parish councils who receive precepts from the Council. A number of Members sit on associations or charities which received payments from the Council in the year in respect of hall hire for election purposes. One Member sits on Littlemore Parish Council which received £0.122 million CIL and £0.082 million section 106 money which is not material to the City Council but is to the parish. A community association for which a councillor is a council appointed member received funding from CIL and hall hire to the value of £0.009 million. 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 CIL and hall hire from the Council to a total value of £0.009 million which is not material to the City Council but is to the association.

There are a number of senior officer appointments to other entities:

- ♦ Barton Oxford LLP, an arms length partnership set up between the Council and Grosvenor Developments Limited to facilitate new housing in Barton;
- ♦ 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 LLP was £21.120 million. The OCHL Group has been advanced loans of £10.151 million, including accrued interest, which were agreed through the Council's normal governance processes, to finance property developments. Oxford Direct Services Limited holds assets leased from the Council to the value of £5.475 million as at balance sheet date. 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.

NOTES TO THE CORE FINANCIAL STATEMENTS

- 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.
- Serco / More Leisure Limited - The Council had a contract during 2024/25 with Serco and More Leisure Limited to manage and develop the Council's seven public leisure facilities.
- 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.

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).

	2024/25 £'000	2023/24 £'000
Opening Capital Financing Requirement	342,752	336,953
Capital Investment		
Property Plant and Equipment	126,558	46,377
Assets Held for Sale	81	44
Investment Properties	1,107	1,830
Intangible Assets	931	737
Long Term Capital Debtors	7,729	3,298
Revenue Expenditure Funded from Capital under Statute	8,944	6,487
Finance Leases brought in on adoption of IFRS16	27,946	-
Total Capital Spend	173,296	58,773
Sources of Finance		
Capital Receipts	(24,509)	(13,086)
Government Grants and other Contributions	(24,608)	(11,046)
Sums Set Aside from Revenue	(3,677)	(1,581)
Major Repairs Reserve	(12,030)	(15,439)
Capital Debtor Repayment	(31,712)	(11,640)
General Minimum Revenue Provision	(154)	(182)
Leases Minimum Revenue Provision	(1,073)	-
Sources of Finance Total	(97,763)	(52,974)
Closing Capital Financing Requirement	418,285	342,752
Explanation of Movements in Year		
(Increase) in Underlying Need to Borrow (unsupported by Government Financial Assistance)	(134,272)	(17,621)
Decrease in Underlying Need to Borrow (unsupported by Government Financial Assistance)	31,866	11,822
Assets Acquired under Finance Leases	26,873	-
(Increase)/Decrease in Capital Financing Requirement	(75,533)	(5,799)

NOTES TO THE CORE FINANCIAL STATEMENTS

37. Leases

a) Authority as Lessee

Operating Lease IFRS16 Conversion - Transitional Accounting Adjustments

The accounting policy on Leases at AP17 has been amended this year to reflect the requirements of IFRS16. No restatement of the prior period comparator information is required. Instead, the balance at the date of initial application of IFRS16 has been restated for the cumulative effect of the initial application of the standard.

In 2024/25, the authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- ◆ lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- ◆ a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- ◆ the weighted average of the incremental borrowing rates used to discount liabilities was 5.86%
- ◆ right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- ◆ leases with a peppercorn rent previously included in the operating lease note have been recognised as donated assets with no lease liability
- ◆ all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- ◆ £0.880 million Property, Plant and Equipment – land and buildings (right-of-use assets)
- ◆ £0.415 million Non-current creditors (lease liabilities)
- ◆ £0.146 million Current creditors (lease liabilities)
- ◆ £0.319 million Capital Adjustment Account (for donated assets)

The newly recognised lease liabilities of £0.561 million compare with the operating lease commitments of £1.678 million at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £1.061 million (using the incremental borrowing rate at 1 April 2024), there is a difference of £0.500 million from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

The addition of £0.880 million Property, Plant and Equipment shown above is included in the £19.121 million in the following table.

NOTES TO THE CORE FINANCIAL STATEMENTS

Right-of-use assets

The table below shows the movements in the value of right-of-use assets held by the authority under leases

	Land and buildings £'000	Vehicles, plant and equipment £'000	Total £'000
Opening Balance	10,971	-	10,971
Assets recognised on conversion to IFRS16	19,121	34	19,155
Balance at 1 April 2024	30,092	34	30,126
Additions	23,002	-	23,002
Revaluations	1,498	-	1,498
Depreciation and amortisation	(1,509)	(17)	(1,526)
Total	53,083	17	53,100

Material Leases

Oxford City Council lease contracts comprise leases of Land and Buildings, and vehicles. Many are immaterial, however there are a number of material leases which are included within these notes. A summary of these is as follows:

- ♦ An Administrative building which is leased for 125 years from March 2015, on which a premium was paid of £7.2million, and where the resultant annual rental related to the land is £250 per annum. The value of the asset as at 01.04.2024 was £6.6m.
- ♦ Two blocks of flats leased for 150 years from October 2017, on which a premium was paid of £4.6 million, and where the resultant annual rental related to the land is £5,000 per annum. The value of the asset as at 01.04.2024 was £4.4m. One block is used for housing rented accommodation the other for temporary accommodation.
- ♦ A Car Park which is leased for 1.5 years from December 1998, and is being held over, and where the resultant annual rental related to the land is £988K per annum. The value of the asset as at 01.04.2024 was £4.3m.
- ♦ A Leisure Centre which is leased for 30 years from July 2006, and where the rental is a peppercorn. The value of the asset as at 01.04.2024 was £2.4m.
- ♦ A Park and Ride site which is leased for 999 years from September 1990, and where the rental is a peppercorn. The value of the asset as at 01.04.2024 was £3.4m.
- ♦ A Housing Development of 47 properties leased for 99 years from March 1971 on a peppercorn. The value as at 1.04.2024 was £3.4m.

NOTES TO THE CORE FINANCIAL STATEMENTS

Expenditure charged to the Comprehensive Income and Expenditure Statement:

	2024/25 £'000	2023/24 £'000
Interest expense on lease liability	1,239	-
Expenses related to short term leases	269	-
Expenses relating to exempt leases of low value	-	-
Minimum lease payments	2,293	353
Contingent rents variable lease payments	86	66
Income from subletting right of use assets[Sublease payments receivable]	(20)	(20)

Maturity analysis of Lease liabilities

The lease payments will be payable over the following periods:

	Land and buildings 2024/25 £'000	Vehicles, plant and equipment 2024/25 £'000	Total 2024/25 £'000	2023/24 £'000
Not later than one year	1,042	14	1,056	358
Later than one year and not later than five years	3,448		3,448	229
Later than five years	22,660		22,660	1,968
Total	27,150	14	27,164	2,555

NOTES TO THE CORE FINANCIAL STATEMENTS

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 2025 £'000	31 Mar 2024 £'000
Finance Lease debtor (net present value of minimum lease payments)		
- Current	1,624	1,598
- Non Current	67,013	66,680
Unguaranteed Residual Value of Property*	4,069	4,073
Gross Investment in the Lease	72,706	72,351

* 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 2025 £'000	31 Mar 2024 £'000	31 Mar 2025 £'000	31 Mar 2024 £'000
Not later than one year	1,624	1,598	1,624	1,598
Later than one year and not later than five years	3,354	3,983	3,354	3,983
Later than five years	67,728	66,770	63,659	62,697
Total	72,706	72,351	68,637	68,278

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 2024/25 £0.534 million contingent rents were receivable by the Authority (£0.517 million in 2023/24)

NOTES TO THE CORE FINANCIAL STATEMENTS

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 2025 £'000	31 Mar 2024 £'000
Not later than one year	7,299	6,055
Later than one year and not later than five years	25,068	19,526
Later than five years	90,978	67,078
Total	123,345	92,658

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 2024/25 £1.25 million contingent rents were received by the Authority (£1.10 million in 2023/24.)

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 2024/25 included in the IAS19 report (There were none in 2023/24). 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 2024/25, incurring total costs of £0.061 million (£0.092 million in 2023/24).

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	
	2024/25 £'000	2023/24 £'000
Cost of Services		
Current Service Cost	5,542	5,971
Past Service Costs	2	29
Financing and Investment Income and Expenditure		
Interest Cost	(1,144)	833
Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	4,400	6,833
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)	9,192	(25,096)
Other actuarial (gains) / losses on assets	(3,783)	12,705
Changes in Financial Assumptions	(63,156)	(23,452)
Actuarial gains and losses arising on the change of demographic assumptions	(684)	(2,454)
Total Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(58,431)	(38,297)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(54,031)	(31,464)
	2024/25 £'000	2023/24 £'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	(4,400)	(6,833)
Actual amount charges against the General Fund Balance for pensions in the year		
Employers' Contributions Payable to Scheme	4,745	9,186

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 balance sheet date, 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 around 5.8%. 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:

	2024/25	2023/24
Mortality Assumptions:		
Longevity at 65 for Current Pensioners		
Men	21.5	21.5
Women	24.2	24.2
Longevity at 65 for Future Pensioners		
Men	22.1	22.2
Women	25.8	25.8
Rate of Inflation		
CPI	2.75%	2.75%
Rate for Discounting Scheme Liabilities	5.80%	4.85%
Rate of Increase in Pensions	2.75%	2.75%
Rate of increase in Salaries	2.75%	2.75%
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)

	2024/25 £'000	2023/24 £'000
Opening Balance 1 April	369,564	370,323
Current Service Cost	5,542	5,971
Interest Cost	18,920	18,370
Actuarial (Gains) and Losses from Changes in Financial Assumptions	(63,156)	(23,452)
Changes in demographic assumptions	(684)	(2,454)
Experience (Gain) / Loss on Defined Benefit Obligation	(3,783)	12,705
Benefits Paid	(13,605)	(14,597)
Past Service Cost Including Curtailments	2	29
Contributions by Scheme Participants	3,583	3,157
Unfunded Pension Payments	(518)	(488)
Closing Balance 31 March	315,865	369,564

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

	2024/25 £'000	2023/24 £'000
Opening Fair Value of Scheme Assets 1 April	393,579	353,688
Interest Income	20,064	17,537
Return on Plan Assets Less Interest	(9,192)	25,096
Employers Contributions	4,227	8,698
Contributions by Scheme Participants	3,583	3,157
Settlements	(13,605)	(14,597)
Closing Balance 31 March	398,656	393,579

Pension Assets and Liabilities Recognised in the Balance Sheet

	2024/25 £'000	2023/24 £'000
Present Value of Liabilities		
Present value of the defined benefit obligation	(310,385)	(363,495)
Fair Value of Assets in the Local Government Pension Scheme	398,656	393,579
Present Value of Unfunded Obligation	(5,480)	(6,069)
Surplus/(Deficit) in the Scheme	82,791	24,015

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 2025	Approximate % Increase to Employers Liability	Approximate Monetary amount £000's
0.1% decrease in Real Discount Rate	2%	6,155
1 year increase in member life expectancy	4%	13,649
0.1% Increase in the Salary Increase Rate	0%	244
0.1% Increase in the Pension Increase Rate (CPI)	2%	6,084

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	
	2024/25 £'000	2023/24 £'000
Cash and Cash Equivalents	8,280.8	5,946.0
Debt Securities		
By Sector		
UK Govt	-	5,071.6
Other	-	2,071.6
Private Equity	21,845.7	18,474.6
Investment Funds and Unit Trusts		
Equities	220,701.1	219,677.4
Bonds	37,519.5	25,183.2
Infrastructure	-	13,568.6
Others	110,309.6	103,568.9
Derivatives		
Foreign Exchange	-	16.8
Other	-	0.3
Total	398,656.7	393,579.0

40. Contingent Liabilities

There are no contingent liabilities for 2024/25.

41. Contingent Assets

There are no contingent assets for 2024/25.

42. Exceptional items

There are no exceptional items in 2024/25.

NOTES TO THE CORE FINANCIAL STATEMENTS

43. Going Concern

The Council has set a balanced budget for the financial years to 2028/29 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:

Date	General Fund Balance	General Fund Earmarked Reserves	Housing Revenue Account Balance	Housing Revenue Account Earmarked Reserves
	£'000	£'000	£'000	£'000
31 March 2024	3,622	58,472	4,000	10,832
31 March 2025	3,622	56,850	4,000	11,221
31 March 2026	3,622	58,929	4,000	12,418
31 March 2027	3,622	56,283	4,000	11,966
31 March 2028	3,622	53,440	4,000	10,149
31 March 2029	3,622	49,859	4,000	10,866

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. The currently forecast overspend on temporary accommodation for 2025/26 is estimated at £3 million for the year. This is an area which is currently receiving focus from all levels within the organisation in order to mitigate the current pressures.

NOTES TO THE CORE FINANCIAL STATEMENTS

The budgets for 2025/26 and the future plans were scrutinised by the Finance Team, Directors and the Chief 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

	2024/25 £'000	2023/24 £'000
Expenditure		
Repairs & Maintenance	19,416	18,034
Supervision & Management	13,605	11,907
Rents, Rates, Taxes & Other Charges	485	302
Depreciation and Impairment of Non-Current Assets	54,379	16,175
Movement in the Allowance for Bad Debts (not specified by the Code)	773	522
Sums directed by the Secretary of State that are expenditure in accordance with the code	-	-
Total Expenditure	88,658	46,940
Income		
Dwelling Rents (Gross)	(53,980)	(48,404)
Non Dwelling Rents (Gross)	(458)	(492)
Charges for Services & Facilities	(3,878)	(3,673)
Total Income	(58,316)	(52,569)
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	30,342	(5,629)
HRA Services' share of Corporate and Democratic Core	8	209
Net Income for HRA Services	30,350	(5,420)
HRA share of the Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:		
(Gain)/Loss on Sale of HRA Fixed Assets	(1,380)	(1,946)
Interest Payable and Similar Charges	10,223	9,569
Interest and Investment Income	(495)	(991)
Capital Grants and Contributions Receivable	-	-
(Surplus)/Deficit for the year on HRA Services	38,698	1,212

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

	2024/25 £'000	2023/24 £'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	38,698	1,212
Adjustments between Accounting Basis and Funding Basis Under Statute		
- Difference between any other item of income and expenditure	(13)	20
- Gain or loss on sale of HRA non-current assets	1,380	1,946
- HRA share of contributions to or from the Pensions Reserve	(71)	322
- Capital expenditure funded by the HRA	3,677	1,302
- Transfer to/from the Major Repairs Reserve	(560)	(470)
- Transfer to/from the Capital Adjustment Account	(42,727)	(4,600)
- Transfer to/from the Capital Grants Unapplied Account	-	-
Net Increase/(Decrease) before Transfers to or from Reserves	384	(268)
Transfer (to)/from Reserves	(384)	268
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 Stock Numbers

	2024/25	2023/24
Houses		
1 bedroom	273	272
2 bedrooms	841	834
3 bedrooms	2,843	2,789
More than 3 bedrooms	332	297
Flats		
1 bedroom	1,756	1,723
2 bedrooms	1,863	1,800
3 bedrooms	163	162
More than 3 bedrooms	6	7
Overall Total	8,077	7,884
Summary of Changes in Stock	2024/25	2023/24
Stock at 1 April	7,884	7,833
Sales	(27)	(18)
Other Disposals	-	(3)
Additions	220	72
Stock at 31 March	8,077	7,884

NOTES TO THE HOUSING REVENUE ACCOUNT

Following revaluation on 31st March 2025, the vacant possession value (EUV) of the Council's housing stock (Council Dwellings) amounted to £2,546 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 £840 million. At 31 March 2025, application of the social housing factor to the general housing stock resulted in a total value of £865.2 million.

The table below shows the HRA property values at appropriate measures of Fair Value as at 31 March 2025 along with comparatives for the previous year:

	2024/25			2023/24		
	Cost or Valuation £'000	Depreciation £'000	Net Book Value £'000	Cost or Valuation £'000	Depreciation £'000	Net Book Value £'000
Council Dwellings	866,762	(1,542)	865,220	806,448	(1,060)	774,982
Other Land and Buildings	3,901	-	3,901	3,870	-	4,521
Vehicles, Plant, Furniture and Equipment	19	(8)	11	19	(8)	12
Assets Under Construction	30,029	-	30,029	7,673	-	13,334
Surplus Assets not Held for Sale	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Assets Held for Sale	2,214	-	2,214	1,263	-	761
As at 31 March	902,925	(1,550)	901,375	819,273	(1,068)	793,610

H2. Movement on the Major Repairs Reserve

	2024/25 £'000	2023/24 £'000
Opening Balance	(1,703)	(6,036)
Transfer from Capital Adjustment Account	(11,092)	(11,105)
Financing of Capital Expenditure (MRA Applied)	12,030	15,439
Closing Balance	(765)	(1,702)

H3. Capital Expenditure and Financing

	2024/25 £'000	2023/24 £'000
Property, Plant and Equipment	105,118	37,765
Revenue Expenditure Funded from Capital under Statute	560	470
Total Spend	105,678	38,235
Sources of Finance		
Major Repairs Reserve	12,030	15,439
Grants and Contributions	5,953	5,386
Capital Receipts	9,018	4,108
Borrowing	75,000	12,000
Revenue Contributions to Capital	3,677	1,302
Total Financing	105,678	38,235

NOTES TO THE HOUSING REVENUE ACCOUNT

H4. Capital Receipts Received

	2024/25 £'000	2023/24 £'000
Land & Buildings	(12,368)	(9,920)
Less Administrative Costs	31	23
Total	(12,337)	(9,897)

H5. 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.

	2024/25 £'000	2023/24 £'000
Interest on Cash Balances	(495)	(991)
Total	(495)	(991)

The Housing Revenue Account was debited with Item 8 interest of £10.223 million in 2024/25 which relates to the borrowing interest chargeable to the Housing Revenue Account.

H6. 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

H7. Rent Arrears

Arrears Details	2024/25		2023/24	
	£'000	% of total rents due	£'000	% of total rents due
Current Tenants	1,909	3.42%	1,562	3.08%
Former Tenants	1,310	2.34%	1,084	2.13%
Overall	3,219	5.76%	2,646	5.21%
Total Rents due in Year	55,867		50,785	

Doubtful Debt provision	2024/25	2023/24
	£'000	£'000
Opening Balance	1,404	1,151
Write-offs in Year	(397)	(212)
Additional Provision	729	465
Closing Balance	1,736	1,404

H8. Capital Commitments

Description	Contractor	2024/25	2023/24
		£'000	£'000
Oxford North Development - Affordable Housing	Hill Residential Ltd	16,979	20,370
Construction of 26 flats at Princes Street and Collins Street	Life Build Solutions Ltd	4,347	7,602
Development Agreement relating to land and buildings situated at Blackbird Leys Est	Peabody Trust	3,818	13,272
Social Housing Decarbonisation Fund Wave 2.1	Vinci Construction Uk Ltd	3,139	4,178
Refurbishment and New Build of East Oxford Community Centre	Oxford Direct Services Ltd	2,413	5,900
Social Housing Decarbonisation Fund Wave 2.1	Oxford Direct Services Ltd	590	-
Construction at Northfield Hostel	Equans Regeneration Ltd	272	273
Deed of Professional Appointment relating to the Barton Regeneration Project	Arcadis LLP	266	270
Housing Site - Former Council Depot, Lanham Way	Feltham Construction Ltd	-	2,708
Total HRA Capital Commitments		31,824	54,573

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 2024/25 £'000	Council Tax 2024/25 £'000	Total 2024/25 £'000	Business Rates 2023/24 £'000	Council Tax 2023/24 £'000	Total 2023/24 £'000
Income							
Council Tax Receivable	CF1	-	(112,963)	(112,963)	-	(106,786)	(106,786)
Council Tax Discounts funded by the General Fund		-	(169)	(169)	-	(205)	(205)
Business Rate Receivable	CF2	(95,079)	-	(95,079)	(81,299)	-	(81,299)
Business Rate Transitional Protection Payments		(1,251)	-	(1,251)	(8,770)	-	(8,770)
Sub Total		(96,330)	(113,132)	(209,462)	(90,069)	(106,991)	(197,060)
Expenditure							
Central Government share of PY (Deficit)/Surplus		(127)	-	(127)	1,237	-	1,237
Oxford City share of PY (Deficit)/Surplus		(101)	(36)	(137)	990	151	1,141
Oxfordshire County share of PY (Deficit)/Surplus		(25)	(181)	(206)	247	763	1,010
Police & Crime Commissioner share of PY (Deficit)/Surplus		-	(27)	(27)	-	113	113
Sub Total		(253)	(244)	(497)	2,474	1,027	3,501
Precepts, Demands and Shares							
Central Government Share		48,758	-	48,758	47,566	-	47,566
Oxford City Share		39,006	16,278	55,284	38,052	15,682	53,734
Oxfordshire County Precept Share		9,752	84,173	93,925	9,513	79,485	88,998
Police & Crime Commissioner share of PY Precepts Share		-	12,450	12,450	-	11,747	11,747
Sub Total		97,516	112,901	210,417	95,131	106,914	202,045
Disregarded Amounts							
Renewable Energy		-	-	-	21	-	21
Sub Total		-	-	-	21	-	21
Charges							
Write Offs		598	723	1,321	900	631	1,531
Increase/(Decrease) in Bad Debt Provision		(468)	471	3	713	211	924
Increase/(Decrease) in Provision for Appeals		7,319	-	7,319	10,822	-	10,822
Appeals charged to the Collection Fund		(6,803)	-	(6,803)	(8,157)	-	(8,157)
Cost of Collection		232	-	232	234	-	234
Sub Total		878	1,194	2,072	4,512	842	5,354
(Surplus)/Deficit arising during year		1,811	719	2,530	12,069	1,792	13,861
(Surplus)/Deficit brought forward 1st April		1,670	741	2,411	(10,399)	(1,051)	(11,450)
(Surplus)/Deficit Carry forward		3,481	1,460	4,941	1,670	741	2,411

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 2024/25 Council Tax including precepts was set at £352.07 for a Band D property (£342.13 for 2023/24). 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-	-	2.00	5/9	1.11
A	3,068.0	1,452.80	6/9	968.53
B	9,929.0	5,668.50	7/9	4,408.83
C	19,685.0	14,408.40	8/9	12,807.47
D	16,247.0	12,650.35	9/9	12,650.35
E	7,563.0	5,645.85	11/9	6,900.48
F	3,106.0	2,606.40	13/9	3,764.80
G	3,350.0	2,935.45	15/9	4,892.42
H	609.0	392.25	18/9	784.50
	63,557.0	45,762.00		47,178.49
Crown Properties				-
Allowance of 2% for non-collection				(943.57)
Total				46,234.9

The amount due during the year based on actual properties and exemptions and discounts that occurred during the year was £112.963 million. Precepts for the year are calculated using the council tax base estimate which resulted in an overall precepted value of £112.901 million of which the amount for Oxford City Council is £16.278 million (46,234.9 multiplied by £352.07).

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 2024/25 was assessed at £11.342 million but the Council must pay a 50% Levy on income above the funding baseline of £6.849 million. The Council was required to pay to Central Government both the Central Share of £48.758 million plus the tariff figure of £32.033 million. In addition the Council was required to pay £9.752 million to Oxfordshire County Council.

The local rateable value (2023 Rating List) as at 31 March 2025 was £290.0 million (£289.1 million at 31 March 2024). The multiplier for 2024/25 was set at 54.6 pence in the pound (51.2 pence for 2023/24). 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 2024/25 was £97.516 million (£95.131 million for 2023/24). Due to Transitional Protection Payments, this was reduced to £95.079 million (£90.070 million for 2023/24).

GROUP ACCOUNTS

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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 2025. 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. 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 £3.115 million (£2.652 million in 2023/24) and declared a dividend of £1.900 million in 2024/25 (£5.400 million in 2023/24).

Financial Information on ODSL

Profit & Loss Account	2024/25	2023/24
	£'000	£'000
Revenue	(74,443)	(61,094)
Cost of Sales	51,458	39,857
Gross (Profit) / Loss	(22,985)	(21,237)
Administrative Expenses	19,033	17,746
Operating (Profit) / Loss	(3,952)	(3,491)
Interest Charges / (Income)	796	807
(Profit) / Loss Before Taxation	(3,156)	(2,684)
Tax on Profit	41	32
Total Comprehensive Income and Expenditure (Profit) / Loss	(3,115)	(2,652)

SUBSIDIARIES

Balance Sheet	2024/25	2023/24
	£'000	£'000
Property Plant and Equipment	13,960	15,281
Non-current Assets	13,960	15,281
Inventories	295	286
Debtors	7,366	11,597
Contract Assets	3,209	3,501
Cash and Cash Equivalents	487	-
Current Assets	11,357	15,384
Long Term Creditors	(132)	(117)
Non-current Liabilities	(132)	(117)
Cash and Cash Equivalents	-	(3,205)
Creditors	(9,381)	(11,415)
Current Liabilities	(9,381)	(14,620)
Net Assets	15,804	15,928
Financed By:		
Finance Lease Liabilities	11,766	13,105
Equity	4,038	2,823
Total Equity and liabilities	15,804	15,928

Members' interests	Oxford City	Oxford City
	Share	Share
	2024/25	2023/24
	£'000	£'000
Finance Leases	11,766	13,105
Equity	4,038	2,823
Oxford City Council Interests as at 31 March	15,804	15,928

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. 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 £1.027 million (£0.700 million in 2023/24) and did not declare a dividend. There have been no Investing activities for the year ended 31 March 2025 and none in 2023/24.

Financial Information on ODSTL

Profit & Loss Account	2024/25 £'000	2023/24 £'000
Revenue	(16,313)	(13,799)
Cost of Sales	11,177	9,644
Gross (Profit) / Loss	(5,136)	(4,155)
Administrative Expenses	3,875	3,271
Operating (Profit) / Loss	(1,261)	(884)
Interest Charges / (Income)	(108)	(49)
Profit Before Taxation	(1,369)	(933)
Tax on Profit	342	233
Total Comprehensive Income and Expenditure (Profit) / Loss	(1,027)	(700)

SUBSIDIARIES

Balance Sheet	2024/25	2023/24
	£'000	£'000
Property Plant and Equipment	208	-
Non-current Assets	208	-
Debtors	2,503	4,820
Cash and Cash Equivalents	4,131	2,008
Contract Assets	721	513
Current Assets	7,355	7,341
Long Term Creditors	(73)	(17)
Non-current Liabilities	(73)	(17)
Creditors	(4,639)	(5,500)
Current Liabilities	(4,639)	(5,500)
Net Assets	2,851	1,824
Financed By:		
Equity	2,851	1,824
Total Equity and liabilities	2,851	1,824

Members' interests	Oxford City	Oxford City
	Share	Share
	2024/25	2023/24
	£'000	£'000
Equity	2,851	1,824
Oxford City Council Interests as at 31 March	2,851	1,824

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. In 2024/25, management decided to discontinue its property rental business undertaken by Oxford City Housing (Investment) Limited and sold its existing properties to Oxford City Council, its ultimate parent.

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 £0.511 million (surplus of £3.581 million in 2023/24) and paid a dividend in the year of £3.000 million (£2.000 million in 2023/24).

Financial Information on OCHL

Profit & Loss Account	2024/25 £'000	2023/24 £'000
Rental Income	-	-
Sale of Properties	(20,217)	(11,531)
Other Income	(1,258)	(1,871)
Expenses	20,010	9,876
Operating (Profit) / Loss	(1,465)	(3,526)
Interest Charges	498	922
(Profit) / Loss Before Taxation	(967)	(2,604)
Tax on Profit	241	594
Other Comprehensive Expenditure	-	-
(Profit) / Loss for the year from Discontinued Operations	215	(1,567)
Total Comprehensive Income and Expenditure (Profit) / Loss	(511)	(3,577)

SUBSIDIARIES

Balance Sheet	2024/25 £'000	2023/24 £'000
Operational Property	-	27,316
Non-current Assets	-	27,316
Inventories	11,684	12,093
Debtors	2,045	705
Cash and cash equivalents	6,660	14,685
Current Assets	20,389	27,483
Deferred tax	-	(1,697)
Non-current Liabilities	-	(1,697)
Amounts falling due within one year	(4,461)	(4,178)
Current Liabilities	(4,461)	(4,178)
Net Assets	15,928	48,924
Financed By:		
Long term loans	6,032	29,984
Short term loans	4,120	10,675
	10,152	40,659
Equity	5,776	8,265
Total Equity and liabilities	15,928	48,924

Members' interests	Oxford City Share 2024/25 £'000	Oxford City Share 2023/24 £'000
Loans to OCHL	10,152	40,659
Equity	5,776	8,265
Oxford City Council Interests as at 31 March	15,928	48,924

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 partnership but has no share in 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 FRS 102 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

	2024/25 £'000	2023/24 £'000
Sales	(250)	(167)
Cost of Sales	(231)	182
Gross (Profit) / Loss	(481)	15
Expenses	15	18
Operating (Profit) / Loss	(466)	33
Interest receivable	(266)	(695)
Total Comprehensive Income and Expenditure (Profit) / Loss	(732)	(662)

Balance Sheet

	2024/25 £'000	2023/24 £'000
Development Properties	-	-
Debtors	4,235	13,340
Cash and cash equivalents	100	101
Current Assets	4,335	13,441
Amounts falling due within one year	(3,942)	(7,039)
Current Liabilities	(3,942)	(7,039)
Net Assets attributable to members	393	6,402

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 2025		
Oxford City Share £'000	Grosvenor D L Share £'000	Total £'000
-	-	-
-	393	393
-	393	393

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

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 partnership and shares profits and losses.

The Oxwed LLP 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.

Oxwed 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 £2.627 million (£2.987 million in 2023/24) of which the Council is responsible for half.

Profit & Loss Account	2024/25	2023/24
	£'000	£'000
Revenue	(1)	(13)
Cost of Sales	-	-
Gross Profit	(1)	(13)
Other Income	(598)	(574)
Expenses	717	1,254
Operating (Profit) / Loss	118	667
Interest charges	2,509	2,320
Loss from Continuing Operations	2,627	2,987
Total Comprehensive Income and Expenditure (Profit) / Loss	2,627	2,987
Balance Sheet	2024/25	2023/24
	£'000	£'000
Non Current Assets	397	-
Inventories	33,169	33,169
Debtors	246	187
Cash and cash equivalents	209	351
Current Assets	33,624	33,707
Creditors	(125)	(191)
Current Liabilities	(125)	(191)
Net Assets attributable to members	33,896	33,516

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 2025		
Oxford City Share £'000	Nuffield College Share £'000	Total £'000
21,120	21,120	42,240
(4,172)	(4,172)	(8,344)
16,948	16,948	33,896

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

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 the reporting and comparative years. 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 the reporting and comparative years 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 £26.939 million capital loans to OCHIL of which £21.094 million was in previous years and £5.845 million was in 2024/25. All loan and outstanding interest due was repaid by OCHIL in 2024/25. Oxford City Council has also provided capital loans to OCHDL for property development of which £8.442 million is still outstanding; no loans were provided in 2024/25 and no repayments were made. The loans are expected to be repaid in accordance with the cash flow of the Companies and repayment of £3.309 million is expected within the year. The loans have been recorded in the Oxford City Council accounts long and short term debtors as appropriate. 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 £5.475 million. The vehicles are 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 £13.540 million for capital and working capital loans plus equity of £0.681 million. Loans of £0.250 million were advanced in 2024/25. 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 2025**

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).

	2024/25		2023/24	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£'000	£'000	£'000	£'000
			Net Expenditure	Net Expenditure
			£'000	£'000
ODS Development Director	6,221	(12,787)	(6,566)	(10,234)
City and Citizens' Services	35,964	(16,100)	19,864	(14,786)
Corporate Services	15,073	(2,024)	13,049	(2,686)
Place	16,041	(11,601)	4,440	(10,631)
Housing Revenue Account (HRA)	70,143	(58,254)	11,889	(23,355)
Oxford Direct Services Ltd	64,307	(23,909)	40,398	(13,743)
Oxford City Housing Group	18,126	(21,961)	(3,835)	(14,031)
Service Level Agreements and Capital Charges	18,314	(195)	18,119	-
Corporate and Democratic Core	42,056	(37,067)	4,989	(37,350)
Cost of Services	286,245	(183,898)	102,347	(155,949)
Other Operating Expenditure	4,782	(37)	4,745	(1,996)
Financing and Investment Income and Expenditure	30,359	(31,100)	(741)	(43,333)
Taxation and Non-Specific Grant Income	-	(70,051)	(70,051)	(40,751)
(Surplus)/Deficit on Provision of Services	321,386	(285,086)	36,300	(242,029)
Share of (Surplus)/Deficit of Joint Ventures			1,315	1,493
Tax Expenses			625	858
Group (Surplus)/Deficit			1,940	2,351
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(103,916)	(24,380)
Actuarial (Gains)/Losses on Pension Assets and Liabilities			(58,431)	(38,298)
Other Comprehensive Income and Expenditure			(162,347)	(62,678)
Total Comprehensive Income and Expenditure			(124,107)	(82,677)

GROUP MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

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 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	16,287	3,712	19,999	60,951	1,727	62,678	82,677
Adjustments between Group Accounts and Council Accounts	82,848	(82,848)	-	-	-	-	-
Total Comprehensive Income and Expenditure	99,135	(79,136)	19,999	60,951	1,727	62,678	82,677
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	85,425	(79,038)	6,387	74,661	1,625	76,286	82,673
Balance at 31st March 2024 carried forward	479,462	(357,393)	122,069	980,119	5,593	985,712	1,107,781
Movement in Reserves during 2024/25							
Total Comprehensive Income and Expenditure	(41,578)	3,338	(38,240)	162,347	-	162,347	124,107
Adjustments between Group Accounts and Council Accounts	50,867	(50,867)	-	-	-	-	-
Total Comprehensive Income and Expenditure	9,289	(47,529)	(38,240)	162,347	-	162,347	124,107
Adjustments between Accounting Basis & Funding Basis under Regulations	54,074	-	54,074	(54,074)	-	(54,074)	-
Annual Retained Earnings Transfers	-	5,593	5,593	-	(5,593)	(5,593)	-
Consolidation adjustments to profit	-	-	-	-	-	-	-
Increase/(Decrease) in 2024/25	63,363	(41,936)	21,427	108,273	(5,593)	102,680	124,107
Balance at 31st March 2025 carried forward	542,825	(399,329)	143,496	1,088,392	-	1,088,392	1,231,888

GROUP BALANCE SHEET AS AT 31 MARCH 2025

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	2024/25 £'000	2023/24 £'000
Property, Plant & Equipment	2	1,164,396	1,041,894
Heritage Assets		3,688	3,688
Investment Properties		145,810	146,300
Intangible Assets		3,128	3,648
Long Term Investments	11	31,568	36,449
Long Term Debtors	11	87,013	86,784
Other Long Term Assets		82,791	24,015
Long Term Assets		1,518,394	1,342,778
Assets Held for Sale		2,214	1,263
Inventories	3	11,992	12,401
Short Term Debtors	5	83,978	53,029
Cash and Cash Equivalents	4 & 11	12,503	12,399
Contract Assets		700	884
Current Assets		111,387	79,976
Short Term Borrowing	11	(20,000)	(10,000)
Short Term Creditors	6	(61,118)	(47,696)
Contract Liabilities		(91)	-
Current Liabilities		(81,209)	(57,696)
Long Term Creditors	11	(3,698)	(3,416)
Provisions		(3,498)	(5,850)
Long Term Borrowing	11	(268,528)	(218,528)
Other Long Term Liabilities	11	(26,561)	(743)
Capital Grants Receipts in Advance		(14,399)	(28,740)
Long Term Liabilities		(316,684)	(257,277)
Net Assets		1,231,888	1,107,781
Usable Reserves	MIRS	(143,496)	(122,069)
Unusable Reserves		(1,088,392)	(985,712)
Total Reserves		(1,231,888)	(1,107,781)

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

This statement shows the total Cashflow for the whole group.

	Note	2024/25 £'000	2023/24 £'000
Net Surplus/(Deficit) on the Provision of Services		(38,240)	19,999
Adjustments to Net Surplus/(Deficit) on the Provision of Services for Non-Cash Movements		53,369	(37,058)
Net cash in/(out) flows from Operating Activities		15,129	(17,059)
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		(108,703)	(54,070)
Purchase of Short-Term and Long-Term Investments		3,563	42,829
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets		26,742	9,930
Other Capital Cash Receipts in Advance		(14,341)	192
Total cash in/(out) flows from Investing Activities		(92,739)	(1,119)
Purchase of Long Term Borrowing		70,000	30,000
Repayment of Borrowing		(10,000)	(11,000)
Other receipts from Financing Activities		17,714	1,178
Payments for the reduction of a Finance Lease Liability		-	-
Total cash in/(out) flows from Financing Activities		77,714	20,178
Net Increase/(Decrease) in Cash and Cash Equivalents		104	2,000
Cash and Cash Equivalents at the Beginning of the Reporting Period		12,399	10,399
Cash and Cash Equivalents at the End of the Reporting Period	4	12,503	12,399

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Financing and Investment Income and Expenditure

	2024/25 £'000	2023/24 £'000
Interest Payable and Similar Charges	10,016	7,081
Pensions Interest Costs and Expected Return on Pensions Assets	(1,144)	833
Finance Charges	(2,977)	(2,985)
Interest Receivable and Similar Income	(3,590)	(3,850)
Impairment of National Homelessness Property Fund	(574)	769
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	4,948	(24,905)
Other Investment Income	(7,420)	(6,859)
Total	(741)	(29,916)

NOTES TO THE GROUP FINANCIAL STATEMENTS

2 Property, Plant and Equipment Movements in 2024/25

Movements in 2024/25

	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 2024	806,448	206,602	26,803	2,697	1,122	202	18,229	1,062,103
Additions	64,145	14,735	1,607	1	404	-	51,719	132,611
Assets recognised / derecognised under finance lease	105	13,905	-	-	375	-	-	14,385
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	44,891	48,871	-	-	22	24	-	93,808
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(44,103)	(20,494)	-	-	-	-	-	(64,597)
Derecognition - disposals	(303)	(44,497)	(868)	-	(1)	-	-	(45,669)
Derecognition - other	(2,084)	-	(1,013)	-	-	-	-	(3,097)
Assets reclassified (to)/from Held for Sale	(4,052)	-	-	-	-	-	-	(4,052)
Other movements in cost or valuation	1,715	(720)	34	-	-	-	(995)	34
At 31 March 2025	866,762	218,402	26,563	2,698	1,922	226	68,953	1,185,526
Accumulated Depreciation and Impairment								
At 1 April 2024	(1,060)	-	(18,450)	(699)	-	-	-	(20,209)
Depreciation charge	(10,376)	(5,489)	(2,212)	(68)	(3)	-	-	(18,148)
Depreciation written out to the Revaluation Reserve	7,707	2,612	-	-	3	-	-	10,322
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,091	2,873	1,013	-	-	-	-	5,977
Derecognition - disposals	-	4	828	-	-	-	-	832
Derecognition - other	67	-	-	-	-	-	-	67
Other movements in depreciation and impairment	29	-	-	-	-	-	-	29
At 31 March 2025	(1,542)	-	(18,821)	(767)	-	-	-	(21,130)
Net Book Value								
At 31 March 2025	865,220	218,402	7,742	1,931	1,922	226	68,953	1,164,396
At 31 March 2024	805,388	206,602	8,353	1,998	1,122	202	18,229	1,041,894
Movement in NBV	59,832	11,800	(611)	(67)	800	24	50,724	122,502

NOTES TO THE GROUP FINANCIAL STATEMENTS

2. Property, Plant and Equipment—cont.—Comparative 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	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

3. Inventories

	Consumable Inventories		Maintenance Inventories		Construction Work in Progress		Total	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Balance Outstanding at Start of Year	22	23	286	144	12,093	14,978	12,401	15,145
Purchases / Additions	22	59	2,953	2,423	24,752	6,261	27,727	8,743
Recognised as an Expense in the Year	(31)	(60)	(2,943)	(2,281)	(25,162)	(9,146)	(28,136)	(11,487)
Inventory balances sold	-	-	-	-	-	-	-	-
Balance Outstanding at Year End	13	22	296	286	11,683	12,093	11,992	12,401

4. Cash and Cash Equivalents

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

	2024/25 £'000	2023/24 £'000
Cash Held by the Council	5,530	330
Bank Current Accounts	(4,305)	(1,418)
Cash Held by Subsidiaries	11,278	13,487
Total Cash and Cash Equivalents	12,503	12,399

5. Short Term Debtors

The table below shows the amount that the group was owed at 31 March 2025 by third parties, together with amounts paid by the group in advance of the receipt of goods or services.

	2024/25 £'000	2023/24 £'000
Trade Receivables	24,240	32,285
Other Receivables	59,738	20,744
Total	83,978	53,029

6. Short Term Creditors

The table below shows the amount that the group owed as at 31 March 2025 to third parties, together with amounts received by the group in advance of supply of goods or services.

	2024/25 £'000	2023/24 £'000
Trade Payables	(21,033)	(22,543)
Other Payables	(40,085)	(25,153)
Total	(61,118)	(47,696)

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:

	2024/25 £'000	2023/24 £'000
External Audit	396	443
Total	396	443

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 2025 £'000	31 Mar 2024 £'000
Finance Lease debtor (net present value of minimum lease payments)		
- Current	11	10
- Non Current	61,538	61,940
Unguaranteed Residual Value of Property*	4,069	4,073
Gross Investment in the Lease	65,618	66,023

* 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 2025 £'000	31 Mar 2024 £'000	31 Mar 2025 £'000	31 Mar 2024 £'000
Not later than one year	11	825	11	825
Later than one year and not later than five years	51	1,403	51	1,403
Later than five years	65,556	63,795	61,487	59,722
Total	65,618	66,023	61,549	61,950

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 2024-25 £534 were receivable by the Group.

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.

The future sums receivable under non -cancellable lease in future years are:

Operating Leases	31 Mar 2025 £'000	31 Mar 2024 £'000
Not later than one year	6,643	5,754
Later than one year and not later than five years	22,444	18,322
Later than five years	85,730	102,667
Total	114,817	126,743

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 2024/25 £1.114 Million contingent rents were receivable by the Group.

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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	(437,287)	(425,581)
Upward revaluation of assets	(161,472)	(88,807)
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	57,556	64,427
	(541,203)	(449,961)
Amount written off to the Capital Adjustment Account	13,642	12,572
Annual Retained Earnings Transfers	5,593	102
Balance at 31 March	(520,484)	(437,287)

11. Financial Instruments

	Non Current				Current			
	Investments		Debtors		Investments & Cash at Bank		Debtors	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Fair Value through Profit or Loss	31,568	36,449	87,013	86,784	-	-	70,198	51,580
Amortised Cost	-	-	-	-	12,503	12,399	-	-
Total Financial Assets	31,568	36,449	87,013	86,784	12,503	12,399	70,198	51,580

	Non Current				Current			
	Borrowings		Creditors & Other Liabilities		Borrowings & Overdrafts		Creditors	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Amortised Cost	(268,528)	(218,528)	(30,259)	(4,159)	(20,000)	(10,000)	(35,719)	(35,580)
Total Financial Assets	(268,528)	(218,528)	(30,259)	(4,159)	(20,000)	(10,000)	(35,719)	(35,580)

NOTES TO THE GROUP FINANCIAL STATEMENTS

	2024/25 Surplus / (Deficit) on the Provision of Services £'000	2023/24 Surplus / (Deficit) on the Provision of Services £'000
Net gains/losses on:		
Financial Assets Measured at Fair Value	930	(1,225)
	930	(1,225)
Interest Revenue		
Financial Assets Measured at Fair Value	1,050	1,264
Financial Assets Measured at Amortised Cost	942	3,042
	1,992	4,306
Interest Expense	(10,016)	(7,081)

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ACCOUNTING POLICIES

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Accounting Policies

AP1. General Principles

The Statement of Accounts summarises the Council's financial transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. 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 2024/25, 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.

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Exceptions to this principle are:

- i. the Council does not have control over when a utility company re-estimates a prior period. Amendments to bills that relate to prior periods are accounted for in the year in which that re-estimation is billed to the Council and are not adjusted back into prior periods in line with any other change to accounting estimates
- ii. individual accruals of less than £500 are not adjusted for within the accounts due to the level of materiality of the transactions
- iii. commercial property rentals that are charged on traditional quarter days will be accounted for in accordance with the modern quarter days i.e. an invoice raised for the quarter day commencing June 24th will be accounted for in the month of July.

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 generally applied retrospectively (unless stated otherwise or unless the change is just a clarification of the accounting previously applied) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

ACCOUNTING POLICIES

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

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

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NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

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

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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 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

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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.

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

ACCOUNTING POLICIES

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 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.

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Reclassifications, modifications or derecognition or transfer of financial assets

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

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.

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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.

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

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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.

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 Councils 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

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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.

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

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

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

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- ♦ fixed payments, including in-substance fixed payments
- ♦ variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- ♦ amounts expected to be payable under a residual value guarantee
- ♦ the exercise price under a purchase option that the Council is reasonably certain to exercise
- ♦ lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- ♦ penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- ♦ assets held under non-commercial leases
- ♦ leases where rent reviews do not necessarily reflect market conditions
- ♦ leases with terms of more than five years that do not have any provision for rent reviews
- ♦ leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is re-measured when:

- ♦ there is a change in future lease payments arising from a change in index or rate
- ♦ there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- ♦ the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- ♦ there is a revised in-substance fixed lease payment.

When such a re-measurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from re-measurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- ♦ for low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items; this is in line with the Council's general de-minimis level of £5,000 for capital expenditure purposes., and
- ♦ with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

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Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

b) The Authority as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. In 2010/11 the Council adopted IFRS accounting for leases. At that time an assessment was made of all lease arrangements and, where there was deemed to be a finance lease present, a standard 60% / 40% split was used for buildings / land which was therefore also the split of the arrangement between finance and operational leases; this was a generally accepted split across local authorities for this process. For all leases with a finance lease element this split is retained through the whole life of the lease for the purposes of lease accounting for all leases with an inception date prior to 1st April 2023. After this date a percentage split of land and buildings will be obtained from a valuer and this split provided at inception will be retained through the whole life of the lease. Consequently, the value of the land element of finance leases held under an operational lease will be use the same split of land and buildings used at the inception of the lease.

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 (ie 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 future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease 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 non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the 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 or where this is initiated by a service to the individual service, 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.

ACCOUNTING POLICIES

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 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

ACCOUNTING POLICIES

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 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.

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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 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

ACCOUNTING POLICIES

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).

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

ACCOUNTING POLICIES

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

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

INDEPENDENT AUDITORS REPORT AND CERTIFICATE

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

Disclaimer of Opinion

We were engaged to audit the financial statements of Oxford City Council and Group ('the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2024. The financial statements comprise the:

- Oxford City Council and Group Movement in Reserves Statement,
- Oxford City Council and Group Comprehensive Income and Expenditure Statement,
- Oxford City Council and Group Balance Sheet,
- Oxford City Council and Group Cash Flow Statement,
- the related notes 1 to 43 and related Group notes 1 to 11, including material accounting policy information and including the Expenditure and Funding Analysis,
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, and the related notes H1 to H8
- Collection Fund and the related notes CF1 to CF2

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We do not express an opinion on the accompanying financial statements of the Council. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').

The audits of the financial statements for the years ended 31 March 2022 and 31 March 2023 for Oxford City Council and Group were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 26 November 2024.

Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.

Due to delays in receiving audit evidence in sufficient time before the backstop date, have been unable to complete our audit procedures on Investment Properties (23/24 £146m, 22/23 £118m), Property, Plant & Equipment (23/24 £1,008m, 22/23 £983m), Capital Grants Receipts in Advance (23/24 £29m, 22/23 £28m) and Short Term Debtors (23/24 £63m, 22/23 £51m).

INDEPENDENT AUDITORS REPORT AND CERTIFICATE

As a result of the disclaimers of opinion in the prior years and the scope of our audit work which was impacted by the backstop date, we do not have sufficient appropriate audit evidence over the following:

- in the Group and Authority balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'other land and buildings' and heritage assets that were not revalued in year.
- in the Group and Authority comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet
- in the Group and Authority cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated as a movement between the opening and closing balance sheet
- in the collection fund and accompanying notes: opening balances, comparatives and in-year movements that are calculated as a movement between the opening and closing balance
- in the housing revenue account and accompanying notes: opening balances, comparatives and in-year movements that are calculated as a movement between the opening and closing balance

Therefore, we are disclaiming our opinion on the financial statements.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit, performed subject to the pervasive limitation described above, or our knowledge of the Group and the Council

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Group and the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in these respects.

INDEPENDENT AUDITORS REPORT AND CERTIFICATE

Responsibility of the Group Finance Director

As explained more fully in the Statement of the Group Finance Director Responsibilities set out on page 6, the Group Finance Director is responsible for the preparation of the Statement of Accounts, which includes the Authority financial statements and the Group financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, 2023/24, for being satisfied that they give a true and fair view and for such internal control as the Group Finance Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Group Finance Director is responsible for assessing the Group and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Council either intends to cease operations, or has no realistic alternative but to do so.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group and the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group and the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether the Oxford City Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Oxford City Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether the Oxford City Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

INDEPENDENT AUDITORS REPORT AND CERTIFICATE

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Oxford City Council.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Oxford City Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)

Date

28 February 2025

Ernst & Young LLP (Local Auditor)

Reading

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Statement of Accounts

2024-25