

# **Independent auditor's report to Oxford City Council**

## **Opinion on the financial statements**

I have audited the financial statements of Oxford City Council for the year ended 31 March 2006 under the Audit Commission Act 1998, which comprise the Consolidated Revenue Account, the Collection Fund, the Housing Revenue Account, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Oxford City Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

## **Respective responsibilities of the Chief Finance Officer and auditors**

The Chief Finance Officer's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005.

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.



A P Burns  
District Auditor  
Audit Commission  
Unit 5, Isis Business Centre  
Horspath Road  
Cowley  
Oxford OX4 2RD

*29 September 2006.*

## **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Authority's responsibilities**

The Authority 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 regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

### **Auditor's responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the Authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

### **Conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice and I am not satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in July 2005, in all significant respects, Oxford City Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006, in that it failed to meet the following criteria:

- put in place arrangements to manage its significant business risks;  
and
- put in place arrangements to manage and improve value for money.

### **Best value performance plan**

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2005/06 on 6 December 2005. I did not identify any matters to be reported to the Authority and did not make any recommendations on procedures in relation to the plan.

### **Certificate**

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



A P Burns  
District Auditor  
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Unit 5, Isis Business Centre  
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29 September 2006

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# **1. DIRECTOR'S REPORT**

## **1.1 Introduction**

These accounts are an important part of our responsibility to you, by explaining how we spend your money - and what we achieve with it.

I wanted to highlight some of the most significant issues and important messages in this report.

## **1.2 The different parts of this report**

We must produce accounts in a standard format (hence some of the rather arcane descriptions), but we've gone well beyond the minimum we have to produce - to give you a better picture of how we are doing.

There are several parts to these accounts, a revenue account (which shows all of what we spent last year), a Housing Revenue Account - which sets out more detail of the costs of running our 8,000 council houses. We publish a balance sheet; which shows how much we were worth as an authority at the start and end of the year.

There are some other important parts of this document - the "collection fund" shows how much council tax and business rates we collected. It's held in a separate account because we pay most of this money to the County Council and Police.

We include a fund flow statement, which shows the cash we paid out last year, it can give some different perspectives. Often the most interesting information is in the "notes" to the different accounts.

Last, but not least, near the front of the report you'll find a "statement of internal control" - jointly signed by the Leader of the Council (a councillor) and our Chief Executive (the most senior member of staff in the council). This report highlights "internal control issues" (basically problems) that might derail the council - together with the action we are taking to address them.

## **1.3 What these figures don't show**

These figures don't give much information on how efficient Oxford City Council is, or how well we compare with other local authorities (its a problem with all published accounts), but you can get information on this by looking at the comprehensive performance information, which we also publish. This shows how we do in a series of areas ranging from council tax and rent collection to cleanliness of our streets.

## **1.4 What we spent**

Last year we spent £221 million on all of our services, that's about £1,650 for every person living in our city. We spent £124 million on housing related services, (that figure includes around £50 million of housing benefits which we pay out on behalf of Government and then claim back).

We spent £37 million on "leisure, culture and planning services". That includes our six leisure centres, 606 hectares of parkland and public spaces and our ice rink. You can find details of our spending on page 12 onwards.

## **1.5 What we own**

Our largest single asset is our 8,000 council houses. At the end of the year we had these independently re-valued. Our independent surveyor estimates they are now worth £581.3 million. We also own £97 million of "other land and buildings" which includes community centres, offices,



two depots, housing offices and our leisure facilities. We are fortunate in also owning a further £91 million in investment properties, ranging from the Covered Market - to the cinema in George Street.

Finally we had £36 million in investments, basically deposits in banks and building societies. Over the year we generated £2.5 million in interest from these funds.

## **1.6 What are the main messages?**

In 2005/06 we held our day-to-day spending broadly in line with previous years, and by living within our budgets our general fund and housing reserves now stand at £5.8 million and £2.8 million respectively. This means we have a modest cushion in case we run into any unexpected difficulties (page 45).

On top of these balances we have £3.5 million in provisions and £2.3 million in “earmarked reserves”. The largest element of this is a provision of £2.3 million, which relates to a disputed housing benefit scheme dating back many years. We believe we acted properly and have worked with Government to establish what was actually owed. In the last few days the Government has told us they believe the sum owed is just over £2 million. This means the remainder of the provision will not be needed – and we will return it to our general balances.

We spent £22.9 million on new and refurbished buildings. We completed work on the Barton Pool and Blackbird Leys Leisure Centre, and we spent £14.3 million on our programme of improvements to council houses. We paid for this by using money from property sales, government funding and £3.7 million of housing reserves.

We currently plan to spend another £50 million in the next three years of which £30 million will go towards modernising our housing stock.

We’ve collected more money than originally estimated from council tax. Our share of this extra income was £384,000.

However the debts owed to us rose over the year from £11.1 million to £15.1 million (after making allowances for debts we don’t think we’ll be able to collect). In large part this was because Government Departments owed us £2.5 million more than the previous year.

We paid out £43.4 million in wages (slightly below the year previous) and £246,600 in allowances to councillors (one tenth of one percent of our total spending). Eight out of our 1,335 employees earned more than £50,000 each in 2005/06.

Over the year we paid out more in cash than we collected, and as a result our cash holdings fell by £212,000.

Finally the Statement of Internal Control contains some important messages. Our Internal Auditors highlighted a series of weaknesses in the management of our leisure services and we’ve taken action to address them.

Mark Luntley  
**Strategic Director, Finance and Corporate Services**

To find out more about these accounts write to:

Mark Luntley, Strategic Director, Finance and Corporate Services  
Oxford City Council, Town Hall, Oxford OX1 1BX

Or e-mail: [emace@oxford.gov.uk](mailto:emace@oxford.gov.uk)

## 2. EXPLANATORY FOREWORD

### 2.1 Introduction

The accounts for 2005/2006 set out on the following pages have been prepared in accordance with 'The Code of Practice on Local Authority Accounting in the United Kingdom 2005: A Statement of Recommended Practice' (SORP).

The purpose of the published statement of accounts is to give electors, local taxpayers, members of the authority and other interested parties clear information about the Council's finances. These accounts are supported by details of the accounting policies of the Council, a glossary of terms and by appropriate notes to the accounts to provide readers with further explanations and information. The SORP specifies the minimum standards and information that must be included in the statement. The Council has, wherever practical, included further information and sought to achieve a higher standard.

The following statements are included: -

Consolidated Revenue Account (CRA)	Outlines the expenditure, income and net cost for the year of all the Council's revenue services and functions, and shows how this has been financed from general Government grants and income from local taxpayers.
Housing Revenue Account (HRA)	Details the income and expenditure attributable to the provision of Council owned houses, included within the Consolidated Revenue Account.
Collection Fund	Shows the transactions in relation to collection of Council Tax and National Non-domestic Rates and how the amounts collected have been distributed.
Consolidated Balance Sheet	Summarises the overall financial position of the Council at the 31 <sup>st</sup> March 2005 showing its assets, liabilities and reserves.
Statement of Total Movement in Reserves	Measures the changes in the Council's reserves in the year.
Cash Flow Statement	Records the movements of cash into and out of the Council arising from transactions with third parties.

### 2.2 Commentary on 2005/2006

#### General Fund

The Council set a budget for spending on General Fund services of £25.4 million, to be financed partly from Government Grant of £10.4 million and a share of national non-domestic rates of £4.1 million. Of the remainder £9.8 million was to be raised through council tax and £0.4 million was a contribution from the previous year's collection fund surplus, with £0.7 million being taken from balances. The average council tax for a Band D property was set at £224.54.

At the end of the year, net spending was £24.7 million, £0.7 million less than originally planned. There were general reductions in expenditure across various business units together with an underspend of £0.4 million on Local Cost of Benefits as a result of a good recovery during the year of overpaid housing benefits. In addition the receipt of Local Authority Business Growth Incentive grant of £0.5m enabled £0.7 million to be added to general balances, which stood at £5.8 million at 31<sup>st</sup> March 2006.



## Housing Revenue Account

The Council set a budget for the Housing Revenue Account to achieve a surplus of £1.2 million for the year. It planned to use this surplus together with balances in hand at the start of the year to fund capital spending of £4.7 million. In the event a surplus of £1.8 million resulted and the capital met from revenue was reduced to £3.7 million resulting in a Housing Revenue Account balance of £2.8 million at 31<sup>st</sup> March 2006.

## Capital

Capital expenditure of £23.1 million was initially planned for 2005/06. The programme was reviewed regularly during the course of the year to take account of changing priorities and new opportunities resulting in actual expenditure of £22.8 million.

At 31<sup>st</sup> March 2006, the Council had total external borrowing of £11.8 million.

## Treasury Management

The Council has significant cash reserves which it invests through the Money Market. The interest earned is credited to the Consolidated Revenue Account thus helping to maintain council tax increases at reasonable levels.

Changes in cash flow and lower interest rates resulted in investment income slightly under original budget by £0.1 million.

## Audit

These accounts are an amended version of the accounts approved for publication subject to audit by Audit & Governance Committee on 29<sup>th</sup> June 2006.

Date approved by Audit & Governance Committee 29<sup>th</sup> September 2006

Handwritten signature of Mark Lintom in black ink, written over a dotted line.

Councillor Clark Brundin  
The Chair  
Audit & Governance Committee

### **3. ACCOUNTING POLICIES**

#### **3.1 General**

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2005: A Statement of Recommended Practice (SORP). The fundamental principles of relevance, reliability, comparability, understandability and materiality underpin the accounts. Three pervasive concepts of accruals, going concern and the primacy of legislative requirements have been given precedence and used in the selection and application of accounting policies and estimating techniques and in the exercise of professional judgement.

No material changes in accounting policies have been introduced in 2005/2006.

#### **3.2 Basis of Accounting**

The Council has adopted a historical costs basis, modified by the revaluation of land and buildings, for the presentation of its accounts.

#### **3.3 Provisions and reserves**

Provisions have been made for all liabilities where the precise timing or values cannot be determined. Reserves are set aside by the Council for specific policy purposes, or to cover contingencies to meet general rather than specific future expenditure.

#### **3.4 Tangible Fixed Assets**

Expenditure on fixed assets is capitalised, provided that the fixed asset yields significant benefits to the Authority, and the services it provides, for a period of more than one year.

In accordance with the SORP our assets are normally shown in the balance sheet in the following way:

- Operational assets at the lower of the net current replacement cost and the net realisable value for their existing use.
- Non-operational assets at the lower of net current replacement cost and net realisable value. For Investment properties, this is normally open market value.

Infrastructure and community assets are valued at existing use value instead of historical cost. While this is a departure from the SORP the effect on the balance sheet is not considered material.

Assets included in the balance sheet at current value are subject to a rolling programme that ensures that they are formally re-valued at intervals of not more than five years.

Where appropriate depreciation is provided, calculated using the straight-line method, over the finite useful life of the asset. Assets, other than land, with an expected life of 50 years or more that are not depreciated, are reviewed annually to assess whether their value is impaired either through falling prices or due to their condition and use. Depreciation is charged in the first full year after the acquisition or change in valuation of an asset. Where assets are acquired or re-valued after the start of the financial year no adjustment is made to the depreciation calculation until the following year. A full year of depreciation is charged on assets disposed of during the financial year.

Revenue accounts are charged for all fixed assets used in the provision of services. The charge covers the provision for depreciation plus a capital financing charge.

De minimis levels have been set with effect from 1<sup>st</sup> April 2005:

Vehicles - £5,000 unless a vehicle licence is required.

Furniture & Equipment - £10,000

### **3.5 Intangible Assets**

When capital expenditure is incurred, which does not result in the creation of an asset belonging to the Council (for example when improvement grants are made), or when the asset has no disposable value (for example computer software), an intangible fixed asset results. In the first case, a deferred charge is created which is written off in the year the expenditure is incurred to the appropriate service account. In the latter the intangible asset is fully depreciated over the term of its expected life.

### **3.6 Receipts arising from sale of assets**

Receipts from the disposal of assets are generally credited to the useable capital receipts reserve. The exception relates to sale of council houses under 'Right to Buy' legislation, where the Council is required to pay a proportion into a national pool, administered by the Government, and redistributed to local authorities to promote social housing development.

Upon the disposal of any fixed asset, its individual value and any accumulated depreciation is written out of the accounts. However, the stock of council dwellings is held within the accounts as a single asset with a total valuation and the value is adjusted to reflect disposals and demolitions by a reduction in proportion to the number of dwellings disposed of compared to the total number. Whilst this is a departure from the requirements of the SORP the effect on the Council's accounts is not material.

### **3.7 Grants**

Revenue Grants are matched to the expenditure to which they relate. Grants for capital purposes are credited to a Grants Deferred account and written off over the useful life of the asset to which they relate to offset the depreciation charge.

### **3.8 Interest Charges**

Interest paid on external loans and received on investments is accounted for according to the period to which it relates. In those cases where there is a statutory or legal obligation, for example where the Council holds deposits for specific purposes on behalf of third parties, it makes contributions in lieu of interest on cash balances in hand.

### **3.9 Redemption of Debt**

The Council is required to set a sum aside each year to provide for the repayment of loans, calculated as a proportion of its capital financing requirement. However for 2005/2006, the capital financing requirement was negative and therefore the required sum set aside was nil.

### **3.10 Leases**

Items previously acquired under finance leases are included within fixed assets. All these leases are within their secondary period and the annual payments are charged to the service accounts using the assets. This is a departure from the requirements of FRS18, which requires the payments to be split between principal and interest.

Annual payments under operating leases are charged to the revenue accounts at the date of payment. This is a departure from FRS18, which requires charges to be made evenly throughout the period of the lease.

In both cases however, the effect of the departure from the SORP is not material to the Council's financial position.

### **3.11 Long-term contracts**

Where the Council has entered into contracts that run for longer than one year, the liability or benefit arising is included in the balance sheet as a long-term creditor or debtor respectively.

### **3.12 Debtors and Creditors**

Provision is made within the accounts for all goods and services provided to or supplied by the Council by 31<sup>st</sup> March. Where invoices have not been received or issued by that date accruals are made for the amounts due to creditors and due to be received from debtors.

### **3.13 Stock**

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

### **3.14 Work in Progress**

Where significant works for other bodies are not fully completed at 31<sup>st</sup> March, the value carried out at that date is estimated and income is accrued within the appropriate service account.

### **3.15 Overheads**

The costs of Support Services (for example Information Systems and Financial Services) are charged to individual service accounts in accordance with CIPFA's 'Best Value Accounting Code of Practice', based upon the best estimates of where activity occurs.

### **3.16 Pensions**

The Council complies with the requirements of FRS17. The current year pension costs are shown within net cost of services, with past year, curtailment and settlement costs included under other operating costs. A transfer to or from the pension reserve is made to negate the effects of the pensions adjustments on council tax.

### **3.17 Financial relationships with companies and related party interests**

Under the terms of FRS9 where the Council has an interest in any other entity it is required to prepare a Group Income and Expenditure Account and Group Balance Sheet. The Council holds no interest in any other entity and therefore no group accounts have been produced.

Where either the Council, or its Members or Senior Officers, is connected with any other entity that it transacts any business with, it is required to disclose these as related party interests in a note to the Consolidated Revenue Account.

### **3.18 Other investments**

The Council invests its surplus cash in accordance with its treasury management policy and the CIPFA Code of Practice on Treasury Management.

#### **For further information on the above accounting policies contact:**

Mike Baish or Penny Gardner

Financial & Asset Management Business Unit Managers

Tel: 01865 252708

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## 4. RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### 4.1 The Authority's Responsibilities

The authority is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Section 151 Officer (as set out in the Local Government Act 1972)
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

### 4.2 The Section 151 Officer's Responsibilities

The Section 151 Officer is legally and professionally responsible for the preparation of the authority's Statement of Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice'), is required to present fairly, the financial position of the authority at the accounting date and its income and expenditure for the year ended 31st March 2006.

In preparing this Statement of Accounts, the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Section 151 Officer has also:

- Kept proper and up to date accounting records; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

*Mark Luntley*

*29.9.06 .*

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Mark Luntley  
Strategic Director, Finance & Corporate Services  
Section 151 Officer

Dated

## **5. STATEMENT OF INTERNAL CONTROL**

### **5.1 Scope of Responsibility**

Oxford City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty to secure continuous improvement in the services it provides to the community.

In discharging this responsibility, the Council must ensure there is a sound system of internal control that facilitates the effective exercise of all of its functions; including the management of risk.

### **5.2 The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control described below has been in place at the Council for the year ended 31 March 2006 and up to the date of approval of the annual Statement of Accounts.

### **5.3 The Internal Control Environment**

The key elements of the Council's internal control environment are as follows:

- A local "Code of Corporate Governance" which sets out how the Council aims to demonstrate effective governance across the five dimensions; Community Focus, Service Delivery Arrangements, Structures & Processes, Risk Management and Internal Control and Standards of Conduct
- A Standards Committee to promote maintenance of high standards throughout the authority and to monitor the operation of the Members Code of Conduct
- An Audit & Governance Committee that provides independent assurance that there are adequate controls in place to mitigate key risks and that the authority, including the scrutiny function, is operating effectively.
- A "cabinet" decision-making structure, with a Leader, Executive Board and four Scrutiny Committees, to facilitate policy and decision-making. Where possible, local decisions are made by Area Committees.
- A Constitution which sets out the roles and responsibilities and delegation of authority for how the Council is to be managed. It also includes a set of financial and contract regulations. The "scheme of delegation" sets out those decisions that officers can make without needing Council approval.
- A forward plan, updated and published monthly, which contains details of key decisions to be made.
- The Council's two Statutory Officers who have specific responsibilities; the S151 Officer for Finance related issues and the Monitoring Officer for legal related issues. Senior Managers have been briefed on the role of the responsible finance officer whilst a report, presented at

Council and incorporated into the Constitution, sets out the role of the Monitoring Officer. All reports are approved by nominated representatives from Finance and Legal Services prior to their presentation to the Executive Board.

- The Council's vision and high-level objectives, which were established through wide consultation. The "Oxford Plan" is founded on two underpinning values: stable finances and high quality services. These top-level objectives are built into business plans for each business unit that also contain performance targets designed to measure progress against the vision and objectives.
- The business planning and budget setting process involves consultation with the public through Area Committees, Tenant Forums and Business Ratepayers. Each month Managers monitor and report on spending and selected performance measures. These reports go to all Councillors and Senior Managers. Every third month a more in-depth financial projection is made picking out future and in-year financial pressures. More detailed performance information is reported at the same time.
- The Best Value Performance Plan, published annually, which sets out how the Council will aim to ensure the economic, effective and efficient use of resources.
- A risk strategy and a risk register is in the process of being embedded within business plans that provide the basis for budget planning. Business Managers are required to provide assurance statements for their areas of responsibility that identify any weaknesses of areas of potential risk. For each item a plan detailing the responsible officer and timetable for action is drawn up. Strategic Directors provide a similar assurance statement covering cross-cutting issues within their areas of responsibility.
- A corporate training plan, linked to job descriptions and person specifications for every post, identifying the key requirements of staff across all business units and setting out priorities for meeting these needs.
- The Council maintains an internal audit service that operates to the standards set out in the "Code of Practice for Internal Audit in Local Government in the UK".

## **5.4 Review of Effectiveness**

The Council is responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. The review is informed by the work of the internal auditors and the senior management, as well as comments from external auditors and other review agencies. The internal audit service has been tendered and the contract started in September 2005.

The process that has been applied in maintaining and reviewing the effectiveness of the internal control system includes:

- The Monitoring officer has a duty to monitor and review the operation of the constitution to ensure its aims and principles are given full effect.
- The Audit and Governance Committee approves the internal audit plan and monitors progress. It receives executive summaries of all internal audit reports and looks at the detailed reports in those cases where the overall assessment is less than satisfactory.
- The Council's Scrutiny Committees have undertaken work programs to consider matters referred by the Executive Board, Executive Board decisions and analysis of policy issues identified by the Committees themselves. They can call in a decision made by Executive Board, enabling them to consider whether the decision is appropriate.
- The Standards Committee has adopted a code of conduct for members incorporating the mandatory requirements of the model code. The Committee has monitored the outcome of complaints, including those referred to the local government ombudsman.

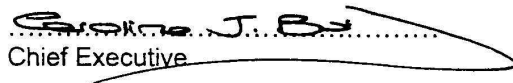


- Internal Audit are responsible for monitoring the quality and effectiveness of systems of internal control. A risk-based approach is used in drawing up annual and longer-term audit plans. The audit plan has been substantially delivered and some significant control issues were identified. Management have acknowledged these weaknesses and action plans have been put in place to address them.
- A register of recommendations and agreed actions arising from internal audit reports is maintained and monitored to ensure that weaknesses identified are addressed.
- Senior Management meets regularly with the Council's external auditor and received assurance from their work. Arrangements are in place to ensure that recommendations made by auditors and inspectors are responded to appropriately.

### 5.5 Significant Internal Control Issues

The following significant internal control issues have been identified:

Issue	Action
Annual Audit letter for 2004/2005 relating to final accounts issues made recommendations to improve the closedown process.	<ul style="list-style-type: none"> <li>• Improved management to speed up processes and achieve higher quality in closedown of 2005/2006 accounts</li> </ul>
Risk management to be embedded across organisation	<ul style="list-style-type: none"> <li>• Risk register to be reviewed regularly by Audit and Governance Committee and Senior Management Board</li> <li>• Risks recognised and actions to be taken to mitigate them built into business plans for 2006/2007</li> <li>• Workshops and training programme developed for 2006/2007</li> </ul>
Requirement to fund a capital programme into the medium/long term	<ul style="list-style-type: none"> <li>• Capital strategy and asset management plan to be monitored and progress reported quarterly to Executive Board</li> </ul>
ICT hardware and software infrastructure is not lifecycle managed	<ul style="list-style-type: none"> <li>• Create action plan, supporting capital funding plan and incorporate into 2007/2008 business plan</li> </ul>
Use of Resources judgement on internal control for 2004/2005 was disappointingly graded as 1.	<p>Actions since the 2005 judgement include:</p> <ul style="list-style-type: none"> <li>• The improved performance of the externally procured internal audit service.</li> <li>• The appointment of a highly effective monitoring officer.</li> <li>• The establishment of a risk register.</li> <li>• The establishment of the Audit &amp; Governance Committee.</li> <li>• The setting up of an assurance regime to provide evidence to support the SIC.</li> </ul>
A review of the controls in place within Leisure was undertaken by our internal auditors KPMG which identified 40 weaknesses.	<ul style="list-style-type: none"> <li>• An action plan has been issued and will be implemented in 2006/07.</li> </ul>

  
 Chief Executive  
 Date: 29 SEPTEMBER 2006

  
 Leader of the Council

## 6. CONSOLIDATED REVENUE ACCOUNT

	Gross Expenditure 2005/06 £000's	Gross Income 2005/06 £000's	Net Expenditure 2005/06 £000's	Net Expenditure 2004/05 £000's
Central Services to the Public	11,338	(9,079)	2,259	1,877
Cultural, Environmental & Planning Services	37,479	(14,418)	23,061	18,900
Highways, Roads & Transport Services	6,984	(6,370)	614	921
Housing Services	123,697	(84,658)	39,039	40,522
Corporate & Democratic Core	5,067	(389)	4,678	4,894
Non Distributed Cost	36,870	(36,793)	77	1,021
<b>Total Net Cost of Services</b>	<b>221,435</b>	<b>(151,707)</b>	<b>69,728</b>	<b>68,135</b>
Parish Council Precepts			136	128
Surplus on Trading undertakings			(65)	(80)
External Interest Received			(2,467)	(2,848)
Asset Management Revenue Account			(23,761)	(25,276)
Pensions interest cost & expected return on pensions			1,730	2,640
Contribution of housing capital receipts to Government Pool			2,051	4,458
<b>Net Operating Expenditure</b>			<b>47,352</b>	<b>47,157</b>
<b>Appropriations:</b>				
Contribution to HRA balances			(1,826)	423
Contribution to Major Repairs Account			(11,662)	(11,769)
Capital expenditure financed from revenue			4,193	1,295
Capital Financing & Appropriations			(10,581)	(5,262)
Contributions to Reserves			281	(2,153)
Contributions to/from reserves equal to net change in pensions liability			(1,000)	(2,901)
Transfer from Usable Capital Receipts equal to the contribution to Housing Pooled Capital Receipts			(2,051)	(4,458)
<b>Amount to be met from Government Grants and Local Tax Payers</b>			<b>24,706</b>	<b>22,332</b>
<b>Financed by:</b>				
Demand on the Collection Fund			(9,880)	(9,163)
Revenue Support Grant			(10,480)	(10,529)
Redistributed NDR			(4,112)	(3,666)
Local Authority Business Growth Incentive			(548)	0
Share of Collection Fund (Surplus) / Deficit			(384)	180
<b>Surplus for year</b>			<b>(699)</b>	<b>(846)</b>
Balance at 1 April			(5,099)	(4,253)
Surplus for the year			(699)	(846)
<b>Balance at 31 March</b>			<b>(5,798)</b>	<b>(5,099)</b>

## NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

### 6.1 Expenditure Incurred on Publicity

In accordance with Section 5 of the Local Government Act 1986, the Council is required to disclose expenditure on publicity. In 2005/06, Oxford City Council spent £810,863 on publicity (£670,925 in 2004/05). Expenditure was incurred on staff advertising and the advertising and publicity of Council activities.

	2005/06 £000's	2004/05 £000's
Staff Advertising	334	225
Advertising & Publicity	477	446
<b>Total</b>	<b>811</b>	<b>671</b>

### 6.2 Finance and Operating Leases

The Authority uses cars, vans, trailers, tippers, dustcarts, photocopiers and CCTV equipment financed under terms of a lease. The types of lease are detailed below. A Finance Lease exists if all risks and rewards of ownership of an asset transfer to the lessee or if the total rental costs on a lease is over 90% of the cost of the asset. An operating lease is anything other than a Finance Lease.

	2005/06 £000's	2004/05 £000's
Operating Lease	709	885
Finance Lease	7	8
<b>Total</b>	<b>716</b>	<b>893</b>

### Future Rental Liabilities under Operating Leases

The Authority is committed to making payments of £1.1m in 2006/07 (£606,664 in 2005/06) on our current operating leases.

	Vehicles £000's	Plant & Equipment £000's
<b>Leases expiring in:</b>		
2006/2007	367	156
2007/2008 to 2010/2011	359	119
After 2010/2011	0	0
<b>Total</b>	<b>726</b>	<b>275</b>

## Future Rental Liabilities under Finance Leases

The Authority holds various fixed assets, principally vehicles and office equipment under finance leases. The total commitment is £47,961 (£54,918 2004/05).

	Vehicles, Plant & Equipment £000's
<b>Obligations payable in:</b>	
2006/2007	7
2007/2008 to 2011/2012	34
After 2011/2012	7
<b>Total</b>	<b>48</b>

The above finance leases are all in the secondary rental period, and therefore no split between capital and interest is required. The above payments are charged to service accounts.

## 6.3 Trading Operations

Details of the Council's trading operations are given in the table below.

	Expenditure	Income	Net (Surplus) / Deficit	Net (Surplus) / Deficit
	2005/06 £000's	2005/06 £000's	2005/06 £000's	2004/05 £000's
Building Control Charging Account	757	(693)	64	181
Trade Refuse	1,172	(1,253)	(81)	(187)
Building Maintenance Services	1,397	(1,445)	(48)	(74)
<b>Total trading operations</b>	<b>3,326</b>	<b>(3,391)</b>	<b>(65)</b>	<b>(80)</b>

The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. The figures in the trading account above show the chargeable costs for the year. In addition to these, there are certain activities performed by the Building Control Unit which cannot be charged for externally, such as providing general advice and liaising with other statutory authorities. Expenditure for the non-chargeable work was £178,349 of which £45,278 was recharged internally to other Business Units (2004/05 expenditure £167,509 and internal income £33,752).

## 6.4 Agency Services

Oxford City Council carried out certain work on an agency basis on behalf of Oxfordshire County Council for which it is fully reimbursed.

Under Section 42 of the Highways Act 1980 the Council maintains unclassified roads, footpaths & bridleways within the City. In 2005/06 the Council incurred £1,858,057 of expenditure, which was fully reimbursed by Oxfordshire County Council (2004/05 £1,113,281)

Expenditure on highways, traffic management, and transport schemes, paid for by developer contributions under Section 106 Agreements in 2005/06 totalled £201,856 (2004/05 £335,743).

## 6.5 Interest Receivable

Interest is credited in the year in which it is due, as opposed to the year in which it is received. Income due to the City Council was £2.5 million in 2005/06 (£2.8 million in 2004/05).

## 6.6 Pensions

The Council participates in the Oxfordshire County Council Pension Fund, a local government defined benefit pension scheme based on pensionable final salary.

In accordance with Financial Reporting Standard 17 (FRS17) all costs and liabilities for pensions are recognised in the revenue accounts as soon as they become apparent. In order to avoid fluctuations in Council Tax levels any movement in the year in the shortfall or surplus on pensions is credited or charged to a reserve.

The pension fund actuary estimated the shortfall as at 1<sup>st</sup> April 2005 as £66.3m (1<sup>st</sup> April 2004 £49.53m). The shortfall arose because life expectancy has steadily increased in recent years and the value of investments has not kept pace with the increase in potential liabilities for future pension payments.

During 2005/2006 the position improved marginally with the value of investments increased by 27%, and the estimated liabilities rose by over 15%, reducing the overall deficit to £64.84m at 31<sup>st</sup> March 2006.

Eventually the shortfall in the pension fund will have to be made good. This has long-term implications for either the level of local taxation or for the level of services that we can afford.

An analysis of the impact of FRS17 on the consolidated revenue account is shown below:

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Current service cost	5,280	4,920
Past service costs	480	610
Interest	8,740	8,820
Expected return on assets	(7,010)	(6,180)
Actual amount charged to revenue for pensions	(6,490)	(5,270)

Further details relating to Pensions are provided in Note 9.22 to the Balance Sheet and Note 10.2 to the Statement of Total Movement in Reserves.

## 6.7 Higher Paid Employees

The Council is required to disclose, in bands of £10,000, the number of employees whose remuneration was over £50,000. Remuneration excludes pension contributions but includes all taxable benefits paid to or receivable by an employee.

Remuneration Band	Number of employees 2005/06	Number of employees 2004/05
£50,000 - £59,999	3	7
£60,000 - £69,999	4	2
£70,000 - £79,999	2	0
£80,000 - £89,999	1	1
£90,000 - £99,999	0	0
£100,000 - £110,000	1	0
<b>Total Number</b>	<b>11</b>	<b>10</b>

## Directors' Remuneration

		2005/06 £'s	2004/05 £'s
<b>Directors Remuneration</b>			
Chief Executive	C. Bull (from 01/06/04)	104,408	84,514
Strategic Director - Physical Environment	S. Cosgrove	69,603	67,609
Strategic Director - Housing, Health & Community	N. Gibson (until 05/12/04)	0	52,057
Strategic Director - Housing, Health & Community	M. Lawrence (from 05/01/05)	67,872	15,829
Strategic Director - Finance & Corporate Services	M. Luntley	71,987	69,908

## 6.8 Members' Allowances

	2005/06 £	2004/05 £
<b>Members' Allowances</b>		
Basic Allowance	158,804	153,866
Special Responsibility Allowance	81,007	52,677
Travel Expenses	3,500	1,874
Carers Allowance	3,291	1,713
<b>Total Payments</b>	<b>246,602</b>	<b>210,130</b>

## Detailed Breakdown of Members Allowances 2005/06

	Total £'s		Total £'s
<b>Councillor Name</b>		<b>Councillor Name</b>	
A Armitage	6,696	C Kent	3,351
W Baker	10,703	T MacGregor	4,817
R Beer	3,331	S Malik	3,362
E Benjamin	3,862	S Mirza	3,331
A Brett	4,997	R Muir	6,579
S W Brown	7,129	M Murray	3,331
C Brundin	5,006	C Palmer	4,997
W Buckingham	3,331	D Paskins	8,328
J Campbell	6,492	S Phelps	3,609
M Christian	6,809	S Pressel	4,813
M Clarkson	7,717	R Price	3,942
L Cole	3,331	S Roaf	4,719
M Collins	1,943	C Roberts	3,130
C Cook	1,039	G Royce	5,227
S Craft	3,539	D Rundle	4,997
S Dhall	5,101	G Sanders	5,318
M Florey (decd)	902	M Sareva	5,876
J Fooks	3,331	P Sargent	3,803
J Goddard	6,246	M Sellwood	4,151
T Gray	4,025	C Simmons	4,924
A Hollander	5,066	D Sinclair	5,477
A Hollingsworth	10,776	S Tall	4,997
R Humberstone	3,016	J Tanner	6,662
B Keen	7,157	E Turner	8,654
B I Keen	3,331	C Van Zyl	3,331
		<b>Total</b>	<b>246,602</b>

## 6.9 Asset Management Revenue Account

The Council follows the Asset Rental System of Capital Charging and maintains an Asset Management Revenue Account (AMRA) to reconcile the net cost of services, which include asset rentals, to the amount of expenditure chargeable in determining Council Tax.

	2005/06 £000's	2004/05 £000's
Income from charges for use of fixed assets	(49,823)	(46,416)
Expenditure:		
Depreciation	19,395	19,524
External Interest Due	1,570	1,616
Impairment	5,097	0
<b>Total</b>	<b>(23,761)</b>	<b>(25,276)</b>



## 6.10 Minimum Revenue Provision

The Council is required to make a minimum provision within its revenue account for debt repayment (MRP), calculated as a percentage of its Capital Financing Requirement (CFR) at the start of the financial year. At 1<sup>st</sup> April 2005 Oxford City Council had a negative CFR and therefore no MRP is required in 2005/2006.

## 6.11 Special Expenses

The Council covers both parished and unparished areas. Parishes can issue their own precept to cover the costs of services they provide. In the remainder of the City, the Council provides services that in other areas would be provided by a Parish. It maintains a Special Expenses Account for the unparished area and levies a supplementary Council Tax for this area. Expenditure for this account was:

	2005/06 £000's	2004/05 £000's
Parks and open spaces	117	136
Cemeteries	13	12
Street furniture	127	131
Allotments	22	25
<b>Total</b>	<b>279</b>	<b>304</b>

## 6.12 Related Parties

The Council has the following relationships, none of which are considered material under the Accounting Code of Practice.

- **Central Government** - Central Government provides 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.
- **Member's and Officer's Interests** - No material interests have been declared.
- **South Oxfordshire Housing Association** – The Council undertakes maintenance work to the Association's dwellings under contract.
- **Oxford City Centre Management Company** – The Council is on the board but do not have an interest.
- **Oxford Inspires** – The Council is on the board but do not have an interest.
- **Local Improvement Finance Trust** – The Council holds no interest but does sit on an advisory board.

### 6.13 Self Insurance

Oxford City Council maintains a self-insurance fund as an alternative to the insurance market. It is used to meet claims up to specified limits, above which the City Council insures through external insurers. The fund covers employer's liability, public liability and buildings. Details of the fund for 2005/06 are given below.

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Premiums	285	225
Claims	(223)	(203)
<b>Surplus</b>	<b>62</b>	<b>22</b>

### 6.14 Local Authority (Goods and Services) Act 1970

Under powers contained in the Local Authority (Goods & Services) Act 1970, the Council provided services to various local Housing Associations, Cherwell District Council, Vale of White Horse District Council, West Oxfordshire District Council, and Oxfordshire County Council. Income in 2005/06 amounted to £1,647,562 (2004/05 £1,718,067) against expenditure incurred of £1,599,562 (2004/05 £1,644,067).

### 6.15 Audit Costs

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
External Audit Service	209	200
Certification of Grant Claims & Returns	81	123
Statutory Inspections	0	1
Other	19	5
<b>Total</b>	<b>309</b>	<b>329</b>

## 7. HOUSING REVENUE ACCOUNT

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
<b>Income</b>		
Dwelling Rents (Gross)	(26,272)	(24,546)
Non Dwelling Rents (Gross)	(876)	(1,303)
Charges for Services & Facilities	(1,423)	(1,285)
Contributions towards expenditure	(1,401)	(1,165)
<b>Sub Total</b>	<b>(29,972)</b>	<b>(28,299)</b>
<b>Expenditure</b>		
Repairs & Maintenance	7,873	7,208
Supervision & Management	6,703	6,268
Rents, Rates, Taxes & Other Charges	263	33
Subsidy Payable	6,544	6,580
Capital Charges	22,753	24,038
Depreciation	16,807	16,905
Impairment	248	0
Deferred Charges	22	0
Contribution to Bad and Doubtful Debts	216	156
<b>Sub Total</b>	<b>61,429</b>	<b>61,188</b>
<b>Sub Total: Net Cost of Services</b>	<b>31,457</b>	<b>32,889</b>
Adjusting Transfer from AMRA	(21,725)	(22,792)
Investment Income & Mortgage Interest	(172)	(161)
<b>Net Operating Expenditure</b>	<b>9,560</b>	<b>9,936</b>
Revenue contributions to Capital Expenditure	3,727	1,295
Transfers from Major Repairs Reserve	(11,662)	(11,769)
Transfers to Pension Reserve	174	53
Other Appropriations	27	62
<b>Deficit or (Surplus) for the year</b>	<b>1,826</b>	<b>(423)</b>
<b>Housing Revenue Account Balances</b>		
<b>Balance as at 1 April 2006</b>	<b>(4,603)</b>	<b>(4,180)</b>
Deficit or (Surplus) for the year	1,826	(423)
<b>Balance as at 31 March 2006</b>	<b>(2,777)</b>	<b>(4,603)</b>

# NOTES TO THE HOUSING REVENUE ACCOUNT

## 7.1 Rent Arrears

	2005/06 £000's	%	2004/05 £000's	%
<b>Arrears Details</b>				
Current Tenants	1,187	4.52	1,324	5.27
Past tenants	277	1.06	1,032	4.11
<b>Overall</b>	<b>1,464</b>	<b>5.58</b>	<b>2,356</b>	<b>9.38</b>
<b>Total Rents due in year</b>	<b>26,231</b>		<b>25,119</b>	

	2005/06 £000's	2004/05 £000's
<b>Doubtful Debt provision</b>		
Opening Balance	1,525	1667
Write-offs in Year	(1,038)	(298)
Additional Provision	196	156
<b>Closing Balance</b>	<b>683</b>	<b>1,525</b>

## 7.2 Stock Analysis

### Dwellings

	As at 31-Mar-06	As at 31-Mar-05
<b>Houses</b>		
1 bedroom	285	298
2 bedroom	867	876
3 bedroom	3,007	3,018
more than 3 bedroom	278	266
<b>Flats</b>		
1 bedroom	1,662	1,663
2 bedroom	1,737	1,737
3 bedroom	153	155
more than 3 bedroom	2	1
<b>Hostels</b>		
	51	74
<b>Overall Total</b>	<b>8,042</b>	<b>8,088</b>

	<b>As at 31-Mar-06</b>	<b>As at 31-Mar-05</b>
<b>Summary of changes in Stock</b>		
Stock at 1st April 2005	8,088	8,200
Less Sales	(52)	(54)
Other Disposals	(3)	(72)
Other Adjustments	9	14
<b>Stock at 31st March 2006</b>	<b>8,042</b>	<b>8,088</b>

### Garages and Parking Spaces

	<b>As at 31-Mar-06</b>	<b>As at 31-Mar-05</b>
Garages In Block	2,463	2,508
Garages adjoining dwellings	276	276
Parking Spaces	50	50
<b>Overall Total</b>	<b>2,789</b>	<b>2,834</b>

	<b>As at 31-Mar-06</b>	<b>As at 31-Mar-05</b>
<b>Summary of changes in Garages &amp; Parking Spaces</b>		
Stock at 1st April 2005	2834	2,940
Demolished	(45)	(106)
<b>Stock at 31st March 2006</b>	<b>2,789</b>	<b>2,834</b>

### 7.3 Major Repairs Reserve

	<b>2005/06 £000's</b>	<b>2004/05 £000's</b>
<b>Opening Balance</b>	<b>(29)</b>	<b>(945)</b>
Transfer from Capital Financing Reserve	(16,807)	(16,776)
Interest on Balance	(1)	(30)
Excess of Depreciation on dwellings over Major Repairs Allowance	11,662	11,769
Financing of Capital Expenditure (MRA Applied)	5,175	5,953
<b>Closing Balance</b>	<b>0</b>	<b>(29)</b>

## 7.4 Housing Subsidy

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Management and maintenance	11,464	10,001
Major Repairs Allowance	5,145	5,007
Charges for capital	2,979	2,924
Other items of reckonable expenditure	36	55
<b>Less:</b>		
Interest on receipts	(28)	(36)
Guideline rent income	(25,997)	(24,694)
<b>Housing Subsidy Payable</b>	<b>(6,401)</b>	<b>(6,743)</b>
Adjustment to subsidy for prior year	314	163
Rent Rebate Subsidy Limitation	(374)	0
<b>Total</b>	<b>(6,461)</b>	<b>(6,580)</b>

Housing Revenue Account Subsidy represents the net amount paid by the Authority to Central Government in respect of the surplus on the notional HRA. Rent Rebate Subsidy Limitation is a payment to the DWP because the average rent per council dwelling is higher than the ODPM's guideline rent.

## 7.5 Stock Valuation

A valuation of the stock was carried out by Cluttons at 31<sup>st</sup> March 2006. The vacant possession value of dwellings at that date was estimated to be £1.3 billion. This is an indication of the open market value that might be obtained if the Council were in a position to dispose of the properties in that way. The Council is required to show in its balance sheet their value on their existing use basis for social housing.

	<b>2005/06</b>
	<b>£000's</b>
<b>Asset Values by Asset Type</b>	
Council Dwellings	581,353
Other Land & Buildings	16,747
Vehicles & Plant	19
Furniture & Equipment	7
Infrastructure	679
Community Assets	7
Investment Properties	2,888
<b>Total Value</b>	<b>601,700</b>

N.B. comparison figures for 2004/05 not available.

## 7.6 Capital Spending

	2005/06 £000's	2004/05 £000's
Buildings	14,280	10,186
Other assets	0	83
Deferred charges	22	0
<b>Total Spend</b>	<b>14,302</b>	<b>10,269</b>
<b>Sources of Finance</b>		
Supported Borrowing	3,017	2,904
Major Repairs Allowance	5,174	5,952
Capital Receipts	2,384	123
Revenue Contributions	3,727	1,290
<b>Total Spend</b>	<b>14,302</b>	<b>10,269</b>

## 7.7 Capital Receipts

	2005/06 £000's	2004/05 £000's
Buildings	(7,265)	(6,771)
Less: administrative costs	78	131
<b>Total</b>	<b>(7,187)</b>	<b>(6,640)</b>

## 7.8 Capital Charges

The Council is required to charge to the Housing Revenue Account

- An amount representing the interest (at a nationally set rate) on capital tied up in housing assets
- An amount for depreciation, reflecting the value of the assets that have been used up in the year
- Any impairment in the value of those assets
- Any deferred charges

This charge is calculated as a percentage of the balance sheet value of assets at the start of the financial year. It acts as a measure of the cost of capital tied up in the assets. So that the charge does not impact on the net operating expenditure it is adjusted by a transfer from AMRA. This reduces the charge to interest payable on outstanding borrowing.

	2005/06 £000's	2004/05 £000's
Capital Charges	22,753	24,038
Adjusting Transfer from AMRA	(21,478)	(22,792)
<b>Total</b>	<b>1,275</b>	<b>1,246</b>



## Depreciation

Depreciation is charged on the balance sheet value of assets, based on the estimated useful life. The main charge is for council dwellings that have an estimated useful life of 50 years. So that the charge does not impact upon the deficit or surplus for the year, an adjustment is made by transfer to the Major Repairs Reserve and Housing Subsidy.

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Depreciation - council dwellings	16,511	16,662
Depreciation - other land & buildings	284	242
Depreciation - other assets	12	1
<b>Total</b>	<b>16,807</b>	<b>16,905</b>

## Impairment

Impairment in the value of assets relates to

- Community land which was valued at market value is now shown at its community use value
- Leased properties were valued at saleable value are now shown at existing use value
- Some garage sites following demolition

So that the charge does not impact on the net operating expenditure, it is adjusted by a transfer from AMRA.

The total value of impairment for 2005/06 was £248,000 (£0 for 2004/05).

## Deferred Charges

Deferred charges relate to capital expenditure which does not necessarily result in an asset. In this instance it relates to expenditure on Isley Road Garages. So that the charge does not impact on the deficit or surplus for the year, an adjustment is included in Other Appropriations.

The total value of deferred charges for 2005/06 was £22,000 (£0 for 2004/05).

## 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.

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Interest on cash balances	148	134
Interest on loans to individuals	24	27
<b>Total</b>	<b>172</b>	<b>161</b>

## **7.9 Financial Reporting Standard (FRS) 17 – Pensions**

Included within the net cost of services, is the HRA share of contributions from the Pension Reserve. The pension contributions have been calculated in accordance with FRS 17. An adjustment is made after Net Operating Expenditure, so that there is no effect on the HRA surplus for the year.

## 8. COLLECTION FUND

	Note	2005/06 £000's	2004/05 £000's
<b>Income</b>			
Council Tax	8.2	(58,873)	(55,418)
National Non Domestic Rates	8.3	(59,517)	(53,825)
Discretionary Relief (NDR)		(37)	(47)
<b>Sub Total</b>		<b>(118,427)</b>	<b>(109,290)</b>
<b>Expenditure</b>			
Precepts	8.4	57,955	53,499
Contributions (to) / from previous year's estimated surplus / deficit	8.5	2,245	(1,029)
Payment to National Pool	8.3	59,324	53,648
Cost of Collection		230	224
Bad & Doubtful Debts		183	778
<b>Sub Total</b>		<b>119,937</b>	<b>107,120</b>
<b>(Surplus) / Deficit for year</b>		<b>1,510</b>	<b>(2,170)</b>
<b>Collection Fund Balance</b>			
Balance at 1 April		(2,681)	(511)
(Surplus) / Deficit for the Year		1,510	(2,170)
<b>Closing (Surplus) / Deficit</b>		<b>(1,171)</b>	<b>(2,681)</b>

## NOTES TO THE COLLECTION FUND

### 8.1 Council Tax

Each domestic property is placed in one of eight valuation bands (A to H) based on its estimated value at 1 April 1991. The Council Tax is set for band D properties and tax for the other bands is calculated as a proportion of band D.

For 2005/06 the Council Tax was set at £224.54 for a band D property (2004/05 £215.95)

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	2,198	1,614	6/9	1,075
B	8,126	6,256	7/9	4,866
C	17,339	14,447	8/9	12,842
D	15,223	12,132	1	12,132
E	6,314	4,964	11/9	6,067
F	2,667	2,259	13/9	3,264
G	3,197	2,706	15/9	4,510
H	558	298	18/9	595
	<b>55,622</b>	<b>44,676</b>		<b>45,351</b>
<b>Crown Properties</b>				6
<b>Allowance of 3% for non-collection</b>				(1,361)
<b>Total</b>				<b>43,996</b>

### 8.2 Council Tax Income

	2005/06 £000's	2004/05 £000's
Billed to Council Tax Payers	(51,191)	(48,225)
Council Tax Benefits	(7,681)	(7,197)
Transitional Relief	(0)	4
<b>Total</b>	<b>(58,873)</b>	<b>(55,418)</b>

### 8.3 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 nationally set uniform business rate. The amount collectable, less a cost of collection allowance set by the Office of the Deputy Prime Minister (ODPM), and provisions for doubtful debts, is paid into the national non domestic rate pool. For each type of authority (district, county, etc) a set amount per head is paid back.

The local rateable value as at 31st March 2006 was £201,895,469 (£151,247,907 at 31st March 2005). The multiplier for 2005/06 was set at 41.5 pence in the pound (45.6 pence for 2004/05).

### 8.4 Precepts

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Oxfordshire County Council	42,520	39,228
Oxford City Council	9,879	9,159
Thames Valley Police Authority	5,556	5,112
<b>Total</b>	<b>57,955</b>	<b>53,499</b>

### 8.5 Share of Previous Year's Estimated Collection Fund (Surplus)/Deficit

	<b>2005/06</b>	<b>2004/05</b>
	<b>£000's</b>	<b>£000's</b>
Oxfordshire County Council	(1,646)	757
Oxford City Council	(384)	180
Thames Valley Police Authority	(215)	92
<b>Total (Surplus) / Deficit</b>	<b>(2,245)</b>	<b>1,029</b>

## 9. CONSOLIDATED BALANCE SHEET

	Notes	2005/06		2004/05	
		£000's	£000's	£000's	£000's
<b>Fixed Assets</b>					
Operational	9.1 - 9.9				
Council Dwellings		581,353		594,404	
Other Land & Buildings		96,781		94,265	
Vehicles & Plant		2,814		1,860	
Infrastructure		887		882	
Community Assets		2,473		3,407	
Non-Operational	9.1 - 9.9				
Investment properties		<u>90,790</u>		78,168	
			775,098		772,985
<b>Long Term Assets</b>					
Intangible Assets	9.10	0		0	
Long Term Investments	9.11	5,032		4,532	
Other Long Term Assets	9.12	<u>231</u>		<u>384</u>	
			5,263		4,916
			<u>780,361</u>		<u>777,901</u>
<b>Current Assets</b>					
Stock	9.13	650		609	
Work in Progress	9.14	168		80	
Investments		35,060		45,815	
Debtors	9.15	15,121		11,072	
Cash in Hand		<u>274</u>		<u>358</u>	
<b>Total Assets</b>			51,273		57,934
<b>Current Liabilities</b>					
Creditors	9.16	(17,765)		(15,916)	
Short Term Borrowing		(11)		(1,451)	
Cash Overdrawn		<u>(386)</u>		<u>(258)</u>	
			<u>(18,162)</u>		<u>(17,625)</u>
<b>Total Assets Less Current Liabilities</b>			<u>813,472</u>		<u>818,210</u>
<b>Long Term Liabilities</b>					
Long Term Borrowing	9.17	(11,762)		(11,774)	
Other Long Term Liabilities	9.18	(2,521)		(2,712)	
Deferred Capital Receipts	9.19	(241)		(279)	
Provisions	9.22	(3,551)		(3,300)	
Liability Related to Defined Benefit Scheme	9.23	<u>(64,836)</u>		<u>(66,296)</u>	
			<u>(82,911)</u>		<u>(84,361)</u>
<b>Net Assets</b>			<u>730,561</u>		<u>733,849</u>
<b>Financed by:</b>					
Capital Financing Account	10.0	(100,105)		(56,918)	
Fixed Asset Restatement Account	10.0	(669,008)		(713,025)	
Usable Capital Receipts	10.0	(7,086)		(8,461)	
Pensions Reserve	9.23	64,836		66,296	
Major Repairs Reserve	10.0	0		(29)	
Other Reserves	10.0	(9,452)		(9,329)	
Fund Balances	10.0	<u>(9,746)</u>		<u>(12,383)</u>	
<b>Stakeholder's Funds</b>			<u>(730,561)</u>		<u>(733,849)</u>

# NOTES TO THE CONSOLIDATED BALANCE SHEET

## 9.1 Tangible Fixed Assets

All capital expenditure incurred during 2005/06 has been examined to determine whether new assets have been created. If so the value of fixed assets shown on the Balance Sheet has been increased accordingly.

Where significant expenditure on existing assets has been incurred, the relevant asset has been increased and the new figure included on the Balance Sheet.

External valuation of property assets have been carried out by Cluttons, 13 Beaumont Street, Oxford, OX1 2LP and are covered by their certificate dated 31<sup>st</sup> March 2006.

Assets are valued on the following basis: -

- Operational assets at the lower of the net current replacement cost and the net realisable value for their existing use.
- Non-operational assets at the lower of net current replacement cost and net realisable value. For Investment properties, this is normally open market value.
- Infrastructure Assets have been valued at historical cost
- Community Assets have been valued at existing use

However where existing use values can be reasonably ascertained for infrastructure or community assets these are used instead of historical cost. While this is a departure from the SORP the effect on the balance sheet is not considered material.

The Council holds in perpetuity items of civic regalia, town hall paintings and museum artefacts. The total current insurance value is £4.9 million. The Accounting Practices Board is currently consulting on an exposure draft regarding the accounting treatment of Heritage Assets, which may result in these items coming onto the Council's Balance Sheet at a future date.

## 9.2 Depreciation

The authority is now required to depreciate all assets with a finite useful life, which can be determined at the time of acquisition or revaluation.

## 9.3 Impairment

All assets have been reviewed in detail for impairment in 2005/06, and adjustments made for those assets whose value has reduced either as a result of general movement in market prices or due to their condition and usage.



## 9.4 Movements in Tangible Fixed Assets

	Council Dwellings & Buildings £000's	Other Land Buildings £000's	Vehicles & Plant £000's	Infra-structure £000's	Community Assets £000's	Investment Properties £000's	Total £000's
Gross Book Value	627,872	100,001	2,857	961	3,407	78,168	813,266
Depreciation	(33,468)	(5,737)	(997)	(79)	0	0	(40,281)
<b>Net book value of assets at 1st April 2005</b>	<b>594,404</b>	<b>94,264</b>	<b>1,860</b>	<b>882</b>	<b>3,407</b>	<b>78,168</b>	<b>772,985</b>
<b>Movements during 2005/2006</b>							
Additions	14,279	4,367	1,374	0	253	89	20,362
Disposals and demolitions	(3,664)	(1,236)	0	(65)	0	(2,076)	(7,041)
Revaluations in year	(57,136)	4,347	(188)	69	874	15,056	(36,978)
Impairment	0	(2,912)	0	(68)	(1,716)	(401)	(5,097)
Depreciation for year	(16,526)	(2,500)	(340)	(25)	0	(4)	(19,395)
Re-classification of assets	0	0	0	59	(59)	0	0
Written back depreciation on disposals & revaluations	49,994	2,382	0	35	0	318	52,729
Other adjustments	2	(1,931)	108	0	(286)	(360)	(2,467)
<b>Net book value at 31st March 2006</b>	<b>581,353</b>	<b>96,781</b>	<b>2,814</b>	<b>887</b>	<b>2,473</b>	<b>90,790</b>	<b>775,098</b>
Gross Book Value	581,353	104,743	4,151	956	2,473	90,790	784,466
Depreciation	0	(7,962)	(1,337)	(69)	0	0	(9,368)

Analysis of net book value at 31 March 2006	%	£000's
General Fund	22	173,398
Housing Revenue	78	601,700
<b>Total</b>	<b>100</b>	<b>775,098</b>

The 'other adjustments' figure above for £2.467 million relates to transactions processed in the previous year. We have been able to account for just over half of it as accumulated depreciation on investment properties and community assets, and 5 shared ownership properties not being added on to the Logotech Asset Register software until 2005/06. Logotech is a 'live' system and therefore it is very difficult to resolve all queries as the system has been rolled forward into the new financial year and not all historical data is still available.

The revaluation reduction of Council dwellings (£55.737million) is due mainly to a significant reduction, by the ODPM, in the Vacant Possession discount factors used to convert the Open Market Value of the stock to Open Market Value – Existing Use. Included in the disposals figure above, is £2.8 million of Rent to Mortgage assets which have previously been incorrectly stated as council assets.

## 9.5 Valuation of Fixed Assets Carried at Current Value

	<b>Council Dwellings £000's</b>	<b>Other Land &amp; Buildings £000's</b>	<b>Vehicles &amp; Plant £000's</b>	<b>Infra- structure £000's</b>	<b>Community Assets £000's</b>	<b>Investment Properties £000's</b>	<b>Total £000's</b>
<b>Valued at historic cost:</b>	0	0	2,814	0	0	0	2,814
<b>Valued at current value:</b>							
2005-2006	581,353	27,095	0	129	2,100	36,070	646,747
2004-2005	0	13,747	0	0	83	3,420	17,250
2003-2004	0	30,557	0	2	229	16,222	47,010
2002-2003	0	19,105	0	520	0	24,272	43,897
2001-2002	0	6,117	0	3	0	10,730	16,850
<b>Valued below de minimis level:</b>	0	160	0	233	61	76	530
<b>Total</b>	<b>581,353</b>	<b>96,781</b>	<b>2,814</b>	<b>887</b>	<b>2,473</b>	<b>90,790</b>	<b>775,098</b>

## 9.6 Operational Assets – Useful life (range of years)

	<b>Council Dwellings Years</b>	<b>Other Buildings Years</b>	<b>Plant &amp; Equipment Years</b>	<b>Vehicles Years</b>	<b>Infrastructure Assets Years</b>	<b>Community Assets Years</b>
Useful Life	40 - 60	10 - 80	3 - 20	3 - 10	40	10 - 60

The majority of Council Dwellings have a useful life of 40-60 years, although there are a few properties that are currently being assessed for redevelopment, therefore their useful life would be 5-10 years. Although the range for Other Buildings is large, the majority of properties have a useful life of 50-60 years.

## 9.7 Fixed Assets by Number

	Total Number 2005/06	Total Number 2004/05		Total Number 2005/06	Total Number 2004/05
<b>Operational Properties</b>			<b>Community Assets</b>		
Council Dwellings	8042	8088	Historic Buildings	3	3
Other Dwellings	49	49	Monuments & Memorials	3	3
Hostels & Other Housing	108	109	Miscellaneous Open Space	104	93
Sport & Leisure Complexes	42	41	Cemeteries	4	4
Car Parks	21	21	Park & Open Spaces	115	117
Depots & Workshops	13	13			
Offices	12	9			
Community Centres	23	22			
Public Toilets	24	24			
Miscellaneous	1	4			
Under Construction:-					
Allotments	34	32			
<b>Total Operational Properties</b>	<b>8,369</b>	<b>8,412</b>	<b>Total Community Assets</b>	<b>229</b>	<b>220</b>
<b>Investment Property</b>			<b>Infrastructure</b>		
Agricultural Property	30	31	Bridges	5	5
Industrial Property	14	15	Utility Property & Sites	106	106
Sports & Leisure Property	4	3	Unadopted Roads	14	13
Mixed Use	22	42			
Offices	14	15	<b>Total Infrastructure Assets</b>	<b>125</b>	<b>124</b>
Public Houses	12	12			
Restaurants & Cafes	11	10			
Shopping Centres	3	3			
Shops	59	55			
Theatres & Cinema's	2	2	<b>Plant &amp; Equipment</b>		
Land Awaiting Development	15	15	Vehicles and Plant	134	71
Car Parks	7	6	Office equipment /		
Miscellaneous	70	74	Information Systems	31	16
<b>Total Investment Properties</b>	<b>263</b>	<b>283</b>	<b>Total Plant and Equipment</b>	<b>165</b>	<b>87</b>
<b>Total Assets</b>	<b>9,151</b>	<b>9,126</b>			

## 9.8 Capital Expenditure and Financing

	2005/06 £000's	2004/05 £000's
<b>Fixed Assets – Operational</b>		
Parking of Vehicles	12	31
Housing Repairs & Renovations	14,280	10,269
Parks & Open Spaces	193	243
Indoor Sports, Leisure & Community Centres	4,044	4,172
Swimming Pool	0	72
Property & Trading Services	1,512	329
Other	321	1,416
<b>Sub Total</b>	<b>20,362</b>	<b>16,532</b>
<b>Intangible Assets</b>	<b>2,485</b>	<b>2,261</b>
<b>Capital Expenditure for Year</b>	<b>22,847</b>	<b>18,793</b>
<b>Reconciliation of Financing</b>		
Spend in year	22,847	18,793
Add opening creditors	0	905
Less closing creditors	0	0
<b>Amount Financed</b>	<b>22,847</b>	<b>19,698</b>
<b>Sources of Finance</b>		
Supported Borrowing	3,017	2,904
Capital Receipts	6,671	6,889
Government Grants and Other Contributions	3,936	1,148
Section 106 Planning Agreement Contribution	321	782
Revenue	3,727	1,296
Major Repairs Allowance	5,175	6,679
<b>Total</b>	<b>22,847</b>	<b>19,698</b>

## 9.9 Capital Commitments

At 31<sup>st</sup> March 2006 the Council had entered into contractual commitments on the following schemes:

	<b>2006/07 £000's</b>
<b>Contractual Commitments:</b>	
Pegasus Theatre - capital contribution	125
Redbridge Park & Ride Accommodation Building	395
Cherwell Housing - Simon House	500
Decent Homes Standard:	
- Kitchen	532
- Heating	311
- Windows	134
- Walls Insulation	47
- Other	13
<b>Total</b>	<b>2,057</b>

The Council's approved capital programme for the period to 31<sup>st</sup> March 2009 totals £50.4m and is analysed in the table below:

	<b>2006/09 £000's</b>	<b>2006/07 £000's</b>	<b>2007/08 £000's</b>	<b>2008/09 £000's</b>
<b>Expenditure Approved as at 31st March 2006</b>				
Built Environment	3,157	1,132	1,028	997
Business Systems	75	25	25	25
Area Co-ordinators	664	264	200	200
City Works	3,705	2,705	500	500
Customer Services	9	9	0	0
Environmental Health	2,400	800	800	800
Leisure And Cultural Services	3,602	2,968	340	294
Neighbourhood Renewal	4,903	1,239	1,217	2,448
Oxford Business Solutions	30,140	12,560	9,820	7,760
Planning	781	521	154	106
Transport & Parking	951	421	99	432
<b>Total</b>	<b>50,387</b>	<b>22,644</b>	<b>14,183</b>	<b>13,562</b>

### Assets held under Finance Leases

The Council hold the following assets under Finances Leases:

- Leisure Facilities - Temple Cowley Swimming Pool – Pool & equipment
- Equipment - Tipper

:

## 9.10 Intangible Assets

The Council had no intangible assets in 2005/06.

## 9.11 Long Term Investments

	<b>Cost 2005/06 £000's</b>	<b>Nominal Value 2005/06 £000's</b>	<b>Market Value 2005/06 £000's</b>	<b>Cost 2004/05 £000's</b>
2.5% Consolidated Stock	28	39	24	28
3.5% War Stock	4	3	3	4
<b>Long Term Investments</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>4,500</b>
<b>Total</b>	<b>5,032</b>	<b>42</b>	<b>5,027</b>	<b>4,532</b>

## 9.12 Other Long Term Assets

	<b>2005/06 £000's</b>	<b>2004/05 £000's</b>
Council House Mortgages	185	221
Housing Associations	0	117
Oxford Women's Training Scheme	30	30
Blackbird Leys Community Centre Loan	11	11
Oxford Lesbian & Gay Centre Loan	5	5
<b>Total</b>	<b>231</b>	<b>384</b>

## 9.13 Stock

	<b>2005/06 £000's</b>	<b>2004/05 £000's</b>
Engineering Services	23	34
Building Works	414	375
City Works	116	84
Goods for Resale	97	116
<b>Total</b>	<b>650</b>	<b>609</b>

## 9.14 Work in Progress

	2005/06 £000's	2004/05 £000's
Building Works	168	80
<b>Total</b>	<b>168</b>	<b>80</b>

## 9.15 Debtors

	Total debt outstanding 2005/06 £000's	Provision for bad debts 2005/06 £000's	Net debtor 2005/06 £000's	Net debtor 2004/05 £000's
Government Departments	3,659	0	3,659	390
Other Local and Public Authorities	321	0	321	360
Tenants (Housing Revenue Account)	2,493	(1,591)	902	947
Sundry Debtors	5,734	(318)	5,416	4,775
Housing Benefit Overpayments	3,332	(2,413)	919	632
Non Domestic Rate	1,544	(963)	581	610
Council Tax	6,465	(3,143)	3,322	3,358
<b>Total</b>	<b>23,549</b>	<b>(8,428)</b>	<b>15,121</b>	<b>11,072</b>

## 9.16 Creditors

	2005/06 £000's	2004/05 £000's
<b>Receipts in Advance</b>		
Council Tax	(1,281)	(1,104)
Non Domestic Rates	(1,226)	(465)
Housing Rents	(788)	(736)
Commercial Rent	(1,354)	(814)
Other	(347)	(521)
<b>Sub Total</b>	<b>(4,996)</b>	<b>(3,640)</b>
<b>Grants Over-Claimed</b>		
Housing Benefit Subsidy	(1,102)	(1,362)
<b>Sub Total</b>	<b>(1,102)</b>	<b>(1,362)</b>
<b>Taxes Due (from City Council)</b>		
Income Tax	(462)	(438)
National Insurance	(434)	(414)
<b>Sub Total</b>	<b>(896)</b>	<b>(852)</b>
<b>Other Creditors</b>		
Pensions Contributions due to County Council	(661)	(585)
Interest on Borrowing	(236)	(247)
Sundry Creditors	(9,875)	(9,230)
<b>Sub Total</b>	<b>(10,772)</b>	<b>(10,062)</b>
<b>Total</b>	<b>(17,765)</b>	<b>(15,916)</b>

## 9.17 Long Term Borrowing

### Analysis of Loans by Lender

	Outstanding at 31 March 2006 £000's	Outstanding at 31 March 2005 £000's
<b>Analysis of Loans by Lender</b>		
Public Works Loans Board - fixed rate	8,758	8,770
Money Market Loans - fixed rate	3,000	3,000
Local Bonds	4	4
<b>Total</b>	<b>11,762</b>	<b>11,774</b>



## Analysis by Maturity

	31 March 2006 £000's	31 March 2005 £000's
<b>Analysis by Maturity</b>		
Between 1 and 2 years	4,015	496
Between 2 and 5 years	3,370	6,222
Between 5 and 10 years	4,376	4,161
In 10 years or more	0	895
<b>Total</b>	<b>11,762</b>	<b>11,774</b>

Long-term loans with less than 12 months until maturity have been classified as short-term borrowing and are shown directly on the balance sheet. As at 31<sup>st</sup> March 2006 they totalled £11,000 (£1.45m 2004/05).

### 9.18 Long Term Liabilities

The liability to South Oxfordshire District Council of £2.52 million at 31 March 2006 (£2.71 million at 31 March 2005) relates to debt outstanding on assets transferred to Oxford City Council at the 1991 boundary change.

### 9.19 Deferred Capital Receipts

Deferred capital receipts are amounts derived from sale of assets which will be received in instalments over agreed periods of time. They arise principally from mortgages on sales of council houses and advances to Housing Associations. The value of deferred capital receipts for 2005/06 is £241,439 (£279,468 2004/05).

### 9.20 Contingent Liabilities

There are no potential liabilities that the Council is aware of that have not been provided for in the 2005/2006 accounts.

### 9.21 Contingent Assets

Under the Rent to Mortgage scheme, the Council is due a percentage of the final selling price of the property.

## 9.22 Provisions

	2005/06 £000's	2004/05 £000's
<p><b>City Works Rectification</b> Was required when the former DSO had their own income collection system but has now been returned to revenue as the income collection system is no longer used.</p>	0	(33)
<p><b>Singletree Repair and Maintenance</b> To cover major work in respect of the properties held by leaseholders. There is a major project ongoing to replace windows and doors which will use some of the provision in 2006/07. When the leasehold properties are resold a percentage of the resale value is paid into the provision.</p>	(110)	(90)
<p><b>Part time pensions</b> Required to cover backdated pension costs and possible legal advice in respect of pending claims from employees of unfairly being denied access to the pension scheme. Timing is unknown as awaiting test case.</p>	(55)	(55)
<p><b>Abbey Place Sinking Fund</b> To cover major repair and maintenance work in respect of the properties held by leaseholders.</p>	(4)	(4)
<p><b>Homelessness</b> The provision is made up of 3 different schemes for providing homelessness accommodation which have resulted in an over claim of HB subsidy. We are awaiting confirmation from DWP of the amount owed.</p>	(535)	(572)
<p><b>Housing Benefits</b> Required to cover potential liability to repay subsidy to DWP relating to 2 schemes operating in the 1990's. A decision from DWP is awaited.</p>	(2,276)	(2,276)
<p><b>Value Added Tax</b> The council's Partial Exemption calculation is very close to the limit. With the current and future forecasted capital expenditure in exempt income generating areas, we are likely to breach it unless HMRC change the rules.</p>	(270)	(270)
<p><b>Lease Agreement of Southfield Park</b> Required to cover increase in site rent for 2004/05 and 2005/06. Agreement on the size of the increase is expected to be reached in 2006/07.</p>	(223)	0
<p><b>OXRENT Modernisation Element Compensation</b> Some rents incorrectly included a modernisation element when the properties had not been modernised. This provision is to cover refund plus interest to tenants and is expected to be paid in 2006/07.</p>	(78)	0
<b>Total</b>	<b>(3,551)</b>	<b>(3,300)</b>

## 9.23 Pensions Assets and Liabilities

Oxford City Council participates in the Oxfordshire County Council Pension Fund, a local government defined benefit pension scheme based on final pensionable salary.

The last valuation took place on 31<sup>st</sup> March 2004, and has been updated by independent actuaries to take account of the requirements of FRS17 and estimate the assets and liabilities of the Fund as at 31 March 2006.

The main assumptions used for the purpose of FRS 17 are as follows:

	<b>31st March 2006</b> % per annum	<b>31st March 2005</b> % per annum
Inflation	3.0	2.9
Rate of general long-term increase in salaries	4.5	4.4
Rate of increase to pensions in payment	3.0	2.9
Discount rate for scheme liabilities	4.9	5.3
Discount rate for pension cost over following year	4.9	5.3

Assets are valued at fair value, principally market value for investments. The value of total assets held by the Fund as a whole, in each asset type and their expected rate of return are as follows:

	<b>Long-term rate of return expected at 31st March 2006</b> % per annum	<b>Estimated value at 31st March 2006</b> £ million	<b>Long-term rate of return expected at 31st March 2005</b> % per annum	<b>Estimated value at 31st March 2005</b> £ million
Equities	7.3	692.68	7.7	564.36
Property	6.3	54.40	6.7	33.21
Government bonds	4.3	87.97	4.7	69.98
Corporate bonds	4.9	47.32	5.3	33.33
Other	4.6	66.05	4.8	46.75
<b>Total</b>	<b>6.7</b>	<b>948.42</b>	<b>7.1</b>	<b>747.63</b>

The funding position for the City Council's share of the pension fund is as follows:

	<b>31st March 2006</b> £ million	<b>31st March 2005</b> £ million
Share of assets	123.74	97.42
Estimated funded liabilities	(180.94)	(156.45)
Estimated unfunded liabilities	(7.64)	(7.27)
Deficit	(64.84)	(66.30)

## **Changes to the Local Government Pension Scheme**

Changes to the Local Government Pension Scheme permit employees retiring on or after 6<sup>th</sup> April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have assumed 50% of employees retiring after 6<sup>th</sup> April 2006 will take advantage of this change to the pension scheme. Our actuaries have advised that this assumption has reduced the value placed on the liabilities for FRS17 purposes by less than 3%. This has been reflected in the Statement of Total Movement in Reserves. The change has not affected the figures in the Consolidated Revenue Account.

### **9.24 Post balance sheet events**

The council have received a letter from the Department for Work and Pensions dated 28<sup>th</sup> June 2006 which proposes to recover £2,055,578 in respect of overpaid Housing Benefit and Council Tax Benefit subsidy for 2000/01 to 2002/03 by reducing monthly interim subsidy from August 2006 to July 2007. The council had made provision for the liability to repay subsidy and the remainder of the provision will be returned to balances.

## 10. STATEMENT OF TOTAL MOVEMENT IN RESERVES

	2005/06 £000s	£000s	2004/05 £000s
<b>Opening Balances</b>			
Capital Financing Account	(56,918)		(63,705)
Fixed Asset Restatement Account	(713,025)		(727,616)
Usable Capital Receipts	(8,461)		(13,355)
Pension Reserve	66,296		49,527
Major Repairs Reserve	(29)		(945)
Other Reserves	(9,329)		(11,482)
General Fund	(5,099)		(4,253)
Collection Fund	(2,681)		(511)
Housing Revenue Account	(4,603)		(4,179)
		<b>(733,849)</b>	<b>(776,519)</b>
<b>(Surplus) / deficit for the year</b>			
General Fund	(699)		(846)
Collection Fund	1,510		(2,170)
Housing Revenue Account	1,826		(424)
Major Repairs Reserve	29		916
Add back movements on other reserves	(123)		2,153
Deduct Appropriation to pensions reserve	1,000		2,899
Actuarial gains and losses relating to pensions	(2,460)		13,870
<b>Total (increase) / decrease in revenue resources</b>		<b>1,083</b>	<b>16,398</b>
(Increase) / decrease in useable capital receipts	1,375		4,894
<b>Total (increase) / decrease in realised capital resources</b>		<b>1,375</b>	<b>4,894</b>
(Gains) / losses on revaluation of fixed assets	36,978		10,275
<b>Total (increase) / decrease in unrealised value of fixed assets</b>		<b>36,978</b>	<b>10,275</b>
<b>Value of assets sold, disposed of or decommissioned</b>	<b>7,041</b>	<b>7,041</b>	<b>4,158</b>
Capital receipts set aside	(6,552)		(6,772)
Revenue resources set aside	(7,076)		(5,239)
Movement on Government Grants Deferred	(3,790)		(2,221)
Depreciation & Impairment	(28,240)		21,212
Other Minor Adjustments	2,469		(36)
<b>Total (increase) / decrease in amounts set aside to finance capital investment</b>		<b>(43,189)</b>	<b>6,945</b>
<b>Total recognised gains and losses</b>		<b>3,288</b>	<b>42,670</b>
<b>Closing Balance</b>		<b>(730,561)</b>	<b>(733,849)</b>

## NOTES TO THE STATEMENT OF TOTAL MOVEMENT IN RESERVES

### 10.1 Movements in Revenue Reserves

	General Fund	HRA	Collection Fund	Total
Opening balance at 1 April 2005	(5,099)	(4,603)	(2,681)	(12,383)
(Surplus) / Deficit for year	(699)	1,826	1,510	2,637
<b>Closing balance at 31 March 2006</b>	<b>(5,798)</b>	<b>(2,777)</b>	<b>(1,171)</b>	<b>(9,746)</b>

### 10.2 Pensions

	2005/06		2004/2005	
	£000s	%	£000s	%
Actual return less expected return on assets	16,230	13.1% of scheme asset	4,870	5.0% of scheme asset
Experience gains and losses on pension liabilities	40	0.0% of scheme liabilities	7,370	4.5% of scheme liabilities
Changes in assumptions underlying the present value of pension liabilities	(13,810)	7.3% of scheme liabilities	(26,110)	15.9% of scheme liabilities
<b>Total</b>	<b>2,460</b>		<b>(13,870)</b>	

### 10.3 Earmarked Reserves

	2005/06 £000's	2004/05 £000's
St Margarets Institute	125	189
<i>Set aside to meet Guarantee given for charitable organisation</i>		
Cemeteries	19	19
<i>Created to meet future maintenance liabilities</i>		
Taxis	46	50
<i>Reserve from taxi licensing fees for additional licensing requirements</i>		
CCTV Reserve	2	32
<i>Funding for City Centre CCTV</i>		
Investment Income Reserve	1	0
<i>Reserve for consolidated war stock</i>		
IT Equipment Reserve	347	298
<i>Replacement of Housing Business Unit systems</i>		
Town Hall Equipment Reserve	44	29
<i>Replacement of display equipment used when hiring rooms</i>		
Work Of Art Reserve	5	3
<i>Purchases of works of art for Civic Collection</i>		
Risk Project Reserve	0	4
<i>Reserve for 5 years of risk project funded by Insurance Company</i>		
Shopmobility Equipment Reserve	26	19
<i>Purchases of motorised wheelchairs</i>		
Building Control Reinvestment Reserve	16	80
<i>Used to improve the service of the Building Control function</i>		
Oxon CC Highways Database Contribution	30	0
<i>Used to pay County Council for services</i>		
Westgate Development Contribution	40	154
<i>Consultants fees for the redevelopment process</i>		
Customer Services Server Replacement	72	39
<i>Replace computer equipment within the Business Unit</i>		
Car Park Security Reserve	152	169
<i>Improving security at all City Council car parks</i>		
Debt Redemption	610	610
<i>Reserve to offset future debt redemption provision</i>		
Self Insurance Fund	812	750
<i>Created as a self-insurance fund</i>		
<b>Total</b>	<b>2,347</b>	<b>2,445</b>

## 11. CASH FLOW STATEMENT

	2005/06 £000's	2004/05 £000's
<b>Cash Outflows</b>		
Cash paid to and on behalf of Employees	43,460	44,014
Other Operating Cash Payments	43,730	17,839
Housing Benefit Paid Out	27,655	28,074
National NDR Paid to National Pool	56,583	53,648
Precepts Paid	52,768	44,339
Payments to the Capital Receipts Pool (Housing)	5,558	6,580
<b>Total Cash Outflows</b>	<b>229,754</b>	<b>194,494</b>
<b>Cash Inflows</b>		
Rents (after rebates)	(14,357)	(13,979)
Council Tax Receipts	(51,704)	(48,225)
National NDR Collected from Ratepayers	(60,516)	(57,275)
National NDR Returned by National Pool	(3,609)	(3,890)
Revenue Support Grant	(10,480)	(10,529)
DWP Grants for benefits	(48,870)	(48,690)
Other Government Grants	(947)	(560)
Cash Received for Goods & Services	(29,075)	(25,368)
Other Operating Cash Receipts	(4,911)	0
<b>Total Cash Inflows</b>	<b>(224,469)</b>	<b>(208,516)</b>
<b>Revenue Activities Net Cash flow</b>	<b>5,285</b>	<b>(14,022)</b>
<b>Returns on Investments and Servicing of Finance</b>		
Cash Outflows:		
Interest Paid	1,613	1,464
Cash Inflows:		
Interest Received	(2,438)	(2,619)
<b>Servicing of Financing Net Cash Outflow / (Inflow)</b>	<b>(825)</b>	<b>(1,155)</b>
<b>Revenue Cash Flow</b>	<b>4,460</b>	<b>(15,177)</b>



	2005/06 £000's	2004/05 £000's
<b>Brought forward</b>	<b>4,460</b>	<b>(15,177)</b>
<b>Capital Activities</b>		
<b>Cash Outflows</b>		
Purchase of Fixed Assets	13,326	17,437
Other Capital Cash Payments	9	2,260
Housing capital receipts paid to Government pool	2,051	4,458
<b>Total Cash Outflows</b>	<b>15,386</b>	<b>24,155</b>
<b>Cash Inflows</b>		
Sale of Fixed Assets	(6,998)	(6,666)
Capital Grants Received	(1,592)	(55)
Developer Contributions	(1,044)	(680)
Other Capital Cash Receipts	(1,335)	(74)
<b>Total Cash Inflows</b>	<b>(10,969)</b>	<b>(7,475)</b>
<b>Capital Activities Net Cash Outflow / (Inflow)</b>	<b>4,417</b>	<b>16,680</b>
<b>Net Cash Outflow / (Inflow) Before Financing</b>	<b>8,877</b>	<b>1,504</b>
<b>Management of Liquid Resources</b>		
Net increase / (decrease) in short term deposits	(8,676)	(1,869)
<b>Financing</b>		
Cash Outflows:		
Repayments of Amounts Borrowed	1,451	1,451
Cash Inflows:		
(Increase) / Decrease in Temporary Borrowing	(1,440)	(1,018)
<b>Net Increase / Decrease in Cash</b>	<b>212</b>	<b>68</b>

	2005/06 £000's	2004/05 £000's
<b>Other Grants</b>		
Planning Delivery	(399)	(373)
Local Authority Business Growth Incentive	(548)	0
Target Hardening	0	(72)
Youth Diversion	0	(38)
Young Persons Drugs Worker	0	(27)
Rose Hill Youth Worker	0	(15)
Various grants not above £10,000	0	(35)
<b>Total Other Grants</b>	<b>(947)</b>	<b>(559)</b>

## NOTES TO THE CASH FLOW STATEMENT

### 11.1 Reconciliation of Revenue Surpluses to Net Revenue Cash Flow

	2005/06 £000's	2004/05 £000's
General Fund (Surplus)/Deficit	(699)	(846)
Housing Revenue Account (Surplus)/Deficit	1,826	(424)
Collection Fund (Surplus)/Deficit	1,510	(2,170)
<b>Sub Total</b>	<b>2,637</b>	<b>(3,440)</b>
<b>Adjustments for Non Cash Transactions</b>		
Revenue Contribution to/(from) Reserves/Provisions	1,153	(3,838)
<b>Items on an Accruals Basis</b>		
Increase/(Decrease) in Debtors	4,049	(4,951)
(Increase)/Decrease in Creditors	(1,860)	(616)
Increase/(Decrease) in Stocks	41	24
Increase/(Decrease) in WIP	88	(46)
<b>Sub Total</b>	<b>3,471</b>	<b>(9,427)</b>
<b>Items Included Under Other Classifications</b>		
Interest Payments	(824)	(1,155)
<b>Sub Total</b>	<b>(824)</b>	<b>(1,155)</b>
<b>Net Cash Flow From Revenue Activities</b>	<b>5,285</b>	<b>(14,022)</b>

### 11.2 Reconciliation of Movement in Cash to Net Debt

	As at 31.3.06 £000's	Movement £000's	As at 31.3.05 £000's
Cash in Hand	274	(84)	358
Cash Overdrawn	(386)	(128)	(258)
<b>Total</b>	<b>(112)</b>	<b>(212)</b>	<b>100</b>

### 11.3 Movement of Other Current Assets

	As at 31.3.06 £000's	Movement £000's	As at 31.3.05 £000's
Debtors	15,121	4,049	11,072
Creditors	(17,776)	(1,860)	(15,916)
Stocks	650	41	609
WIP	168	88	80
<b>Total</b>	<b>(1,837)</b>	<b>2,318</b>	<b>(4,155)</b>

### 11.4 Movement in Long Term Borrowing

	As at 31.3.06 £000's	Movement £000's	As at 31.3.05 £000's
Public Works Loans Board etc	(11,762)	12	(11,774)
<b>Total</b>	<b>(11,762)</b>	<b>12</b>	<b>(11,774)</b>

## 12. GLOSSARY

<b>Accounts</b>	A generic term for statements setting out details of income and expenditure or assets and liabilities or both, in a structured manner. Accounts may be categorised either by the type of transactions they record, e.g. revenue account, capital accounts or by the purpose they serve, e.g. management accounts, final accounts, balance sheets.
<b>Accruals</b>	Sums included in the final accounts of the City 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.
<b>Agency</b>	Agreement that the Oxford City Council can perform highway repairs on behalf of the County Council in their areas.
<b>Audit</b>	An independent examination of an organisation's activities, either by internal audit or the organisation's external auditor.
<b>Audit Commission</b>	The Audit Commission was established by the Local Government Finance Act 1982. It has responsibility for the external audit of all local authorities. It can either use district auditors who are employed by the Audit Commission or firms of accountants.
<b>Capital Charge</b>	A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.
<b>Capital Expenditure</b>	Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.
<b>Capital Financing</b>	The raising of money to pay capital expenditure. In the past the cost of capital assets was usually met by borrowing, but capital expenditure may also be financed by other means such as leasing, contributions from revenue accounts, the proceeds from the sale of capital assets, capital grants, and contributions from developers or others.
<b>Capital Receipts</b>	Proceeds from the sale of assets which have a long-term value.
<b>Chartered Institute of Public Finance &amp; Accountancy (CIPFA)</b>	The professional accountancy body concerned with local authorities and the public sector.
<b>Collection Fund</b>	A statutory fund maintained by a billing authority, which is used to record local rates and non-domestic rates collected by the authority, along with payments to precepting authorities and the national pool of non-domestic rates, as well as into its own general fund.
<b>Contingent Liability</b>	A condition which exists at balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain events.
<b>Council Tax</b>	The local tax that pays for a proportion of council services. It replaced the poll tax in April 1993.
<b>Creditors</b>	Amounts owed by the City Council for work done, goods received or services rendered within the financial year for which payment has not yet been made.
<b>Current Asset</b>	An asset which will be used up during the next accounting period e.g. stocks.
<b>Current Expenditure</b>	The general term for running costs including employee costs and running expenses but not debt charges.
<b>Current Liabilities</b>	Amounts which will become due or could be called upon during the next accounting period.
<b>Debtors</b>	Amounts owed to the City Council for services carried out during the financial year but not yet received.
<b>Deferred Liabilities</b>	This represents the liability for principal repayments on finance leases.
<b>Depreciation</b>	The theoretical losses in value of an asset, owing to age, wear and tear, deterioration, or obsolescence.

<b>Financial Reporting Standards (FRS's)</b>	These are issued by the Accounting Standards Board and provide standards for the preparation of financial statements. Oxfordshire attempts to ensure that its accounts are prepared in accordance with FRS's (or SSAP's where these remain in force) where they apply to local authorities. Where this is not possible the reason is given in the Statement of Accounting Policies.
<b>Fixed Asset</b>	A tangible asset that yields benefit to the City Council and the services it provides for a period of more than one year.
<b>General Fund (GF)</b>	The main revenue account of a local authority from which revenue payments are made to meet the costs of providing services (such as wages, electricity, paper).
<b>Housing Benefit (HB)</b>	Payments to people on low incomes to assist them in meeting their housing costs.
<b>Housing Revenue Account (HRA)</b>	The separate account that local housing authorities must operate for the direct provision of housing.
<b>Intangible Assets</b>	Expenditure which has been capitalised but which does not always produce a fixed asset, e.g. renovation grants, software licences.
<b>Interest</b>	An amount received or paid for the use of a sum of money when it is invested or borrowed.
<b>Lease</b>	A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.
<b>Minimum Revenue Provision</b>	The minimum amount which must be charged to an authority's revenue accounts and set aside as a provision for credit liabilities. It is calculated by applying a prescribed percentage of outstanding debt.
<b>MRA</b>	Government Subsidy to the HRA to fund major repairs to the Council's housing stock.
<b>Non Domestic Rate</b>	A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.
<b>Operating Lease</b>	A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.
<b>Precept</b>	The levy made by precepting authorities (Oxfordshire County Council, Police) on billing authorities (the City Council) requiring the latter to collect income from council taxpayers on their behalf.
<b>Provision</b>	An amount of money put aside in the accounts for anticipated liabilities which cannot be accurately estimated e.g. provision for bad debts.
<b>Related Party Transactions</b>	Transactions where one of the parties involved has control or influence over the financial and operational policies of the other party.
<b>Reserves</b>	Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the City Fund.
<b>Revenue Expenditure</b>	The City Council's day-to-day expenditure on items which include wages, stationery and interest charges.
<b>Revenue Support Grant (RSG)</b>	Government revenue grant paid by local authorities.
<b>S106 agreements</b>	Where a developer undertakes to provide community benefits (for example, a percentage of affordable housing).
<b>Stock</b>	Raw materials and stores which the City Council has bought and holds in stock for use as required.
<b>Work in Progress</b>	The cost of work done on an uncompleted project at a specified date which has not been recharged to the appropriate account at that date.

## 13. APPENDIX TO THE STATEMENT OF ACCOUNTS

### 13.1 Staff Costs

We have gathered together some data from the payroll system which we thought you might be interested in. Below is a table showing the full time equivalent (FTE) of staff and the average pay per employee within each Business Unit and in the council as a whole.

<b>Business Unit</b>	<b>2005/06 Total Pay</b>	<b>Average Full Time Equivalent</b>	<b>Average pay per Business Unit</b>
Strategy & Review	1,024,479	34.6	29,652
Human Resources	601,679	20.7	29,130
Chief Executive	448,604	8.5	52,777
Financial Management	1,442,504	45.5	31,672
Revenues & Benefits	1,950,955	90.4	21,583
Legal & Democratic Services	847,318	29.4	28,786
Business Systems Unit	822,770	26.7	30,838
Facilities Management	814,116	38.1	21,343
Customer Services	909,041	40.8	22,289
Oxford Building Solutions	7,875,991	290.9	27,078
Neighbourhood Renewal	1,630,949	61.0	26,728
Environmental Health	1,265,168	40.6	31,196
Housing Services	2,776,610	114.4	24,266
Built Environment	956,428	31.2	30,611
City Works	4,570,560	207.7	22,007
Planning	1,331,639	48.9	27,218
Transport & Parking	824,190	33.0	24,960
Leisure & Parks	4,260,215	173.0	24,628
	<b>34,353,217</b>	<b>1,335.4</b>	
<b>Average pay per employee</b>	<b>25,725</b>		

As well as the salaries paid out above, we also spent money on:

- ❖ Overtime - £1,052,410
- ❖ National Insurance - £2,690,885
- ❖ Superannuation - £5,895,775
- ❖ Agency staff - £1,027,393

## 13.2 Training

As a Council we are committed to providing training to our staff. In 2005/06 we spent a total of £641,327 on training and this is detailed in the table below

	£	
<b>Employee Spend</b>	159,253	Training section staff salaries etc
<b>Premises</b>	8,799	New training room in Town Hall
<b>Travel &amp; Subsistence</b>	10,431	Re: training courses etc
<b>Supplies &amp; Services</b>	33,987	Including Town Hall catering & hire
<b>Training Courses</b>	426,701	
<b>Internal Charges</b>	2,155	E.g. accountancy
<b>Total</b>	<b>641,327</b>	

## 13.3 Debtors

As at 31<sup>st</sup> March 2006, the total owed to the authority was £5,288,061, which included debts from periodic income, service charges, community charge, housing benefit overpayments, community alarms, trade refuse, leisure and housing services.

Our total income for the year (including grants, parking charges, etc but excluding Council Tax and NNDR income) was £151,698,000. This means that the total owed to us at the year-end was about 3% of our total income.

## 13.4 Fixed Assets

The council maintains an asset register which includes the disposal, addition and revaluation of assets. Below we have shown the 5 revaluations and disposals of highest value during the financial year to give you an idea of the scale of transactions we are processing.

<b>Revaluations</b>				<b>Value at</b>	
<b>Ref.</b>	<b>Description</b>	<b>Original value</b>	<b>Increased by</b>	<b>31st Mar 06</b>	<b>Last valuation</b>
		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>date</b>
H229	Council dwellings (8042 properties)	624,659,061	(43,305,861)	581,353,200	March 2003
E112	38/40 George Street (Cinema)	895,000	2,105,000	3,000,000	March 2001
R124	Blackbird Leys Leisure Centre	1,800,000	1,820,000	3,620,000	March 2000
E105	15/19 George Street (Shop/offices)	1,520,000	1,430,000	2,950,000	March 2000
E021	Blackbird Leys Farm	42,000	1,258,000	1,300,000	March 2001

## Disposals / Capital Receipts

Ref.	Description	Sale value £'s
H229	Council dwellings (38 properties)	3,213,800
H446	65 Cardigan Street (House)	285,000
H305	1 Walton Street (House)	240,000
H416	44 Hythe Bridge Street (House)	239,488
H440	97 East Avenue (House)	214,098

## 13.5 Capital

The Council has a large capital programme which is regularly monitored. Money was spent from the capital programme on refurbishing the council dwellings up to the Decent Homes Standard. Large areas of spend were:

- ❖ Kitchens & bathrooms - £4.513m
- ❖ Major void works - £3.719m
- ❖ Heating - £2.628m
- ❖ Windows - £1.075m
- ❖ Roofing - £0.660m

During the year the Council also spent money on a variety of other schemes and assets across the city. The 5 schemes of highest value were:

Barton Pool	2,382,605
Vehicles	1,128,918
Blackbird Leys Leisure Centre	797,255
Disabled Facilities Grants	695,956
Roofing	562,664

## 13.6 Treasury

The majority of our treasury dealing is lending money to banks and building societies. As at 31<sup>st</sup> March 2006 we had a total of £36m on deposit and over the year this gave us an average rate of 4.864% earned. We held the most money (£6m) with Singer & Friedlander Building Society. Other key deposits were:

- ❖ Heritable Bank Ltd - £5.0m
- ❖ Anglo Irish Bank - £4.0m
- ❖ Stroud & Swindon - £3.5m
- ❖ Cheshire Building Society - £3.5m
- ❖ Bank of Scotland - £2.5m
- ❖ Norwich & Peterborough - £2.5m

Our main bank account is with the Co-op bank and at the end of the financial year we had £2.56m in our overnight investment account with them.

As well as lending money we also have a few long-term borrowings. As at 31<sup>st</sup> March 2006 we had £2.5m of transferred debt outstanding with South Oxfordshire District Council. This is a 25 year loan which expires in 2016 and has an interest rate of 4.82%. Our other major borrowing is with the Public Works Loans Board (PWLb). At the year-end we had £8.7m of debt with the PWLB. This consists of 23 separate loans ranging from 25 year to 80 year terms with an average interest rate of 4.15%.



## 13.7 Collection Fund

One of the biggest services that we as a council provide is the collection of council tax and national non-domestic rates (NNDR). At the end of the year we were owed £6.5m in outstanding council tax and £1.5m in NNDR. The table below shows the age of this debt.

<b>Age</b>	<b>Council Tax</b>		<b>NNDR</b>	
Under 1 year	2,719,637	42.07%	562,226	36.42%
1-2 years	1,807,484	27.96%	405,924	26.29%
3-4 years	926,478	14.33%	161,647	10.47%
5-6 years	523,086	8.09%	141,740	9.18%
7-8 years	235,630	3.64%	176,494	11.43%
9-10 years	204,310	3.16%	62,506	4.05%
Over 10 years	48,663	0.75%	33,369	2.16%
	<b>6,465,288</b>	<b>100.00%</b>	<b>1,543,906</b>	<b>100.00%</b>