

# Statement of Accounts



2022-2023



Building a world-class city for everyone



Page left intentionally blank

## CONTENTS

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

Page left intentionally blank

# **FOREWORD**

Page left intentionally blank

## INTRODUCTION

Welcome to Oxford City Council's Statement of Accounts for the year ending 31 March 2023.

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

The Statement provides, in accordance with International Financial Reporting Standards (IFRS), the accounts for the General Fund, Housing Revenue Account, Collection Fund and all other accounts for which the Council is responsible. The Council's Balance Sheet provides details of its Assets and Liabilities as at 31 March 2023. Other supporting statements are provided to help explain the figures in the accounts. In addition, a glossary can be found on pages 151 to 157 to help explain some of the technical terms.

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

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

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

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

Nigel Kennedy  
Head of Financial Services (Section 151 Officer)

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

## STATEMENT OF RESPONSIBILITIES

### The Council's Responsibilities

The Council is required to:

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

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

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

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

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

The Statement of Accounts as set out on [pages 23 to 149](#) presents a true and fair view of the financial position of Oxford City Council as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

The unaudited Accounts were issued on 29th May 2024 and the audited accounts have been authorised for issue on **XXX**.

Signed



Date

29th May 2024

Nigel Kennedy

Head of Financial Services (Section 151 Officer)

Signed

Date

**XXX**

Councillor

Chair of Audit & Governance Committee



## NARRATIVE REPORT

### Purpose of the Narrative Report

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

### 1. The Statement of Accounts

**The Statement of Accounts consists of the following:**

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

## NARRATIVE REPORT

### Details Of The Core Financial Statements

#### **The Movement in Reserves Statement (MIRS)**

The MIRS shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) totalling around £107.6 million as at 31 March 2023 and Unusable Reserves which are not 'cash backed' totalling £905.5 million.

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

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

#### **The Comprehensive Income and Expenditure Statement**

This Statement (page 23) shows the net cost in the year of providing services, which is £175.9 million, in accordance with generally accepted accounting practice, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

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

A new structure was put in place during the year which served to move service areas between directorates in order to better balance workloads. This has therefore resulted in a restatement of prior year comparatives in the CIES and the EFA

#### **The Balance Sheet**

This statement (page 26) shows the value as at 31 March 2023 of the assets and liabilities recognised by the Council which are £1,013.1 million net. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The Cash Investments, Assets Held For Sale and Stock has decreased due to short term borrowing which was taken out in 2021/22 to deal with cash flow issues arising from the Government unexpectedly demanding repayment of some funds held on account being redeemed and a general reduction in cash balances due to financing capital expenditure from internal resources rather than external borrowing.

	<b>2022/23</b>	<b>2021/22</b>	<b>Variation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Value of Land and Property Owned	1,108,648	1,072,592	36,056
Cash Investments, Assets Held For Sale and Stock	63,929	116,272	(52,343)
Money the Council Owes	(356,268)	(522,790)	166,522
Money the Council is Owed	196,779	193,120	3,659
<b>Net Worth of Council at 31st March</b>	<b>1,013,088</b>	<b>859,194</b>	<b>153,894</b>

Reserves are reported in two categories:

- Usable Reserves - £107.6 million - those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves to meet unforeseen circumstances and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt and the earmarked reserves of £56.0 million which are set aside to fund future expenditure).
- Unusable Reserves - £905.5 million - those reserves that the Council is not able to use to provide

## NARRATIVE REPORT

services. This category of reserves includes those that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that reflect timing differences shown in the Movement in Reserves Statement line “Adjustments Between Accounting Basis and Funding Basis Under Regulations”.

### Cash Flow Statement

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

The amount of ‘Net Cash Flows from Operating Activities’ is £67.4 million and is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for the purchase of resources which are intended to contribute to the Council’s future service delivery.

The overall decrease in Cash and Cash Equivalents between 2021/22 and 2022/23 is approximately £32.0 million due predominantly to a reduction in money market funds and cash held at the bank; money market funds are instant access and are classified as a cash equivalent. Cash has reduced due to the internal financing of capital expenditure and short term transfers of cash between companies to maintain bank balances in line with banking agreements.

### The Housing Revenue Account Income and Expenditure Statement

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

### The Collection Fund

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

The Collection Fund Balance at the end of the year was a £11.5 million net surplus. This represents a £10.4 million surplus on Business Rates and a £1.1 million surplus on the Council Tax element respectively. The Council Tax balance is shared between Oxford City Council, Oxfordshire County Council, and the Police and Crime Commissioner (Thames Valley) in proportion to their precept. The Business Rates balance is shared between Central Government, Oxford City Council and Oxfordshire County Council in the percentages 50% / 40% / 10% respectively.

	<b>Business Rates</b>	<b>Council Tax</b>	<b>Total</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Oxford City Council	(4,160)	(154)	(4,314)
Oxfordshire County Council	(5,199)	(781)	(5,980)
Police and Crime Commissioner (Thames Valley)	(1,040)	(116)	(1,156)
Central Government	-	-	-
<b>Total (Surplus)/Deficit c/f</b>	<b>(10,399)</b>	<b>(1,051)</b>	<b>(11,450)</b>

## NARRATIVE REPORT

### 2. General Fund Outturn Position

The Council set a budget for spending on General Fund services of £24.605 million, to be financed by Council Tax of £14.758 million (net of parish precepts), retained business rates of £7.154 million, contributions from earmarked reserves of £1.982 million, and grant of £0.711 million.

The Council Tax for a Band D property was set at £332.54 (including parish precepts which are precepted on the Council), a 1.9% increase for the City Council Tax on the previous year. The basic amount of Council Tax (excluding the parish elements) was £326.54, a rise of 1.99% on the previous year.

The table below shows the Council's outturn position at service level against the latest budget: a favourable position of £0.193 million against the balanced budget agreed in February 2022. This position is after carry forward of unspent budgets of £0.148 million and a budgeted transfer of £1.982 million from earmarked reserves. In summary the position is as follows:

	Net Approved Budget 2022/23 £000	Net Revised Budget 2022/23 £000	Net Expenditure 2022/23 £000	Variance 2022/23 £000
Housing Services	4,659	4,103	4,099	(4)
Regulatory Services & Community Safety	773	753	831	78
Community Services	5,010	5,028	4,647	(381)
<b>Communities &amp; People</b>	<b>10,442</b>	<b>9,884</b>	<b>9,577</b>	<b>(307)</b>
Corporate Property	(9,068)	(9,126)	(8,444)	682
Regeneration and Economy	782	676	889	213
Planning Services	521	(900)	(1,032)	(132)
<b>Development</b>	<b>(7,765)</b>	<b>(9,350)</b>	<b>(8,587)</b>	<b>763</b>
Corporate Strategy	907	898	826	(72)
Environmental Sustainability	1,130	599	559	(40)
<b>Chief Executive</b>	<b>2,037</b>	<b>1,497</b>	<b>1,385</b>	<b>(112)</b>
Oxford Direct Services Client	13,051	13,411	14,558	1,147
<b>ODS Development Director</b>	<b>13,051</b>	<b>13,411</b>	<b>14,558</b>	<b>1,147</b>
Business Improvement	9,730	9,862	9,912	50
Financial Services	3,169	3,556	3,955	399
Chief Executive	1,097	1,069	1,070	1
Law and Governance	2,464	2,403	2,862	459
<b>Corporate Resources</b>	<b>16,460</b>	<b>16,890</b>	<b>17,799</b>	<b>909</b>
<b>Total Service Expenditure</b>	<b>34,225</b>	<b>32,332</b>	<b>34,732</b>	<b>2,400</b>
Corporate Accounts and Contingencies	(9,620)	(9,154)	(12,213)	(3,059)
<b>Net General Fund Expenditure</b>	<b>24,605</b>	<b>23,178</b>	<b>22,519</b>	<b>(659)</b>
Transfers To/From Earmarked Reserves	(1,980)	(5,994)	(5,938)	56
<b>Net Budget Required</b>	<b>22,625</b>	<b>17,184</b>	<b>16,581</b>	<b>(603)</b>
<b>Total Funding Available</b>	<b>22,623</b>	<b>17,186</b>	<b>16,776</b>	<b>(410)</b>
<b>Net (Surplus) / Deficit for the Year</b>	<b>2</b>	<b>(2)</b>	<b>(195)</b>	<b>(193)</b>
<b>Working Balance</b>	<b>(3,622)</b>	<b>(3,622)</b>	<b>(3,622)</b>	<b>-</b>

## NARRATIVE REPORT

The main variances making up the overall £0.193million general fund favourable variance are as follows:

**Community Services** had an underspend of £0.381million. This includes Community Centres which were underspent by £0.148 million, mainly in salaries and an underspend in respect of the Town Hall of £0.140 million as a result of additional income above budget. Leisure Management was overspent by £0.306million as a result of the creation of a bad debt provision to reflect the uncertainty of debt recovery in the Leisure Services area of the business. The localities area is showing an underspend of £0.377 million as a result of the year end adjustment of neighbourhood CIL as the income was not budgeted at a service area level.

In **Corporate Property** the majority of the £0.682 million overspend was on asset management. A £1.117 million expected Rent Premium was classified as Capital Receipts plus other projected Commercial Investment Property Rent shortfalls were offset by a significant reduction in Bad Debt Provision for Commercial Property Rent. The net £0.682million overspend comes from £0.227 million pressure due expenditure previously classified as Capital being charged to revenue following the cessation of a scheme because of the high probability of not obtaining previously assumed LEP funding. Commercial Property Premises costs (Void unit and landlord) was £0.275 million overspent and Corporate Assets employee costs was £0.100 million overspent due to staff turnover and higher than budget temporary recruitment costs. There was also a reduction in Property Services costs able to be charged to HRA capital projects of £0.100 million due to a reduced number of projects being supported.

In **Planning & Regulatory Services**, the combined underspend was £0.132 million. Regulatory Services accounted for an overspend of £0.96 million as a result of pressures in Building Control and Public Health but the Planning area of the business contributed a favourable year end variance of £0.228million. This included a shortfall in Planning income offset by savings in salaries.

The **ODS Client** budget included an estimated dividend payment of £1.4 million which was not achieved in year. This was partially offset by additional car parking income resulting in a net overspend of £1.147 million.

**Financial Services** had an overall overspend of £0.399 million, the majority of which being an overspend of £0.306 million in Corporate Finance resulting from £0.122 million higher external and internal audit fees and £0.184 million additional bank charges. Procurement & payments had an overspend of £0.122 million including £0.083 million adverse staffing costs. Accountancy had an underspend of £0.141 million, mostly arising from £0.053 million savings in salaries and an increase of £0.059 million in SLA income obtained from Oxford City Housing Ltd. An Investigations overspend of £0.066 million was predominantly due to increased staffing costs including the use of temporary agency staff.

**Law & Governance** had an overall overspent of £0.459 million: arising from an overspend of £0.336 million within legal services due to locum staff costs, and an overspend in Election Services of £0.106 million due to increased printing costs, relating to the printing of polling cards & election notices for the May 2022 local elections, and increased postal delivery charges.

**Corporate Accounts and Contingencies** had a £3.059 million favourable variance due to a combination of factors including the use of less contingency than budgeted, reductions in Minimum Revenue Provision and interest costs on borrowing due to lower levels of capital expenditure in both this and the previous financial year, plus more interest income than budgeted due to an increase in cash resources and higher interest rates than anticipated.

### Company Financial positions

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

ODSL made a surplus of £1.4 million in 2022/23 (2.5 million in 2021/22). ODSTL made a surplus of £0.5 million in 2022/23 (£0.288 million in 2021/22). From 2021/22 onwards, ODSL performed only work for the Council

## NARRATIVE REPORT

and work for any entities other than the Council was performed by ODSTL.

OCHL group made a profit of £2.653 million for the 2022/23 financial year 2022/23 (£3.413 million for 2021/22).

OxWED LLP made a loss of £3.255 million for 2022/23 (0.834 million in 2021/22) mainly due to financing costs from servicing the loans from the partners (which mainly relate to the costs of land assembly) and the costs of the preparation for development. The company is currently working on bringing the site forward for development

### 3. Housing Revenue Account Outturn Position

	Net Approved Budget 2022/23 £000	Net Revised Budget 2022/23 £000	Net Expenditure 2022/23 £000	Variance 2022/23 £000
Dwelling Rent	(44,733)	(44,643)	(44,558)	85
Service Charges	(2,091)	(2,181)	(2,291)	(110)
Garage Income	(226)	(226)	(262)	(36)
Miscellaneous Income	(781)	(797)	(907)	(110)
Right to Buy (RAF)	(52)	(52)	(51)	1
<b>Income</b>	<b>(47,883)</b>	<b>(47,899)</b>	<b>(48,069)</b>	<b>(170)</b>
Management & Services (Stock Related)	11,434	11,022	11,899	877
Other Revenue Spend (Stock Related)	1,127	1,138	494	(644)
Misc Expenditure (Not Stock Related)	1,021	1,021	45	(976)
Bad Debt Provision	786	786	289	(497)
Responsive and Cyclical Repairs	15,498	15,458	16,939	1,481
Interest Paid	8,620	8,620	8,267	(353)
Depreciation	9,412	9,412	8,000	(1,412)
<b>Expenditure</b>	<b>47,898</b>	<b>47,457</b>	<b>45,933</b>	<b>(1,524)</b>
<b>Net Operating Expenditure / (Income)</b>	<b>15</b>	<b>(442)</b>	<b>(2,136)</b>	<b>(1,694)</b>
Investment Income	(81)	(81)	(389)	(308)
Reserve Movements	-	458	5,029	4,571
(Gain) / Loss on sale of fixed assets	-	-	(7,303)	(7,303)
Capital expenditure funded by the HRA	-	-	2,731	2,731
	<b>(81)</b>	<b>377</b>	<b>68</b>	<b>(309)</b>
<b>Net (surplus)/deficit</b>	<b>(66)</b>	<b>(65)</b>	<b>(2,068)</b>	<b>(2,003)</b>
<b>Working Balance</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>-</b>

## NARRATIVE REPORT

### **HRA Summary**

At the end of 2022/23 the HRA provisional outturn variance was a surplus of £2.003m. This was mainly due to underspends totalling £3.882m netted off by overspends of £2.357m, along with income above budget of £0.170m, and a favourable variance of £0.308m on appropriations.

### **Income**

Although dwelling rent was slightly under budget by 0.2%, other income streams – service charges, garage income, and miscellaneous income have all exceeded the budgeted amounts resulting in a net favourable variance of £0.170 million.

### **Expenditure**

#### **Management and Services (Stock Related)**

There was an adverse variance of £0.877 million in this area due to several factors: an increase spend on utilities of £0.544 million, costs of payment of Council Tax from an increase level of void stock of £0.143 million, additional furniture purchases in furnished tenancies of £0.300 million and an increase in annual subscription costs of £0.023 million. There were savings from reduced spend on court costs in the Rent Team of £0.150 million. Savings from various vacant posts within Landlord Services of £0.440 million has been transferred to a Carry Forward Reserve.

#### **Other Revenue Spend (Stock Related)**

There was a favourable variance due to savings in Consultant Fees with only £0.013 million spent against budget of £0.430 million. There were also savings in software purchases of £0.090 million and £0.100 million in the legal budgets.

#### **Miscellaneous Expenditure (Not stock related)**

There was a favourable variance in this area arising from salary savings of £0.363 million and £0.590 million on the consultancy budget relating to feasibility spend on developments.

#### **Responsive & Cyclical Repairs**

There was an overspend on repairs of £1.481 million due to increases in demand for demand-led services, a high level of voids costing £0.852 million and increases in material costs.

#### **Interest Paid**

There was less interest payable resulting in a £0.353 million favourable variance. This was due to reduced borrowing requirements as a result of less actual capital expenditure than originally planned.

#### **Depreciation**

The cost of depreciation was £1.412 million below the budgeted level. Depreciation levels are driven by the valuation of properties within the HRA and are therefore variable and not directly within the control of the Council. Depreciation is a real charge to the HRA but provides resources for financing the capital programme.

## NARRATIVE REPORT

### 4. Capital Outturn Position

The latest revised budget in February 2023 was £94.070 million with a final outturn in March of £75.668 million i.e. 80.4% spend against latest budget and 35.9% of the original budget of £210.981 million set in February 2022.

	Latest Budget 2022/23 £'000	Spend to 31 March 2022/23 £'000	Outturn Variance to Latest Budget 2022/23 £'000	Outturn Variance due to Slippage 2022/23 £'000	Outturn Variance due to Over / (Under) spend 2022/23 £'000
General Fund	48,664	29,283	(19,381)	(14,647)	(4,735)
Housing Revenue Account	45,406	46,385	979	979	-
<b>Grand Total</b>	<b>94,070</b>	<b>75,668</b>	<b>(18,402)</b>	<b>(13,668)</b>	<b>(4,735)</b>

There was an underspend variance of £19.381 million relating to General Fund projects and an overspend variance of £0.979 million relating to the HRA. Of the outturn variation there is an overall £13.668 million slippage which will require budget adjustments in 2023-24 and an overall underspend of £4.735 million.

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

#### General Fund

**Relocation to Town Hall** - £0.645 million favourable - Cabinet report contained only estimated budget figures and additional contingency due to tight timescales. Large element of underspend was due to spend on ICT works being much lower than expected.

**OxLEP Funded Projects** - £0.597 million favourable – Delivery of both projects at Cave Street and 1-3 George Street delayed into 2023-24. Cave St. delayed due to on-going scheme viability review. 1-3 George St – due to further delays in ODS construction programme.

**Roken House** – £0.453 million favourable – Delays in letting the works contract. Delayed until May 2023.

**24-26 George St** - £0.377 million favourable – Works completion now delayed to Jun 2023 due to a revised programme from Oxford Direct Services Limited.

Asset Surveys - £0.300 million favourable - Delays due to work still needing to be specified and tender process initiated.

**Oxwed Loans** - £0.275 million favourable - Some draw down of the loan facility now to be utilised in 2023-24.

**Enabling works - Decarbonisation** - £0.260 million favourable – delays on some enabling works into 2023-24.

**Controlled Parking Zones** - £0.200 million favourable – Only agreed in December 2022 with Oxfordshire County Council to proceed with 3 schemes. Spend therefore delayed until 2023-24.

**Old Gas Works Bridges** - £0.140 million favourable - Delayed contract signing resulted in works now due to commence on site on the 1 April 2023.

#### HRA

**Adaptations for Disabled** - £0.375 million adverse – overspend due to high demand for adaptations as recommended by Occupational Therapists.

**Northfield Hostel** - £0.300 million adverse – expenditure at Northfield Hostel has been ahead of the re-profiled budget.

**Oxford North Development** - £0.175 million adverse – this initial expenditure related to the deposit for the future acquisitions at the Oxford North Development.

**East Oxford Development** - £0.147 million adverse – following some delays to securing a contractor for the residential development at East Oxford the actual expenditure incurred was in excess of the re-profiled budget.

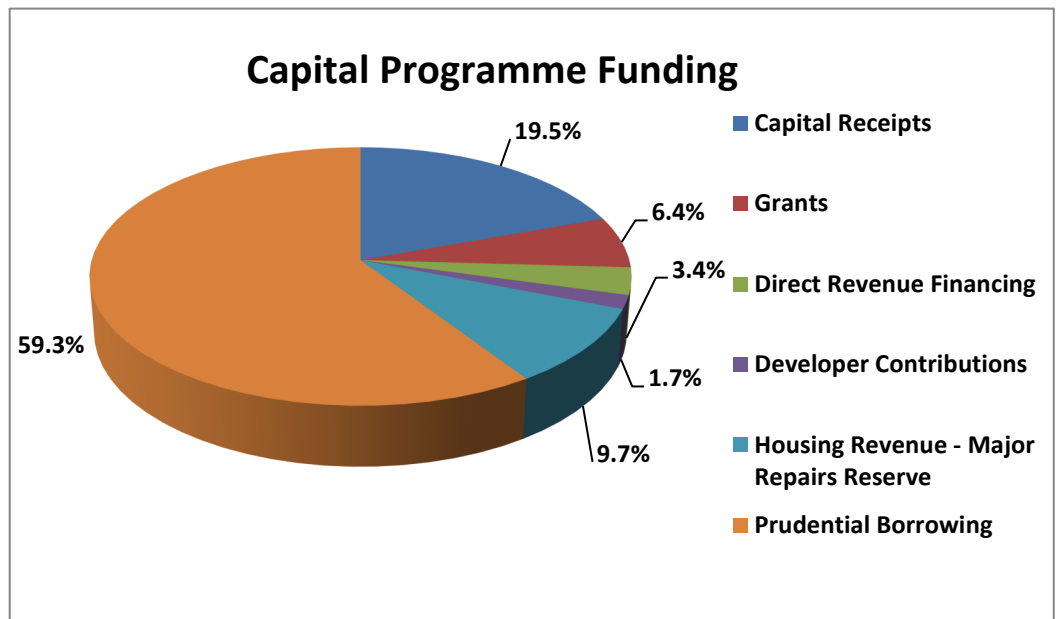


## NARRATIVE REPORT

### Funding the Capital Programme

The General Fund Capital Programme spend totalled £29.283 million and was funded through a combination of Capital Receipts (£9.611 million), Grants (£4.445 million), Developer Contributions (£1.251 million), borrowing (£14.100 million) and a reduction in historic direct revenue financing due to items removed from capital of £0.124 million.

The Housing Capital Programme spend totalled £46.385 million and was funded through a combination of Direct Revenue Finance (£2.732 million), Grants (£0.382 million), Capital Receipts (£5.148 million), Major Repairs Reserve (£7.323 million) and Borrowing (£30.800 million).



### 5. Material Items of Income and Expenditure

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

#### • Pension Fund

The Council's liability to provide for the cost of past employment benefits to staff has decreased in the year ended 31 March 2023. The liability reported as at 31 March 2022 was £158.18 million. The revised liability as at the 31 March 2023 is £16.64 million. The decrease in liability of £141.54 million is due to a number of factors:

- ♦ An actuarial gain for 2022/23 of £159.33 million is reported on the Comprehensive Income and Expenditure Account, which is subsequently adjusted (in accordance with proper practice) via the Movement in Reserves Statement to ensure it has no General Fund Balance implications. This arises from:
  - ♦ Changes in actuarial financial assumptions resulting in a gain of £211.97 million;
  - ♦ Changes in demographic assumptions giving a benefit of £3.20 million;
  - ♦ Losses on assets of £55.83 million;
  - ♦ Reductions in the fair value of assets of £18.37 million; and
  - ♦ Changes in the present value of unfunded obligations of £1.50 million.

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

#### • Government Funding

During 2020/21 and 2021/22 the Government mandated business rate reliefs to be applied to business rate accounts which are supported by section 31 payments. This results in a large deficit on the collection fund to be charged to revenue in future years. The section 31 payments supporting these deficits have been received and the relevant balance relating to future year revenue impacts of £23.895 million has been transferred back from earmarked reserves into the revenue account through the MiRS to match the deficit impact.

### 6. Contingencies and Provisions

As at 31 March 2023 the Council had made provision for £7.536 million of expenditure likely to be incurred sometime in the future. Included in this figure are the following amounts:

- **Rent Deposit Scheme** - £1.593 million - this provision covers deposits paid on behalf of tenants placed in private rented properties by the Council.
- **Council Tax Court Costs** - £0.264 million - this provision is against outstanding court costs that have been raised against Council Tax arrears.
- **Provision for NNDR Appeals** - £4.910 million - following the reform of Business Rates, the risk of appeals is shared between Central Government, the Council and Oxfordshire County Council. This relates to the Council's potential liability for the cost of appeals. The Council's share of the overall Collection Fund Balance has been transferred to Earmarked Reserves.
- **Insurance Provision** - £0.769 million - reflecting an actuarial estimate of the cost of insurance claims received but not yet paid.

## NARRATIVE REPORT

### 7. Current Borrowing Levels

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

### 8. Group Accounts

#### **Barton Oxford LLP**

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

#### **OxWED LLP**

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

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

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

#### **Oxford City Housing Limited (OCHL)**

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

Under the Equity method of group accounting the Council's Group Balance Sheet records the Council's share of the OxWED and the Barton Oxford LLPs Net Assets. ODSL, ODSTL and OCHL are consolidated on a line by line basis because they are wholly owned by the Council. The net figure for all five entities as at 31 March 2023 is a net asset of £12.019 million.

#### **Wholly Owned Entities: -**

	<b>ODSL 2022/23 £'000</b>	<b>ODSTL 2022/23 £'000</b>	<b>OCHL 2022/23 £'000</b>	<b>Sub-Total 2022/23 £'000</b>
Council's share of Net Assets	17,069	1,124	42,285	60,478
Capital classified as a liability	(11,497)	-	(35,598)	(47,095)
<b>Council's Share shown in the Group Accounts</b>	<b>5,572</b>	<b>1,124</b>	<b>6,687</b>	<b>13,383</b>
	<b>ODSL 2021/22 £'000</b>	<b>ODSTL 2021/22 £'000</b>	<b>OCHL 2021/22 £'000</b>	<b>Sub-Total 2021/22 £'000</b>
Council's share of Net Assets	16,489	583	49,276	66,348
Capital classified as a liability	(11,704)	-	(45,364)	(57,068)
<b>Council's Share shown in the Group Accounts</b>	<b>4,785</b>	<b>583</b>	<b>3,912</b>	<b>9,280</b>

## NARRATIVE REPORT

### Joint Ventures and Total: -

	OxWED LLP 2022/23 £'000	Barton LLP 2022/23 £'000	Sub-Total 2022/23 £'000	Total 2022/23 £'000
Council's share of Net Assets	16,841	-	16,841	77,319
Capital classified as a liability	(18,205)	-	(18,205)	(65,300)
<b>Council's Share shown in the Group Accounts</b>	<b>(1,364)</b>	<b>-</b>	<b>(1,364)</b>	<b>12,019</b>
	OxWED LLP 2021/22 £'000	Barton LLP 2021/22 £'000	Sub-Total 2021/22 £'000	Total 2021/22 £'000
Council's share of Net Assets	8,027	-	8,027	74,375
Capital classified as a liability	(11,260)	-	(11,260)	(68,328)
<b>Council's Share shown in the Group Accounts</b>	<b>(3,233)</b>	<b>-</b>	<b>(3,233)</b>	<b>6,047</b>

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

See pages 101 to 128 for more details on the Group Accounts.

## 9. Financial Prospects Looking Forward

### General Fund

The COVID 19 pandemic and the latest variant Omicron continues to create significant financial hardship for many businesses and individuals in the city. The Council has not been immune from such problems. In June 2020 the Head of Financial Services reported an estimated £29 million budget deficit over the four year MTFP to Cabinet in his report of June 2020 recommending that the Council take immediate action to mitigate this potential overspend. Whilst it is fair to say that this gap has not grown it has also not changed significantly and many of the assumptions around reduced income streams from commercial rents, car parking and town hall lettings remain in place. Part of the action required was the drawing on reserves to balance the deficit over the period and this still remains a key mitigation with the draw on reserves over the 4 year period now estimated at £11 million. It should be noted that as part of the budget setting strategy for the current MTFP the advice of the Head of Financial Services (Section 151 Officer) is that there should be no additional draw on these reserves over the next 4 year period.

As in previous years the Council has undertaken a prudent and robust approach in developing its Medium Term Financial Strategy ("MTFS") based on information that is available to date. There is still uncertainty over a number of areas, some surrounding income streams which have been adversely affected by the pandemic, and others around Government policy such as retained business rates. Members should have regard to this when considering this report and officers will ensure that the position is closely monitored going forward.

Additional efficiencies over the years are planned which deliver £11.65 million of ongoing savings from 2025-26 onwards. All aspects of the Council's budget, efficiency savings, additional income streams, and pressures have been subject to rigorous review, with Service Heads being required to review the plans they put forward in previous years and confirm delivery of the proposals over the life of the MTFP.

### COVID 19

Pressures around income streams especially commercial rents brought about by the COVID 19 pandemic. Prudent estimates have been made of the likely estimated position of these income streams with some such as commercial rents not considered to return to their pre COVID position for a number of years.

### Housing Revenue Account (HRA)

- ♦ Key assumptions in the HRA budget include: Rent Setting
- For 2022/23 the Consumer Price Index (CPI) rate was 3.1% in September and hence in line with Government

## NARRATIVE REPORT

policy of CPI +1%, council house rents are estimated to increase by 4.1% from 2021-22 levels, with 3% increases estimated for future years.

- ◆ Debt Management Strategy

Loan debt over the next 4 years increases from £198 million to £494 million peak debt in 2028-29 to accommodate the purchase of affordable housing from the Housing Company. Sufficient provision has been made in the HRA to cover the cost of this debt.

- ◆ Inflation and pay assumptions

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

### Local Authority Trading Companies

#### OCHL

Oxford City Housing Company Group has commenced the purchase of social housing stock developed as part of the Barton Park development with 27 properties transferred to the Company in 2020/21 and 14 in 2021/22. The Company is also developing sites within Oxford producing affordable dwellings to the HRA. The first surplus was for the group was achieved in 2021/22 and surpluses are forecast to be made in the next few years, primarily arising from the development schemes.

#### ODS

The Council has two wholly owned Companies which were set up to deliver the work of the Council's Direct Services Department. One of these companies (Oxford Direct Services Limited) undertakes work relating to the Council's statutory responsibilities in respect of refuse and recycling, street cleaning, highways and building maintenance plus any associated small scale external trading and as such has received Teckal exemptions in respect of the procurement of such services; during 2021/22 the majority of the external work was transferred to the sister company Oxford Direct Services Trading Limited. A small amount of work within the Teckal company has been undertaken on a competitive trading basis, with surpluses arising from these traded activities, unlike the statutory services, being subject to corporation tax. The other company (Oxford Direct Services Trading Limited) pursues a more commercial approach commencing with trade waste without the legislative limitations placed on the Direct Services Department as part of the Council's organisational structure. The companies commenced trading on 1 April 2018. In the first full trading year the Companies delivered £1.3 million dividend back to the shareholder in accordance with the Council's MTFP and a dividend of £0.6 million was paid in 2022/23.

#### OxWED

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

### Future Borrowing

The Council is planning to undertake significant borrowing over the next four year period to finance loans to Oxford City Housing Limited (OCHL) and also other capital spend, with the Capital Financing Requirement estimated to increase to around £672 million at the end of 2025/26 from £295 million at the end of 2021/22. The level of additional external borrowing is currently estimated at £373 million up to the end of 2025/26 of which £257 million is expected to be in respect of HRA capital expenditure. The balance of borrowing used to finance capital expenditure will be funded from internal resources. External borrowing is expected to be taken from the Public Works Loans Board. All capital loans will be secured against property and land purchased by the entities or will have the option to place a charge on property. Interest rates on the loans have been calculated by the Council to be subsidy control compliant.

## NARRATIVE REPORT

### 10. Performance Management

The Council had eleven Corporate Performance Indicators which it monitored and reported on during the year and these are listed below. Of the eleven indicators, 4 (36.36%) did not achieve their target and 7 (63.64%) did meet the target .

Measure	Target	Result for 2022/23
Contribution to the delivery of the 5 year housing supply delivery	567	400
The number of rough sleepers without an offer of accommodation	30	34
Improvement in overall city centre air quality	37 ug/m3 NO2	26 ug/m3 NO2
Physically active adults	76.0	74.4
Number of Oxford Living Wage employers and employees	90	103
Satisfaction with parks and green spaces	91%	93%
% of BAME staff	15%	15%
Number of people supported into work placements, apprenticeships, training, or back into employment leading to high growth jobs in the city	90	137
% of privately rented homes improved	60%	69%
Percentage of council owned stock that has an EPC below C	38.00%	23.59%
% of Council spend with local businesses (excluding ODS and OCHL)	46.00%	46.37%

### 11. Conclusion

I would like to thank Finance staff for their work in preparing these Statements. I hope the information is helpful in allowing you to have a clear understanding of how the Council's money has been spent in 2021/22. We've tried hard to present information as clearly as possible, but if you want to find out more about these accounts you can:

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

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

Page left intentionally blank



**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED  
31 MARCH 2023**

This statement shows the accounting cost in year of providing services in accordance with generally accepted accounting practice, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement (page 25).

	2022/23			2021/22		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Note	£'000	£'000	£'000	£'000	£'000	£'000
Communities & People	22,479	(12,902)	9,577	22,260	(11,384)	10,876
Development	10,538	(8,518)	2,020	10,249	(5,617)	4,632
Chief Executive	2,902	(1,515)	1,387	2,665	(848)	1,817
ODS Development Director	25,140	(9,981)	15,159	26,726	(10,937)	15,789
Corporate Resources	20,385	(2,586)	17,799	21,646	(4,775)	16,871
Housing Revenue Account (HRA)	156,946	(48,103)	108,843	50,783	(45,914)	4,869
Service Level Agreements and Capital Charges	17,148	(3,325)	13,823	21,711	(3,724)	17,987
Corporate and Democratic Core	45,798	(38,540)	7,258	43,851	(40,149)	3,702
<b>Cost of Services</b>	<b>301,336</b>	<b>(125,470)</b>	<b>175,866</b>	<b>199,891</b>	<b>(123,348)</b>	<b>76,543</b>
Other Operating Expenditure	281	(6,674)	(6,393)	7,179	-	7,179
Financing and Investment Income and Expenditure	11,398	(13,543)	(2,145)	12,803	(17,099)	(4,296)
Taxation and Non-Specific Grant Income	-	(43,483)	(43,483)	-	(60,092)	(60,092)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>313,015</b>	<b>(189,170)</b>	<b>123,845</b>	<b>219,873</b>	<b>(200,539)</b>	<b>19,334</b>
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(118,971)			(34,174)
Actuarial (Gains)/Losses on Pension Assets and Liabilities			(159,333)			(76,368)
<b>Other Comprehensive Income and Expenditure</b>			<b>(278,304)</b>			<b>(110,542)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(154,459)</b>			<b>(91,208)</b>

**EXPENDITURE AND FUNDING ANALYSIS FOR THE YEAR ENDED 31 MARCH 2023**

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

	2022/23		2021/22	
	Net Expenditure GF & HRA £'000	Adjustments Between Funding and Accounting Basis £'000	Net Expenditure GF & HRA £'000	Adjustments Between Funding and Accounting Basis £'000
Communities & People	9,577	-	10,876	-
Development	2,073	53	5,182	550
Chief Executive	1,387	-	1,817	-
ODS Development Director	15,159	-	15,789	-
Corporate Resources	17,799	-	16,871	-
Housing Revenue Account (HRA)	(9,755)	(118,598)	(9,064)	(13,933)
Service Level Agreements and Capital Charges	(11,190)	(25,013)	(10,514)	(28,501)
Corporate and Democratic Core	7,680	422	4,099	397
<b>Cost of Services</b>	<b>32,730</b>	<b>(143,136)</b>	<b>35,056</b>	<b>(41,487)</b>
Other Income and Expenditure	(24,742)	27,279	9,720	66,929
<b>(Surplus)/Deficit on Provision of Services</b>	<b>7,988</b>	<b>(115,857)</b>	<b>44,776</b>	<b>25,442</b>
Opening Balance (General Fund and HRA)	71,611		116,387	
Surplus/(Deficit) on General Fund and HRA Balance in Year	(7,988)		(44,776)	
<b>Closing Balance (General Fund and HRA)</b>	<b>63,623</b>		<b>71,611</b>	

6

**MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

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

	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account Balance	Earmarked HRA Reserves	Major Repairs Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2021 carried forward</b>	<b>3,622</b>	<b>69,132</b>	<b>4,000</b>	<b>39,633</b>	<b>5,646</b>	<b>6,136</b>	<b>13,015</b>	<b>141,184</b>	<b>626,237</b>	<b>767,421</b>
<b>Movement in Reserves during 2021/22</b>										
Surplus/(Deficit) on the Provision of Services	(10,366)	-	(8,968)	-	-	-	-	(19,334)	-	(19,334)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	110,542	110,542
<b>Total Comprehensive Income and Expenditure</b>	<b>(10,366)</b>	<b>-</b>	<b>(8,968)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,334)</b>	<b>110,542</b>	<b>91,208</b>
Adjustments between Accounting Basis & Funding Basis under Regulations	(6,196)	-	(19,246)	-	(935)	1,622	4,141	(20,614)	20,614	-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>	<b>(16,562)</b>	<b>-</b>	<b>(28,214)</b>	<b>-</b>	<b>(935)</b>	<b>1,622</b>	<b>4,141</b>	<b>(39,948)</b>	<b>131,156</b>	<b>91,208</b>
Transfers to/from Earmarked Reserves	16,562	(16,562)	28,214	(28,214)	-	-	-	-	-	-
<b>Increase/(Decrease) in 2021/22</b>	<b>-</b>	<b>(16,562)</b>	<b>-</b>	<b>(28,214)</b>	<b>(935)</b>	<b>1,622</b>	<b>4,141</b>	<b>(39,948)</b>	<b>131,156</b>	<b>91,208</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>3,622</b>	<b>52,570</b>	<b>4,000</b>	<b>11,419</b>	<b>4,711</b>	<b>7,758</b>	<b>17,156</b>	<b>101,236</b>	<b>757,393</b>	<b>858,629</b>
<b>Movement in Reserves during 2022/23</b>										
Surplus/(Deficit) on the Provision of Services	(12,531)	-	(111,314)	-	-	-	-	(123,845)	-	(123,845)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	278,304	278,304
<b>Total Comprehensive Income and Expenditure</b>	<b>(12,531)</b>	<b>-</b>	<b>(111,314)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(123,845)</b>	<b>278,304</b>	<b>154,459</b>
Adjustments between Accounting Basis & Funding Basis under Regulations	5,397	-	110,460	-	1,325	5,824	7,232	130,238	(130,238)	-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>	<b>(7,134)</b>	<b>-</b>	<b>(854)</b>	<b>-</b>	<b>1,325</b>	<b>5,824</b>	<b>7,232</b>	<b>6,393</b>	<b>148,066</b>	<b>154,459</b>
Transfers to/from Earmarked Reserves	7,134	(7,134)	854	(854)	-	-	-	-	-	-
<b>Increase/(Decrease) in 2022/23</b>	<b>-</b>	<b>(7,134)</b>	<b>-</b>	<b>(854)</b>	<b>1,325</b>	<b>5,824</b>	<b>7,232</b>	<b>6,393</b>	<b>148,066</b>	<b>154,459</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>3,622</b>	<b>45,436</b>	<b>4,000</b>	<b>10,565</b>	<b>6,036</b>	<b>13,582</b>	<b>24,388</b>	<b>107,629</b>	<b>905,459</b>	<b>1,013,088</b>

## BALANCE SHEET AS AT 31 MARCH 2023

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

	Note	2022/23 £'000	2021/22 £'000
Property, Plant & Equipment	12	983,117	950,609
Heritage Assets	13	3,688	3,688
Investment Properties	15	117,688	114,227
Intangible Assets	16	4,155	4,068
Long Term Investments	17	20,146	24,031
Long Term Debtors	17	146,154	150,730
<b>Long Term Assets</b>		<b>1,274,948</b>	<b>1,247,353</b>
Short Term Investments	17	43,000	65,500
Assets Held for Sale	22	761	527
Inventories		22	11
Short Term Debtors	19	50,625	42,390
Cash and Cash Equivalents	17 & 21	-	26,203
<b>Current Assets</b>		<b>94,408</b>	<b>134,631</b>
Short Term Borrowing	17	(11,000)	(36,000)
Short Term Creditors	23	(86,948)	(85,020)
Contract Liabilities		(2,682)	(5,236)
Cash and Cash Equivalents	17 & 21	(5,831)	-
<b>Current Liabilities</b>		<b>(106,461)</b>	<b>(126,256)</b>
Long Term Creditors	17	(665)	(556)
Provisions	24	(4,695)	(7,536)
Long Term Borrowing	17	(198,528)	(198,528)
Other Long Term Liabilities		(17,371)	(158,887)
Capital Grants Receipts in Advance	34	(28,548)	(31,592)
<b>Long Term Liabilities</b>		<b>(249,807)</b>	<b>(397,099)</b>
<b>Net Assets</b>		<b>1,013,088</b>	<b>858,629</b>
Usable Reserves	MIRS	(107,629)	(101,236)
Unusable Reserves	26	(905,459)	(757,393)
<b>Total Reserves</b>		<b>(1,013,088)</b>	<b>(858,629)</b>

The unaudited Accounts were issued on 29th May 2024 and the audited accounts were authorised for issue on XXX.

Signed



Date

29th May 2024

Nigel Kennedy

Head of Financial Services (Section 151  
Officer)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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

	Note	2022/23 £'000	2021/22 £'000
Net (Surplus)/Deficit on the Provision of Services		123,845	18,769
Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements		(191,286)	(111,268)
<b>Net Cash Flows from Operating Activities</b>		<b>(67,441)</b>	<b>(92,499)</b>
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		73,794	64,800
Purchase of Short-Term and Long-Term Investments		(16,644)	20,560
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(18,347)	(12,670)
Other Capital Cash Receipts in Advance		3,044	(892)
<b>Total Cash Flows from Investing Activities</b>		<b>41,847</b>	<b>71,798</b>
Purchase of Short and Long Term Borrowing		27,000	(42,500)
Other payments/(receipts) from Financing Activities		30,627	43,088
Payments for the reduction of a Finance Lease Liability		1	-
<b>Total Cash Flows from Financing Activities</b>		<b>57,628</b>	<b>588</b>
<b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>		<b>32,034</b>	<b>(20,113)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		(26,203)	(6,090)
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	21	<b>5,831</b>	<b>(26,203)</b>

Page left intentionally blank

# **NOTES TO THE CORE FINANCIAL STATEMENTS**

Page left intentionally blank



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1. Accounting Standards issued, but not yet adopted by the Code of Practice 2022/23

The following disclosure provides information relating to the impact of accounting changes that will be required by new accounting standards that have been issued but not yet adopted. The International Financial Reporting Standards introduced or amended in the 2023-24 code are applicable from the 1 April 2023. The following disclosure provides information relating to the impact of accounting changes that will be required by the new accounting standards that have been issued but not yet adopted in 2022-23. The impact that initial application of the IFRS as adopted by the code is expected to be immaterial and have minimum effect on the Oxford City's financial statements.

Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

Paragraph 3.3.4.3 and Appendix C of the Code adapts IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2023/24 Code). This means that only the standards listed below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards to be introduced in the 2023/24 Code where disclosures are required in the 2022/23 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- b) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- d) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

These standards will all come into effect for Oxford City from 1 April 2023 and the impact that the initial application of the IFRS changes are expected to have an immaterial and very limited impact on the authority's financial statements

### 2. Critical Judgements in Applying Accounting Policies

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

#### Changes to Levels of Funding for Local Government

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

#### Componentisation of Fixed Assets

Where assets had been found to have significant components which would materially affect the depreciation charge, components have been identified and the depreciation of individual components applied. The Council's

## NOTES TO THE CORE FINANCIAL STATEMENTS

housing stock is subject to componentisation. The policy treats the components with a short life such as kitchens and heating systems as cost items only affected by additions and disposals and de-recognition. The land and structure of the building are the elements that benefit from any Revaluation Gain.

### Pension Fund Transactions

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

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

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

The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Business Rates Appeals	<p>The Council is required to estimate the value of successful Business Rates appeals, and make a provision for possible successful appeals. The Council have taken a prudent approach and the level for the 31 March 2023 has been estimated in the Statement of Accounts. The total appeals provision for business rates as at 31 March 2023 is £4.92 million of which the Oxford City share is £1.97 million.</p> <p>The Council has carried out sensitivity analysis on the data received from the Valuation Office to ensure that the provision is robust and evidence supports the level of this provision and has adjusted the data for known local factors.</p>	<p>If the assumption is incorrect, there would be an impact on the collection fund balance. A 1% increase in the provision would lead to an increased charge of £49,200. This would be split between the Council and Preceptors with 40% (£19,680) impacting the Council</p>

## NOTES TO THE CORE FINANCIAL STATEMENTS

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	General Fund and HRA Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will occur in relation to individual assets. HRA capital spending on housing stock was £46.39 million in 2022/23, while approved budgets have been established in subsequent years to undertake major repairs and maintenance which underpin the assumptions made regarding the useful lives assigned to the assets.	If the useful lives of assets are reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that if the annual depreciation charge for assets were to increase by 1% the extra charge would amount to £151,760.
Pensions Liability	Estimation of the net pension's liability depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries (Hymans Robertson) is engaged to provide the Council with expert advice about the assumptions to be applied	The effects on the net pension's liability of changes in individual assumptions cannot be measured accurately. During 2022/23, the Council's actuaries advised that the net pension's liability had decreased by £141.545 million. The total Pension deficit is £16.635 million as at 31 March 2023
Rent Deposit Provision	The Council operates a rent deposit scheme which provides the deposit necessary for an eligible resident to occupy private rented accommodation. The deposit is repayable. The certainty of repayment is very difficult to estimate. The Council has continued to make a provision during 2022/23 and the total provision now stands at £1.631 million. The accumulated provision represents 85% of the outstanding deposits.	If the Council's provision were found to be inaccurate, providing for an additional 1% provision would amount to £16,308.
Arrears	At 31 March 2023, the Council had a balance of short term debtors of £62.6 million. A review of these suggested that an impairment of doubtful debts of £12.0 million was appropriate. The net balance of debtors is therefore £50.6 million.	The economic climate and recoverability of debt is uncertain and therefore the doubtful debt allowance may be insufficient. An increase of 1% of doubtful debts would require an additional £120,176 to be set aside as an allowance

## NOTES TO THE CORE FINANCIAL STATEMENTS

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Commercial Rent Debt	<p>Commercial tenants have been badly affected both by the pandemic and the ongoing economic position and so the Council believes it is appropriate to assess the commercial property debt closely, looking at the individual customer's circumstances. For this reason a specific bad debt provision is in place based on a risk assessment of each tenant. For 2022/23, the provision is £2.607 million against a debt of £5.281 million. The debt and provision is also included in the arrears uncertainty note.</p>	<p>The current economic climate and collectibility of rental debt is uncertain and therefore the doubtful debt allowance may be insufficient. An increase of 1% of doubtful debts would require an additional £26,073 to be set aside as an allowance; conversely if the allowance is too high by 1% this would result in a credit of £26,073 to revenue.</p>
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the Discounted Cash Flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's chief valuation officer and external valuer). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 15 and 17 below</p>	<p>The authority may use the discounted cash flow (DCF) model to measure the fair value of some of its investment properties. This has not been required in 2022/23. If DCF were to be applied, the significant unobservable inputs used in the fair value measurement will include management assumptions regarding rent growth, demand and vacancy levels and discount rates – adjusted for regional factors. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties.</p>

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

General Fund General Sundry Debtors		Collection Fund Council Tax      NDR			Court Costs	
Age of Debt	Provision	Year Debt Raised	Provision	Provision	Year Debt Raised	Provision
		2022/23	1.5%	25.0%	2022/23	40%
<1 Year	0%	2021/22	25.0%	25.0%	2021/22	45%
<2 Years	100%	2020/21	50.0%	50.0%	2020/21	65%
<3 Years	100%	2019/20	75.0%	75.0%	2019/20	65%
<4 Years	100%	2018/19	80.0%	80.0%	2018/19	85%
<5 Years	100%	2017/18	92.0%	92.0%	2017/18	85%
<6 Years	100%	2016/17	92.0%	92.0%	2016/17	85%
>6 Years+	100%	2015/16	92.0%	92.0%	2015/16	85%
		2014/15	92.0%	92.0%	2014/15	85%
		2013/14	94.0%	94.0%	2013/14	85%
		2012/13	96.0%	96.0%	2012/13	90%
		2011/12	97.0%	97.0%	2011/12	96%
		2010/11 & prior years	100.0%	100.0%	2010/11 & prior years	100%

Additionally where there are specific concerns about a customer's likelihood to pay debts, a bad debt provision is made based on an assessment of the risk of non-payment of the outstanding debt held by that customer. For 2020/21 a specific provision was made for commercial property rental debts based on an assessed risk of non-payment and the specific assessment of commercial property rental debts was continued in 2021/22 and 2022/23.

#### **4. Material Items of Income and Expenditure**

##### **Pension Fund Actuarial Gain**

The Pension Fund Actuary has reported an actuarial gain for 2021/22 of £72.306 million. This is reported as a gain in Other Comprehensive Income and Expenditure and is reversed out through the MiRS and therefore has no General Fund Balance implications.

##### **Changes to Pension Costs Arising from Court Ruling**

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud / Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. There will therefore be a retrospective increase to members' benefits, which in turn will give rise to a past service cost for the Fund employers.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression.

The Fund's actuary has incorporated the latest assumptions on the impacts of this court ruling into the pension fund valuations included in the accounts. The impact on employers' funding arrangements will likely be dampened by the funding arrangements they have in place, however there may be unavoidable upward pressure on contributions in future years.

#### **5. Post Balance Sheet Events**

Events taking place after 31 March 2022 are not reflected in the financial statements or notes, unless they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 6. Note to the Expenditure and Funding Analysis

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

	2022/23				2021/22			
	Adjustment for Capital Purpose £'000	Net Change for Pensions Adjustment £'000	Other Differences £'000	Total Adjustment £'000	Adjustment for Capital Purpose £'000	Net Change for Pensions Adjustment £'000	Other Differences £'000	Total Adjustment £'000
Communities & People Development	53	-	-	53	-	-	-	550
Chief Executive	-	-	-	-	-	-	-	-
ODS Development Director	-	-	-	-	-	-	-	-
Corporate Resources	-	-	-	-	-	-	-	-
Housing Revenue Account (HRA)	(117,304)	(1,290)	(4)	(118,598)	(12,526)	(1,421)	14	(13,933)
Service Level Agreements and Capital Charges	(12,463)	(12,473)	(77)	(25,013)	(13,556)	(15,194)	249	(28,501)
Corporate and Democratic Core	-	422	-	422	-	397	-	397
<b>Cost of Services</b>	<b>(129,714)</b>	<b>(13,341)</b>	<b>(81)</b>	<b>(143,136)</b>	<b>(25,532)</b>	<b>(16,218)</b>	<b>263</b>	<b>(41,487)</b>
Other Income and Expenditure	22,965	(4,447)	8,761	27,279	53,771	(4,436)	17,594	66,929
<b>(Surplus)/Deficit on Provision of Services</b>	<b>(106,749)</b>	<b>(17,788)</b>	<b>8,680</b>	<b>(115,857)</b>	<b>28,239</b>	<b>(20,654)</b>	<b>17,857</b>	<b>25,442</b>

**NOTES TO THE CORE FINANCIAL STATEMENTS**



## NOTES TO THE CORE FINANCIAL STATEMENTS

### **7. Adjustments between Accounting Basis and Funding Basis under Regulations**

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

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

#### **General Fund Balance**

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

#### **Housing Revenue Account Balance**

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

#### **Major Repairs Reserve**

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

#### **Capital Receipts Reserve**

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

#### **Capital Grants Unapplied**

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

**NOTES TO THE CORE FINANCIAL STATEMENTS**

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

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

**NOTES TO THE CORE FINANCIAL STATEMENTS**

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

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

**NOTES TO THE CORE FINANCIAL STATEMENTS**

**7. Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21**

2021/22	Usable Reserves					Unusable Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation of Non-Current Assets	5,189	-	-	-	-	(5,189)
Movements in the market value of Investment Properties	641	-	-	-	-	(641)
Amortisation of Intangible Assets	749	-	-	-	-	(749)
Revaluation and Impairment charged to revenue	593	11,721	-	-	-	(12,314)
Revenue expenditure funded from Capital under Statute	7,025	805	-	-	-	(7,830)
Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	14,598	5,616	-	-	-	(20,214)
Impairments of Deferred Capital Receipts	(451)	-	-	-	-	451
Donated assets recognised through revenue	(4,000)	-	-	-	-	4,000
Repayment of debtors from capital receipt	-	-	(906)	-	-	906
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	(37)	-	-	-	-	37
Capital expenditure charged against the General Fund and HRA balances	-	(29,760)	-	-	-	29,760
Capital grants and contributions unapplied	(27,056)	-	-	-	27,056	-
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	(22,915)	22,915
Interest paid to the capital grants reserve	-	-	-	-	-	-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,635)	(9,036)	12,671	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(12,242)	-	-	12,242
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	1,541	-	(1,541)	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	3,640	-	-	(3,640)

**NOTES TO THE CORE FINANCIAL STATEMENTS**

**7. Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21 – cont.**

2021/22	Usable Reserves					Unusable
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
<b>Adjustment primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Allowance credited to the HRA	-	-	-	7,644	-	(7,644)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	(8,579)	-	8,579
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):</b>						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,193)	-	-	-	-	2,193
Movements in the market value of Rent-to-mortgage properties	(550)	-	-	-	-	550
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	23,093	1,422	-	-	-	(24,515)
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,861)	-	-	-	-	3,861
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(15,841)	-	-	-	-	15,841
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(248)	(14)	-	-	-	262
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>						
Upward revaluation on investments	(2,009)	-	-	-	-	2,009
Downward revaluation on investments	256	-	-	-	-	(256)
<b>Total Adjustments</b>	<b>(6,196)</b>	<b>(19,246)</b>	<b>1,622</b>	<b>(935)</b>	<b>4,141</b>	<b>20,614</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 8. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2021/22.

	Balance at 31 March 2023 £'000	Transfers In 2022/23 £'000	Transfers Out 2022/23 £'000	Balance at 31 March 2022 £'000	Transfers In 2021/22 £'000	Transfers Out 2021/22 £'000	Balance at 31 March 2021 £'000
<b>General Fund:</b>							
Direct Revenue Funding of Capital	(9,081)	(394)	537	(9,224)	(902)	11	(8,333)
NNDR Retention Reserve	(8,750)	-	7,437	(16,187)	(11,608)	24,214	(28,793)
Grants Reserve	(7,651)	(4,704)	4,546	(7,493)	(5,865)	5,933	(7,561)
COVID Emergency Reserve	(4,850)	(10)	1,980	(6,820)	(1,914)	6,447	(11,353)
Employee Cost Reserve	(2,943)	-	-	(2,943)	-	45	(2,988)
Committed Projects Reserve	(1,371)	(167)	87	(1,291)	(191)	164	(1,264)
IT Infrastructure and Equipment Reserve	(1,199)	-	-	(1,199)	-	-	(1,199)
Property Fund Guarantee Reserve	(2,960)	(2,013)	122	(1,069)	-	67	(1,136)
Northway and Marston Flood Alleviation	(510)	-	17	(527)	-	28	(555)
Housing Benefit Reserve	(504)	-	-	(504)	-	-	(504)
Private Sector Safety Financial Penalties	(380)	(19)	16	(377)	(91)	-	(286)
Flood Reserve	(357)	-	-	(357)	-	-	(357)
Apprentices Reserve	(358)	-	-	(358)	(452)	301	(207)
Net Zero Transition Fund	(349)	(183)	1	(167)	(167)	-	-
Grenoble Road Reserve	(315)	-	80	(395)	-	248	(643)
SALIX Energy Projects Reserve	(296)	(79)	-	(217)	(92)	288	(413)
ESO Electricity Budget Reserve	(295)	(295)	-	-	-	-	-
OxFutures Reserve	(201)	(86)	59	(174)	-	58	(232)
Commuted Sums (Parks)	(175)	-	-	(175)	-	-	(175)
Local Plan Costs	(192)	-	-	(192)	(192)	-	-
City Council Elections Reserve	(190)	-	-	(190)	(82)	54	(162)
Section 106 Commuted Sums Reserve	(182)	-	-	(182)	-	100	(282)
SALIX Management Fee	(181)	(77)	47	(151)	(41)	82	(192)
Homelessness	(178)	-	215	(393)	-	168	(561)
S106 Monitoring Income	(158)	(44)	42	(156)	(78)	69	(147)
Community Services Carry Forward Reserve	(141)	(83)	177	(235)	(235)	-	-
Growth Deal - JSSP	(111)	-	-	(111)	(11)	-	(100)
HMO Licensing Reserve	(93)	(37)	-	(56)	(56)	-	-
EV Projects Income	(78)	(90)	25	(13)	(11)	8	(10)
Blue Bin League Reserve	(72)	-	-	(72)	-	-	(72)
Lord Mayors Deposit	(52)	-	-	(52)	-	-	(52)
Taxi Licensing Reserve	(40)	(160)	174	(54)	-	124	(178)
Life Chances	(30)	(15)	-	(15)	(15)	-	-
Selective Licensing Income Reserve	(15)	(15)	-	-	-	-	-
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(10)	(4)	-	(6)	-	3	(9)
Museum Development Reserve	(4)	-	-	(4)	-	-	(4)
Oxfordshire Total Refit Project (EU Funding)	-	-	37	(37)	-	-	(37)
Proclamation Reserve	-	-	10	(10)	(10)	-	-
Recycling Incentive	-	-	-	-	-	100	(100)
Business Transformation Projects	-	-	-	-	-	59	(59)
SALIX Plus	-	-	-	-	(25)	29	(4)
<b>Total General Fund</b>	<b>(44,272)</b>	<b>(8,475)</b>	<b>15,609</b>	<b>(51,406)</b>	<b>(22,038)</b>	<b>38,600</b>	<b>(67,968)</b>

Continued overleaf...

## NOTES TO THE CORE FINANCIAL STATEMENTS

General Fund Reserve	Balance at 31 March 2023 £'000	Description
Direct Revenue Funding of Capital	(9,081)	Created to fund future rolling programme capital requirements.
NNDR Retention Reserve	(8,750)	This reserve is to cover the deficit in NNDR Collection Fund that will be charged to the General Fund in future years.
Grants Reserve	(7,651)	This reserve was initially set up to hold various grant monies received by the City Council and or unused in-year budgetary provision for various community/non-HRA housing based activities. As the utilisation of these grants spreads across several years the release of those resources will be undertaken gradually as well as new grant monies being added.
COVID Emergency Reserve	(4,850)	This reserve has been set up to contribute to the costs and lost income relating to the COVID-19 pandemic
Employee Cost Reserve	(2,943)	Created to cover the severance and associated payments relating to employees, following organisational development reviews.
Committed Projects Reserve	(1,371)	Created to cover carry-forward requests from service areas, and fund expenditure commitments
IT Infrastructure and Equipment Reserve	(1,199)	Used to fund the purchase of new IT infrastructure equipment and IT projects across the Council.
Property Fund Guarantee Reserve	(2,960)	The Council has investments in Property Funds. This reserve is held against the risk future investment losses.
Northway and Marston Flood Alleviation	(510)	Used to fund the 25 year repairs and maintenance programme for Northway and Marston Flood Alleviation scheme
Housing Benefit Reserve	(504)	This reserve is to mitigate against future fluctuations in residual local cost of benefits costs following the transition to universal credit
Private Sector Safety Financial Penalties	(380)	Created for potential penalties payable
Flood Reserve	(357)	Reserve created to fund flood maintenance work not eligible for Government re-imburement under the Belwin scheme.
Apprentices Reserve	(358)	For the Apprentice scheme which runs over 2 years - Sept 2019 - Aug 2021
Net Zero Transition Fund	(349)	Net Zero Transition Fund
Grenoble Road Reserve	(315)	Reserve to cover costs relating to action on Grenoble Road
SALIX Energy Projects Reserve	(296)	Created from an initial grant made available via Salix. The reserve is used to implement energy efficient schemes within the City.
ESO Electricity Budget Reserve	(295)	A reserve to mitigate against the risk of additional energy capacity payments at Redbridge Park & Ride EV Hub.
OxFutures Reserve	(201)	This reserve is linked to the EU funded Oxfordshire Total Refit (OTR / OxFutures) project to fund potential future project pressures.
Commuted Sums (Parks)	(175)	This is S106 income from Ashurts LLP which is ring-fenced to fund the maintenance costs at Barton Park Sports Pavilion and pitches
Local Plan Costs	(192)	Local Plan Costs
City Council Elections Reserve	(190)	Created from the budget surplus/(deficit) on the City Council Elections activity. City elections are held every 2 years and this reserve is used to fund additional costs in election year.
Section 106 Commuted Sums Reserve	(182)	Created to hold Commuted Sums monies established via planning agreements.
SALIX Management Fee	(181)	Reserve represents contributions received to fund future energy assistant post activities.
Homelessness	(178)	The Council as part of its 2011/12 budget committed to annually setting aside resources to assist in the anticipated increased cost of Homelessness activity predicted to occur for the City as a result of welfare reforms. This reserve holds the balance of the resources so far provided.
S106 Monitoring Income	(158)	S106 and CIL money that has been earmarked for administration and monitoring of the schemes
Community Services Carry Forward Reserve	(141)	Reserve reflects additional Directorate's expenditure commitments including funding of future cultural Community and Neighbourhood initiatives and community safety/educational activities
Growth Deal - JSSP	(111)	To cover future costs associated with Growth Deal - JSSP
HMO Licensing Reserve	(93)	Reserve to ensure the ring-fencing of HMO Licensing income to fund future service area expenditure.
EV Projects Income	(78)	Represents income received for consultancy work which is ring-fenced to fund the costs of the Go Ultra Low Oxford on Street (GULO-O) project
Blue Bin League Reserve	(72)	This represents a DCLG grant received to fund the Blue Bin League, a waste and recycling initiative to
Lord Mayors Deposit	(52)	Reserve represents resources held for assisting homeless applicants with rent deposit and/or bonds.
Taxi Licensing Reserve	(40)	Created to support future taxi licensing activities. Year-end taxi licensing surpluses are transferred to this reserve that funds future service improvements within the Taxi Licensing area.
Life Chances	(30)	Life Chances
Selective Licensing Income Reserve	(15)	A reserve to ring fence surplus Selective Licensing income in order to operate the service going forwards.
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(10)	Planning Fund ring fenced between Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Councils. Oxford City Council administers this fund.
Museum Development Reserve	(4)	Funding to support the future development of the museum.

## NOTES TO THE CORE FINANCIAL STATEMENTS

	Balance at 31 March 2023 £'000	Transfers In 2022/23 £'000	Transfers Out 2022/23 £'000	Balance at 31 March 2022 £'000	Transfers In 2021/22 £'000	Transfers Out 2021/22 £'000	Balance at 31 March 2021 £'000
<b>HRA:</b>							
HRA Capital Projects	(8,601)	(1,419)	2,731	(9,913)	(3,923)	31,137	(37,127)
Committed Projects Reserve	(1,444)	(916)	458	(986)	(986)	1,881	(1,881)
Feasibility Studies Reserve	(316)	-	-	(316)	(493)	427	(250)
HRA - CRM Work	(120)	-	-	(120)	-	-	(120)
IT Equipment Reserve	-	-	-	-	-	153	(153)
Eco Funding	-	-	-	-	-	18	(18)
<b>Total HRA</b>	<b>(10,481)</b>	<b>(2,335)</b>	<b>3,189</b>	<b>(11,335)</b>	<b>(5,402)</b>	<b>33,616</b>	<b>(39,549)</b>
<b>Insurance Funds:</b>							
Self Insurance Fund	(1,248)	-	-	(1,248)	-	-	(1,248)
<b>Total Insurance Funds</b>	<b>(1,248)</b>	<b>-</b>	<b>-</b>	<b>(1,248)</b>	<b>-</b>	<b>-</b>	<b>(1,248)</b>
<b>Grand Total</b>	<b>(56,001)</b>	<b>(10,810)</b>	<b>18,798</b>	<b>(63,989)</b>	<b>(27,440)</b>	<b>72,216</b>	<b>(108,765)</b>

HRA Reserve	Balance at 31 March 2023 £'000	Description
HRA Capital Projects	(8,601)	Created to provide the resources for both the slipped capital projects that were to be initially funded from revenue contributions and other miscellaneous revenue projects.
Committed Projects Reserve	(1,444)	Created to cover carry-forward requests from service areas, and fund expenditure commitments
Feasibility Studies Reserve	(316)	For investigation work on HRA sites to check their suitability for future development site
HRA - CRM Work	(120)	This reserve was created to fund IT work projects.
Insurance Funds	Balance at 31 March 2023 £'000	Description
Self Insurance Fund	(1,248)	The Self Insurance Fund reserve is used to cover the actuarially assessed value of costs of claims that, based on historical data, have happened but not yet been notified.



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 9. Other Operating Expenditure

	2022/23 £'000	2021/22 £'000
Parish Council Precepts	281	287
Payments to the Housing Capital Receipts Pool	-	1,541
(Gains)/Losses on the Disposal of Non-Current Assets	(6,674)	5,351
<b>Total</b>	<b>(6,393)</b>	<b>7,179</b>

### 10. Financing and Investment Income and Expenditure

	2022/23 £'000	2021/22 £'000
Interest Payable and Similar Charges	6,852	6,427
Pensions Interest Costs and Expected Return on Pensions Assets	4,447	4,436
Finance Charges	(3,453)	(3,457)
Interest Receivable and Similar Income	(1,851)	(5,655)
Impairment / (Revaluation) of National Homelessness Property Fund	(336)	(451)
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	(7,204)	(5,596)
Dividends	(600)	-
<b>Total</b>	<b>(2,145)</b>	<b>(4,296)</b>

### 11. Taxation and Non Specific Grant Income

	2022/23 £'000	2021/22 £'000
Council Tax Income	(15,097)	(14,804)
Non Domestic Rates	(13,887)	(11,733)
Non-Ringfenced Government Grants	(1,190)	(2,499)
Capital Grants and Contributions	(13,309)	(27,056)
Donated Assets	-	(4,000)
<b>Total</b>	<b>(43,483)</b>	<b>(60,092)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

Movements in 2022/23								
	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>At 1 April 2022</b>	764,784	184,619	9,754	2,689	1,039	2,162	10,233	975,280
Additions	36,908	8,880	1,918	-	2	-	12,648	60,356
Assets recognised / derecognised under finance lease								-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	101,401	(1,131)	-	-	(180)	(28)	-	100,062
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(121,148)	(8,075)	-	-	-	14	-	(129,209)
Derecognition - disposals	(919)	(2,772)	(1,740)	-	-	(1,976)	(1,293)	(8,700)
Derecognition - other	(1,190)	-	(4,283)	-	-	-	(2)	(5,475)
Assets reclassified (to)/from Held for Sale	(4,251)	-	-	-	-	-	-	(4,251)
Other movements in cost or valuation	11	5,109	103	-	182	-	(5,627)	(222)
<b>At 31 March 2023</b>	<b>775,596</b>	<b>186,630</b>	<b>5,752</b>	<b>2,689</b>	<b>1,043</b>	<b>172</b>	<b>15,959</b>	<b>987,841</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1 April 2022</b>	(3,876)	(12,677)	(7,238)	(531)	(43)	(306)	-	(24,671)
Depreciation charge	(8,099)	(5,198)	(527)	(97)	(9)	(152)	-	(14,082)
Depreciation written out to the Revaluation Reserve	7,061	11,795	-	-	52	-	-	18,908
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,260	6,080	4,283	-	-	2	-	14,625
Derecognition - disposals	-	-	-	-	-	456	-	456
Derecognition - other	40	-	-	-	-	-	-	40
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>(614)</b>	<b>-</b>	<b>(3,482)</b>	<b>(628)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,724)</b>
<b>Net Book Value</b>								
At 31 March 2023	774,982	186,630	2,270	2,061	1,043	172	15,959	983,117
At 31 March 2022	760,908	171,942	2,516	2,158	996	1,856	10,233	950,609
<b>Movement in NBV</b>	<b>14,074</b>	<b>14,688</b>	<b>(246)</b>	<b>(97)</b>	<b>47</b>	<b>(1,684)</b>	<b>5,726</b>	<b>32,508</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 12. Property, Plant and Equipment - Comparative Movements in 2021/22

Movements in 2021/22								
	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>At 1 April 2021</b>	713,112	172,229	9,623	2,689	1,082	2,162	15,778	916,675
Additions	41,350	13,819	1,436	-	8	-	4,732	61,345
Assets recognised / derecognised under finance lease	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	25,058	(1,492)	-	-	-	-	-	23,566
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(13,504)	(3,309)	-	-	-	-	-	(16,813)
Derecognition - disposals	(873)	(2,045)	-	-	-	-	(926)	(3,844)
Derecognition - other	(1,137)	(987)	(1,328)	-	-	-	-	(3,452)
Assets reclassified (to)/from Held for Sale	(3,291)	-	-	-	-	-	-	(3,291)
Other movements in cost or valuation	4,069	6,404	23	-	(51)	-	(9,351)	1,094
<b>At 31 March 2022</b>	<b>764,784</b>	<b>184,619</b>	<b>9,754</b>	<b>2,689</b>	<b>1,039</b>	<b>2,162</b>	<b>10,233</b>	<b>975,280</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1 April 2021</b>	(7,294)	(11,480)	(6,572)	(433)	(34)	(154)	-	(25,967)
Depreciation charge	(7,612)	(4,311)	(666)	(98)	(9)	(152)	-	(12,848)
Depreciation written out to the Revaluation Reserve	8,851	1,519	-	-	-	-	-	10,370
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,159	1,401	-	-	-	-	-	3,560
Derecognition - disposals	-	-	-	-	-	-	-	-
Derecognition - other	-	194	-	-	-	-	-	194
Other movements in depreciation and impairment	20	-	-	-	-	-	-	20
<b>At 31 March 2022</b>	<b>(3,876)</b>	<b>(12,677)</b>	<b>(7,238)</b>	<b>(531)</b>	<b>(43)</b>	<b>(306)</b>	<b>-</b>	<b>(24,671)</b>
<b>Net Book Value</b>								
At 31 March 2022	760,908	171,942	2,516	2,158	996	1,856	10,233	950,609
At 31 March 2021	705,818	160,749	3,051	2,256	1,048	2,008	15,778	890,708
<b>Movement in NBV</b>	<b>55,090</b>	<b>11,193</b>	<b>(535)</b>	<b>(98)</b>	<b>(52)</b>	<b>(152)</b>	<b>(5,545)</b>	<b>59,901</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	-	-	2,270	2,061	133	-	15,959	20,423
Valued at Fair Value as at:								
31 March 2023	-	-	-	-	-	-	-	-
31 March 2022	-	-	-	-	-	-	-	-
31 March 2021	-	-	-	-	-	-	-	-
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	-	-	-	-	-	-	-	-
31 March 2018	-	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-	-
31 March 2016	-	-	-	-	-	-	-	-
Valued at Current Value as at:								
31 March 2023	774,982	186,629	-	-	540	172	-	962,323
31 March 2022	-	-	-	-	-	-	-	-
31 March 2021	-	-	-	-	-	-	-	-
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	-	1	-	-	-	-	-	1
31 March 2018	-	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-	-
31 March 2016	-	-	-	-	-	-	-	-
31 March 2015	-	-	-	-	-	-	-	-
De-minimis	-	-	-	-	370	-	-	370
<b>Total Cost or Valuation</b>	<b>774,982</b>	<b>186,630</b>	<b>2,270</b>	<b>2,061</b>	<b>1,043</b>	<b>172</b>	<b>15,959</b>	<b>983,117</b>

### a) Capital Commitments

At 31 March 2023, the Council had entered into a number of contracts for the construction of or enhancement to Property, Plant and Equipment for completion in 2022/23 and future years, estimated at £22.5 million. Similar commitments at 31 March 2022 were £13.2 million. The major commitments are:

	31 Mar 2023 £'000	31 Mar 2022 £'000
Development Agreement - land and buildings at Blackbird I Peabody Trust	13,939	-
Cowley Branch Line	3,261	-
Revenues and Benefits System	1,447	1,848
Microsoft Licences	1,129	-
Gaswork Pipe Bridge Refurbishment	927	-
Fixed Line Telephony	692	-
1-3 George Street - Main Contract Works	546	1,120
Deed of Professional Appointment relating to the Barton ReArcadis LLP	349	700
Architect Led Consultancy Team for Blackbird Leys Commu Jessop & Cook Architects Ltd	173	-
Major Capital Works at Seacourt Park and Ride	-	1,944
Meanwhile in Oxfordshire	-	1,756
Housing and Asset Management System and Corporate Mx Aareon UK Ltd	-	669
Four Phase Roof Repair and Refurbishment at Oxford Cov Croft Building & Conservation Ltd	-	506
Engineering Services Framework	-	499
Decarbonisation Programme - Pre Construction Services	-	488
Building Surveying Services	-	477
Building Surveying Services	-	477
Engineering Services Framework	-	436
Framework Agreement for the Provision of a Lift Replacem Lift & Engineering Services Ltd	-	421
Lift Replacement Works Programme Framework	-	407
Refurbishment works to 46-48 Covered Market	-	317
Roof Repair and Decorations at Oxford Covered Market	-	261
Building Surveying Services	-	244
Building Surveying Services	-	220
Building Surveying Services	-	220
Building Surveying Services	-	165
	<b>22,463</b>	<b>13,175</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### b) Asset Lives

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

	Council Dwellings	Other Land and Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets
<b>Maximum Life</b>	90 years	140 years	20 years	69 years	60 years	N/a
<b>Minimum Life</b>	15 years	0 years	5 years	10 years	60 years	N/a
<b>Average</b>	42 years	46 years	9 years	24 years	60 years	N/a

### c) Revaluations

Valuations and desktop reviews were undertaken by external registered valuers. The effective date for all valuations and reviews was 31<sup>st</sup> March 2023. The firms engaged were Savills (UK) Limited, Carter Jonas LLP and Marshalls Chartered Surveyors. Summary of external valuation work undertaken:

- **Investment Property**  
A desktop review was undertaken by the Council's Corporate Property team which was subsequently reviewed and verified by a firm of external valuers, Carter Jonas. This exercise identified 32 properties requiring revaluation which were undertaken by Peter Fry MRICS, Tom Vecchione MRICS and Jack Ponting MRICS of Carter Jonas. The desktop review was reviewed and approved by Cecilia Fellows MRICS and Tom Vecchione MRICS also of Carter Jonas.
- **Council Dwellings**  
A full review and revaluation process of all beacon properties was undertaken by Andy Garrett FRICS and Catherine Wilson MRICS of Savills. This exercise will ensure the entire portfolio reflects accurate values at the reporting date based on the valuation methodology set out by the Royal Institute of Charter Surveyors and the guidance published in Stock Valuation for Resource Accounting: Guidance for valuers – 2016 published by the Department for Communities and Local Government in November 2016.
- **Other Land and Buildings**  
A desktop review was undertaken by the Council's Corporate Property team which was subsequently reviewed and verified by a firm of external valuers, Carter Jonas. This exercise identified 34 properties requiring revaluation which were undertaken by Peter Fry MRICS, Tom Vecchione MRICS and Jack Ponting MRICS of Carter Jonas. The desktop review was reviewed and approved by Cecilia Fellows MRICS and Tom Vecchione MRICS also of Carter Jonas.

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

#### The significant assumptions applied in estimating the current values are:

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

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

Existing Use Value Social Housing (EUV-SH) is the estimated amount for which a social housing property should exchange on the date of valuation, between a willing buyer and a willing seller, in an arm's-length transaction. There is presumption of proper marketing, that the parties are acting knowledgeably, prudently

## NOTES TO THE CORE FINANCIAL STATEMENTS

and without compulsion, and that the property will continue to be used for social housing purposes.

### Market Value (MV)

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

### 13. Heritage Assets

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

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

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

Reconciliation of the Carrying Value of Heritage Assets Held by the Authority	The Great Mace	Furniture	Civic Regalia	Fire Arms	Pictures and Drawings	Non Operational Property Fountain & Sculpture	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 April 2021	1,684	55	412	42	458	690	3,341
Movements	-	-	-	-	-	347	347
31 March 2022	1,684	55	412	42	458	1,037	3,688
1 April 2022	1,684	55	412	42	458	1,037	3,688
Movements	-	-	-	-	-	-	-
31 March 2023	1,684	55	412	42	458	1,037	3,688

### 14. Heritage Assets - Further Information

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

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

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

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

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### **Furniture**

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

### **Civic Regalia and Chains of Office**

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

### **Firearms**

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

### **Pictures and Drawings**

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

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

### **Memorial Gardens and City Walls**

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

### **Heritage Non Operational Property**

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

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

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

### **Oxford City First Registration number Plate**

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 15. Investment Properties

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

	2022/23 £'000	2021/22 £'000
Rental Income from Investment Property	10,303	10,519
Direct Operating Expenses arising from Investment Property	(1,084)	(1,149)
<b>Net Gain/(Loss)</b>	<b>9,219</b>	<b>9,370</b>

Investment Property valuations were reviewed to identify assets that could have experienced a significant change in value. All such assets identified were valued as at 31<sup>st</sup> March 2023. Consideration was given to subsequent movements and nothing identified which merited further adjustments

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

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

	2022/23 £'000	2021/22 £'000
<b>Balance at start of the year</b>	<b>114,227</b>	<b>119,140</b>
Additions:		
Purchases	-	-
Subsequent expenditure	1,965	5,790
Net gain / (loss) from Fair Value adjustments	1,272	(641)
Less:		
Disposals	-	(9,809)
<b>Net balance prior to transfers</b>	<b>117,464</b>	<b>114,480</b>
Transfers:		
(To)/from Property Plant and Equipment	224	(253)
<b>Balance at the end of the year</b>	<b>117,688</b>	<b>114,227</b>

### Fair Value Hierarchies

The table below summarises the use of the three fair value hierarchies used during 2022/23. The market approach using current market conditions, recent sales prices, and other relevant information for similar assets in the local area was used for all assets valued using a level 2 valuation approach.

	Quoted Prices in Active Markets for Identical Assets (Level 1) £'000	Other Significant Observable Inputs (Level 2) £'000	Significant Unobservable Inputs (Level 3) £'000	Fair Value as at 31 March 2023 £'000
Fair Value Measurement	-	117,688	-	117,688
<b>Total</b>	<b>-</b>	<b>117,688</b>	<b>-</b>	<b>117,688</b>
	Quoted Prices in Active Markets for Identical Assets (Level 1) £'000	Other Significant Observable Inputs (Level 2) £'000	Significant Unobservable Inputs (Level 3) £'000	Fair Value as at 31 March 2022 £'000
Fair Value Measurement	-	114,227	-	114,227
<b>Total</b>	<b>-</b>	<b>114,227</b>	<b>-</b>	<b>114,227</b>



## NOTES TO THE CORE FINANCIAL STATEMENTS

### Transfers between Levels of the Fair Value Hierarchy

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

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

#### Significant Observable Inputs – Level 2

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

#### Highest and Best Use of Investment Properties

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

#### Valuation Techniques

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

#### Valuation Process for Investment Properties

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 16. Intangible Assets

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

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

The average amortisation period is 5 years.

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>		
- Gross Carrying Amounts	6,249	4,783
- Accumulated Amortisation	(2,181)	(1,462)
<b>Net Carrying Amount at Start of Year</b>	<b>4,068</b>	<b>3,321</b>
Additions:		
- Purchases	1,181	1,496
- Amortisation for the period	(1,094)	(749)
	<b>87</b>	<b>747</b>
Disposals:		
- Derecognition	(1,015)	(30)
- Amortisation write back	1,015	30
<b>Net Carrying Amount at End of Year</b>	<b>4,155</b>	<b>4,068</b>
Comprising:		
- Gross Carrying Amounts	6,415	6,249
- Accumulated Amortisation	(2,260)	(2,181)
	<b>4,155</b>	<b>4,068</b>

The amortisation of £1.1 million is shown in the Service Level Agreements and Capital Charges section within the Comprehensive Income and Expenditure Statement.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 17. Financial Instruments

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

Financial Assets	Non Current				Current			
	Investments		Debtors		Investments		Debtors	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Fair Value through Profit or Loss	20,146	24,031	146,154	150,730	-	26,203	41,209	28,477
Amortised Cost	-	-	-	-	43,000	65,500	-	-
<b>Total Financial Assets</b>	<b>20,146</b>	<b>24,031</b>	<b>146,154</b>	<b>150,730</b>	<b>43,000</b>	<b>91,703</b>	<b>41,209</b>	<b>28,477</b>

Financial Liabilities	Non Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Fair Value through Profit or Loss	-	-	-	-	(5,831)	-	-	-
Amortised Cost	(198,528)	(198,528)	(1,401)	(1,264)	(11,000)	(36,000)	(57,194)	(55,013)
<b>Total Financial Liabilities</b>	<b>(198,528)</b>	<b>(198,528)</b>	<b>(1,401)</b>	<b>(1,264)</b>	<b>(16,831)</b>	<b>(36,000)</b>	<b>(57,194)</b>	<b>(55,013)</b>

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### a) Income, Expense, Gains and Losses

	2022/23		2020/21	
	Surplus / (Deficit) on Provision of Services £'000	Other Comprehen- sive Income and Expenditure £'000	Surplus / (Deficit) on Provision of Services £'000	Other Comprehen- sive Income and Expenditure £'000
<b>Net gains/losses on:</b>				
Financial Assets Measured at Fair Value	(3,549)	-	2,204	-
	(3,549)	-	2,204	-
<b>Interest Revenue</b>				
Financial Assets Measured at Fair Value	1,095	-	943	-
Financial Assets Measured at Amortised Cost	4,641	-	2,959	-
	5,736	-	3,902	-
<b>Interest Expense</b>	(6,852)	-	(6,427)	-

### b) Fair Values of Financial Assets

		Valuation Techniques used to measure Fair Value	31 Mar 2023 £'000	31 Mar 2022 £'000
<b>Property and Multi-Asset Funds</b>				
Property Fund Investments with CCLA	Level 1	Unadjusted quoted prices in active markets for identical shares	3,615	4,328
Property Fund Investments with Lothbury	Level 1	Unadjusted quoted prices in active markets for identical shares	6,903	8,938
Multi-Asset Fund Investments with Artemis	Level 1	Unadjusted quoted prices in active markets for identical shares	4,825	5,341
Multi-Asset Fund Investments with Fidelity	Level 1	Unadjusted quoted prices in active markets for identical shares	4,123	4,744
<b>Total</b>			<b>19,466</b>	<b>23,351</b>

#### Investments in Property and Multi Asset Funds

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Transfers between Levels of the Fair Value Hierarchy

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

### Changes in the Valuation Technique

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

### 18. Nature and Extent of Risks Arising from Financial Instruments

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

#### a) Credit Risk

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

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

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies was £10.0 million as at 31 March 2023 and cannot be assessed generally because the risk of any institution failing to make interest payment or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of un-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

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

#### b) Liquidity Risk

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### c) Refinancing and Maturity Risk

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

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

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

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

The maturity analysis of financial liabilities is as follows:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Up to 1 year	78,319	91,363
Between 1 and 5 years	20,000	20,000
Between 5 and 10 years	40,000	40,000
Over 10 years	138,528	138,528
	<b>276,847</b>	<b>289,891</b>

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

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### d) Analysis of Financial Liabilities

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

	2022/23 £'000	2021/22 £'000
Short Term Borrowing	11,000	36,000
Long Term Borrowing - Public Works Loan Board	198,528	198,528
Finance Lease Liability	292	292
Cash	10,125	350
Creditors	57,194	55,013
	<b>277,139</b>	<b>290,183</b>
<b>Amortised Cost</b>	<b>277,139</b>	<b>290,183</b>
<b>Fair Value</b>	<b>244,609</b>	<b>305,545</b>

### e) Analysis of Financial Assets

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

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

	2022/23 £'000	2021/22 £'000
Short Term Investments	43,000	91,703
Long Term Investments	20,542	20,542
Cash	-	-
Debtors	41,209	28,477
Long Term Debtors	146,154	150,730
<b>Amortised Cost</b>	<b>250,905</b>	<b>291,452</b>
<b>Fair Value</b>	<b>252,641</b>	<b>293,188</b>

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### f) Market Risk

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

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

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

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

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

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

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

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

### g) Financial Instruments Gains and Losses

There is a net loss of £3.885 million recognised in the Consolidated Income and Expenditure Statement in relation to the property and multi asset fund investments. These are held as Financial Instruments Available for Sale and the appropriate accounting treatment is applied. There are no other gains or losses recognised in the Consolidated Income and Expenditure Statement in relation to financial instruments in this financial year.



## NOTES TO THE CORE FINANCIAL STATEMENTS

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

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

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

The fair values calculated are as follows:

Fair Value of Assets and Liabilities carried at Amortised Cost	2022/23		2021/22	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
PWLB Debt	198,528	187,123	198,528	250,240
Non - PWLB Debt	11,000	11,000	36,000	36,000
<b>Total Debt</b>	<b>209,528</b>	<b>198,123</b>	<b>234,528</b>	<b>286,240</b>
Trade Creditors	57,194	57,194	55,013	55,013
<b>Total Financial Liabilities</b>	<b>266,722</b>	<b>255,317</b>	<b>289,541</b>	<b>341,253</b>
Investments < 1 year	43,000	43,000	91,703	91,703
Investments > 1 year	20,146	20,146	24,031	24,031
Long Term Debtors	146,154	146,154	150,730	150,730
Trade Debtors	41,209	41,209	28,477	28,477
<b>Total Loans and Receivables</b>	<b>250,509</b>	<b>250,509</b>	<b>294,941</b>	<b>294,941</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 19. Short Term Debtors

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

	2022/23 £'000	2021/22 £'000
Trade Receivables	15,622	19,929
Other Receivables	35,003	22,461
<b>Total</b>	<b>50,625</b>	<b>42,390</b>

### 20. Debtors for Local Taxation

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

	2022/23 £'000	2021/22 £'000
Less than one year	9,518	11,386
More than one year	11,488	10,749
<b>Total</b>	<b>21,006</b>	<b>22,135</b>

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

	2022/23 £'000	2021/22 £'000
Less than one year	2,293	3,152
More than one year	2,944	3,025
<b>Total</b>	<b>5,237</b>	<b>6,177</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 21. Cash and Cash Equivalents

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

	2022/23 £'000	2021/22 £'000
Cash Held by the Council	10,125	26,553
Bank Current Accounts	(10,125)	(350)
<b>Total Cash and Cash Equivalents</b>	<b>-</b>	<b>26,203</b>

### 22. Assets Held for Sale

	Current	
	2022/23 £'000	2021/22 £'000
<b>Balance Outstanding at Start of Year</b>	<b>527</b>	<b>860</b>
Assets newly classified as Held for Sale:		
Property Plant and Equipment	-	-
Council Dwellings	4,453	3,467
Assets declassified as Held for Sale:		
Property, Plant & Equipment	(202)	(175)
Assets sold	(4,017)	(3,625)
Other Movements	-	-
<b>Balance Outstanding at Year End</b>	<b>761</b>	<b>527</b>

### 23. Short Term Creditors

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

	2022/23 £'000	2021/22 £'000
Trade Payables	(27,569)	(24,842)
Other Payables	(59,379)	(60,178)
<b>Total</b>	<b>(86,948)</b>	<b>(85,020)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 24. Provisions

Provisions for doubtful debts are separately treated against debtors on the Balance Sheet. The total value of Provisions held as at 31 March 2023 are:

	Other Provisions		Total
	Current £'000	Non Current £'000	£'000
<b>Balance at 1 April 2021</b>	-	(9,161)	(9,161)
Additional Provisions Made in Year	-	3,971	3,971
Amounts Used in Year	-	(2,383)	(2,383)
Unused Amounts Reversed in Year	-	37	37
<b>Total Provisions as at 31 March 2022</b>	-	(7,536)	(7,536)
<b>Balance at 1 April 2022</b>	-	(7,536)	(7,536)
Additional Provisions Made in Year	-	7,319	7,319
Amounts Used in Year	-	(4,383)	(4,383)
Unused Amounts Reversed in Year	-	(95)	(95)
<b>Total Provisions as at 31 March 2023</b>	-	(4,695)	(4,695)

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

### Other Provisions

**NNDR Appeals** - There is a requirement for the Council to provide for potential future obligations arising from appeals made to NNDR valuations - £1.968 million. The NNDR provision is set aside to cover the estimated costs of NNDR appeals that have been lodged with the VOA for which the timing of appeals is uncertain and there is no information available on which to base an estimate. Whereas the Council expects some appeals to be settled in the following financial year, the Council expects that the majority of these appeals will be settled later than the following financial year. Consequently the whole of the provision has been classified as long term in the accounts.

**Rent Deposit Scheme** - There is a present obligation to the landlord, a large number of deposits are currently not returned due to damage to properties, and there is a probable outflow on these. It is estimated that the payment will not be greater than the original bond - £1.631 million

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

**Council Tax Court Costs** - Provision set aside for future obligations due to inability to collect costs - £0.328 million

### 25. Usable Reserves

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

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 26. Unusable Reserves

	2022/23 £'000	2021/22 £'000
Revaluation Reserve	(421,613)	(319,622)
Capital Adjustment Account	(350,842)	(458,871)
Deferred Capital Receipts Reserve	(147,103)	(143,226)
Pensions Reserve	16,635	158,180
Collection Fund Adjustment Account	(4,308)	8,338
Financial Instruments Revaluation Reserve	396	(3,489)
Accumulated Absences Account and Employee Reserve	1,377	1,297
<b>Total Unusable Reserves</b>	<b>(905,458)</b>	<b>(757,393)</b>

#### a) Revaluation Reserve

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

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

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>(319,622)</b>	<b>(293,841)</b>
Upward revaluation of assets	(273,519)	(45,205)
Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services (Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus)/Deficit on the Provision of Services	154,549	11,030
	<b>(438,592)</b>	<b>(328,016)</b>
Accumulated gains on assets sold or scrapped	-	1,292
Amount written off to the Capital Adjustment Account	16,979	7,102
<b>Balance at 31 March</b>	<b>(421,613)</b>	<b>(319,622)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### b) Capital Adjustment Account

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

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

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

	2022/23		2021/22	
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>		<b>(458,871)</b>		<b>(434,032)</b>
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	5,902		5,189	
Revaluation losses on Property, Plant and Equipment charged to CI&E	117,595		12,314	
Amount written off from the Revaluation Reserve	(16,977)		(7,102)	
Amortisation of Intangible Assets	626		749	
Revenue expenditure funded from capital under statute	5,644		7,830	
HRA Depreciation made available for capital financing	8,648		7,644	
Adjustments to Deferred Capital Receipts	8,941		7,413	
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to Comprehensive Income and Expenditure Statement	11,673		18,922	
Net written out amount of the cost of non-current assets consumed in the year		<b>142,052</b>		<b>48,959</b>
<b>Capital financing applied in the year:</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	(14,759)		(12,242)	
Use of the Major Repairs Reserve to finance new capital expenditure	(7,323)		(8,579)	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,621)		(22,915)	
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(37)		(37)	
Repayment of debt on repaid debtor from capital receipts	(3,218)		(905)	
Capital expenditure charged against the General Fund and HRA balances	(7,065)		(29,760)	
		<b>(34,023)</b>		<b>(74,438)</b>
Movements in the market value of Investment properties debited or credited to the Comprehensive Income and Expenditure Statement		-		640
<b>Balance at 31 March</b>		<b>(350,842)</b>		<b>(458,871)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### c) Deferred Capital Receipts Reserve

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>(143,226)</b>	<b>(136,259)</b>
Adjustment for restatement in respect of Finance Leases	-	-
Adjustment for capital loans and leases	(8,941)	(9,606)
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	(53)	(550)
Impairment of deferred capital receipts	(336)	(451)
Transfer to the Capital Receipts Reserve upon receipt of cash	5,453	3,640
<b>Balance at 31 March</b>	<b>(147,103)</b>	<b>(143,226)</b>

### d) Pension Reserve

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>158,180</b>	<b>213,894</b>
Actuarial (gains) or losses on pensions assets and liabilities	(159,333)	(76,368)
Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	22,388	24,515
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,600)	(3,861)
<b>Balance at 31 March</b>	<b>16,635</b>	<b>158,180</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### e) Collection Fund Adjustment Account

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>8,338</b>	<b>24,178</b>
Amount by which Council Tax Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(12,646)	(15,840)
<b>Balance at 31 March</b>	<b>(4,308)</b>	<b>8,338</b>

### f) Financial Instruments Adjustment Account

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>(3,489)</b>	<b>(1,736)</b>
Upward revaluation of investments	-	(2,009)
Downward revaluation of investments	3,885	256
Change in impairment loss allowance	-	-
<b>Balance at 31 March</b>	<b>396</b>	<b>(3,489)</b>

### g) Accumulated Absences Account and Employment Reserve Account

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

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>1,297</b>	<b>1,559</b>
Settlement or cancellation of accrual made at the end of the preceding year	(1,297)	(1,559)
Additional accrual during the year	1,377	1,297
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	80	(262)
<b>Balance at 31 March</b>	<b>1,377</b>	<b>1,297</b>



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 27. Operating Activities

	2022/23 £'000	2021/22 £'000
<b>Operating activities within the Cashflow Statement include the following cashflows relating to Interest</b>		
Interest Received	7,734	5,299
Interest Paid	(6,852)	(6,427)
Dividends received	600	(6,427)
<b>Total</b>	<b>1,482</b>	<b>(7,555)</b>

### 28. Acquired and Discontinued Operations

There are no acquired or discontinued operations in 2022/23. During 2021/22, on 15th December 2021, the Council disposed of its shares in Oxford West End Developments Limited. This was as part of a process to create a Limited Liability Partnership (LLP) which is intended to carry out the original objectives previously pursued by Oxford West End Developments Limited. The LLP has been named OxWED LLP and the Council is a 50% partner in the LLP alongside Nuffield College Developments Ltd, a wholly owned subsidiary of Nuffield College. OxWED LLP took ownership of the land previously owned by Oxford West End Developments Limited along with the loan debt and will continue with facilitating development of the site.

All known assets and liabilities of Oxford West End Developments Limited up to 15th December 2021 have been settled but if any further assets or liabilities as at that date emerge then the Council will receive the benefit or liability of 50% of them.

### 29. Trading Operations

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

		2022/23 £'000	2021/22 £'000
<b>Building Control Charging Account</b>	Turnover	(472)	(410)
	Expenditure	772	677
	<b>(Surplus)/Deficit</b>	<b>300</b>	<b>267</b>
<b>Investigations</b>	Turnover	(234)	(188)
	Expenditure	311	268
	<b>(Surplus)/Deficit</b>	<b>77</b>	<b>80</b>
<b>Net (Surplus)/Deficit on Trading Operations</b>		<b>377</b>	<b>347</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 30. Agency Services

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

	2022/23 £'000	2021/22 £'000
Routine Maintenance Expenditure	88	960
Section 42 Agreement	733	
Section 101 Agreement	212	1,490
Administrative Costs	-	250
<b>Net Expenditure Recharged through the Agency Arrangement</b>	<b>1,033</b>	<b>2,700</b>

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

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

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

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

### 31. Members' Allowances

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

	2022/23 £'000	2021/22 £'000
<b>Members' Allowances</b>		
Allowances	379	375
Expenses	1	1
<b>Total Payments</b>	<b>380</b>	<b>376</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 32. Officers Remuneration - Senior Employees

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

Name/Title		Salary, Fees and Allowances	Pension Contributions	Total	Note
		£	£	£	
Chief Executive	2022/23	164,729	26,686	191,415	
	2021/22	161,499	26,163	187,662	
Executive Director - Development	2022/23	121,232	19,640	140,872	
	2021/22	119,176	19,254	138,430	
Executive Director - Corporate Services	2022/23	111,129	18,003	129,132	32.1
	2021/22	-	-	-	
Executive Director of Sustainable City	2022/23	-	-	-	
	2021/22	59,688	1,323	61,012	32.2
Executive Director - Communities and People	2022/23	121,232	19,640	140,872	
	2021/22	127,113	20,592	147,705	32.3
Head of Law & Governance/Monitoring Officer	2022/23	108,546	18,038	126,584	
	2021/22	97,441	17,351	114,792	
Head of Financial Services/Section 151 Officer	2022/23	98,593	15,914	114,507	
	2021/22	96,966	15,653	112,619	

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

**32.2** - The Executive Director sustainable City post holder left 30 April 2021 and the post no longer exists

**32.3** - Two Officers held this post during 2021-22

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

Other Employees Receiving more than £50,000	Number of employees 2022/23	Number of employees 2021/22
£50,000 - £54,999	26	17
£55,000 - £59,999	6	15
£60,000 - £64,999	20	4
£65,000 - £69,999	2	6
£70,000 - £74,999	4	3
£75,000 - £79,999	4	1
£80,000 - £84,999	1	-
£85,000 - £89,999	5	6
£90,000 - £94,999	1	-
£95,000 - £99,999	2	2
£100,000 - £104,999	-	1
£120,000 - £124,999	1	-
<b>Total Number of Employees</b>	<b>72</b>	<b>55</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

Exit Package cost band including special payments

	Number of other agreed departures		Total number of packages		Total cost of exit packages	
	2022/23 Nos	2021/22 Nos	2022/23 Nos	2021/22 Nos	2022/23 £'000	2021/22 £'000
£0- £20,000	4	5	4	5	7	31
£20,001- £40,000		-	-	-		-
£40,001- £60,000		1	-	1		53
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>84</b>

### 33. External Audit Costs

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

	2022/23 £'000	2021/22 £'000
External Audit	82	73
External Audit Scale Fee Variation	68	23
Grant Claims	22	22
Grant Income	(35)	(45)
<b>Total</b>	<b>137</b>	<b>73</b>

### 34. Grant Income

The Council has credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23:

#### Grants Credited to Taxation and Non Specific Grant Income

	2022/23 £'000	2021/22 £'000
Community Infrastructure Levy (Various)	5,211	2,077
Growth Deal (County)	2,876	7,027
Disabled Facilities Grant (DLUHC)	1,421	1,421
Rough Sleeper Accom Prog (DLUHC)	1,000	-
Housing Infrastructure Fund (Homes England/HCA)	816	1,272
Lower Tier - (DLUHC)	718	267
Museum of Oxford (Nat'l Heritage)	533	581
New Homes Bonus - (DLUHC)	471	538
Brownfield Land Release Fund (DLUHC)	404	-
Getting Building Fund (DLUHC & OXLEP)	245	-
Growth Deal - Osney Bridge (County)	173	-
Non Decarb Projects (Salix)	160	105
George Street (OXLEP)	137	1,073
Go Ultra Low Oxford (County)	97	-
Shared Prosperity Fund (DLUHC)	70	-
Oxford Station Funding (Various)	60	-
Contain Outbreak Management Fund (DHSC)	50	837
Changing Places - (DLUHC)	40	-
Go Ultra Low Oxford Taxis (County)	17	-
Decarbonisation Funding (Salix)	-	10,913
Meanwhile in Oxfordshire (Oxfordshire Local Enterprise Partnership)	-	1,309
Next Steps Accommodation Programme	-	880
Local Authority Support Grant (DLUHC)	-	840
ESO (Innovate UK)	-	398
Navigating local systems (Oxfordshire County Council)	-	17
<b>Total</b>	<b>14,499</b>	<b>29,555</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

<b>Grants Credited to Services</b>	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
Housing Benefit Subsidy (DWP)	35,659	38,257
Rough Sleeping Initiative (DLUHC)	1,668	4,059
Homelessness LA (DLUHC)	1,084	-
Out of Hospital Care (NHS)	872	295
Energy Superhub Oxfordshire (Innovate)	738	350
Household support grant (DWP)	475	287
Community Infrastructure Levy (Various)	454	12
CIL Contributions (Various)	364	94
Out of Hospital Care (DHSC)	310	-
Afghan Citizens Resettlement Scheme (ACRS) (Home Office)	280	69
Building Better Opportunities (National Lottery)	263	254
Rough Sleepers Accommodation Program (DLUHC)	244	-
Homes for Ukraine (County)	223	-
Air Quality Grant (DEFRA)	193	208
Rough Sleeping LA (DLUHC)	190	-
New Burdens - Local Council Tax Support (DWP)	181	365
Active Families (Various)	177	47
Homelessness Prevention Grant (DLUHC)	172	-
New Burden - CT Rebate & BR Relief (DLUHC)	172	-
Discretionary Housing Payment (DWP)	171	-
Additional Winter Pressures Fund (DLUHC)	129	-
Project LEO (Innovate)	121	60
New Burden - VEPS (DWP)	117	-
Ukraine Resettlement Scheme (Home Office)	110	-
Arts Council England Grants (ACE)	107	124
PCC Community Safety Fund (PCC)	107	87
Domestic Abuse (County)	104	33
Safer Streets Funding (PCC)	96	166
Syrian Vulnerable Persons Relocation Scheme (Home Office)	96	141
Kickstart (DWP)	93	9
Oxford Cultural Education Partnership Funding (OXCEP)	65	31
Heritage Fund (National Lottery)	58	-
Zero Carbon (ZCOP/DEFRA)	44	-
Homes England Funding (HCA)	44	-
Shared Prosperity Fund (DLUHC)	42	-
Youth Ambition Program (DWP)	40	45
Disabled Facilities Grant (Various)	39	-
New Burden - Welfare Reform (DWP)	38	-
HIF Capacity Fund (Homes England)	38	-
Museum Funding (Various)	36	112
Redmond Review (DLUHC)	36	34
Move Together (County)	36	-
Domestic Abuse Fund (DLUHC)	36	-
community Liaison (County)	34	-
Floyds Row (Various)	34	-
Culture Recovery Fund (Various)	33	90
Growth Deal Cowley Branch Line (County)	32	-
New Burden - HB Award (DWP)	31	80
West End Programme (Various)	28	107
New Burden - Transparency (Various)	26	-
New Burden - Tenant satisfaction measures (DLUHC)	23	24
Barton Healthy New Town Fund (NHS)	16	26
Council Tax Discount (DLUHC)	16	13
District Council Contributions (Various)	16	-
Youth Ambition Programme (TVP)	15	-
Commprofiles (County)	15	-
Test & Trace Support Payment (BEIS)	14	370
Warm at Home (FILTSSE)	14	6
Go Active (County)	12	12
New Burden - Air Quality (DEFRA)	12	-
<b>Sub Total</b>	<b>45,893</b>	<b>45,867</b>

Continued overleaf...

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Grants Credited to Services - Continued

	2022/23 £'000	2021/22 £'000
Canal & River Trust Fund (CRT)	11	-
Dance Development (Various)	10	-
Asylum Dispersal (Home Office)	9	-
New Burden - Electoral Integrity (DLUHC)	7	44
May Day (Various)	7	-
Oxford Train Station (Various)	7	-
New Burdens - SHBE (DWP)	7	-
Leisure for All (Various)	6	-
Pavement Licensing Grant (DLUHC)	5	15
Councillor Contributions (Various)	5	-
Cooperative Councils Innovation Network (Various)	5	-
Museum Donations (Various)	4	-
CCTV Project (PCC)	3	-
Carol Concert (Lord Mayor)	3	-
Transport Officer (County)	2	-
Contribution (PCC)	1	322
Museum Funding (Aspire)	1	-
You Move (County)	1	-
Going Green Grant (Royal Pavilion & Museums)	1	-
NLA Licence (ODS)	1	-
Additional Restrictions Grant ARG (BEIS)	-	2,682
Community Vaccine Champion (DLUHC)	-	485
Protect & Vaccinate (DLUHC)	-	336
Hardship Survival Grant (Oxfordshire County Council)	-	236
Asymptomatic Testing (Oxfordshire County Council)	-	211
Reopening High Streets Safely/Welcome Back Fund (DHLUC)	-	130
Local Restrictions Support Grant LRSG (DLUHC)	-	117
Covid winter Support Grants (Oxfordshire County Council)	-	111
Covid Additional Relief Fund (Oxfordshire County Council)	-	85
Next Steps Accommodation Programme (DLUHC)	-	66
New Burdens funding (BEIS)	-	38
Business grants (BEIS)	-	36
OHM Xmas Match Fund (OHN)	-	36
Cricket Club (Wolvercote Cricket Club)	-	34
Individual Electorate Registration (Cabinet Office)	-	25
Lottery Fund (ESC Lottery Fund)	-	20
Housing Advisors Programme (Local Government Association)	-	20
Fair (Showmans Guild)	-	15
P&P Manager (South Oxfordshire District Council)	-	12
P&P Manager (Vale of the White Horse)	-	12
Growth Deal - Joint Statutory Spatial Plan (Oxfordshire County Council)	-	11
Inclusive Economy Grant (OxLEP)	-	10
District Data Analyst (South Oxfordshire District Council)	-	5
District Data Analyst (West Oxon DC)	-	5
Census Support Fund (Good Things Foundation)	-	5
Practical Support Payment (Oxfordshire County Council)	-	5
Biodiversity Work (Rivers Trust)	-	3
Christmas Lights (Arts Council)	-	3
Natashas Law (DEFRA)	-	3
Contributions (Zero Carbon Partnership)	-	2
Contributions (Aspire)	-	1
Local Insight (West Oxon DC)	-	1
<b>Sub Total</b>	<b>96</b>	<b>5,142</b>
<b>Grand Total</b>	<b>45,989</b>	<b>51,009</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Capital Grants Receipts in Advance

	2022/23 £'000	2021/22 £'000
Section 106 Contributions (Various)	13,973	13,633
Oxford Growth Deal - Osney Bridge (Growth Deal)	5,522	5,425
Growth Deal (HRA) (DLUHC)	3,760	6,906
Oxford Growth Deal - General (DLUHC)	2,066	2,066
Oxford Growth Deal - Cycle Schemes (DLUHC)	1,015	1,015
Clean Bus Tech Grant (Department of Transport)	653	653
GULO Grants (Office for Zero Emissions)	572	686
Oxford Growth Deal - William Morris Close (DLUHC)	347	347
Local Authority Housing Fund (HRA) (DLUHC)	333	-
Green Homes Grant (HRA) (BEIS)	307	382
Next Steps Accommodation Prog (DLUHC)	-	479
<b>Total</b>	<b>28,548</b>	<b>31,592</b>

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

### Revenue Grants Receipts in Advance

	2022/23 £'000	2021/22 £'000
Local Restriction Support Grant (Closed) (BEIS)	9,486	9,486
Restart 21/22 (BEIS)	1,838	1,838
Energy Bills Support Scheme (BEIS)	603	-
DLUHC - Council Tax	339	-
Test & Trace (BEIS)	298	230
Local Restriction Support Grant (Open) (BEIS)	269	269
Kickstart (DWP)	254	254
RSDATG - to county	229	-
Additional Restrictions Grant (BEIS)	211	211
Community Vaccine Champion (DLUHC)	121	-
Active Oxfordshire (Sports Council)	120	26
New Burdens 5&6 (BEIS)	118	103
Community Profile Grants (County)	95	-
Other Arts Grants (Arts Council)	78	78
Council Tax Rebate (DLUHC)	75	7,104
Omicron Hospitality & Leisure Grant (BEIS)	60	60
Alternative Fuel Payment (BEIS)	40	-
Community Safety Fund (Oxfordshire County Council)	35	16
Household Support Fund (Oxfordshire County Council)	24	144
Youth Investment Fund	22	-
Youth Ambition Fund (DWP)	18	51
Culture Recovery Fund (Arts Council)	18	38
Museum of Oxford (MOX Dev. Trust)	14	1
Unidentified (BEIS)	14	-
Gas Safe Fund (FILTSSE)	12	11
Practical Support Payment (Oxfordshire County Council)	11	189
Domestic Abuse Fund (DLUHC)	5	4
Wet Led Pub Top Up (BEIS)	2	-
Safer Streets Funding (Oxfordshire County Council)	-	131
National Leisure Recovery Fund (Sports Council)	-	21
Healthy Town Funding (Oxfordshire County Council)	-	16
Oxford Rivers Project (Canal & River Trust)	-	11
WLP Top Up (BEIS)	-	2
<b>Total</b>	<b>14,408</b>	<b>20,294</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

Revenue Grants Earmarked Reserve	2022/23 £'000	2021/22 £'000
Homelessness Grants (DLUHC)	1,778	1,315
Flexible Homelessness Support Grant (DLUHC)	1,295	1,295
Out of Hospital Model (DHSC)	979	626
Syrian Vulnerable Persons Relocation Scheme	704	766
Air Quality Zero Emissions Zone Grant (DEFRA)	517	618
Rough Sleeping Initiative (DLUHC)	409	236
Discretionary Business Grants - Administration Costs (BEIS)	249	249
Homelessness Prevention (New Burdens HRA17) (DLUHC)	206	256
Eco moorings (DEFRA)	193	-
Revenues & Benefits Grant	186	186
Containment Outbreak Management Fund (DHSC)	138	275
Out of Hospital Models for People (DHSC)	134	134
Low Energy Oxfordshire funding (Innovate UK)	128	40
Controlling Migration Fund (DLUHC)	106	106
Cyber Security (DLUHC)	85	85
Homelessness Prevention (Trailblazers) (DLUHC)	54	60
Building Better Opportunities (European Social Fund)	53	109
Leaving EU Preparation Grant (DLUHC)	52	52
Asylum Dispersal (Home Office)	48	-
Heat Networks Delivery Unit Grant (Department of Energy and Climate Change)	46	46
Custom Build Homes (DLUHC)	45	45
Rapid Rehousing Pathway Funding (DLUHC)	42	42
Verify Earnings and Pensions Funding (DWP)	41	41
Brownfield Register Pilot (DLUHC)	30	30
UKSPF (DLUHC)	22	-
New Burden Admin Fees (DWP)	19	19
Test & Trace Grant (Comms) (DHSC)	18	18
Afghan Resettlement Grants (Home Office)	17	29
Decentralisation & Neighbourhood Planning (DLUHC)	16	16
Contaminated Land Grant (DEFRA)	14	14
Fraud Hub Grant (DLUHC)	8	8
Cold Weather funding (DLUHC)	6	6
I-Tree Project (DEFRA)	6	6
Heritage Conservation Fund (NLHF)	5	5
Priority Zone Funding (Table Tennis England)	2	2
Council Tax Hardship Fund (DLUHC)	-	488
Next Steps Accommodation Programme (Revenue) (DLUHC)	-	89
Next Steps Accommodation Programme (Beckett Street) (DLUHC)	-	85
Grant (Pioneer Places) (Department of Energy and Climate Change)	-	48
Project LEO (Innovate UK)	-	19
OxPops Funding (Innovate UK)	-	13
Low Carbon Framework Grant (DEFRA)	-	10
OLEV (Go Ultra Low Oxford) (Department for Transport)	-	6
<b>Total</b>	<b>7,651</b>	<b>7,493</b>
Capital Grants Unapplied Account	2022/23 £'000	2021/22 £'000
Community Infrastructure Levy (Various)	17,138	13,178
Oxford Growth Deal - Purchase of Properties from OCHL (DLUHC)	2,795	-
Disabled Facilities Grant (Department of Health & Social Care)	1,211	1,205
Housing Infrastructure Fund Northern Gateway (DLUHC)	1,158	1,187
Museum Funding (National Heritage)	461	-
Rough Sleepers Accommodation Project (DLUHC)	317	-
Oxford Growth Deal - Osney Bridge (DLUHC)	173	-
Decarbonisation Fund (Salix)	162	948
Non Decarb Projects (Salix)	162	28
Ward Member Community Infrastructure Levy (Various)	158	158
Go Ultra Low Oxford (Office for Zero Emissions)	114	-
Brownfield Land Release Fund - EOCC/Collins Street (DLUHC)	87	-
Shared Prosperity Fund (DLUHC)	70	-
Meanwhile in Oxford (OXLEP)	67	45
Greenways Project Contribution (NHS)	40	40
East Oxford Community Centre (DFG) (DLUHC)	40	-
Greenways Project Contribution (University of Oxford)	33	33
Oxford Station Masterplan (Various)	32	-
Additional Disabled Facilities Grant (Department of Health & Social Care)	31	31
Next Steps Accommodation Programme (DLUHC)	-	130
Housing Infrastructure Fund Osney Mead (DLUHC)	-	34
<b>Total</b>	<b>24,249</b>	<b>17,017</b>



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 35. Related Parties

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

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Grant receipts outstanding at 31 March 2023 are shown in Note 34 (pages 74 to 78).

Members of the Council have direct control over the Council's financial and operating policies. A number of members and senior officers are members of voluntary organisations which may receive small grants and funding from the Council. The grants and funding were made with proper consideration of declarations of interest. The Register of Members' Interest is held at the Town Hall and published online, and is open for public inspection. There are loans held of £3.913 million with the Low Carbon Hub on which a senior officer is a board member . A number of Members serve on both the City Council and Oxfordshire County Council for which there are a number of transactions including grants and payments for services. A number of Members are also members of parish councils who receive precepts from the Council. One Member sits on Littlemore Parish Council which received £0.075 million Community Infrastructure Levy which is not material to the City Council but is to the parish. The total of members allowances is shown in Note 31 (page 72).

Members represent the Council on various organisations. Appointments are reviewed annually, unless a specific termination date for the term of office applies. None of these appointments places the Members concerned in a position to exert undue influence or control. One Member is on Cutteslowe Community Association which received £0.010 million for a kitchen refurbishment which is not material to the City Council but is for the association.

There are a number of senior officers who are appointed Directors of the Barton Oxford LLP, an arms length company set up between the Council and Grosvenor Developments Limited to facilitate new housing in Barton, the OxWED LLP, a joint venture with Nuffield College Developments 1 Ltd set up to facilitate regeneration of the Oxpens area of Oxford, Oxford City Housing Limited (OCHL), a wholly owned company set up to deliver housing within Oxford, and Oxford Direct Services Limited (ODSL) and Oxford Direct Services Trading Limited (ODSTL), two wholly owned companies set up to deliver services to the Council and to outside bodies. The OxWED company holds loans from the Council which were agreed through the Council's normal governance processes. At balance sheet date the amount due from OxWED was £17.905 million. The OCHL Group has been advanced loans of £50.094 million, including accrued interest, which were agreed through the Council's normal governance processes, to purchase properties from the Council and other parties. Oxford Direct Services Limited holds assets leased from the Council to the value of £4.546 million as at balance sheet date, the Council has £0.889 million of debtors outstanding owed from ODSL, £8.740 million of creditor balances sat with the Council owed to ODSL and ODSTL and ODSL undertakes a significant level of work for the Council.

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

- Central Government – Central Government provide a number of grants to local authorities.
- Housing Associations – the Council is a partner with various Housing Associations for the purpose of providing Social Housing.
- Oxfordshire County Council – the Council undertakes agency work on behalf of the County Council. The County Council also administers the Council's local government pension scheme.
- Fusion Lifestyle - The Council has a contract with Fusion Lifestyle a social enterprise with charitable status to manage and develop the Council's seven public leisure facilities.
- Oxford City Housing Limited - a wholly owned company set up to deliver housing within Oxford.

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

There are no related parties providing personnel management services.

### 36. Capital Expenditure and Capital Financing

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

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

	2022/23 £'000	2021/22 £'000
<b>Opening Capital Financing Requirement</b>	<b>295,308</b>	<b>289,497</b>
<b>Capital Investment</b>		
Property Plant and Equipment	60,356	61,345
Assets Held for Sale	-	-
Heritage Assets	-	-
Investment Properties	1,965	1,789
Intangible Assets	1,182	1,496
Long Term Capital Debtors	6,521	6,818
Purchase of Shares in Legal Entity	-	681
Revenue Expenditure Funded from Capital under Statute	5,644	7,830
<b>Total Capital Spend</b>	<b>75,668</b>	<b>79,959</b>
<b>Sources of Finance</b>		
Capital Receipts	(14,759)	(12,242)
Government Grants and other Contributions	(1,621)	(22,915)
Sums Set Aside from Revenue	(7,065)	(29,760)
Major Repairs Reserve	(7,323)	(8,579)
Capital Debtor Repayment	(3,218)	(616)
Minimum Revenue Provision	(37)	(36)
<b>Sources of Finance Total</b>	<b>(34,023)</b>	<b>(74,148)</b>
<b>Closing Capital Financing Requirement</b>	<b>336,953</b>	<b>295,308</b>
<b>Explanation of Movements in Year</b>		
(Increase) in Underlying Need to Borrow (unsupported by Government Financial Assistance)	(44,900)	(6,463)
Decrease in Underlying Need to Borrow (unsupported by Government Financial Assistance)	3,255	652
<b>(Increase)/Decrease in Capital Financing Requirement</b>	<b>(41,645)</b>	<b>(5,811)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 37. Leases

#### a) Authority as Lessee

#### FINANCE LEASE

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
Other Land and Buildings	10,923	11,105
Vehicles, Plant, Furniture and Equipment	-	-
<b>Total</b>	<b>10,923</b>	<b>11,105</b>

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
<b>Finance lease liabilities (net present value of minimum lease payments)</b>		
- Current	-	-
- Non Current	291	292
Finance Costs Payable in Future Years	591	597
<b>Minimum Lease Payments</b>	<b>882</b>	<b>889</b>

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

The minimum lease payments are payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 Mar 2023 £'000	31 Mar 2022 £'000	31 Mar 2023 £'000	31 Mar 2022 £'000
Not later than one year	6	6	-	-
Later than one year and not later than five years	26	26	2	2
Later than five years	850	857	290	290
<b>Total</b>	<b>882</b>	<b>889</b>	<b>292</b>	<b>292</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. There were no contingent rents for 2022/23 or 2021/22.

#### OPERATIONAL LEASES

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
<b>Operating Leases</b>		
Not later than one year	113	113
Later than one year and not later than five years	345	415
Later than five years	1,032	1,074
<b>Total</b>	<b>1,490</b>	<b>1,602</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
Minimum lease payment	113	113
Contingent rent	54	54
Sublease payment receivable	(780)	(780)
<b>Total</b>	<b>(613)</b>	<b>(613)</b>

Sublease payment receivable as at 31 March 2023 amounted to £25.67 million (£26.80 million at 31 March 2022).

### b) Authority as Lessor

#### FINANCE LEASES

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
<b>Finance Lease debtor (net present value of minimum lease payments)</b>		
- Current	1,868	2,699
- Non Current	66,496	66,637
Unguaranteed Residual Value of Property*	4,073	4,073
<b>Gross Investment in the Lease</b>	<b>72,437</b>	<b>73,409</b>

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

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

	Gross Investment In The Lease		Minimum Lease Payments	
	31 Mar 2023 £'000	31 Mar 2022 £'000	31 Mar 2023 £'000	31 Mar 2022 £'000
Not later than one year	1,868	2,699	1,868	2,699
Later than one year and not later than five years	4,054	4,444	4,054	4,444
Later than five years	66,515	66,266	62,442	62,193
<b>Total</b>	<b>72,437</b>	<b>73,409</b>	<b>68,364</b>	<b>69,336</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £0.231 million were receivable by the Council (£0.222 million in 2021/22).

### OPERATIONAL LEASES

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

<b>Operating Leases</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	7,262	7,561
Later than one year and not later than five years	24,115	25,481
Later than five years	130,409	130,196
<b>Total</b>	<b>161,786</b>	<b>163,238</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £0.34 Million contingent rents were received by the Authority (£0.47 million in 2021/22).

### 38. Termination Benefits and Exit Payments

Termination benefits are payable as a result of either:

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

There were no curtailment costs during 2022/23 included in the IAS19 report (There were none in 2021/22). These costs would be accounted for through the Comprehensive Income & Expenditure Statement as part of the IAS19 accounting, and therefore would not be recorded as termination costs which avoids double counting.

### Exit Payments

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

The Council terminated the contracts of a number of employees in 2022/23, incurring total costs of £0.007 million (£0.084 million in 2021/22).

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 39. Defined Benefit Pension Scheme

#### a) Participation in the Pension Scheme

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

#### b) Transactions Relating to Post Employment Benefits

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

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

	Local Government Pension Scheme	
	2022/23 £'000	2021/22 £'000
<b>Cost of Services</b>		
Current Service Cost	17,941	20,452
Past Service Costs	-	16
<b>Financing and Investment Income and Expenditure</b>		
Interest Cost	4,447	4,436
<b>Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services</b>	<b>22,388</b>	<b>24,904</b>
<b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
<b>Remeasurement of the Net Benefit Liability Comprising</b>		
Return on Plan Assets (excluding amount included in the net interest expense)	24,737	(29,636)
Other actuarial (gains) / losses on assets	31,092	(3,194)
Changes in Financial Assumptions	(211,965)	(36,596)
Actuarial gains and losses arising on the change of demographic assumptions	(3,197)	(6,942)
<b>Total Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(159,333)</b>	<b>(76,368)</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(136,945)</b>	<b>(51,464)</b>
	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
<b>Movement in Reserves Statement</b>		
Reversal of Net Charges made to the Surplus/(Deficit) for the Provision of Services for Post Employment Benefits in accordance with the Code	(22,388)	(24,904)
<b>Actual amount charges against the General Fund Balance for pensions in the year</b>		
Employers' Contributions Payable to Scheme	4,600	4,250

## NOTES TO THE CORE FINANCIAL STATEMENTS

### c) Basis for Estimating Assets and Liabilities

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

The principal assumptions used by the actuary are:

	2022/23	2021/22
<b>Mortality Assumptions:</b>		
<b>Longevity at 65 for Current Pensioners</b>		
Men	22.3	22.3
Women	24.9	24.9
<b>Longevity at 65 for Future Pensioners</b>		
Men	23.0	23.0
Women	26.3	26.3
<b>Rate of Inflation</b>		
CPI	3.20%	3.20%
Rate for Discounting Scheme Liabilities	2.70%	2.70%
Rate of Increase in Pensions	3.20%	3.20%
Rate of increase in Salaries	3.20%	3.20%
Take up option to convert annual pension to lump sum	50.00%	50.00%

### Members Assumption

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

### d) Prepayment

During 2020/21, the Council made a prepayment of pension payments of £5.0 million which serves to reduce the employers pension contribution percentage charged to the Council and its wholly owned company, Oxford Direct Services Limited, for the 2020/21 financial year and the subsequent two financial years. Oxford Direct Services are separately refunding the saving achieved by the company to the Council.

## NOTES TO THE CORE FINANCIAL STATEMENTS

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

	2022/23 £'000	2021/22 £'000
Opening Balance 1 April	530,242	554,775
Current Service Cost	17,941	20,452
Interest Cost	14,863	11,472
Actuarial (Gains) and Losses from Changes in Financial Assumptions	(211,965)	(36,596)
Changes in demographic assumptions	(3,197)	(6,942)
Experience (Gain) / Loss on Defined Benefit Obligation	31,092	(4,976)
Benefits Paid	(11,297)	(10,465)
Past Service Cost Including Curtailments	-	16
Contributions by Scheme Participants	3,097	2,966
Unfunded Pension Payments	(453)	(460)
<b>Closing Balance 31 March</b>	<b>370,323</b>	<b>530,242</b>

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

	2022/23 £'000	2021/22 £'000
<b>Opening Fair Value of Scheme Assets 1 April</b>	<b>372,062</b>	<b>340,881</b>
Interest Income	10,416	7,036
Return on Plan Assets Less Interest	(24,737)	29,636
Other Actuarial Gains and Losses	-	(1,782)
Employers Contributions	4,147	3,790
Contributions by Scheme Participants	3,097	2,966
Settlements	(11,297)	(10,465)
<b>Closing Balance 31 March</b>	<b>353,688</b>	<b>372,062</b>

### Pension Assets and Liabilities Recognised in the Balance Sheet

	2022/23 £'000	2021/22 £'000
<b>Present Value of Liabilities</b>		
Present value of the defined benefit obligation	(364,100)	(522,522)
Fair Value of Assets in the Local Government Pension Scheme	353,688	372,062
Present Value of Unfunded Obligation	(6,223)	(7,720)
<b>Surplus/(Deficit) in the Scheme</b>	<b>(16,635)</b>	<b>(158,180)</b>

### Sensitivity Analysis

#### Impact on the Defined Benefit Obligation in the Scheme

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

#### Changes in assumptions at 31 March 2023

	Approximate % Increase to Employers Liability	Approximate Monetary amount £000's
0.1% decrease in Real Discount Rate	2%	7,022
1 year increase in member life expectancy	4%	15,512
0.1% Increase in the Salary Increase Rate	0%	666
0.1% Increase in the Pension Increase Rate (CPI)	2%	6,466



## NOTES TO THE CORE FINANCIAL STATEMENTS

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

### Notes:

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

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

### The Local Government Pension Scheme Assets Comprised:

	Fair Value of Scheme	
	2022/23 £'000	2021/22 £'000
<b>Cash and Cash Equivalents</b>	5,343.4	8,085.8
<b>Debt Securities</b>		
By Sector		
UK Govt	4,557.6	7,640.7
Other	1,861.7	2,023.6
<b>Private Equity</b>	16,602.1	18,292.3
<b>Investment Funds and Unit Trusts</b>		
Equities	197,412.0	206,883.0
Bonds	22,630.8	29,491.0
Infrastructure	12,193.2	11,023.9
Others	93,071.7	88,650.5
<b>Derivatives</b>		
Foreign Exchange	16.0	(27.6)
Other	0.3	(0.6)
<b>Total</b>	<b>353,688.8</b>	<b>372,062.6</b>

#### 41. Contingent Liabilities

There are no contingent liabilities for 2022/23.

#### 42. Contingent Assets

There are no contingent assets for 2022/23.

#### 43. Exceptional items

In the prior year, 2021/22, the Council received significant levels of grants, many of which were to pay to local residents as financial support, relating to the COVID-19 pandemic. These are identified in the Grants note.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 44. Going Concern

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

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

Date	General Fund Balance	General Fund Earmarked Reserves	Housing Revenue Account Balance	Housing Revenue Account Earmarked Reserves
	£'000	£'000	£'000	£'000
31 March 2020	3,622	40,384	4,000	32,091
31 March 2021	3,622	69,132	4,000	39,633
31 March 2022	3,622	52,570	4,000	11,419
31 March 2023	3,622	45,436	4,000	10,565
31 March 2024	3,622	44,165	4,000	11,797
31 March 2025	3,622	46,048	4,000	7,685

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

The main service pressure for the Council at the moment is in the homelessness service relating to the costs of temporary accommodation. Current adverse budget variance for temporary accommodation for 2023-24 is estimated a £0.9m but this is forecast to rise to £3million for 2024-25. This is an area which is currently receiving focus from all levels within the organisation in order to mitigate the current pressures.

The budgets for 2023/24 and 2024/25 were scrutinised by the Finance Team, Directors and the Chief

## NOTES TO THE CORE FINANCIAL STATEMENTS

Executive, Executive Members and the Scrutiny Committee's Finance Panel, and the figures presented within the budget were a sound estimate of the position. Uncertainty was highlighted around key income streams, such as car parking and rents, however the section 25 report concluded that the budgets for 2023/24 and 2024/25 were robust and that the level of reserves were adequate to support the Council over the following four years.

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

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

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

Page left intentionally blank

# **SUPPLEMENTARY FINANCIAL STATEMENTS**

Page left intentionally blank

## HOUSING REVENUE ACCOUNT

### Housing Revenue Account Income and Expenditure Statement

	2022/23 £'000	2021/22 £'000
<b>Expenditure</b>		
Repairs & Maintenance	16,853	16,595
Supervision & Management	13,317	12,859
Rents, Rates, Taxes & Other Charges	318	291
Depreciation and Impairment of Non-Current Assets	125,952	20,170
Movement in the Allowance for Bad Debts (not specified by the Code)	291	623
Sums directed by the Secretary of State that are expenditure in accordance with the code	-	39
<b>Total Expenditure</b>	<b>156,731</b>	<b>50,577</b>
<b>Income</b>		
Dwelling Rents (Gross)	(44,558)	(42,532)
Non Dwelling Rents (Gross)	(301)	(288)
Charges for Services & Facilities	(3,244)	(3,094)
<b>Total Income</b>	<b>(48,103)</b>	<b>(45,914)</b>
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	108,628	4,663
HRA Services' share of Corporate and Democratic Core	215	206
<b>Net Income for HRA Services</b>	<b>108,843</b>	<b>4,869</b>
<b>HRA share of the Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:</b>		
(Gain)/Loss on Sale of HRA Fixed Assets	(5,407)	(3,420)
Interest Payable and Similar Charges	8,267	7,638
Interest and Investment Income	(389)	(120)
Capital Grants and Contributions Receivable	-	-
<b>(Surplus)/Deficit for the year on HRA Services</b>	<b>111,314</b>	<b>8,967</b>

## HOUSING REVENUE ACCOUNT

### Movement on the Housing Revenue Income & Expenditure Account

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

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

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

### MOVEMENT ON THE HRA STATEMENT

	2022/23 £'000	2021/22 £'000
<b>Balance on the HRA at the end of the Previous Year</b>	<b>(4,000)</b>	<b>(4,000)</b>
(Surplus)/Deficit for the Year on the HRA Income and Expenditure Account	111,314	8,967
Adjustments between Accounting Basis and Funding Basis Under Statute		
- Difference between any other item of income and expenditure	(4)	13
- Gain or loss on sale of HRA non-current assets	5,407	3,420
- HRA share of contributions to or from the Pensions Reserve	(1,290)	(1,421)
- Capital expenditure funded by the HRA	2,731	29,760
- Transfer to/from the Major Repairs Reserve	(289)	(805)
- Transfer to/from the Capital Adjustment Account	(117,015)	(11,721)
- Transfer to/from the Capital Grants Unapplied Account	-	-
<b>Net Increase/(Decrease) before Transfers to or from Reserves</b>	<b>854</b>	<b>28,213</b>
Transfer (to)/from Reserves	(854)	(28,213)
<b>Increase/(Decrease) in Year on the HRA</b>	<b>-</b>	<b>-</b>
<b>Balance on the HRA at the end of the Current Year</b>	<b>(4,000)</b>	<b>(4,000)</b>



## NOTES TO THE HOUSING REVENUE ACCOUNT

### H1. Housing and Garage Stock Numbers

	2022/23	2021/22
<b>Houses</b>		
1 bedroom	272	271
2 bedrooms	832	830
3 bedrooms	2,791	2,804
More than 3 bedrooms	295	298
<b>Flats</b>		
1 bedroom	1,687	1,663
2 bedrooms	1,793	1,763
3 bedrooms	157	156
More than 3 bedrooms	6	6
<b>Non Dwelling Properties</b>		
Hostels	-	-
<b>Overall Total</b>	<b>7,833</b>	<b>7,791</b>
<b>Summary of Changes in Stock</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Stock at 1 April</b>	<b>7,791</b>	<b>7,682</b>
Sales	(39)	(29)
Additions	81	138
<b>Stock at 31 March</b>	<b>7,833</b>	<b>7,791</b>
<b>Garages and Parking Spaces</b>	<b>2022/23</b>	<b>2021/22</b>
Garages Within Curtilage	208	245
Parking Spaces	802	781
<b>Overall Total</b>	<b>1,010</b>	<b>1,026</b>
<b>Summary of Changes in Garages &amp; Parking Spaces</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Stock at 1 April</b>	<b>1,026</b>	<b>965</b>
Demolished/ Disposed	(40)	(2)
Additions to Garages Within Curtilage	3	11
Additions to Parking Spaces	21	52
<b>Stock at 31 March</b>	<b>1,010</b>	<b>1,026</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT

Following revaluation on 31st March 2023, the vacant possession value (EUV) of the Council's housing stock (Council Dwellings) amounted to £2,283 million. Application of the social housing factor of 33% (EUV-SH) to the general housing stock, representing the economic cost to government of providing council housing, resulted in a Balance Sheet value of £753.5 million. At 31 March 2023, application of the social housing factor to the general housing stock resulted in a total value of £775.6 million.

The table below shows the HRA property values at appropriate measures of Fair Value as at 31 March 2023 along with comparatives for the previous year:

	2022/23			2021/22		
	Cost or Valuation	Depreciation	Net Book Value	Cost or Valuation	Depreciation	Net Book Value
	£'000	£'000	£'000	£'000	£'000	£'000
Council Dwellings	775,596	(614)	774,982	764,784	(3,876)	760,908
Other Land and Buildings	4,521	-	4,521	2,678	(57)	2,621
Vehicles, Plant, Furniture and Equipment	19	(7)	12	2,207	(318)	1,889
Assets Under Construction	13,334	-	13,334	2,832	-	2,832
Assets Held for Sale	761	-	761	527	-	527
<b>As at 31 March</b>	<b>794,231</b>	<b>(621)</b>	<b>793,610</b>	<b>773,028</b>	<b>(4,251)</b>	<b>768,777</b>

### H2. Movement on the Major Repairs Reserve

	2022/23 £'000	2021/22 £'000
<b>Opening Balance</b>	<b>(4,711)</b>	<b>(5,646)</b>
Transfer from Capital Adjustment Account	(8,648)	(7,644)
Financing of Capital Expenditure (MRA Applied)	7,323	8,579
<b>Closing Balance</b>	<b>(6,036)</b>	<b>(4,711)</b>

### H3. Capital Expenditure and Financing

	2022/23 £'000	2021/22 £'000
Property, Plant and Equipment	46,095	44,689
Revenue Expenditure Funded from Capital under Statute	289	805
<b>Total Spend</b>	<b>46,384</b>	<b>45,494</b>
<b>Sources of Finance</b>		
Major Repairs Reserve	7,323	8,579
Grants and Contributions	382	3,650
Capital Receipts	5,148	2,649
Borrowing	30,800	856
Revenue Contributions to Capital	2,731	29,760
<b>Total Financing</b>	<b>46,384</b>	<b>45,494</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT

### H4. Capital Receipts Received

	2022/23 £'000	2021/22 £'000
Land & Buildings	(15,117)	(9,703)
Less Administrative Costs	51	38
<b>Total</b>	<b>(15,066)</b>	<b>(9,665)</b>

### H5. Revenue Expenditure Funded from Capital Under Statute

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

### H6. Interest Received

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

	2022/23 £'000	2021/22 £'000
Interest on Cash Balances	(389)	(120)
<b>Total</b>	<b>(389)</b>	<b>(120)</b>

The Housing Revenue Account was debited with Item 8 interest of £8.264 million in 2022/23 which relates to the borrowing interest chargeable to the Housing Revenue Account.

### H7. Financial Reporting Standard (IAS) 19 – Pensions

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

## NOTES TO THE HOUSING REVENUE ACCOUNT

### H8. Rent Arrears

	2022/23		2021/22	
	£'000	% of total rents due	£'000	% of total rents due
<b>Arrears Details</b>				
Current Tenants	1,329	2.84%	1,639	3.67%
Former Tenants	627	1.34%	675	1.51%
<b>Overall</b>	<b>1,956</b>	<b>4.18%</b>	<b>2,314</b>	<b>5.18%</b>
<b>Total Rents due in Year</b>	<b>46,820</b>		<b>44,681</b>	

	2022/23 £'000	2020/21 £'000
<b>Doubtful Debt provision</b>		
<b>Opening Balance</b>	<b>1,163</b>	<b>1,086</b>
Write-offs in Year	(258)	(502)
Additional Provision	246	579
<b>Closing Balance</b>	<b>1,151</b>	<b>1,163</b>

### H9. Capital Commitments

Description	Contractor	2022/23 £'000	2021/22 £'000
Development Agreement - land and buildings at Blackbird Leys	Peabody Trust	4,000	-
Deed of Professional Appointment relating to the Barton Regeneration Project	Arcadis LLP	349	700
Engineering Services Framework	Stantec UK Limited	-	499
Building Surveying Services	Ian Bridge Consultancy Limited	-	477
Engineering Services Framework	Wilde Consultants Ltd	-	436
Framework Agreement for the Provision of a Lift Replacement Works Programme	Lift & Engineering Services Ltd	-	421
Lift Replacement Works Programme Framework	Axis Elevators Ltd	-	407
Building Surveying Services	Ridge & Partners LLP	-	165
<b>Total HRA Capital Commitments</b>		<b>4,349</b>	<b>3,105</b>

## COLLECTION FUND

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

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

	Business Rates 2022/23 £'000	Council Tax 2022/23 £'000	Total 2022/23 £'000	Business Rates 2021/22 £'000	Council Tax 2021/22 £'000	Total 2021/22 £'000
<b>Note</b>						
<b>Income</b>						
Council Tax Receivable	-	(102,488)	(102,488)	-	(97,274)	(97,274)
Council Tax Discounts funded by the General Fund	-	(488)	(488)	-	-	-
Business Rate Receivable	(85,091)	-	(85,091)	(82,222)	-	(82,222)
<b>Sub Total</b>	<b>(85,091)</b>	<b>(102,976)</b>	<b>(188,067)</b>	<b>(82,222)</b>	<b>(97,274)</b>	<b>(179,496)</b>
<b>Expenditure</b>						
Central Government share of PY (Deficit)/Surplus	(14,319)	-	(14,319)	(28,996)	-	(28,996)
Oxford City share of PY (Deficit)/Surplus	(11,455)	(407)	(11,862)	(23,197)	(70)	(23,267)
Oxfordshire County share of PY (Deficit)/Surplus	(2,864)	(1,960)	(4,824)	(5,799)	(335)	(6,134)
Police & Crime Commissioner share of PY (Deficit)/Surplus	-	(286)	(286)	-	(47)	(47)
<b>Sub Total</b>	<b>(28,638)</b>	<b>(2,653)</b>	<b>(31,291)</b>	<b>(57,992)</b>	<b>(452)</b>	<b>(58,444)</b>
<b>Precepts, Demands and Shares</b>						
Central Government Share	45,613	-	45,613	50,461	-	50,461
Oxford City Share	36,491	15,028	51,519	40,369	14,911	55,280
Oxfordshire County Precept Share	9,123	74,642	83,765	10,092	71,900	81,992
Police & Crime Commissioner share of PY Precepts Share	-	10,904	10,904	-	10,571	10,571
<b>Sub Total</b>	<b>91,227</b>	<b>100,574</b>	<b>191,801</b>	<b>100,922</b>	<b>97,382</b>	<b>198,304</b>
<b>Disregarded Amounts</b>						
Renewable Energy	14	-	14	14	-	14
<b>Sub Total</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>Charges</b>						
Transitional Protection due to Central Government	206	-	206	599	-	599
Write Offs	471	472	943	498	247	745
Increase/(Decrease) in Bad Debt Provision	(1,515)	1,454	(61)	2,227	342	2,569
Increase/(Decrease) in Provision for Appeals	(3,189)	-	(3,189)	856	-	856
Appeals charged to the Collection Fund	(4,168)	-	(4,168)	(4,827)	-	(4,827)
Cost of Collection	234	-	234	237	-	237
<b>Sub Total</b>	<b>(7,961)</b>	<b>1,926</b>	<b>(6,035)</b>	<b>(410)</b>	<b>589</b>	<b>179</b>
<b>(Surplus)/Deficit arising during year</b>	<b>(30,449)</b>	<b>(3,129)</b>	<b>(33,578)</b>	<b>(39,688)</b>	<b>245</b>	<b>(39,443)</b>
<b>(Surplus)/Deficit brought forward 1st April</b>	<b>20,050</b>	<b>2,078</b>	<b>22,128</b>	<b>59,738</b>	<b>1,833</b>	<b>61,571</b>
<b>(Surplus)/Deficit Carry forward</b>	<b>(10,399)</b>	<b>(1,051)</b>	<b>(11,450)</b>	<b>20,050</b>	<b>2,078</b>	<b>22,128</b>

## NOTES TO THE COLLECTION FUND

### CF1. Council Tax

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

For 2022/23 Council Tax including precepts was set at £332.54 for a Band D property (£326.25 for 2021/22). The Council Tax Base was calculated as follows:

Valuation Band	Total no. Dwellings on Valuation List	Total Equivalent Dwellings (after discounts, etc)	Ratio to Band D	Band D equivalents
A-	-	2.2	5/9	1.2
A	3,002	1,490.1	6/9	993.4
B	9,840	5,531.5	7/9	4,302.2
C	19,383	14,101.4	8/9	12,534.5
D	16,044	12,371.4	9/9	12,371.5
E	7,377	5,477.7	11/9	6,694.9
F	3,015	2,509.9	13/9	3,625.3
G	3,308	2,905.8	15/9	4,843.0
H	607	374.8	18/9	749.5
	<b>62,576</b>	<b>44,764.6</b>		<b>46,115.5</b>
Crown Properties				-
Allowance of 2% for non-collection				(922)
Total				<b>45,193.2</b>

The amount due during the year based on actual properties and exemptions and discounts that occurred during the year was £102.488 million. Precepts for the year are calculated using the council tax base estimate which resulted in an overall precepted value of £100.574 million of which the amount for Oxford City Council is £15.028 million (45,193.2 multiplied by £332.54).

### CF2. Non-Domestic Rates

Under the arrangements for Business Rates, the Council collects Non-Domestic Rates for its area, based on local rateable values, multiplied by a uniform business rate. From April 2013 the Business Rates Retention Scheme has replaced the former scheme. The Council's "Total retained income" figure for 2022/23 was assessed at £14.486 million but the Council must pay a 50% Levy on income above the funding baseline of £6.260 million. The Council was required to pay to Central Government both the Central Share of £45.613 million plus the tariff figure of £30.397 million. In addition the Council was required to pay £9.123 million to Oxfordshire County Council.

The local rateable value (2017 Rating List) as at 31 March 2023 was £278.7 million (£278.8 million at 31 March 2022). The multiplier for 2022/23 was set at 51.2 pence in the pound (51.2 pence for 2021/22). The current rating list came into force from April 1st 2017 and will remain in force until March 31st 2023.

Our initial estimated rates income for 2022/23 was £96.184 million (£110.420 million for 2021/22). Due to the extension of the Government's Expanded Retail Relief introduced to help businesses during the pandemic, this was reduced to £85.091 million (£82.222 million for 2021/22).

# **GROUP ACCOUNTS**

Page left intentionally blank



## CONTENTS

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

## INTRODUCTION

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

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

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

The following pages include:

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

### **Basis of Identification of the Group Boundary**

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

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

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

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

## INTRODUCTION

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

The two ventures are as follows:

- ◆ Barton Oxford LLP
- ◆ Oxwed LLP

The accounting requirements in “IFRS 11 Joint Arrangements” state the presentation requirements basis for these joint ventures as the Equity method, and this means that a disclosure note is provided showing Oxford City Council’s share of the net assets and liabilities of these entities as at 31 March 2023. In addition “Disclosure of interests in Other Entities IFRS 12” requires disclosure of summary information for the joint venture as a whole and not just the Council’s share. The Council’s Group accounts show the long term investment in the Balance Sheet, and profits and losses in the Council’s Comprehensive Income and Expenditure.

The wholly owned subsidiaries are:

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

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

## SUBSIDIARIES

### G1. Oxford Direct Services Limited (ODSL)

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

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

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

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

The Company made a surplus for the year of £1.386 million (£2.496 million in 2021/22) and declared a dividend of £0.600 million in 2022/23 but did not declare a dividend in 2021/22, 2020/21 or 2019/20.

#### Financial Information on ODSL

<b>Profit &amp; Loss Account</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	(60,803)	(60,787)
Cost of Sales	42,366	42,229
<b>Gross (Profit) / Loss</b>	<b>(18,437)</b>	<b>(18,558)</b>
Administrative Expenses	16,041	15,173
<b>Operating (Profit) / Loss</b>	<b>(2,396)</b>	<b>(3,385)</b>
Interest Charges / (Income)	908	894
<b>(Profit) / Loss Before Taxation</b>	<b>(1,488)</b>	<b>(2,491)</b>
Tax on Profit	102	(5)
<b>Total Comprehensive Income and Expenditure (Profit) / Loss</b>	<b>(1,386)</b>	<b>(2,496)</b>

## SUBSIDIARIES

<b>Balance Sheet</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Property Plant and Equipment	13,431	13,629
Long Term Debtors	-	-
<b>Non-current Assets</b>	<b>13,431</b>	<b>13,629</b>
Inventories	144	324
Debtors	17,510	18,007
Contract Assets	5,088	5,637
Cash and Cash Equivalents	-	-
<b>Current Assets</b>	<b>22,742</b>	<b>23,968</b>
Long Term Creditors	(122)	(32)
Provisions	(644)	(644)
<b>Non-current Liabilities</b>	<b>(766)</b>	<b>(676)</b>
Cash and Cash Equivalents	(5,617)	(7,600)
Creditors	(12,721)	(12,832)
Contract Liabilities	-	-
<b>Current Liabilities</b>	<b>(18,338)</b>	<b>(20,432)</b>
<b>Net Assets</b>	<b>17,069</b>	<b>16,489</b>
<b>Financed By:</b>		
Finance Lease Liabilities	11,497	11,704
Equity	5,572	4,785
<b>Total Equity and liabilities</b>	<b>17,069</b>	<b>16,489</b>
<b>Members' interests</b>	<b>Oxford City</b>	<b>Oxford City</b>
	<b>Share</b>	<b>Share</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Finance Leases	11,497	11,704
Equity	5,572	4,785
<b>Oxford City Council Interests as at 31 March</b>	<b>17,069</b>	<b>16,489</b>

### Oxford City Council Commitment to ODSL

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

## SUBSIDIARIES

### G2. Oxford Direct Services Trading Limited (ODSTL)

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

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

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

The Company made a surplus for the year of £0.541 million (£0.288 million in 2021/22) and did not declare a dividend in 2022/23, 2021/22, 2020/21 or 2019/20. There have been no Investing activities for the year ended (none in 2021/22).

#### Financial Information on ODSTL

<b>Profit &amp; Loss Account</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	(11,501)	(9,702)
Cost of Sales	7,474	6,647
<b>Gross (Profit) / Loss</b>	<b>(4,027)</b>	<b>(3,055)</b>
Administrative Expenses	3,393	2,691
<b>Operating (Profit) / Loss</b>	<b>(634)</b>	<b>(364)</b>
Interest Charges / (Income)	(34)	9
<b>Profit Before Taxation</b>	<b>(668)</b>	<b>(355)</b>
Tax on Profit	127	67
<b>Total Comprehensive Income and Expenditure (Profit) / Loss</b>	<b>(541)</b>	<b>(288)</b>

## SUBSIDIARIES

<b>Balance Sheet</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Debtors	1,340	3,386
Cash and Cash Equivalents	3,097	5,197
Contract Assets	1,314	385
<b>Current Assets</b>	<b>5,751</b>	<b>8,968</b>
Long Term Creditors	(17)	(1)
Provisions	-	(31)
<b>Non-current Liabilities</b>	<b>(17)</b>	<b>(32)</b>
Creditors	(4,610)	(8,353)
<b>Current Liabilities</b>	<b>(4,610)</b>	<b>(8,417)</b>
<b>Net Assets</b>	<b>1,124</b>	<b>551</b>
<b>Financed By:</b>		
Equity	1,124	583
Total Equity and liabilities	<b>1,124</b>	<b>583</b>
<b>Members' interests</b>	<b>Oxford City</b>	<b>Oxford City</b>
	<b>Share</b>	<b>Share</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Equity	1,124	583
<b>Oxford City Council Interests as at 31 March</b>	<b>1,124</b>	<b>583</b>

### Oxford City Council Commitment to ODSTL

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

## SUBSIDIARIES

### G3. Oxford City Housing Limited (OCHL)

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

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

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

The Company made a surplus for the year of £2.784 million (surplus of £2.508 million in 2021/22).

#### Financial Information on OCHL

<b>Profit &amp; Loss Account</b>	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
Rental Income	(30,707)	(23,909)
Other Income	(1,937)	(745)
Expenses	27,324	19,521
<b>Operating (Profit) / Loss</b>	<b>(5,320)</b>	<b>(5,133)</b>
Interest Charges	1,904	1,692
<b>(Profit) / Loss Before Taxation</b>	<b>(3,416)</b>	<b>(3,441)</b>
Tax on Profit	763	28
<b>Other Comprehensive Expenditure</b>	<b>(131)</b>	<b>905</b>
<b>Total Comprehensive Income and Expenditure (Profit) / Loss</b>	<b>(2,784)</b>	<b>(2,508)</b>



## SUBSIDIARIES

<b>Balance Sheet</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Operational Property	21,681	19,650
Assets Under Construction	-	-
<b>Non-current Assets</b>	<b>21,681</b>	<b>19,650</b>
Inventories	14,978	24,388
Debtors	5,491	7,188
Cash and cash equivalents	18,750	2,981
<b>Current Assets</b>	<b>39,219</b>	<b>34,557</b>
Deferred tax	(1,091)	(1,233)
<b>Non-current Liabilities</b>	<b>(1,091)</b>	<b>(1,233)</b>
Amounts falling due within one year	(6,801)	(3,698)
Cash and cash equivalents	-	-
<b>Current Liabilities</b>	<b>(6,801)</b>	<b>(3,698)</b>
<b>Net Assets</b>	<b>53,008</b>	<b>49,276</b>
<b>Financed By:</b>		
Long term loans	35,598	45,364
Short term loans	10,723	-
	<b>46,321</b>	<b>45,364</b>
Equity	6,687	3,912
<b>Total Equity and liabilities</b>	<b>53,008</b>	<b>49,276</b>
<b>Members' interests</b>	<b>Oxford City</b>	<b>Oxford City</b>
	<b>Share</b>	<b>Share</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Loans to OCHL	35,598	45,364
Equity	6,687	3,912
<b>Oxford City Council Interests as at 31 March</b>	<b>42,285</b>	<b>49,276</b>

### Oxford City Council Commitment to OCHL

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

## JOINT VENTURES

### G4. Barton Oxford LLP

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

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

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

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

### Financial Information on Barton LLP

<b>Profit &amp; Loss Account</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Sales	-	(30,568)
Cost of Sales	-	33,350
<b>Gross (Profit) / Loss</b>	<b>-</b>	<b>2,782</b>
Expenses	22	15
<b>Operating (Profit) / Loss</b>	<b>22</b>	<b>2,797</b>
Interest receivable	(977)	(923)
<b>Total Comprehensive Income and Expenditure (Profit) / Loss</b>	<b>(955)</b>	<b>1,874</b>

<b>Balance Sheet</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Development Properties	654	1,018
Debtors	18,350	23,367
Cash and cash equivalents	207	101
<b>Current Assets</b>	<b>19,211</b>	<b>24,486</b>
Amounts falling due within one year	(8,506)	(11,421)
<b>Current Liabilities</b>	<b>(8,506)</b>	<b>(11,421)</b>
<b>Net Assets attributable to members</b>	<b>10,705</b>	<b>13,065</b>

## JOINT VENTURES

### Members' interests

Capital classified as a liability

Other reserves classified as equity

### Members' Interests as at 31 March

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

Capital classified as a liability

Other reserves classified as equity

### Members' Interests as at 31 March

Barton Oxford LLP as at 31 March 2022		
Oxford City Share £'000	Grosvenor D L Share £'000	Total £'000
-	15,022	15,022
-	(1,957)	(1,957)
-	<b>13,065</b>	<b>13,065</b>

### Oxford City Council Commitment to Barton LLP

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

## JOINT VENTURES

### G5. Oxwed LLP

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

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

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

Oxwed LLP made a loss for the year of £3.255 million (£0.834 million in Oxford West End Developments Limited in 2021/22) of which the Council is responsible for half.

<b>Profit &amp; Loss Account</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	(10)	-
Cost of Sales	-	-
<b>Gross Profit</b>	<b>(10)</b>	<b>-</b>
Other Income	(470)	(120)
Expenses	1,583	353
<b>Operating (Profit) / Loss</b>	<b>1,103</b>	<b>233</b>
Interest charges	2,152	601
<b>Loss from Continuing Operations</b>	<b>3,255</b>	<b>834</b>
<b>Total Comprehensive Income and Expenditure (Profit) / Loss</b>	<b>3,255</b>	<b>834</b>
<b>Balance Sheet</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Non Current Assets</b>	<b>-</b>	<b>-</b>
Inventories	33,169	33,169
Debtors	186	75
Cash and cash equivalents	582	518
<b>Current Assets</b>	<b>33,937</b>	<b>33,762</b>
Creditors	(255)	(426)
<b>Current Liabilities</b>	<b>(255)</b>	<b>(426)</b>
<b>Net Assets attributable to members</b>	<b>33,682</b>	<b>33,336</b>

## JOINT VENTURES

### Members' interest

Capital classified as a liability  
Other reserves classified as equity

### Members' Interests as at 31 March

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

### Members' interest

Capital classified as a liability  
Other reserves classified as equity

### Members' Interests as at 31 March

Oxwed Limited Liability Partnership as at 31 March 2022		
Nuffield		
Oxford City Share £'000	College Share £'000	Total £'000
16,404	16,404	32,808
264	264	528
<b>16,668</b>	<b>16,668</b>	<b>33,336</b>

### Oxford City Council Commitment to Oxwed LLP

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

### Members' interest

Capital classified as a liability  
Other reserves classified as equity

### Members' Interests as at 31 March

Oxford West End Development Limited as at 31 March 2021		
Nuffield		
Oxford City Share £'000	College Share £'000	Total £'000
11,260	11,260	22,520
(3,233)	(3,452)	(6,685)
<b>8,027</b>	<b>7,808</b>	<b>15,835</b>

## BASIS OF ACCOUNTING

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

### Accounting Policies

Accounting Policies of Oxford City Council, the LLPs and the Companies have been considered to ensure the underlying accounting standards are compatible for the Group. In all respects the standards are compatible for 2022/23 and 2021/22. Cash and cash equivalents, debtors and creditors are all provided on the same basis. The development expenditure of the LLP is recorded at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees and construction costs but excludes overheads. This is compatible with Oxford City Council accounting policies in that the assets are under construction and therefore recorded at cost under IFRS. Therefore in all material respects for 2022/23 and 2021/22 the accounting policies are materially aligned.

#### Oxford City Housing Limited (OCHL)

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

#### Oxford Direct Services Limited (ODSL)

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

#### Oxford Direct Services Trading Limited (ODSTL)

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

#### Barton Oxford LLP

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

#### Oxwed LLP

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

## METHOD OF CONSOLIDATION

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

Significant transactions with the entities:

Oxford City Council has provided capital loans to OCHIL of which £17.796 million is still outstanding for the purchase of properties including £2.830 million in 2022/23. Oxford City Council has also provided capital loans to OCHDL for property development of which £27.504 million is still outstanding net of the debt repayment of £2.600 million in 2022/23; no loans were provided in 2022/23. The loans are expected to be repaid in accordance with the cash flow of the Companies and repayment is not expected within the year. It has been recorded in the Oxford City Council accounts as a long term debtor. There are also a number of debtors and creditors with the Council. These creditors and debtors are expected to be settled during the next financial year and are recorded as short term debtors and creditors in the Company and Council accounts.

Oxford City Council leases vehicles and property to ODSL. The vehicles are held as finance leases and therefore appear as debtors in the Council's accounts and as assets and a creditor in the Company accounts; the overall value of these is the same in both entities. The total value of the vehicle leases at the balance sheet date is £6.129 million. The property is held as operational leases within the Council's accounts and these therefore appear as assets in the Council and as expenditure and income in the ODSL and Council accounts respectively. There are also a number of trade debtors and creditors with the Council. These creditors and debtors are expected to be settled during the next financial year and are recorded as short term debtors and creditors in the Company and Council accounts.

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

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

Oxford City Council has provided loans to Oxwed of £13.040 million. Loans of £0.725 million were advanced in 2022/23. The loans are expected to be repaid when development on the site has been completed and are therefore recorded in the Oxford City Council accounts as long term debtors.

**GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2022/23		2021/22		
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	
	£'000	£'000	£'000	£'000	
				Net Expenditure	
				£'000	
Communities & People Development	21,995	(12,564)	21,767	(11,141)	10,626
Chief Executive	9,784	(7,751)	9,120	(4,287)	4,833
ODS Development Director	2,876	(1,460)	2,594	(825)	1,769
Corporate Resources	4,954	(9,119)	6,833	(10,308)	(3,475)
Housing Revenue Account (HRA)	20,351	(2,249)	21,628	(4,422)	17,206
Oxford Direct Services Ltd	140,698	(48,001)	33,651	(45,619)	(11,968)
Oxford City Housing Group	53,221	(15,134)	52,207	(15,687)	36,520
Service Level Agreements and Capital Charges	27,238	(32,452)	19,778	(24,654)	(4,876)
Corporate and Democratic Core	17,148	(175)	21,711	(575)	21,136
	45,798	(37,782)	43,851	(39,383)	4,468
<b>Cost of Services</b>	<b>344,063</b>	<b>(166,687)</b>	<b>233,140</b>	<b>(156,901)</b>	<b>76,239</b>
Other Operating Expenditure	(6,393)	-	7,179	-	7,179
Financing and Investment Income and Expenditure	14,829	(23,455)	15,634	(25,913)	(10,279)
Taxation and Non-Specific Grant Income	-	(43,483)	-	(60,092)	(60,092)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>352,499</b>	<b>(233,625)</b>	<b>255,953</b>	<b>(242,906)</b>	<b>13,047</b>
Share of (Surplus)/Deficit of Joint Ventures			1,364		(3,497)
Tax Expenses			991		91
<b>Group (Surplus)/Deficit</b>			<b>2,355</b>		<b>(3,406)</b>
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(119,102)		(33,184)
(Surplus)/Deficit on Available for Sale Financial Instruments			-		-
Actuarial (Gains)/Losses on Pension Assets and Liabilities			(159,333)		(76,368)
<b>Other Comprehensive Income and Expenditure</b>			<b>(278,435)</b>		<b>(109,552)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(157,206)</b>		<b>(99,911)</b>

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



**GROUP MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

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

	Council's Usable Reserves	Subsidiary Usable Reserves	Total Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31st March 2020 carried forward</b>	<b>287,519</b>	<b>(150,325)</b>	<b>137,194</b>	<b>626,236</b>	<b>4,922</b>	<b>631,158</b>	<b>768,352</b>
<b>Movement in Reserves during 2020/21</b>							
Total Comprehensive Income and Expenditure	(19,335)	9,694	(9,641)	110,542	(990)	109,552	99,911
Adjustments between Group Accounts and Council Accounts	64,528	(64,528)	-	-	-	-	-
<b>Total Comprehensive Income and Expenditure</b>	<b>45,193</b>	<b>(54,834)</b>	<b>(9,641)</b>	<b>110,542</b>	<b>(990)</b>	<b>109,552</b>	<b>99,911</b>
Adjustments between Accounting Basis & Funding Basis under Regulations	(20,614)	-	(20,614)	20,614	-	20,614	-
Annual Retained Earnings Transfers	-	33	33	-	(33)	(33)	-
Consolidation adjustments to profit	-	(89)	(89)	-	-	-	(89)
Dividend Payments	-	-	-	-	-	-	-
<b>Increase/(Decrease) in 2020/21</b>	<b>24,579</b>	<b>(54,890)</b>	<b>(30,311)</b>	<b>131,156</b>	<b>(1,023)</b>	<b>130,133</b>	<b>99,822</b>
<b>Balance at 31st March 2021 carried forward</b>	<b>312,098</b>	<b>(205,215)</b>	<b>106,883</b>	<b>757,392</b>	<b>3,899</b>	<b>761,291</b>	<b>868,174</b>
<b>Movement in Reserves during 2021/22</b>							
Total Comprehensive Income and Expenditure	(124,445)	3,216	(121,229)	278,304	131	278,435	157,206
Adjustments between Group Accounts and Council Accounts	76,146	(76,146)	-	-	-	-	-
<b>Total Comprehensive Income and Expenditure</b>	<b>(48,299)</b>	<b>(72,930)</b>	<b>(121,229)</b>	<b>278,304</b>	<b>131</b>	<b>278,435</b>	<b>157,206</b>
Adjustments between Accounting Basis & Funding Basis under Regulations	130,238	-	130,238	(130,238)	-	(130,238)	-
Annual Retained Earnings Transfers	-	62	62	-	(62)	(62)	-
Consolidation adjustments to profit	-	(8)	(8)	-	-	-	(8)
<b>Increase/(Decrease) in 2021/22</b>	<b>81,939</b>	<b>(72,876)</b>	<b>9,063</b>	<b>148,066</b>	<b>69</b>	<b>148,135</b>	<b>157,198</b>
<b>Balance at 31st March 2022 carried forward</b>	<b>394,037</b>	<b>(278,091)</b>	<b>115,946</b>	<b>905,458</b>	<b>3,968</b>	<b>909,426</b>	<b>1,025,372</b>

## GROUP BALANCE SHEET AS AT 31 MARCH 2023

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

	Note	2022/23 £'000	2021/22 £'000
Property, Plant & Equipment	2	1,010,927	976,251
Heritage Assets		3,688	3,688
Investment Properties		117,688	114,227
Intangible Assets		4,155	4,068
Long Term Investments	11	37,252	40,699
Long Term Debtors	11	87,805	84,560
<b>Long Term Assets</b>		<b>1,261,515</b>	<b>1,223,493</b>
Short Term Investments	11	43,000	65,500
Assets Held for Sale		761	527
Inventories	3	15,145	24,723
Short Term Debtors	5	38,210	40,519
Cash and Cash Equivalents	4 & 11	10,399	26,781
Contract Assets		3,432	287
<b>Current Assets</b>		<b>110,947</b>	<b>158,337</b>
Short Term Borrowing	11	(11,000)	(36,000)
Short Term Creditors	6	(84,408)	(78,615)
Cash and Cash Equivalents	4 & 11	-	-
Contract Liabilities		-	-
<b>Current Liabilities</b>		<b>(95,408)</b>	<b>(114,615)</b>
Long Term Creditors	11	(1,896)	(1,823)
Provisions		(5,339)	(8,211)
Long Term Borrowing	11	(198,528)	(198,528)
Other Long Term Liabilities	11	(17,371)	(158,887)
Capital Grants Receipts in Advance		(28,548)	(31,592)
<b>Long Term Liabilities</b>		<b>(251,682)</b>	<b>(399,041)</b>
<b>Net Assets</b>		<b>1,025,372</b>	<b>868,174</b>
Usable Reserves	MIRS	(115,946)	(106,883)
Unusable Reserves		(909,426)	(761,291)
<b>Total Reserves</b>		<b>(1,025,372)</b>	<b>(868,174)</b>

## GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

This statement shows the total Cashflow for the whole group.

	Note	2022/23 £'000	2021/22 £'000
Net (Surplus)/Deficit on the Provision of Services		121,229	9,641
Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements		(195,662)	(118,568)
<b>Net Cash Flows from Operating Activities</b>		<b>(74,433)</b>	<b>(108,927)</b>
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		75,336	68,006
Purchase of Short-Term and Long-Term Investments		(19,567)	24,063
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(18,347)	(12,670)
Other Capital Cash Receipts in Advance		3,044	(683)
<b>Total Cash Flows from Investing Activities</b>		<b>40,466</b>	<b>78,716</b>
Purchase of Long Term Borrowing		25,000	(36,000)
Repayment of Borrowing		-	-
Other receipts from Financing Activities		25,349	48,067
Payments for the reduction of a Finance Lease Liability		-	-
<b>Total Cash Flows from Financing Activities</b>		<b>50,349</b>	<b>12,067</b>
<b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>		<b>16,382</b>	<b>(18,144)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		(26,781)	(8,637)
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	4	<b>(10,399)</b>	<b>(26,781)</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### 1. Financing and Investment Income and Expenditure

	2022/23 £'000	2021/22 £'000
Interest Payable and Similar Charges	6,852	6,427
Pensions Interest Costs and Expected Return on Pensions Assets	4,447	4,436
Finance Charges	(2,998)	(2,983)
Interest Receivable and Similar Income	(1,961)	(6,119)
Impairment of National Homelessness Property Fund	(336)	138
Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value	(7,572)	(5,924)
Other Investment Income	(7,058)	(6,254)
<b>Total</b>	<b>(8,626)</b>	<b>(10,279)</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### 2 Property, Plant and Equipment Movements in 2022/23

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

## NOTES TO THE GROUP FINANCIAL STATEMENTS

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

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>At 1 April 2021</b>	713,112	190,305	28,305	2,689	1,082	2,162	15,778	953,433
Additions	41,350	15,879	1,436	-	8	-	4,732	63,405
Assets recognised / derecognised under finance lease	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	25,058	(1,110)	-	-	-	-	-	23,948
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(13,504)	(3,312)	-	-	-	-	-	(16,816)
Derecognition - disposals	(873)	(2,664)	(770)	-	-	-	(926)	(5,233)
Derecognition - other	(1,137)	(146)	-	-	-	-	-	(1,283)
Assets reclassified (to)/from Held for Sale	(3,291)	-	-	-	-	-	-	(3,291)
Other movements in cost or valuation	4,069	5,563	(1,000)	-	(51)	-	(9,351)	(770)
<b>At 31 March 2022</b>	<b>764,784</b>	<b>204,515</b>	<b>27,971</b>	<b>2,689</b>	<b>1,039</b>	<b>2,162</b>	<b>10,233</b>	<b>1,013,393</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1 April 2021</b>	(7,294)	(11,620)	(17,788)	(433)	(34)	(154)	-	(37,323)
Depreciation charge	(7,612)	(4,438)	(2,448)	(98)	(9)	(152)	-	(14,757)
Depreciation written out to the Revaluation Reserve	8,851	1,526	-	-	-	-	-	10,377
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,159	1,401	-	-	-	-	-	3,560
Derecognition - disposals	-	15	741	-	-	-	-	756
Derecognition - other	-	194	-	-	-	-	-	194
Other movements in depreciation and impairment	20	-	31	-	-	-	-	51
<b>At 31 March 2022</b>	<b>(3,876)</b>	<b>(12,922)</b>	<b>(19,464)</b>	<b>(531)</b>	<b>(43)</b>	<b>(306)</b>	<b>-</b>	<b>(37,142)</b>
<b>Net Book Value</b>								
At 31 March 2022	760,908	191,593	8,507	2,158	996	1,856	10,233	976,251
At 31 March 2021	705,818	178,685	10,517	2,256	1,048	2,008	15,778	916,110
<b>Movement in NBV</b>	<b>55,090</b>	<b>12,908</b>	<b>(2,010)</b>	<b>(98)</b>	<b>(52)</b>	<b>(152)</b>	<b>(5,545)</b>	<b>60,141</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### 3. Inventories

	Consumable Inventories		Maintenance Inventories		Construction Work in Progress		Total	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Balance Outstanding at Start of Year	11	13	324	683	24,388	25,830	24,723	26,526
Purchases / Additions	42	-	(144)	2,430	15,195	16,785	15,093	19,215
Recognised as an Expense in the Year	(30)	(2)	-	(2,447)	(24,605)	(17,828)	(24,635)	(20,277)
Inventory balances sold	-	-	(36)	(342)	-	-	(36)	(342)
Recategorised Inventory	-	-	-	-	-	(399)	-	(399)
<b>Balance Outstanding at Year End</b>	<b>23</b>	<b>11</b>	<b>144</b>	<b>324</b>	<b>14,978</b>	<b>24,388</b>	<b>15,145</b>	<b>24,723</b>

### 4. Cash and Cash Equivalents

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

	2022/23 £'000	2021/22 £'000
Cash Held by the Council	10,125	26,553
Bank Current Accounts	(15,956)	(350)
Cash Held by Subsidiaries	16,230	578
<b>Total Cash and Cash Equivalents</b>	<b>10,399</b>	<b>26,781</b>

### 5. Short Term Debtors

The table below shows the amount that the group was owed at 31 March 2022 by third parties, together with amounts paid by the group in advance of the receipt of goods or services.

	2022/23 £'000	2021/22 £'000
Trade Receivables	19,690	19,664
Other Receivables	18,520	20,855
<b>Total</b>	<b>38,210</b>	<b>40,519</b>

### 6. Short Term Creditors

The table below shows the amount that the group owed as at 31 March 2022 to third parties, together with amounts received by the group in advance of supply of goods or services.

	2022/23 £'000	2021/22 £'000
Trade Payables	(27,554)	(24,719)
Other Payables	(56,854)	(53,896)
<b>Total</b>	<b>(84,408)</b>	<b>(78,615)</b>

### 7. External Audit Costs

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

	2022/23 £'000	2021/22 £'000
External Audit	293	124
<b>Total</b>	<b>293</b>	<b>124</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### 8. Finance Leases as a Lessor

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

	31 Mar 2023 £'000	31 Mar 2022 £'000
<b>Finance Lease debtor (net present value of minimum lease payments)</b>		
- Current	825	1,108
- Non Current	61,150	62,235
Unguaranteed Residual Value of Property*	4,073	4,073
<b>Gross Investment in the Lease</b>	<b>66,048</b>	<b>67,416</b>

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

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

	Gross Investment In The Lease		Minimum Lease Payments	
	31 Mar 2023 £'000	31 Mar 2022 £'000	31 Mar 2023 £'000	31 Mar 2022 £'000
Not later than one year	825	1,108	825	1,108
Later than one year and not later than five years	1,403	315	1,403	315
Later than five years	63,820	65,993	59,747	61,919
<b>Total</b>	<b>66,048</b>	<b>67,416</b>	<b>61,975</b>	<b>63,342</b>

### 9. Operational Leases as a Lessor

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

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

Operating Leases	31 Mar 2023 £'000	31 Mar 2022 £'000
Not later than one year	6,606	6,905
Later than one year and not later than five years	21,491	22,857
Later than five years	123,842	122,973
<b>Total</b>	<b>151,939</b>	<b>152,735</b>

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



## NOTES TO THE GROUP FINANCIAL STATEMENTS

### 10. Revaluation Reserve

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

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

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

	2022/23 £'000	2021/22 £'000
<b>Balance at 1 April</b>	<b>(323,520)</b>	<b>(298,763)</b>
Upward revaluation of assets	(273,651)	(44,214)
Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services (Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus)/Deficit on the Provision of Services	154,549	11,030
	<b>(442,622)</b>	<b>(331,947)</b>
Accumulated gains on assets sold or scrapped	-	1,292
Amount written off to the Capital Adjustment Account	16,979	7,102
Annual Retained Earnings Transfers	62	33
<b>Balance at 31 March</b>	<b>(425,581)</b>	<b>(323,520)</b>

### 11. Financial Instruments

#### Financial Assets

	Non Current				Current			
	Investments		Debtors		Investments		Debtors	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Fair Value through Profit or Loss	37,252	40,699	87,805	84,560	10,399	26,781	40,979	27,222
Amortised Cost	-	-	-	-	43,000	65,500	-	-
<b>Total Financial Assets</b>	<b>37,252</b>	<b>40,699</b>	<b>87,805</b>	<b>84,560</b>	<b>53,399</b>	<b>92,281</b>	<b>40,979</b>	<b>27,222</b>

#### Financial Liabilities

	Non Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Amortised Cost	(198,528)	(198,528)	(2,632)	(2,531)	(11,000)	(36,000)	(65,688)	(49,740)
<b>Total Financial Assets</b>	<b>(198,528)</b>	<b>(198,528)</b>	<b>(2,632)</b>	<b>(2,531)</b>	<b>(11,000)</b>	<b>(36,000)</b>	<b>(65,688)</b>	<b>(49,740)</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

	2022/23 Surplus / (Deficit) on the Provision of Services £'000	2021/22 Surplus / (Deficit) on the Provision of Services £'000
<b>Net gains/losses on:</b>		
Financial Assets Measured at Fair Value	(3,549)	2,204
Financial Assets Measured at Amortised Cost	-	-
	(3,549)	2,204
<b>Interest Revenue</b>		
Financial Assets Measured at Fair Value	1,095	943
Financial Assets Measured at Amortised Cost	4,497	2,834
	5,592	3,777
<b>Interest Expense</b>	(6,852)	(6,427)

Page left intentionally blank

Page left intentionally blank

# **ACCOUNTING POLICIES**

## ACCOUNTING POLICIES

### Accounting Policies

#### AP1. General Principles

The Statement of Accounts summarises the Council's financial transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, and this requires the preparation to be in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS) and statutory guidance, issued under Section 12 of the 2003 Act.

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

#### Going Concern

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

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

#### AP2. Accruals of Income and Expenditure

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

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

## ACCOUNTING POLICIES

Exceptions to this principle are:

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

### **AP3 Acquisitions and Discontinued Operations**

#### **Discontinued Operations**

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

- Oxford Direct Services Limited
- Oxford Direct Services Trading Limited

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

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

#### **AP4. Cash and Cash Equivalents**

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

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

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

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

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

## ACCOUNTING POLICIES

### **AP6. Charges to Revenue for Non-Current Assets**

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

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

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

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

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

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

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

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

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

#### **Accounting for Council Tax and NDR**

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

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



## ACCOUNTING POLICIES

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

### **AP8. Employee Benefits**

#### **Benefits Payable during Employment**

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

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

#### **Termination Benefits**

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

#### **Post-employment Benefits**

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

#### **The Local Government Pension Scheme**

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

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

## ACCOUNTING POLICIES

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

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

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

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

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

## ACCOUNTING POLICIES

### Discretionary Benefits

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

### AP9 Events After the Reporting Period

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

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

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

### AP10. Financial Instruments

#### Financial Liabilities

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

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

#### Financial Assets

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

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

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

#### Financial Assets Measured at Amortised Cost

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

## ACCOUNTING POLICIES

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

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

### **Expected Credit Loss Model**

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

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

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

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

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

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

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

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

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

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

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

### Fair Value through Other Comprehensive Income (FVOCI)

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

### Reclassifications, modifications or derecognition or transfer of financial assets

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

## ACCOUNTING POLICIES

### **AP11. Government Grants and Contributions**

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

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

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

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

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

### **Community Infrastructure Levy**

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

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

### **AP12. Tangible Heritage Assets**

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

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

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

## ACCOUNTING POLICIES

### Measurement Rules in relation to other Heritage assets

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

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

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

- Heritage Non Operational Property

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

- Rewley Abbey Wall

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

- Oxford City First Registration number plate

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

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

### AP13.Intangible Assets

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

## ACCOUNTING POLICIES

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

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

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

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

### **AP14. Interest in Companies and Other Entities**

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

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

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

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

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

## ACCOUNTING POLICIES

### **AP15. Inventories and Long Term Contracts**

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

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

### **AP16. Investment Property**

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

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

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

### **AP17. Leases**

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

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

#### **a) The Authority as Lessee**

##### **Finance Leases**

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



## ACCOUNTING POLICIES

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

Lease payments are apportioned between:

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

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

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

### Operating Leases

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

### b) The Authority as Lessor Finance Leases

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

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

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

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

## ACCOUNTING POLICIES

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

### **Operating Leases**

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

### **AP18.Overheads and Support Services**

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

### **AP19.Property, Plant and Equipment**

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

### **Recognition**

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

### **Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

## ACCOUNTING POLICIES

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

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

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

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

### Impairment

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

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

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

### Depreciation

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

Depreciation is calculated on the following bases:

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

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

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

### Disposals and Non-current Assets Held for Sale

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

## ACCOUNTING POLICIES

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

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

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

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

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

### Disposals

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

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

### AP20.Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

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

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

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

## ACCOUNTING POLICIES

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

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

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

### **Contingent Liabilities**

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

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

### **Contingent Assets**

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

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

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

### **AP21. Reserves**

#### **Useable Reserves**

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

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

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

## ACCOUNTING POLICIES

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

### Unusable Reserves

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

The main unusable reserves are:

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

### AP22.Revenue Expenditure Funded from Capital under Statute

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

### AP23.VAT

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

### AP24.Fair Value Measurement

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

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

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

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

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

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

## ACCOUNTING POLICIES

### **AP25.Exceptional Items**

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

### **AP26.Dividends from Owned Companies**

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

Page left intentionally blank



# **GLOSSARY OF TERMS AND ABBREVIATIONS**

## GLOSSARY OF TERMS AND ABBREVIATIONS

### **ACE**

Arts Council England.

### **Accounting Period**

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

### **Accruals**

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

### **Amortisation**

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

### **Asset**

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

### **Asset Held for Sale**

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

### **Balance Sheet**

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

### **Beacon Dwelling**

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

### **Billing Authority**

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

### **Capital Expenditure**

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

### **Capital Adjustment Account**

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

### **Capital Receipts**

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

### **Chartered Institute of Public Finance and Accountancy (CIPFA)**

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

## GLOSSARY OF TERMS AND ABBREVIATIONS

### **CO**

Cabinet Office.

### **Code of Practice (The Code)**

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

### **Collection Fund**

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

### **Collection Fund Adjustment Account**

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

### **Contingent Assets/Liabilities**

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

### **Contingent Rent**

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

### **Current Asset**

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

### **DCMS**

Department of Culture, Media and Sport.

### **DECC**

Department of Energy and Climate Change.

### **Deferred Credits**

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

### **Deferred Grants**

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

## GLOSSARY OF TERMS AND ABBREVIATIONS

**DEFRA**

Department for Environment, Food and Rural Affairs.

**Depreciation**

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

**DFT**

Department for Transport.

**DWP**

Department of Work and Pensions.

**Earmarked Reserves**

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

**Earmarked Reserves**

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

**Finance Lease**

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

**GAAP**

Generally Accepted Accounting Practice.

**General Fund**

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

**General Fund Balance**

Balance at Year End not earmarked for any specific purpose.

**Group Accounts**

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

**HCA**

Homes Communities Agency.

**Heritage Assets**

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

**HIA**

Home Improvement Agency.

**HMO**

House in Multiple Occupation.

## GLOSSARY OF TERMS AND ABBREVIATIONS

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

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

### **IAS**

International Accounting Standard.

### **Intangible Asset**

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

### **International Financial Reporting Standards (IFRS)**

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

### **Impairment**

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

### **Investments**

Deposits for less than one year with approved institutions.

### **Infrastructure Assets**

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

### **Inventory**

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

### **Investment Property**

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

### **Joint Venture**

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

### **LGA**

Local Government Association.

### **Liability**

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

## GLOSSARY OF TERMS AND ABBREVIATIONS

### **Long Term Assets - Tangible**

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

### **Long Term Assets – Intangible**

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

### **Long Term Debtors**

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

### **MHCLG**

Ministry for Housing, Communities and Local Government.

### **National Non-Domestic Rates (NDR)**

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

### **Non-Current Asset**

This is the same as a Long Term Asset.

### **Non operational Assets**

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

### **Operational Asset**

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

### **Operating Lease**

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

### **Pension Fund**

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

### **Pooling of Housing Capital Receipts**

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

### **Precept**

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

## GLOSSARY OF TERMS AND ABBREVIATIONS

### **Provisions**

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

### **PWLB**

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

### **Revenue**

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

### **Revenue Expenditure Funded from Capital Under Statute (Refcus)**

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

### **Reserves – Unusable**

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

### **Reserves – Usable**

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

### **Revenue Support Grant**

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

### **Surplus Asset**

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

### **Surplus or Loss on the Sale of Fixed Assets**

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

### **Teckal Exemption**

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

Page left intentionally blank



**INDEPENDENT AUDITORS REPORT  
AND CERTIFICATE**

**INDEPENDENT AUDITORS REPORT AND CERTIFICATE**

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

**INDEPENDENT AUDITORS REPORT AND CERTIFICATE**

**INDEPENDENT AUDITORS REPORT AND CERTIFICATE**

**INDEPENDENT AUDITORS REPORT AND CERTIFICATE**

*(Key Audit Partner)*

Date

*Ernst & Young LLP (Local Auditor)*

*Reading*

Page left intentionally blank

Page left intentionally blank

# Statement of Accounts 2022-2023

