OXFORDSHIRE COUNTY COUNCIL

To: Members of the Audit & Governance Committee

Notice of a Meeting of the Audit & Governance Committee

Wednesday, 27 November 2024 at 1.00 pm

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings, please click on this Live Stream Link
Please note, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

Committee Officers: *Committee Services*
Email: committees.democraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Ted Fenton
Deputy Chair - Councillor Roz Smith

Councillors

Felix Bloomfield	Bob Johnston	Glynis Phillips
Jenny Hannaby	Nick Leverton	
Charlie Hicks	Ian Middleton	

Co-optee

Dr Geoff Jones

Notes:

- ***Date of next meeting: 15 January 2025***

OXFORDSHIRE COUNTY COUNCIL

AGENDA

1. Apologies for Absence and Temporary Appointments

2. Declaration of Interests - see guidance note

3. Minutes (Pages 1 - 12)

To approve the minutes of the meeting held on 18 September 2024 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection.

To facilitate 'hybrid' meetings we are asking that requests to speak or present a petition are submitted by no later than 9am four working days before the meeting. Requests to speak should be sent to committeesdemocraticservices@oxfordshire.gov.uk

If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that your views are taken into account. A written copy of your statement can be provided no later than 9am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.

5. Treasury Management Mid Term Review 2024/25 (Pages 13 - 24)

Report by the Executive Director of Resources and Section 151 Officer

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks.

This report sets out the position at 30 September 2024. Throughout this report, the performance for the first half of the year (1 April to 30 September 2024) is measured against the budget agreed by Council in February 2024.

RECOMMENDATION

The Committee is recommended to note the council's treasury management activity in the first half of 2024/25 and recommend Council to note the council's treasury management activity in the first half of 2024/25.

6. Ernst and Young - Update (Pages 25 - 212)

To receive verbal update from Ernest and Young.

RECOMMENDATION

The Committee is recommended to note the reports.

7. Statement of Accounts 2022/23 and 2023/24 (Pages 213 - 620)

Report by the Executive Director of Resources and Section 151 Officer

The unaudited Statement of Accounts 2022/23 was published on the Council's website on 23 January 2024 for public inspection. The Statement of Accounts 2022/23 were considered by committee of the Council and, following that consideration, to be approved by resolution of that committee. This report presents the accounts to the Audit & Governance Committee for consideration and approval, with the disclaimed opinion report from Ernst & Young LLP's.

RECOMMENDATIONS

The Committee is recommended to:

a) Consider and approve the Statement of Accounts 2022/23 at Annex 1;
b) Note the Summary Accounts 2022/23 at Annex 2;
c) Agree that no changes are required to the Annual Governance Statement 2022/23, previously approved by the Committee on 29 November 2023;
d) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire County Council accounts at Annex 3;
e) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire Pension Fund accounts at Annex 4;
f) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2022/23 and/or letters of representation that may arise during completion of the audit.
g) Consider and approve the Statement of Accounts 2023/24 at Annex 4;
h) Note the Summary Accounts 2023/24 at Annex 5;
i) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2023/24 and/or letters of representation that may arise during completion of the audit.

8. Annual Governance Statement 2023/24 (Pages 621 - 624)

Report by the Director of Law and Governance and Monitoring Officer

Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles and to give an opinion on the effectiveness of those arrangements. As part of the process, authorities are expected to highlight areas of focus for the year following. This report therefore updates the Committee on the seven specific areas of focus identified for 2024/25.

RECOMMENDATIONS

The Committee is recommended to receive this update on the actions from the Annual Governance Statement 2023/24 and to make any comment upon them.

9. Annual Report on Whistleblowing (Pages 625 - 648)

Report by the Director of Law and Governance and Monitoring Officer

A new Whistleblowing Policy was presented to the Audit and Governance Committee on 13 March 2024. The new policy provides greater clarity around the six categories set out in the Employment Rights Act 1996 that make a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998.

RECOMMENDATIONS

The Committee is recommended to:

a) **To note the number of incidents of Whistleblowing during the 2023-24 financial year.**

b) **To note that training on Whistleblowing is currently being rolled out within the organisation.**

10. Counter Fraud Update (Pages 649 - 656)

recycled paper

Report by the Executive Director of Resources and Section 151 Officer

The report presents a summary of activity against the Counter Fraud Plan for 2024/25, presented to the July 2024 Audit & Governance committee meeting.

The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

RECOMMENDATION

The Committee is recommended to note the summary of activity against the Counter Fraud Plan for 2024/25.

11. Financial Procedure Rules and Financial Regulations (Pages 657 - 664)

Report by the Executive Director of Resources and Section 151 Officer

It is a requirement under the Constitution that Financial Procedure Rules and Financial Regulations are subject to approval by Council, therefore this is being reported to Audit and Governance Committee, before a report is submitted to Council on 10 December 2024 for approval.

RECOMMENDATION

The Committee is recommended to endorse the amendments to the Financial Procedure Rules and Financial Regulations including those made in April 2020 that were not subject to approval; and, to submit to Council for approval at the meeting on 10 December 2024.

12. Oxford Fire and Rescue Services Statement of Assurances 2023/24 (Pages 665 - 682)

Report by Chief Fire Officer and Director of Community Safety

The Fire and Rescue National Framework for England 2018 sets out a requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters through publishing an Annual Statement of Assurance.

RECOMMENDATION

The Committee is recommended to consider and approve the Oxfordshire Fire and Rescue Service Statement of Assurance 2023/24 for publication. This document is procedural and not recommending any policy decision, strategy or project involving major change.

recycled paper

13. Oxfordshire Fire and Rescue Service 2023/2024 Annual Report (Pages 683 - 704)

Report by Chief Fire Officer and Director of Community Safety

The Community Safety Services, Annual Report provides information to members of the public on Oxfordshire Fire and Rescues activities and performance. The report covers the four teams that make up Oxfordshire Fire and Rescue Service including Emergency Response, Road Safety, Emergency Planning and Trading Standards.

RECOMMENDATION

The Committee is recommended to consider and approve the Community Safety Services, Annual Report 2023/24 for publication. This document is procedural and not recommending any policy decision, strategy or project involving major change.

14. Audit Working Group (Pages 705 - 708)

Report by Executive Director of Resources and Section 151 Officer

The Audit Working Group (AWG) met on 8 October 2024. The group received an update on the implementation of management actions arising from the audits of Legal Case Management and Supported Transport.

RECOMMENDATION

The Committee is recommended to note the report.

15. Audit and Governance Committee Work Programme (Pages 709 - 710)

The Committee to note and comment on the work programme

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recycled paper

Councillors declaring interests

General duty
You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?
Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest
Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception
Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests
Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.
Other registrable interests include:

a) Any unpaid directorships

b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests
Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:
Where a matter affects the financial interest or well-being:
a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 18 September 2024 commencing at 1.00 pm and finishing at 3.55 pm

Present:

Voting Members: Councillor Ted Fenton – in the Chair

Councillor Roz Smith (Deputy Chair)
Councillor Felix Bloomfield
Councillor Jenny Hannaby
Councillor Charlie Hicks
Councillor Nick Leverton
Councillor Ian Middleton
Councillor Glynis Phillips
Dr Geoff Jones

Non-Voting Member Dr Geoff Jones

Officers:

Whole of meeting Lorna Baxter (Executive Director of Resources & Section 151 Officer), Anita Bradley (Director of Law and Governance and Monitoring Officer), Sarah Cox (Chief Internal Auditor), Paul Grant (Head of Legal), Shilpa Manek (Senior Democratic Services Officer) and Mohamed Cassimjee (Democratic Services Officer)

Part of meeting Tim Chappel (Treasury Management), Jody Kerman (Head of Trading Standards), Lisa Lyons (Director Children Services), Victoria Baran (Deputy Director Adult Social Care), Peter Lundy (County Health and Safety Manager), Stephen Reid (Ernst and Young)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting.

1/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies received from Councillor Bob Johnston.

1/24 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE
(Agenda No. 2)

None

1/24 MINUTES
(Agenda No. 3)

The Deputy Chair Cllr Roz Smith drew attention to Agenda item 13 that dealt with Constitutional Changes from HR. The Cllr indicated that a report should be provided in the future reflecting delays in the process as well as the financial implications.

Resolved: that the minutes of the meeting held on 18 September 2024 were agreed as an accurate record and signed by the Chair.

1/24 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 4)

There were none received.

1/24 TREASURY MANAGEMENT QUARTER 1 PERFORMANCE REPORT 2024/2025
(Agenda No. 5)

The Treasury Manager introduced the report. The officer indicated the following:

Throughout this report, the performance for the first quarters of the year to June 2024 was measured against the budget agreed by the Council in February 2024. As of 30 June 2024, the County Council's outstanding debt totalled £284m and the average rate of interest paid on long-term debt during the year was 4.39%. During the three months to 30 June 2024 the County Council achieved an average in-house return of 5.01% on average cash balances of £466.871m, producing gross interest receivable of £5.829m. The return for the three months was £0.527m, which brought total investment income to £6.356m. This compared to budgeted investment income of £4.437m, which gave a net overachievement of £1.919m.

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In response to Council Members the following was noted:

- Regarding the discrepancies in the figures, it was an error and should have read minus 10 and not 10. There was one debt paid in July 2024, hence it was minus 10.
- Corrections will be made to the £513.17 million for the next meeting.
- In terms of the County Council's debt as of 30 June 2024, the County Council had not taken on any debt since 2010.
- Most of the debt that had matured had been on a higher rate therefore the average debt rate was now lower.
- The loans making up debt total were all historic and tended to be long term for up to 50 years.

- The Cash balances for the year are forecasted to be lower as a result of the negative Dedicated Schools Grant (DSG) balances that related to High Needs. The DSG balance for the end of 2024/25 which is the cumulative figure was forecasted to be £83.50m which was also the correct figure.
- Under the investment portfolio, the 5.01% that was achieved in the quarter was 95% made up from other local authority loans. Some authorities are cash positive like Oxfordshire County Council and others are borrowers.
- In terms of risk, if some councils fail financially their assets and liabilities would be moved over to whichever council took over. There was no risk of losing a deposit.
- The County Council was protected by the 2003 Local Government Act regarding the failure of councils
- In terms of the override, if the investments were in negative territory on the balance sheet date, from 2025/26 the deficit would need to be taken to the revenue account.
- However, a £5milion pound reserve had been created to fill the gap in the revenue account should it be required, as it is ring fenced for that purpose.
- The forecasted debt as of 31st March 2025 is £513.71milion, was not a fixed figure and depended on the delivery of the capital programme and the size of the capital financing requirement.
- The County Council is not planning to take any more external debt but would be using the cash balances to pay for capital in the present and refinance it later with external debt.

RESOLVED that the council's treasury management activity at the end of the first quarter of 2024/25 be noted.

1/24 MONITORING OFFICER ANNUAL REPORT

(Agenda No. 6)

The Director for Law and Governance and Monitoring Officer Monitoring Officer presented the report and indicated the following:
All members of the Audit and Governance Committee(AGC) and the Monitoring Officer had the responsibility to promote high standards of conduct by Members and Co-optees across the County Council. The Code of Conduct forms the basis for the Monitoring Officers' actions. The Independent Persons supported the Code of Conduct on the complaints process and importantly provided support to the Monitoring Officer in the work being undertaken. The Independent Persons were up for reappointment and a recruitment campaign was being undertaken and interviews will be conducted in due course. A proactive approach was also being taken by the Monitoring Officer in the event of concerns. It was important to note that a complaint made does not necessarily mean it was substantiated. The Monitoring Officer encouraged Members to look at their interests and to make declaration of interests in a timely way. There was a plan to also continue the work done on the constitution review and a series of items would be put to a group of cross-party Members working on constitutional amendments. Nominations were being awaited from Members, but the process will commence.

In response to Council Members the following was noted:

- In terms of the Freedom of Information Act the number of requests had increased not only in number but complexity.
- In terms of the transparency around urgent decisions which are outside the normal process, they were taken in terms of the constitution and a specific process was followed.
- Decisions on items that effect divisions and Members had become an issue that would require further consideration and would need to be built into the Monitoring Officer's report next year.
- In terms of the engagement from the public, statistical figures were used as the political representations relate to political matters or Member matters that Members needed to decide upon.
- The Monitoring Officer would consider an approach that was more useful and not only consider statistics in terms of public representation.
- Matters that impact on Members constituencies, will be considered by the Monitoring Officer to ensure Members were kept informed by Officers.
- In this regard it was recalled that a motion was passed by the Full Council that requested officers keep local members in their divisions aware of relevant and major developments. A request was made to send the information early, as that would assist Members.
- In the Children's directorate there was a reduction of complaints which was positive.

Resolved that the Committee considered and endorsed the report.

1/24 RIPA POLICY

(Agenda No. 7)

The Director for Law and Governance and Monitoring Officer introduced the report, and the Head of Trading Standards presented the technical aspects and indicated the following:

The report was a review of the Regulation of Investigatory Powers Act 2000.The responsibility of the Audit and Governance Committee (AGC) was to view it from a Members perspective, including the application thereof. The RIPA Act and the legal framework that supported the Act allowed for Covid surveillance to be lawfully undertaken by the authorities. An inspection was conducted by the Investigatory Powers Commissioner's Office (IPCO) at the end of 2023, and it was found that all requirements were being met by the County Council and no further inspection was required until 2026. In terms of the use of the powers in the last financial year the powers granted related to the test for underage purchasing of vapes. It was one authorisation which allowed for 14 premises to be visited and to have test activity take place, of which there were two sales of vape to a child.

In response to Council Members the following was noted:

- There were a number of considerations, and the safeguarding of young persons was paramount.

- A proper briefing will be made to a young person by a police office after observing the premises on what exactly needed to be done. The young person's purchase was observed by the police officer, which was the basis for the RIPA authorisation
- During the covert visits by the police officers, businesses were encouraged to challenge any person who looked under 25 on an age restricted product, which is not for sale to persons under 18.
- The process of seeking approval from Magistrates was not slowing down the process and provided a valuable oversight mechanism.

Resolved that the Committee:

a) Noted the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of the paper and commented on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider.

b) Considered and noted the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council.

1/24 REFORMS TO CLEAR BACKLOG IN LOCAL AUDIT

(Agenda No. 8)

The Executive Director of Resources and Section 151 Officer presented the report and indicated the following:

In February 2024, the Department of Levelling Up, Housing and Communities (DLUHC) as it was known issued a consultation with the aim of clearing the backlog of local audits in England. The new government took the matter seriously and before going on the summer recess was able to issue a statement to Parliament setting out the proposals for addressing the local government audit backlog, although with minor amendments. The proposals related to five years' worth of audits, for 2022/23 and years prior to that, and the subsequent four financial years to allow the system to catch up. It should be noted that in support of local bodies and auditors there was a commitment that there will be extensive communication in relation to the disclaimed and modified opinions. The reason being that it was not the fault of local authorities that the accounts had not been signed off, together with the introduction of backstop dates which were beyond the local authorities' control. The approach that is to be prioritised by Ernst and Young would be to finalise value for money for accounts of 2022/23 and to complete the process of disclaimed audit opinions up to 2022/23, by end of November 2024. In relation to 2023/24 the expectation was that they would be completed audits for areas where draft and financial statements were published by 31st July 2024, and where the audit work had been undertaken.

In response to Council Members the following was noted:

- Local authorities could be judged by Members and the general public without a proper understanding of the context of the challenges, with the process unfairly deemed to be not satisfactory.

- It was clarified that the County Council would not be breaching any government rules in respect of the audits.
- The reason for not meeting the 31May 2024 deadline for two years was due to the accounts being in the process of being audited, as well as the opening balances not being confirmed.
- In going forward the deadlines will be achieved because the deadline had been extended to June 2024.
- The work on the final accounts for 2023/24 would start in February 2025 which would allow time to complete the workload.
- Further assistance would be rendered through ensuring audit firms had the capacity to deliver on the audit.
- The second issue was that not only would the 2023/24 accounts have included a disclaimer, but the opening balances for 2024/25 and 2025/26 would also have a disclaimer.
- The opening balance 2023/24 would be the opening balance for 2024/25 and effectively the closing balance for 2024/2025, which means the 2025/2026 accounts would be up to date.
- The issue in relations to highways infrastructure assets in 2022 was that a temporary statutory override was put into place. The position going forward is uncertain as the statutory override cannot continue indefinitely.

Resolved that the Committee:

a) Noted the update on the arrangements that the government intended to put in place to address the local audit backlog in England.

b) Noted the approach that EY LLP intended to take to the audit and reporting on the council's accounts for 2022/23 onwards.

1/24 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN'S ANNUAL REVIEW REPORT

(Agenda No. 9)

The Director of Law and Governance and Monitoring Officer supported by the Deputy Director of Adult Social Care and the Director of Childrens Services presented the report and indicated the following:

Each year the Local Government and Social Care Ombudsman (LGSCSO) issued an Annual Review Report about each County Council. This related to the complaints made to the LGSCO about the County Council for the year 2023/24.The Ombudsman's Annual Letter came under the statutory framework of the Local Government Act 1974 and established the duty to investigate Tier 1 and Tier 2 local authorities but excluded the parish councils. The Ombudsman provided guidance and advice on good administrative practice. They looked at the trends and the message for Oxfordshire as reflected by the complainants which was also experienced nationally. In this regard the strain in the services of Special Educational Needs and Disability (SEND) and issuing of Education Health and Care Plans (EHCP) were recognised and highlighted. These included the issues families faced in obtaining support and actions that were needed. Training was being

undertaken and work was being done across the County Council to emphasise the need to remedy the situation, and to prevent the matter being converted into a complaint. It is noteworthy that there were fewer referrals to the Ombudsman and that those that are being sent, did not necessarily meet the criteria for investigation.

In response to Council Members the following was noted:

- In determining if the complaint system was working it will to be done on a case-by-case basis.
- The situation was being addressed in stabilising children's services. The reports related to complaints that originated almost 3 years ago and as far back as 2019. Improvements would therefore be seen in future reports based on the work being done.
- Regarding strategy and operation, if it was a strategic failure, it would be reflected in the Annual Review Report as occurred during Covid 19. The present Annual Review Report did not identify any strategic failure.
- The report was positive for the County Council because the best was done to reduce issues that related to SEN.
- In terms of the 22 complaints, an increase had been detected in the numbers referred to the County Council for resolution or have been closed after initial enquiries which also reflected that the resolution was satisfactory and within the expectations of the Ombudsman.
- Regarding complaints that were made and the most effective response that was required, the County Council was trying to ensure that complaints were dealt with early, which would lead to improvements going forward.
- In terms of the total amount of money spent on redress over a period of 3 sets of financial years from both the County Council and Ombudsman perspective, that figure was not contained in the present County Council report but could be provided.
- The report reflected the complaints received and how they were dealt with, and the new government has recognised the increase of concerns on SEN delivery.
- In terms of vexatious complaints, it was a very high threshold to reach, but numerous repeated complaints, which were received were dealt with.

Councillor Charlie Hicks arrived at the meeting at 14:32 pm

The Deputy Chair thanked the team who had prepared the report.

Resolved that the Committee received and commented on the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2023/24, and the work undertaken by the Council regarding its handling of complaints.

1/24 AUDIT WORKING GROUP UPDATE

(Agenda No. 10)

The Chief Internal Auditor and the Chair of the Audit Working Group presented the report and indicated the following:

The were audits for Purchasing Cards, Health Funded Payments and Payment to Providers. Under Purchasing Cards, the audit identified that a significant amount of VAT was potentially not being coded correctly by cardholders resulting in unclaimed VAT. Good progress had been made in respect of the audit on Purchasing Cards and the remaining management action are due for completion by the end of September 2024. In terms of the Internal Audit of Health Funded Payments, it was noted that there had been an issue with overpayments being made to providers on behalf of the Integrated Care Board (ICB) for some clients that had died. In this regard the payments team were in the process of recovering the overpayments. Progress had been made to address and implement four of the agreed management actions with work in progress for the remaining four. In terms of the Internal Audit of Adult Payments to providers, weaknesses were highlighted by the audit in relation to the accuracy of the provider portal uploads made by providers and oversight of the Guaranteed Minimum Volumes. The remaining two management actions were in the process for completion by end of September 2024. Two reports are scheduled for the next meeting namely, Legal Case Management and Supported Transport 2023/2025.The Members were satisfied with the progress made.

The Chair called for nominations to the Audit Working Group (AWG) and the following was noted:

- All members of the Audit and Governance Committee (AGC) could attend although those who are not Members of the AWG could attend as observers.
- Members for the AWG needed to also nominate substitutes
- Members nominated to the AWG were, Cllr Ted Fenton, Cllr Roz Smith, Cllr Jenny Hannaby, Cllr Glynis Phillips and Co-optee Geoff Jones as the Chair.
- Cllr Charlie Hicks was appointed as a substitute for Cllr Glynis Phillips.

Resolved that the Committee noted the report.

1/24 HEALTH AND SAFETY ANNUAL REPORT

(Agenda No. 11)

Paul Lundy, Health and Safety Manager presented the report and indicated the following:

The report contained an overview of performance and the work done by the health and safety team. On the positive side, the County Council had signed up to the Unison Charter to end violence at work. This was important in areas such as adult social care, as workers may be subjected to a threat of violence and assault. A lot of work had been done on personal safety with investments in technology to help support social workers when they are working alone. In terms of noise vibration, it was an area that the Health and Safety Executive (HSE) had focused on in terms of enforcement, and the County Council worked closely with fire and rescue staff who are at risk to ensure they have all the protective equipment. The goals were to continuously improve and to monitor areas of concern to try and further bring down the figures. Clearly the main trend reflected successes as the County Council had directed resources to where there had been the greatest risks.

In response to Council Members the following was noted:

- Swimming was part of the curriculum, but the Health and Safety Executive (HSE) was not aggressively monitoring it. The County Council was working on ways to support schools in terms of logistical challenges that are being experienced with service providers. It was a challenge nationally.
- The swimming issue was not only a health and safety issue, but also an educational issue, and the matter would be raised with colleagues responsible for education.
- In terms of the fire and rescue services most issues relate to minor vehicle accidents, and driving programmes were also instituted to assist with any driving training that was required. A discussion would be held with the team to view the figures and to determine measures that could be taken.
- Toners being used in photocopiers could be a health risk if used in a confined area. The printers are checked by a specialist print industry, but the issue will be followed up.
- Fire and safety uniforms had become a national issue because of the growing concern around electrical vehicle technology (EV) risks.
- The issue of mental health was an important part of the support provided to fire fighters and this was also being used in relevant parts of the County Council.
- In terms of health and safety inspections, schools in Oxfordshire had a good reputation.

Resolved: that the Committee noted and accepted the contents of the Health and Safety (H&S) Annual Report and the work of the H&S Team to support services and improve performance and keeping employees and customers safe.

1/24 INTERNAL AUDIT 2023/24 - PROGRESS REPORT

(Agenda No. 12)

The Chief Internal Auditor presented the report and indicated the following:

In terms of human resource capacity, the senior auditor started in June 2024, which was positive. The new audit apprentice had also started. An important development was that one of the principal auditors that supported the audit management activity would return to work in October 2024.

In terms of delivery of the audit plan, there was no cause for any concern and 4 audits had been finalised thus far, with a few more in the pipeline. Regarding audits that had been finalised there were no red reports, which was positive. In terms of the management actions implemented, which was another area of interest, it remained positive. A massive implementation of a new upgrade to the software was also completed

In monitoring changes to implementation dates, that process was started to see how many times they were being moved along which provided useful information to the

leadership teams. The only two reports outstanding namely, Legal Case Management and Supported Transport 2023/2025.

In response to Council Members the following was noted:

- A more detailed focus was required in terms of the monthly reporting and some officers provided more detail in terms of further action that needed to be taken in relation to more complex issues.
- In terms of following up on the recommendations, audit had the responsibility to review areas that were not being implemented and the Chief Auditor had the responsibility to report back through the Audit and Governance Committee (AGC) or the Audit Working Group (AWG).
- All actions were followed up if there was a red or green rating.
- If an issue was rated as red, Members of the Audit and Governance Committee (AGC) would request that the matter be referred to the Governance Committee (AGC) or the Audit Working Group (AWG).
- In this regard a full copy of the audit report was considered as part of the meeting, and officers also provided context as to how they were implementing the action plan.
- In terms of the amber rated issues, the Audit Working Group (AWG) could also look at those cases.
- Management actions were followed-up irrespective of the ratings and regular discussions were held with the relevant officers to be assured that regular improvements were occurring.
- The resources were now in place to ensure that going forward outstanding issues will be addressed.

Councillor Felix Bloomfield left the meeting at 15:26pm

Resolved that the Committee noted the progress with the 2024/25 Internal Audit Plan and the outcome of the completed audits.

1/24 ERNST & YOUNG UPDATE

(Agenda No. 13)

Stephen Reid from Ernst and Young presented the report and indicated the following:

- In relation to the 2023/24 audit, it was progressing well and there were no material issues to be brought to the attention of the Committee

In response to Council Members the following was noted:

- In terms of the resources allocated to the audit and the resources remaining for the audit work they were aligned.
- In terms of the audit reset, the state of financial reporting and audit in local government in England had reached an unacceptable level, hence the measures were being imposed by the government.
- The Redmond Independent Review was the best source document to explain the circumstances of the backlog. The system of local audit in England was complex

and fragmented with different systems responsible for different elements, which contributed to the delays.

- There were three main drivers to deal with the backlog. One was the reset of the financial statements up to 2022/23 which was to be completed by December 2024, and the other 2023/24 backstop to be completed by February 2025.
- There are two issues that needed to be addressed which are the complexity of the accounting framework and the focus on the Financial Reporting Council (FRC), that maintains auditing and assurance standards, and which would review the work of a local authority on the same level as a listed company.
- Unless the accounting framework is appropriate then the backlog and the reasons for the backlog could reoccur.
- The priority was to be in a position to commence the 2024/2025 audit in February 2025 and to complete the work for that year and the additional work that would be needed to be conducted to build back the process.

Councillor Nick Leverton left the meeting at 15:39pm

Resolved that the Committee received the report

1/24 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

(Agenda No. 14)

The Committee noted the work programme and commented on the following :

- Training or briefing sessions would precede some of the meetings.
- The times would be 12:00pm for the training and briefing sessions and 1pm for the meetings.
- In January Mr Paul Firmer would speak on the Highway Maintenance Contract.
- Paul Grant would substitute for Anita Bradley in November 2024.

Resolved that the Committee noted and commented on the Work Programme.

…….. in the Chair

Date of signing ……. /11/2024

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Division(s): N/A

ITEM

AUDIT & GOVERNANCE COMMITTEE - 27 NOVEMBER 2024

TREASURY MANAGEMENT MID TERM REVIEW 2024/25

Report by the Executive Director of Finance and Section 151 Officer

RECOMMENDATION

1. **Audit & Government Committee is RECOMMENDED to note the council's treasury management activity in the first half of 2024/25 and recommend Council to note the council's treasury management activity in the first half of 2024/25.**

Executive Summary

2. Treasury management is defined as: "The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."

3. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report sets out the position at 30 September 2024.

4. Throughout this report, the performance for the first half of the year (1 April to 30 September 2024) is measured against the budget agreed by Council in February 2024.

5. As at 30 September, the council's outstanding debt totalled £279m and the average rate of interest paid on long-term debt during the year was 4.41%. No new external borrowing was arranged during the first half of the year, whilst a £5m LOBO was repaid during the first half of the year. The Council's forecast debt financing position for 2024/25 is shown in Annex 1.

6. The Treasury Management Strategy for 2024/25 agreed in February 2024 assumed an average base rate of 4.50%.

7. The average daily balance of temporary surplus cash invested in-house was expected to be £463m in 2024/25, with an average in-house return of 4.25%.

8. During the first half of the year the Council achieved an average in-house return of 4.95% on average cash balances of £478.542m, producing gross interest receivable of £11.876m. In relation to external funds, the return for the for six months was £1.834m, bringing total investment income to £13.709m. This compares to budgeted investment income of £9.276m, giving a net overachievement of £4.433m.

9. At 30 September 2024, the council's investment portfolio of £540.964m comprised £391.000m of fixed term deposits, £51.103m at short term notice in money market funds

and £98.861m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 September 2024.

Treasury Management Activity

Debt Financing & Maturing Debt

10. The Strategy for Long Term Borrowing agreed in February 2024 included the option to fund new or replacement borrowing up to the value of £230m through internal borrowing. The aim was to reduce the Council's exposure to credit risk and reduce the long term cost of carry (difference between borrowing costs and investment returns).

11. The council is able to borrow from the Public Works Loan Board (PWLB), through the money markets or via community municipal investments. High inflation over the last 3 years has led to bond yields, and therefore PWLB rates, remaining high. The expectation is that PWLB rates should reduce over the medium term. Given the forecast for borrowing rates, the strategy for 2024/25 assumes the majority of the increase in capital financing requirement to be met through internal borrowing. A small amount of borrowing is planned to be raised via community municipal investments to help finance net zero schemes.

12. As at 30 September 2024, the authority had 43 PWLB loans totalling £244.383m, 6 LOBO[1] loans totalling £30m and one £5m money market loan. The average rate of interest paid on PWLB debt was 4.52% and the average cost of LOBO debt in 2023/24 was 3.91%. The cost of debt on the money market loan was 3.95%. The combined weighted average for interest paid on long-term debt was 4.89%. The Council's debt portfolio as at 30 September 2023 is shown in Annex 1.

13. The Council also repaid one Lender's Option/Borrowers' Option Loan (LOBO) of £5m without penalty when the provider used their option to "call" the loan. No PLWB loans matured during the first half of the year. The weighted average interest rate payable on the matured loans was 3.8%. The forecast outturn for interest payable in 2024/2524 is £12.21m which is below the budgeted figure of £15.32m. The details are set out in Annex 2.

Investment Strategy

14. The Council holds deposits and invested funds representing income received in advance of expenditure plus balances and reserves. The guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles. The Council continued to adopt a cautious approach to lending to financial institutions and continuously monitored credit quality information relating to counterparties.

15. During the first half of the financial year term fixed deposits have been placed with other Local Authorities as per the approved lending list, whilst Money Market Funds have been utilised for short-term liquidity. Inter Local Authority lending remains an attractive market to deposit funds with from a security viewpoint, whilst the Government's Debt Management Deposit Facility (DMADF) has also provided a competitive and secure counterparty from time to time.

[1] LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

16. The Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25 included the use of external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the Council's in-house investment performance over a rolling three-year period. The strategy permitted up to 50% of the total portfolio to be invested with external fund managers and pooled funds (excluding Money Market Funds). The performance of the pooled funds will continue to be monitored by the Treasury Management Strategy Team (TMST) throughout the year against respective benchmarks and the in-house portfolio.

17. At the start of the year the UK Bank Rate was 5.25% which was in line with the forecast. The Bank of England cut rates to 5% in August 2024, with further cuts forecast to bring base rate down to 4.25% by the end of the financial year. Longer term, base rate is expected to fall to 3.00% during 2026.

The Council's Lending List

18. In-house cash balances are deposited with institutions that meet the council's approved credit rating criteria. The approved lending list, which sets out those institutions, is updated to reflect changes in bank and building society credit ratings. Changes are reported to Cabinet as part of the Business Management & Monitoring Report. The approved lending list may also be further restricted by officers, in response to changing conditions and perceived risk. There were no changes to the lending list during the first half of 2024/25.

Investment Performance

19. Temporary surplus cash balances include: developer contributions; council reserves and balances; and various other funds to which the Council pays interest at each financial year end. The budgeted annual return on these in-house balances for 2024/25 was 4.25% and assumed an average annual in-house cash balance of £361.622m.

20. The actual average daily balance of temporary surplus cash invested in-house was £456.059m for the first half of 2024/25 and the average in-house return was 4.95%, producing gross interest receivable of £11.876m. Gross distributions from pooled funds totalling £1.834m were also realised in the first half of the year, bringing total investment income to £13.710m. This compares to budgeted investment income of £9.276m, giving a net overachievement of £4.434m. This reflects a combination of higher than forecast average cash balances, and higher than forecast interest rates.

21. Cash balances for the year are forecast to be lower than they otherwise would be as a result of negative Dedicated Schools Grant balances relating to High Needs. The cumulative negative DSG balance is forecast to be £81.90m by the end of 2024/25. Since this reflects actual cash spent by the council this means there is an estimated opportunity cost of £3.4m in unearned interest for the year. The cumulative opportunity cost of lost interest is estimated to be £6.38m by the end of 2024/25.

22. The Council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During the first half of 2024/25 the average balance held on instant access was £54.376m, at an average rate of 5.12%.

23. At 30 September 2024 the total value of pooled fund investments was £98.861m. This is up from the value as at 30 June 2024 of £97.442m.

24. At 30 September 2024, the council's investment portfolio of £540.964m comprised £391.000m of fixed term deposits, £51.103m at short term notice in money market funds and £98.861m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 September 2024.

25. The Council's Treasury Management Strategy Team regularly monitors the risk profile of the Council's investment portfolio. An analysis of the credit and maturity position of the portfolio at 30 September 2024 is included at Annex 4.

Prudential Indicators for Treasury Management

26. During the financial quarter, the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy for 2024/25. The position as at 30 September 2024 for the Prudential Indicators is shown in Annex 3.

Financial Implications

27. This report is mostly concerned with finance and the implications are set out in the main body of the report.

Comments checked by:

Ian Dyson, Director of Financial & Commercial Services, ian.dyson@oxfordshire.gov.uk

Legal Implications

28. The report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003. There are no other legal implications.

Comments checked by:

Paul Grant, Head of Legal, paul.grant@oxfordshire.gov.uk

Sustainability Implications

29. This report is not expected to have any negative impact with regards to the Council's zero carbon emissions commitment by 2030.

Contact officer: Tim Chapple – Treasury Manager
Contact number: 07917 262935
October 2024

Annex 1

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2023/24

Debt Profile		£m
1. PWLB	54%	244.38
2. Other Long Term Loans	9%	40.00
3. Sub-total External Debt		284.38
4. Internal Balances	37%	166.54
5. Actual Debt at 31 March 2024	**100%**	**450.92**
6. Prudential Borrowing		77.02
7. Borrowing in Advance		0.00
8. Minimum Revenue Provision		-14.23
9. Forecast Debt at 31 March 2025		**513.71**
Maturing Debt		
10. PWLB loans maturing during the year		-3.00
11. PWLB/LOBO loans repaid prematurely		-10.00
12. Total Maturing Debt		**-13.00**
New External Borrowing		
13. PWLB Normal		0.00
14. PWLB loans raised in the course of debt restructuring		0.00
15. Money Market LOBO loans		0.00
16. Total New External Borrowing		**0.00**
Debt Profile Year End		
17. PWLB	47%	241.38
18. Money Market loans (incl £25m LOBOs)	6%	30.00
19. Forecast Sub-total External Debt		271.38
20. Forecast Internal Balances	47%	242.33
21. Forecast Debt at 31 March 2025	**100%**	**513.71**

Line

1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2024). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied, and excess of creditors over debtors.

6 'Prudential Borrowing' reflects Prudential Borrowing taken by the authority there is a robust invest to save model; or the council has a significant unmet capital need.

7 'Borrowing in Advance' is the amount the Council borrowed in advance to fund future capital finance costs.

8 The charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme.

9 The Council's forecast total debt by the end of the financial year, after taking into account new borrowing, debt repayment and movement in funding by internal balances.

10 The Council's normal maturing PWLB debt.

11 PWLB debt repaid early during the year.

12 Total debt repayable during the year.

13 The normal PWLB borrowing undertaken by the Council during 2024/25.

14 New PWLB loans to replace debt repaid early.

15 The Money Market borrowing undertaken by the Council during 2024/25

16 The total external borrowing undertaken.

18-22 The Council's forecast debt profile at the end of the year.

Annex 2

Long-Term Debt Maturing 2024/25

Public Works Loan Board: Loans maturing during 2024/25

Date	Amount £m	Rate %
22/11/2024	3.000	4.250%
Total	**3.000**	

LOBO Loans called & repaid during 2024/25

Date	Amount £m	Rate %
31/07/2024	5.000	3.800%
02/10/2024	5.000	4.010%
Total	**10.000**	

Annex 3

Prudential Indicators Monitoring at 30 September 2024

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. To demonstrate that the Authority has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

Authorised and Operational Limit for External Debt

Actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below. The Operational Boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The council confirms that the Operational Boundary has not been breached during the first quarter of 2024/25.

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authority confirms that the Authorised limit was not breached in the first quarter of 2024/25.

Authorised limit for External Debt	£570,000,000
Operational Limit for External Debt	£555,000,000
Capital Financing Requirement for year	£513,527,972

	Actual 30/09/2024	**Forecast 31/03/2025**
Borrowing	£279,382,618	£271,382,618
Other Long-Term Liabilities	£ 836,000	£ 836,000
Total	**£280,218,618**	**£272,218,618**

Interest Rate Exposures

These indicators are set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures. Fixed rate investments are borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Fixed Interest Rate Exposure	
Fixed Interest Net Borrowing limit	£350,000,000
Actual at 30 September 2024	-£142,617,382
Variable Interest Rate Exposure	
Variable Interest Net Borrowing limit	£0
Actual at 30 September 2024	-£119,127,560

Principal Sums Invested over 365 days

Total sums invested for more than 364 days limit	£215,000,000
Actual sums invested for more than 364 days	£ 30,000,000

Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing and the actual structure at 30 September 2024, are shown below. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

	Limit %	**Actual %**
Under 12 months	0 – 20	3.58
12 – 24 months	0 – 25	5.01
24 months – 5 years	0 – 35	17.90
5 years to 10 years	5 – 40	30.92
10 years +	25 – 95	42.59

Annex 4

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 30/09/2023

Fixed term deposits held at 30/09/2024

Counterparty	Principal Deposited	Maturity Date
Falkirk Council	£5,000,000.00	01/10/2024
Great Yarmouth Borough Council	£5,000,000.00	08/10/2024
Orkney Islands Council	£3,000,000.00	10/10/2024
The Highland Council	£5,000,000.00	16/10/2024
London Borough of Haringey Council	£5,000,000.00	18/10/2024
West Dunbartonshire Council	£5,000,000.00	23/10/2024
Fife Council	£5,000,000.00	24/10/2024
Police and Crime Commissioner for Lancashire	£5,000,000.00	28/10/2024
Fife Council	£5,000,000.00	31/10/2024
Worthing Borough Council	£5,000,000.00	19/11/2024
Aberdeen City Council	£5,000,000.00	19/11/2024
Aberdeen City Council	£8,000,000.00	19/11/2024
Aberdeen City Council	£5,000,000.00	20/11/2024
Blackpool Council	£7,000,000.00	22/11/2024
Cambridgeshire County Council	£5,000,000.00	22/11/2024
Cheshire East Council	£5,000,000.00	22/11/2024
Moray Council	£5,000,000.00	26/11/2024
Surrey County Council	£5,000,000.00	02/12/2024
Police and Crime Commissioner for Merseyside	£5,000,000.00	11/12/2024
London Borough of Newham Council	£5,000,000.00	23/12/2024
Merthyr Tydfil County Borough Council	£5,000,000.00	27/12/2024
Falkirk Council	£5,000,000.00	03/01/2025
Aberdeen City Council	£5,000,000.00	03/01/2025
Conwy County Borough Council	£5,000,000.00	03/01/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	06/01/2025
Surrey County Council	£3,000,000.00	07/01/2025
South Ayrshire Council	£5,000,000.00	08/01/2025
Surrey County Council	£5,000,000.00	23/01/2025
Merthyr Tydfil County Borough Council	£5,000,000.00	24/01/2025
Police and Crime Commissioner for Merseyside	£5,000,000.00	24/01/2025
Surrey County Council	£5,000,000.00	27/01/2025
East Dunbartonshire Council	£5,000,000.00	29/01/2025
Falkirk Council	£5,000,000.00	31/01/2025
London Borough of Waltham Forest Council	£5,000,000.00	31/01/2025
West Dunbartonshire Council	£5,000,000.00	06/02/2025
Fife Council	£5,000,000.00	14/02/2025
Bolton Metropolitan Borough Council	£5,000,000.00	14/02/2025
Monmouthshire County Council	£5,000,000.00	17/02/2025
Somerset Council	£5,000,000.00	17/02/2025
Fife Council	£5,000,000.00	18/02/2025

Cambridgeshire County Council	£3,000,000.00	24/03/2025
East Dunbartonshire Council	£5,000,000.00	24/03/2025
High Peak Borough Council	£5,000,000.00	09/04/2025
London Borough of Newham Council	£5,000,000.00	11/04/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	14/04/2025
South Ayrshire Council	£5,000,000.00	17/04/2025
Plymouth City Council	£5,000,000.00	22/04/2025
Rushmoor Borough Council	£5,000,000.00	25/04/2025
Rushmoor Borough Council	£5,000,000.00	29/04/2025
West Dunbartonshire Council	£5,000,000.00	30/04/2025
Rushmoor Borough Council	£5,000,000.00	06/05/2025
North Lanarkshire Council	£5,000,000.00	12/05/2025
Plymouth City Council	£5,000,000.00	13/05/2025
London Borough of Waltham Forest Council	£5,000,000.00	23/05/2025
London Borough of Waltham Forest Council	£5,000,000.00	23/05/2025
Darlington Borough Council	£5,000,000.00	29/05/2025
London Borough of Waltham Forest Council	£5,000,000.00	30/05/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	02/06/2025
Isle of Wight Council	£5,000,000.00	09/06/2025
Monmouthshire County Council	£5,000,000.00	10/06/2025
Plymouth City Council	£5,000,000.00	07/08/2025
West Dunbartonshire Council	£5,000,000.00	12/08/2025
North Lanarkshire Council	£5,000,000.00	12/08/2025
Gloucester City Council	£5,000,000.00	13/08/2025
Kirklees Council	£5,000,000.00	15/08/2025
Cambridgeshire County Council	£5,000,000.00	20/08/2025
South Tyneside Council	£5,000,000.00	20/08/2025
London Borough of Haringey Council	£5,000,000.00	22/08/2025
Derbyshire County Council	£5,000,000.00	26/08/2025
The Highland Council	£5,000,000.00	26/08/2025
Babergh District Council	£7,000,000.00	02/09/2025
Wrexham County Borough Council	£5,000,000.00	04/09/2025
Short Term Deposit Total	**£361,000,000.00**	
Counterparty	**Principal Deposited**	**Maturity Date**
North East Lincolnshire Council	£5,000,000.00	21/11/2025
Worthing Borough Council	£5,000,000.00	21/11/2025
Great Yarmouth Borough Council	£5,000,000.00	22/04/2026
Derbyshire County Council	£5,000,000.00	25/08/2026
Kirklees Council	£5,000,000.00	22/01/2027
Kirklees Council	£5,000,000.00	17/03/2027
Long Term Deposit Total	**£30,000,000.00**	
Total Deposits	**£391,000,000.00**	

Money Market Funds

Counterparty	Balance at 30/09/24 (£)	Notice period
Aberdeen Liquidity Fund	18,000,000.00	Same day
Goldman Sachs Sterling Liquid Fund	0.00	Same day
Deutsche Sterling Liquid Fund	0.00	Same day
Federated Sterling Liquidity Funds	23,216,121.91	Same day
Legal & General Sterling Liquidity Fund	9,869,864.66	Same day
CCLA Public Sector Deposit Fund	628.61	Same day
J P Morgan Sterling Liquidity Fund	4,684.23	Same day
Morgan Stanley Sterling Liquid Fund	0.00	Same day
Total	**51,091,299.41**	

Notice / Call Accounts

Counterparty	Balance at 30/09/24 (£)	Notice period
Santander Call Account	27.75	Same day
Barclays Current	9,169.56	Same day
Handlesbanken	2,389.13	Same day
Total	**9,435.44**	

Strategic Bond Funds

Fund	Balance at 30/09/24 (£)	Notice period
Threadneedle strategic bond fund (income)	12,570,238.08	4 days
Threadneedle Global Equity Income Fund	17,035,972.74	4 days
Kames Diversified Income	9,632,489.77	4 days
Ninety One Diversified Income	9,077,726.35	4 days
M&G Strategic Corporate Bond Fund	11,383,112.89	4 days
Schroder Income Maximiser	11,431,596.17	4 days
CCLA Diversified Income Fund	4,919,057.72	4 days
Total	**76,050,193.71**	

Property Funds

Fund	Balance at 30/09/24 (£)	Notice period
CCLA Local Authorities Property Fund	22,810,481.27	Monthly
Total	**22,810,481.27**	

Oxfordshire County Council
Draft audit results report

Year ended 31 Month 2024

27 November 2024

(Issued: 19 November 2024)

EY
Building a better working world

Audit and Governance Committee
County Hall
New Road
Oxford OX1 1ND

19 November 2024

Dear Audit & Governance Committee Members

2023/ 24 Draft Audit results report

We are pleased to attach our audit results report, summarising the status of our audit for the forthcoming meeting of the Audit and Governance Committee. We will update the Audit and Governance Committee at its meeting scheduled for 27 November 2024 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2023/24 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxfordshire County Council (the Council's) accounting policies and judgements and material internal control findings.

This report considers the impact of Government proposals, which have now been enacted through secondary legislation, to clear the backlog in local audit and put the local audit system on a sustainable footing. The proposals recognise that timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Audit and Governance Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (SI 2024/907) imposes a backstop date of 28 February 2025 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

We have also taken into account SI 2024/907 and Local Authority Reset and Recovery Implementation Guidance Notes issued , together with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

As reported in our 2022/23 Audit Completion Report, we intend to issue a disclaimed audit report on the Council's financial statements for 2022/23 under these arrangements to reset and recover local government audit. We commenced limited work to rebuild assurance ahead of the 2023/24 backstop date, therefore there is insufficient evidence to have reasonable assurance over all closing balances. As a result of the 2022/23 disclaimed audit report, we do not have assurance over the brought forward balances from that year (the opening balances). This means we do not have assurance over 2023/24 in-year movements and some closing balances. We also do not have assurance over the 2022/23 comparative amounts disclosed in the 2023/24 financial statements. Taken together with the requirement to conclude our work by the 2023/24 backstop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatements. We therefore anticipate issuing a disclaimed 2023/24 audit opinion.

This report is intended solely for the information and use of the Audit and Governance Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.

Yours faithfully

Stephen Reid

Partner

For and on behalf of Ernst & Young LLP

Enc

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits) The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Audit and Governance Committee and management of Oxfordshire County Council** in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the **Audit and Governance Committee and management of Oxfordshire County Council** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Audit and Governance Committee and management of Oxfordshire County Council** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

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01 Executive Summary

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Executive Summary – Context for the audit

Context for the audit – Ministry for Housing, Communities and Local Government (MHCLG, formerly DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- Lack of capacity within the local authority financial accounting profession.
- Increased complexity of reporting requirements within the sector.
- Lack of capacity within audit firms with public sector experience.
- Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG (formerly DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop and implement measures to clear the backlog. Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI), together with the updated National Audit Office Code of Audit Practice 2024 and the Local Authority Reset and Recovery Implementation Guidance, have all been developed to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)). The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2023/24 financial statements is 28 February 2025.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our 2022/23 Audit Completion Report to the Audit and Governance Committee we intend to issue a disclaimed audit report on the Council's financial statements for 2022/23 under these arrangements to reset and recover local government audit. We commenced limited work to rebuild assurance ahead of the 2023/24 backstop date, therefore there is insufficient evidence to have reasonable assurance over all closing balances. As a result of the 2022/23 disclaimed audit report, we do not have assurance over the brought forward balances from 2022/23 (the opening balances). This means we do not have assurance over 2023/24 in-year movements and some closing balances. We also do not have assurance over the 2022/23 comparative amounts disclosed in the 2023/24 financial statements. Taken together with the requirement to conclude our work by the 2023/24 backstop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatements. We therefore anticipate issuing a disclaimed 2023/24 audit opinion.

A summary of the assurances we have gained from our 2023/24 audit procedures is set out at Appendix A.

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Executive Summary

Scope update

In our Audit Planning Report presented at the 22 April 2024 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: In our Audit Planning Report, we communicated that our audit procedures would be performed using a materiality of £23.2 million. This was based on prior year gross expenditure on the provision of services. We have re-calculated this using values from the draft financial statements. Based on this our revised materiality level is £22.9 million. The basis of our assessment has remained consistent at 1.8% of gross expenditure on provision of services. This results in updated performance materiality, at 50% of overall materiality, of £11.4 million, and an updated threshold for reporting misstatements of £1.1 million.
- Changes in risk: We made the following changes to the risk assessment presented in our Audit Planning Report:
  - PFI Liability –As part of work we gained an updated understanding of the Council's arrangements in this area and concluded that there had been no changes in the PFI model subsequent to our previous assessment. We were therefore satisfied the accounting for the PFI liability should not be considered as higher inherent risk.
  - The valuation of investment property and property, plant and equipment (PPE) land and buildings was classified as a single significant risk at the audit planning stage. However, due to the different valuation methods, assumptions and audit approach, we reconsidered this assessment and created separate significant risks for the valuation of PPE land and buildings and the valuation of investment property.
  - Due to the likely disclaimer of the 2022/23 financial statements, we were not able to rely on the opening balances. In order to gain assurance over the closing balance in some areas we therefore performed audit procedures over two years from the point of last audited closing balances at the end of 2020/21. See Appendix A for further details.
- As part of our controls review, we were required to perform additional audit procedures on the Complimentary user entity controls (CUECs).

Status of the audit

Our audit work in respect of the audit of the Council is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Some outstanding queries/support on the following accounts (Pensions, Journals, Government receipts in advance, property, plant and equipment and expenditure);
- Final manager, partner and quality reviews;
- Review of the final financial statements;
- Going concern review and disclosures;
- Management representation letter; and
- Subsequent events review.

Details of each outstanding item, actions required to resolve, and responsibility is included in Appendix D.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion which, as set out on the previous page, we expect to be disclaimer of opinion for 2023/24.

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Executive Summary (cont'd)

Value for Money

In our Audit Progress Report Update of 18 September 2024, we reported that we had completed our value for money (VFM) risk assessment, and we had identified no risks of significant weaknesses in arrangements. Having updated and completed the planned procedures in these areas we did not identify a significant weakness . See Section 4 of the report for further details.

Audit differences

As at the date of this report, we have identified the following non-trivial misstatements which we expect to be corrected by management:

- £8.2 million payable that was paid post year-end but incorrectly cleared against the year-end bank balance. This had the impact of understating cash and understating payables.
- Pooled budget adjustments impacting debtors, creditors and cash at year-end. As at the date of this report we are continuing to discuss this with the Council to fully quantify the possible impact.

We have also identified a number of other presentational and disclosure amendments to the primary statements and supporting notes as a result of our work which we also expect to be corrected by management.

Other Reporting Issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We have not yet completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts.

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Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the Council's financial statements. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Audit findings and conclusions: Misstatements due to fraud and error (fraud and significant risk)

Subject to final completion of our work in this area we have not identified any material evidence of material management override.

Audit findings and conclusions: Inappropriate capitalisation of revenue expenditure (fraud and significant risk)

Our work on this area is complete and we have found no material instances of incorrect capitalisation of revenue.

Audit findings and conclusions: Valuation of investment property (significant risk)

Our work in this area is substantially complete and there are no material errors or other material matters we wish to draw to your attention.

Audit findings and conclusions: Valuation of property, plant & equipment land and buildings (fraud significant risk)

Our work on valuations is now complete but subject to partner review. We identified a possible misstatement which we are in the process of following up with management. For more details, please see section 2 of this report.

Audit findings and conclusions: IAS 19 valuation (inherent risk)

We have agreed the Council's pension liability disclosures to the actuarial report with no issues. We have also used our internal EY pension specialists to support us with an assessment of the reasonableness of the roll forward of liabilities. As at the date of this report, the IAS 19 assurances from the auditor of the Oxfordshire Pension Fund are outstanding. We will update the Audit and Governance Committee with the outcome.

Audit findings and conclusions: IFRS 16 (inherent risk)

Our work in this area is complete. Only very limited progress has been made by the Council to prepare for the full implementation of IFRS 16 in the 2024/25 financial statements. We consider this to be a qualitative weakness in the Council's arrangements for financial reporting. See section 6 of this report for further details.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues.
- You concur with the resolution of the issue.
- There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we consider should be brought to the attention of the Audit & Governance Committee.

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Executive Summary (cont'd)

Control observations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements, and which is unknown to you. However, we have identified some areas where controls could be strengthened. Specifically:

- Our testing of PPE additions and revenue expenditure funded from capital under statute (REFCUS) in the period identified that staff timesheets used to support capitalised labour costs were not subject to management review and could be retrospectively amended.
- A revaluation of PPE land and building assets was undertaken by the Council's qualified valuers as at 31 March 2024 as part of the Council's rolling valuation programme. The valuation was reflected in the fixed asset register at 31 December 2023 leading to a trivial misstatement of both in-year depreciation charges and the carrying value of the revalued assets in the financial statements.
- We have identified some further control deficiencies from both our work and review of the control's assurance report on the Integrated Business Centre service organisation hosted by Hampshire County Council.

Please refer to section 5 for our full assessment of the control environment and related recommendations for improvement.

Independence

Please refer to section 7 for our update on Independence.

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02 Areas of Audit Focus

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Areas of Audit Focus

Misstatements due to fraud and error

Significant Risk

Fraud Risk

What is the risk?

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What are our conclusions?

Subject to final completion of our work in this area we have not identified any material evidence of material management override. Specifically:

- Our review of trends in general ledger data, and detailed consideration of unusual or unexpected journal postings, did not identify any journal entries that suggested the manipulation of accounting records or override or controls by management.
- Our review of accounting estimates, including estimates with a higher level of inherent risk, identified no evidence of management bias.
- There were no significant unusual transactions.

We will update the Audit & Governance Committee on 27 November 2024 with the further progress of our procedures.

Our response to the key areas of challenge and professional judgement

We:

- inquired of management about risks of fraud and the controls put in place to address those risks
- obtained an understanding of the oversight given by those charged with governance of management's processes over fraud
- discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions)
- considered the effectiveness of management's controls designed to address the risk of fraud
- determined an appropriate strategy to address those identified risks of fraud
- performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements
- undertook procedures to identify significant unusual transactions
- considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

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Areas of Audit Focus

Inappropriate capitalisation of revenue expenditure

Significant Risk | Fraud Risk

What is the risk, and the key judgements and estimates?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

Our response to the key areas of challenge and professional judgement

We assessed that the risk of misreporting revenue outturn in the financial statements in PPE additions, REFCUS and expenditure transferred by journal from revenue to capital codes on the general ledger. Investment property additions were not material and therefore not subject to detailed testing. We performed the following procedures to address the significant risk identified:

- Tested a sample of PPE additions to ensure that the expenditure incurred and capitalised was supported by evidence and clearly capital in nature. To do this:
  - We assessed whether the capitalised spend clearly enhanced or extended the useful like of an asset rather than simply repairing or maintaining an asset.
  - We considered whether any development or other related capitalised costs were directly attributable to bringing an asset into operational use and therefore appropriate to capitalise.
- Tested REFCUS to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources.
- Performed procedures to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

As part of our work to rebuild assurance following the issue of a disclaimed audit opinion on the 2022/23 financial statements, our testing of both PPE and additions and REFCUS covered both 2022/23 and 2023/24.

What are our conclusions

Our testing is complete subject to the resolution of final queries and final review of the audit work performed.

We have identified no material inappropriate capitalisation of revenue expenditure. However, our testing of both PPE additions and REFCUS in the period identified that staff timesheets used to support capitalised labour costs were not subject to management review and could be retrospectively amended. We consider this to be a weakness in internal control and have raised an associated recommendation for improvement in section 5 of this report. We are still in the process of confirming the legal costs being capitalised.

We will update the Audit and Governance Committee on 27 November 2024 if there are any changes to our final conclusions.

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Areas of Audit Focus

Valuation of investment property

Significant Risk

What is the risk, and the key judgements and estimates?

We revisited our risk assessment procedures and revisited the significant risk associated to other land and building and investment property assets.

We assessed the difference in the risks associated to these investment property, therefore we created as separate significant risk to investment property which are valued using the fair value method. This valuation method involve higher risk estimates due to the significant assumptions and judgements involved, which is mainly affected by changes in the market conditions. This triggers the use of experts by both management and EY. This estimates heighten the risk of material error in the investment property.

What are our conclusions

Our work on the review and assessment on the valuation of investment property is substantially complete subject to final internal review.

There are no material errors or other material matters that we wish to draw to your attention.

Our response to the key areas of challenge and professional judgement

In response to the significant risks identified in the valuation of investment property we performed the following procedures:

- Understood the Council's approach in valuing their investment property and determined whether the Council had revalued their investment property in accordance with the CIPFA Code (i.e., on yearly basis)
- Obtained the valuation report from the management's specialist and reconciled the revalued amount against the recorded balance in the fixed asset register and the reported balances in the financial statement.
- Engaged EY Real Estate (EYRE) valuation to review and assessed the valuation of a sample of investment property. The work of EYRE includes assessing the appropriateness of the methods/models and the reasonableness of the assumptions used in the calculation of the fair value of the investment property.
- Reviewed the work performed by EYRE and assessed whether any further clarifications of matters that EYRE requested for the audit team to confirm or verify.
- Performed further procedures on the input data used by the management's specialist in valuing the investment properties.
- Assessed whether the valuation of the selected investment property for review is within the range set by EYRE and investigated further for any difference that is beyond the reporting threshold set.

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Areas of Audit Focus

Valuation of property plant and equipment land and buildings

Significant Risk

What is the risk, and the key judgements and estimates?

We have revisited our risk assessment procedures and revisited the significant risk associated to other land and building and investment property assets.

The valuation of other land and building uses the Depreciated Replacement Costs (DRC) and Existing Use Value (EUV) model of valuation. DRC used the instant build approach which includes estimation of the current costs of replacing an asset with its modern equivalent less deduction for all physical deterioration whilst EUV method uses the estimates amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in arm's-length transaction. Both the valuations involves significant judgement and estimates. These matters heighten the risk of material error in the

Our response to the key areas of challenge and professional judgement

In response to the significant risks identified in the valuation of other land and buildings we performed the following procedures:

- Understood the Council's approach in valuing the other land and buildings and determined whether the Council revalued the other land and building in accordance with the CIPFA Code (i.e., within 5 year rolling program basis)
- Obtained the valuation report from management's specialist, selected other land and buildings and reconciled the revalued amount against the recorded balance in the fixed asset register and the reported balances in the financial statements.
- Engaged EY Real Estate (EYRE) to review and assess the valuation of a sample of other land and buildings. The work of EYRE includes assessing the appropriateness of the methods/models and the reasonableness of the assumptions used in the calculation of the other land and buildings valued using EUV and DRC.
- Reviewed the work performed by EYRE and assessed whether further clarifications of matters that EYRE requested for the audit team to confirm or verify. Assessed and concluded on the appropriateness of the methods/models and the reasonableness of the assumptions on both the EUV and DRC valuations.
- Performed further procedures on the input data used by management's specialist in valuing the other land and buildings valued in EUV and DRC.
- Assessed whether the valuation of the samples selected on other land and buildings for review is within the range set by EYRE and investigated further for any difference that was beyond the reporting threshold set.

What are our conclusions

Our work on the review and assessment on the valuation of other land is substantially complete subject to final review. Our work did not identify any adjustments above our reporting threshold.

A revaluation of PPE land and building assets was undertaken by the Council's qualified valuers as at 31 March 2024 as part of the Council's rolling valuation programme. The valuation was reflected in the fixed asset register at 31 December 2023 leading to an overstatement of depreciation and an understatement of the carrying value of assets of the same amount at the reporting date. Although the failure to process the valuation on the fixed asset register at the correct point in time did not result in non-trivial misstatements of the financial statements it constitutes a weakness in internal control which we consider further is section 5 of the report.

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Other areas of audit Focus

Pension Liability and IAS 19 Valuations (Inherent Risk)

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS 19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council.

The Council's pension fund deficit is a material estimated balance, and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2024 this totalled £130 million.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

- We liaised with the auditors of Oxfordshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council.
- We assessed the work of the pension fund actuary including the assumptions they used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors and considered any relevant reviews by the EY actuarial team.
- We evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model. These were independently assessed as being within an acceptable range of <0.2%.
- We reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS 19.

What are our conclusions?

Our testing for the defined pension liability is substantially complete. From the work completed to date we have not identified material errors or adjustments that we wish to bring to your attention.

We have not yet received the IAS 19 Assurance Letter from the auditor of the Oxfordshire Pension Fund.

IFRS 16 (Inherent Risk)

Incorrect disclosures in relation to IFRS 16 Lease

Mandatory implementation of IFRS 16 Leases has been deferred until 2024/25 (though voluntary adoption is permitted and encouraged). IFRS 16 leases is a complex standard that will require a substantial amount of data gathering followed by a number of policy choice decisions.

Impact assessment disclosures are required in the 2023/24 financial statements and the Council needs to ensure that it is prepared for the implementation of this standard

We:

- Obtained an understand the Council's process for implementing the new leases standard by completing a preparedness enquiries assessment with management.

What are our conclusions?

Our work in this area is complete. Only very limited progress has been made to prepare for the full implementation of IFRS 16 in the 2024/25 financial statements. As a result, the Council has been unable to quantify the likely impact of adopting the standard in 2024/25 as part of disclosures in the 2023/24 financial statements. We consider this to be a qualitative weakness in the Council's arrangements for financial reporting. See section 6 of this report for further details.

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03 Value for Money

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Value for Money

The Council's responsibilities for value for money (VFM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the CIPFA code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

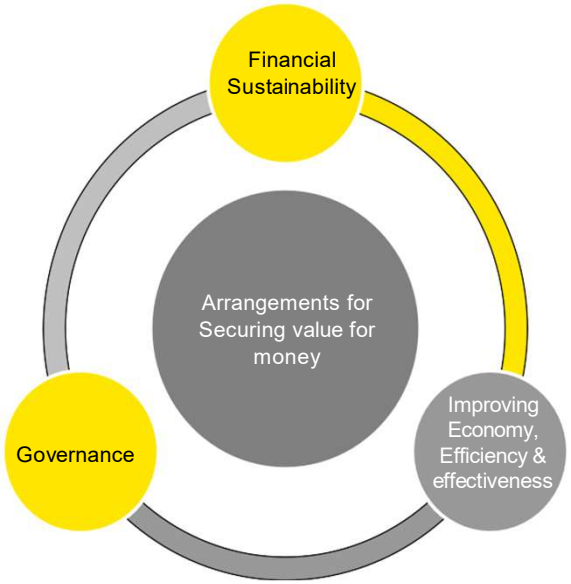
We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We provide a commentary on the Council arrangements against three reporting criteria:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements. We will issue our VFM narrative commentary in our 2023/24 Auditor's Annual Report.



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04 Audit Differences

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Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of audit differences

As at the date of this report, we have identified the following non-trivial misstatements which we expect to be corrected by management:

- £8.2 million payable that was paid post year end but incorrectly cleared against the year-end bank balance. This issue arose because an uncleared BACS account code had been incorrectly mapped to cash instead of payables. This resulted in an understatement of payables and an understatement of cash and cash equivalents.
- Pooled budget adjustments impacting debtors, creditors and cash at year-end. There are two misstatements in the pool budgets accounts:
  - £3.1 million - When calculating the current year pool budget adjustment, the Council incorrectly used the 2021/22 report from SAP. Management has agreed with this adjustment.
  - £4.2 million - There is £4.2 million included in cash at year-end which is the balancing figure between the debtors and creditors pool budget adjustment. We are engaging with management to confirm the correcting entry.

We also identified a number of other presentational and disclosure amendments to the primary statements and supporting notes as a result of our work which we also expect to be corrected by management.

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05 Assessment of Control Environment

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Assessment of Control Environment

Financial controls

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control. We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, we wish to draw the following matters to your attention.

In our Audit Planning Report presented at the 22 April 2024 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements where we indicated that we intended to take a substantive audit approach, although we identified the following key processes where we would seek to rely on controls, both manual and IT: Cash and Bank, Accounts Payable and Accounts Receivable.

As part of our audit procedures, we obtained the ISAE 3402 report for the services provided by the Integrated Business Centre (IBC) and performed the required test of control procedures. Based on the review of the report, it was noted that there were 7 control exceptions identified by the auditors of Hampshire County Council (EY FIAT) of as listed below:

Control deficiencies identified in the Integrated Business Centre hosted by Hampshire County Council

ES0

- 7 users with access to create or amend customers were identified as inappropriate.
- The list of approved individuals that was shared with the Partner Organisations' S151 officers for review was incomplete, and 20 users were missed from the review.
- 6 users with access to raise invoices and credit notes were identified as inappropriate.
- 69 users with access to write off bad debts were identified as inappropriate.
- The list of approved individuals that was shared with the Partner Organisations' S151 officers for review was incomplete and 40 users were missed from the review.
- 44 users with access to amend purchase orders were identified as inappropriate.
- 11 users with access to release blocked invoices were identified as inappropriate.

As part of the ISAE 3402 report management responses were obtained to recommendations raised in respect of the above, which we have then considered further as part of our work. Based on this we have concluded we have sufficient assurance over the internal controls established by the Council, and that overall they are operating effectively for 2023/24. To further support this we also engaged EY Technology Risk Consulting with regards to any mitigating controls present in the identified controls exceptions and was able to confirm that the controls are working effectively and are reliable.

Outside of this we also identified a number of control deficiencies as part of our own work which we consider over the following pages, together with an assessment of their impact and associated recommendations for improvement.

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Slide 22

ES0 This has not been communicated with OCC until now. Would it be possible to discuss this with yourself?
Stevens, Ella - Oxfordshire Cou, 2024-11-17T12:55:25.060

Assessment of Control Environment (cont'd)

Area	Timesheets supporting capitalised labour costs	Rating	Moderate

Observation

As part of our work to test REFCUS and PPE additions we sought evidence to support capitalised labour costs. We performed a walkthrough of the process of recording time through the system how this is being reflected in the financial statements. Based on the procedures performed, we observed the following control deficiencies as part of our work:
(i) The recording of time charges for each of capital project is not reviewed and approved to be capitalised.
(ii) The employee can amend the hours charges within the time frame where the system is open (approx. 1 month)

ES0

Impact and recommendation

Impact
Although we found no clear evidence of the inappropriate capitalisation of labour costs the absence of controls for the proper monitoring, review and approval of supporting timesheets increase the risk of error and the inappropriate capitalisation of revenue expenditure.

Recommendation 1
Management should ensure that there is evidence of appropriate review of timesheets to support the amount being capitalised. The time recording system should not allow users to amend timesheets or all subsequent changes to timesheets to be reviewed and approved.

Management comment

The Capital Programme timesheets are currently monitored through the capital forecasting system, ensuring that any significant discrepancies can be identified. While individual timesheets are not currently authorised, we have taken on board the auditors' recommendation to introduce an authorisation stage. Also, this new process will ensure that once hours are agreed and entered into the system, they cannot be amended. We are actively working towards implementing this enhancement, with a target to have it fully in place and control-tested by March 2025.

ES1

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Slide 23

ES0 The Legal Team's timesheet system currently has the authorisation feature enabled. Could this please be removed? The software used by the Capital Programme Team doesn’t currently have the authorisation feature.
Stevens, Ella - Oxfordshire Cou, 2024-11-17T13:17:08.436

ES1 This comment is assuming that Legal Team is removed from the observation section
Stevens, Ella - Oxfordshire Cou, 2024-11-17T13:41:34.984

Assessment of Control Environment (cont'd)

Area	PPE Valuation	Rating	Moderate

Observation

A revaluation of PPE land and building assets was undertaken by the Council's qualified valuers as at 31 March 2024 as part of the Council's rolling valuation programme. The valuation was reflected in the fixed asset register at 31 December 2023.

Impact and recommendation

Impact
The failure to recognise the revaluation at the valuation and reporting date resulted in an overstatement of depreciation and an understatement of the carrying value of assets of the same amount in the 2023/24 financial statements and closing fixed asset register. We are in the process of quantifying the impact.

ES0

Recommendation 2
Ensure that revaluations are reflected in the fixed asset register and financial statements at the correct date.

Management comment

We acknowledge the importance of ensuring revaluations are accurately reflected in both the fixed asset register and financial statements at the correct date. While this process has been audited many times before without any issues. We will take your recommendation on board and ensure that, moving forward, revaluations are accurately reflected in both the fixed asset register and financial statements at the appropriate date.

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Slide 24

ES0 Please can this figure be removed - As we are uncertain this is correct
Stevens, Ella - Oxfordshire Cou, 2024-11-18T13:27:26.964

Assessment of Control Environment (cont'd)

Area	Bank Reconciliation	Rating	Moderate

Observation

The bank reconciliation performed as at 31 March 2024 includes reconciling items that do not all relate to cash movements at year end. This is due to the incorrect mapping of the account code #1438 to cash which relates to uncleared BACS payments. The code should instead be mapped to creditors.

Impact and recommendation

Impact
Account code #1438 has a closing balance of £8.2 million which relates to BACS payments that cleared in April 2024 and therefore be held as a creditor balance at year end, however currently they have been processed as having already occurred at year end causing both cash and creditors to be understated by £8.2 million.

Recommendation 3
Review the mapping of general ledger codes included within the bank reconciliation to ensure that they all relate to realising the true cash balance as at 31 March 2024 .

Management comment

We can confirm that Recommendation 3 has been fully implemented. The mapping of general ledger codes within the bank reconciliation has been reviewed and updated to ensure that all codes accurately reflect the true cash balance as at 31 March 2024. This action ensures that both cash and creditor balances are reported correctly going forward.

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Assessment of Control Environment (cont'd)

Area	Pooled Budgets	Rating	Moderate

Observation

Through review of the pooled budgets adjustment between creditors, debtors and cash we have identified that the adjustment posted to the financial statements was based on a report from SAP for FY21/22, this however should have been updated to reflect the position in FY23/24.
Also, upon review of the pooled budgets adjustment it is noted that cash is being affected, however there are no conditions in place to satisfy there being a cash balance as per IAS7. Therefore, the pooled budgets adjustment is inaccurate, and we are currently in the process of discussing the correct adjustment with management.
The observation therefore is that further review of the pooled budgets journal postings is required to prevent the inaccuracies noted above.

Impact and recommendation

Impact
The final impact of the revised pooled budgets adjustment is currently being discussed with management. Management are also currently preparing an accounting paper on how they process pooled budget entries.

Recommendation 4
The recommendation for this control observation will be finalised upon conclusion of the pooled budgets adjustment being agreed with management.

Management comment

The figures from 2021/22 that were identified have been updated to reflect the 2023/24 figures. This adjustment has been carried out consistently over many years without any concerns raised in previous audits. However, we appreciate the recommendation and have taken it on board. We will continue working closely with Ernst Young to finalise the agreed adjustments and ensure they are implemented effectively for future years.

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Assessment of Control Environment (cont'd)

Area	System Creditors	Rating	Low

Observation

As part of work to test creditors we identified amounts that had been paid but not cleared, where the difference between the purchase order amount and the amount paid per the invoice is still reflected as outstanding.

Impact and recommendation

Impact
Based on our observation, we identified that year end payables reported in the financial statements have been outstanding for more than 12 months. Management is in the process of investigating these balances to determine whether they have actually been paid and can be cleared. We will then be able to quantify any misstatement. We are currently satisfied the total possible misstatement is not material to our responsibilities.

Recommendation 5
Management should routinely review all open purchase orders supporting creditor balances in the accounts relating to prior years to determine whether they have actually been paid.

Management comment

We are currently conducting a mapping exercise to provide Ernst Young with assurance that creditor balances have been settled. Additionally, we have discussed this matter with the Operational Finance team at the Integrated Business Centre (Hampshire County Council), who are exploring options to address these open postings. Once a solution is identified, we will take the necessary steps to close these outstanding balances. Furthermore, management will routinely review all open purchase orders supporting creditor balances in the accounts from prior years to determine whether they have been paid.

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Slide 27

ES0 This should now be Recommendation 5
Stevens, Ella - Oxfordshire Cou, 2024-11-17T17:43:03.025

ES1 As discussed, please can this figure be removed? As we are unsure of the figure and I would not like to report a figure that not 100% correct.
Stevens, Ella - Oxfordshire Cou, 2024-11-17T17:47:38.860

Assessment of Control Environment (cont'd)

Area	System Debtors	Rating	Low

Observation

As part of the review of the debtor balances and transactions, we noted that there are a number debtor balances and credit balances in the debtor account where receipts have not been properly matched to outstanding debtors. We are satisfied that the net amount is correct.

Impact and recommendation

Impact
The failure to apply unmatched receipts against the correct debtor balances results in the inaccurate ageing of debtor balances which could lead to inaccurate assessment of the age of debt. Management is aware of this and currently working on the process of cleansing debtor records to provide a more accurate assessment of outstanding debtor balances to facilitate assessment of the bad debt provision.

Recommendation 6
Improve current processes in the debtor system to facilitate automated matching of receipts against the relevant open debt.

ESO

Management comment

We are currently conducting a mapping exercise to provide Ernst Young with assurance that debtor balances have been settled. Additionally, we have discussed this matter with the Operational Finance team at the Integrated Business Centre (Hampshire County Council), who are exploring options to address these open postings. Once a solution is identified, we will take the necessary steps to close these outstanding balances.

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Slide 28

ES0 This should now be Recommendation 6

Stevens, Ella - Oxfordshire Cou, 2024-11-18T13:51:26.546

06 Other Reporting Issues

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Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Oxfordshire County Council Statement of Accounts 2023/24 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Our review of the Financial information in the Oxfordshire County Council Statement of Accounts 2023/24 and published with the financial statements is still in progress, we will update the Audit and Governance Committee on 27 November if we identify any findings during our procedures.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements, and we have no other matters to report

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet completed our work in this area. We will do so and report any matters arising to the Audit & Governance Committee in due course.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention during the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”).

We did not identify any issues which required us to issue a report in the public interest.

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Other Reporting Issues (cont'd)

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern; and
- Consideration of laws and regulations.

We have one issue to bring to your attention around the Council's arrangements for the adoption of the financial reporting standard IFRS 16 Leases which we consider to be a qualitative weakness in the Council's financial reporting arrangements. IFRS 16 will become effective for the local authorities for the 2024/25 financial year. Although we have been informed that management has identified the leases that it considers will be in the scope for the implementation of IFRS 16:

- We have not been provided with a full listing of those leases.
- The Council has not identified the relevant lease categorisations.
- All significant data points have not been identified, collected, logged and checked.
- Relevant accounting policy choices have not yet been determined.
- Transitional and ongoing accounting arrangements are therefore not yet clear.

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Other Reporting Issues (cont'd)

Other matters (continued)

This has meant that the Council has not been able to quantify the likely impact of the transition to IFRS 16 in its 2023/24 financial statements. The disclosure included in the 2023/24 financial statements as part of Note 60, Accounting Standards that have been issue but have not yet been adopted, only notes that the likely impact is material and does not explain why quantification of the impact has not been possible. Progress in this area now needs to be accelerated as a matter of urgency.

Recommendation 7

Accelerate the rate of ESO ess in arrangements for the implementation of IFRS 16 so the Council is able to comply fully with the requirements of the standard in its 2024/25 financial statements.

Management Response:

Work is actively underway to address this, and we remain on track to meet the deadline for the implementation of IFRS 16. We acknowledge the importance of quantifying the impact and providing clear disclosure, and steps are being taken to certify this. The Council is committed to ensuring full compliance with IFRS 16 requirements in the 2024/25 financial statements.

ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement

ISA 315 is effective from 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas:

- Risk Assessment
- Understanding the entity's internal control
- Significant risk
- Approach to addressing significant risk (in combination with ISA330)

Given that we disclaimed the 2022/23 audit of the financial statements we have undertaken ISA (UK) 315 (Revised) procedures for the first time in 2023/24.

The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to:

- Drive consistent and effective identification and assessment of risks of material misstatement
- Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability')
- Modernise ISA 315 to meet evolving business needs, including:
    - how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and
    - how auditors understand the entity's use of information technology relevant to financial reporting.
- Focus auditors on exercising professional scepticism throughout the risk identification and assessment process. We

set out the findings and conclusions from our work to implement ISA 315 in the table below.

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Slide 32

ES0 This should now be Recommendation 7

Stevens, Ella - Oxfordshire Cou, 2024-11-18T13:51:38.975

Other Reporting Issues (cont'd)

Audit Procedures	Audit findings and conclusions
We obtained an understanding of the IT processes related to the IT applications of the Council. The Council has two relevant IT applications for the purposes of ISA 315 risk assessment (SAP - including Integrated FAR/Payroll modules) and ContROCC (Adult and Children Social Care) We performed procedures to determine if there are typical controls missing or control deficiencies identified and evaluated the consequences for our audit strategy. When we have identified controls relevant to the audit that are application controls or IT dependent manual controls, where we do not gain assurance substantively, we performed additional procedures to assess: ► Manage entity-programmed changes IT process ► Manage vendor supplied changes ► Manage security settings ► Manage user access ► Job scheduling and managing IT	Our work in this area is complete. Based on the procedures performed, no significant issues were identified in our review of the various processes, including the design and implementation effectiveness of relevant controls around the financial statement close process. We have not tested the operation of any controls through this review.

07 Independence

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Independence - Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

This report includes a summary of the fees that you have paid to us in the year ended 31 March 2024 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are set out in the table over-page.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

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Independence - Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council; and
- The Council has an effective control environment
- The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality /statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/ . In particular the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. Details of our proposed scale fee variations for the audit of the Council are set out in the fee analysis on this page.

	Current Year	Prior Year
	£	£
Total Fee –Code Work (scale fee)	291,895	TBC Note 1
Other	1	TBC
Total audit	**1**	**TBC**
Other non-audit services not covered above (Teachers' Pensions Certification)	N/A	14,000
Proposed scale fee variation	TBC Note 2	TBC
Total other non-audit services	**0**	**14,000**
Total fees	**TBC**	**TBC**

All fees exclude VAT

Note 1 - PSAA Ltd, in line with the joint statement issued by DLUHC (as at that date) and the FRC is responsible for the determination of the final audit fee in respect of 2022/23. In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.

Note 2

The proposed scale fee variation fee for 2023/24, includes additional procedures in relation to the following areas:

- We were required to perform additional audit procedures on the Complimentary User Entity Controls (CUECs) as identified in the ISAE 3402 report as well as follow up work on the control deficiencies identified.
- Because we do not have assurance on opening balances, we were required to perform audit work on some of the movements relating to 2021/22. This included additions and disposals, starters and leavers and in-year movements for grants received in advance. We also performed a 2 year roll forward on the FF pension liability (the prior year roll-forward for the LGPS was performed by the OPF audit team in the prior year).
- There were also delays in receiving information for starters and leavers, additions testing and operating expenditure.

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Independence - Relationships, services and related threats and safeguards

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end October 2024: ey-uk-2024-transparency-report.pdf

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08 Appendices

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Appendix A –Summary of assurances

Summary of Assurances

As we have set out in the Executive Summary of this report, that we anticipate issuing a disclaimer of opinion on the 2023/24 financial statements. Due to the disclaimer of opinion issued on the 2022/23 financial statements, we do not have assurance over the comparative figures disclosed in the financial statements, the opening balance position at 1 April 2023, the closing reserves balances at 31 March 2024, or the in-year movements recorded in the Comprehensive Income and Expenditure Statement. This is considered material and pervasive to the 2023/24 financial statements. The table below summarises the audit work we have completed on the 2023/24 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating	Summary of work performed
Property, Plant and Equipment ('PPE')	Partial	We completed testing of 2022/23 and 2023/ 24 additions and disposals, audited the valuation of a sample of assets revalued in 2023/24 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Council's right to recognise those assets; however, until we are able to rebuild assurance revaluations in the disclaimed periods, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2024.
Investment Property	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Intangible Assets	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Long Term Investments	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Long Term Debtors	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Short Term Investments	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Short Term Debtors	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Cash and Cash equivalents	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.

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Appendix A –Summary of assurances

Summary of Assurances

Account area	Assurance rating	Summary of work performed
Creditors (short and long term)	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Borrowings (short and long term)	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Provisions (short and long term)	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Grants received in advance	Substantial	Subject to the resolution of final queries we have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Local Government Pension Scheme Liability	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Reserves	None	We have completed our work on the movements in reserves in 2023/24 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements. We will provide more information on our proposed approach for rebuilding of assurance as part of our 2024/25 audit planning report.
Comprehensive Income and Expenditure Statement	None	We have completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 but, as we do not have assurance over the opening balance position at 1 April 2023, we are unable to obtain assurance that all of the in-year movements recorded in the financial statement are accurate.

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Appendix B – Summary of communications

Summary of communications

Date	Nature	Summary
7 March 2024	Meeting	Senior members of the audit team, met with the management team to discuss the current year audit timeline and introduce the new manager on the audit
24 April 2024	Meeting	The partner in charge of the engagement, along with other senior members of the audit team, met with the management team to discuss the matters identified as part of the first quarter review.
1 May 2024	Report	The audit planning report, including confirmation of independence, was issued to the audit committee.
8 May 2024	Meeting	The partner in charge of the engagement, accompanied by other senior members of the audit team, met with the audit committee and senior members of the management team to discuss the audit planning report.
18 September 2024	Report	The partner in charge of the engagement, accompanied by other senior members of the audit team, met with the audit committee and senior members of the management team to discuss the audit progress report.
21 October 2024	Meeting	The partner in charge of the engagement, along with other senior members of the audit team, met with the management to discuss the matters identified as part of the third quarter review.
4 November 2024	Meeting	Audit close meeting with the management team to discuss the discuss the preliminary findings of the audit.
15 November 2024	Report	The Audit results report, including confirmation of independence, was issued to the audit committee.
27 November 2024	Meeting	The partner in charge of the engagement, accompanied by other senior members of the audit team, met with the audit committee and senior members of the management team to discuss the audit results report.

In addition to the above specific meetings and letters the audit team met with the management team multiple times throughout the audit to discuss audit findings.

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Appendix C - Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report- 22 April 2024
Planning and audit approach	Communication of: • The planned scope and timing of the audit • Any limitations on the planned work to be undertaken • The planned use of internal audit • The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report- 22 April 2024
Significant findings from the audit	• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process	Draft Audit results report –27 November 2024

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Appendix C - Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty related to going concern • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The appropriateness of related disclosures in the financial statements	Draft Audit results report –27 November 2024
Misstatements	• Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management	Draft Audit results report –27 November 2024

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Appendix C - Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Fraud	• Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud • Any other matters related to fraud, relevant to Audit Committee responsibility.	Draft Audit results report –27 November 2024
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the entity	Draft Audit results report –27 November 2024

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Appendix C - Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place. For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019: • Relationships between EY, the company and senior management, its affiliates and its connected parties • Services provided by EY that may reasonably bear on the auditors' integrity, objectivity and independence • Related safeguards • Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees • A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit	Audit planning report- 22 April 2024 and Draft Audit results report – 27 November 2024

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Appendix C - Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
	• Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy • Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard • The audit committee should also be provided an opportunity to discuss matters affecting auditor independence	
External confirmations	• Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures.	Draft Audit results report – 27 November 2024
Consideration of laws and regulations	• Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur • Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Draft Audit results report – 27 November 2024
Significant deficiencies in internal controls identified during the audit	• Significant deficiencies in internal controls identified during the audit.	Draft Audit results report – 27 November 2024

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Appendix C - Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Written representations we are requesting from management and/or those charged with governance	• Written representations we are requesting from management and/or those charged with governance	Draft Audit results report –27 November 2024
System of quality management	• How the system of quality management (SQM) supports the consistent performance of a quality audit	Draft Audit results report –27 November 2024
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	• Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Draft Audit results report –27 November 2024
Auditors report	• Key audit matters that we will include in our auditor's report • Any circumstances identified that affect the form and content of our auditor's report	Draft Audit results report –27 November 2024

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Appendix D – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Final reviews by manager and partner	There are a number of area of execution that are subject to manager and partner review and there may be further matters arising from the review process. We have not listed each of the areas in detail here.	EY
Annual Report and accounts	Review of the updated Annual Report and associated support for disclosures Incorporation of EY review comments on disclosure notes	EY and management
Going concern review and disclosures	EY central review process and finalisation of disclosures and opinion wording	EY
Management representation letter	Receipt of signed management representation letter	EY, Management and audit and governance committee
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on going concern remain to be finalised and audited.

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Appendix F - **Accounting and regulatory update**

Accounting and regulatory update

Accounting update

The following table provides a high-level summary of accounting updates that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Oxfordshire County Council

IFRS 16 Leases	• CIPFA have confirmed there will be no further delay of the introduction of the leases standard IFRS 16.
	• Assets being used by the authority under operating leases are likely to be capitalised along with an associated lease liability.
	• Lease liabilities and right of use assets will be subject to more frequent remeasurement.
	• The standard must be adopted by 1 April 2024 at the latest
		• We have assessed the Council's readiness to implement IFRS 16 as part of our 2023/24 programme of work. That assessment considered:
		  • The Council's processes to collect the required data.
		  • Whether reasonable accounting policy choices had been made.
		  • Whether relevant finance staff are familiar with the requirements of the CIPFA Code in this area and training has been provided.
		  • The transitional and ongoing accounting arrangements that have been established.
		  • Systems and processes to establish and distinguish between lease remeasurements and modifications.
		• Based on this assessment we have concluded that the Council has not yet been able to show is has reasonable arrangements in place to support the adoption of IFRS 16 in 2024/25. We have reported this as a qualitative weaknesses in the Council's accounting and financial reporting arrangements and made associated recommendations for improvement. See Section 06 of this report.

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Oxfordshire Pension Fund
Provisional Audit Results Report

Year ended 31 March 2024

November 2024

Building a better working world

Oxfordshire Pension Fund
County Hall
New Road
Oxford OX1 1ND

19 November 2024

Dear Audit and Governance Committee Members,

2023/24 Provisional Audit Results Report

We are pleased to attach our Provisional Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit& Governance Committee. We will update the Audit and Governance Committee at its meeting scheduled for 27 November 2024 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2023/24 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxfordshire Pension Fund's accounting policies and judgements and material internal control findings.

Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. Our audit work is still in progress and we will provide a final report to the Committee once all our work has been completed.

This report is intended solely for the information and use of the Audit and Governance Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 27 November 2024.

Yours faithfully

Simon Mathers

Partner

For and on behalf of Ernst & Young LLP

Encl

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05 Other Reporting Issues

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07 Independence

08 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits) The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Audit and Governance Committee and management of Oxfordshire Pension Fund** in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the **Audit and Governance Committee and management of Oxfordshire Pension Fund** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Audit and Governance Committee and management of Oxfordshire Pension Fund** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

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01 Executive Summary

Executive Summary

Scope update

In our Provisional Audit Planning Report presented to the 17 July 2024 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan as detailed in Section 02 of this report. There were no changes in scope of the audit.

Status of the audit

Our audit work in respect of the Oxfordshire Pension Fund 2023/24 audit is substantially complete, subject to final Partner review. The following items relating to the completion of our audit procedures were outstanding at the date of this report:

- Completion of going concern and subsequent events procedures up to the date of our audit report;
- Completion of Level 3 investment testing, awaiting on supporting evidence relating to 2 investments
- Completion of testing of investment disclosure
- Completion of related parties testing
- Review of audit work by the Engagement Partner and Quality Control Reviewer, which could lead to further queries.
- Receipt and check of a signed accounts and a signed letter of management representation.

Details of each outstanding item, actions required to resolve them and responsibilities are included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Financial Statements which could influence our final audit opinion, a current draft of which is included in Section 03 of this report.

Audit differences

We have identified the following audit differences, based on work completed to date:

- Audit differences in the financial statement disclosure

For further information on audit differences refer to Section 04 of this report. Until our audit is complete further differences may be identified.

Executive Summary (cont'd)

Areas of audit focus

In our Provisional Audit Plan, we identified a number of key areas of focus for our audit of Oxfordshire Pension Fund. This report sets out our observations and the status of our work in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below. The audit work in a number of areas remains subject to Partner review, as noted below and throughout this report.

Fraud risks	Findings & conclusions
Misstatements due to fraud or error (management override)	We carried out procedures to address this risk as set out in our Provisional Audit Plan, including identifying risks, considering controls and their effectiveness, testing journal entries and testing estimates for evidence of management bias. We have substantially completed our work in this area and final review is in progress. There are no matters to bring to your attention.
Misstatement due to fraud or error (incorrect posting of investment valuation journals)	We carried out our planned audit procedures to address the risk related to incorrect posting of investment valuation journals. This included a reconciliation between the fund manager reports and the custodian reports to address the risk of manipulation of investment asset valuations. Subject to final review, we have completed our audit procedures and all differences are below our reporting threshold.

Significant risk	Findings & conclusions
Incorrect valuation of unquoted (Level 3) investments	We undertook additional procedures, as described more fully in Section 02 of this report, to gain assurance over the material accuracy of the year-end valuation of the Pension Fund's Level 3 complex investments, which are inherently more difficult to value. We have substantially completed our work in this area and final review is in progress. We are awaiting supporting evidence (AFS) for one of the sample selected.

Higher inherent risk	Findings & conclusions
Valuation of Level 2 investment assets	We undertook procedures, as described more fully in Section 02 of this report, to gain assurance over the material accuracy of the year-end valuation of the Pension Fund's Level 2 investments, including for pooled investments agreement to publicly available market value information, fund manager confirmations and other relevant sources. We have substantially completed our work in this area and final review is in progress. There are no matters to bring to your attention.
IAS26 disclosure – Actuarial present value of promised retirement benefits	We carried out procedures to address this risk as set out in our Provisional Audit Plan. Subject to review, we have completed these procedures and have no matters to bring to your attention.

Executive Summary (cont'd)

Control observations

During the course of the audit we have identified the following control observations which we wish to bring to your attention:

- The Fund's controls over the submission of contributions data to the actuary failed to detect and communicate to the actuary that the data submitted as the basis for the estimation of full year contributions was only for 10 months. This was because one month was included in a suspense account.

Further detail on control observations is included in Section 06

Independence

Please refer to Section 07 for our update on Independence.

02 Areas of Audit Focus

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Areas of Audit Focus

Misstatements due to fraud or error

What is the risk?

There is a risk that the financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We have considered where this risk specifically manifests itself and this is in the posting of investment valuation journals. This consideration is set out on the next page.

What judgements we focused on?

The risk of management override at Oxfordshire Pension Fund is mainly through the possibility that management could override controls and manipulate financial transactions which intend to adjust the Pension Fund's Fund Account or Net Asset Statement.

This could be done through manipulation of manual adjustments, including via manual journals, in the preparation of financial statements or through management bias in accounting estimates.

Our response to the key areas of challenge and professional judgement

- We enquired of management about risks of fraud and the controls put in place to address those risks.
- We gained an understanding of the oversight given by those charged with governance of management's processes over fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.
- We reviewed accounting estimates for evidence of management bias.
- We evaluated the business rationale for any significant unusual transactions.
- We utilised our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale.

What are our conclusions?

Subject to review, our procedures to address this risk are complete.

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any evidence of management bias in relation to accounting estimates.

Our journal testing did not identify any journal entries without a valid business purpose.

We did not identify any other transactions during our audit which appeared unusual or outside Oxfordshire's Pension Fund's normal course of business.

Areas of Audit Focus

Misstatements due to fraud or error: Incorrect posting of investment valuation journals

What is the risk?

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We have considered the key areas where management has the opportunity and incentive to specifically override controls that could affect the Pension Fund's Financial Statements. We have identified the main risk to be the incorrect posting investment valuation journals.

What are the key judgement?

The posting of incorrect investment valuation journals at year end to the Pension Fund's general ledger would impact the performance and funding level of the Pension Fund's investment assets as reported in the Net Asset Statement.

Our response to the key areas of challenge and professional judgement

- We performed a reconciliation to test the agreement of the Pension Fund's investment asset holdings as at 31 March 2024, including asset values, to source reports from the Pension Fund's custodian and individual fund managers.
- We tested any significant reconciling amounts between the investment asset valuations as reported in the Pension Fund's Net Asset Statement compared to the custodian's investment report as of 31 March 2024.

What are our conclusions?

Subject to review we have completed our procedures in relation to investment valuation journals.

We have not identified any indication of management override in relation to investment journals

Refer to Section 04 for more detail on audit differences.

Areas of Audit Focus

Valuation of complex investments (level 3 investments)

What is the risk?

The Fund's investments include unquoted investment vehicles such as private equity and pooled property funds. We have identified the valuation of these investments, which are classified as complex investments, as an area of specific risk.

Judgements are taken by the Fund Managers to value those investments whose prices are not publicly available. The material nature of the investments means that any error in judgement could result in a material valuation error. Market volatility means such judgments can quickly become outdated, especially when there is a significant time period between the latest available audited information and the fund year end. Such variations could have a material impact on the financial statements. These investment types made up 15% of the fund's total net assets as per the 2022/23 draft account. As these investments are more difficult to value, we have assessed the valuation of these investments as a significant risk, as even a small movement in the assumptions could have a material impact on the financial statements

What judgements are we focused on?

Level 3 investment asset valuations, including the net asset values of each of the individual underlying investments funds. We also considered the potential changes in values where the date of valuation information where is not coterminous with the Pension Fund's year end date of 31 March 2024.

Our response to the key areas of challenge and professional judgement

For a sample of Level 3 investments we:

- Reviewed the basis of valuation for unquoted investments and assessed the appropriateness of the valuation methods used;
- Where available, reviewed the latest audited accounts for the relevant fund managers and ensured there are no matters arising that highlight material differences in the reported funds valuation within the financial statements;
- If the latest audited accounts are issued at a different date compared to the reporting date of the Pension Fund, we performed a roll forward procedures to support the valuation of the investments as of 31 March 2024. These included benchmark indices for similar assets and analysis of cash movements in the gap period;
- Performed analytical procedures and checked the valuation output for reasonableness against our own expectations;
- Obtained and reviewed internal control reports for fund managers to identify any internal control issues which could impact on valuations and assessed whether these would have an impact on the valuations provided by the fund managers;
- Reviewed investment valuation disclosures to verify that significant judgements supporting the valuation of level 3 investments have been disclosed in the Pension Fund's financial statements.

What are our conclusions?

We have substantially completed our audit procedures related to this risk, including manager review.

We were satisfied that the Pension Fund's disclosures of significant judgements surrounding the valuation of Level 3 investments were appropriate

As at the date of this report, there are two outstanding items for supporting evidence relating to the pooled properties sample.

Areas of Audit Focus

Valuation of complex investments (level 2 investments)

What is the risk?

The valuation of investments under level 2 fair value hierarchy are based on observable inputs such as bid price in the market for similar instruments.

There is a risk that the comparable inputs used are not appropriate and valuation could be misstated.

What judgements are we focused on?

Level 2 investment asset valuations, including the bid prices and equity prices used to value the investment.

Our response to the key areas of challenge and professional judgement

For a sample of Level 2 investments we:

For equities:

> We have recomputed the securities' value as at 31 March 2024 by obtaining independent valuation/prices from EY Investment Security Pricing or other external sources and multiplying by the number of units as confirmed by the fund managers. We checked for any material variances between our re-computation and the value reported.

For pooled investments:

> We compared the amount reported by the client to publicly available market value information, Fund manager confirmations and other related sources. We checked for any material variances between our re-computation and the value reported in the FS

What are our conclusions?

We have substantially completed our audit procedures related to this risk, including manager and partner review.

We have not identified audit differences in the valuation of Level 2 investment assets above our reporting threshold.

Areas of Audit Focus (cont'd)

IAS 26 disclosure – Actuarial present value of promised retirement benefits

What is the risk/area of focus

The Fund's IAS 26 calculation shows that the present value of promised retirement benefits amount to £3,290 million as at 31 March 2024 (£3,278 million as at 31 March 2023).

The figure is subject to complex estimation techniques and judgements by the Actuary, Hymans Robertson. The estimate is based on a roll-forward of data from the previous triennial valuation in 2022, updated where necessary, and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation and investment yields when calculating the liability.

There is a risk that the valuation uses inappropriate assumptions to value the liability as at the 31 March 2024.

What did we do?

We have:

- Evaluated whether the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.
- Engaged EY Pensions to review the roll forward procedures associated with the IAS 19 reports for the Oxford County Council which makes up 48,4% of the total pension fund asset and supports the our IAS 26 disclosures work.
- Evaluated and placed reliance on EY Pension's and PwC's review of the underlying pension IAS19 assumptions used by the actuary, which also support the IAS26 figures.
- Assessed the competence of management experts, Hymans Robertson as the Pension Fund's actuary.

We have not identified any issues from these procedures.

03 Audit Report

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Audit Report - draft

Draft audit report

Please note our audit opinion is draft subject to the resolution of outstanding matters for the audit as detailed in Appendix B.

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORDSHIRE COUNTY COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS - DRAFT

Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2024 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 27.

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

In our opinion the pension fund financial statements:

- give a true and fair view of the Fund during the year ended 31 March 2024 and the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director of Resources and Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern to [*date tbc - at least 12 months from the date of the audit report*].

Our responsibilities and the responsibilities of the Executive Director of Resources and Section 151 Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2023/24, other than the financial statements and our auditor's report thereon. The Executive Director of Resources and Section 151 Officer is responsible for the other information contained within the Statement of Accounts 2023/24.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Audit Report (cont'd)

Please note our opinion could be affected by items still pending as noted in section 1

Our opinion on the financial statements

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects

Responsibility of the Executive Director of Resources and Section 151 Officer

As explained more fully in the Statement of Executive Director of Resources and Section 151 Officer's Responsibilities set out on page 10, the Executive Director of Resources and Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and for being satisfied that they give a true and fair view.

The Executive Director of Resources and Section 151 Officer is also responsible for such internal control as the Executive Director of Resources and Section 151 Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Resources and Section 151 Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Executive Director of Resources and Section 151 Officer.

Audit Report (cont'd)

Please note our opinion could be affected by items still pending as noted in section 1

Our opinion on the financial statements

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquires of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees, and through the inspection of other information.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- To address our fraud risk we tested the consistency of the investment asset valuations from the independent sources of the custodian and the fund managers to the financial statements.
- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Oxfordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Oxfordshire County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Mathers (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Southampton
Date

04 Audit Differences

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Audit Differences (cont'd)

Summary of audit differences

We have detailed in this section the identified audit differences. We have yet to agree with management which differences will be amended for in the final audited financial statements. Until our audit is fully complete further differences may be identified.

For any audit differences that are not amended by management, we will ask the Audit and Governance Committee to request of management that the uncorrected audit differences be corrected or a rationale as to why they are not corrected be considered and approved by the Audit and Governance Committee and provided within the Letter of Representation.

There are currently no differences which we wish to draw to your attention.

Further audit differences may be identified in relation to the outstanding matters as set out in Appendix B.

05 Other Reporting Issues

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Other Reporting Issues

Consistency of other information published with the financial statements

We must give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements We have no inconsistencies to draw to your attention.

In addition, we also perform procedures to ensure the consistency of the Pension Fund accounts with the version presented in the Pension Fund's Annual Report. This work is currently in process.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014.

We had no reason to exercise these duties in relation to Oxfordshire Pension Fund.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must inform you of significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process.

Except for our observations on the control environment, as set out in Section 06 of this report, we have no other matters to report.

06 Assessment of Control Environment

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Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

During the audit we identified one area of weakness in relation to the Pension Fund's control environment as follows.

Accuracy of contribution data submitted to the actuary to inform admitted and scheduled body IAS 19 assessments

The Fund's controls over the submission of contributions data to the actuary failed to detect and communicate to the actuary that the data submitted as the basis for the estimation of full year contributions was only for 10 months. This was because one month was included in a suspense account.

This resulted in differences between estimated contributions amounts considered and reported in the actuarial assessments of IAS 19 net pension liabilities/assets of scheduled and admitted bodies and the actual value of contributions paid by the body in the year. Although this has no impact on the Fund's financial statements its leads to accuracy in the IAS 19 liability/asset assessments made by the actuary for scheduled and admitted bodies of the Fund.

We have raised the following recommendation for improvement.

Recommendation (Moderate)

Review and improve the processes in place to ensure the accuracy and completeness of contribution data submitted to the Actuary used to inform IAS 19 assessments for scheduled and admitted bodies.

The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2023/24 audit.

	High	Moderate	Low	Total
Open at beginning of 2023/24	0	0	0	0
New points raised in 2023/24	0	1	0	1
Total open recommendations	0	0	0	0

Key:

- A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
- Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
- Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.

07 Independence

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Independence, Relationships, services, related threats and safeguards

Confirmation

We are not aware of any inconsistencies between Ernst & Young (EY)'s policy for the supply of non-audit services and FRC Ethical Standard. We are not aware of any apparent breach of that policy.

We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

Relationships

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 28 June 2024: EY UK 2024 Transparency Report | EY - UK

Independence, Relationships, services, related threats and safeguards

Services provided by Ernst & Young

There are no services provided by EY from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.
The table includes a summary of the fees due to EY in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included below.

We highlight in the table below the most significant services that may be reasonably considered to bear upon our integrity, objectivity and independence.

	Current Year 2023/24	Prior Year 2022/23
	Proposed fee £	Proposed fee £
Scale Fee – Code work	83,244	25,254
Changes in work required to address professional and regulatory requirements and scope associated with risk – Note 1	TBC	TBC
Additional fee for the provision of IAS19 assurance letters - Note 2	N/A	9,800
ISA 315 implementation	-	7,840
Total fees	**TBC**	**TBC**

Note 1 – We do not believe that the current scale fee reflects the changes in the audit market and increases in regulation since the most recent PSAA tender exercise. For 2021/22 and 2022/23, we have therefore proposed increases to the scale fee to take into account a number of risk factors including: Procedures performed to address the risk profile of the Pension Fund; Additional work to address increase in Regulatory Standards; Client readiness and IT support for data analytics. For 2022/23 PSAA have increased the base scale fee. As the 2022/23 audit is in not yet concluded, we are not yet able to confirm the final fee for the specific additional procedures and identified risk areas as noted above. The final audit fee will be submitted to management and determined by PSAA.

Note 2 – We plan to charge an additional fee in 2022/23 of £9,800 to take into account the work required to respond to IAS19 assurance requests from scheduled body auditor. The Pension Fund can recharge these fees to the relevant admitted bodies. The fee for equivalent work in 2023/24 is already considered in the 2023/24 scale fee.

08 Appendices

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Appendix A - Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report 17 July 2024
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report 17 July 2024
Significant findings from the audit	▸ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▸ Significant difficulties, if any, encountered during the audit ▸ Significant matters, if any, arising from the audit that were discussed with management ▸ Written representations that we are seeking ▸ Expected modifications to the audit report ▸ Other matters if any, significant to the oversight of the financial reporting process	Audit planning report 17 July 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▸ Whether the events or conditions constitute a material uncertainty related to going concern ▸ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▸ The appropriateness of related disclosures in the financial statements	Provisional Audit results report – 27 November 2024
Misstatements	▸ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▸ The effect of uncorrected misstatements related to prior periods ▸ A request that any uncorrected misstatement be corrected ▸ Material misstatements corrected by management	Provisional Audit results report – 27 November 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Fraud	▸ Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▸ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▸ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▸ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▸ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▸ Any other matters related to fraud, relevant to Audit and Governance Committee responsibility.	Provisional Audit results report – 27 November 2024
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▸ Non-disclosure by management ▸ Inappropriate authorisation and approval of transactions ▸ Disagreement over disclosures ▸ Non-compliance with laws and regulations ▸ Difficulty in identifying the party that ultimately controls the entity	Provisional Audit results report – 26 April 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▸ The principal threats ▸ Safeguards adopted and their effectiveness ▸ An overall assessment of threats and safeguards ▸ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Audit planning report 17 July 2024 and Provisional Audit results report - 27 November 2024
External confirmations	▸ Management's refusal for us to request confirmations ▸ Inability to obtain relevant and reliable audit evidence from other procedures.	We have received all requested confirmations

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Consideration of laws and regulations	▸ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▸ Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations
Significant deficiencies in internal controls identified during the audit	▸ Significant deficiencies in internal controls identified during the audit.	Provisional Audit results report – 27 November 2024
Written representations we are requesting from management and/or those charged with governance	▸ Written representations we are requesting from management and/or those charged with governance	Provisional Audit results report – 27 November 2024
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	▸ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Provisional Audit results report – 27 November 2024
Auditors report	▸ Key audit matters that we will include in our auditor's report ▸ Any circumstances identified that affect the form and content of our auditor's report	Provisional Audit results report – 27 November 2024

Appendix B – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Investment disclosure	Receipt of audit evidence relating to AVC disclosure. EY to complete procedures once evidence has been received	Management and EY
Level 3 Investment	Receipt of response to request for supporting evidence (AFS) relating to Pooled Investment. EY to complete procedures once response have been received	Management and EY
Related Parties	Receipt of information for supporting evidence requested. EY to complete procedures once response have been received	Management and EY
Going concern review and disclosures	Receipt of management's going concern assessment. EY to review and undertake audit procedures on the assessment and cash flow forecast.	Management and EY
Subsequent events review procedures	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Partner and EQCR Review	Completion of review of audit file	EY
Management representation letter	Receipt of signed management representation letter	EY, management and Audit Committee
Annual Report and Financial Statements consistency	Review of the Pension Fund's Annual Report for consistency with the Pension Fund's financial statements within the administering authority's Statement of Accounts.	EY and management
Final signed accounts	Receipt and review of final set of financial statements to check agreed amendments. Signed approval of the accounts by s151 Officer.	EY and management

*See next page.

Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit.

Management Rep Letter

Simon Mathers
Ernst & Young
Grosvenor House
Southampton
SO15 2BE

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire Pension Fund ("the Fund") for the year ended 31 March 2024. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the period from 1 April 2022 to 31 March 2023, and of the amount and disposition at that date of its assets and liabilities as at 31 March 2023, other than liabilities to pay pensions and benefits after the end of the year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We understand that the purpose of your audit of the Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK) , which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and for keeping records in respect of contributions received in respect of active members of the Fund.

2. We confirm that the Fund is a Registered Pension Fund. We are not aware of any reason why the tax status of the Fund should change.

3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements and the Summary of Contributions. We believe the financial statements referred to above give a true and fair view of the financial transactions and the financial position of the Fund in accordance with the applicable law and CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and are free of material misstatements, including omissions. We have approved the-financial statements.

4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

5. As members of management of the Fund we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that are

Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit

Management Rep Letter

free from material misstatement, whether due to fraud or error.

6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Fund's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have not made any reports to the Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.

5. There have been no other communications with the Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.

6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.

7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
   - Involving financial improprieties
   - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements
   - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund's business, its ability to continue in business, or to avoid material penalties
   - Involving management, or employees who have significant roles in internal control, or others
   - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit

Management Rep Letter

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
   - Additional information that you have requested from us for the purpose of the audit; and
   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. You have been informed of all changes to the Fund rules.

3. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic and including those related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.

4. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: *[list date]*

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.

6. We confirm the completeness of information provided regarding annuities held in the name of the members of management of the Fund.

7. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24

8. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

9. No transactions have been made which are not in the interests of the Fund members or the Fund during the fund year or subsequently.

Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit

Management Rep Letter

10. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

11. From 1 April 2023 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 22 to the financial statements all guarantees that we have given to third parties.

E. Subsequent Events

1. There have been no events, including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report on pages 2 to 113, other than the financial statements, the auditor's report and the statement about contributions.

2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Advisory Reports

1. We have not commissioned any advisory reports which may affect the conduct of your work in relation to the Fund's financial statements and schedule of contributions/payment schedule.

H. Independence

1. As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit

Management Rep Letter

I. Derivative Financial Instruments

1. We confirm that the Fund has made no direct investment in derivative financial instruments.

J. Pooling investments, including the use of collective investment vehicles and shared services

1. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

K. Actuarial valuation

The latest report of the actuary Hyman Robertson as at 31 March 2022 and dated 31 March 2023 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

L. Estimates

Level 3 Investment Asset Valuation Estimate and Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgments made in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the level 3 investment asset valuation estimate, and actuarial present value of promised retirement benefits estimate.

3. We confirm that the significant assumptions used in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate appropriately reflect our intent and ability to continue to maintain the pension fund investments for the purpose of management of the fund and payment of future benefits on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24..

5. We confirm that appropriate specialized skills or expertise has been applied in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements, including due to the COVID-19 pandemic.

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Appendix C – Management representation letter

Draft management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit

Management Rep Letter

M. Use of the Work of a Specialist

1. We agree with the findings of the specialist, Hymans Robertson as the Pension Fund's actuary, that we have engaged to value fund assets and liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

N. Going Concern

1. Based on our assessment of going concern, the details of which have been shared with you, we confirm that we are not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

2. Note 2 to the financial statements discloses all of the matters of which we are aware that are relevant to the Fund's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

O. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

_____

S151 Officer

_____

Audit and Governance Committee Chair

Date

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

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Ernst & Young LLP

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ED None

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Oxfordshire Pension Fund
Audit Results Report

Year ended 31 March 2023

November 2024

Building a better working world

Oxfordshire Pension Fund

19 November 2024

Dear Audit and Governance Committee Members,

2022/23 Audit Results Report

We are pleased to attach our Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit & Governance Committee. We will update the Audit and Governance Committee at its meeting scheduled for 27 November 2024 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2023 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxfordshire Pension Fund's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. Our audit work is still in progress and we will provide a final report to the Committee once all our work has been completed.

This report is intended solely for the information and use of the Audit and Governance Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 27 November 2024.

Yours faithfully

Kevin Suter

Partner

For and on behalf of Ernst & Young LLP

Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/psaa-statement-of-responsibilities-of-auditors-and-audited-bodies-upto-2022-23/). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance from July 2021" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Governance Committee and management of Oxford County Council. Our work has been undertaken so that we might state to the Audit and Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee and management of Oxford County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Executive Summary

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Executive Summary

Scope update

In our Provisional Audit Planning Report presented to the 4 January 2024 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan as detailed in Section 02 of this report. There were no changes in scope of the audit.

Status of the audit

Our audit work in respect of the Oxfordshire Pension Fund 2022/23 audit is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report:

- Completion of going concern and subsequent events procedures up to the date of our audit report;
- Receipt and check of the signed accounts and a signed letter of management representation.
- Review of consistency of the final Pension Fund accounts with the version presented in the Pension Fund's Annual Report

Details of each outstanding item, actions required to resolve them and responsibilities are included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Financial Statements which could influence our final audit opinion, a current draft of which is included in Section 03 of this report.

Audit differences

We have identified the following audit differences, based on work completed to date:

- Audit differences in the financial statement disclosures.

For further information on audit differences refer to Section 04 of this report. Until our audit is complete further differences may be identified.

Executive Summary (cont'd)

Areas of audit focus

In our Provisional Audit Plan, we identified a number of key areas of focus for our audit of Oxfordshire Pension Fund. This report sets out our observations and the status of our work in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Fraud risks	Findings & conclusions
Misstatements due to fraud or error (management override)	We carried out procedures to address this risk as set out in our Provisional Audit Plan, including identifying risks, considering controls and their effectiveness, testing journal entries and testing estimates for evidence of management bias. We have completed our work in this area and have no matters to bring to your attention.
Misstatement due to fraud or error (incorrect posting of investment valuation journals)	We carried out our planned audit procedures to address the risk related to incorrect posting of investment valuation journals. This included a reconciliation between the fund manager reports and the custodian reports to address the risk of manipulation of investment asset valuations. We have completed our work in this area. There are no matters to bring to your attention.

Significant risk	Findings & conclusions
Incorrect valuation of unquoted (Level 3) investments	We undertook additional procedures, as described more fully in Section 02 of this report, to gain assurance over the material accuracy of the year-end valuation of the Pension Fund's Level 3 complex investments, which are inherently more difficult to value. We have completed our work in this area. There are no matters to bring to your attention.

Higher inherent risk	Findings & conclusions
Valuation of Level 2 investment assets	We undertook procedures, as described more fully in Section 02 of this report, to gain assurance over the material accuracy of the year-end valuation of the Pension Fund's Level 2 investments, including for pooled investments to publicly available market value information, Fund manager confirmations and other related sources. We have completed our work in this area. There are no matters to bring to your attention.
IAS26 disclosure – Actuarial present value of promised retirement benefits	We carried out procedures to address this risk as set out in our Provisional Audit Plan. We have completed these procedures and have no matters to bring to your attention.

Executive Summary (cont'd)

Control observations

During the course of the audit we have not identified control observations which we wish to bring to your attention.

Independence

There are no matters to draw to your attention. Please refer to Section 07 for our update on Independence.

02 Areas of Audit Focus

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Areas of Audit Focus

Misstatements due to fraud or error

What is the risk?

There is a risk that the financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We have considered where this risk specifically manifests itself and this is in the posting of investment valuation journals. This consideration is set out on the next page.

What judgements we focused on?

The risk of management override at Oxfordshire Pension Fund is mainly through the possibility that management could override controls and manipulate financial transactions which intend to adjust the Pension Fund's Fund Account or Net Asset Statement.

This could be done through manipulation of manual adjustments, including via manual journals, in the preparation of financial statements or through management bias in accounting estimates.

Our response to the key areas of challenge and professional judgement

- We enquired of management about risks of fraud and the controls put in place to address those risks.
- We gained an understanding of the oversight given by those charged with governance of management's processes over fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.
- We reviewed accounting estimates for evidence of management bias.
- We evaluated the business rationale for any significant unusual transactions.
- We utilised our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale.

What are our conclusions?

Subject to review, our procedures to address this risk are complete.

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any evidence of management bias in relation to accounting estimates.

Our journal testing did not identify any journal entries without a valid business purpose.

We did not identify any other transactions during our audit which appeared unusual or outside Oxfordshire's Pension Fund's normal course of business.

Areas of Audit Focus

Misstatements due to fraud or error: Incorrect posting of investment valuation journals

What is the risk?

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We have considered the key areas where management has the opportunity and incentive to specifically override controls that could affect the Pension Fund's Financial Statements. We have identified the main risk to be the incorrect posting investment valuation journals.

What are the key judgement?

The posting of incorrect investment valuation journals at year end to the Pension Fund's general ledger would impact the performance and funding level of the Pension Fund's investment assets as reported in the Net Asset Statement.

Our response to the key areas of challenge and professional judgement

- We performed a reconciliation to test the agreement of the Pension Fund's investment asset holdings as at 31 March 2023, including asset values, to source reports from the Pension Fund's custodian and individual fund managers.
- We tested any significant reconciling amounts between the investment asset valuations as reported in the Pension Fund's Net Asset Statement compared to the custodian's investment report as of 31 March 2023.

What are our conclusions?

We have not identified any indication of management override, including in relation to investment journals

Areas of Audit Focus

Valuation of complex investments (level 3 investments)

What is the risk?

The Fund's investments include unquoted investment vehicles such as private equity and pooled property funds. We have identified the valuation of these investments, which are classified as complex investments, as an area of specific risk.

Judgements are taken by the Fund Managers to value those investments whose prices are not publicly available. The material nature of the investments means that any error in judgement could result in a material valuation error. Market volatility means such judgments can quickly become outdated, especially when there is a significant time period between the latest available audited information and the fund year end. Such variations could have a material impact on the financial statements. These investment types made up 15% of the fund's total net assets as per the 2022/23 draft account. As these investments are more difficult to value, we have assessed the valuation of these investments as a significant risk, as even a small movement in the assumptions could have a material impact on the financial statements

What judgements are we focused on?

Level 3 investment asset valuations, including the net asset values of each of the individual underlying investments funds. We also considered the potential changes in values where the date of valuation information where is not coterminous with the Pension Fund's year end date of 31 March 2023.

Our response to the key areas of challenge and professional judgement

For a sample of Level 3 investments we:

- Reviewed the basis of valuation for unquoted investments and assessed the appropriateness of the valuation methods used;
- Where available, reviewed the latest audited accounts for the relevant fund managers and ensured there are no matters arising that highlight material differences in the reported funds valuation within the financial statements;
- If the latest audited accounts are issued at a different date compared to the reporting date of the Pension Fund, we performed a roll forward procedures to support the valuation of the investments as of 31 March 2023. These included benchmark indices for similar assets and analysis of cash movements in the gap period;
- Performed analytical procedures and checked the valuation output for reasonableness against our own expectations;
- Obtained and reviewed internal control reports for fund managers to identify any internal control issues which could impact on valuations and assessed whether these would have an impact on the valuations provided by the fund managers;
- Reviewed investment valuation disclosures to verify that significant judgements supporting the valuation of level 3 investments have been disclosed in the Pension Fund's financial statements.

What are our conclusions?

We have not identified audit differences in the valuation of Level 3 investment assets above our reporting threshold.

We were satisfied that the Pension Fund's disclosures of significant judgements surrounding the valuation of Level 3 investments were appropriate

Areas of Audit Focus

Valuation of complex investments (level 2 investments)

What is the risk?

The valuation of investments under level 2 fair value hierarchy are based on observable inputs such as bid price in the market for similar instruments.

There is a risk that the comparable inputs used are not appropriate and valuation could be misstated.

What judgements are we focused on?

Level 2 investment asset valuations, including the bid prices and equity prices used to value the investment.

Our response to the key areas of challenge and professional judgement

For a sample of Level 2 investments we:

Equities:

> We have recomputed the securities' value as at 31 March 2023 by obtaining independent valuation/prices from EY Investment Security Pricing and multiplying by the number of units as confirmed by the fund managers. We checked for any material variances between our re-computation and the value reported.

Pooled investments:

> We compared the amount reported by the client to publicly available market value information, Fund manager confirmations and other related sources. We checked for any material variances between our re-computation and the value reported in the Financial Statements

What are our conclusions?

We have not identified audit differences in the valuation of Level 2 investment assets above our reporting threshold.

Areas of Audit Focus (cont'd)

IAS 26 disclosure – Actuarial present value of promised retirement benefits

What is the risk/area of focus

The Fund's IAS 26 calculation shows that the present value of promised retirement benefits amount to £3,278 million as at 31 March 2023 (£4,533 million as at 31 March 2022).

The figure is subject to complex estimation techniques and judgements by the Actuary, Hymans Robertson. The estimate is based on a roll-forward of data from the previous triennial valuation in 2022, updated where necessary, and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation and investment yields when calculating the liability.

There is a risk that the valuation uses inappropriate assumptions to value the liability as at the 31 March 2023.

What did we do?

We have:

- Evaluated whether the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.
- Engaged EY Pensions to review the roll forward procedures associated with the IAS 19 reports for the Oxford County Council which makes up 47,9% of the total pension fund asset and supports our IAS 26 disclosures work.
- Evaluated and placed reliance on EY Pension's and PwC's review of the underlying pension IAS19 assumptions used by the actuary, which also support the IAS26 figures.
- Assessed the competence of management experts, Hymans Robertson as the Pension Fund's actuary.
- Performed audit procedures to assess the accuracy of membership numbers provided to the actuary and included in the 31 March 2022 Triennial Report

We have not identified any issues from these procedures.

03 Audit Report

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Audit Report - draft

Draft audit report

Please note our audit opinion is draft subject to the resolution of outstanding matters for the audit as detailed in Appendix B.

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORDSHIRE COUNTY COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS - DRAFT

Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2023 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion the pension fund financial statements:

- give a true and fair view of the Fund during the year ended 31 March 2023 and the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director of Resources and Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern to [*date tbc - at least 12 months from the date of the audit report*].

Our responsibilities and the responsibilities of the Executive Director of Resources and Section 151 Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2022/23, other than the financial statements and our auditor's report thereon. The Executive Director of Resources and Section 151 Officer is responsible for the other information contained within the Statement of Accounts 2022/23.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Audit Report (cont'd)

Please note our opinion could be affected by items still pending as noted in section 1

Our opinion on the financial statements

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects

Responsibility of the Executive Director of Resources and Section 151 Officer

As explained more fully in the Statement of Executive Director of Resources and Section 151 Officer's Responsibilities set out on page 9, the Executive Director of Resources and Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and for being satisfied that they give a true and fair view.

The Executive Director of Resources and Section 151 Officer is also responsible for such internal control as the Executive Director of Resources and Section 151 Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Resources and Section 151 Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Executive Director of Resources and Section 151 Officer .

Audit Report (cont'd)

Please note our opinion could be affected by items still pending as noted in section 1

Our opinion on the financial statements

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquires of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees, and through the inspection of other information.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- To address our fraud risk we tested the consistency of the investment asset valuations from the independent sources of the custodian and the fund managers to the financial statements.
- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Oxfordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Oxfordshire County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Suter (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Southampton
Date

04 Audit Differences

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Audit Differences (cont'd)

Summary of audit differences

We have detailed in this section the identified audit differences. We have yet to agree with management which differences will be amended for in the final audited financial statements. Until our audit is fully complete further differences may be identified.

For any audit differences that are not amended by management, we will ask the Audit and Governance Committee to request of management that the uncorrected audit differences be corrected or a rationale as to why they are not corrected be considered and approved by the Audit and Governance Committee and provided within the Letter of Representation.

Identified audit differences 31 March 2023 (£'000)	Effect on the current period:		Net assets (Decrease)/Increase			
	OCI Debit/(Credit)	Fund Account Debit/(Credit)	Assets current Debit/ (Credit)	Assets non-current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non-current Debit/ (Credit)
Errors						
Known differences:						
► No material differences identified in the current year						
Overall financial statement impact:		NIL		NIL		
Disclosure misstatements						
Various disclosure errors were reported to management						

Further audit differences may be identified in relation to the outstanding matters as set out in Appendix B.

05 Other Reporting Issues

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Other Reporting Issues

Consistency of other information published with the financial statements

We must give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements We have no inconsistencies to draw to your attention.

In addition, we also perform procedures to ensure the consistency of the Pension Fund accounts with the version presented in the Pension Fund's Annual Report. This work is currently in process.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014.

We had no reason to exercise these duties in relation to Oxfordshire Pension Fund.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must inform you of significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process.

We have undertaken additional testing undertake this year to provide assurance on the Pension Fund membership data that was submitted to the actuary for the 31 March 2022 triennial valuation of the Pension Fund. In total, we sample tested 125 member records, checking information back to source evidence to verify the data points contained in the Pension Fund's membership system were accurate.

We identified a number of differences as part of this work requiring further information and explanation from the fund administration team in relation to these.

We are only required to conduct procedures on the triennial membership submission once every 3 years. Therefore, there is an additional fee this year for completion of these procedures. This is set out in Section 07 of this report.

Other Reporting Issues

Other matters (Continued)

There have been delays in the completion of the audit this year due to issues with the reconciliation of membership numbers, mainly related to the processes related to the clearing of the historical backlog. This impacted the audit of membership contributions, as the difference between our expectation and the amount recorded in the Pension Fund accounts exceeded our allowable threshold. We expect to raise an additional audit fee associated with the additional time it has taken the audit team to progress the audit as the result of these issues. This additional audit fee is set out in Section 07 of this report.

We have no other matters to report.

Other Reporting Issues

ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement

ISA 315 revised is effective from financial year 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas:

- Risk assessment
- Understanding the entity's internal control
- Significant risks
- Approach to addressing significant risk (in combination with ISA 330)

The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to:

- Drive consistent and effective identification and assessment of risks of material misstatement
- Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability')
- Modernise ISA 315 to meet evolving business needs, including:
    - how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and
    - how auditors understand the entity's use of information technology relevant to financial reporting.
- Focus auditors on exercising professional scepticism throughout the risk identification and assessment process.

We set out the findings and conclusions from our work to implement ISA 315 in the table below.

Audit Procedures	Audit findings and conclusions
We obtained an understanding of the IT processes related to the IT applications of the Fund. The Fund has two relevant IT applications for the purposes of ISA 315 risk assessment. We performed procedures to determine if there are typical controls missing or control deficiencies identified and evaluated the consequences for our audit strategy.	Our work in this area is complete. Based on the procedures performed thus far, no significant issues were identified in our review of the various processes, including the design and implementation effectiveness of relevant controls around the financial statement close process.
When we have identified controls relevant to the audit that are application controls or IT-dependent manual controls, where we do not gain assurance substantively, we performed additional procedures to assess: • Manage entity-programmed changes IT process • Manage vendor supplied changes • Manage security settings • Manage user access • Job scheduling and managing IT process.	We have not tested the operation of any controls through this review.

06 Assessment of Control Environment

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Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

During the course of the audit we not identified any area of weakness in relation to the Pension Fund's control environment.

07 Independence

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Independence, Relationships, services, related threats and safeguards

Confirmation

We are not aware of any inconsistencies between Ernst & Young (EY)'s policy for the supply of non-audit services and FRC Ethical Standard. We are not aware of any apparent breach of that policy.

We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

Relationships

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2022 to the date of this report which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 28 June 2024:

ey-uk-2024-transparency-report.pdf

Independence, Relationships, services, related threats and safeguards

Services provided by Ernst & Young

There are no services provided by EY from 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

The table includes a summary of the fees due to EY in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included below.

We highlight in the table below the most significant services that may be reasonably considered to bear upon our integrity, objectivity and independence.

	Current Year 2022/23	Current Year 2022/23	Prior Year 2021/22
	Proposed fee £	Planned fee £	Proposed fee £
Scale Fee – Code work	25,254	25,254	18,563
Changes in work required to address professional and regulatory requirements and scope associated with risk – Note 1 and Note 3	TBC	44,551	25,849
Additional fee for the provision of IAS19 assurance letters, including triennial testing to support IAS 26 disclosure and IAS 19 pension liability roll forward - Note 2	9,800	7,500	5,500
ISA 315 implementation	7,840	4,000 to 6,000	0
Total fees	**TBC**	**82,279 – 84,279**	**49,912**

Note 1 – We do not believe that the current scale fee reflects the changes in the audit market and increases in regulation since the most recent PSAA tender exercise. For 2021/22 and 2022/23, we have therefore proposed increases to the scale fee to take into account a number of risk factors including: Procedures performed to address the risk profile of the Pension Fund; Additional work to address increase in Regulatory Standards; Client readiness and IT support for data analytics. For 2022/23 PSAA have increased the base scale fee, but in our view this still does not fully cover the additional work required and we will therefore be submitting a further proposed increase for 2022/23 for determination by PSAA. For reference, the scale fee for the 2023/24 Oxfordshire Pension Fund audit, as set by PSAA under the new local government sector audit contract, is £83,224.

Independence, Relationships, services, related threats and safeguards

Note 2 – We plan to charge an additional fee of to take into account the work required to respond to IAS19 assurance requests from admitted body auditors for 2022/23. We have been asked to provide similar assurances in 2022/23 for West Oxfordshire District Council. This fee also includes activity with respect to detailed testing of the triennial membership submission to the actuary. We perform this testing on a triennial basis based on when the actuary conducts a full valuation of the Pension Fund. This work supports the assurance we need to obtain in relation to the IAS26 disclosures in the pension fund accounts as well as any IAS19 assurance letters for both this and the subsequent two years the triennial valuation supports. The final fee is higher than planned due to additional work we have had to undertake in this area. The additional testing performed in the triennial year relates to testing of the membership data points (see below). A sample of 125 members (25 per report submitted to the actuary) was selected for testing. Fees for the membership testing are not subject to determination by PSAA.

Category	Key Drivers for Actuarial Valuation
Active	Date of birth Gender Date joined scheme Service Period CARE pot Final Salary (for <2014) Pensionable salary
Deferred	Date of birth Gender Deferred pension
Beneficiaries	Date of birth Gender Pension amount
Frozen/Undecided	Total refund
Pensioners and beneficiaries	Date of birth Gender Total Pension in payment

Note 3 - The proposed additional fee range for 2022/23, includes additional procedures in relation to the following areas:

- additional testing of level 3 investment valuations,
- review by EY Pensions team to support procedures performed on the IAS 26 (actuarial present value of promised retirement benefits) disclosure
- Additional work by EY Pensions on the roll forward estimate of the net pension liability for the Council for 2022/23. We leverage this work, which is normally undertaken as part of the Council audit, to gain assurance over the IAS 26 processes and resulting disclosures.
- going concern assessment and disclosures,
- work to meet the requirements of the revised auditing standard ISA 540 (going concern) and ISA 240 (fraud assessment)

As the 2022/23 audit is in not yet concluded, we are not yet able to confirm the final fee for the specific additional procedures and identified risk areas as noted above. The final audit fee will be submitted to management and determined by PSAA.

08 Appendices

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Appendix A - Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report 4 January 2024
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report 4 January 2024
Significant findings from the audit	▸ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▸ Significant difficulties, if any, encountered during the audit ▸ Significant matters, if any, arising from the audit that were discussed with management ▸ Written representations that we are seeking ▸ Expected modifications to the audit report ▸ Other matters if any, significant to the oversight of the financial reporting process	Audit planning report 4 January 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▸ Whether the events or conditions constitute a material uncertainty related to going concern ▸ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▸ The appropriateness of related disclosures in the financial statements	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024
Misstatements	▸ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▸ The effect of uncorrected misstatements related to prior periods ▸ A request that any uncorrected misstatement be corrected ▸ Material misstatements corrected by management	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Fraud	▸ Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▸ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▸ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▸ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▸ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▸ Any other matters related to fraud, relevant to Audit and Governance Committee responsibility.	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▸ Non-disclosure by management ▸ Inappropriate authorisation and approval of transactions ▸ Disagreement over disclosures ▸ Non-compliance with laws and regulations ▸ Difficulty in identifying the party that ultimately controls the entity	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▸ The principal threats ▸ Safeguards adopted and their effectiveness ▸ An overall assessment of threats and safeguards ▸ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Audit planning report 4 January 2024 and Provisional Audit results report - 26 April 2024 Audit Results report - 27 November 2024
External confirmations	▸ Management's refusal for us to request confirmations ▸ Inability to obtain relevant and reliable audit evidence from other procedures.	We have received all requested confirmations

Appendix A - Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Consideration of laws and regulations	▸ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▸ Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations
Significant deficiencies in internal controls identified during the audit	▸ Significant deficiencies in internal controls identified during the audit.	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024
Written representations we are requesting from management and/or those charged with governance	▸ Written representations we are requesting from management and/or those charged with governance	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	▸ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024
Auditors report	▸ Key audit matters that we will include in our auditor's report ▸ Any circumstances identified that affect the form and content of our auditor's report	Provisional Audit results report – 26 April 2024 Audit Results report – 27 November 2024

Appendix B – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Subsequent events review procedures	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Partner and EQCR Review	Completion of review of audit file	EY
Management representation letter	Receipt of signed management representation letter	EY, management and Audit Committee
Annual Report and Financial Statements consistency	Review of the Pension Fund's Annual Report for consistency with the Pension Fund's financial statements within the administering authority's Statement of Accounts.	EY and management
Final signed accounts	Receipt and review of final set of financial statements to check agreed amendments. Signed approval of the accounts by s151 Officer.	EY and management

*See next page.

Appendix C – Management representation letter

Management representation letter

The management representation letter as shown below is draft and subject to change pending resolution of the outstanding matters for the audit.

Management Rep Letter

Kevin Suter
Ernst & Young
Grosvenor House
Southampton
SO15 2BE

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire Pension Fund ("the Fund") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the period from 1 April 2022 to 31 March 2023, and of the amount and disposition at that date of its assets and liabilities as at 31 March 2023, other than liabilities to pay pensions and benefits after the end of the year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

We understand that the purpose of your audit of the Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK) , which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and for keeping records in respect of contributions received in respect of active members of the Fund.

2. We confirm that the Fund is a Registered Pension Fund. We are not aware of any reason why the tax status of the Fund should change.

3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements and the Summary of Contributions. We believe the financial statements referred to above give a true and fair view of the financial transactions and the financial position of the Fund in accordance with the applicable law and CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and are free of material misstatements, including omissions. We have approved the-financial statements.

4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

5. As members of management of the Fund we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that are

Appendix C – Management representation letter

Management representation letter

Management Rep Letter

free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic and the effects of the conflict and related sanctions in Ukraine, Russia and/or Belarus on our system of internal controls.

6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Fund's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have not made any reports to the Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.

5. There have been no other communications with the Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.

6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.

7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
   - Involving financial improprieties
   - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements
   - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund's business, its ability to continue in business, or to avoid material penalties
   - Involving management, or employees who have significant roles in internal control, or others
   - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

Appendix C – Management representation letter

Management representation letter

Management Rep Letter

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
   - Additional information that you have requested from us for the purpose of the audit; and
   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. You have been informed of all changes to the Fund rules.

3. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic and including those related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.

4. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: *[list date]*

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.

6. We confirm the completeness of information provided regarding annuities held in the name of the members of management of the Fund.

7. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

8. No transactions have been made which are not in the interests of the Fund members or the Fund during the fund year or subsequently.

9. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Appendix C – Management representation letter

Management representation letter

Management Rep Letter

10. From 27 September 2023 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 23 to the financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note 19 to the financial statements discloses all the matters of which we are aware that are relevant to the Fund's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the statement of accounts 22/23, other than the financial statements, the auditor's report and the statement about contributions.

2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Independence

1. As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

Appendix C – Management representation letter

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Management Rep Letter

I. Derivative Financial Instruments

1. We confirm that the Fund has made no direct investment in derivative financial instruments.

J. Pooling investments, including the use of collective investment vehicles and shared services

1. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

K. Actuarial valuation

The latest report of the actuary Hyman Robertson as at 31 March 2022 and dated 31 March 2023 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

L. Estimates

Level 3 Investment Asset Valuation Estimate and Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgments made in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate.

3. We confirm that the significant assumptions used in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate appropriately reflect our intent and ability to continue to maintain the pension fund investments for the purpose of management of the fund and payment of future benefits on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 22/23.

5. We confirm that appropriate specialized skills or expertise has been applied in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements, including due to the COVID-19 pandemic.

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Appendix C – Management representation letter

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M. Use of the Work of a Specialist

1. We agree with the findings of the specialist, Hymans Robertson as the Pension Fund's actuary, that we have engaged to value fund assets and liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

_____

S151 Officer

_____

Audit and Governance Committee Chair

Date

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Ernst & Young LLP

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ED None

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Oxfordshire County Council
Completion Report for Those Charged with Governance

Year ended 31 March 2023

Report issued – 15 November 2024

Audit & Governance
Committee
Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND

15 November 2024

Dear Audit and Governance Committee

Completion Report for Those Charged With Governance

Attached is our Completion Report for Those Charged With Governance. The purpose of this report is to provide the Audit and Governance Committee of Oxfordshire County Council (the Authority) with a detailed complete report covering our approach and outcomes of the 2022/23 audit.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK). This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the year ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs (UK) and we anticipate issuing a disclaimed audit report.

In completing our work for this year, we have taken into account Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024", Local Authority Reset and Recovery Implementation Guidance. We have also taken into account the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice (including recent 2024 updates), the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

The Audit & Governance Committee, as the Authority's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support the delivery of a timely and efficient audit.

We consider and report on the adequacy of the Authority's external financial reporting arrangements and the effectiveness of the Audit & Governance Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements, and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw the Audit & Governance Committee members and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix F).

This report is intended solely for the information and use of the Audit & Governance Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.

Yours faithfully

Stephen Reid

Partner

For and on behalf of Ernst & Young LLP

Enc

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website. The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (https://www.psaa.co.UK/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit & Governance Committee and management of Oxfordshire County Council. Our work has been undertaken so that we might state to the Audit & Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit & Governance Committee and management of Oxfordshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Executive Summary

Context for the audit – Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- Lack of capacity within the local authority financial accounting professions.
- Increased complexity of reporting requirements within the sector.
- Lack of capacity within audit firms with public sector experience.
- Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

DLUHC (now MHCLG) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop and implement measures to clear the backlog. Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI), together with the updated NAO Code of Audit Practice 2024 and the Local Authority Reset and Recovery Implementation Guidance, which have all been developed to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024.
- Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

As a result of the system wide implementation of backstop dates we anticipate issuing a disclaimed audit opinion on the Authority's 2022/23 financial statements. The proposed disclaimer of the Authority's 2022/23 financial statements impacts the audit procedures that we have planned and undertaken to gain assurance on the 2022/23 financial statements and the form of the audit report.

Local Background and Context

The position at this Authority has developed over recent years resulting in unaudited financial statements for 31 March 2023.

We completed the audit of the 2021/22 financial statements in January 2024 and issued our audit opinion on 25 January 2024. The delays to the 2021/22 audit included issues in relation to the Council's accounting for Property, Plant and Equipment which required the restatement of prior period balances, together with several new technical issues and challenges to address, including accounting for infrastructure assets and the updated pension fund valuations.

As a result of the delays to the previous year's audit, together with the wider requirements of the local audit reset, we did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the 2022/23 financial statements. Therefore, we are disclaiming our opinion on the financial statements.

Report structure and work completed

This report covers the work we have completed to meet the requirements of the International Standards on Auditing (UK&I), (ISAs) and the Local Audit Reset and Recovery Implementation Guidance (LARRIGs) along with the National Audit Office Value for Money Code (NAO VFM Code). It has been split into the following sections.

Section 1 – Executive Summary – this section sets out the national and local context and the structure of our report.

Section 2 – Work Plan – We have completed the following planning tasks:

- Required independence procedures.
- Set a level of materiality.
- Issued letters of inquiry to Management, Those Charged with Governance, the Head of Internal Audit and the Monitoring Officer.
- Updated our understanding of the business, including through review of responses to inquiry letters, minute review and in discussion in our internal planning meeting,
- Identified significant, inherent and other areas of higher risk or focus.
- Considered any other matters that may require reporting to regulators, or which may result in a modification to the audit report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 3 – Results and findings - Work completed to issue the disclaimer, findings and results:

- Review of the financial statements.
- Consideration of any matters that came to light during our planning and review procedures in relation to laws and regulations, fraud, related parties, litigation and claims, significant changes to contracts and systems, service organisations, which we report as appropriate.
- Reporting on any other matters that may require the use of the auditor's powers, formal reporting or a modification to the auditor's report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 4 – Value for money reporting

- The value for money report covering the year to 31 March 2023.

Section 5 - Appendices

02 Work Plan

Audit scope

This Completion report covers the work that we performed in relation to:

- Our audit opinion on whether the financial statements of the Authority give a true and fair view of the financial position as at 31 March 2023 and of the income and expenditure for the year then ended; and
- Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 4.

We also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK). This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the year ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs (UK) and we anticipate issuing a disclaimed audit report.

Materiality

Planning materiality

£23.3m

Materiality for y/e 31 March 2023 has been set at £23.3 million, which represents 1.8% of 2023 gross expenditure on provision of services.

Performance materiality

£11.6m

Performance materiality for y/e 31 March 2023 has been set at £11.6 million, which represents 50% of planning materiality.

Audit differences

£1.2m

We will report all uncorrected misstatements relating to the primary statements greater than £1.2 million for y/e 31 March 2023. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit & Governance Committee.

In order to ascertain the significance of issues in the draft financial statements we have set materiality based on the 2022/23 audit year. We have considered updating this materiality for any key changes or known factors from that year but have not identified any which would change our calculation. We determined that our audit procedures would be performed using a materiality of £11.6 million. This level of materiality remains appropriate for the actual results for the financial year.

These materiality levels have been set based on the main Authority financial statements. These levels are being used to assess our response to any issues identified in the Authority's financial statements.

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Valuation of land and buildings and investment property	31 March 2023	Significant Risk	No Change	Property, Plant and Equipment Land and Buildings (L&B) and Investment Properties (IP) represent significant balances in the Authority's financial statements and are subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end L&B and IP balances held in the balance sheet. As the Authority's asset base is significant, and the outputs from the valuers are subject to estimation, there is a higher risk that L&B and IP may be under / overstated or the associated accounting entries incorrectly posted. We are required to undertake procedures on the use of experts and assumptions underlying fair value estimates.
Misstatements due to Fraud and Error	31 March 2023	Significant and Fraud Risk	No Change	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Incorrect capitalisation of revenue expenditure	31 March 2023	Significant and Fraud Risk	No Change	Linked to the risk of 'misstatements due to fraud and error', inappropriate revenue or expenditure recognition would most likely be affected through the override of controls. This risk manifests itself in areas where management makes judgements that impact the General Fund balance through determining whether items of expenditure are financed from capital or revenue resources. As such we associate this risk with capital additions and Revenue Expenditure Funded from Capital Under Statute (REFCUS).

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Valuation of defined benefit pension scheme	31 March 2023	Inherent Risk	No Change	The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Oxfordshire County Council. The Authority's pension liability is a material estimated balance and is required to be disclosed on the Authority's balance sheet. At 31 March 2023 this totalled £129.6 million. The information disclosed is based on the IAS 19 report issued by the Pension Fund actuary to the Authority. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on its behalf. We are required to undertake procedures on the use of the use of the actuary as management's expert and the assumptions underlying fair value estimates.

The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence
- The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).
- All proposed NAS for PIE audit clients will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements.

Final stage

- In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of non-audit/additional services provided and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services. We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However, we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Stephen Reid, your audit engagement partner and the audit engagement team have not been compromised.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

At the time of writing, the current ratio of non-audit fees to audit fees is approximately 0.15:1. We have adopted the following safeguards as a result.

Description of relationship	Related independence threat	Safeguards adopted and reasons considered to be effective
We are engaged by the Council as a reporting accountant for Teacher's Pensions.	Self-Interest	The service is permissible under the NAO's Auditor Guidance Note 01. because this service is required by the awarding central government department
	Self-review	The results of the AUP testing is not reflected in the amounts included/disclosed in the financial statements. The external audit conclusion is not reliant upon the conclusion of our AUP engagement. No advice will be given in relation to accounting treatment.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self-interest threats at the date of this report.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

EY UK 2024 Transparency Report | EY - UK

03 Results and findings

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Status of the audit

Our audit work in respect of the Authority's opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Completion of subsequent events procedures; and
- Receipt of a signed management representation letter

Given that the audit process is still ongoing, we will continue to consider existing and new information which could influence our final audit opinion.

Value for Money

Our value for money (VFM) work is complete and reported in Section 4 of this report. We identified a risk of significant weakness in respect of Financial Sustainability. Having updated and completed the planned procedures in these areas we did not identify a significant weakness.

Audit differences

We have noted differences in the Comprehensive Income and Expenditure due to mapping. However, the overall net effect of this is zero. We also noted differences in the movement of the capital adjustment accounts. We recommend a detailed review and correction of the mapping discrepancies identified in the comprehensive income and expenditure account. This will ensure proper classification and enhance the accuracy of financial reporting. Additionally, a thorough analysis and reconciliation of the movements in the capital adjustment account is required.

Other Reporting Issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We have completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts. We have no matters to report as a result of this work.

We have not received any objections to the 2022/23 financial statements from members of the public.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”).

We did not identify any issues which required us to issue a report in the public interest.

Areas of audit focus

We identified a number of key areas of focus for our audit of the financial statements of the Authority. We concluded we would disclaim the audit and therefore have not completed detailed audit testing on these areas but instead have reported any matters that came to light from the work we did complete.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues.
- You concur with the resolution of the issue.
- There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee or full Council.

Control observations

During the audit, we did not identify any significant deficiencies in internal control.

Independence

Further to our review of independence in section 2 of this report we have not identified any issues to bring to your attention.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Going concern; and
- Consideration of laws and regulations;

We have no other matters to report.

Draft audit report 2022/23

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORDSHIRE COUNTY COUNCIL

Disclaimer of opinion

We were engaged to audit the financial statements and the firefighters' pension fund financial statements of Oxfordshire County Council ('the Council') for the year ended 31 March 2023. The financial statements comprise the:

- Council Movement in Reserves Statement,
- Council Comprehensive Income and Expenditure Statement,
- Council Balance Sheet,
- Council Cash Flow Statement,
- the related notes 1 to 61 including a summary of significant accounting policies and including the Expenditure and Funding Analysis,
- and include the firefighters' pension fund financial statements comprising the Fund Account and the Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

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

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 requires the accountability statements for this financial year to be approved not later than 13th December 2024.

We completed the audit of the 2021/22 financial statements in January 2024 and issued our audit opinion on 25 January 2024.

As a result of the delays to the previous year's audit, together with the wider requirements of the local audit reset, we did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the 2022/23 financial statements. Therefore, we are disclaiming our opinion on the financial statements.

Matters on which we report by exception

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

Draft audit report 2022/23

Our opinion on the financial statements

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

Responsibility of the Executive Director of Resources (S151 Officer)

As explained more fully in the Statement of the Executive Director of Resources (S151 Officer) Responsibilities set out on page 9, the Executive Director of Resources (S151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the Council financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Executive Director of Resources (S151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Resources (S151 Officer) is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our opinion on the financial statements

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

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in January 2023, as to whether Oxfordshire County Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Oxfordshire County Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

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

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

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

Certificate

We certify that we have completed the audit of the accounts of Oxfordshire County Council in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Oxfordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Reid (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
London
27 November 2024

The following footnote does not form part of our Auditor's Report.

Additional information related to the disclaimer of opinion is set out in our Completion Report for Those Charged with Governance dated 05 November 2024, available on the Council's website, which includes further explanations about the implementation of the statutory instrument which led to the disclaimer of our opinion on the financial statements.

04 Value for Money

Purpose

Auditors are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this commentary is to explain the work we have undertaken during the 2022/23 period and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2022/23, which were initially reported in our interim value for money report on 29th September 2024 The NAO has confirmed that where VFM reporting is outstanding for more than one year, the auditor can issue one report covering all years.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report.

Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Executive Director of Resources and Section 151 Officer, and Chief Internal Auditor;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Council's VFM arrangements.

We identified a significant risk related to Financial Sustainability as part of our risk assessment procedures. We set out our planned response to address this risk in the table below.

Description of risk identified	Work planned to address the risk of significant weakness
Financial Sustainability – In-year overspend on the revenue budget	Understand the key drivers behind the overspend and forward plans to ensure that no further overspends of a similar nature occur in future years.

Reporting

The commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2022/23. We include within the VFM commentary below the associated recommendation we have agreed with the Council

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	Significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

Financial Performance:

At the end of 2022/23 there was an overspend of £21.6 million against directorate budgets of £526.1 million. This resulted in total expenditure of £547.1 million. This overspend was largely driven by significant in-year financial pressures on Children's services which was overspent by £19.2 million (a 12.5% overspend). Offsetting the overspend in directorate budgets was an underspend of £10.4 million on budgets and funding held centrally. The total overspend for the year when taking account of these underspends and combined with additional business rates was an overspend of £13.4 million in 2022/23.

Reserves:

County General Fund Balances decreased in 2022/23 by £16.7 million as a result of the deficit position on the Provision of Services. The closing balance of the County Fund balance at the end of 2022/23 was £22.6 million (PY: £39.3 million).

Usable Earmarked Reserves increased by £19.4 million to £203.0 million (PY: £183.5 million). Other Usable Reserves also increased taking the total Usable Reserves to £475.7 million (PY: £434.1 million).

Budgets and Medium-Term Financial Strategy (MTFS):

The budget for 2022/23 was approved by the Council in February 2022. The Council's MTFS 2024-2025 to 2026-27 was presented in February 2023. The MTFS supports the delivery of the Council's 9 main priorities (see page 29 for details). The agreed directorate budget for 2023/24 was £573.8 million financed from a combination of Government Grants, Business Rates and Council Tax. At the time of preparation in February 2023 the MTFS was balanced for 2023-24 and 2024-25 with a budget shortfall of £6.7 million forecast from 2025-26.This shortfall would be revised as further government announcements on future funding arrangements were made.

At the time the MTFS was produced pay and price inflation were significant budgetary pressures and that has extended through into the 2023/24 financial year. Uncertainty over the future levels of funding from Government, the continued application of the DSG statutory override and adult social care reform are all recognised as risks to the Council's financial position over the medium term. The Council has been clear on these risks, which are common with financial pressures at similar local authorities, and associated measures to seek to mitigate them have been well documented in both its internal financial reporting and external communications with relevant stakeholders.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Recommendation: Understand the key drivers behind the overspend and forward plans to ensure that no further similar overspends occur in future years

Governance: How the Council ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Council continues to maintain adequate arrangements to monitor and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud and corruption. The Council's risk management framework guides the development of risk and opportunity management at a strategic and operational level and to ensure that risks are appropriately managed and controlled. This aids the achievement of the Council's strategic priorities, supports its decision-making processes, and protects its reputation and other assets and is compliant with statutory and regulatory obligations. Risks are identified as a routine process of all services and these are regularly reviewed and updated.

The Council has implemented systems to ensure conflicts of interest are identified, recorded and acted upon accordingly, excluding anyone from decision-making where a conflict arises, and making public declaration of interests through its Register of Interests which is published on the Council's website and covers employees and members.

This risk management framework is supported and informed by the work of the Council's Internal Audit function. Having completed their work in accordance with the 2022/23 Internal Audit Plan, 29 of 30 reports issued received either substantial or full assurance with only 1 report with a Red classification. This resulted in an overall Head of Internal Audit opinion for 2022/23 of Satisfactory Assurance. This is the second highest possible classification. Where recommendations have been raised, there is an established process of monitoring progress to ensure these recommendations are implemented and embedded. Where actions and recommendations go overdue, management are required to report the rationale to the Committee.

The Council's established budget setting and monitoring processes have continued throughout 2022/23, with appropriate oversight from the Council's relevant

committees and decision-making bodies. There are well established governance arrangements, policies and procedures in place to ensure compliance with legislative and regulatory requirements and routine monitoring of adherence to those standards.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.

Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Council has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. Each of the Council's areas of key service provision are supported by a separate overview and scrutiny committee. Each of these Committees is responsible for ensuring compliance with legislative and regulatory requirements.

The Council has an established process of quarterly reporting of financial performance to the Performance & Corporate Services Overview & Scrutiny Committee and operational performance reports to the service line Overview and Scrutiny Bodies. These have continued to operate effectively throughout the 2022/23 period, and clearly outline performance against planned targets and outcomes. These meetings and the decisions made are published on the Council's website. Depending on the performance area, the (full) Council meeting has oversight of actions being identified and taken to address areas where performance is below plan. Where available, services utilise performance information and standards to compare and assess performance with other councils or with nationally recognised performance frameworks.

The Council's services continue to be subject to review and assessment by external bodies such as the Care Quality Commission (CQC) and Ofsted. During 2022/23 there were no negative CQC or Ofsted inspection findings.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.

05 Appendices

Management representation letter 2023/24

Management Rep Letter

[To be prepared on the entity's letterhead] *[Date]*

Ernst & Young

This letter of representations is provided connection with your audit of the Authority financial statements of Oxfordshire County Council ("the Authority") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Authority financial statements give a true and fair view of (or 'present fairly, in all material respects,') the authority financial position of Oxfordshire County Council as of 31 March 2023 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Authority, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)**.**

We understand that the purpose of your audit of our Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist. Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Authority, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)].
2. We acknowledge, as members of management of the authority, our responsibility for the fair presentation of the Authority financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the authority financial statements are appropriately described in the authority financial statements**.**
4. As members of management of the authority, we believe that the authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the applicable financial reporting framework for the Authority that are free from material misstatement, whether due to fraud or error.

Management representation letter 2023/24

Management Rep Letter

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
6. There have been no significant errors or misstatements, or changes in accounting policies, other than the matters described above, that would require a restatement of the comparative amounts in the current year's Authority financial statements. Other differences in the amounts shown as comparative amounts from the amounts in the Authority financial statements for the year ended 31 March 2022 are solely the result of reclassifications for comparative purposes.
7. We confirm the authority does not have securities (debt or equity) listed on a recognized exchange.
8. We have confirmed to you any changes in service organizations within the authority since the last audited financial year.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the Authority financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws and regulations, including fraud that may have affected the Authority (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:

- Involving financial improprieties
- Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Authority financial statements
- Related to laws or regulations that have an indirect effect on amounts and disclosures in the Authority financial statements, but compliance with which may be fundamental to the operations of the authority's business, its ability to continue in business, or to avoid material penalties

Management representation letter 2023/24

Management Rep Letter

- Involving management, or employees who have significant roles in internal control, or others
- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the Authority financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: *[list date].*
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the Authority financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the applicable financial reporting framework.
6. We have disclosed to you, and the authority has complied with, all aspects of contractual agreements that could have a material effect on the Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the Authority financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Management representation letter 2023/24

Management Rep Letter

8. We have disclosed to you,,and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the Authority financial statements, including disclosures.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

E. Going Concern

1. Note *2* to the Authority financial statements discloses all the matters of which we are aware that are relevant to the authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events subsequent to period end which require adjustment of or disclosure in the Authority financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the information contained within the Narrative Statement and also the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and the authority have reflected these in the Authority financial statements.

Yours faithfully,

_____

Lorna Baxter – Executive Director of Finance and Resources (S151 Officer)

_____

Councillor Ted Fenton - Chairman of the Audit & Governance Committee

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The original fees for these years were based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statement opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council; and
- The Council has an effective control environment
- The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.UK/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

	Current Year	Scale fee	Prior Year
	£	£	£
Total Fee – Code Work	98.793	98,793	84,668
Other – Additional Fee	TBC*	N/A	124,746 (note 1)
Total audit	TBC*	98,793*	209,414
Other non-audit services not covered above (Teacher's Pensions) (Note 2)	15,000	15,000	14,000
Total other non-audit services	15,000	15,000	14,000
Total fees	TBC*	113,793*	223,414

All fees exclude VAT

*PSAA Ltd , in line with the joint statement issued by DLUHC (as at that date) and the FRC is responsible for the determination of the final audit fee in respect of 2022/23.

In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.

Note 1: In 2021/22 PSAA approved an additional fee of £124,746 in respect of additional work completed to address significant risks on the audit.

Note 2: EY certify the Teacher's Pensions return on behalf of Oxfordshire County Council each year. This is a separate piece of work and the actual fee for 2022/23 was £15,000.

We have detailed the communications that we must provide to the audit committee.

Required communications	What is reported?	Our Reporting to you When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ► The planned scope and timing of the audit ► Any limitations on the planned work to be undertaken ► The planned use of internal audit ► The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	This Completion report for Those Charged with Governance
Significant findings from the audit	► Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ► Significant difficulties, if any, encountered during the audit ► Significant matters, if any, arising from the audit that were discussed with management ► Written representations that we are seeking ► Expected modifications to the audit report ► Other matters if any, significant to the oversight of the financial reporting process ► Findings and issues regarding the opening balance on initial audits (delete if not an initial audit)	This Completion report for Those Charged with Governance

Required communications	What is reported?	Our Reporting to you When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ► Whether the events or conditions constitute a material uncertainty ► Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ► The adequacy of related disclosures in the financial statements	This Completion report for Those Charged with Governance
Misstatements	► Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ► The effect of uncorrected misstatements related to prior periods ► A request that any uncorrected misstatement be corrected ► Material misstatements corrected by management	This Completion report for Those Charged with Governance
Fraud	► Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ► Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ► Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ► The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ► Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ► Any other matters related to fraud, relevant to Audit Committee responsibility	This Completion report for Those Charged with Governance

Required communications	What is reported?	Our Reporting to you When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ► Non-disclosure by management ► Inappropriate authorisation and approval of transactions ► Disagreement over disclosures ► Non-compliance with laws and regulations ► Difficulty in identifying the party that ultimately controls the entity	This Completion report for Those Charged with Governance
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence ► Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ► The principal threats ► Safeguards adopted and their effectiveness ► An overall assessment of threats and safeguards ► Information about the general policies and process within the firm to maintain objectivity and independence Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	This Completion report for Those Charged with Governance

		Our Reporting to you
Required communications	What is reported?	When and where
	► A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ► Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ► Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ► The audit committee should also be provided an opportunity to discuss matters affecting auditor independence	This Completion report for Those Charged with Governance
External confirmations	► Management's refusal for us to request confirmations ► Inability to obtain relevant and reliable audit evidence from other procedures	This Completion report for Those Charged with Governance
Consideration of laws and regulations	► Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ► Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	This Completion report for Those Charged with Governance
Internal controls	► Significant deficiencies in internal controls identified during the audit	This Completion report for Those Charged with Governance

		Our Reporting to you
Required communications	What is reported?	When and where
Representations	Written representations we are requesting from management and/or those charged with governance	This Completion report for Those Charged with Governance
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	This Completion report for Those Charged with Governance
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	This Completion report for Those Charged with Governance
Auditors report	► Key audit matters that we will include in our auditor's report ► Any circumstances identified that affect the form and content of our auditor's report	This Completion report for Those Charged with Governance

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that… so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations …"

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

The International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and

Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter	Implication
► Suspected or known fraud or bribery	► Potential fraud/breach of anti-bribery legislation
► Health and Safety incident	► Potential breach of section 2 of the Health and Safety at Work Act 1974
► Payment of an unlawful dividend	► Potential breach of Companies Act 2006
► Loss of personal data	► Potential GDPR breach
► Allegation of discrimination in dismissal	► Potential non-compliance with employment laws
► HMRC or other regulatory investigation	► Suspicion of non-compliance with laws/regulations
► Deliberate journal mis-posting or allegations of financial impropriety	► Potential fraud / breach of Companies Act 2006
► Transacting business with sanctioned individuals	► Potential breach of sanctions regulations

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years

Management response:	Key Reminders:	Audit response:
Timely communication of the matter to auditors (within a couple of days)	▸ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements	Initial assessment of the NOCLAR matter and its potential impact
Determine who will carry out any investigation into the matter – in-house or external specialists or mix of both	▸ Communicate with us as your auditors on a timely basis – do not wait for scheduled audit catch-ups	Initial consultation with risk team to determine responsive procedures and the involvement of specialists
Scope the investigation, in discussion with the auditors	▸ Engage external specialists where needed	Understand and agree scope of management's investigation with support from specialists as needed
Evaluate findings and agree next steps	▸ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.	Evaluate findings and undertake appropriate audit procedures
Determine effect on financial statements including disclosures	▸ Plan upfront and consider any impact on overall accounts preparation and audit timeline – discuss the implications with us as your auditor	Determine audit related impact including accounting and disclosure and audit opinion implications
Prepare a paper, summarising the outcome of the investigation and management's conclusions		Document and consult on the outcome of our procedures
Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.		Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

Recommendations

The table below sets out the recommendations arising from the value for money work in the year covered in this report, 2022/23.

All recommendations have been agreed by management.

Issue	Recommendation	Management response
Financial Sustainability	Understand the key drivers behind the overspend and forward plans to ensure that no further similar overspends occur in future years	The published Statement of Accounts for 2023/24 shows that the Council had a £12.3m underspend compared to a £13.4m overspend in 2022/23. The latest monitoring report for 2024/25 considered by Cabinet in September 2024 set out a forecast underspend for the year of £0.4m. This demonstrates that the Council has taken action to ensure it is managing within budget.

As set out on the next page our fee is based on the assumption that the Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- *prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;*
- *ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.*
- *assign responsibilities clearly to staff with the appropriate expertise and experience;*
- *provide necessary resources to enable delivery of the plan;*
- *maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;*
- *ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;*
- *ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and*
- *during the course of the audit provide responses to auditor queries on a timely basis.*

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

EY | Building a better working world

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Ernst & Young LLP

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ED None

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AUDIT & GOVERNANCE COMMITTEE
27 NOVEMBER 2024

STATEMENTS OF ACCOUNTS 2022/23 & 2023/24

Report by Executive Director of Resources and Section 151 Officer

RECOMMENDATION

1. **The Audit and Governance Committee is RECOMMENDED to**

   (a) Consider and approve the Statement of Accounts 2022/23 at Annex 1;
   (b) Note the Summary Accounts 2022/23 at Annex 2;
   (c) Agree that no changes are required to the Annual Governance Statement 2022/23, previously approved by the Committee on 29 November 2023;
   (d) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire County Council accounts at Annex 3;
   (e) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire Pension Fund accounts at Annex 4;
   (f) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2022/23 and/or letters of representation that may arise during completion of the audit.
   (g) Consider and approve the Statement of Accounts 2023/24 at Annex 4;
   (h) Note the Summary Accounts 2023/24 at Annex 5;
   (i) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2023/24 and/or letters of representation that may arise during completion of the audit.

Executive Summary

2. The unaudited Statement of Accounts 2022/23 was published on the Council's website on 23 January 2024 for public inspection. The Statement of Accounts 2022/23 were considered by committee of the Council and, following that consideration, to be approved by resolution of that committee. This report

presents the accounts to the Audit & Governance Committee for consideration and approval, with the disclaimed opinion report from Ernst & Young LLP's.

3. The Accounts and Audit Regulations 2015 require the Director of Finance to publish the unaudited Statement of Accounts 2023/24 and certify that they give a true and fair view of the County Council's financial position and income and expenditure for the year. This was achieved on 28 June 2024 and the unaudited accounts were published on the Council's website for public inspection. The Regulations require the Statement of Accounts 2023/24 to be considered by a committee of the Council and, following that consideration, to be approved by resolution of that committee. This report presents the accounts to the Audit & Governance Committee for consideration and approval, with the findings of the audit available in Ernst & Young LLP's audit results reports.

Statement of Accounts 2022/23

4. The Statement of Accounts 2022/23 is attached at Annex 1. This version includes changes made to the unaudited accounts, as agreed with the auditors during their disclaimed opinion work. However, due to the outcomes of Consultation into Addressing the local audit backlog in England results the Council's Statement of Accounts 2022/23 will not be fully audited.

5. The accounts have been compiled in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022) (the 'Code'). An introduction to the statement of accounts is included in the Narrative Report by the Executive Director of Resources and Section 151 Officer, together with commentary on the Council's financial position and economy, efficiency and effectiveness in its use of resources over the financial year.

6. The statement of accounts contains the Expenditure and Funding Analysis note, followed by the four primary financial statements: the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement, together with accompanying notes. The statement of accounts also includes the Firefighters Pension Fund Accounts and the Oxfordshire Local Government Pension Fund Accounts.

7. The Annual Governance Statement is included in the statement of accounts document for completeness, as it is required to be published alongside the accounts and narrative report. The Audit & Governance Committee approved the 2022/23 Annual Governance Statement at its meeting on 29 November 2023, there are no issues being highlighted by the auditors that require any additional review of the Statement.

8. There have not been any significant changes to the preparation of the Statement of Accounts for 2022/23.

Summary Accounts 2022/23

9. The Summary Accounts 2022/23 (Annex 2) provide a simplified presentation of the financial position of the Council and its income and expenditure for the year. These have been made available to members of the public alongside the unaudited Statement of Accounts on the Council's website.

Auditors Recommendations for 2022/23

10. During the auditors' disclaimed opinion work, they recommended that the Council analyse the key factors behind the 2022/23 overspend and proactively plan to prevent similar occurrences in future. This recommendation was considered, and actions were implemented to manage and mitigate the overspend during 2022/23. Additionally, the ongoing impacts of inflation and increased demand were addressed through the Budget and Business Planning Process for 2023/24.

11. These actions and mitigations resulted in a revenue underspend of £12.3 million at the end of 2023/24, after accounting for the use of contingency funds and additional interest on cash balances. Consequently, the County Council's General Fund balance as at 31 March 2024 stood at £41.9 million.

Letter of Representation for 2022/23

12. Auditing standards require Ernst & Young LLP to obtain representations from management on certain matters material to their disclaimed audit opinion. Separate letters of representations are required for the Oxfordshire County Council accounts (Annex 3). The Audit & Governance Committee is required to consider and approve the letters of representations before they are signed by the Executive Director of Resources and Section 151 Officer and the Chairman of the Committee.

13. Auditing standards require Ernst & Young LLP to obtain representations from management on certain matters material to their disclaimed audit opinion. Separate letters of representations are required for the Oxfordshire Pension Fund accounts (Annex 4). The Audit & Governance Committee is required to consider and approve the letters of representations before they are signed by the Executive Director of Resources and Section 151 Officer and the Chairman of the Committee.

Statement of Accounts 2023/24

14. The Statement of Accounts 2023/24 is attached at Annex 5. This version includes changes made to the unaudited accounts as agreed with the auditors as set out below and in Annex 6.

15. The accounts have been compiled in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 'Code'). An introduction to the statement of accounts is included in the Narrative Report by the Director of Resources and Section 151 Officer, together with commentary on the Council's financial position and economy, efficiency and effectiveness in its use of resources over the financial year.

16. The statement of accounts contains the Expenditure and Funding Analysis note, followed by the four primary financial statements: the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement, together with accompanying notes. The statement of accounts also includes the Firefighters Pension Fund Accounts and the Oxfordshire Local Government Pension Fund Accounts.

17. The Annual Governance Statement is included in the statement of accounts document for completeness, as it is required to be published alongside the accounts and narrative report. The Audit & Governance Committee approved the 2023/24 Annual Governance Statement at its meeting on 17 July 2024, there are no issues being highlighted by the auditors that require any additional review of the Statement.

18. There have not been any significant changes to the preparation of the Statement of Accounts for 2023/24.

Summary Accounts 2023/24

19. The Summary Accounts 2023/24 (Annex 6) provide a simplified presentation of the financial position of the Council and its income and expenditure for the year. These have been made available to members of the public alongside the unaudited Statement of Accounts on the Council's website.

Conclusion

20. It is expected that the auditors will issue a disclaimed opinion on the 2022/23 Statement of Accounts, while an unqualified opinion is anticipated for the 2023/24 Statement of Accounts. Ernst & Young LLP's audit results report indicates that no amounts have been identified, either individually or in aggregate, as material to the presentation and disclosures of the consolidated financial statements for the year ended 31 March 2024.

LORNA BAXTER
Executive Director of Resources and Section 151 Officer

Annex:	Annex 1	Statement of Accounts 2022/23
	Annex 2	Summary Accounts 2022/23
	Annex 3	Oxfordshire County Council Letter of Representations 2022/23
	Annex 4	Oxfordshire Pension Fund Letter of Representation 2022/23
	Annex 5	Statement of Accounts 2023/24
	Annex 6	Summary Accounts 2023/24

Background papers: Nil

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November 2024

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Oxfordshire County Council

Statement of Accounts

2022/23

OXFORDSHIRE COUNTY COUNCIL

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Narrative Report by the Director of Finance

Introduction

The purpose of this narrative report is to provide information on the Council, its main objectives and strategies and the principal risks it faces. It sets out information to help readers understand the Council's performance and financial position during 2022/23.

Oxfordshire County Council provides services to residents, businesses and communities across the whole county. Our core services in 2022/23 included:

- Children, Education and Families (including the safeguarding of children, looked after children, services to vulnerable children and young people and their families, adoption and fostering services and some education services).
- Adult Social Care (commissioning and providing services which keep adults safe and provide the support our residents need for independent living).
- Services for public health including mental well-being.
- Highways maintenance and transport planning.
- Strategic spatial planning including major infrastructure, inward investment and housing growth.
- Strategic environmental management including carbon emissions reduction, energy efficiency and waste disposal.
- Community safety including Fire and Rescue and Trading Standards.
- Cultural Services including libraries, museums and the Music Service.
- Coroners' and Registration services.

These services are either provided directly by the Council or are commissioned from and delivered by other organisations. Most of these services are mandatory, meaning that the Council must provide them because it is under a statutory duty to do so.

Vision for Oxfordshire

The Strategic Plan 2022 – 2025 that was developed by the Oxfordshire Fair Deal Alliance during 2021/22 and agreed in February 2022 sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

We want to make sure that everyone in Oxfordshire can take advantage of what the county has to offer. Our strategic plan explains our nine cross-cutting priorities and commitments to achieve our vision and sets out our areas of focus.

Our nine priorities are:

1. Put action to address the climate emergency at the heart of our work.
2. Tackle inequalities in Oxfordshire.
3. Prioritise the health and wellbeing of residents.
4. Support carers and the social care system.
5. Invest in an inclusive, integrated and sustainable transport network.
6. Preserve and improve access to nature and green spaces.
7. Create opportunities for children and young people to reach their full potential.
8. Play our part in a vibrant and participatory local democracy.
9. Work with local businesses and partners for environmental, economic and social benefit.

Our performance

Throughout 2022/23 we have reported on each month's performance to internal managers, councillors and the public. The Business Management and Monitoring Reports bring together information on performance, finance and leadership risk, giving a balanced picture of how the Council is doing and providing audiences with greater insight into our business than in previous years.

In our monthly reports we show the latest assessment of our performance indicators. Most are given a Red, Amber or Green (RAG) rating, signifying whether or not progress is on track. In deciding RAG ratings we consider data on current performance and an assessment of progress. As at 31 March 2023 the indicators were assessed as follows:

Green	Amber	Red	Data monitoring	Total
62 (57%)	15 (14%)	14 (13%)	18 (16%)	109

Risk Management

During 2022/23 we continued to strengthen our risk management activities. This helped us to ensure that we continued to identify and address any uncertainties relating to the achievement of our priorities.

Leadership Risks – were reported to Cabinet in our monthly Business Management and Monitoring Reports. Leadership risks are those that are significant in size and duration and could impact on the performance of the Council as a whole, and its ability to deliver its strategic priorities.

Directorates and teams within the Council also maintained operational risk registers to ensure that individual services, projects or areas of business remained on course. Operational risks which become more severe can be escalated to the Leadership level for management.

Our financial operating model

The Council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by:

- Financial Strategy,
- Capital & Investment Strategy,
- Treasury Management & Investment Strategy, and
- A risk assessment of the level of general balances required.

Construction of the budget and budget proposals are subject to challenge by the Council's Leadership Team and the Director of Finance. Councillors question and challenge the proposals through engagement sessions and member presentations. The Performance & Corporate Services Overview & Scrutiny Committee scrutinises the budget proposals at its meetings in December and January before Cabinet propose the budget, MTFS and capital programme in February.

Revenue Budget & Draft Outturn 2022/23

The financial position for the Council and the overall economic landscape looked challenging and uncertain when the budget was set in February 2022. This included £17.9m of funding for directorate pressures and new investments, plus savings totalling £17.8m. Inflationary pressures would mean the council needs to pay more to maintain the same level of service provision.

At the end of 2022/23, there was an overspend of £21.6m (4.0%) against the final directorate budget and a net underspend of £10.4m on budgets and funding held centrally. The combined overspend after taking account of additional business rates funding received during the year is £12.6m. The final position compares to a forecast directorate overspend of £22.4m based on the position as at the end of January 2023 and an overall forecast overspend of £14.4m.

	Final Budget 2022/23 £m	Net Expenditure 2022/23 £m	Variance March 2023 £m	Variance March 2023 %	Variance January 2023 £m
Directorate Budgets:					
Adult Services	215.6	218.5	2.9	1.3%	4.9
Children's Services	153.7	172.9	19.2	12.5%	17.1
Environment & Place	63.9	60.8	-3.1	-4.8%	-2.1
Public Health	3.7	3.4	-0.3	-8.5%	-0.3
Community Safety	25.0	25.0	0.0	0.0%	0.0
Customers, Culture & Corporate Services	64.2	67.1	2.9	4.5%	2.8
Total Directorate Budgets	**526.1**	**547.7**	**21.6**	**4.1%**	**22.4**

	Final Budget 2022/23 £m	Net Expenditure 2022/23 £m	Variance March 2023 £m	Variance March 2023 %	Variance January 2023 £m
Budgets Held Centrally:					
Capital Financing Costs	26.1	24.0	-2.1	-8.2%	0.0
Interest on Balances	-13.0	-13.3	-0.3	-2.4%	-2.4
Contingency	1.9	0.9	-1.0	-51.8%	-1.1
Un-ringfenced Specific Grants	-37.2	-37.2	0.0	0.0%	0.0
Insurance	1.4	1.4	0.0	0.0%	0.0
Contribution from COVID-19 reserve	-9.6	-10.8	-1.2	-13.3%	-1.0
Contributions to reserves	24.9	25.6	0.7	2.9%	0.0
Budgeted Contributions to/from balances	-0.2	-0.2	0.0	0.0%	0.0
Total Budgets Held Centrally	**-5.7**	**-9.6**	**-3.9**	**68.4%**	**-4.5**
Net Operating Budget	**520.4**	**538.1**	**17.7**	**3.4%**	**17.9**
Business Rates & Council Tax Funding	-520.4	-524.7	-4.3		-3.5
Total Year End Position	**0.0**	**13.4**	**13.4**	**2.6%**	**14.4**

The annual report reflects the highlights and achievements over the last 12 months against the priorities of the council. The annual report captures the response to the cost-of-living crisis and the migration support; the significant impact on the services we deliver; how we coordinated and supported the delivery of services.

Through our continued commitment to the Climate emergency, we have modified and upgraded 141 homes through energy efficient measures for those living in fuel poverty.

As part of our commitment to tackling inequality across Oxfordshire together with local authority partners and the Oxfordshire Local Enterprise Partnership, we launched climateactionoxfordshire.org.uk, a website providing ideas and advice about how individuals, families and businesses can reduce carbon emissions and save money.

We commissioned health partners to deliver 9,629 free NHS health checks for those aged between 40 and 74. We launched 'You Move', a bespoke programme offering free or heavily subsidised activities to children in receipt of free school meals to help families get active

with than 3,000 individuals and 800 families registered in the first four months of the scheme.

We supported carers and the social care system through our transformation programme – the Oxfordshire Way – we bucked national trends for adult social care assessments, care and reviews, achieving a 24 per cent decrease in the number of people on waiting lists and a 33 per cent reduction on April 2021 waiting times. We supported the opening of 3 extra care housing schemes in Chipping Norton, Didcot and Wallingford, with 235 homes created to enable people to live independently whilst having access to care.

As part of our Transport priority, we supported the introduction of 159 battery electric buses to make public transport more accessible and reduce emissions. We also delivered 20mph schemes in 41 villages and towns across the county to make our roads safer.

Some of the achievements supporting Nature and Green Spaces we have accomplished include clearing 329km of vegetation to improve the county's public rights of way network. We planted 450 trees along highways across the county — the first time in over 10 years that tree planting has been delivered by the county council. As part of the Queen's Green Canopy initiative 559 trees were presented to new citizens and 1,335 trees were donated on their behalf and will be planted in Oxfordshire.

As part of the priority Creating opportunities for children and young people to reach their full potential, we created 300 additional secondary pupil places, 560 additional primary pupil places, 106 full time equivalent additional nursery places, and 28 additional Special Educational Needs places. We secured £5.2m in government grant funding to develop four children's homes in Oxfordshire.

As part of our priority Playing a part in vibrant and participatory local democracy, we enabled people of all ages to address our council and cabinet meetings, welcoming 140 public speakers, 13 public questions and 12 petitions. We hosted three Oxfordshire Conversations Q&A events, with 122 attendees, enabling residents to quiz cabinet members about the issues that matter most to them.

Through Working with local businesses and partners The Oxfordshire Business and Intellectual Property Centre opened at the Westgate Library in May 2022, with new facilities and resources to support local entrepreneurs and businesses. The inclusive employment scheme run by County Print Finishers in partnership with White Brothers supported 18 employees and Oxfordshire employment's Wood to Work initiative, delivered in partnership with Ways into Work and Oxford Wood Recycling, provided occupational support to 17 people accessing work for the first time or returning to work.

Migration Support working with Asylum Welcome, we increased the number of community liaison officers across the county to support new guests on arrival, identify their needs and advise them about housing, education, and health options. We also supported over 550 asylum seekers and asylum-seeking children staying in Home Office commissioned hotels.

Basis of Preparation and Presentation

The Council produces a Statement of Accounts to provide transparency about the Council's finances, to give assurance to stakeholders that public money has been properly accounted for and that the financial standing of the Council is on a secure basis.

The accounts bring together all the Council's financial statements for the year 2022/23 and show its financial position as at 31 March 2023. The statements reflect both revenue and capital elements for the General Fund, including transactions relating to joint operations with other local authorities and health bodies. The County Council is the administering authority for the Oxfordshire Local Government Pension Fund. As such, the Fund accounts are included as a disclosure within the Council's accounts.

The Statement of Accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2023 and of its income and expenditure for the 2022/23 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of general balances, combined with Earmarked Reserves (Note 44) and action being taken to ensure we can manage the capital programme within the available resources, are sufficient to ensure that the County Council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going concern' basis.

Notes to the accounts

The Notes to the Accounts explain and provide further detail behind the key items and entries within the Financial Statements. They consist of:

- Expenditure and Funding Analysis – Compares the net expenditure as funded by taxation with the accounting cost of providing services as presented in the Comprehensive Income and Expenditure Statement.
- Notes to the Accounts – Which explain some of the key items and disclosures in the accounts.
- Pension Fund Accounts – These are the accounts of the Pension Fund, which is operated for employees of the County Council, district councils and other bodies.
- Statement of Responsibilities for the Statement of Accounts – Outlines the key responsibilities in respect of the accounts, together with statements from the Chief Finance Officer and Chairman of the Audit & Governance Committee.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council 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 directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement

Annual Governance Statement

The Audit & Governance Committee approved the Annual Governance Statement (AGS) at its meeting on 19 July 2022. The AGS summarises the governance framework that has been in place in the Council during 2022/23. The Statement demonstrates that we have effective arrangements for the governance of the Council and that we are satisfied that we have a robust system of internal control.

Conclusion

Through careful planning and management, Oxfordshire County Council has ensured that we achieved or made good progress with our priorities for the year. We have delivered vital services to the residents and communities of Oxfordshire and have reached the end of the business year in a robust financial position.

The County Council's Responsibilities

The County Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For Oxfordshire County Council, that officer is the Director of Finance
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets

The Audit & Governance Committee has examined these accounts and authorised the Chairman to approve the statement of accounts on its behalf.

Signed: ……

Date ……

ROZ SMITH

Chairman of the Audit & Governance Committee

The Responsibilities of the Director of Finance

The Director of Finance is responsible for the preparation of the County 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 2022/23 ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Director of Finance has also

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the County Council and its income and expenditure for the year ended 31 March 2023.

Signed: ……

Date ……

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

Comprehensive Income and Expenditure Statement

2021/22 Gross Expenditure £'000	2021/22 Income £'000	2021/22 Net Expenditure £'000		Notes	2022/23 Gross Expenditure £'000	2022/23 Income £'000	2022/23 Net Expenditure £'000
135,690	-29,168	106,522	Environment and Place		126,311	-33,343	92,968
483,673	-275,732	207,941	Children's Services		577,127	-307,414	269,713
297,174	-86,644	210,530	Adult Services		323,243	-78,108	245,135
69,449	-40,783	28,666	Public Health		69,063	-37,695	31,368
120,362	-29,938	90,424	Customers, Culture and Corporate Services		121,668	-48,279	73,389
8,617	-3,709	4,908	Other Corporate Costs		7,136	-5,448	1,688
1,114,965	**-465,974**	**648,991**	**Cost of Services**		**1,224,548**	**-510,287**	**714,261**
8,406	-5,012	3,394	Other Operating Expenditure	14	14,690	-1,569	13,121
41,006	-15,027	25,979	Financing and Investment Income and Expenditure	15	51,507	-9,089	42,418
0	-762,858	-762,858	Taxation and Non-Specific Grant Income	20	0	-741,091	-741,091
1,164,377	**-1,248,871**	**-84,494**	**Surplus (-) or Deficit (+) on Provision of Services**	5	**1,290,745**	**-1,262,036**	**28,709**
			Items that will not be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services				
		-4,977	Surplus or Deficit on revaluation of non-current assets	49			44,508
		509	Impairment losses on non-current assets charges to the revaluation reserve	49			428
		-302,315	Remeasurements of the net defined benefit liability (asset)	18			-684,318
		-306,783					-639,382
			Items that may be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services				
		0	Other gains or losses				0
		0					0
		-306,783	**Other Comprehensive Income and Expenditure**				**-639,382**
		-391,277	**Total Comprehensive Income and Expenditure**				**-610,673**

Movement in Reserves Statement

	Notes	County Fund Balance	Earmarked Reserves	Capital Receipts Unapplied	Capital Grants and Contbns Unapplied	**Total Usable Reserves**	**Total Unusable Reserves**	**Total Reserves**
		£'000	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Balance at 31 March 2021		34,679	151,495	25,195	95,559	**306,928**	**-269,260**	**37,668**
Movement in reserves during 2021/22								
Total Comprehensive Income and Expenditure		84,494	0	0	0	**84,494**	**306,783**	**391,277**
Adjustments between accounting basis and funding basis under statutory provisions	6	-59,863	0	4,908	85,551	**30,596**	**-30,596**	**0**
Transfers to / from earmarked reserves	44	-19,966	32,067	0	0	**12,101**	**-12,101**	**0**
Increase (+) or Decrease (-) In Year		4,665	32,067	4,908	85,551	**127,191**	**264,085**	**391,277**
Balance at 31 March 2022		39,344	183,562	30,103	181,110	**434,119**	**-5,175**	**428,945**
Movement in reserves during 2022/23								
Total Comprehensive Income and Expenditure		-28,708	0	0	0	**-28,708**	**639,382**	**610,674**
Adjustments between accounting basis and funding basis under statutory provisions	6	21,267	0	1,568	37,238	**60,073**	**-60,073**	**0**
Transfers to / from earmarked reserves	44	-9,261	19,291	0	0	**10,030**	**-10,030**	**0**
Increase (+) or Decrease (-) In Year		-16,702	19,291	1,568	37,238	**41,395**	**569,279**	**610,674**
Balance at 31 March 2023		22,642	202,853	31,671	218,348	**475,514**	**564,104**	**1,039,618**

Balance Sheet

As at 31 March 2022 £'000		Notes	As at 31 March 2023 £'000
	Long Term Assets		
1,260,296	Property, Plant and Equipment	22	1,260,482
27,416	Investment Property	23	25,900
818	Intangible Assets	25	1,085
79,500	Long Term Investments	34	69,700
10,089	Long Term Debtors	35	10,921
1,378,119	**Total Long Term Assets**		**1,368,088**
	Current Assets		
1,489	Assets Held for Sale	24	1,470
130,853	Debtors	36	145,854
435,995	Short Term Investments	34	463,908
42,864	Cash and Cash Equivalents	37	16,864
611,201	**Total Current Assets**		**628,096**
	Current Liabilities		
-35,456	Short Term Borrowing	34	-35,351
-113,560	Short Term Creditors and Revenue Receipts in Advance	39	-114,146
-7,390	Provisions due within one year	40	-4,519
-662	Short Term Finance Liability	28,34	-740
-20,490	Short Term Capital Grants Receipts in Advance	42	-15,741
-177,558	**Total Current Liabilities**		**-170,497**
	Long Term Liabilities		
-16,836	Long Term Creditors and Revenue Receipts in Advance	39	-30,030
-3,742	Provisions due over one year	40	-2,197
-281,383	Long Term Borrowing	34	-274,383
-901,096	Pension Liability	18	-290,583
-15,740	Long Term Finance Liability	28,34	-14,997
-4,393	Deferred Income	41	-3,349
-159,627	Long Term Capital Grants Receipts in Advance	42	-170,530
-1,382,817	**Total Long Term Liabilities**		**-786,069**
428,945	**Net Assets (+) / Net Liabilities (-)**		**1,039,618**
	Financed from:		
434,120	**Usable Reserves**	43-46	**475,514**
-5,175	**Unusable Reserves**	47-53	**564,104**
428,945	**Total Reserves**		**1,039,618**

I certify that the statement of accounts give a true and fair view of the financial position of the Council at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Lorna Baxter

Executive Director of Resources & Section 151 Officer **Date:**

Cash Flow Statement

2021/22 £'000		Notes	2022/23 £'000
-84,494	**Net (surplus) or deficit on the provision of services**		**28,709**
-51,276	Adjust net surplus or deficit on the provision of services for non-cash movements	54	-111,840
176,548	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	55	133,861
40,778	**Net cash flows from Operating Activities**		**50,730**
-58,034	Investing activities	56	-32,394
22,579	Financing activities	57	7,664
5,323	**Net increase (-) or decrease (+) in cash and cash equivalents**		**26,000**
48,186	Cash and cash equivalents at the beginning of the reporting period		42,864
42,863	**Cash and cash equivalents at the end of the reporting period**		**16,864**

Expenditure and Funding Analysis

A description of the purpose of this note is included in the Narrative Report. Please note that this is not a Primary Financial Statement.

2021/22					2022/23		
Expenditure chargeable to the County Fund	Adjustments between funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Notes	Notes	Expenditure chargeable to the County Fund	Adjustments between funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000			£'000	£'000	£'000
61,333	45,189	106,522	Environment and Place		59,584	33,383	92,967
144,509	63,433	207,942	Children's Services		173,026	96,688	269,714
199,613	10,917	210,530	Adult Services		218,412	26,724	245,136
29,988	-1,322	28,666	Public Health		28,421	2,948	31,369
55,261	35,163	90,424	Customers, Culture and Corporate Services		67,353	6,035	73,388
0	4,908	4,908	Other Corporate Costs			1,688	1,688
490,704	**158,288**	**648,992**	**Service Costs**		**546,796**	**167,467**	**714,263**
-495,369	-238,116	-733,485	Other Income and Expenditure not charged to services		-530,094	-155,457	-685,551
-4,665	**-79,828**	**-84,493**	**Surplus (-) or Deficit (+) on Provision of Services**	5	**16,702**	**12,010**	**28,710**
34,679			Opening County Fund Balance at 1 April-as restated		39,344		
4,665			Add surplus (+) or deficit (-) on the County Fund for the year		-16,702		
39,344			**Closing County Fund Balance at 31 March**		**22,642**		

Notes to the Statement of Accounts

OXFORDSHIRE COUNTY COUNCIL

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1. Summary of Significant Accounting Policies General

The Statement of Accounts summarises the County Council's transactions for the 2022/23 financial year and its position at the year-end 31 March 2023. It has been compiled in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23* (the *Code)*, published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Going Concern

The CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. The Council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future. In addition, management are not currently aware of any significant information that is available for the period beyond 2025/26 that would indicate a contrary conclusion.

This assessment informed the budget for 2023/24, medium term financial strategy to 2025/26, and ten-year Capital Programme to 2032/33 with mitigations to address risks and issues highlighted in the assessment.

The Council's Financial Strategy sets out that financial sustainability and resilience requires successful and sustained focus on the delivery of four critical elements and financial planning principles. These underpin the revenue budget and medium-term financial strategy:

- Transforming the council to become an employer, partner and place shaper of choice.
- Managing the impact of rising need through demand management.
- Delivering agreed savings and planned outcomes from investments.
- Ensuring the level of earmarked reserves and general balances is adequate based on the level of risk and financial uncertainty and only using one-off resources for temporary purposes.

There was a revenue overspend of £13.4m at the end of 2022/23 after taking account of the use of contingency and additional interest on cash balances. The impact of the overspend was the increased level of demand for children's social care and a lack of suitable care placement available in the system. Another contributing factor was the actual consumer price index inflation been higher throughout the year than assumed in the budget. After taking account of this, the County Council's General Fund balance as at 31 March 2023 was £22.6m.

Actions were taken to manage and mitigate this in 2022/23 and the on-going impact of increases in inflation and demand was considered through the Budget & Business Planning Process for 2023/24. The 2023/24 budget was approved by Council on 14 February 2023 and taking account of previously agreed and new changes includes £53.5m funding for inflation and demand pressures. Savings totalling £28.8m need to be achieved in 2023/24 and the achievement was tracked through the Business Management & Monitoring Reports to Cabinet. These actions and mitigations resulted in a revenue underspend of £12.3m at the end of 2023/24 after taking account of the use of contingency and additional interest on cash balances. After taking account of this , the County Council's General Fund balance as at 31 March 2024 was £41.9m (subject to year-end adjustments and audit).

The Council proactively manages its cashflow, maintaining an approximate daily forecast of available funds of £20m. This minimum level of liquid cash is held in a combination of UK banks and Money Market Funds. The Councils cashflow forecast projected to maintain at least £10 million in liquid cash and deposits from 31 March 2023 through to 31 March 2024. Liquid deposits are supplemented by the Councils ability to borrow short-term from other local authorities and ultimately borrowing from the Public Works Loan Board could be secured within five working days. The Council has not needed to activate this facility.

At 31 March 2024, the council's outstanding debt totalled £284m (£296m in 31 March 2023). The Treasury Management Strategy for 2023/24 assumed that the council's borrowing requirement for the year would be met through internal borrowing, as external borrowing rates were forecast to remain high during the year, then reduce over the medium term. On that basis no new external borrowing was arranged during 2023/24. Given the high level of cash balances and forecast for borrowing rates to significantly reduce in the medium term, the Treasury Management Strategy agreed in February 2024 sets out that the council should maintain the option to fund new or replacement borrowing through internal borrowing so it is not expected that any external borrowing will need to be taken in 2024/25.

The balance on the General Fund and total useable earmarked reserves at the end of each financial year are set out in the table below.

Date	Status	General Fund Balances (£m)	Earmarked Reserves (£m)
31 March 2019	Audited	28.0	92.3
31 March 2020	Audited	24.1	118.7
31 March 2021	Audited	34.7	151.5
31 March 2022	Audited	39.3	183.6
31 March 2023	Unaudited @ October 2024	22.6	203.0
31 March 2024	Audit under way but not complete @ October 2024	41.9	210.4

The statement of accounts for 2022/23 will not undergo a complete audit due to the outcome from the consultation to resolve the local audit backlog in England. As a result, Ernst Young, our external auditors, will issue a 'disclaimed' audit opinion for 2022/23.

An unusable reserve was created in 2020/21 to hold negative High Needs Dedicated Support Grant balances in line with a change to the CIPFA Code of Practice. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m. These regulations are in place until 31 March 2026, but it remains unclear what the long-term arrangements after that will be. Whilst there is an expectation that a solution from Government will be needed, should this not materialise action would need to be taken to ensure the council continues to hold an adequate level of reserves. For

example, in that scenario an option could be to use the annual budgeted contribution of £4.0m to the Demographic Risk reserve to fund the revenue costs of borrowing to fund the deficit.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when the cash payments are made or received.

Where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is reduced, and a charge is made to revenue for the income that might not be recoverable.

Government Grants and Contributions

Government grants and third-party contributions are accounted for on an accrual basis and are recognised in the Statement of Accounts when there is reasonable assurance that the County Council will comply with the conditions attached to their payment and that the grants or contributions will be received.

Grants and contributions relating to capital and revenue expenditure are recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the County Council has not satisfied. Conditions are stipulations that require the grant or contribution to be returned to the provider if the terms of the grant or contribution are not met.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (capital monies within Capital Grants Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant directorate line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income line (un-ringfenced revenue grants and all capital grants and contributions) in the Comprehensive Income and Expenditure Statement.

Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement are reversed out of the County Fund Balance in the Movement in Reserves Statement - where the grant/contribution 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.

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 any conditions that would require repayment of the grant or contribution if not met, and the grants and contributions will be received.

Grants and contributions are credited to the Comprehensive Income and Expenditure Statement when recognised as due to the Council (i.e., specific revenue grants and contributions are credited to the relevant service line in the Cost of Services, and capital grants and contributions and non-ring-fenced grants are credited to Taxation and Non-Specific Grant Income and Expenditure).

Where specific revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement, but the associated expenditure has not yet been incurred, the grant is set aside in an Earmarked Revenue Reserve so that it can be matched with the expenditure in a subsequent year.

Capital grants and contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and are transferred to the Capital Adjustment Account (if the grant eligible expenditure has been incurred) or to the Capital Grants Unapplied Account.

Revenue grants and contributions that have been credited to the relevant directorate line in the Comprehensive Income and Expenditure Statement that remain unapplied as at the Balance Sheet Date and are required to meet committed expenditure in future years are transferred to an earmarked reserve through the Movement in Reserves Statement.

Council tax and business rates income

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) for the year is the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the County Fund is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement.

The district councils in Oxfordshire are acting as agents of the County Council in collecting council tax and business rates. The cash collected from council tax payers and business rates payers belongs proportionately to the district councils and the major preceptors. There is, therefore, a debtor/creditor position between each district council and the County Council to recognise that the net cash paid to the County Council in the year is not the same as its share of cash collected. The County Council recognises its share of Council Tax and business rates debtor and creditor balances, impairment allowances for doubtful debts and provisions for losses on appeal in its Balance Sheet. The Cash Flow Statement of the County Council includes the net council tax and business rates cash received from the Collection Fund in the year.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are recognised as an expense in the year in which employees render service to the Council.

Termination Benefits

Termination benefits are charged, on an accrual basis, to the relevant service line in the Comprehensive Income and Expenditure Statement 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.

Post-Employment Benefits

The County Council participates in four pension schemes:

- The Local Government Pension Scheme
- The Fire-fighters' Pension Scheme
- The Teachers' Pension Scheme and
- The NHS Pension Scheme

These schemes provide defined benefits to members, however, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the County Council. These schemes are, therefore, accounted for as if they are defined contribution schemes – no liability for future payment of benefits is recognised in the Balance Sheet and the relevant service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable in the year.

The County 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 are accounted for on the same basis as defined benefit schemes.

For the schemes treated as defined benefit schemes the Cost of Services includes:

- Current service cost – the increase in the present value of a scheme's liabilities resulting from employee service in the current period. This is included in the relevant directorate line within the Cost of Services.
- Past service cost – the increase in the present value of the scheme liabilities for employee service in prior periods, resulting from a scheme amendment or curtailment. This is included in Other Corporate Costs within the Cost of Services.
- Gain/loss on settlement – changes in liabilities relating to actions that relieve the County Council of primary responsibility for a pension obligation. This is included in Other Corporate Costs within the Cost of Services.

The net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - is included in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Remeasurements comprising actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuary has updated their assumptions – and the return on scheme assets, excluding amounts included in net interest on the net defined liability (asset), are recognised in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.

Scheme assets attributable to the County Council are measured at fair value as at the Balance Sheet date. Scheme liabilities attributable to the County Council are measured on an actuarial basis using the projected unit method. The net pensions liability is recognised in the Balance Sheet.

The amount chargeable to the County Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each particular pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

Fire-Fighters injury awards are disability benefits paid by the County Council that do not form part of the Fire-Fighters Pension Scheme. However, the measurement of these long-term benefits is subject to the same degree of uncertainty as the measurement of fire-fighters post-employment benefits and therefore they are accounted for in the same way as Fire-Fighters post-employment benefits.

Property, Plant and Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These include operational land and buildings, vehicles, plant and equipment, surplus assets, assets under construction and infrastructure.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the County Council and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance, which is charged directly to service revenue accounts as an expense when incurred.

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 initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (this only applies when the County Council has an obligation to carry out such activities when the item is acquired, constructed or installed)

The County Council does not capitalise borrowing costs incurred whilst assets are under construction.

Property, Plant and Equipment is subsequently carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Other Property, Plant and Equipment assets (excluding surplus assets) – current value, determined as the amount that would be paid for the asset in its existing use

Surplus assets – fair value (at highest and best use), determined as the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value.

A *de minimis* level of £20,000 is applied for land and buildings and £15,000 for vehicles and plant, other than for schools local capital spend where a *de minimis* of £2,000 is applied.

Revaluations of property assets are undertaken on a three-year rolling programme as shown below. Material changes to asset valuations are adjusted in the interim periods

		Date of Last Revaluation	Date of Next Revaluation
Year 1	Secondary and Special Schools, Other Educational Premises (Children's, Youth and Sports Centres), Surplus Assets and properties not re-valued in other years.	2021/22	2024/25
Year 2	Primary, Nursery, Junior and Infant Schools	2022/23	2025/26
Year 3	Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot	2020/21	2023/24

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a directorate.

Decreases in valuations 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 directorate in the Comprehensive Income and Expenditure Statement

Assets are assessed each year as to whether there is an indication of impairment. Where indications exist and the recoverable amount of the asset is materially lower than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified they are accounted for in the same way as decreases in valuations.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant directorate, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation of Property, Plant and Equipment

Depreciation is provided for on all Property, Plant and Equipment with a finite life, which is determined at acquisition or revaluation. Assets under construction are not depreciated until they are brought into use. Depreciation is an estimation technique that is calculated using the straight-line method with the following asset lives:

- Buildings: 60 years (or less if specified by the valuer)
- Vehicles, plant and equipment: between 5 and 30 years
- IT equipment and infrastructure: between 3 and 5 years
- Infrastructure (roads and bridges): 35 years

Land is determined to have an infinite life and is not depreciated.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, 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 historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Infrastructure Assets

Infrastructure assets are recognised in the Balance Sheet under Property, Plant and Equipment and include carriageways, structures (e.g. bridges), footways and cycle tracks, street lighting and street furniture which together form a single integrated network.

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Infrastructure assets are generally measured at depreciated historical cost.

Where impairment losses are identified they are accounted for by writing down the carrying amount of the asset to the recoverable amount.

Depreciation is charged on a straight-line basis on parts of the infrastructure network assets that are subject to deterioration or depletion.

When a component of the infrastructure network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet written off to Other Operating Expenditure 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 as part of the gain or loss on disposal.

The written off value of disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Charges to Revenue for Property, Plant and Equipment

Services, support services and trading accounts are charged with a capital charge for all Property, Plant and Equipment used in the provision of services. The charge covers the annual provision for depreciation and revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The County Council is not required to raise council tax to fund depreciation or revaluation/impairment losses. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (referred to as Minimum Revenue Provision (MRP)). Depreciation and revaluation/impairment losses are therefore replaced by the MRP contribution in the County Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

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. To be classified as an Asset Held for Sale the asset must meet the following criteria:

- Available for immediate sale in its present condition
- The sale must be highly probable
- Actively marketed at a reasonable sale price
- The sale should be expected to be completed within 1 year

Assets Held for Sale are measured at the lower of their carrying value and fair value less costs to sell at initial reclassification. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Decreases in fair value less costs to sell are recognised in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. 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 Property, Plant and Equipment and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation 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, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Receipts from the disposal of assets in excess of £10,000 are categorised as capital receipts. Capital receipts are appropriated to the Capital Receipts Unapplied reserve from the County Fund Balance in the Movement in Reserves Statement.

The written off value of assets disposed of is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value (at highest and best use), being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains and losses on disposal are posted to Other Operating Expenditure. The gains and losses are reversed out of the County Fund Balance to the Capital Adjustment Account (or Capital Receipts Unapplied for disposal receipts over £10,000) in the Movement in Reserves Statement so that they do not impact on Council Tax.

Revenue Expenditure Funded from Capital Under Statute

Capital expenditure on non-current assets not owned by the County Council and grants given by the County Council for capital purposes are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement. In accordance with statutory provisions this expenditure is transferred from the County Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement, such that there is no impact on Council Tax.

Private Finance Initiative (PFI) and similar contracts (service concession arrangements)

PFI type contracts involve a private sector entity (the operator) constructing or enhancing property used in the provision of a public service and operating and maintaining that property for a specified period of time. The operator is paid for its services over the period of the arrangement. Where the County Council controls or regulates the services provided by the operator and controls the residual interest in the property at the end of the term of the arrangement the contract meets the tests for accounting as a service concession arrangement.

Properties used in service concession arrangements are recognised as Property, Plant and Equipment of the County Council. The original recognition of the assets at fair value (based on the cost to purchase the assets) is matched by the recognition of liabilities for amounts due to the operators to pay for the assets and deferred income where the operator part funds the assets from income from third parties. Once recognised on the Balance Sheet these assets are revalued and depreciated in the same way as other Property, Plant and Equipment owned by the County Council.

The amounts payable to the service concession arrangement operators each year are analysed into five elements:

- The value of services received during the year – charged to the relevant directorate in the Comprehensive Income and Expenditure Statement
- Finance costs – an interest charge on the outstanding finance liability – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payments towards the finance liability – applied to write down the Balance Sheet liability towards the operator

- Contingent rents – inflationary increases in the amounts to be paid for the property arising during the contract – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Note for the County Council's current service concession arrangement there is no inflation applied to the elements of the contract payments relating to the property build costs and, therefore, there are no contingent rents.
- Lifecycle replacement costs – recognised as a capital prepayment in the Balance Sheet and transferred to Property, Plant and Equipment when capital works are undertaken.

Deferred income is released to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the service concession period.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a property lease covers both land and buildings, the land and buildings elements are considered separately for lease classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Where the County Council is the lessee, property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's 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 lessor. 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. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – applied to writing down the liability, and a finance charge – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Once recognised on the Balance Sheet, assets recognised under finance leases are accounted for in the same way as other Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Rentals paid by the Council under operating leases are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period except where the contractual payment terms are considered to be a more systematic and appropriate basis.

Where the County Council leases an asset to others under a finance lease, the asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset 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 County Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal, matched by a long-term debtor in the Balance Sheet. Finance lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the long-term 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 required under statute to be treated as a capital receipt. Where a premium has been received, this is posted out of the County Fund Balance to the Capital Receipts Unapplied 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 years, this is posted out of the County Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the long-term debtor and the deferred capital receipts are transferred to the Capital Receipts Unapplied reserve. The written-off carrying amount of the asset on disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no impact on Council Tax.

Where the County Council leases an asset to others under an operating lease, the asset is retained on the Balance Sheet. Rental income is credited to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period (including any premiums received at the commencement of the lease).

Cash and Cash Equivalents

Cash is represented by cash in hand and bank deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The County Council treats the following as cash equivalents:

- Instant Access Call Accounts
- Instant Access Short Term Funds
- Deposits with one working day to maturity from date of deposit

Financial Assets

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as at 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 are classified into three types:
- Amortised cost
- Financial assets at fair value through Other Comprehensive Income
- Financial assets at fair value through profit or loss

Financial Assets at Amortised cost are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Credits to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for external interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate for the instrument. For the majority of the County Council's investments, the effective interest rate is the same as the actual interest receivable in accordance with the loan agreement. Short duration receivables with no stated interest rates (e.g. debtors) are measured at original invoice amount.

The Council recognises expected credit losses on all its financial assets held at amortised cost.

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.

The expected credit loss model also applies to lease receivables. Lifetime losses are recognised for trade receivables (debtors) held by the Council.

The County Council has made a number of loans to clients and other organisations at less than market interest rates or zero rate (referred to in the Code as soft loans). For the County Council there are no material differences between the fair value and the nominal value of such loans and no adjustments are made on initial recognition of these loans.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the carrying value of the asset is reduced through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial assets at fair value through Other Comprehensive Income are initially measured and carried in the Balance Sheet at fair value. Where the asset has fixed or determinable payments, credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable.

Assets are maintained in the Balance Sheet at fair value. Values are based on:

- 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 County 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

Changes in fair value are balanced by an entry in the Financial Instruments Adjustment Account and the gain/loss recognised in Other Comprehensive Income and Expenditure (except for impairment losses).

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses recognised in the Financial Instruments Revaluation Reserve.

Financial assets at fair value through profit or loss are initially measured and carried in the Balance Sheet at fair value. Movements in fair value are balanced by posting gains and losses to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement as they arise. Any residual gains and losses arising on derecognition are also credited/debited to the Comprehensive Income and Expenditure Statement. The basis of fair value and the inputs to the measurement techniques is the same as for Financial assets at fair value through Other Comprehensive Income.

The carrying amounts of individual financial assets are separated into their current (short-term) and non-current (long-term) elements for presentation within the Balance Sheet.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the County Council becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and are carried at their amortised cost.

Interest is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the liabilities, multiplied by the effective rate of interest for the instruments. This means that:

- The amount included 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 liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Debt Redemption

The County Council complies with legislation to charge a Minimum Revenue Provision (MRP) to the County Fund revenue account for the repayment of debt by making a straight-line charge of the outstanding pre-2008 capital expenditure as at 1 April 2017 calculated over a 50-year period and making provision for repayment of prudential borrowing in equal instalments over the estimated life of the asset for which the borrowing is undertaken. In addition, the provision for repayment of debt includes an amount equal to the amount that is taken to the Balance Sheet to reduce the liabilities in respect of PFI and similar contracts and for the prepayment of lifecycle costs relating to these contracts, and an amount equal to the amount that is taken to the Balance Sheet to reduce liabilities in respect of finance leases.

Provisions

Provisions are made where the County Council has a present obligation (legal or constructive) as a result of a past event that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and are adjusted to reflect the current best estimate against the appropriate directorate in the Comprehensive Income and Expenditure Statement. When payments are eventually made they are charged directly to the provision.

Insurance

The County Council has a policy of self-insurance of claims across its main insurance categories. In accordance with the Code the insurance provision is set aside to cover insurance claims actually received and awaiting resolution that have been advised to the County Council and which it has been decided to be insured internally rather than externally. Subject to identified contingent liabilities there are no significant unfunded risks.

Contingent liabilities

Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed by one or more uncertain events occurring in the future and are not wholly under the County Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that there will be a transfer of economic benefits or where the obligation cannot be measured with sufficient reliability.

Financial guarantee contracts come under the definition of financial instruments and are initially recognised in the accounts at fair value. This only applies to guarantees entered into after 1 April 2006. Any entered into before that date continue to be recognised as contingent liabilities. If payment under the guarantee becomes probable the liability would be determined in accordance with the requirement for provisions.

Reserves

A reserve, whether capital or revenue, results from events that have allowed monies to be set aside, surpluses, or decisions causing anticipated expenditure to have been postponed or cancelled. These can be spent or earmarked at the discretion of the County Council. Earmarked revenue reserves can be used to set aside available monies for major anticipated capital schemes, for projects or service arrangements that the County Council may wish to carry out, business unit surpluses, service efficiency savings and contingent liabilities where a provision is not required.

Reserves are established and used for different reasons. These include:

- Usable reserves - reserves that can be used at the County Council's discretion to fund either revenue or capital spend.
- Unusable reserves - reserves relating to unrealised gains, such as the Revaluation Reserve, that are not "cash backed" and cannot be used to fund future capital or revenue spending and reserves relating to differences between accounting policy and statutory requirements, such as the Capital Adjustment Account.

Earmarked reserves are created by appropriating amounts from the County Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to the appropriate directorate. The reserve is then appropriated back into the County Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Group Accounts

The County Council is required to prepare group accounts where it has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality. For 2022/23 the County Council did not have any such interests that are considered material and therefore prepared these accounts only as a single entity rather than as group accounts.

The County Council participates in a number of joint operations (e.g. pooled budget arrangements with the health sector and the Oxfordshire Local Enterprise Partnership, OxLEP). The County Council accounts directly (in its single entity accounts) for its part of the assets, liabilities, income, expenditure and cash flows held within or arising from such an arrangement.

There are a number of circumstances where the County Council exercises limited influence, and these are disclosed as related parties. Under these circumstances, transactions with these bodies are charged against the appropriate service in the Comprehensive Income and Expenditure Statement, and balances owed by them or to them are included in debtors and creditors.

Schools

Under the Code, local authority-maintained schools are considered to be separate entities with the balance of control lying with the Council. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for in the single entity accounts of the Council rather than requiring consolidation in the Group Accounts.

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These are held as usable earmarked reserves and are committed to be spent on schools.

Taxation

The County Council is exempt from income tax, corporation tax and from capital gains tax.

Value Added Tax is excluded from both revenue and capital in terms of both income and expenditure except where the County Council is not able to recover VAT on expenditure.

The County Council incurs landfill tax, which is charged on a tonnage basis to the County Council by its waste disposal contractors.

In addition, the County Council incurs stamp duty land tax on the acquisition of property freeholds and leaseholds, climate change levy on its energy bills and insurance premium tax on its insurance costs. Also, the County Council incurs employer's National Insurance contributions based on a percentage of staff salaries.

Where the County Council incurs tax, this cost is charged to directorates in the Comprehensive Income and Expenditure Statement.

Rounding

In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast.

2. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the County 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:

- The County Council has made an assessment of the balance sheet treatment of schools' non-current assets in accordance with IAS 16 Property, Plant and Equipment and IAS 17 Leases. Where assets are owned by the Council and used by maintained schools, the economic benefits

and service potential of the asset is considered to be within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore, the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations). The property valuers (an MRICS qualified County Council employee and Sanderson Weatherall) are informed of changes to the ownership of County Council assets by the County Council's Legal Services department, and any adjustments to the value of assets as a consequence are reflected in the County Council's balance sheet.

- School land and buildings that have transferred to academy trusts under 125 year leases (or where the freehold has transferred) have been written out of the County Council's Balance Sheet based on an assessment in accordance with IAS 17 Leases and IAS 16 Property, Plant and Equipment. Newly constructed School land and buildings that are the subject of short-term lease/license agreements with academy trusts but are expected to transfer under 125 year leases have also been written out of the County Council's Balance Sheet based on this assessment.
- An assessment under IFRIC 12 Service Concession Arrangements concluded that the County Council controls the residential care services provided under the agreement with Oxfordshire Care Partnership (OCP) and the residual value of all but one of the homes at the end of the agreement. This includes Chilterns Court Care Centre which came into operation during 2016/17. Except for the home where the residual value at the end of the contract rests with OCP, the accounting policies for PFI and similar contracts have been applied to the arrangement and the homes are recognised as Property, Plant and Equipment on the Balance Sheet, see note 22. A finance liability has been recognised on the Balance Sheet for the amounts due to be paid under the contract for the new homes built by OCP.
- The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP). OxLEP became a company Limited by Guarantee (Not for Profit) in April 2015 (Company Registration Number 09519056). It is a business led organisation that works for all of its stakeholders in business, academia and local authorities. The Board has 19 members from across the private and public sector and is led by a private sector Chairman. It is supported by the Future Oxfordshire Partnership; a Joint Committee which brings together local authority partners who are also members of the OxLEP Board in a collective decision-making structure. The Leader of the County Council is a member of the OxLEP Board. The Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of jobs for our communities.
- In accounting for OxLEP it has been assessed that the County Council is acting as the principal in accordance with IAS 18 Revenue and therefore transactions have been included in the County Council's accounts. OxLEP's expenditure is largely funded by government grants for which the County Council is the accountable body, and the Council remains exposed to risks such as the repayment of grants in the event of non-compliance. In addition, the County Council plans to undertake borrowing totalling £50.7m on behalf of OxLEP to deliver planned infrastructure improvements in Oxfordshire. This will be funded through retained business rates from the Science Vale UK Enterprise Zone. £17.8m of this borrowing was taken in 2022/23. This borrowing

generates a requirement to increase the Council's Capital Financing Requirement. Because of that the Council is not simply acting as an intermediary by passporting funds to OxLEP and is acting beyond the remit of an agent. In 2022/23 the Council received the final £4.2m for the Getting Building Fund on behalf of OxLEP, which was applied to capital expenditure during the year.

- In respect of revenue, the Council received £0.500m core funding from the Department of Levelling Up, Housing & Communities (DLUHC) on behalf of OxLEP in 2022/23. Further revenue grant funding of £1.604m received in 2022/23 included £0.8m Innovation Support for Business (ISfB) Grant from DLUHC plus £0.5m Core Growth Hub Funding and £0.3m Peer Network Grant from the Department for Business, Energy and Industrial Strategy (BEIS). OxLEP is preparing financial accounts for 2022/23, along with the Letter of Representation, which are expected to be considered by the OxLEP Board in due course. The Board expects to formally adopt these financial accounts at the company's Annual General Meeting in September 2023.
- Based on an assessment in accordance with IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, and taking into account materiality, the County Council has concluded that it does not have control, joint control or significant influence of any other entities. Therefore, the County Council has no subsidiaries, joint ventures or associates and there is no requirement to prepare group accounts for 2022/23.
- The County Council has two pooled budgets with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), the successor body to the Oxfordshire Clinical Commissioning Group (OCCG) and one with Oxford Health NHS Foundation Trust. These pooled budgets operate to deliver better outcomes for people supported by Adult Social Care. Based on an assessment in accordance with IFRS 11 Joint Arrangements and FRS 15 Revenue (in relation to principal and agent transactions), the Pooled Budgets are considered to be joint operations. This means that only expenditure and income attributable to the County Council (and equal to the authority's contribution as set out in Note 8) is included in the Council's accounts.
- The BOB ICB is the Accountable Body for Oxfordshire's allocation of the Better Care Fund and will be held to account by NHS England for the appropriate use of the resources locally. The Better Care Fund allocation received by BOB ICB forms part of its contribution to the Better Care Fund Pooled Budget and as such is reported within their accounts.
- In accordance with IAS 32 Financial Instruments: Presentation, the County Council determines the short term/long term categorisation of borrowing by reference to the earliest date on which the lender can require payment. The right to increase the interest rate payable without limit, as in a 'Lender Option, Borrower Option' (LOBO) loan, is treated as a right to require repayment. Consequently, LOBOs are classified as short-term where option dates are due within 12 months of the balance sheet date.

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 County 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 made.

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

Property, Plant and Equipment

The financial year 2022/23 was year two of a three-year revaluation cycle. The County Council's Property, Plant and Equipment assets have been valued on one of the following three bases under IFRS: Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets. Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature. Fair Value (Market Value) – method used to value property assets held as investments, surplus or for sale. Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings. Reductions in the budget for repairs and maintenance spending brings into doubt the useful lives assigned to buildings. If the useful life of buildings is reduced, depreciation increases and the carrying amount of the building falls.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase and mortality rates. The assumptions used are set out in the Retirement Benefits Note 12. The County Council uses a firm of actuaries, Hymans Robertson LLP, to provide expert advice about the assumptions to be applied. The discount rate used is based on corporate bond yields that reflect the duration of the employer's liabilities.

The effects on the net pension liability of changes in the discount rate or mortality rates are provided in the sensitivity analysis table in the Retirement Benefits Note 12.

The IAS 19 balance sheet is based on financial market values and future market expectation indicators as at 31 March 2023 to comply with the accounting standard.

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. The outcome of the two tribunals have been deemed to provide evidence that a legal obligation has been created relating to age-discrimination legislation, resulting in a liability. Furthermore, the 15 July 2019 written statement by the Chief Secretary to the Treasury that the McCloud and Sargeant judgements would apply to all public service pension schemes has also been 4deemed to provide evidence that there is a legal obligation. 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.

As details of the remedy for the schemes has not been drafted this creates a lot of uncertainty about the basis for valuing the impact of the Judgements on the pension schemes.

At present, it is clear that all members of the schemes who fell outside the transitional arrangements for both the LGPS and Fire-Fighters Pension Scheme at the relevant transition date will need to have their benefits brought up to the level of members in their scheme who were protected under those arrangements. However, it is unclear about what else will be in scope of the revised schemes. Areas of uncertainty include:

- Transfers within and between schemes and funds
- Impact on survivor benefits which may have started since the transition date
- Impact on pension sharing on divorce liabilities since the transition date

The actuary made assumptions regarding the impact arising from these areas of uncertainty in the valuation for 2021/22 and this allowance continues to be included within the valuation of the County Council's net liability.

There is also uncertainty regarding the impact of Guaranteed Minimum Pension (GMP) requirements. This arises where a pension scheme was 'contracted out' of additional state pension arrangements. If the contracted out pensions benefits are less than the pensioner would have received if the contracting out had not applied the pension scheme would be required to increase the pension paid to reach the GMP.

The actuary allowed for the impact of full GMP indexation in the calculation of 31 March 2021 funding valuation results. The Employer's valuation results position is used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation was included within valuation for 2021/22 and this allowance continues to be included within the valuation of the County Council's net liability.

There are three further court cases which could potentially impact on the valuation of the net pension liability:

- Goodwin
- Walker
- O'Brien

In all three cases, the actuary does not consider the judgements are likely to have a significant impact on the Council's pension obligations.

4. Adjustments in the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to the net expenditure chargeable to the County Fund to arrive at the amounts reported in the Comprehensive Income and Expenditure Statement.

2021/22 Adjustments for Capital Purposes (Note A) £'000	Net Charge for the Pensions Adjustments (Note B) £'000	Other Differences (Note C) £'000	Total Adjustments £'000		2022/23 Adjustments for Capital Purposes (Note A) £'000	Net Charge for the Pensions Adjustments (Note B) £'000	Other Differences (Note C) £'000	Total Adjustments £'000
40,677	5,835	-1,323	45,189	Environment and Place	28,052	5,461	-129	33,384
30,342	26,829	6,262	63,433	Children's Services	63,896	21,853	10,938	96,688
5,157	9,997	-4,238	10,916	Adult Services	13,028	7,686	6,010	26,724
0	383	-1,705	-1,322	Public Health	1,108	3,464	-1,625	2,947
17,453	18,705	-994	35,164	Customers, Culture and Corporate Services	3,117	10,916	-7,997	6,036
2,077	1,321	1,510	4,908	Other Corporate Costs	-39	2,295	-568	1,688
26,829	**63,070**	**-488**	**158,288**	**Service Costs**	**109,163**	**51,675**	**6,629**	**167,467**
-214,613	21,057	-44,561	-238,117	**Other Income and expenditure not charged to services**	-162,569	22,131	-15,020	-155,458
-187,784	**84,127**	**-45,049**	**-79,829**	**Surplus (-) or Deficit (+)**	**-53,406**	**73,806**	**-8,391**	**12,009**

Note A - Adjustments for Capital Funding and Expenditure Purposes

Service lines have been adjusted to:

- Add in depreciation, amortisation, impairment and revaluation gains/losses and capital expenditure on third party assets which is not recognised on the County Council's balance sheet.
- Remove capital expenditure funded from revenue and finance lease/service concession principal repayments which are not chargeable to service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for the disposal of assets to 'Other income and expenditure not charged to services'.

Other income and expenditure not charged to services has been adjusted to:

- Add in income on disposal of assets and the amounts written off those assets, the movement in the fair value of investment property and capital grants and contributions receivable in the year without conditions or for which conditions were satisfied during the year.
- Remove the statutory charge for capital financing i.e. Minimum Revenue Provision which is not chargeable under generally accepted accounting practices

Note B - Net change for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income

Service lines have been adjusted to remove employer pension contributions made by the County Council in accordance with statute and replace with current service costs, past service costs/curtailments and settlements.

Other income and expenditure not charged to services has been adjusted to add in the net interest on the defined benefit liability and adjust for the fire-fighters pension fund top-up grant.

Note C - Other Differences

Service lines have been adjusted to:

- Add in expenditure for staff holiday entitlement.
- Remove transfers to/from earmarked reserves which did not form part of service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for trading operations and financing costs to, and other corporate service costs/income from, the 'Other income and expenditure not charged to services' line.
- Remove expenditure recharged from one service to another within the County Council

Other income and expenditure not charged to services has been adjusted to:

- Add in the difference between the amount received under statutory regulations for Council Tax and Business Rates notified when the budget was set and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
  Remove corporate transfers to/from earmarked reserves which are not recognised as expenditure under generally accepted accounting practice.

5. Analysis of income and expenditure by nature

2021/22 £'000	Income and Expenditure	2022/23 £'000
-77,283	Fees, charges and other service income	-83,555
-702,247	Government grants and contributions	-693,172
-13,018	Interest and investment income	-6,389
-451,311	Income from council tax and non-domestic rates	-477,350
-5,012	Proceeds from the disposal of non-current assets	-1,569
-1,248,871	**Total Income**	**-1,262,035**
425,221	Employee benefits expenses	454,618
649,507	Other service expenses	709,933
38,042	Depreciation, amortisation, impairments and revaluations	59,028
20,292	Interest payable and similar charges	27,773
22,931	Net interest expense on the pension defined liability	24,703
8,385	Costs from the disposal of non-current assets	14,690
1,164,378	**Total Expenditure**	**1,290,745**
-84,493	**Surplus (-) or Deficit (+) on the Provision of Services**	**28,710**

A segmental analysis of fees, charges and other service income is shown in the following table.

2021/22 £'000	Fees and Charges by Directorate	2022/23 £'000
-14,621	Environment and Place	-17,536
-9,535	Children's Services	-10,730
-44,624	Adult Services	-47,330
-67	Public Health	-83
-3,149	Commercial Development, Assets & Investment	-7,306
-4,772	Customers, Organisational Development & Resources	0
-516	Corporate	-571
-77,284	**Total Fees and Charges**	**-83,556**

6. Adjustments between accounting basis and funding basis under regulations

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

2021/22						2022/23				
County Fund Balance £'000	Ear-marked Reserves £'000	Capital Receipts Unapplied £'000	Capital Grants & Contbns Unapplied £'000	Unusable Reserves £'000		County Fund Balance £'000	Ear-marked Reserves £'000	Capital Receipts Unapplied £'000	Capital Grants & Contbns Unapplied £'000	Unusable Reserves £'000
					Adjustments to Revenue Resources					
84,126				-84,126	Pension Costs transferred to (or from) the Pensions Reserve	73,804				-73,804
-2				2	Financial instruments transferred to the Financial Instrument Adjustment Account	-2				2
-4,839				4,839	Gain or Loss on the valuation of pooled investment funds	10,168				-10,168
-19,162				19,162	Council Tax and Business Rates transferred to the Collection Fund Adjustment Account	-9,785				9,785
1,055				1,055	Holiday pay transferred to the Accumulated Balances Account	489				-489
104,454				-104,454	Reversal of entries included in the Surplus of Deficit on the Provision of Services in relation to capital expenditure to the Capital Adjustment Account	127,627				-127,627
				0	**Adjustments between Revenue and Capital Resources**					0
-4,908		4,908		0	Transfer of non-current asset sale proceeds to the Capital Receipts Unapplied Reserve	-1,569		1,569		0
-10,281				10,281	Statutory provision for the repayment of debt transferred to the Capital Adjustment Account	-12,393				12,393
-495				495	Capital expenditure financed from revenue balances transferred to the Capital Adjustment Account	-1,954				1,954
-109,307			-12,842	122,149	Capital grants and contributions applied	-63,989			-63,890	127,879
-98,393			98,393	0	Capital gains and contributions receivable not applied to finance capital expenditure	-101,128			101,128	0
				0	**Adjustments to Capital Resources**					0
		0		0	Repayment of loans					0
-59,862	**0**	**4,908**	**85,551**	**-30,597**	**Total**	**21,268**	**0**	**1,569**	**37,238**	**-60,075**

7. Dedicated Schools Grant (DSG)

The County Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education. An element of DSG is recouped by the Department to fund academy schools in the County Council's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the schools Budget, as defined in the School and Early Years Finance (England) Regulations 2021. The school Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. DSG income and expenditure is part of the Children's Services Directorate. Details of the deployment of DSG receivable for 2022/23 (with comparators) are as follows:

2021/2022 Central Expenditure £'000	ISB £'000	Total £'000		2022/23 Central Expenditure £'000	ISB £'000	Total £'000
		553,911	Final DSG before Academy & high needs recoupment			585,596
		-322,641	Less Academy & high needs figure recouped for the year			-337,220
		231,270	Total DSG after Academy & high needs recoupment			248,376
		0	Brought forward from previous year			0
		0	Less carry forward to next year agreed in advance			0
51,953	**179,317**	**231,270**	**Agreed initial budgeted distribution**	**78,794**	**169,582**	**248,376**
	507	507	In year adjustments		76	76
	0	0	Prior year adjustments		0	0
51,953	**179,824**	**231,777**	**Final budget distribution**	**78,794**	**169,658**	**248,452**
-65,229		-65,229	Less actual central expenditure	-90,792		-90,792
	-179,848	-179,848	Less Actual ISB deployed to schools		-168,889	-168,889
1,200	0	1,200	County Council contribution	1,200	0	1,200
-64,029	**-179,848**	**-243,877**	**Total Actual Expenditure**	**-89,592**	**-168,889**	**-258,481**
-12,076	-24	-12,100	In year carry forward	-10,798	769	-10,029
		-11,482	DSG unusable reserve at the beginning of the year			-23,582
		-23,582	**Carry forward to next year**			**-33,611**

8. Partnership schemes under section 75 of the National Health Service Act 2006

Oxfordshire County Council, Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (formerly Oxfordshire Clinical Commissioning Group) and Oxford Health NHS Foundation Trust are working together to improve services and support for the people of Oxfordshire. Under Section 75 of the National Health Services Act 2006, the Council has existing and long-standing agreements to pool resources and deliver shared objectives. The overarching intention is that working together across service areas will lead to better outcomes for service users, more effective decision making, and better use of pooled resources.

Pooled Budget	Better Care Fund Pool		Adults with Care and Support Needs		Mental Health Provider Pool	
Partner	Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)		Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)		Oxford Health NHS Foundation Trust	
Purpose	Commissions services for older people and adults with physical disabilities including care home placements, services supporting community resilience and hospital avoidance (eg. care at home and day time services), prevention and carer support.		Commissions services for adults of working age with a learning disability or mental health assessed needs along with support for people with an acquired brain injury. Services include supported living and residential care placements. Some service users receive direct payments and organise their own care.		Provides integrated health and social care support to adults with Mental Health needs.	
Lead Partner	Oxfordshire County Council		Oxfordshire County Council		Oxford Health NHS Foundation Trust	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
Total Gross Expenditure	**259,668**	**259,273**	**195,208**	**244,497**	**10,466**	**11,810**
Funded by:						
Council Contribution *	-80,919	-79,273	-97,040	-131,357	-1,802	-1,802
Partner Contribution	-90,368	-86,330	-92,160	-88,114	-8,664	-10,008
Service User Contributions	-36,140	-36,772	-4,437	-5,823		
Better Care Fund	-44,128	-46,696	0	0		
Other External Contribution	0	0	-1,571	-19,197		
Other Income **	-8,113	-10,202	0	-6		
Total Gross Income	**-259,668**	**-259,273**	**-195,208**	**-244,497**	**-10,466**	**-11,810**

*Note that the Authority's Contribution to the Adults with Care and Support Needs Pool 2022/23 includes £1,802k (the same as 2021/22) which is passported to the Mental Health Provider Pool. The Authority does not make any other contributions to the Mental Health Provider Pool.

** The Better Care Fund Pool includes £16,712k in Other Income for one-off funding to support costs arising from Hospital Discharge Schemes 1 and 2 put in place as a result of the COVID-19 pandemic.

9. Members' Allowances

Under the Council's constitution, councillors are entitled to receive annual allowances for their role. These include basic allowance payable to all councillors and special responsibility allowances where councillors undertake specific roles such as chair of a committee.

Members' Allowances	2021/22 £'000	2022/23 £'000
Allowances	999	1,146
Travel and Subsistence	6	11
Total	**1,005**	**1,157**

10. Audit Fee

The County Council's external auditors are Ernst & Young. The following fees were incurred relating to external audit and grant certification work. This expenditure is part of the Customers, Organisational Development and Resources Directorate.

Audit and Inspection Fees	2021/22 £'000	2022/23 £'000
Code of Practice Audit Work	82	84
Other Fees for Prior Years	0	0
Certification of grant claims and Returns	14	15
Total	**96**	**99**

11. Senior Officers' Remuneration

The Accounts and Audit Regulations 2015 require disclosure of remuneration for senior staff. Remuneration for these purposes includes all sums paid to or receivable by an employee including expense allowances chargeable to tax and non-taxable termination payments including enhancement, redundancy and pay in lieu of notice.

Two sets of disclosures are required. Firstly, the number of employees whose total remuneration (excluding employer pension contributions) exceeded £50,000. Secondly, individual remuneration details (including employer pension contributions) for each senior employee, as defined by the regulations, whose salary is more than £50,000 per year (pro-rata for part-time staff). Senior employees whose salary is over £150,000 are disclosed by name, the remaining senior employees are disclosed by post title.

The number of employees whose remuneration (excluding employer pension contributions) exceeded £50,000 is set out in the following table. In accordance with the 2015 regulations, the figures exclude senior employees whose remuneration is disclosed separately.

Band	Number of Employees					
	2021/22			2022/23		
£	School	Non School	Total	School	Non School	Total
50,000-54,999	46	200	**246**	40	182	**222**
55,000-59,999	41	84	**125**	40	158	**198**
60,000-64,999	24	47	**71**	24	57	**81**
65,000-69,999	29	36	**65**	20	53	**73**
70,000-74,999	16	9	**25**	23	18	**41**
75,000-79,999	13	7	**20**	7	7	**14**
80,000-84,999	2	24	**26**	10	9	**19**
85,000-89,999	8	9	**17**	5	31	**36**
90,000-94,999	0	6	**6**	3	3	**6**
95,000-99,999	0	4	**4**	0	1	**1**
100,000-109,999	0	6	**6**	1	8	**9**
110,000-119,999	1	5	**6**	0	8	**8**
120,000-129,999	0	1	**1**	0	0	**0**
130,000-139,999	0	2	**2**	0	6	**6**
140,000-149,999	0	0	**0**	0	2	**2**
150,000-159,999	0	1	**1**	0	1	**1**
160,000-169,999	0	0	**0**	0	0	**0**
170,000-179,999	0	0	**0**	0	0	**0**
180,000-189,999	0	0	**0**	0	1	**1**
190,000-199,999	0	0	**0**	0	0	**0**
200,000-209,999	0	0	**0**	0	0	**0**
210,000-219,999	0	0	**0**	0	1	**1**
220,000-229,999	0	0	**0**	0	0	**0**
230,000-239,999	0	0	**0**	0	0	**0**
240,000-249,999	0	0	**0**	0	1	**1**
Total	**180**	**441**	**621**	**173**	**547**	**720**

2022/23 Post Holder Information	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensation for Loss of Employment	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	Contribution to (+) from (-) Cherwell District Council	Cost to Oxfordshire County Council
	£	£	£	£	£	£		£
Chief Executive - Martin Reeves*	18,750	0	0	18,750	3,731	22,481	0	**22,481**
Interim Executive Director for People, Transformation & Performance - Stephen Chandler**	188,303	0	0	188,303	37,472	225,775	0	**225,775**
Corporate Director for Customers and Organisational Development and Resources - Claire Taylor *** §	136,406	0	0	136,406	27,224	163,630	-18,893	**144,737**
Interim Corporate Director for Adult Social Care – Karen Fuller****	140,266	0	0	140,266	27,913	168,179	0	**168,179**
Corporate Director for Children's Services - Kevin Gordon	136,406	0	0	136,406	27,145	163,551	0	**163,551**
Corporate Director for Environment and Place - Bill Cotton	155,730	0	0	155,730	30,990	186,720	0	**186,720**
Corporate Director for Commercial Development & Asset Management - Steve Jorden***** §§	83,434	0	159,409	242,843	15,853	258,696	-17,703	**240,993**
Corporate Director for Public Health and Community Safety - Ansaf Azhar §§	136,406	0	0	136,406	19,615	156,021	-1,647	**154,374**
Director of Finance (S.151) - Lorna Baxter	136,736	0	0	136,736	41,832	178,569	0	**178,569**
Director of Law and Governance and Monitoring Officer – Anita Bradley	136,406	0	0	136,406	27,211	163,617	0	**163,617**
Chief Fire Officer - Rob MacDougall	145,252	0	0	145,252	41,980	187,232	0	**187,232**
Total	**1,414,095**	**0**	**159,409**	**1,573,504**	**300,966**	**1,874,471**	**-38,243**	**1,836,228**

*Started the post on 1 March 2023 **Stephen Chandler was acting Temporary Chief Executive from 1 March 2022 - 8 March 2023 and started in this post on 9 March 2023 ***Employed by Cherwell District Council until 31 May 2022 and Stated the post at Oxfordshire County Council 1 June 2022 ****Seconded to Corporate Director of Adult and Housing post from 7 March 2022, prior to this, Karen was Deputy Director Adult Social Care *****Finished Post and Left Oxfordshire County Council on 8 August 2022
Several senior officer roles at Oxfordshire County Council are joint posts under the Partnership Agreement with Cherwell District Council: § denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs: Corporate Director Customers, Organisational Development & Resources 70%
§§ denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs: Director of Law & Governance 20% & Corporate Director of Public Health 10%

2021/22 Post Holder Information	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensation for Loss of Employment	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	Contribution to (+) from (-) Cherwell District Council	Cost to Oxfordshire County Council
	£	£	£	£	£	£	£	£
Chief Executive - Yvonne Rees *	0	0	0	0	0	0	123,804	**123,804**
Corporate Director Commercial Development, Assets & Investments ** - Steve Jorden	158,530	0	0	158,530	30,607	189,137	-55,323	**133,814**
Director of Law and Governance **	132,157	0	0	132,157	25,359	157,516	-31,503	**126,013**
Corporate Director Environment and Place - Bill Cotton	153,804	0	0	153,804	30,607	184,411	-55,323	**129,088**
Corporate Director Public Health **	134,481	0	0	134,481	19,338	153,820	-15,382	**138,438**
Corporate Director Adults & Housing Services **	144,532	0	0	144,532	28,762	173,294	-17,329	**155,965**
Corporate Director Children Services	134,481	0	0	134,481	26,762	161,243	0	**161,243**
Corporate Director Customers, Organisational Development & Resources *	0	0	0	0	0	0	108,836	**108,836**
Director of Finance **	134,481	0	0	134,481	26,696	161,177	-48,353	**112,824**
Chief Fire Officer	145,765	0	0	145,765	41,980	187,745	0	**187,745**
Total	**1,138,232**	**0**	**0**	**1,138,232**	**230,111**	**1,368,344**	**9,426**	**1,377,769**

Several senior officer roles at Oxfordshire County Council are joint posts under the Partnership Agreement with Cherwell District Council:
* denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs
Chief Executive 61%, Corporate Director Place & Growth 70%, Corporate Director Customers, Organisational Development & Resources 70%
** denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs
Corporate Director Commercial Development Assets & Investments 30%, Director of Law & Governance 20%, Director of Finance 30%
Corporate Director Adults & Housing Services 10%, Corporate Director of Public Health 10%

12. Exit Packages

The number of exit packages agreed in the year and the cost of those packages is given in the tables below. Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years and costs of early retirements without actuarial reduction in benefits, ex-gratia payments and other departure costs. Ill-health retirements are excluded because they do not meet the Code's definition of termination benefits.

The bandings in the tables include exit packages in the year they were individually agreed. The bandings are based on HR records for leavers in the year adjusted for accruals. Where there is a difference between the accrued amount and the actual payment in the following year this is shown as a reconciling adjustment at the foot of the table – in some instances the actual payment was higher than the accrued amount and in other instances the actual payment was lower. The bandings exclude exit packages provided for as part of redundancy provision in the year the provision was created – the individual exit packages charged against redundancy provisions are included in the bandings in the year of departure.

Exit packages	2021/22						2022/23					
	Compulsory		Other		Total		Compulsory		Other		Total	
Band (£)	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000
0 - 19,999	19	153	32	256	**51**	**409**	9	67	13	100	**22**	**167**
20,000 - 39,999	4	108	6	158	**10**	**266**	3	111	2	43	**5**	**154**
40,000 - 59,999	1	52	3	139	**4**	**191**	2	108	0	0	**2**	**108**
60,000 - 79,999	1	78	0	0	**1**	**78**	0	0	0	0	**0**	**0**
80,000 - 99,999	0	0	1	98	**1**	**98**	2	169	0	0	**2**	**169**
100,000 - 149,999	2	234	0	0	**2**	**234**	2	263	0	0	**2**	**263**
150,000 - 199,999	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
200,000 - 249,999	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
250,000 - 299,999	0	0	0	0	**0**	**0**	1	279	0	0	**1**	**279**
Total	**27**	**625**	**42**	**651**	**69**	**1,276**	**19**	**997**	**15**	**143**	**34**	**1,140**
Add new provisions created												**0**
Less amounts provided for in previous year						**0**						**0**
Add unused amount of previous year's provision						**0**						**0**
Adjust for differences between payments and accruals						**188**						**247**
Total cost of exit packages in the Comprehensive Income and Expenditure Statement						**1,464**						**1,387**

13. Operating Leases

From time to time, the County Council acquires assets under operating leases. The minimum lease payments and contingent rents charged, and sublease payments received for the year, together with future commitments and future sublease payments receivable are set out below, together with comparative figures for 2022/23

County Council as Lessee	2021/22 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	2022/23 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments charged in year	1,330	2,076	**3,405**	1,717	2,020	**3,737**
Contingent rents charged in year	204	141	**345**	200	155	**355**
Sublease payments received in year	0	-571	**-571**	0	-550	**-550**
Future minimum lease payments:						
Within 1 year	1,053	1,903	**2,956**	1,427	841	**2,267**
Within 2nd - 5th years	884	3,286	**4,170**	844	2,498	**3,342**
6th year and beyond	0	1,371	**1,371**	0	1,413	**1,413**
Total commitments	1,937	6,560	**8,497**	2,271	4,751	**7,022**
Total future sublease payments receivable	0	-548	**-548**	0	-517	**-517**

The County Council leases out property under operating leases for the provision of accommodation for services, such as Homes for Older People, pre-schools and waste re-cycling centres. Contingent rents include backdated rent increases.

County Council as Lessor	2021/22 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	2022/23 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments receivable in year	0	2,235	**2,235**	0	2,077	**2,077**
Contingent rents receivable in year	0	897	**897**	0	1,111	**1,111**
Future minimum lease payments receivable:						
Within 1 year	0	1,812	**1,812**	0	1,617	**1,617**
Within 2nd - 5th years	0	5,341	**5,341**	0	4,923	**4,923**
6th year and beyond	0	35,873	**35,873**	0	33,811	**33,811**
Total Receivable	0	43,027	**43,027**	0	40,351	**40,351**

14. Other Operating Expenditure

Other Operating Expenditure comprises the gain or loss on the derecognition of non-current assets. The gain or loss is the amount by which the disposal proceeds (if any) are more (gain) or less (loss) than the amount which the non-current asset is held on the balance sheet together with the costs of disposal. To comply with statutory/proper practices, the entry is reversed in the Movement in Reserves Statement leaving the cost of disposals chargeable to revenue net of other receipts as a charge against the County Fund. Regulations permit disposal costs of up to 4% of the sale proceeds to be charged against the capital receipt.

Other Operating Expenditure	2021/22 £'000	2022/23 £'000
Capital Receipts	-4,909	-1,583
Disposal costs charged against capital receipts	0	13
Net Capital Receipts	-4,909	-1,570
Other Receipts	-104	0
Total Receipts	-5,013	-1,570
Carrying value of non-current assets derecognised	8,385	14,690
Disposal costs charged to the General Fund	21	0
Total Disposal costs	8,406	14,690
Other Operating Expenditure	**3,393**	**13,120**
Adjustments between accounting basis and funding basis	-3,477	-13,120
Net Charge to the General Fund	**-84**	**0**

15. Financing and Investment Income and Expenditure

A breakdown of the items within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is as follows:

Financing and Investment Income and Expenditure	2021/22 £'000	2022/23 £'000
Interest payable and similar charges	18,285	17,605
Gain or Loss on the valuation of pooled investment funds	-4,839	10,168
Interest receivable and similar income	-6,173	-6,389
Income and Expenditure in relation to investment properties and change in their fair value	-2,352	-1,096
Net pensions interest expense	22,931	24,703
Net fire-fighters Pension Fund Top-Up Grant	-1,874	-2,573
Financing and Investment Income and Expenditure	**25,978**	**42,418**
Adjustments between accounting basis and funding basis	-13,867	-31,201
Net Charge to the General Fund	**12,111**	**11,217**

16. Financial Instruments - Income, Expenses, Gains or Losses

Financial instruments include bank deposits, investments, debtors (excluding statutory debtors and prepayments), long-term debtors (excluding lifecycle prepayments), creditors (excluding statutory creditors), borrowings, finance leases and the finance liability element of service concession arrangements. The Code requires financial instruments to be classified into defined categories of assets and liabilities. These are explained in the Summary of Significant Accounting Policies in Note 1. The income, expenses, gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are as follows.

2021/22 Financial Liabilities	2021/22 Financial Assets					2022/23 Financial Liabilities	2022/23 Financial Assets			
Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000		Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000
16,972			0	**16,972**	Interest Expense	15,959			0	**15,959**
			2,007	**2,007**	Decreases in fair value				10,168	**10,168**
	1,313		0	**1,313**	Impairment Losses		1,646		0	**1,646**
		0	227	**227**	Fee expense			0	0	**0**
16,972	**1,313**	**0**	**2,234**	**20,519**	**Total expense in Surplus or Deficit on the Provision of Services**	**15,959**	**1,646**	**0**	**10,168**	**27,773**
				0						**0**
	-2,297		-3,876	**-6,173**	Interest Income		-2,101		-4,288	**-6,389**
		0	-6,845	**-6,845**	Increases in fair value			0	0	**0**
0	**-2,297**	**0**	**-10,722**	**-13,018**	**Total income in Surplus or Deficit on the Provision of Services**	**0**	**-2,101**	**0**	**-4,288**	**-6,389**
				7,501	**Net gain (-) / loss (+) for the year**					**21,384**

17. Retirement Benefits

As part of the terms and conditions of employment of its employees, the County Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the County Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The County Council participates in four pension schemes. Only a small number of Public Health staff that transferred from the NHS when the service became a County Council function in April 2013 participate in the NHS Pension Scheme and this is therefore excluded from the disclosures below.

The Local Government Pension Scheme (LGPS)

This is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (as amended) and provides benefits based on final salary and length of service on retirement (for benefits accrued up to 31 March 2019) and career average revalued salary (for benefits accrued from 1 April 2019).

The County Council is the Administering Authority for the Fund. The Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the Fund's professional advisers. The accounts of the Oxfordshire Local Government Pension Fund are included after the Notes to Accounts.

As Administering Authority to the Fund, the County Council, after consultation with the Fund Actuary (Hymans Robertson LLP) and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These are amended when appropriate based on the Fund's performance and funding.

The LGPS is a funded scheme, meaning that the County Council and employees pay contributions into a Fund, calculated at a level intended to balance the pension liabilities with investment assets. The County Council may also grant additional benefits to LGPS members on retirement under the Discretionary Payment Regulations which are not paid from the Fund – these are referred to as LGPS unfunded benefits below.

Employer contributions are set every 3 years as a result of the actuarial valuation of the Fund required by regulations. The actuarial valuation at 31 March 2020 set the contribution rates for the period 1 April 2021 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The total contributions expected to be made by the County Council to the Local Government Pension Scheme (LGPS) in 2022/23 are £34.431m for funded benefits (£33.252m was expected for 2021/22).

The pensions liability has decreased from March 2022 (£901m) to March 2023 (£288m). This is partly due to the difference between the accrual of new benefits and benefits paid out during the year for scheme participants.

The County Council currently participates in the Oxfordshire County Council pool with various other employers with admissions agreements in order to share experience of risks they are exposed to in the Fund. At the 2022 valuation, the deficit on the whole pool was calculated and allocated to each employer, along with the costs of future benefits of the combined membership of the pool, such that all employers within the pool shared the same overall contribution rate. The next re-allocation will be carried out at the 2025 valuation, should the employer remain in the pool.

Should the County Council withdraw from the Fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination

contribution due by the County Council on a set of assumptions deemed appropriate by the Fund Actuary.

Curtailment costs arise as a result of the payment of unreduced pensions on early retirement. The capitalised cost of the additional benefits relative to those reserved for under IAS 19 is £0.057m for 2022/23 (£0.054m for 2021/22). As a result of some members of the Oxfordshire Pension Fund transferring to/from another employer over the year, liabilities have been settled at a cost different to the amount reserved for under IAS19. The capitalised gain of this settlement for 2022/23 is £0 (£0 2021/22).

The Fire-Fighters Pension Schemes

There are five separate schemes relating to Fire-Fighters pensions – the 1992 scheme, the 2006 scheme, the 2015 scheme, the Retained Modified scheme and the fire-fighters compensation scheme for injury benefits and ill health retirements. Each of these are defined benefit statutory schemes administered in accordance with the Fire-Fighters' Pension Scheme Regulations 2014 and Fire Pension Orders 1992 and 2006 and provide benefits based on final salary and length of service on retirement, other than the 2015 scheme which provides benefits accrued from 1 April 2019 based on career average revalued salaries.

The County Council is the Administering Authority for each of the schemes. The day-to-day administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the schemes' professional advisers.

The 1992, 2006, 2015 and the Retained Modified schemes are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pension payments as they fall due. The County Council and employees pay contributions into a fund account and where these are not sufficient to meet pension payments for the year, the deficit is met by a Central Government top-up grant. Any surplus in the pension fund in the year is paid back to Central Government. Employer contributions are set every four years as a result of the combined actuarial valuation of the fire-fighters' pension schemes required by the Home Office on behalf of the Secretary of State. The last completed actuarial valuation was at 31 March 2022 and set contributions for the period from 1 April 2022 to 31 March 2025.

The fire-fighters' compensation scheme injury benefits and ill health retirements are paid on a pay as you go basis. There are no assets held to back the liabilities of the scheme.

For ease of presentation the figures for all the fire-fighters schemes have been combined within the tables in this note. Most of the firefighters defined benefits liabilities relate to the 2015 scheme.

The total of contributions (including government top-up grant) and injury/ill health retirement benefit payments expected to be made by the County Council in 2022/23 is £8.2m (£6.4m in 2021/22).

The Teachers' Pension Scheme

This is a defined benefit scheme administered in accordance with the Teachers' Pensions Regulations 2014 and provides benefits based on final salary and length of service (for benefits accrued up to 31 March 2015) and career average revalued salary (for benefits accrued from 1 April 2015). The Scheme is administered by Capita on behalf of the Department for Education. The Scheme is an unfunded pension scheme, in which payments from the Scheme are funded by contributions from current employees and employers with the difference between these contributions and Scheme expenditure financed by the Exchequer.

The County Council contributes towards the costs of the scheme by making contributions based on a percentage of members' pensionable salaries as set by the Secretary of State for Education, taking advice from the Scheme's actuary. The total expected payments to beneficiaries for 2022/23 is £6.029m (£5.721m 21/22).

The Teachers' Pension Scheme is a defined benefit scheme, but because of the way the scheme is centrally managed the County Council is unable to identify its share of the underlying assets and liabilities of the scheme and it is therefore classified as a defined contribution scheme for accounting purposes. Charges are included in the Surplus or Deficit in the Provision of Services but there are no liabilities to disclose in the Balance Sheet with the exception of all pension payments relating to added years which the County Council has awarded to teachers under the Discretionary Payment Regulations. As the County Council is responsible for funding these added years payments on a pay as you go basis they are treated as a defined benefit scheme.

Risk

The County Council is exposed to a number of risks from participating in the pension schemes accounted for as defined benefit schemes outlined above. Risks common to all of the schemes are:

Interest rate risk – the liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. Given the volatile nature of market yields the yield on high quality corporate bonds could fall leading to an increase in the liabilities.

Inflation risk – the benefits are linked to inflation and so increased costs may emerge if inflation is higher than expected.

Longevity risk – in the event that the members live longer than assumed more benefits will be paid out than expected. There are also other demographic risks.

As a funded scheme, the LGPS gives exposure to other additional risks:

Investment risk – The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk – The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of assets and liabilities may not move in the same way.

Inflation risk – deficits may emerge to the extent that the assets are not linked to inflation.

In addition, as many unrelated employers participate in the Oxfordshire County Council Pension Fund, there is an 'orphan liability risk' where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the County Council, for example higher than expected investment returns or employers leaving the funds with excess assets which would eventually get inherited by the remaining employers, market yields may rise or inflation be less than expected reducing the value of the liabilities and ongoing cost of benefit accrual. The cost of retirement benefits arising from defined benefit schemes are recognised in the Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the County Council is required to make against the County Fund (and hence Council Tax) is based on cash payable in the year so the real cost of pension benefits is reversed out in the Movement in Reserves Statement. The following table sets out the transactions that have been made in the accounts.

Pension Fund Comprehensive Income and Expenditure Statement	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	Revised 2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	Revised 2021/22 £'000	2022/23 £'000
Cost of Services						
Current Service Cost	95,438	88,346	6,500	5,600	101,938	93,946
Past Service Costs	456	1,028	0	0	456	1,028
(Gain) / Loss from settlements	0	0	0	0	0	0
Administration Expenses	1028	1,267	0	0	1,108	1,267
Financing and Investment Income & Expenditure						
Net Interest Expense	16,531	16,503	6,400	8,200	22,931	24,703
Government Top-Up Grant / Surplus payable to Government	0	0	-1,874	-2,573	-1,874	-2,573
Surplus / Deficit on the Provision of Services	**113,533**	**107,144**	**11,026**	**11,227**	**124,559**	**118,371**
Other Comprehensive Income and Expenditure						
Return on plan assets	-120,244	100,245	0	0	-120,244	100,245
Actuarial gains (-) and losses (+) from demographic assumptions	-36,610	-12,227	-3,200	-3,600	-39,810	-15,827
Actuarial gains (-) and losses (+) from financial assumptions	-133,482	-785,201	-21,300	-101,800	-154,782	-887,001
Experience gains (-) and losses (+)	5,101	122,947	1,400	4,500	6,501	127,447
Other actuarial gains (-) and losses (+)	-2,939	-466	-89	332	-3,028	-134
Total retirement benefits charged to the Comprehensive Income and Expenditure Statement	**-174,641**	**-467,558**	**-12,163**	**-89,341**	**-186,804**	**-556,898**
Movement in Reserves Statement						
Reversal of net charges made to the Surplus/Deficit on the Provision of Services for retirement benefits in accordance with the code	-76,637	-66,337	-7,489	-7,468	-84,126	-73,804
Actual amount charged against the General Fund Balance for pensions in the year	**35,453**	**40,807**	**3,537**	**3,759**	**38,991**	**44,567**

The net liabilities set out in the following table show the underlying long-term commitments that the County Council has to pay retirement benefits.

Pension Liability	Revised 2021/22 £'000	2022/23 £'000
Present value liabilities:		
Local Government Pension Scheme funded benefits	2,093,243	1,534,481
Local Government Pension Scheme unfunded benefits	16,139	13,469
Fire Fighters' Pension Schemes	304,900	211,800
Teachers' Added Years	44,035	35,388
Total Present value liabilities	**2,458,317**	**1,795,139**
Fair value of assets in the Local Government Pension Scheme	**1,566,269**	**1,504,556**
Net Liabilities in the scheme:		
Local Government Pension Scheme funded	526,974	29,926
Local Government Pension Scheme unfunded	16,139	13,469
Fire Fighters' Pension Schemes	304,900	211,800
Teachers' Added Years	44,035	35,388
Total Net Liabilities	**892,048**	**290,583**

It should be noted however that the pension liability valuation in accordance with accounting requirements is only a snapshot in time and will likely fluctuate year on year. The statutory arrangements for funding the deficit ensure that:

- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary
- The rates of employee and employer contributions for the Fire-fighters' Pension Schemes will be reviewed regularly by actuaries acting on behalf of the government to ensure that they reflect the true cost of accruing pensions
- Finance is only required to be raised to cover teachers added years benefits and fire-fighters injury pensions and unfunded ill health retirements when they are actually paid

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The schemes have been assessed by Hymans Robertson LLP, an independent firm of actuaries using estimates based on the latest full valuation of the scheme - at 31 March 2023 for the Local Government Pension Scheme and 31 March 2021 for the Fire-fighters Pension Schemes.

A reconciliation of the opening and closing balances of the present value of scheme liabilities is shown on the following table.

Liabilities	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	Revised 2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	Revised 2021/22 £'000	2022/23 £'000
Opening Balance at 1 April	**2,228,951**	**2,153,417**	**320,600**	**304,900**	**2,549,551**	**2,458,317**
Current Service Cost	96,546	89,613	6,500	5,600	103,046	95,213
Interest Expense	45,078	58,714	6,400	8,200	51,478	66,914
Contributions by scheme participants	10,825	12,223	1,500	1,500	12,325	13,723
Actuarial gains and losses - demographic assumptions	-36,610	-12,227	-3,200	-3,600	-39,810	-15,827
Actuarial gains and losses - financial assumptions	-133,482	-785,201	-21,300	-101,800	-154,782	-887,001
Experience gains and losses	-3,835	122,947	1,400	4,500	-2,435	127,447
Other actuarial gains and losses	0	0	-89	332	-89	332
Benefits Paid	-54,512	-57,175	-5,037	-5,259	-59,549	-62,434
Past Service Costs	456	1,028	0	0	456	1,028
(Gain) / Loss from settlements	0	0	0	0	0	0
Fire Fighters pension scheme top-up grant	0	0	-1,874	-2,573	-1,874	-2,573
Closing balance at 31 March	**2,153,417**	**1,583,339**	**304,900**	**211,800**	**2,458,317**	**1,795,139**

The Fire-fighters' Pension Schemes and Teachers Added Years have no assets to cover liabilities. Assets in the Local Government Pension Scheme are valued at fair value, principally market value of investments. Cash contributions from other partners in the Pension Pool mean that the asset values in the County Council's accounts differ to those in the actuarial report. A reconciliation of the fair value of assets in the Local Government Pension Scheme is shown on the following table:

Assets at Fair Value	Local Government Pension Scheme (funded)	
	Revised 2021/22 £'000	2022/23 £'000
Opening Balance at 1 April	**1,430,266**	**1,566,269**
Interest Income	28,547	42,211
Return on plan assets	120,244	-100,245
Other actuarial gains and losses	-5,997	466
Employer Contributions	32,200	36,320
Contributions by scheme participants	10,825	12,223
Benefits Paid	-49,816	-52,688
Closing balance at 31 March	**1,566,269**	**1,504,556**

The assets in the Local Government Pension Scheme consist of the following categories:

Assets	At 31 March 2022 Revised £'000	Revised £'000	Revised %	At 31 March 2023 £'000	£'000	%
Equities						
Consumer	0			0		
Manufacturing	0			0		
Energy and Utilities	0			0		
Financial Institutions	0			0		
Health and Care	0			0		
Information and Technology	0			0		
		0	0%		0	0%
Debt Securities						
UK Government	32,165			19,388		
Other	8,518			7,919		
		40,683	3%		27,307	2%
Derivatives (quoted in an active market)						
Foreign exchange	-116			68		
		-116	0%		68	0%
Cash and cash equivalents						
Cash	34,039			22,730		
		34,039	2%		22,730	2%
Private Equity						
All	77,004			70,624		
		77,004	5%		70,624	5%
Investment Funds and Unit Trusts						
Equities	870,913			839,771		
Infrastructure	46,407			395,917		
Bonds	124,148			96,269		
Other	373,191			51,870		
		1,414,659	90%		1,383,827	92%
Total		**1,566,269**	**100%**		**1,504,556**	**100%**

The main assumptions used in the retirement benefit calculations are as follows:

	Local Government Pension Scheme (funded)		Local Government Pension Scheme (unfunded)		Fire-fighters' Pension Schemes		Teachers Added Years	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Longevity Assumptions:								
Base Table*	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	S2NMA/S2NFA with a 110% multiplier	S2NMA/S2NFA with a 110% multiplier	Fund's Vita Curves	Fund's Vita Curves
Men:								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	22.2	22	22.2	22	26.3	25.9	22.2	22
Longevity from 65 (currently aged 45) (yrs)	23.1	22.8	23.1	22.8	27.7	27.3	23.1	22.8
Women:								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	24.5	24.7	24.5	24.7	28.7	28.5	24.5	24.7
Longevity from 65 (currently aged 45) (yrs)	26.1	26	26.1	26	30.1	29.8	26.1	26
Financial Assumptions:								
Retail Price Index (RPI) increases	3.65%	3.20%	3.65%	3.20%	3.65%	3.20%	3.65%	2.95%
Consumer Price Index (CPI) increases	3.20%	2.95%	3.20%	2.95%	3.20%	3.20%	3.20%	2.95%
Rate of increases in salaries	3.20%	2.95%	3.20%	2.95%	3.65%	2.95%	3.20%	2.95%
Rate of increases in pensions and deferred pensions	2.85%	2.95%	2.85%	2.95%	3.20%	2.95%	2.85%	2.95%
Rate for discounting scheme liabilities	2.70%	4.75%	2.70%	4.75%	2.70%	4.75%	2.70%	4.75%

In addition, the following assumptions have been made for the Local Government Pension Scheme:

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the option to pay 50% of contributions for 50% of benefits at the previous valuation date will remain the same.

For the Fire-Fighters Scheme:

- Members will exchange 90% of the maximum tax-free cash up to HMRC limits of their commutable pension for cash at retirement.
- Members will retire at the earliest age they are able to do so without reduction.
- The effect of an increase or decrease in the assumptions used to calculate the pension liability is set out below.

	Local Government Pension Scheme (funded)		Fire-Fighters' Pension Scheme	
	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	10%	131,300	10%	20,963
0.5% increase in Pension Increase Rate	10%	123,500	8%	16,948
0.5% increase in Salary Increase Rate	1%	9,880	1%	1,226
1 year increase in member life expectancy	4%	63,334	3%	6,354

18. Pension Reserve

The movements on the Pension Reserve are set out in the following table:

Pension Reserve	2021/22 £'000	2022/23 £'000
Restated Balance as at 1 April	**-1,119,285**	**-901,096**
Restatement	0	9,048
Restated Balance as at 1 April	**-1,119,285**	**-892,048**
Net charge made for retirement benefits in accordance with IAS19	-84,126	-73,804
Remeasurements of the new defined liability	302,315	675,270
Balance as at 31 March	**-901,096**	**-290,583**

19. Grant Income

The County Council recognised the following grants in the Comprehensive Income and Expenditure Statement.

Grant issuing body	Credited to Taxation and Non Specific Grant Income	2021/22 £'000	2022/23 £'000	Credited to Services	2021/22 £'000	2022/23 £'000
Department for Levelling Up, Housing and Communities	Business Rate Top Up Grant	40,546	40,546	Regional Growth Fund	-	-
	Business Rate Reconciliation Grant	-	8,331	Improved Better Care Fund	10,391	10,705
	New Homes Bonus	3,589	2,924	Homes for Ukraine Tariff Grant	-	23,247
	Expanded Troubled Families Scheme - PBR	398	1,031	Homes for Ukraine Sponsor Grant	-	2,580
	Domestic Abuse	1,141	1,144			
	Services Grant	-	4,960			
Department of Health and Social Care	Independent Living Fund Grant	3,454	3,454	Public Health Grant	31,679	32,569
	Adult Social Care Support Grant	12,604	17,916	Adult Social Care Discharge Fund	-	1,910
	Trailblazer Funding		1,184	Fair Cost of Care Fund	-	1,547
Department for Education				Dedicated Schools Grant	231,778	248,447
				Pupil Premium Grant	6,983	7,807
				PE and Sports Grant	2,268	2,268
				Universal Infant Free School Meals	3,867	3,889
				Adoption Support Fund	1,248	1,637
				Holidays & Activities Grant	-	1,367
				Homes for Ukraine - Education	-	3,990
				Supplementary Funding	-	3,550
Department for Culture, Media and Sport				Music Grant	1,047	843
Home Office				Fire (additional pension contributions)	1,362	1,362
				Asylum Seekers	3,415	5,599
Various	Other Revenue Grants	2,455	3,594	Other Revenue Grants	12,768	9,025
Various	Capital Grants	182,673	129,837	Capital Grants	-	-
Various	Developer Contributions	24,862	8,097			
Various	Other Capital Contributions	142	26,224			
Non Covid Grants	**Total**	**271,864**	**249,242**	**Total**	**306,806**	**362,342**

Grant issuing body	Credited to Taxation and Non Specific Grant Income	2021/22 £'000	2022/23 £'000	Credited to Services	2021/22 £'000	2022/23 £'000
Department for Levelling Up, Housing and Communities	Business Rates Relief Grant	5,458	13,512	Winter Support Grant	2,085	-
	COVID-19 Support Grant	11,896	-			
	Local Council Tax Support Grant	4,928	-546			
	Additional Section 31 Grant	16,126	-			
	Sales Fees & Charges Grant	45	-			
Department of Health and Social Care				Contain Outbreak Management Fund	3,557	-
				Household Support Fund	3,241	6,845
				Infection Control Grants	11,735	54
				Workforce Resilience Grant	2,826	-
				Workforce Recruitment & Retention Fund	1,552	38
				Test and Trace Grant	1,660	-
Department for Education				Recovery Premium	-	1,195
Various	Other Revenue Grants	1,220	917	Other Revenue Grants	3,949	1,364
COVID Grants	**Total**	**39,673**	**13,883**	**Total**	**30,605**	**9,496**
All Grants	**Total**	**311,537**	**263,125**	**Total**	**337,411**	**371,838**

20. Taxation and Non - Specific Grant Income

A breakdown of the items in the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement is:

Taxation & Non-Specific Grant Income	2021/22 £'000	2022/23 £'000
Council Tax Income	418,045	447,961
Non-Domestic Rates	33,265	29,389
Non Ringfenced Government Grants	103,870	99,583
Capital Grants and Contributions	207,677	164,158
Total	**762,857**	**741,091**

21. Related Party Transactions

The County Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the County Council or to be controlled or influenced by the County Council. Disclosure of these transactions allows the reader of the accounts to assess the extent to which the County Council might have been constrained in its ability to operate independently or might have limited another party's ability to pursue its interests independently.

Central government is responsible for the statutory framework within which all local authorities operate and provides the majority of the Council's funding in the form of general and specific grants (as set out in Note 13).

Since October 2018, the County Council has been working in a partnership with Cherwell District Council through a Section 113 agreement. During 2021/22, oversight of the partnership was through an informal joint working group with elected members from both councils and a joint working committee to deal with any formal decision-making requirements. In February 2022 a decision was taken to end the partnership arrangement. On 31 July 2022 Oxfordshire County Council fully separated from the Cherwell District Council.

Pension Fund
The County Council administers the Oxfordshire Pension Fund and this is a related party. During the year ended 31 March 2023, the County Council made employer contributions totalling £36.320m (2021/22 £32.200m) to the Fund. The County Council charged the Fund £1.505m (2021/22 £1.575m) for expenses incurred in administering the Fund.

Elected Members
One Councillor is a trustee of Thame Senior Friendship Centre. The Council paid £0.011m to the trust during 2022/23.
One Councillor is a Director and Trustee of the Bernwode School Trust. The Council paid £0.210m to the trust during 2022/23.
One Councillor is a Director of Bicester Vision CIC. The Council paid £0.015m to the company during 2022/23.
One Councillor is a Shareholder of Total Pest Control. The Council paid £0.015m to the company during 2022/23.
One Councillor is a Director of Living Oxfordshire CIC. The Council paid £0.026m to the company in 2022/23.

22. Movement in Property, Plant & Equipment

2022/23	Other Land & Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property Plant & Equipment £'000	Service Concession assets included in PPE £'000
Cost or valuation as at 1 April 2022	**610,480**	**34,818**	**5,367**	**92,272**	**742,937**	**47,715**
Additions	5,699	3,038	0	49,297	58,034	1,000
Donation	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	-56,023	0	673	0	-55,350	0
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-26,549	0	156	0	-26,393	0
Derecognition - disposals	0	-49	0	0	-49	0
Derecognition - other	-13,826	0	0	-5,463	-19,289	-1,000
Assets reclassified to / from Held for Sale	-1,470	0	0	0	-1,470	0
Assets reclassified to / from Investment Property	2,522	0	0	0	2,522	0
Assets reclassified to / from Surplus assets and vehicles, plant and equipment	0	0	0	-65	-65	0
Transfers	2,090	79	-1,110	-14,260	-13,201	0
Other movements in cost or valuation	0	0	0	0	0	0
Cost or valuation as at 31 March 2023	**522,923**	**37,886**	**5,086**	**121,781**	**687,676**	**47,715**
Depreciation and Impairment as at 1 April 2022	**-19,200**	**-17,334**	**-26**	**0**	**-36,560**	**-2,269**
Depreciation charge	-9,404	-3,488	-161	0	-13,053	-1,265
Depreciation and impairment written out to the Revaluation Reserve	10,809	0	33	0	10,842	0
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	6,342	0	34	0	6,376	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	-428	0	0	0	-428	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-532	0	0	0	-532	0
Derecognition – disposals	0	50	0	0	50	0
Derecognition – other	542	0	83	0	625	0
Assets reclassified to / from Held for Sale	0	0	0	0	0	0
Assets reclassified to / from Investment Properties	0	0	0	0	0	0
Transfers	-17	0	17	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
Depreciation and impairment as at 31 March 2023	**-11,888**	**-20,772**	**-20**	**0**	**-32,680**	**-3,534**
Net book Value at 31 March 2022	**591,280**	**17,484**	**5,341**	**92,272**	**706,377**	**45,446**
Net book Value at 31 March 2023	**511,035**	**17,114**	**5,066**	**121,781**	**654,996**	**44,181**

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2021/22	Other Land & Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property Plant & Equipment £'000	Service Concession assets included in PPE £'000
Cost or valuation as at 1 April 2021	**610,500**	**32,736**	**4,010**	**59,957**	**707,203**	**48,465**
Additions	1,845	2,271	0	64,293	68,409	257
Donation	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	-3,706	0	-2	0	-3,708	1,143
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-2,030	0	65	0	-1,965	-993
Derecognition – disposals	-704	-1,360	-91	0	-2,155	-257
Derecognition – other	-257	0	0	-115	-372	0
Assets reclassified to / from Held for Sale	-1,489	0	0	0	-1,489	0
Transfers *	6,730	1,208	0	-31,863	-23,925	0
Other movements in cost or valuation	0	0	0	0	0	0
Cost or valuation as at 31 March 2022	**610,480**	**34,818**	**5,367**	**92,272**	**742,937**	**47,715**
Depreciation and Impairment as at 1 April 2021	**-17,763**	**-15,325**	**-17**	**0**	**-33,105**	**-1,020**
Depreciation charge	-9,801	-3,591	-53	0	-13,445	-1,266
Depreciation and impairment written out to the Revaluation Reserve	8,678	0	8	0	8,686	41
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	858	0	35	0	893	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	-509	0	0	0	-509	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-293	0	0	0	-293	0
Derecognition - disposals	-12	1,301	0	0	1,289	0
Derecognition - other	-76	0	0	0	-76	-20
Assets reclassified to / from Held for Sale	0	0	0	0	0	0
Assets reclassified to / from Investment Properties	0	0	0	0	0	0
Transfers	-281	281	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
Depreciation and impairment as at 31 March 2022	**-19,199**	**-17,334**	**-27**	**0**	**-36,560**	**-2,265**
Net book Value at 31 March 2021	**592,737**	**17,411**	**3,993**	**59,957**	**674,098**	**47,445**
Net book Value at 31 March 2022	**591,281**	**17,484**	**5,340**	**92,272**	**706,377**	**45,450**

Infrastructure Assets	2021/22 £'000	2022/23 £'000
Net Book Value(modified historical cost) at 1 April	517,113	553,916
Additions	35,906	63,591
Transfers	23,925	13,201
Depreciation charge	-23,028	-25,222
Net Book Value at 31 March	**553,916**	**605,486**

Reconciliation to Balance Sheet	2021/22 £'000	2022/23 £'000
Infrastructure Assets	553,916	605,486
Other Property, Plant and Equipment	706,377	654,996
Total Property, Plant and Equipment-per Balance Sheet	**1,260,293**	**1,260,482**

23. Investment Properties

Investment Properties	2021/22 Non-current £'000	Current £'000	2022/23 Non-current £'000	Current £'000
Opening Balance at 1 April	**26,251**	**0**	**27,416**	**0**
Additions	2	0	4	0
Disposal/Derecognition	-150	0	0	0
Net gain (+) / losses from fair value adjustments	2,252	0	1,002	0
Assets reclassified to / from Investment Properties	-939	0	-2,522	0
Other changes	0		0	0
Closing balance at 31 March	**27,416**	**0**	**25,900**	**0**

None of the investment properties are held under operating leases. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. Classification in the fair value hierarchy, together with additional information for property classified as level 3 within the hierarchy is provided in the table overleaf.

The fair value for the agricultural properties has 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.

The office and commercial units located in the local authority area are measured using the income approach where the expected cash flows from the properties are discounted (using a market-derived all risks discount rate) to establish the present value of the net income stream.

The Council's office and commercial units are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique used significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

	Fair Value Level	Fair Value at 31 March 2023 £'000	Additional Information for level 3 properties Valuation technique	Unobservable inputs	Range (weighted average used)	Sensitivity
Agricultural units & other level 2 assets	2	18,368				
Office units	3	570	Income approach using an all-risks discount rate to assess capital value	Discount Rate	8% - 11% (10%)	Significant changes in market conditions will affect the discount rate and will result in a significantly lower or higher fair value
Commercial units	3	6,962	Income approach using an all-risks discount rate to assess capital value	Discount Rate	5% - 6% (5%)	Significant changes in market conditions will affect the discount rate and will result in a significantly lower or higher fair value
		25,900				

The movement for investment properties categorised at level 3 in the hierarchy as follows:

Level 3	2021/22 £'000	2022/23 £'000
Balance at 1 April	7,811	7,926
Net gains (+) / losses (-) from fair value adjustments	1,204	1,147
Disposals/de-recognition	-150	0
Assets reclassified to / from Investment Properties	-939	-1,541
Additions	0	0
	7,926	**7,532**

The fair value of the County Council's investment property is measured annually at each reporting date. Valuations are carried out by external valuers (Sanderson Weatherall) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

24. Assets Held for Sale

	2021/22 £'000	2022/23 £'000
Balance at 1 April	**90**	**1,489**
Assets newly classified as held for sale:		
Property, Plant and Equipment	0	0
Investment property	1,489	1,470
Revaluation gains / (losses)	0	0
Impairment losses	0	0
Assets declassified as held for sale:		
Property, Plant and Equipment	0	0
Assets derecognised	-90	-1,489
Additions	0	0
Balance at 31 March	**1,489**	**1,470**

25. Intangible Assets

	2021/22 £'000	2022/23 £'000
Gross Carrying value at 1 April	**2,169**	**2,169**
Transfers from Assets Under Construction	0	472
Derecognition	0	0
Gross Carrying value at 31 March	**2,169**	**2,641**
Amortisation and Impairment at 1 April	**-1,147**	**-1,351**
Amortisation for the year	-204	-205
Derecognition	0	0
Amortisation and Impairment at 31 March	**-1,351**	**-1,556**
Net Book Value at 1 April	**1,022**	**818**
Net Book Value at 31 March	**818**	**1,085**

26. Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. This category of assets excludes assets with heritage characteristics that are used by the County Council in the provision of services - these are accounted for as operational assets within Property, Plant and Equipment.

The main heritage assets held by the County Council comprise museum collections, history centre collections and archaeological sites.

Information is not available on the cost of the heritage assets held by the County Council, other than for a very small number of items, as the majority have been donated or acquired by excavation. The County Council considers that obtaining valuations for the museum and history centre collections would involve a disproportionate cost in comparison to the benefits to the users of the accounts and therefore does not recognise these assets on the Balance Sheet. The County Council does not consider that reliable valuation information can be obtained for the archaeological sites because of the diverse nature of the sites and lack of comparable market values, and therefore does not recognise these assets on the Balance Sheet.

Although current valuation information is not available to recognise the heritage assets on the Balance Sheet, contents insurance of £3.191m for the Museum Service and the Oxfordshire History

Centre (based on historic valuations) provides an indication of the value of these items not recognised on the Balance Sheet.

27. Valuation of non-current assets

It is the policy of the County Council to revalue land, buildings and component assets within Property, Plant and Equipment on a three-year rolling programme set out in Note 1. In addition, material changes in asset valuations are adjusted for in the interim periods.

Investment properties valuations are reviewed annually. Assets held for sale are revalued at the point of reclassification to that category.

Property valuations are conducted by the County Council's internal and external property valuers. They provide an annual valuation report and valuation certificate which give details of their opinion of the value of specific assets, basis of valuation, assumptions made and details of the rolling programme, additional and ad-hoc valuations. Valuations have been undertaken in accordance with the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors. The basis of valuations is set out in Note 1.

28. Private Finance Initiative (PFI and similar contracts – Homes for Older People)

The County Council has one PFI type contract (service concession arrangement) with an external operator, The Oxfordshire Care Partnership, relating to the provision of residential care homes and care services. The Cabinet Member for Adult Social Care represents the Council's interests as a director of the Partnership.

Provision of residential care services was originally in 19 homes across Oxfordshire under a 25-year contract with The Oxfordshire Care Partnership which came into operation in 2001. The County Council had an average of 70% of the beds in these homes. Under this arrangement, nine of the homes are subject to long term leases and these assets had previously been excluded from the County Council's Balance Sheet. A further ten homes were transferred to the contractor but with short term leases as the homes did not meet required property standards. These have now all been re-provided through a redevelopment programme.

The operator has built nine new homes and four extra care housing schemes through the redevelopment programme, whilst eleven homes have been closed. The Oxfordshire Care Partnership also operate the new Chilterns Court Care Centre built by the County Council, which was completed in 2016/17 and replaces the former care home in Henley. Under the Code, the County Council is required to recognise homes that meet tests in respect of control of services and control of the residual interest in property on its Balance Sheet. All homes under the contract are included on the County Council's Balance Sheet, with exception of one home that does not meet the control tests specified in the Code. At the end of the contract, all properties currently on the Balance Sheet revert to County Council ownership.

The council's original 25-year agreement with Oxfordshire Care Partnership will end in 2026/27, however The Oxfordshire Care Partnership will continue to operate the homes until the end of 2031/32. There is no requirement for the County Council to purchase a set number or value of beds during the years 2027/28 to 2031/32 other than the obligation of both parties to maintain existing placements as at 31 March 2028. After 2026/27 all services will be purchased as spot contracts and numbers will vary, so there will be no further payments under this service concession arrangement

The value of assets recognised under service concession arrangements at each Balance Sheet date and the movements in value during the year are provided as a memorandum to the movement in Property Plant and Equipment (Note 22).

The financial liabilities arising from the service concession arrangement and an analysis of movements in the year are set out below:

	2021/22 £'000	2022/23 £'000
Balance at 1 April	**16,970**	**16,390**
Liability repaid in the year	-580	-655
Balance at 31 March	**16,390**	**15,736**

Details of payments due to be made under the service concession arrangement are as follows, with comparative figures for 2022/23 below.

		Service Costs £'000	Principal Repayments £'000	Interest Costs £'000	Lifecycle Replacement Payments £'000	Total £'000
	Within 1 year	20,655	740	2,070	1,041	**24,505**
2022/23	2-5 years	85,062	14,997	5,581	3,380	**109,020**
	6-10 years	0	0	0	0	**0**
	Total	**105,716**	**15,736**	**7,651**	**4,421**	**133,525**
	Within 1 year	18,616	655	2,155	1,001	**22,426**
2021/22	2-5 years	76,185	15,736	7,651	4,421	**103,993**
	Total	**94,801**	**16,391**	**9,805**	**5,422**	**126,420**

The service concession arrangement forms part of the finance liability recorded on the Balance Sheet, together with finance leases and forward deals on investments. A reconciliation of the service concession liability to the total finance liability is as follows:

	Long-Term		Current	
	At 31 March 2022 £'000	At 31 March 2023 £'000	At 31 March 2022 £'000	At 31 March 2023 £'000
Service Concession Arrangement	15,736	14,997	655	740
Finance Leases	4	0	7	0
Total Finance Liability	**15,740**	**14,997**	**662**	**740**

29. Capital Spending

Details of the expenditure are set out in the tables below.

Capital Spending by Scheme	£'000
ED945 Shrivenham - New Primary (relocate)	3,397
ED896 Wallingford 2FE Expansion	1,726
ED929 NE Didcot Sires Hill - New Primary	5,326
ED933 BGN	2,678
ED936 Radley	2,797
ED940 Orion School - Replacement	1,037
ED943 Farringdon - New Primary (relocate)	4,392
ED954 Lord Willaims 1FE Exp	2,958
ED963 Grove Airfield St Johns New Primar	1,145
Programmes & Projects <£1m	7,727
Pupil Place Plan	**33,182**
A40 Science Transit (project devt)	8,340
HIF1 A4130 Dualling	1,066
HIF1 Culham river crossing	1,061
HIF2 A40 Westbound bus lane	5,457
HIF2 A40 Dualling Witney Eynsham	2,735
A40 N G'way (Ox N) Bus Lane	2,644
NOC A44 Corr imps Peartree-Cassington GD	10,972
Ploughley Rd, A41 Bicester	3,980
Active Travel 2 - City	2,566
ZEBRA Zero Emission Bus Reg Areas	2,445
Kennington Bridge - Replacement	3,586
Programmes & Projects <£1m	15,898
Major Infrastructure	**60,752**
Drainage Improvements Prog Budget	1,694
Structural Highway Impr Prog Budget	7,318
Surface Treatments Prog Budget	5,599
Footway and Cycleway Works Prog Budget	1,465
Carriageways Prog Budget	10,557
Accessibility and Rd Safety Schemes project	2,187
Street Light LED replacement	11,688
Bridges Packaged Structural Maintenance	1,777
Programmes & Projects <£1m	7,824
Highways Asset Management Plan	**50,109**
Green Homes Grant	1,019
Resonance Supported Homes Fund	1,006
Programmes & Projects <£1m	6,166
Property and Investment	**8,191**
ICT Children Services - Phase 2	1,797
Wide Area Network Replacement	1,050
RGC Hub Sites	3,173
Programmes & Projects <£1m	2,924
ICT Strategy	**8,944**
BCF Disabled Facilities Grant	6,659
Programmes & Projects <£1m	3,208
Passport Funding	**9,867**
Capitalised purchase of vehicles	1,114
Vehicles and Equipment	**1,114**
Total Capital Spending	**172,160**

Capital Spending by Asset Class	£'000
Property, Plant and Equipment	122,031
Investment property	3
Revenue Expenditure Funded from Capital under Statute	50,070
Capital Loans	1,056
Repayment of capital grants and contributions	0
	173,160
Less assets acquired under service concession arrangements	0
Less assets transferred from capital prepayment account	-1,000
Less assets acquired under finance leases	0
Total Capital Spending	**172,160**

30. Capital Financing

The capital expenditure has been financed from the following sources:

Capital Financing	2021/22 £'000	2022/23 £'000
Prudential and other unsupported borrowing	50,618	41,704
Capital Receipts	0	0
Grants & Contributions	122,149	127,879
Revenue	610	2,577
Total	**173,377**	**172,160**

31. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the County Council that has yet to be financed (including assets acquired under finance leases and service concession arrangements). The movements on the CFR for the year are as follows:

Capital Financing	2021/22 £'000	2022/23 £'000
Capital Financing Requirement as at 1 April	**349,203**	**390,556**
New unsupported borrowing	50,618	41,704
Service Concession arrangements - lifecycle prepayments	963	1,001
Loan repayments and other adjustments	53	0
Minimum Revenue Provision for the year	-10,281	-12,394
Increase (+) / decrease (-) in Capital Financing Requirement	**41,353**	**30,311**
Capital Financing Requirement at 31 March	**390,556**	**420,867**

32. Capital Commitments

As at 31 March 2023 the Council was contractually committed to £47.205m (£72.874m as at 31 March 2022) on the following schemes:

Capital Commitments by Scheme	£'000
Pupil Places	
Wallingford School	2,205
Blessed George Napier School	4,816
Faringdon Primary School	3,982
Below £500k	3,152
	14,155
Major Infrastructure and Highways	
Oxford Science Transit	1,022
A34 Lodge Hill	4,245
Oxford Botley Rd	967
HIF 2 A40 Dualling	823
A40 Oxford North	697
Wantage Eastern Link Rd	500
Footway & Cycleway Annual Programme	906
Accessibility & Rd Safety Programme	818
Connecting Oxford	651
A44 Corridor Improvements	626
A423 Improvements Programme	654
Below £500k	8,297
	20,206
Property and Investments	
Resonance Fund	3,000
Woodstock Primary School	558
Below £0.5m	4,350
	7,908
ICT & Passported Funding	
ICT Children Services	761
Fire Protective Equipment	611
Below £500k	3,564
	4,936
Total Capital Commitments	**47,205**

33. Financial Instrument Carrying Values

Financial assets comprise long-term and short-term investments, long-term and short-term debtors (excluding statutory debtors and prepayments) and cash & cash equivalents. Financial liabilities comprise long-term and short-term borrowing, creditors (excluding statutory creditors), finance leases, the finance liability element of service concession arrangements and forward deals on investments. The Code specifies the categorisation of these assets (see Note 1 Summary of Significant Accounting Policies). For each category, the financial instruments disclosed in the Balance Sheet are carried at the following values:

	Long-Term		Current	
	At 31 March 2022 £'000	At 31 March 2023 £'000	At 31 March 2022 £'000	At 31 March 2023 £'000
Financial assets at Amortised Cost	83,849	74,879	415,291	426,035
Financial assets at fair value through profit and loss	0	0	144,815	113,796
Total Financial assets	**83,849**	**74,879**	**560,106**	**539,831**
Financial Liabilities at amortised cost	297,122	289,379	108,149	106,871
Total Financial Liabilities	**297,122**	**289,379**	**108,149**	**106,871**

Statutory debtors and creditors, receipts in advance and the capital prepayment account are not considered to be financial instruments and are therefore excluded from the above carrying values.

The County Council has not pledged any collateral for liabilities or contingent liabilities and, as at 31 March 2023, there were no defaults or breaches relating to loans payable.

34. Financial Instrument Fair Values

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. Financial assets classified as assets at fair value through profit and loss and all derivative assets and liabilities are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. Financial assets at amortised cost and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of “Lender’s Option Borrower’s Option” (LOBO) loans have been increased by the value of the embedded options. Lenders’ options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of finance lease liabilities and of service concession liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the rate for new PWLB borrowing.
- No early repayment or impairment is recognised for any financial instrument, other than short-term debtors.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- **Level 1** – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- **Level 2** – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- **Level 3** – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	Balance Sheet At 31 March 2022 £'000	Fair Value At 31 March 2022 £'000	Balance Sheet At 31 March 2023 £'000	Fair Value At 31 March 2023 £'000
Financial liabilities held at amortised cost:					
Long-term loans from PWLB*	2	258,825	315,756	246,573	245,478
Long-term LOBO/money market loans*	2	25,279	34,562	30,442	26,222
Short-term LOBO/money market loans*	2	25,633	35,428	20,466	18,549
Finance lease payables and service concession liabilities	3	16,402	15,286	15,736	740
Total		**326,139**	**401,032**	**313,217**	**290,989**
Liabilities for which fair value is not disclosed **		79,133		83,033	
Total Financial Liabilities		**405,272**		**396,250**	
Recorded on balance sheet as:					
Short-term creditors		72,031		70,780	
Short-term borrowing		35,456		35,350	
Short-term finance liabilities		662		740	
Long-term borrowing		281,383		274,383	
Long-term finance liabilities		15,740		14,997	
Total Financial Liabilities		**405,272**		**396,250**	

* For the purpose of fair value comparison accrued interest in relation to long term PWLB & LOBO/money market loans has been included in the long-term balance sheet total.

**The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance

Sheet date Similarly the discount rate implied in the service concession arrangement and finance leases is higher than the rates available for new borrowing at the Balance Sheet date.

Financial Assets	Fair Value Level	Balance Sheet At 31 March 2022 £'000	Fair Value At 31 March 2022 £'000	Balance Sheet At 31 March 2023 £'000	Fair Value At 31 March 2023 £'000
Financial assets held at fair value:					
Money market funds	1	39,290	39,290	18,438	18,438
Bond, equity and property funds	1	105,525	105,525	95,358	95,358
Financial assets held at amortised cost:					
Long-term loans to local authorities*	2	79,748	77,813	70,112	88,430
Long-term debtors	3	4,349	4,349	5,179	5,179
Total		**228,912**	**226,977**	**189,087**	**207,405**
Assets for which fair value is not disclosed **		415,043		425,623	
Total Financial Assets		**643,955**		**614,710**	
Recorded on balance sheet as:					
Long-term debtors		4,349		5,178	
Long-term investments		79,500		69,700	
Short-term debtors		81,247		59,060	
Short-term investments		435,995		463,907	
Cash and cash equivalents		42,864		16,865	
Total Financial Assets		**643,955**		**614,710**	

* For the purpose of fair value comparison accrued interest on long term investments has been classified as long term in the balance sheet total.

**The fair value of short-term financial assets including trade receivables is assumed to approximate to the carrying amount.

The fair value of financial assets held at amortised cost is higher than their balance sheet carrying amount because the interest rate on similar investments is now lower than that obtained when the investment was originally made.

35. Long Term Debtors

An analysis of long-term debtors is set out as follows:

	At 31 March 2022 £'000	At 31 March 2023 £'000
Key Worker Loans	226	226
Chronically Sick and Disabled Persons Act loans	1,532	1,532
Children's Act: Loans to foster carers	547	547
Other	2,045	2,874
	4,350	**5,179**
Capital Prepayment Account	5,740	5,742
Total	**10,090**	**10,921**

Key Worker loans, Chronically Sick & Disabled Persons Act loans and Children's Act loans to foster carers are soft loans in that they are contracted at interest rates below market rates (zero in most cases).

The Capital Prepayment Account holds prepayments for lifecycle replacement costs relating to the service concession arrangement. As lifecycle replacements actually take place the value of the works is transferred to Property, Plant and Equipment (£0.257m was transferred in 2022/23). For one property that the County Council has control over the residual interest but not control over the services (and therefore does not meet the tests of a service concession arrangement), the account also holds an amount for the excess of the expected fair value of the property at the end of the arrangement over the amount the County Council is required to pay upon reversion. This is built up from payments made by the County Council over the life of the arrangement.

36. Debtors

Amounts falling due to the County Council in less than a year are set out as follows:

	At 31 March 2022 £'000	At 31 March 2023 £'000
Government Departments	14,223	24,278
Other Local Authorities	13,099	22,342
Health Authorities	18,297	19,379
Payments in Advance	20,780	24,098
Bodies external to general government (i.e. all other bodies)	84,492	78,877
	150,891	**168,974**
Less Impairment Allowance Account	-20,038	-23,120
Total	**130,853**	**145,854**

Under the arrangements for accounting for financial instruments, all financial assets are assessed for impairment. The Code permits the reduction in the carrying amount of financial assets to be held within an allowance account rather than adjusting the value of

the financial asset directly. The movement in the debtor impairment allowance account is as follows:

Impairment Allowance	2021/22 £'000	2022/23 £'000
Balance at 1 April	**-18,419**	**-20,038**
Decrease in allowance	-529	-764
Increase in allowance	-1,090	-2,319
Balance at 31 March	**-20,038**	**-23,120**

37. Cash and Cash Equivalents

Cash and cash equivalents comprise the amount of cash balances held at the bank and in County Council establishments (excluding monies held on behalf of third parties), balances held in call accounts and monies held in Money Market Funds.

An analysis of cash and cash equivalents held by the County Council shows:

	At 31 March 2022 £'000	At 31 March 2023 £'000
Cash at bank and in hand (+)/Overdrawn (-)	3,566	-1,589
Call Accounts	15	15
Money Market Funds	39,290	18,438
Total	**42,871**	**16,864**

38. Risks arising from financial instruments

The County Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the County Council
- Liquidity risk – the possibility that the County Council might not have funds available to meet its commitments to make payments when they fall due.
- Market risk – the possibility that the County Council may suffer a financial loss as a result of changes in such measures as interest rates and movements in financial markets.

The County Council's risk management of financial instruments is carried out by the Treasury Management Team, under policies approved by full Council in the Treasury Management Strategy and Annual Investment Strategy.

The Treasury Management Strategy sets out the approach to managing any borrowings the County Council may be required to undertake to meet the needs of the capital programme.

The Annual Investment Strategy sets out the County Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, including the treasury limits in force to limit the treasury risk and activities of the County Council.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the County Council's debtors. Deposits are restricted to institutions that meet the County Council's minimum credit rating criteria. Deposits are not made to banks or building societies with a FITCH short-term credit rating below F1, long-term rating below BBB-, unless there are other exceptional circumstances including Government ownership or Government guarantee.

Longer-term deposits of 1 year or more are restricted to the higher rated institutions with a minimum short-term FITCH rating of F1+, long-term rating AA-, or other Government bodies (e.g. other Local Authorities).

Receivables are collectively assessed for credit risk in the following groupings:

	Allowance set aside based on historic rate	At 31 March 2022 Gross Receivable £000	At 31 March 2022 Loss allowance £000	At 31 March 2023 Gross Receivable £000	At 31 March 2023 Loss allowance £000
Corporate Debtors:					
Trade receivables under £10k after 120 days	60%	355	183	409	227
		355	**183**	**409**	**227**
Adult Social Care debtors:					
Debtors with an account balance under £20k after 6 months	50% of total customer balance	3,057	1,556	4,392	2,473
		3,057	**1,556**	**4,392**	**2,473**
Total		**3,412**	**1,739**	**4,801**	**2,700**

The following receivables are individually assessed for impairment:

The following receivables are individually assessed for impairment:	At 31 March 2022 Gross Receivable £000	At 31 March 2022 Loss allowance £000	At 31 March 2023 Gross Receivable £000	At 31 March 2023 Loss allowance £000
Corporate Debtors:				
Individuals and sole traders - all debts over £10k after 120 days	360	183	413	227
Organisations - all debts over £10k after 120 days	1,438	150	277	223
	1,798	**333**	**690**	**450**
Adult Social Care debtors:				
Adult social care debtors with an account balance over £20k after 6 months	3,184	2,327	3,568	2,255
	3,184	**2,327**	**3,568**	**2,255**
Total	**4,982**	**2,660**	**4,258**	**2,705**

The next table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2023 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment. The table includes money market funds and call accounts classed as cash and cash equivalents at 31 March 2023.

Aged Debtors	At 31 March 2022 £000	At 31 March 2023 £000
Less than 1 month	19,277	13,861
Between 1 and 3 months	2,942	3,344
Between 3 and 6 months	4,464	4,418
Between 6 month and 1 year	2,475	2,787
Between 1 and 3 years	5,917	7,320
Over 3 years	2,915	3,378
Total	**37,990**	**35,110**

Counterparty	Credit Rating Criteria Met when Investment Placed? YES / NO	Credit Rating Criteria Met on 31 March 2022? YES / NO	Balance Invested as at 31 March 2023						Total
			Up to 1 month £000	≥ 1 month and < 3 months £000	≥ 3 months and < 6 months £000	≥ 6 months and < 12 months £000	≥ 12 months and < 24 months £000	≥ 24 months and < 36 months £000	£000
Banks									
UK	Yes	Yes		0	0				**0**
Banks non-UK									
Australia	Yes	Yes	0	0					**0**
Netherlands	Yes	Yes							**0**
Singapore	Yes	Yes							**0**
Total Banks			**0**	**0**	**0**	**0**	**0**	**0**	**0**
Local Authorities and Police Authorities	Yes	Yes	70,000	40,000	96,000	158,800	49,700	20,000	**434,500**
Notice Accounts			0						**0**
Bond Funds	Yes	Yes	71,537						**71,537**
Property Funds	Yes	Yes	23,821						**23,821**
Money Market Funds	Yes	Yes	18,438						**18,438**
Call Accounts	Yes	Yes	15						**15**
Total			**183,811**	**40,000**	**96,000**	**158,800**	**49,700**	**20,000**	**548,311**

The analysis below shows that all deposits outstanding as at 31 March 2023 met the County Council's credit rating criteria at that date.

Within the £126,594m short-term debtors included in financial assets at amortised cost, £37.990m were past due at 31 March 2023 (£34.771m at 31 March 2021). The past due amount can be analysed by age as follows:

None of these past-due short-term debtors have been individually impaired. An impairment allowance of £2.319m has been provided for past due debtors that are financial instruments based on past and current experience (£1.090m at 31 March 2022). This is the County Council's estimate of maximum exposure to uncollectable debts. £23.120m of the debtor impairment allowance is based on collective assessments of debtors with similar characteristics. Individual impairment allowances have been provided for monies owed from a home support provider that went into liquidation (£0.288m) and for overdue library fines (£0.135m). The past due debtors analysis and impairment allowance quoted above exclude those for statutory debtors as these are not considered to be financial instruments.

The key worker, CSDP Act and Children's Act loans are long term debtors and are secured on property.

Liquidity Risk

As the County Council has access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the County Council may be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to spread the maturity dates of fixed debt so that a significant proportion of the portfolio does not mature in any one year.

The maturity analysis of borrowing and financial liabilities is as follows:

Amount at 31 March 2022		Amount at 31 March 2023			
		Fixed Rate	Variable Rate	Other Finance Liabilities	Total
£000		£000	£000	£000	£000
48,925	Less than 1 year	14,443	20,909	740	**36,092**
29,582	Between 1 and 2 years	3,000	5,000	836	**8,836**
99,706	Between 2 and 5 years	57,000	20,000	14,161	**91,161**
114,678	Between 5 and 10 years	85,383	0	-	**85,383**
206,173	More than 10 years	104,000	0	0	**104,000**
499,064		**263,825**	**45,909**	**15,736**	**325,472**

All trade and other payables are due to be paid in less than one year.

Market Risk

The County Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the County Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the long-term borrowings will fall

- Investments at variable rates – the variation in the interest income credited to the Surplus or Deficit on the Provision of Services will be dependent upon the nature and proportion of structured products
- Investments at fixed rates – the fair value of the long-term assets will fall

The County Council has a number of strategies for managing interest rate risk. For example, use of Lender's Option Borrowers Option (LOBO) loans is restricted to 20% of the debt portfolio.

In response to the environment of increasing interest rates, the Council sets fixed and variable rate interest rate exposure limits through its Treasury Management Strategy. These are designed to ensure that the County Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Treasury Management Strategy Team regularly review the debt and investment portfolios and the impact of interest rate changes on the annual budget.

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

2021/22 £'000		2022/23 £'000
0	Increase in interest payable on new borrowings	0
0	Increase in interest receivable on variable and structured investments	0
-2,763	Increase in interest receivable on new fixed rate investments	-2,251
-1,487	Increase in the gain arising from the revaluation of available for sale assets	-405
-4,250	**Impact on CIES**	**-2,656**

If the return on investments had been 1% lower, with all other variables held constant, the financial effect would be as follows:

2021/22 £'000		2022/23 £'000
0	Decrease in interest payable on new borrowings	0
0	Decrease in interest receivable on variable and structured investments	0
378	Decrease in interest receivable on new fixed rate investments	2,229
1,487	Decrease in the gain arising from the revaluation of available for sale assets	385
1,865	**Impact on CIES**	**2,614**

Where prevailing rates were below 1% for new debt or investments, zero return has been assumed where a reduction in interest rates by 1% would imply a negative return. Negative return is applicable to available for sale assets.

Price Risk

The County Council does not generally invest in equity shares but does have investments in externally managed pooled funds which may invest in instruments sensitive to price movements.

The fund managers monitor price fluctuations and have strategies for limiting the impact of adverse price movements of underlying investments within the pooled funds.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31 March 2023 would result in a £1.2m (2022: £1.2m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. A 5% fall in share prices at 31 March 2023 would result in a £3.8m (2023: £3.3m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

This risk is limited by the Council's maximum exposure to pooled funds of 50% of the total investment portfolio.

Foreign Exchange Risk

The council's deposits and debt instruments are denominated in sterling.

39. Creditors

A breakdown of the items within the creditors category on the Balance Sheet is given in the following table:

	At 31 March 2022 £'000	At 31 March 2023 £'000
Receipts in Advance		
Government Departments	4,085	5,290
Other Local Authorities	1,373	1,431
Health Authorities	52	18
Bodies external to general government (i.e. all other bodies)	11,708	9,546
	17,218	**16,285**
Creditors		
Government Departments	8,432	10,510
Other Local Authorities	11,068	8,422
Health Authorities	3,135	4,298
Bodies external to general government (i.e. all other bodies)	73,707	74,631
	96,342	**97,861**
Short Term Creditors and RIA	**113,560**	**114,146**
Long Term Receipts in Advance	**16,836**	**30,030**
Total	**130,396**	**144,176**

Long Term Receipts in Advance relate to contributions received which have conditions attached to them that are not expected to be satisfied within the next 12 months.

40. Provisions and Contingent Liabilities

A breakdown of the items within the Provisions category on the Balance Sheet is set out below, analysed between those due within 1 year and those due after 1 year, together with the movements for the year is as follows:

	Balance at 31 March 2022 £'000	Reclassification between short and long term £'000	Additional provisions made in 2022/23 £'000	Amounts used in 2022/23 £'000	Unused amounts reversed in 2022/23 £'000	Balance at 31 March 2023 £'000
Provision due within 1 year						
Insurance	957	1,736	776	-850	-1,648	970
Pooled Budgets	1,850	0	0	-1850	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	130	0	13	-7	-55	80
Business Rates	4,456	0	3,469	0	-4,456	3,469
Other	0	0	0	0	0	0
	7,393	**1,736**	**4,258**	**-2,707**	**-6,159**	**4,519**
Provision due after 1 year						
Insurance	3,741	-1,736	860	99	-718	2,197
	3,741	**-1,736**	**860**	**99**	**-718**	**2,197**
Total	**11,134**	**0**	**5,118**	**-2,608**	**-6,927**	**6,716**

	Balance at 31 March 2021 £'000	Reclassification between short and long term £'000	Additional provisions made in 2021/22 £'000	Amounts used in 2021/22 £'000	Unused amounts reversed in 2021/22 £'000	Balance at 31 March 2022 £'000
Provision due within 1 year						
Insurance	975	1,112	688	-837	-981	957
Pooled Budgets	0	0	1,850	0	0	1,850
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	79	0	81	-30	0	130
Business Rates	6,010	0	4,456	0	-6,010	4,456
Joint Use	0	0	0	0	0	0
	7,064	**1,112**	**7,075**	**-867**	**-6,991**	**7,393**
Provision due after 1 year						
Insurance	3,452	-1,112	1,698	-253	-44	3,741
	3,452	**-1,112**	**1,698**	**-253**	**-44**	**3,741**
Total	**10,516**	**0**	**8,773**	**-1,120**	**-7,035**	**11,134**

Details of the provisions held at 31 March 2023 are as follows:

- Insurance claims are managed by the County Council's Insurance Team, working with external insurers and legal advisors to achieve a satisfactory outcome. The time required to settle these claims will depend upon the complexity of each case and the approach adopted by each claimant, but the expectation is that these cases will be settled within 18 months to two years. In a small number of cases where the final liability is dependent on a long-term medical prognosis, the claim may take longer to settle to ensure all the medical facts are known.
- The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore as at 31 March 2023 the Council has a potential liability of £1.679m remaining on previously settled claims, plus the value of any outstanding and future claims.
- Under the Business Rates Retention Scheme the County Council is required to account for its share of the billing authorities' provision for appeals on business rates valuations.

41. Deferred Income

The deferred income balance of £3.349m at 31 March 2023 (£4.393m at 31 March 2022) relates to lease premiums received under the service concession arrangement with Oxfordshire Care Partnership and in relation to two other leases, which are being released to the Comprehensive Income and Expenditure Statement over the lives of the arrangements.

42. County Fund Balance

The balance on the County Fund at 31 March 2023 was £22.642m (£39.344m at 31 March 2022) as shown in Movement in Reserves Statement.

43. Capital Grants Receipts in Advance

The balance on this account represents capital grants and contributions which have been received but not yet recognised as income as they have conditions attached to them that require the monies to be returned to the provider if not used for the purposes specified. The movement on the account, split between short term and long term is as follows:

2021/22 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000		2022/23 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000
				Short Term:				
25,795	**9,972**	**0**	**35,767**	**Balance as at 1 April**	**15,218**	**5,272**	**0**	**20,490**
5,633	-5,728	0	**-95**	Received/refunded during the year	7,352	6,290	0	13,642
-16,210	-20,547	0	**-36,757**	Transferred to the Comprehensive Income and Expenditure Statement during the year	-13,026	-20,121	0	-33,147
0	21,575	0	**21,575**	Transfer between short and long term	800	13,956	0	14,756
15,218	**5,272**	**0**	**20,490**	**Balance at 31 March**	**10,344**	**5,397**	**0**	**15,741**
				Long Term:				
800	**145,555**	**65**	**146,420**	**Balance as at 1 April**	**800**	**158,762**	**65**	**159,627**
0	34,782	0	34,782	Received/refunded during the year	500	35,002	0	35,502
0	0	0	**0**	Transferred to Capital grants unapplied	0	-13,162	0	-13,162
0	0	0		Interest	0	3,319	0	3,319
0	-21,575	0	**-21,575**	Transfer between short and long term	-800	-13,956	0	-14,756
800	**158,762**	**65**	**159,627**	**Balance at 31 March**	**500**	**169,965**	**65**	**170,530**
16,018	**164,034**	**65**	**180,117**	**Total Balance at 31 March**	**10,844**	**175,362**	**65**	**186,271**

44. Earmarked Reserves

	Balance at 31 March 2021 £'000	In year movement 2021/22 £'000	Balance at 31 March 2022 £'000	In year movement 2022/23 £'000	Balance at 31 March 2023 £'000
School Reserves	11,760	2,757	14,518	-1,591	12,927
Vehicle and Equipment Reserve	2,081	601	2,681	767	3,448
Revenue Grants and Contribution Reserve	20,799	3,892	24,691	12,158	36,849
Government Initiatives	2,132	1,317	3,449	-1,103	2,345
Trading Accounts	512	-51	460	-249	211
Council Elections	749	-560	189	195	384
Partnership Reserves	3,000	-603	2,397	-528	1,870
On Street Car Parking	3,149	821	3,970	975	4,945
Zero Emissions Zone Reserve	0	0	0	358	358
Transformation Reserve	1,098	1,089	2,187	-716	1,470
Demographic Risk Reserve	6,000	3,000	9,000	4,000	13,000
Youth Provision Reserve	719	-457	262	0	262
Budget Prioritisation Reserve	14,644	3,890	18,534	-7,104	11,430
Insurance Reserve	12,461	-735	11,726	1,159	12,884
Business Rates Reserve	1,049	3,081	4,130	5,354	9,484
Capital Reserve	47,368	472	47,840	20,389	68,229
Redundancy Reserve	1,771	1,512	3,283	-926	2,357
Investment Prime Pumping Reserve	2,000	0	2,000	0	2,000
Council Tax Collection Fund Reserve	6,000	0	6,000	-3,000	3,000
Covid-19 Reserve	14,205	12,042	26,247	-10,847	15,400
Total Earmarked Reserves	**151,497**	**32,068**	**183,563**	**19,291**	**202,853**

School Reserves

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These reserves are committed to be spent on schools. The following table provides an analysis of school surplus and deficits:

	Balance at 31 March 2022		Balance at 31 March 2023	
	No. of schools	Balance £'000	No. of schools	Balance £'000
Primary Schools				
Schools in surplus	118	14,598	113	13,557
Schools in deficit	13	-876	16	-1,269
Secondary Schools				
Schools in surplus	0	0	0	0
Schools in deficit	1	-1,126	1	-1,142
Special Schools				
Schools in surplus	5	1,920	4	1,784
Schools in deficit	0	0	0	0
Sub-Total Revenue	**137**	**14,517**	**134**	**12,929**
Closed schools and schools contingency		7		0
Schools Forum & miscellaneous activities		74		0
Total	**137**	**14,597**	**134**	**12,929**

Insurance Reserve

An independent actuary, Arthur J Gallagher, carries out a full valuation of the County Council's employers and public liability, motor, property and personal accident liability every three years using generally accepted actuarial methods. Interim valuations take place annually in between. The last full valuation was completed as at 31 March 2021.

The actuaries projected the standard claims arising in future years in respect of the period up to 31 March 2023 at £1.884m. In addition to these claims the actuaries have also highlighted an amount in respect of Municipal Mutual Insurance Plc (MMI) clawback and non-standard claims (for example exceptional and latent claims) which in total has been assessed at £1.786m. The sum of £0.544m has been included in the reserves to cover MMI clawback noted as a contingent liability.

	At 31 March 2022 £'000	At 31 March 2023 £'000
Standard claims likely to be received as at 31 March	2,109	1,884
Additional IBNR/Latent claims as assessed by Actuarial review	2,033	1,786
MMI clawback as assessed by actuarial review	545	544
Risk management	7,039	8,671
Total	**11,725**	**12,884**

45. Usable Capital Receipts

	2021/22 £'000	2022/23 £'000
Balance at 1 April	**25,195**	**30,103**
Net receipts from sale of assets	4,908	1,582
Net receipts from repayment of loans	0	0
Receipts applied to finance capital expenditure	0	-13
Balance at 31 March	**30,103**	**31,672**

This reserve has been established for the purpose of financing capital expenditure in future years. Unutilised capital receipts at 31 March 2023 have been earmarked for future schemes. An analysis of the net capital receipts from the sale of assets is set out in the following table:

Net Capital Receipts from the sale of assets	2021/22 £'000	2022/23 £'000
Other receipts from the sale of assets under £500,000	104	0
Total	**104**	**0**

46. Capital Grants and Contributions Unapplied

The balance on this account represents grants and contributions which have been recognised as income in the Comprehensive Income and Expenditure Statement but not yet applied to finance capital expenditure.

	2021/22 £'000	2022/23 £'000
Balance at 1 April	**95,558**	**181,120**
Applied during the year	-12,842	-63,890
Repaid during the year	-1,392	-107
Interest	0	1,265
Recognised as income but not applied during the year	99,796	96,496
Transfers from Capital grants received in advance	0	3,474
Balance at 31 March	**181,120**	**218,358**

47. Unusable Reserves

A breakdown of reserves within the unusable reserves category on the Balance Sheet is set out in the following table.

Unusable Reserves	2021/22 £'000	2022/23 £'000
Pooled Fund Adjustment Account	5,265	-4,902
Pensions Reserve	-901,096	-290,583
Revaluation Reserve	214,789	158,223
Capital Adjustment Account	695,062	721,293
Financial Instruments Adjustment Account	-232	-230
Collection Fund Adjustment Account	7,398	17,183
Dedicated Schools Grant Adjustment Account	-23,581	-33,610
Accumulated Absences Account	-2,781	-3,270
Total	**-5,176**	**564,104**

48. Pooled Funds Adjustment Account

The Financial Instruments Revaluation Reserve holds gains /losses arising from the movement in fair value of assets held within the Fair Value through Other Comprehensive Income assets category.

2021/22 £'000		2022/23 £'000
427	**Balance at 1 April**	**5,265**
6,845	Increase in value of assets held at Fair Value through Profit and Loss	0
-2,007	Decrease in value of assets held at Fair Value through Profit and Loss	-10,168
0	Amounts transferred to the General Fund on disposal	0
5,265	**Balance at 31 March**	**-4,903**

49. Revaluation Reserve

The Revaluation Reserve contains the gains made by the County Council arising from increases in the value of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, consumed through depreciation or disposed. The Reserve contains only revaluation gains accumulated since 1 April 2007, when the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22		Revaluation Reserve	2022/23	
£'000	£'000		£'000	£'000
	211,562	**Balance as at 1 April**		**214,793**
-3,709		Revaluation of assets	-55,352	
-509		Impairment of assets	-428	
8,404		Write back of accumulated depreciation on revaluations	10,137	
282		Write back of accumulated impairment on revaluations	705	
	4,468	Surplus or deficit on revaluation of non current assets not posted to the Surplus or Deficit on the Provision of Services		**-44,938**
	939	Asset Transfers		**463**
-2,840		Difference between fair value depreciation and historical cost depreciation	-3,846	
664		Accumulated gains on assets sold or scrapped	-8,249	
	-2,176	Amounts written off to the Capital Adjustment Account		**-12,095**
	214,793	**Total Balance at 31 March**		**158,223**

50. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences between 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 as depreciation, impairment losses and amortisations 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 the amounts set aside by the County Council as finance for the costs of acquisition, construction, or enhancement. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

2021/22 £'000	£'000	Capital Adjustment Account	2022/23 £'000	£'000
	665,351	**Balance as at 1 April**		**695,061**
		Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):		
-36,460		Charges for depreciation for non-current assets	-38,273	
-293		Charges for impairment for non-current assets	-532	
-1,071		Revaluation losses / subsequent gains on Property, Plant and Equipment	-20,017	
-204		Amortisation of Intangible Assets	-204	
-67,224		Revenue Expenditure funded from capital under statute	-49,449	
-1,199		Amounts of non-current assets written off on disposal or sale as part of the gain/ loss on derecognition	-18,665	
	-106,451			**-127,140**
		Adjusting amounts written out of the Revaluation Reserve:		
2,827		Difference between fair value depreciation and historical cost depreciation	3,845	
-664		Accumulated gains on assets sold or scrapped	6,759	
-939		Balance on reclassification of Investment Properties to PPE	-463	
	1,224			**10,141**
		Capital Financing applied in year:		
90,641		Capital grants and contributions credited to the CIES that have been applied to capital financing	63,989	
20,013		Application of grants to capital financing from the Capital Grants Unapplied account	63,890	
11,495		Reversal of grants and contributions applied in previous years	0	
10,281		Statutory provision for the financing of capital investment charged against the County Fund balance	12,394	
495		Capital expenditure charged against the County Fund balance	2,577	
0		Reversal of revenue applied to capital financing in previous years	-623	
	132,925			**142,227**
	2,252	**Movements in the market value of Investment Properties debited or credited to the CIES**		**1,002**
	-150	**Amounts of Investment Properties written off on disposal or sale as part of the gain/loss on derecognition**		**0**
	-90	**Accumulated gains on Assets held for Sale or scrapped**		**1,489**
	0	**Amounts of Assets held for Sale written off on disposal or sale as part of the gain/loss on derecognition**		**-1,489**
	695,061	**Total Balance at 31 March**		**721,291**

51. Collection Fund Adjustment Account

The account holds the difference between the accrued Council Tax income and accrued Business Rates income included in the Comprehensive Income and Expenditure Statement (CIES) and the amount required by regulations to be credited to the County Fund.

The movement on the account is as follows:

Collection Fund Adjustment Account	2021/22 £'000	2022/23 £'000
Balance as at 1 April	**-11,765**	**7,397**
Decrease in Council Tax and Business Rate surpluses/increases in deficits	-1,321	-3,370
Increases in Council Tax and Business Rate surpluses/reductions in deficits	20,483	13,156
Amount by which Council Tax and Business Rate income credited to the CIES is different from the income for the year calculated in accordance with statutory requirements	**19,162**	**9,786**
Balance as at 31 March	**7,397**	**17,183**

52. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the County Fund balance from accruing for compensated absences earned but not taken in the year. Statutory provisions require that the impact on the County Fund balance is neutralised by transfers to or from the account.

The balance at 31 March 2023 relates to teachers' accumulated holiday pay, no accruals have been made for non-teaching staff in 2022/23 as the amounts involved are not considered to be material to the accounts.

Accumulated Absences Account	2021/22 £'000	2022/23 £'000
Balance as at 1 April	**-3,835**	**-2,781**
Settlement or cancellation of previous year's accrual	3,835	2,780
Amount accrued at the end of the current year	-2,781	-3,270
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in the year under statute	**1,054**	**-490**
Balance as at 31 March	**-2,781**	**-3,271**

53. Dedicated Schools Grant Adjustment Account

The statutory reporting requirements for the 2022/23 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 3 years within statute and is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is developing an action plan to meet part of the deficit, but it is unlikely that full recovery of the deficit will be possible in the short term.

DSG Adjustment Account	2021/22 £'000	2022/23 £'000
Balance as at 1 April	**-11,480**	**-23,581**
Contributions to / from reserve	-12,100	-10,029
Balance as at 31 March	**-23,580**	**-33,610**

54. Cash Flow Statement – Non-Cash Movements

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

Non-cash Movements	2021/22 £'000	2022/23 £'000
Depreciation/amortisation of fixed assets	-36,677	-38,480
Impairment charges/revaluation losses (-) Gains (+)	-1,365	-20,549
Retirement benefit adjustments	-84,126	-73,805
Debt write-offs and Impairment allowances	-1,313	9,075
Other financial instrument adjustments	2	2
Movement in provisions in the year	-617	4,416
Deferred income released	883	1,044
Movement in value of Pooled Funds	4,839	-10,167
Movement in value of investment properties	2,252	1,002
Carrying amount of non-current assets sold	-8,385	-20,152
Transfers from Capital Grants Receipts in Advance	36,758	46,309
Previous years capitalised spend written-off	0	0
Other non-cash adjustment	-964	-1
Increase/decrease (-) in debtors	36,258	5,367
Increase (-)/decrease in creditors	1,179	-15,901
Total adjustments for non-cash movements	**-51,276**	**-111,840**

55. Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities

	2021/22 £'000	2022/23 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,013	1,570
Gains on loans & receivables	0	0
- Capital grants received	171,535	132,291
-Cash adjustment	0	0
Total	**176,548**	**133,861**

56. Cash Flow Statement – Investing Activities

Investing Activities	2021/22 £'000	2022/23 £'000
Purchase of property, plant and equipment, investment property and intangible assets	120,497	123,259
Purchase of short-term and long-term investments	425,700	368,555
Other payments for investing activities	3,055	-1,001
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-5,013	-1,570
Capital grants	-206,222	-184,754
Proceeds from short-term and long-term investments	-396,000	-339,718
Other receipts from investing activities	-51	2,833
Total adjustments for investing activities	**-58,034**	**-32,396**

57. Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

31 March 2021 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2022 £'000		31 March 2022 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2023 £'000
-45,675	22,000		-11,781	-35,456	Short term borrowing	-35,456	105		0	-35,351
-293,383			12,000	-281,383	Long term borrowing	-281,383	7,000		0	-274,383
-587	579	-654		-662	Short term finance liability liabilities	-662	662	-740		-740
-16,394		654		-15,740	Long-term finance liability liabilities	-15,740	3	740		-14,997
0				0	Short term receivables	0				0
0				0	Short term payables	0				0
-356,039	**22,579**	**0**	**219**	**-333,241**		**-333,241**	**7,769**	**0**	**0**	**-325,471**

Financing Activities	2021/22 £'000	2022/23 £'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet service concession arrangements	579	664
Short and long-term borrowings raised	0	-5,000
Repayments of short- and long-term borrowing	22,000	12,000
Total adjustments for financing activities	**22,579**	**7,664**

58. Contingent Liabilities

The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore as at 30 September 2022 the Council has a potential liability of £3.557m remaining on previously settled claims, plus the value of any outstanding and future claims. On Actuarial advice a further 15% of the total known liability has been secured against future clawback over the longer term. A small short-term provision of £0.129m recognised at year end for the 25% levy which will be due on outstanding claims figures.

59. Events after the Reporting Period

The accounts were authorised for issue on 14 January 2024. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Eight schools converted to academy status since 31 March 2023, four within 2023/24 and four within 2024/25. None of these schools are recognised on the County Council's balance sheet. These are non-adjustment events.

60. Accounting standards issued but not adopted

The County Council is required to disclose information relating to the impact of an accounting change on the financial statements as a result of the adoption by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Several accounting changes are being adopted by the Code in 2022/23, but none will have a material impact on the Council's financial statements.

The International Accounting Standards Board (IASB) has issued International Financial Reporting Standard 16 Leases (IFRS 16) which, when adopted, will require the Council to recognise most of the assets it has secured the use of through a lease arrangement on its Balance Sheet as 'right of use' assets, together with the corresponding lease liabilities. This differs from the current practice of only recognising the assets and liabilities associated with the finance leases entered into by the Council on its Balance Sheet. The Council is required to adopt IFRS 16 no later than in 2024/25.

61. Authorisation of the Accounts

The draft Statement of Accounts was authorised for issue by Lorna Baxter, Director of Finance on 14 January 2024. These statements may be subject to amendment following the conclusion of the audit.

The County Council acts as a trustee for the various funds below. The funds are invested in the Stock Market and with the County Council. They do not form part of the Balance Sheet.

Trust Funds where Oxfordshire County Council acts as sole trustee		2021/22 Value of Fund £'000	2022/23 No. of funds	Value of Fund £'000
Children's	Funds for the Development of Hill End Residential Centre	50	1	61
	Criminal Injuries Compensation Awards	0	1	0
	Other (under £10,000)	1	1	1
CDAI	Bequest of Property at Watlington	83	1	84
Total		**134**	**4**	**146**

Trust Funds where Oxfordshire County Council acts as joint trustee		2021/22 Value of Fund £'000	2022/23 No. of funds	Value of Fund £'000
Children's	Other (under £10,000)	1	1	1
Adults	Junior Citizens Trust	13	1	12
Total		**14**	**2**	**13**

Other Funds		2021/22 Value of Fund £'000	2022/23 No. of funds	Value of Fund £'000
Children's	City Lectureship Scholarship	18	1	19
	Other (under £10,000)	24	6	25
Adults	Other (under £10,000)	6	1	6
Total		**49**	**8**	**49**

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The Local Government Pension Fund Accounts

OXFORDSHIRE COUNTY COUNCIL

The Local Government Pension Fund Accounts

Fund Account	Notes	2022 £'000	2023 £'000
Contributions and Benefits			
Contributions Receivable	6	-104,043	-114,312
Transfers from Other Schemes	7	-9,146	-14,980
Other Income		-17	-22
Income Sub Total		**-113,206**	**-129,314**
Benefits Payable	8	97,394	103,572
Payments to and on Account of Leavers	9	7,738	10,681
Expenditure Sub Total		**105,132**	**114,253**
Net (Additions)/Withdrawals From Dealings With Members		**-8,074**	**-15,061**
Management Expenses	10	18,548	16,857
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses			
Returns on Investments		**10,474**	**1,796**
Investment Income	11	-13,924	-20,338
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	15a	-304,386	138,543
Less Taxes on Income	11	5	14
Net returns on Investments		**-318,305**	**118,219**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**-307,831**	**120,015**
Opening Net Assets of the Scheme		**2,982,336**	**3,290,167**
Closing Net Assets of the Scheme		**3,290,167**	**3,170,152**

Net Assets Statement	Notes	2022 £'000	2023 £'000
Investment Assets			
Bonds	15b	80,934	0
Equities	15b	164,113	145,099
Pooled Investments	15b	2,684,178	2,684,400
Pooled Property Investments	15b	273,869	276,454
Derivative Contracts	15c	403	0
Cash Deposits	15d	6,626	11,952
Other Investment Balances	15d	2,168	1,888
Long-Term Investment Assets	15b	840	840
Investment Liabilities			
Derivative Contracts	15c	-628	0
Other Investment Balances	15d	-548	-66
Total Investments		**3,211,955**	**3,120,567**
Assets and Liabilities			
Current Assets	16	80,042	51,818
Current Liabilities	17	-1,833	-2,643
Net Current Assets		**78,209**	**49,175**
Long-Term Assets	18	3	410
Net Assets of the scheme available to fund benefits at year end		**3,290,167**	**3,170,152**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 25.

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2022/23 Annual Report and in the underlying statutes.

General

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

Membership

The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government's auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

Organisations participating in the Oxfordshire County Council Pension Fund include:

- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.
- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.
- Admitted Bodies can be split in to two groups
    - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.

- Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008.

The table below details the composition of the Fund's membership:

	As at 31 March 2022	As at 31 March 2023
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,206	8,512
Other Scheduled Bodies	12,443	12,643
Admitted Bodies	478	433
	21,127	**21,588**
Number of Pensioners and Dependants		
Oxfordshire County Council	9,996	10,447
Other Scheduled Bodies	6,484	6,855
Admitted Bodies	1,158	1,210
	17,638	**18,512**
Deferred Pensioners		
Oxfordshire County Council	16,234	16,268
Other Scheduled Bodies	12,559	13,623
Admitted Bodies	1,305	1,265
	30,098	**31,156**

Unprocessed leavers are included as Deferred Pensioners.

Four Resolution Bodies and ten Admitted Bodies joined the scheme in 2022/23, with a further two Resolution Bodies and seven Admitted Bodies having left the scheme. Overall, the changes did not have a significant impact on the membership of the Fund. The Admitted Body employers that joined and left the Fund were mostly small school service contracts with low membership numbers.

Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2023 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2019 and determined the contribution rates to take effect from 01 April 2020. Employer contribution rates currently range from 14.8% to 37.3% of pensionable pay.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

	Service Pre 1 April 2008	Service Post 31 March 2008
Pension	Each full-time year worked is worth 1/80 × final pensionable salary.	Each full-time year worked is worth 1/60 × final pensionable salary.
Lump Sum	Automatic lump sum of 3 × pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014 the scheme became a career average scheme, where members accrue benefits based on their pensionable pay in any given year at an accrual rate of 1/49th. Accrued pension is indexed annually in line with the Consumer Prices Index. The normal retirement age is linked to each individual member's State Pension Age.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. Scheme members are now also able to opt to pay 50% of the standard contributions in return for 50% of the pension benefit.

Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 22.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 25.

The accounts have been prepared on a going concern basis. The Fund does not anticipate a significant impact on the Fund's cashflow or balance sheet position over the next couple of years as a result of the Covid-19 pandemic. The fund has not received any requests from employers for a contribution deferral and continues to receive contributions from all employers in line with the rates set in the 2019 actuarial valuation. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2019 valuation was 99%. Therefore, management are assured the pension fund remains a going concern.

Note 3 – Summary of Significant Accounting Policies

Investments

1. Investments are shown in the accounts at market value, which has been determined as follows:
    a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last listed traded price, as at 31 March 2023.
    b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information;
    c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.
    d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2023.
    e) Fixed Interest stocks are valued on a 'clean' basis (i.e. the value of interest accruing from the previous interest payment date to the
    f) valuation date has been included within the amount receivable for accrued income)
    g) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.
    h) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
    i) All gains and losses arising on derivative contracts are reported within 'Changes in Market Value of Investments

Foreign Currencies

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

    Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

    The Actuary determines the contribution rate for each employer during the triennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are

disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases, investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled

6. Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2023.

Investment Management and Scheme Administration

7. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

Expenses

8. Expenses are accounted for on an accruals basis.

Cash

9. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

Listed Private Equity

10. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

Management Fees

11. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included, only those the pension fund pays to the fund of funds manager.

Note 4 – Critical Judgements in Applying Accounting Policies

Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2023 was £389.596m (£311.913m at 31 March 2022).

Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 25. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

Item	Uncertainties	Potential Impact
Actuarial Present Value of Promised Retirement Benefits	Estimation of the net liability to pay pensions 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 ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied.	The actuarial present value of promised retirement benefits included in the financial statements is £3,278m. There is a risk that this figure is under, or overstated in Note 25 to the accounts. Sensitivities to the key assumptions are as follows: A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£55m). A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£5m). A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£59m). A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£131m).
Unquoted Private Equity	Unquoted private equity and infrastructure investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process there is a degree of estimation involved in the valuation.	Unquoted private equity, private debt and infrastructure investments included in the financial statements total £389.596m . There is a risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 26.

Note 6 – Contributions

	2021/22 £'000	2022/23 £'000
Employers		
Normal	-69,429	-75,718
Augmentation	0	0
Deficit Funding	-7,235	-8,721
Costs of Early Retirement	-896	-857
	-77,560	**-85,296**
Members		
Normal & Additional*	**-26,483**	**-29,016**
Total	**-104,043**	**-114,312**

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 22.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

	Employer Contributions		Members Contributions	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
Oxfordshire County Council	-32,404	-36,321	-10,672	-12,072
Scheduled Bodies	-38,495	-41,908	-13,344	-14,468
Resolution Bodies	-4,086	-4,191	-1,600	-1,623
Community Admission Bodies	-1,099	-1,490	-362	-373
Transferee Admission Bodies	-1,476	-1,386	-505	-480
Total	**-77,560**	**-85,296**	**-26,483**	**-29,016**

Note 7 – Transfers In

	2021/22 £'000	2022/23 £'000
Individual Transfers In from other schemes	-9,146	-14,980
Group Transfers In from other schemes	0	0
Total	**-9,146**	**-14,980**

Note 8 – Benefits

	2021/22 £'000	2022/23 £'000
Pensions Payable	80,268	85,687
Lump Sums – Retirement Grants	13,988	14,892
Lump Sums – Death Grants	3,138	2,993
Total	**97,394**	**103,572**

	Pensions Payable		Lump Sums	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
Oxfordshire County Council	39,124	41,566	7,162	7,827
Scheduled Bodies	34,771	37,041	7,608	7,509
Resolution Bodies	1,094	1,343	791	1,171
Community Admission Bodies	4,124	4,467	1,111	844
Transferee Admission Bodies	1,155	1,270	454	534
Total	**80,268**	**85,687**	**17,126**	**17,885**

Note 9 – Payment to and on account of leavers

	2021/22 £'000	2022/23 £'000
Refunds of Contributions	213	218
Payments for members joining state scheme	-2	-2
Group Transfers Out to other schemes	0	0
Individual Transfers Out to other schemes	7,527	10,465
Total	**7,738**	**10,681**

Note 10 – Management Expenses

	2021/22 £'000	2022/23 £'000
Administrative Costs	2,951	546
Investment Management Expenses	13,776	14,343
Oversight & Governance Costs	1,821	1,968
Total	**18,548**	**16,857**

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.025m (2021/22 £0.024m) for the audit of the Pension Fund's Annual Report and Accounts. Further external audit fees of £0m were paid in 2022/23 (2021/22 £0.012m).

A further breakdown of Investment Management Expenses is in Note 12.

Note 11 – Investment Income

	2021/22 £'000	2022/23 £'000
Bonds	-1,907	-578
Equity Dividends	-4,189	-4,084
Pooled Property Investments	-5,281	-6,877
Pooled Investments – Unit Trusts & Other Managed Funds	-2,469	-7,744
Interest on cash deposits	-77	-1,055
Other – securities lending	-1	0
	-13,924	**-20,338**
Irrecoverable withholding tax – equities	**5**	**14**
Total	**13,919**	**20,324**

Note 12 – Investment Management Expenses

	2021/22 £'000	2022/23 £'000
Management Fees	13,703	12,751
Custody Fees	73	52
Total	**13,776**	**12,803**

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

Note 13 – Securities Lending

The Fund operated a securities lending programme with its custodian State Street Bank and Trust Company for the duration of the financial year. Collateralised lending generated income of £0.000m in 2022/23 (2021/22 £0.001m). This is included within investment income in the Pension Fund Accounts. At 31 March 2023 £0m (31 March 2022 £0m) of stock was on loan, for which the fund held £0m (31 March 2022 £0m) worth of collateral. Collateral consists of acceptable securities and government and supranational debt.

Note 14 – Related Party Transactions

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

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2022/23, the Committee consisted of five County Councillors (voting members), four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.123m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

	2021/22 £'000	2022/23 £'000
Short Term Benefits*	102	106
Long Term/Post Retirement Benefits	17	17
Total	**119**	**123**

*Includes allowances paid to the Chairman of the Pension Fund Committee

These figures represent the relevant proportion of the salary and employer pension contributions for the key Council staff, reflecting their work for the Pension Fund.

As the County Council is the designated statutory body responsible for administrating the Oxfordshire Pension Fund, it is a related party.

For the 12 months ended 31 March 2023, employer contributions to the Pension Fund from the County Council were £36.321m (2021/22 £32.404m). At 31 March 2023 there were receivables in respect of contributions due from the County Council of £4.049m (2021/22 £4.096m) and payables due to the County Council of £0.336m (2021/22 £0.186m).

The County Council was reimbursed £1.682m (2021/22 £1.553m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

Brunel Pension Partnership Ltd (Company Number 10429110)

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14 October 2016 and oversees the investment of pension fund assets for the following LGPS

funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

Each of the nine Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2021/22 £'000	2022/23 £'000
Income	0	0
Expenditure	1,098	1,182
Receivables	0	0
Payables	0	0

Note 15 – Investments

	Value at 31 March 2022 £'000	Value at 31 March 2023 £'000
Investment Assets		
Bonds	80,934	0
Equities	164,113	145,099
Pooled Funds:		
- Fixed Income	152,090	152,779
- Index Linked	202,619	167,642
- Global Equity	1,230,190	1,226,423
- UK Equity	486,075	497,259
- Private Equity	197,765	218,892
- Private Debt	12,641	40,443
- Infrastructure Funds	101,507	130,261
- Diversified Growth Fund	162,007	116,201
- Multi Asset Credit Fund	139,284	134,500
Pooled Property Investments	273,869	276,454
Derivatives:		
- Forward Currency Contracts	126	0
- Futures	277	0
Cash Deposits	6,626	11,952
Long-Term Investments	840	840
Investment Income Due	2,134	1,888
Amounts Receivable for Sales	34	0
Total Investment Assets	**3,213,131**	**3,120,633**
Investment Liabilities		
Derivatives:		
- Forward Currency Contracts	-554	0
- Futures	-74	0
Management Expenses Due	-158	-66
Amounts Payable for Purchases	-390	0
Total Investment Liabilities	**-1,176**	**-66**
Net Investment Assets	**3,211,955**	**3,120,567**

Note 15a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2022	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	80,934	34,495	-98,362	-17,067			0
Equities	164,113	2,813	-12	-21,815			145,099
Pooled Investments	2,684,178	120,155	-90,803	-29,130			2,684,400
Pooled Property Investments	273,869	108,030	-32,974	-72,471			276,454
Long-Term Investments	840						840
Derivative Contracts							
FX	-428	2,299	-1,687	-184			0
Futures	203	3,248	-5,133	1,682			0
Other Investment Balances							
Cash Deposits	6,626	62,228	-56,215	441	-1,128		11,952
Amounts Receivable for Sales of Investments	34	0	0			-34	0
Investment Income Due	2,134	0	0	1		-247	1,888
Amounts Payable for Purchases of Investments & Management Expenses	-548	0	0	0		482	-66
Total	**3,211,955**	**333,268**	**-285,186**	**-138,543**	**-1,128**	**201**	**3,120,567**

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

There have been no employer-related investments at any time during the year.

Purchases and sales relating to derivative contracts consist of forward foreign exchange contracts that are used for the purpose of currency hedging. Further details are contained in note 15c.

	Value at 1 April 2021	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	310,417	712,588	-951,066	8,995			80,934
Equities	128,163	37	-235	36,148			164,113
Pooled Investments	2,258,527	2,393,511	-2,184,357	216,497			2,684,178
Pooled Property Investments	211,155	61,923	-41,426	42,217			273,869
Long-Term Investments	840						840
Derivative Contracts							
FX	3,857	2,228	-5,878	-635			-428
Futures	0	1,861	-2,763	1,105			203
Other Investment Balances							
Cash Deposits	26,978	50,748	-61,620	47	-9,527		6,626
Amounts Receivable for Sales of Investments	751					-717	34
Investment Income Due	1,810			12		312	2,134
Amounts Payable for Purchases of Investments & Management Expenses	-21,174					20,626	-548
Total	**2,921,324**	**3,222,896**	**(3,247,345)**	**304,386**	**-9,527**	**20,221**	**3,211,955**

Note 15b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

Long-Term Investment Assets	2021/22 £'000	2022/23 £'000
Brunel Pension Partnership Ltd	840	840
Total	**840**	**840**

Bonds	2021/22 £'000	2022/23 £'000
UK Government	22,248	0
Overseas Government	18,405	0
UK Government Index Linked	40,281	0
Total	**80,934**	**0**

Equity Investments	2021/22 £'000	2022/23 £'000
UK Equities	154,024	135,423
Overseas Listed Equities:		
North America	9,768	9,343
Europe	321	333
Total	**164,113**	**145,099**

Pooled Investment Vehicles	2021/22 £'000	2022/23 £'000
UK Registered Managed Funds – Property	89,228	86,893
Non UK Registered Managed Funds – Property	19,015	49,637
UK Registered Managed Funds – Other	2,070,974	2,044,102
Non UK Registered Managed Funds – Other	613,204	640,298
UK Registered Property Unit Trusts	114,365	97,605
Non UK Registered Property Unit Trusts	51,261	42,319
Total	**2,958,047**	**2,960,854**

Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)	2021/22 £'000	2022/23 £'000
	3,203,934	3,106,793

Note 15c – Derivative Contracts

Objectives and policies

The Pension Fund Committee have authorised the use of derivatives by some of their Investment Managers as part of the investment strategy for the pension scheme.

The main objectives and policies followed during the year are summarised as follows:

Forward Foreign Exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Futures – exchange traded futures are permitted in the fixed interest portfolio to provide exposure to or hedge against movements in the underlying government bonds or interest rates.

Forward Foreign Exchange (FX)

The scheme had no open FX contracts at the year end

Contract	Settlement Date	Currency Bought	Currency Sold	Asset value at year end	Liability value at year end	Net Forward currency Contracts
		£'000	£'000	£'000	£'000	£'000
Forward Currency Contracts at 31 March 2023				**0**	**0**	**0**
Prior Year Comparative						
Forward Currency contracts at 31 March 2022				**126**	**-554**	**-428**

Futures

The scheme had exchange traded overseas stock index futures outstanding at the year-end relating to its bond portfolio as follows:

Type	Expires	Economic Exposure £'000	Market Value 31 March 2023 £'000	Economic Exposure £'000	Market Value 31 March 2022 £'000
Assets					
Overseas Fixed Income Futures	Less than one year	0	0	-16,462	277
Total Assets			0		**277**
Liabilities					
UK Fixed Income Futures	Less than one year	0	0	970	-7
Overseas Fixed Income Futures	Less than one year	0	0	713	-67
Total Liabilities			0		**-74**
Net Futures			**0**		**203**

£0 (2021/22 -£780.82) is included within cash balances in respect of initial and variation margins arising on open contracts at the year end.

Note 15d – Other Investment Balances

	2021/22 £'000	2022/23 £'000
Receivables		
Sale of Investments	34	0
Dividend & Interest Accrued	1,910	1,659
Inland Revenue	224	229
	2,168	**1,888**
Payables		
Purchase of Investments	-390	0
Management Fees	-155	-61
Custodian Fees	-3	-5
	-548	**-66**
Total	**1,620**	**1,822**

Cash Deposits

	2021/22 £'000	2022/23 £'000
Non-Sterling Cash Deposits	6,626	11,952
Total	**6,626**	**11,952**

The following investments represent more than 5% of the net assets of the scheme

	2021/22 £'000	% of Total Fund	2022/23 £'000	% of Total Fund
Brunel UK Equity Fund	486,075	14.77	497,259	15.69
FTSE PAB Developed Equity Index Fund	493,610	15.00	496,833	15.67
Brunel HG ALP GLB EQ	334,815	10.18	336,236	10.61
Brunel GBL Sustainable Mutual Fund	315,963	9.60	311,965	9.84
Blackrock Aquila Life Fund	202,619	6.16	140,978	4.45

Note 16 – Current Assets

	2021/22 £'000	2022/23 £'000
Receivables:		
Employer Contributions	6,902	6,853
Employee Contributions	2,368	2,331
Rechargeable Benefits	1,107	1,065
Transferred Benefits	2,202	1,883
Cost of Early Retirement	236	110
Inland Revenue	11	18
Other	177	222
Cash Balances	67,039	39,336
Total	**80,042**	**51,818**

Note 17 – Current Liabilities

	2021/22 £'000	2022/23 £'000
Transferred Benefits	-151	-186
Benefits Payable	-326	-865
Inland Revenue	-1,058	-1,190
Employer Contributions	0	-1
Staff Costs	-146	-135
Consultancy	-12	-50
Other	-140	-216
T otal	**-1,833**	**-2,643**

Note 18 – Long-Term Assets

	2021/22 £'000	2022/23 £'000
Employer Contributions	3	410
Total	**3**	**410**

Note 19 - Assets under External Management

The market value of assets under external fund management amounted to £2,928.675m as at 31 March 2023. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

Fund Manager	31/03/2022 Market Value £'000	%	31/03/2023 Market Value £'000	%
Brunel Pension Partnership	2,596,610	86.36	2,625,431	89.65
Legal & General	128,237	4.26	84,129	2.87
Insight	162,007	5.39	116,201	3.97
Adams Street Partners	74,040	2.46	63,600	2.17
Partners Group	45,888	1.53	39,314	1.34
Total	**3,006,782**	**100.00**	**2,928,675**	**100.00**

Note 20 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2023	£'000	% of Fund
HG Capital Trust Plc	66,688	2.10
Aberdeen Private Equity Opportunities Trust Plc	20,401	0.64
3i Group Plc	20,019	0.63
CT Private Equity Trust Plc	19,504	0.62
KKR + Co Inc Common Stock USD.01	9,343	0.29

Note 21 – Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the

proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

Note 22 – Additional Voluntary Contributions

	Market Value 31 March 2022 £'000	Market Value 31 March 2023 £'000
Prudential	13,816	12,278

AVC contributions of £1.044m were paid directly to Prudential during the year (2021/22 - £1.134m).

The AVC provider to the Fund is the Prudential. The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Prudential.

Note 23 – Contingent Liabilities and Capital Commitments

As at 31 March 2023 the fund had outstanding capital commitments (investments) totalling £313.060m (31 March 2022 - £258.535m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

Note 24 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council's webpage.

Note 25 - Actuarial Present Value of Promised Retirement Benefits

	2022 £m	2023 £m
Present Value of Funded Obligation	4,529	3,278

The movement from March 2022 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £435m (2022 - £202m increase).

There has been a decrease in the present value of the Funded Obligation of £1,686m (2022 - £350m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- A decrease in the assumed level of CPI, and therefore pension increase, from 3.2% to 3.0% (net effect a decrease in Present Value of Funded Obligation)
- A decrease in the assumed level of salary increases from 3.2% to 3.0% (net effect a decrease in Present Value of Funded Obligation)

- An increase in the discount rate to 4.75% from 2.7% (net effect a decrease in Present Value of Funded Obligation).

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 Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Oxfordshire County Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates. The revised estimate is that total liabilities (i.e. the increase in active members' liabilities expressed in terms of the employer's total membership) could be 0.5% higher as at 31 March 2021, an increase of approximately £6m.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

Note 26 - Financial Instruments

Note 26a – Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	2021/22 Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	2022/23 Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000
Financial Assets						
Bonds	80,934			0		
Equities	164,113			145,099		
Pooled Investments	2,684,178			2,684,400		
Pooled Property Investments	273,869			276,454		
Derivatives	403			0		
Cash		73,665			51,288	
Long-Term Investments	840			840		
Other Investment Balances	1,944			1,659		
Receivables		91			96	
	3,206,281	**73,756**	**0**	**3,108,452**	**51,384**	**0**
Financial Liabilities						
Derivatives	-628			0		
Other Investment Balances	-548			-66		
Payables			-292			-194
	-1,176	**0**	**-292**	**-66**	**0**	**-194**
Total	**3,205,105**	**73,756**	**-292**	**3,108,386**	**51,384**	**-194**

Note 26b – Net Gains and Losses on Financial Instruments

	31-Mar-22 £'000	31-Mar-23 £'000
Financial Assets		
Fair Value through Profit and Loss	304,325	-138,985
Loans and Receivables	0	0
Financial Assets at Amortised Cost	61	442
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	**304,386**	**-138,543**

Note 26c – Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

Level 1
Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).

Level 3
Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Fund's financial assets and liabilities within the fair value hierarchy.

Value at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	31,021	2,275,363	802,069	3,108,453
Financial Assets at Amortised Cost	51,383	0	0	51,383
Total Financial Assets	**82,404**	**2,275,363**	**802,069**	**3,159,836**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-66	0	0	-66
Financial Liabilities at Amortised Cost	-194	0	0	-194
Total Financial Liabilities	**-260**	**0**	**0**	**-260**
Net Financial Assets	**82,144**	**2,275,363**	**802,069**	**3,159,576**

Value at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	108,541	2,371,112	726,628	3,206,281
Financial Assets at Amortised Cost	73,756	0	0	73,756
Total Financial Assets	**182,297**	**2,371,112**	**726,628**	**3,280,037**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-548	-628	0	-1,176
Financial Liabilities at Amortised Cost	-292	0	0	-292
Total Financial Liabilities	**-840**	**-628**	**0**	**-1,468**
Net Financial Assets	**181,457**	**2,370,484**	**726,628**	**3,278,569**

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Pooled Private Debt Funds	Multi Asset Credit Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2022	**722**	**197,765**	**273,869**	**101,507**	**12,641**	**139,284**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	37,412	79,009	29,608	29,197	0	0
Sales	0	-29,384	-32,680	-11,006	-227	0	0
Unrealised Gains/(Losses)	-43	-1,787	-46,108	16,293	-1,168	-4,784	0
Realised Gains/(Losses)	0	14,886	2,364	-6,141	0	0	0
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Pooled Private Debt Funds	Multi Asset Credit Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2021	**757**	**133,743**	**211,155**	**51,862**	**0**	**0**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0		0	0	0	0
Purchases	37	34,610	61,923	40,162	12,141	226,930	0
Sales	-211	-29,906	-41,446	-1,283	-242	-85,998	0
Unrealised Gains/(Losses)	22	44,541	37,443	10,766	742	-1,918	0
Realised Gains/(Losses)	117	14,777	4,794	0	0	270	0
Market Value 31 March 2022	**722**	**197,765**	**273,869**	**101,507**	**12,641**	**139,284**	**840**

Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2023 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	679	747	611
Pooled Private Equity Funds	10%	218,892	240,781	197,003
Pooled Property Funds	3%	276,455	284,749	268,161
Pooled Infrastructure Funds	5%	130,261	136,774	123,748
Pooled Private Debt Funds	5%	40,443	42,465	38,421
Multi Asset Credit Funds	5%	134,500	141,225	127,775
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2022 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	722	794	650
Pooled Private Equity Funds	10%	197,765	217,542	177,989
Pooled Property Funds	3%	273,869	282,085	265,653
Pooled Infrastructure Funds	5%	101,507	106,582	96,432
Pooled Private Debt Funds	5%	12,204	12,814	11,594
Multi Asset Credit Funds	5%	139,284	146,248	132,320
Long-Term Investments	0%	840	840	840

Note 27 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2022 Valuation estimated that the current Funding Level is 111%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.

- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2022 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 111% down to 109% or up to 113%. A change in the CPI assumption of 0.2% per annum would lead to a reduction in the funding level to 108% or an increase to 115%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 110% or up to 112%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2023 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31 March 2022 £'000	31 March 2023 £'000
UK Government Gilts	22,248	15,350
UK Corporate Bonds	152,091	127,160
UK Index Linked Gilts	242,900	167,642
Overseas Government Bonds	18,405	10,269
Multi Asset Credit Funds	139,284	134,500
Non-Sterling Cash Deposits	6,626	11,952
Cash Balances	67,039	39,336
Total	**648,593**	**506,209**

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2022 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2022 £'000	Rating	Balance at 31 March 2023 £'000
Money Market Funds				
Aberdeen Standard	AAAmmf	25,004	AAAmmf	14,465
State Street Global Advisors	AAAmmf	41,625	AAAmmf	33,389
Bank Current Accounts				
Lloyds Bank Plc	F1/A+	5,941	F1/A+	2,507
Santander UK Plc	F1/A+	0	F1/A+	0
State Street Bank & Trust Co	F1+/AA+	1,095	F1+/AA+	927
Total		**73,665**		**51,288**

The Pension fund has no experience of default against which to quantify the credit risk against the current investments.

Liquidity Risk

Liquidity risk represents the risk that the Fund will be unable to meet its financial obligations as they fall due. At the present time, the liquidity risk is seen, relatively, as the greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2022/23 the Pension Fund received/accrued income related to dealings with members of £129.3m (2021/22 £113.2m) and incurred expenditure related to dealings with members of £131.1m (2021/22 £123.7m). There were further receipts/accruals of £13.9m (2021/22 £13.9m) in respect of investment income, against which need to be set taxes of £0m (2021/22 £0m). The net inflow was therefore £12.1m (2021/22 £3.4m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may

affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.

However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.

Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

Interest Rate Risk

The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

Asset Type	Carrying Amount as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	11,952	120	-120
Cash Balances	39,336	393	-393
Bonds	320,421	3,204	-3,204
Multi Asset Credit Funds	134,500	1,345	-1,345
Total Change in Assets Available	**506,209**	**5,062**	**-5,062**

Asset Type	Carrying Amount as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	6,626	66	-66
Cash Balances	67,039	670	-670
Bonds	435,644	4,357	-4,357
Multi Asset Credit Funds	139,284	1,393	-1,393
Total Change in Assets Available	**648,593**	**6,486**	**-6,486**

In the short term, interest rate risk is difficult to quantify in that it impacts directly on both the price of fixed interest and index linked securities as well as the discount factor used to value liabilities. Increases in interest rates which will drive down security prices and asset values will also reduce the future pension liabilities and therefore improve funding levels rather than worsen them.

Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP). Risks around foreign currency rates are mitigated in part by allowing the Fund Managers to put in place currency hedging arrangements up to the value of the stock held in a foreign currency (also see note 15c).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant.

Currency Exposure - Asset Type	Asset Values as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		10.00%	-10.00%
	£'000	£'000	£'000
Overseas Equities	9,677	968	-968
Pooled Global Equities	1,226,423	122,642	-122,642
Pooled Private Equity (LLPs)	168,224	16,822	-16,822
Pooled Property	63,725	6,373	-6,373
Infrastructure	34,204	3,420	-3,420
Cash	11,952	1,195	-1,195
Total Change in Assets Available	**1,514,205**	**151,420**	**-151,420**

Currency Exposure - Asset Type	Asset Values as at 31 March 2022 £'000	Change in Year in the Net Assets Available to Pay Benefits 10.00% £'000	-10.00% £'000
Overseas Equities	10,088	1,009	-1,009
Pooled Global Equities	1,230,190	123,019	-123,019
Pooled Private Equity (LLPs)	156,782	15,678	-15,678
Pooled Property	43,287	4,328	-4,328
Infrastructure	69,507	6,951	-6,951
Cash	6,626	663	-663
Total Change in Assets Available	**1,516,480**	**151,648**	**-151,648**

Other Price Risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or foreign exchange risk.

All investments in securities present a risk of loss of capital. The maximum risk is the fair value of the financial instrument.

The effect of various movements in market price are presented in the table below along with the effect on total assets available to pay benefits assuming all other factors remain constant:

Asset Type	Value as at 31 March 2023 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	135,423	10.0	148,965	121,881
Pooled UK Equities	497,259	10.0	546,984	447,533
Global Equities	9,676	10.0	10,644	8,708
Diversified Growth Fund	116,201	3.0	119,688	112,716
Pooled Global Equities	1,226,423	10.0	1,349,065	1,103,781
UK Bonds	0	5.0	0	0
Overseas Bonds	0	5.0	0	0
UK Index Linked Bonds	0	5.0	0	0
Pooled Corporate Bonds	127,160	5.0	133,518	120,802
Infrastructure	130,261	5.0	136,774	123,748
Pooled Private Equity (LLPs)	218,892	10.0	240,781	197,003
Pooled Property	276,454	3.0	284,748	268,160
Multi Asset Credit Fund	134,500	5.0	141,225	127,775
Index Linked Pooled Fund	167,642	5.0	176,024	159,260
Private Debt	40,443	5.0	42,465	38,421
Long-Term Investments	840	0.00	840	840
Cash	51,288	0.00	51,288	51,288
Pooled UK Fixed Interest Bonds	15,350	5.0	16,118	14,583
Pooled Overseas Bonds	10,269	5.0	10,782	9,755
Total Assets Available to Pay Benefits	**3,158,081**		**3,409,909**	**2,906,254**

Asset Type	Value as at 31 March 2022 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	154,024	10.0	169,427	138,621
Pooled UK Equities	486,075	10.0	534,683	437,468
Global Equities	10,089	10.0	11,097	9,079
Diversified Growth Fund	162,007	3.0	166,867	157,147
Pooled Global Equities	1,230,190	10.0	1,353,209	1,107,171
UK Bonds	22,248	5.0	23,360	21,136
Overseas Bonds	18,405	5.0	19,325	17,485
UK Index Linked Bonds	40,281	5.0	42,295	38,267
Pooled Corporate Bonds	152,090	5.0	159,695	144,486
Infrastructure	101,507	5.0	106,582	96,431
Pooled Private Equity (LLPs)	197,765	10.0	217,541	177,988
Pooled Property	273,869	3.0	282,085	265,653
Multi Asset Credit Fund	139,284	5.0	146,249	132,321
Index Linked Pooled Fund	202,619	5.0	212,750	192,488
Private Debt	12,641	5.0	13,273	12,009
Long-Term Investments	840	0.0	840	840
Cash	73,665	0.0	73,665	73,665
Total Assets Available to Pay Benefits	**3,277,599**		**3,532,943**	**3,022,255**

Note 28 - Actuarial Valuation

The contribution rates within the 2022/23 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2019.

This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2023 was 19.9% of Pensionable Pay. The corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	16.3	411
West Oxfordshire District Council	17.6	726
Cherwell District Council	15.9	-
Oxford City Council	16.2	-
Vale of White Horse District Council	16.3	-
Oxford Brookes University	14.8	-

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the 2022 valuation date was £3,280m representing 111% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2023 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.

The main financial assumptions were as follows:

Assumptions for the 2022 Valuation	Annual Rate %
Pension Increases	2.7
Salary Increases	2.7
Discount Rate	4.6

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience of the Oxfordshire County Council Pension Fund and make allowance for an expectation of further improvements in mortality rates in the future.

Fire Fighters' Pension Fund Accounts

OXFORDSHIRE COUNTY COUNCIL

Fund Account	2021/22 £'000	2022/23 £'000
Contributions Receivable		
From Employer:		
Normal	-3,226	-3,281
Early Retirements	0	0
Other (ill health retirement contribution)	-40	-200
From members	-1,466	-1,506
	-4,732	**-4,987**
Transfers In	**-93**	**-17**
Benefits Payable		
Pensions	6,025	6,031
Commutations and lump sum retirement benefits	576	352
Lump sum death benefits	0	1,012
Other (ill health lump sums)	12	13
	6,613	**7,408**
Payments to and on account of leavers		
Individual transfers out to other schemes	**0**	**16**
Miscellaneous		
Annual Allowance Charge	73	153
Unauthorised Payment Charge	0	0
Taxable Refunds	7	0
Adjustment from 2019/20	6	0
	86	**153**
Net amount payable/receivable for the year before top-up grant receivable / payable to sponsoring department	**1,874**	**2,573**
Top-up grant receivable	**-1,874**	**-2,573**
Net amount payable / receivable for the year	**0**	**0**

Net Assets Statement	2021/22 £'000	2022/23 £'000
Net Current Assets and Liabilities		
Contributions due from employer	0	0
Pension top-up grant receivable from sponsoring department	0	0
Other current Assets	0	0
Pension top-up grant payable to sponsoring department	460	747
Other current liabilities (other than liabilities to pay pensions and other benefits in the future)	-9	-52
Cash balance	-451	-695
Total	**0**	**0**

Basis of Preparation

The fund reflects the financial arrangements relating to the 1992, 2006, 2015 and Retained Modified Firefighters Pension Schemes and the redress payments arising from the employee contribution holiday provision.

The financial arrangements for the Firefighters Pension Scheme 1992 were made in exercise of the power conferred by section 26 of the Fire Services Act 1947, for the Firefighters Pension Scheme 2006 and the Firefighters Pension Scheme 2015 by the power conferred by section 34 of the Fire Services Act 2004. The accounts have been prepared in accordance with the requirements of the above powers.

Payment of the employers and employees' contributions towards pension liabilities

Fire & Rescue Authorities are required to make a payment into their pension fund of 4x average pensionable pay in respect of all higher tier ill health retirements and 2x average pensionable pay in respect of all lower tier ill-health retirements. As the number of firefighters who retire on grounds of ill health varies from year to year and will cause financial volatility authorities are required to spread the charges over a period of 3 years.

Central government top-up grant

The fund is operated on the principle that employer and employee contributions together meet the full cost of pension liabilities accrued from future employment and central government (Home Office) meet the costs of paying pensions to retired Fire-fighters, net of the employee and employer contributions, by means of a top-up grant.

There are no investment assets held by the fund and where employer and employee contributions paid into the pension fund are not sufficient to meet pension payments for that year, the deficit will be met by central government top-up grant. Any surplus in the pension fund is paid back to central government.

Administration and Management

The fund is administered and managed by Oxfordshire County Council staff whose time is not rechargeable to the fund.

Benefits

The funds accounts do not take account of liabilities to pay pensions and other benefits after the year end.

Membership

The following summarises the membership of the fund as at 31 March 2022.

Membership numbers	1992 Scheme	2006 Scheme	2015 Scheme
Contributors	0	0	572
Preserved Pensions	36	454	368
Pensioners	332	74	11
Total	**368**	**528**	**951**

Long-term pension obligations

Details of the County Council's long-term pension obligations in respect of fire-fighters can be found in the Retirement Benefits Note 17 to the Statements of Accounts.

Annual Governance Statement 2022/23

OXFORDSHIRE COUNTY COUNCIL

INTRODUCTION

1. Oxfordshire County Council is obliged to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

2. In accordance with the Regulation 6 of the Accounts and Audit Regulations 2015, we have conducted a review of the effectiveness of our system of internal control in accordance with proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016).

3. Whilst supporting the Council's arrangements for risk management, the governance framework cannot eliminate all risk to the achievement of policies, aims and objectives and this review can therefore only provide reasonable and not absolute assurance of effectiveness.

4. Similarly, this review provides assurance that we have in place appropriate processes to ensure transparency and democratic oversight in decision making.

5. This statement is guided by CIPFA Advisory Note One, "Understanding the Challenge to Local Authority Governance" (March 2022) and describes our governance framework, the steps we have taken to ensure that it is effective and establishes key actions that we will put in place to ensure the ongoing effectiveness of our arrangements.

6. The review reflects enquiries made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the Council's Head of Paid Service, the Monitoring Officer, and Chief Finance Officer (Section 151 Officer).

OUR GOVERANCE FRAMEWORK

1. The governance framework at Oxfordshire County Council comprises the systems and processes, culture, and values which the council has adopted in order to deliver on the above principles. The council has a separate code of governance, "the Oxfordshire Code of Corporate Governance" which is consistent with the principles of the CIPFA/SoLACE framework (2016). This is updated each year and evidence actively collated and assessed for compliance. Compliance with the code was reported to the Audit and Governance Committee on 15 March 2023.

2. This Statement provides:
    a. An *opinion* on the Council's governance arrangements from the Council's Strategic Leadership Team and the Leader of the Council

b. A review of the *effectiveness* of the Council's governance arrangements during 2022/23
c. A *conclusion* in relation to the effectiveness
d. A review of the *action plan* completed in 2022/23
e. An *action plan* for 2023/24
f. An *annex* summarising our governance framework

As previously stated, the Annual Governance Statement is required by Regulation 6 of the Accounts and Audit Regulations 2015 and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting.

ASSURANCE STATEMENT

It is our opinion that the Council's governance arrangements in 2022/23 were adequate and provide a platform for achieving the Council's priorities and challenges in 2023/24.

SIGNATURES

Signed on behalf of Oxfordshire County Council:

……..	Date	……..	Date
Martin Reeves		Cllr Liz Leffman	
Chief Executive		Leader of the Council	

REVIEWING OUR EFFECTIVENESS DURING 2022/23

This review looks at:

- Overview and review of overall effectiveness
    - Governance Actions – Review of 2022/23 and priorities for 2023/24
    - Governance Outline
- Decoupling from Cherwell District Council
- OUR AMBITIONS AND PEOPLE
    - Our strategic plan 2023 – 2025
    - Delivering the Future Together
- Appointment of new Chief Executive and our Statutory Governance Roles
- Risk Management
- Internal Audit 2022/23
- Financial Management Code
- Procurement
- Customer Feedback
- Service Issues
- Conclusion

Overview and review of overall effectiveness

1. The Council reviewed its overall effectiveness through a survey of all Directorates in early 2023. This required members of the Council's Extended Leadership team (consisting of mainly Directors or direct reports to Directors) to assess the level of assurance that they had in their service area regarding staff awareness and compliance in the following areas:
    a. General corporate governance
    b. Risk Management
    c. Performance Management
    d. Finance and Financial Management
    e. Legislation
    f. Human resources
    g. Procurement and contract management
    h. ICT and information governance
    i. Health and Safety
    j. Business Continuity
    k. Property and security
    l. Customer Focus

2. Any areas where issues were identified have been considered and will form part of the action plan for 2023/24.

3. Following on from the consideration at the Strategic Leadership Team of the survey responses, the Corporate Directors have each considered further the extent to which they have assurance that their Directorates adhere to the Council's corporate requirements. Again, any issues identified have been considered and will form part of the action plan for 2023/24.

4. In relation to the completion of the action plan for 2022/23, six of the eight action points were completed as outlined in Annex 1. The progress on these actions was reported to the Audit and Governance Committee throughout the year.

5. Specific action points for 2023/24 are set out in Annex 2, and this includes two actions that have been carried forward from the 2022/23 action plan, where actions remain outstanding. The Council believes these actions will help to establish some improved practices arising out of our active learning and experience in 2022/23.

6. Here are just some of ways in which the Council's governance has proved effective during 2022/23:
    - New scrutiny principles have been developed to build on the introduction of the new Scrutiny Committee structure.
    - A cross-party Member working group was established to review the Council's Constitution which made recommendations on improvements which were adopted by Council on 7 October 2022.

- Electoral Review – The local government boundaries commission for England is undertaking a review of the electoral arrangements of the Council. This covers the total number of councillors to be elected to the Council, the names, number and boundaries of divisions, and the number of Councillors to be elected from each division. A cross-party working group has undertaken detailed work on the review. The Commission supported the Council's submission for 69 single member divisions. The Working group has also developed new divisions and names, which received unanimous support of Council on 28 March 2023. The review process is likely to be completed in early 2024 in time for the County Council elections in May 2025.
- The Whistleblowing policy was reviewed and implemented on 23 November 2022 and is undergoing further review to reflect learning from whistleblowing reports considered in 2022/23.
- Following a motion to Council on 1 November 2022, the Council has established a Future Council Governance Group. The Group will report through the Audit & Governance Committee with the recommendations being submitted to Council in December 2023
- The Monitoring Officer provided her annual report to the Audit and Governance Committee on her view on the Council's governance arrangements. This review was formally reported to and endorsed by the Audit & Governance Committee on 21 September 2022. This report confirmed the progress in maintaining democratic accountability and transparency, with members continuing to undertake their role as community leaders

Governance Actions – Review of 2022/23 and priorities for 2023/24

7. The two annexes to this Annual Governance Statement summarise:
   Annex 1: updates on the priority actions for 2022/23
   Annex 2: actions for 2023/24

8. The Actions for 2022/23 in Annex 1 highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the Council's Audit & Governance Committee. As such, progress reports on these actions are reported to the Committee through the year. The Actions for 2023/24 in Annex 2 will be monitored by the Corporate Governance Assurance Group (CGAG), and the Audit & Governance Committee.

9. Other governance and audit activity across the Council will continue to be reported to Audit & Governance Committee through its normal work programmes

Governance in Outline

10. Annex 3 sets out the Council's governance framework in outline. This framework was reviewed and updated in March 2023, by the Corporate Governance Assurance Group and Extended Leadership Team (ELT).

Decoupling from Cherwell District Council

11. The decision to terminate the S113 partnership agreement with Cherwell District Council was taken at the Council meeting on 8 February 2022. The Joint Officer Transition Working Group reported to the final Joint Shared Services and Personnel Committee (JSSP) on 4 July 2022. This followed the agreement to have a six-month termination period concluding on 31 August 2022. The final phase of decoupling services was agreed, but the legal agreement is yet to be concluded and will appear in the action plan for 2023/24. The services that decoupled on 31 August 2022 *were:*

- Procurement and Contracts
- Customer Services
- Continuous Improvement
- Land Charges
- Property, Investment and Facilities Management
- Emergency Planning, Digital and IT services decoupled, but specific services continued to be provided by the Council to Cherwell District Council via Service Level Agreement(s) as required.

12. Subsequently, it has also been agreed that Regulatory and Community Services will be decoupled, and a six-month notice period commenced on 6 April 2023.This will also be formalised in the legal agreement as part of the action plan for 2023/24. Internal Audit and Counter Fraud services continue to be provided to both Councils.

OUR AMBITIONS AND PEOPLE

Our strategic plan 2023 – 2025

13. The Council's strategic plan 2023 – 2025 sets out a vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

14. The strategic plan sets out nine cross-cutting priorities and commitments to achieve the vision and the areas of focus. Our nine priorities are:

    i. Put action to address the climate emergency at the heart of our work.
    ii. Tackle inequalities in Oxfordshire.
    iii. Prioritise the health and wellbeing of residents.
    iv. Support carers and the social care system.
    v. Invest in an inclusive, integrated and sustainable transport network.
    vi. Preserve and improve access to nature and green spaces.
    vii. Create opportunities for children and young people to reach their full potential.
    viii. Play our part in a vibrant and participatory local democracy.
    ix. Work with local businesses and partners for environmental, economic and social benefit.

15. The plan sets out how the Council aims to achieve each priority and ways in which it will work with partners to create a more joined-up approach to delivering services.

Delivering the Future Together

16. Delivering the Future Together (DTFT) is a programme of activities to help the Council to be the best it can be and become an employer of choice and ultimately a partner and place shaper of choice. DTFT underpins everything the Council does: how we work together; how we make decisions; how we engage with our people, manage change; and how we serve our residents.

17. The DTFT programme board prioritises initiatives which will deliver improvements for colleagues across the whole organisation. Listening and engaging with our employees is integral; every phase is co-designed with colleagues. Together we look to the future – its opportunities and challenges.

Our values and behaviours

18. How the Council works together matters. By living our five values, we build on our strengths, reflect on lessons learnt and make continued improvements to deliver the future together – for our people and the communities we serve. The Council's five values are:
    a. Be kind and care
    b. Equality and Integrity in all we do
    c. Always Learning
    d. Taking Responsibility
    e. Daring to do it differently

Our DTFT champions

19. The Council has more than 190 colleagues from every service area who have volunteered to Champion the DTFT initiative and ensure that values and behaviours are imbedded in all aspects of the Council's work.

20. The champions' role is to facilitate regular conversations in their teams about what's working well and what could be even better. They encourage teams to think of examples where individuals and groups have lived our values and how this makes a difference. Their feedback to our extended leadership team helps us to continually improve – from identifying quick wins to prioritising future change projects.

DTFT achievements so far

21. The following list sets out a number of cross-organisational achievements that have resulted from the DTFT programme. To date, the DTFT programme has:

    a. Enabled the collaboration with colleagues to choose the Council's values and behaviours;

b. recruited more than 190 DTFT champions, appointed a network lead, provided ongoing training and support, and established a feedback loop;
c. refreshed the Council's training for managers on how to manage performance (12.3.2 framework) and invited all 900 managers to attend the workshops;
d. co-produced the Council's agile working framework;
e. transformed internal communications following feedback from colleagues;
f. procured and launched a new recognition and benefits platform (Vivup); and
g. taken first steps to improve workspaces (refurbishing the Common Hall at County Hall, the Westgate Collaboration Space and Union Street).

Appointment of Chief Executive – and our statutory governance roles

22. Stephen Chandler was appointed as Interim Chief Executive on 9 February 2022 until 28 February 2023. Martin Reeves was appointed as the permanent Chief Executive and commenced in role on 1 March 2023 following a recruitment process run by the Council's Remuneration Committee. Full Council approved the appointment on 13 December 2022.

23. The Council is required to appoint to three specific posts, each of which oversees a key aspect of the Council's governance:
    - ***Head of the Paid Service*** (HOPS) role; responsible for how the Council's functions are delivered, and the appointment and proper management of staff. – For most of 2022/23 this was Stephen Chandler, Interim Chief Executive, who remained in post until 28 February 2023. As stated above, on 1 March 2023 Martin Reeves joined the Council as a permanent appointment to the post of Chief Executive:
    - ***Monitoring Officer*** – and the Council's Director of Law and Governance, throughout 2022/23 has been and remains Anita Bradley.
    - ***'Section 151 Officer'*** – the Chief Finance Officer, throughout 2022/23 has been and remains Lorna Baxter: responsible for the financial management of the authority.

24. Each of the postholders is an integral member of the Council's Strategic Leadership Team (SLT). As such, they are fully sighted on all of the Council's objectives, workstreams and emerging plans; and their perspectives and voices continue to be heard in, and to influence, this senior forum. In line with best practice, the Chief Finance Officer and Monitoring Officer report directly to the Chief Executive.

25. The Chief Finance Officer and the Monitoring Officer both have open access to the Chief Executive at all times and meet regularly as three statutory officers. They carry a statutory responsibility to report issues to Full Council, if needed. As such, the posts remain pivotal to the Council's good governance.

Risk Management

26. Throughout 2022/23 the Corporate Director for Customers and Organisation Development and the Director of Finance had joint overarching responsibility for risk management. This function is led by the Head of Insight and Corporate Programmes and managed on a day-to-day basis by the Performance and Insight Team Leader.

27. The Risk and Opportunities Management Strategy is the foundation for the Council's approach to risk and opportunity management for the performance and risk environment. This strategy is reviewed and updated where necessary on an annual basis. As well as collectively owning and supporting the Strategy ELT and SLT members work closely with the performance and Insight team to help implement the Strategy and embed risk management in OCC's everyday business delivering against the strategic priorities.

28. This strategy outlines the process of Identification, Assessment, Managing and Controlling and Review and Reporting of risks across the council. The following systems/mechanisms to ensure internal control have been in place throughout 2022/23 and are captured within the Strategy.

29. In terms of members' responsibility, Cabinet is responsible for approving the Risk and Opportunities Management Strategy. Audit and Governance Committee considered the draft Strategy and provided input and comments to Cabinet ahead of its approval. The Head of Insight and Corporate Programmes and Performance Team Leader supports the Group and directorates giving assurance around the escalation process into the Strategic risk register as necessary. The directorates are responsible for their operational risk registers.

30. Risk information above directorate level is primarily communicated through the monthly Business Management and Monitoring Reports, which include the most recent iteration of the Strategic risk register overview. Escalation of risks to the Strategic risk register is outlined on the risk management pages. Risks are discussed at SLT for

consideration of including risks at strategic level or keeping at operational level with a verbal update as to progress.

Internal audit in 2022/23

31. The 2019 CIPFA Statement on the "Role of the Head of Internal Audit in public service organisations" outlines the principles that define the core activities and behaviours that belong to the role of the 'Head of Internal Audit' and the governance requirements needed to support them. The Council's arrangements conform with the governance requirements of the CIPFA statement with our Chief Internal Auditor carrying out the following:
    - objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
    - championing best practice in governance and commenting on responses to emerging risks and proposed developments.
    - being a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee
    - leading and directing an internal audit service that is resourced appropriately, sufficiently, and effectively
    - being professionally qualified and suitably experienced.

32. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The self-assessment against the standards is completed on an annual basis. It is a requirement of the PSIAS for an external assessment of internal audit to be completed at least every five years. This took place in November 2017 and the results were reported to the Audit & Governance Committee in January 2018. This confirmed that the "service is highly regarded within the Council and provides useful assurance on its underlying systems and processes". The next external assessment was due in 2022/23 however was delayed due to recruitment/staffing issues within the team. An assessor is currently being selected and the review will be completed by December 2023.

33. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2023, there is **satisfactory** assurance regarding Oxfordshire County Council's overall control environment and the arrangements for governance, risk management and control. Where issues have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.

34. As part of governance arrangements between Oxfordshire County Council and the Hampshire Partnership/Integrated Business Centre (IBC), Hampshire provide annual assurance on the adequacy and effectiveness of governance, risk management and

control from the work carried out via the IBC. This is provided through a commissioned Service Organisation Controls review under ISAE 3402. (International Auditing and Assurance Standards Board –which provides a framework for reporting on the design and compliance with control objectives related to financial reporting). The report for 2022/23 concludes that the key financial system controls were suitably designed and operated effectively, with no exceptions noted.

35. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by the Internal Audit team and the Audit Working Group. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

Financial Management Code ('FM Code')

36. A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. In accordance with the CIPFA Financial Management (FM) Code, local authorities should disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.

37. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As set out in Annex 4, an assessment has been made of the Council's current compliance with the Code for 2022/23.

38. The assessment identified the Council's compliance for the year, and 16 of the 17 standards have been assessed as "Green" meaning that compliance can be evidenced. Further work is required for the first standard, and this is identified on the assessment as an "amber" rating. Proposed further actions to be taken to enhance compliance for this area have been included in the assessment.

Procurement

39. The Contract Procedure Rules have been reviewed and refreshed in 2022 as part of the Constitution, to ensure that they fully reflect the operational requirements of the role. These are supported by the templates and processes in the Procurement Handbook, which covers all aspects of procurement and commissioning, and which again is reviewed on an annual basis to ensure that they are relevant and comply with best practice.

Customer Feedback

40. The Customer Feedback team within the Customer Service Centre are responsible for the Corporate & Statutory complaints processes, and the coordination of all requests

for information that fall under the Freedom of Information Act (FOIA)/Environmental Information Regulations (EIR).

41. Statutory and Corporate Complaints – In 2022/2023, the council received 618 complaints (432 in 21/22). Time taken to respond to complaints within timescale remains an area for improvement. A number of initiatives are underway to improve the resolution, and they include the migration of the process to a new system, working closely with directorates to manage the workflow, enhanced reporting capability and ownership from a senior leadership perspective. The team work closely with Access & Disclosure Officers in Law and Governance to ensure a consistent approach and appropriate communication on Local Government & Social Care Ombudsman (LGSCO) enquiries.

42. FOIA/EIR – currently being worked upon to migrate onto the FOI module of Infreemation electronic case system. The process is managed by a dedicated FOI lead and utilisation of a sophisticated monitoring tool, which identifies breaches and delays in response. This is followed up by manual reminders. The team work closely with Access & Disclosure Officers in Law and Governance. The relevant teams work closely on cases where there is synergy.

Service Issues

HR Policies and Procedures

43. Following the need identified in 2022/23 in 2023/24 there will be an ongoing review of the Council's Human Resources (HR) policies and procedures, where specific policies will be reviewed and updated, and associated procedural/guidance documents will be refreshed/reviewed to support these policies.

44. The HR Policy Manager and wider HR & Organisational Development team are working together on driving policy development and process improvements at the Council. There will be a comprehensive review of the Council's HR policies ensuring that all HR policies support the council's Workforce Strategy, comply with employment law, promote leading employment practice, consistency of approach to people management, and are straightforward and easy to use.

Specific policy areas

45. Twelve policies set out in the Action plan for 2023/24 have been prioritised based on organisational and workforce needs. As well as ensuring they support the Workforce strategy, the HR policies are priority where issues or gaps have been identified through HR, managers, union, and employee network meetings. The Domestic abuse -

supporting policy and guidance has been identified as a priority to review in 2023 to assist in identifying and supporting victims of domestic abuse.

Capital Governance

46. New governance was introduced in 2022/23 to provide clarity on decision making regarding entry of schemes into the Capital Programme, and the management and oversight of the Capital Programme. There are Capital Programme Boards established for Major Infrastructure, Highways, Property, and IT and Digital. These report monthly to the Strategic Capital Board (SCB).

47. The SCB has delegated authority from the Strategic Leadership Team to develop the capital and investment strategy and oversee the council wide capital programme to ensure it delivers to that strategy. The role of the Board is to ensure the capital programme provides value for money and reflects the strategic priorities of the Council. The SCB obtains assurance on the delivery of the Capital Programme and the outcomes from the Director of each capital Programme Board and reviews the overall performance and risk management through exception reporting with a focus on variations in time, scope, and cost.

Capital Programme

48. Inflation within the construction sector – labour, materials, plant – is impacting upon the overall Capital Programme and especially Major Infrastructure delivery. Measures are in place to ensure that cost estimates received from the external market and also our internal Business Case funding allocations are built using the most recent inflation indices available (BCIS based). A wider external review of Major Infrastructure governance is also being commissioned to ensure OCC's programme is deliverable and that the risks to OCC are actively and accurately assessed.

Adult Social Care

49. Oxfordshire became a Trailblazer authority working with the Department of Health and Social Care (DHSC) to help shape charging reform, positively contributing to the national reform agenda. An accelerated programme was established to implement Adult Social Care Reform within a project management structure to ensure readiness for early adoption of the reforms. The programme was reviewed following the pausing of charging reforms announced in November 2022. Learning and opportunities from being a Trailblazer have been incorporated into the broader Adult Social Care transformation programme.

50. Adult Social Care has initiated a project to oversee preparation for Care Quality Commission (CQC) Assurance. The Health and Care Act 2022 introduced a new duty for CQC to independently review and assess how local authorities are delivering their Care

Act functions. The project board reports to the ASC Directorate Leadership Team and provides regular updates to the wider Council. Preparation will include the development/completion of a self-assessment that will highlight key strengths and opportunities that will inform future work in relation to Assurance readiness.

Children and Young Peoples Services

51. Like many children's services across the country Oxfordshire's services have seen significant increases in requests for support. In addition, the cost of supporting a higher number of our children who have very complex needs, has contributed to the overspend in the service. The directorate has reviewed decision making for all placements now overseen and approved by a Deputy Director. Intensive work has taken place across the directorate on the challenges of managing complex, demand driven services within a defined budget. A number of key transformation activities are progressing (Commissioning of children homes) and will see real benefits during the next financial year. There is also a determination to actively learn from the Oxfordshire Way, which has managed well similar demand and budget challenges within adult's social care.

52. The service has continued its work in anticipation of an Ofsted Inspection, a 'mock' inspection was carried out in January 2023 and its findings contributed to the improvement plan within the service. A review of project and programme support was carried out during the year and formal Transformation oversight arrangements put in place.

53. The support to children defined as 'SEND' has experienced increased demand and pressure and the service performance in delivering Education, Health and Care plans within the national 20 week target saw a significant deterioration. As a result, the Council committed an additional investment for its 2023-24 financial year. In addition, an improvement plan was put in place and additional scrutiny via the People Overview and Scrutiny Committee will monitor performance.

Conclusion

54. The Council's governance arrangements are regarded as fit for purpose and will be monitored throughout 2023/24.

ANNEX 1 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2022/23 - Update

This is a review of the progress during 2022/23 on the priorities for that year. The actions identified were completed in-year

Actions that were planned for 2022/23	Original Timescale	Outcome
Directorate Scheme of Delegation: Powers and Financial Powers • To review and update all outwardly facing documentation, as well as review the location of information.	31 July 2022	The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) updated on the Council's website. Directorate level Schemes of Delegation, which are held centrally, have been reviewed by representatives of each directorate and updated. Financial Powers: The schemes of delegation for each directorate are being reviewed. The Council has extended the original timeframe for completing these reviews and updated versions will be signed off by the Corporate Directors and the S151 Officer by 28 April 2023.
Cherwell-Oxfordshire Decoupling Programme	31 August 2022	Following Decoupling in 2022, Cherwell District Council and the Council agreed a way forward for continued provision of certain services between Cherwell District Council and the Council.

Actions that were planned for 2022/23	Original Timescale	Outcome
• Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement. • A Joint Officer Transition Working Group will oversee a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making. • Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.		
Constitution Review • The Constitution Working Group advised Committee that the timescale in which to produce an updated Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022. • Committee agreed to extend the deadline for the review until July 2022. • Update to be provided to Committee in due course.	31 July 2022	The changes proposed by the Constitution Working Group were adopted by Council at the meeting on 7 October 2022. As reported to the Audit and Governance Committee at its meeting on 18 January 2023 the next stage of the review will take place once the Review requested by Council on 1 November 2022 to consider any change to its governance arrangements has been completed.

Actions that were planned for 2022/23	Original Timescale	Outcome
Capital Programme • Governance has been reviewed for implementation throughout 2022/23	31 March 2023	Completed.
Data Subject Access Requests • Review resource to deal with data subject access requests in view of an increase in the numbers of requests being received.	25 April 2022	Additional staff resources are in place to address the increased demand.
Member Code of Conduct Training	May 2022	A refresher training session for Members on the Code of Conduct was run on 21 April 2023. Further sessions will be arranged for 2023/24 to meet Members' needs.
Information Governance Group/Board • To review the reporting framework for the Information Governance Group (IGG), and Information Governance Board. Work on this is due to commence on 25 April 2022.	16 May 2022	The terms of reference and membership of the Information Governance Group and Board have been reviewed.

Actions that were planned for 2022/23	Original Timescale	Outcome
Risk Management Training	September 2022	Risk management training was provided to members in June 2022, and to SLT in August 2022.

ANNEX 2 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2023/24

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
1	**Directorate Scheme of Delegation: Powers and Financial Powers** • To review and update all outwardly facing documentation, as well as review the location of information.	31 August 2023 30 September 2023 30 September 2023	The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) updated on the Council's website. Directorate level Schemes of Delegation, which are held centrally, have been reviewed by representatives of each directorate and updated. A further review is required to reflect the recent changes in reporting arrangements. Financial Powers: The schemes of delegation for each directorate are reviewed. Updated versions will be signed off by the Corporate Directors and the S151 Officer	Simon Harper Head of Governance Simon Harper Head of Governance Ian Dyson Assistant Director of Finance
2	**Cherwell-Oxfordshire Decoupling Programme**	6 October	The decoupling arrangements for Regulatory Services are to be completed within the six months' notice period	Anita Bradley

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	• Following Decoupling in 2022, Cherwell District Council and the Council agreed a way forward for continued provision of certain services between Cherwell District Council and the Council • Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.	2023	commencing 6 April 2023 and all legal documentation reflecting the arrangements prior to and after decoupling to be completed.	Director of Law and Governance
3.	**HR policies to be reviewed and updated for 2023/2024** • Domestic abuse- supporting employees: policy and guidance (HR and Public Health) • Sickness/supporting attendance policy and process maps	30 September 2023 30 September	All HR policies support the council's Workforce Strategy, comply with employment law, promote leading employment practice, consistency of approach to people management, and are straightforward and easy to use	Michael Fletcher, Head of HR Business Partnering & Advisory, Nazia Turley, HR Policy Manager

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	• Agile working policy • Additions to pay policy (to include honorariums, market supplements) • Capability policy and procedures • Disciplinary policy and procedures	2023 30 September 2023 31 March 2024 31 March 2024 31 March 2024		
4.	**Governance Policies and Procedures** To review and update the following: • Register of interests	31 March 2024	All policies and procedures comply with the law, promote best practice, consistency of approach and are straightforward and easy to use	Simon Harper, Head of Governance

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	• Gifts & Hospitality • Member representation on Outside Bodies • Social Media for Members (as part of the Council's Main Social Media Policy) • Officer Guidance on executive decision making and key decisions.			
5.	**Constitution** • Reconvene the Constitution Working Group and continue the review of the Council's Constitution	31 March 2024	A further report to Council to recommend changes to the Council's Constitution to improve the effectiveness of the governance arrangements within the Council	Anita Bradley Director of Law and Governance
6.	**Member training** • To provide a further programme of	31 March 2024	An improved and responsive training programme reflecting the evolving requirements of elected Members in 2023/24	Simon Harper, Head of Governance

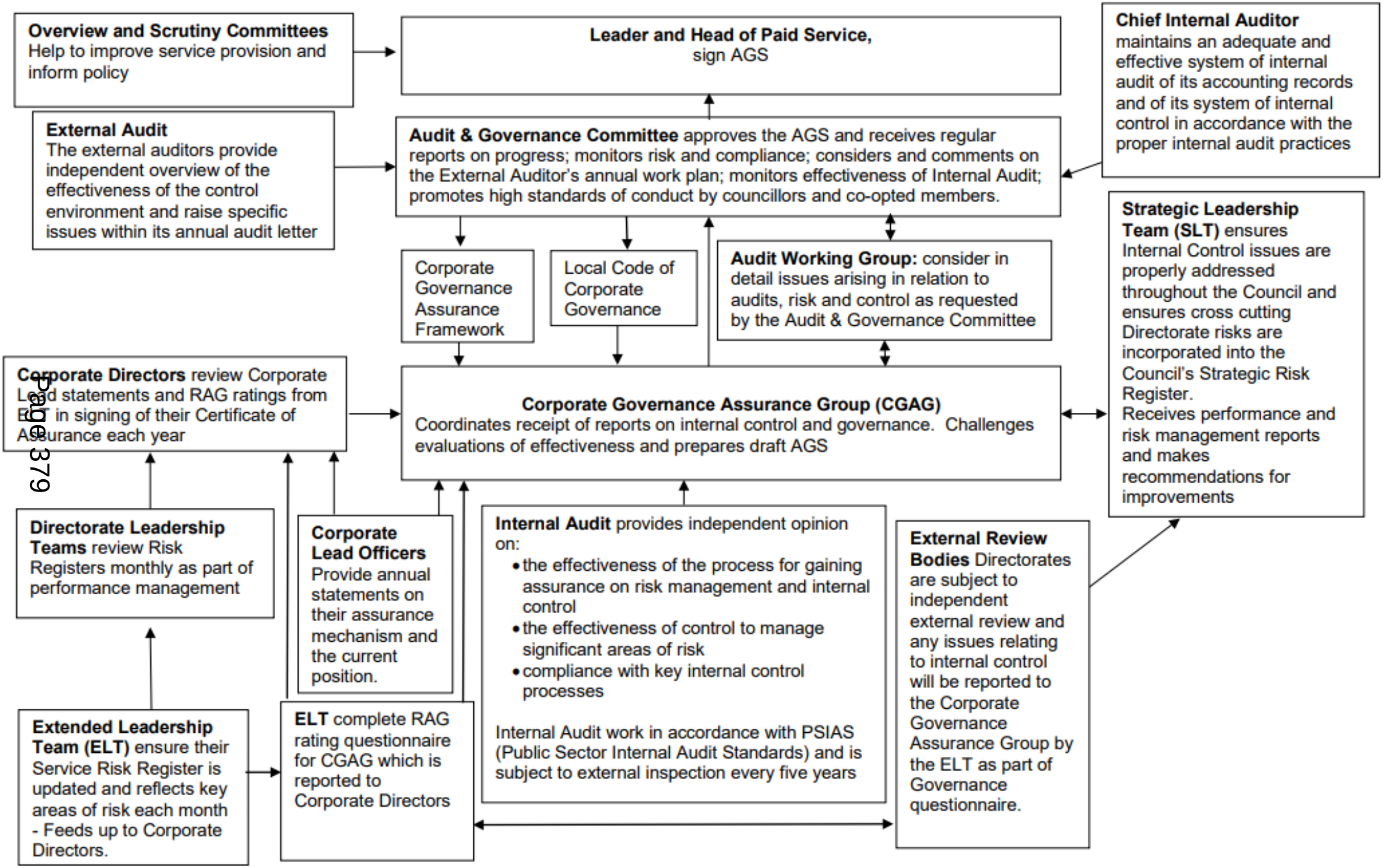
	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	Member training and briefings responding to the identified needs of Members. • To act upon evaluation of Member feedback following training events.			
7.	**Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.**	31 December 2023	The legal status of and responsibilities and accountabilities of Members are clearly understood in relation each outside body they are appointed to by the Council with appropriate indemnities in place.	Simon Harper, Head of Governance
8.	**Review of Customer Feedback** • Customer feedback via corporate and statutory complaints and Freedom of Information requests in very important to Oxfordshire County Council.	31 March 2024	Improved responsiveness to customer complaints within the corporate timescale.	Mark Haynes, Director for Customer Experience, Cultural and Property Services

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	• We will act to ensure that colleagues are fully aware of the importance placed upon responding in the appropriate timescales and that training, knowledge share and learning from customer feedback is promoted across the council.			
9.	**Review the current culture of dealing with information requests and the expectations of the Information Commissioner's Office (ICO)** • The Customer Feedback, and Governance Teams to review the joint working approach when dealing with requests for information under the Environmental Information Regulations (EIR), Freedom of Information Act (FOIA), and Subject Access Request (SAR) regimes. Teams	31 March 2024	A joined-up approach to responding to Information requests which enables the Council to consistently meet the statutory requirements and reflects best practice	Mark Haynes, Director for Customer Experience, Cultural and Property Services Anita Bradley, Director of Law & Governance and Monitoring Officer

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	to meet regularly to ensure the Council is working in accordance with the relevant legislation and to consult with the ICO during the year to assist with the monitoring of the Council's performance.			
10.	**Recording of Decisions**	30 September 2023	All key decisions and executive officer decisions are captured and recorded in a timely and transparent way.	Anita Bradley Director of Law and Governance
11.	**Proactive Training for Governance** • Governance sessions to raise awareness and skills level within the Organisation to be carried out by Head of Legal.	First session on 29 June 2023, with further roll out to SLT/CMT and SMF in 2023/24.	Increased confidence and awareness across the Council to comply with Governance policies and procedures	Paul Grant, Head of Legal

	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
12.	**Review of the Annual Governance Statement Process**	31 August 2023	Improved process for tracking governance concerns and completing the Annual Governance Statement.	Anita Bradley, Director of Law & Governance, and Monitoring Officer, Simon Harper, Head of Governance
13.	**Financial Management Strategy** • The Financial Management Strategy is in development which will set out the improvements required to enhance financial management capabilities including financial management reporting structures and the development of business objects dashboard reporting	31 August 2023	The Financial Management Strategy will be completed by the end of August 2023, and will include an improvement plan, timescale, and governance. The improvement plan will be cross cutting and will include enhancements and opportunities using technology and data for enabling more efficient and effective financial management across the Council.	Ian Dyson Assistant Director of Finance

Annex 3: Overview of Corporate Governance Assurance Framework



Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2022/23

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1.	**Responsibilities of the Chief Finance Officer (CFO) and Leadership Team**			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM but this is often ad hoc. Procurement decisions consider VfM by considering the quality of service and not just price.	Develop processes for evidencing VfM across services in a more systematic and consistent way, including benchmarking, as part of the Budget & Business Planning process.	**AMBER**
	The authority complies with the CIPFA "Statement of the Role of the CFO in Local Government"	The CFO is qualified accountant with significant experience working as an active member of the council's leadership team. The CFO is a member of SLT (Senior Leadership Team) and reports directly to the Chief Executive. The CFO has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		**GREEN**
2.	**Governance and Financial Management Style**			

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Senior Leadership Team (SLT) understands its responsibilities in relation to Financial Management and considers the assessment against the Code and actions or further work required in order to continuously improve. SLT receive and review on a quarterly basis a report from the Chief Internal Auditor on progress against the Internal Audit Plan, implementation of agreed management actions and delivery of the Counter Fraud Plan. The Annual Governance Statement (AGS) and Action Plan are also considered by SLT. In addition, the Audit & Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.		GREEN
D	The authority applies the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)"	The Local Code of Corporate Governance sets out how the Council complies with the requirements of the Framework and identifies key documents, which provide detailed information as to how the Council ensures the Corporate Governance principles are adhered to. The annual update of the Local Code of Corporate Governance was last approved by Audit & Governance Committee in May 2022.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
E	The Financial Management style of the authority supports financial sustainability	The Council last undertook a self-assessment against CIPFA's Financial Management style hierarchy back in 2018. The outcome identified that financial management was considered to be adequate. The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation.	A Financial Management Strategy is in development which will set out the improvements required to enhance financial management capabilities including financial management reporting structures and the development of business objects dashboard reporting	GREEN
	Long to Medium-Term Financial Management			
F	The authority has carried out a credible and transparent financial resilience assessment	An assessment has been undertaken of the 2021/22 Financial Resilience index compared to the other 23 County Councils. This is set out in in the Financial Strategy (section 4.5 of the Budget & Business Planning Report to Cabinet in January 2023). The Financial Strategy also includes a suite of measures against which financial performance is measured during the year including the forecast level of General Balances against the minimum risk assessed level for balances taking into account the latest monitoring position in the current year.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium and longer term. The Capital & Investment Strategy and the Capital Programme both cover a 10-year period. The Capital & Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the Council's capital investment will help achieve the Council's vision and priorities as well as respond to demographic change.	Develop scenario planning in relation to the longer term (to 2033/34)	GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	The Capital & Investment Strategy is updated annually and agreed by Council alongside the Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for the Strategic Capital Board and Cabinet. Quarterly Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year MTFS linked to service plans and performance reporting through the Business Management & Monitoring Report.		GREEN
4.	**The Annual Budget**			
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		GREEN
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	The CFO's Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.		GREEN
5.	**Stakeholder Engagement and Business Plans**			

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	One of the Council's priorities has been to develop and implement a new consultation and engagement strategy, enhancing opportunities for residents, including young people and those seldom heard, to have their say in service development. This has been implemented for the 2023/24 budget process. Engagement and consultation on the council's priorities and budget has included a resident's survey, Oxfordshire Conversation events, a children's and young people sounding board. In addition, a public consultation on the budget proposals took place in November and December with the Performance & Corporate Services Overview & Scrutiny Committee also considering and commenting upon the budget proposals ahead of the budget being agreed by Council.		GREEN
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	Key decisions requiring investment to deliver service improvements, deliver savings or invest or save opportunities require business case to aid decision making via the appropriate governance process (e.g., Strategic Capital Board).	Review the requirements, standards and guidance for business cases including training options for responsible officers and decision makers.	GREEN
6.	**Monitoring Financial Performance**			

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The regular Business Management and Monitoring Reports to Cabinet include performance, finance and risk so enable the council's leadership team and Cabinet to respond to emerging issues and to take action to manage those. The regular Capital Programme monitoring report has been enhanced to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.	Continue to improve the visibility and links between performance, risk and finance reporting, highlighting key issues that need to be considered in the Business Management & Monitoring Report.	GREEN
	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The Business Management and Monitoring Reports to Cabinet include monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).		GREEN
7.	**External Financial Reporting**			

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code)	The annual accounts are produced in compliance with The Code and have always received an unqualified audit opinion. Statutory deadlines for publication of the accounts have been consistently met until 2021/22 due to resourcing issues. The audit of the 2020/21 and 2021/22 accounts remains outstanding as at December 2022 due to the national issue regarding infrastructure assets for which a statutory override has recently been passed into legislation.		GREEN
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The council's leadership team and Cabinet consider the outturn and year end variances in a Provisional Outturn Report to Cabinet each June which enables strategic financial decisions to be made as necessary in a timely manner.		GREEN

Actuarial gains and losses
These are changes in deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.

Amortised
Written off over a period of time.

Bond Fund
A fund primarily invested in government and corporate bonds. The value of the investment changes as the market value of assets held by the fund changes.

Budget Equalisation Reserve
This reserve is used to manage the cash flow implications of variations to the Medium Term Financial Plan.

Budget Prioritisation Reserve
This reserve is to help support the implementation of directorate business strategies and the Medium Term Financial Strategy.

Business Rates Reserve
This reserve is being used to smooth out any volatility in the business rates collected by the District Councils on behalf of the County Council.

Call Account
A call account is a deposit account with a financial institution without a fixed maturity date.

Capital Receipts
Receipts from the sale of capital assets.

Capital Reserve
This reserve has been established for the purpose of financing capital expenditure in future years.

Cash Equivalent
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow
The movement of money into or out of the County Council during the financial year.

Collection Fund
A fund maintained by each district council to receive all income raised through the Council Tax and Business Rates. The County Council precepts the district councils to receive its share of Council Tax receipts.

Commutation Factor
Factor used to determine the amount of lump sum payable from the amount of annual pension commuted.

Contingent Asset
A possible asset arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the County Council's control.

Contingent Liability
A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the County Council's control, or where it is not probable that an outflow of resources will be required to settle the obligation.

Contingent Rent
The portion of a lease payment that is not fixed at the start of the lease but is based on the future amount of a factor that changes other than with the passage of time (e.g. amount of future use, future price indices).

Council Elections Reserve
This reserve has been established to meet the cost of County Council Elections.

County Fund
The main revenue fund of the County Council into which precept income and Government grants are paid and from which day-to-day payments are made.

Creditors
Amounts owed by the County Council for work done, goods received, or services rendered within the financial year for which payment has not yet been made.

Current Asset
An asset which will be used up during the next accounting period e.g. cash.

Curtailment
Early retirement costs calculated in accordance with accounting standard IAS19.

Debtors
Amounts owed to the County Council for services carried out during the financial year but not yet received.

Deferred Income
Prepaid income credited to the Balance Sheet and amortised to the Comprehensive Income and Expenditure Statement to match the benefit of the receipts over the term of the contractual arrangement.

Depreciation
The systematic write-off of the reduction in value of a tangible fixed asset due to wear and tear, passing of time and technological changes over its economic useful life.

Derecognition
Removal of an asset or liability from the Balance Sheet.

Equity instrument
A contract such as an equity share in a company.

Fair value
Fair value is defined as 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

Financial asset
A right to future economic benefits controlled by the County Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash (or another financial asset) from another entity or a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the County Council.

Financial liability
An obligation to transfer economic benefits controlled by the County Council that is represented by a contractual obligation to deliver cash (or another financial asset) to another entity, or a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavorable to the County Council.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Financial instruments include bank deposits, investments, debtors, long-term debtors, creditors, temporary loans and borrowings.

Financial Year
The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.

Fixed Asset
A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.

General Government Grants
These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.

Government Initiatives Reserve
This reserve is used to hold underspends on budgets funded by un-ringfenced grants held that relate to specific agreed outcomes or the implementation of Government initiatives.

Grants and Contributions Reserve
This reserve has been set up to hold the net overspent or underspent grants and contributions committed to be spent or recovered in future years.

Hedge Fund
A hedge fund is a form of investment partnership.

Impairment
A reduction in the carrying value of an asset arising from physical damage, obsolescence or a significant decline in market value.

Inventories
Raw materials and stores which the County Council has bought and holds in stock for use as required.

Intangible Asset
An asset that does not have physical substance but is identifiable and controlled by the organisation through custody or legal rights e.g. software licenses.

International Financial Reporting Standards (IFRS)

These are issued by the International Accounting Standards Board and provide standards for the preparation of financial statements.

A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.

A party to a lease agreement who makes payment to use an asset.

Insurance Reserve
This reserve covers the County Council for insurance claims that, based on the previous experience of the County Council, are likely to be received, as well as a number of insurance related issues.

Lessor
A party to a lease agreement who receives payment for the use of an asset.

Liabilities
Amounts owed by the County Council which will be paid at some time in the future.

Limited Liability Partnership
A partnership in which some or all partners have limited liabilities.

Long Term Investments
Investments that are not due to mature within the next 12 months.

Money Market Fund
Funds are invested in short-dated assets including certificates of deposits, government securities and commercial papers making them highly liquid. Money Market Funds must be AAAmf rated, invest in high credit quality assets and maintain a weighted average maturity of 60 days or fewer. Investments have a stable net asset value and dividends are paid to investors on their investment.

Mortality Assumptions – Abbreviations
S1NA, S1PA and S2PA - mortality tables issued as part of the "S1" and “S2” series of mortality tables produced by the Continuous Mortality Investigation. The "S1" mortality tables are based on mortality experience from UK self-administered pension schemes between 2000 and 2006. The “S2” mortality tables are based on mortality experience from UK self-administered pension schemes between 2004 and 2011.

Net Debt
The County Council’s borrowings and finance liabilities less cash and liquid resources.

Net Operating Expenditure
The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.

Non-current Asset
A long-term asset that is not expected to be used up or realised within the next 12 months e.g. Property, Plant and Equipment.

Non-Domestic Rate
A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.

Non-Derivative Financial Asset/Liability
Asset/Liability whose value does not depend on the value of another asset/liability such as a currency. Examples of non-derivative financial asset/liability consist of trade and other receivables, cash and cash equivalents, and long-term debt.

Partnership Reserves
This reserve holds funds relating to partnership arrangements.

Pooled Fund
Funds from individual investors are aggregated for the purposes of investment and returns are apportioned between investors according to the size of the investment.

Pooling
Where services benefit larger areas than the local authorities which provide them, the expenditure is sometimes pooled according to a formula which reflects usage of the service.

Precept
The levy made by the precepting authority (the County Council) on billing authorities (the district councils in Oxfordshire) requiring the latter to collect income from council taxpayers on their behalf.

Private Finance Initiative (PFI)
A scheme to encourage private sector investment in the public sector. Typically these involve a private sector operator building or enhancing property and operating services on behalf of a public sector organisation.

Professional Fees
The fees paid by the County Council for professional services such as those of architects and quantity surveyors.

Provision
An amount of money put aside in the accounts for anticipated liabilities which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.

Observable Inputs
Inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability

On-Street Car Parking Reserve
This surplus has arisen under the operation of the Road Traffic Regulation Act 1984 (Section 55). The purposes for which these monies can be used are defined by statute.

Public Works Loan Board (PWLB)
A central government agency which provides long and shorter term loans to local authorities at interest rates slightly higher than those at which the government itself can borrow. Local authorities are able to borrow a proportion of their requirement to finance capital spending from this source.

Reserves
Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.

Revenue Expenditure
The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.

Revenue Expenditure Funded from Capital Under Statute
Capital expenditure as defined by statute that does not result in the acquisition, creation or enhancement of fixed assets and is charged to the Comprehensive Income & Expenditure Statement in accordance with the accounting policy.

RIA
Receipts received in advance.

School Reserves
In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits

Segregated Mandate Fund
Funds from individual investors are invested on a segregated basis so that the holdings can be directly attributed to investors.

Settlement (Retirement Benefits)
Settlement relates to a bulk transfer out of the Fund as a result of functions transferring to another organisation. It reflects the difference between the liability transferred (calculated in accordance with accounting standard IAS19) and the assets transferred to settle the liability.

Specific Grants
Grants paid by the Government in respect of specific services.

Strategic Measures
This comprises interest on balances and capital financing charges. The former involves surplus cash from the County Fund which is either invested or used to reduce the need to borrow externally. The interest received is credited to the County Fund. Capital financing charges include the minimum revenue provision required and interest on outstanding debt, together with a general revenue contribution to finance capital spending.

Trading Accounts Reserve
This reserve holds funds relating to trading activities to help manage investment.

Transformation Reserve
This reserve is to fund the Council's transformation programme.

Vehicle and Equipment Reserve
This reserve is to fund future replacements of vehicles and equipment.

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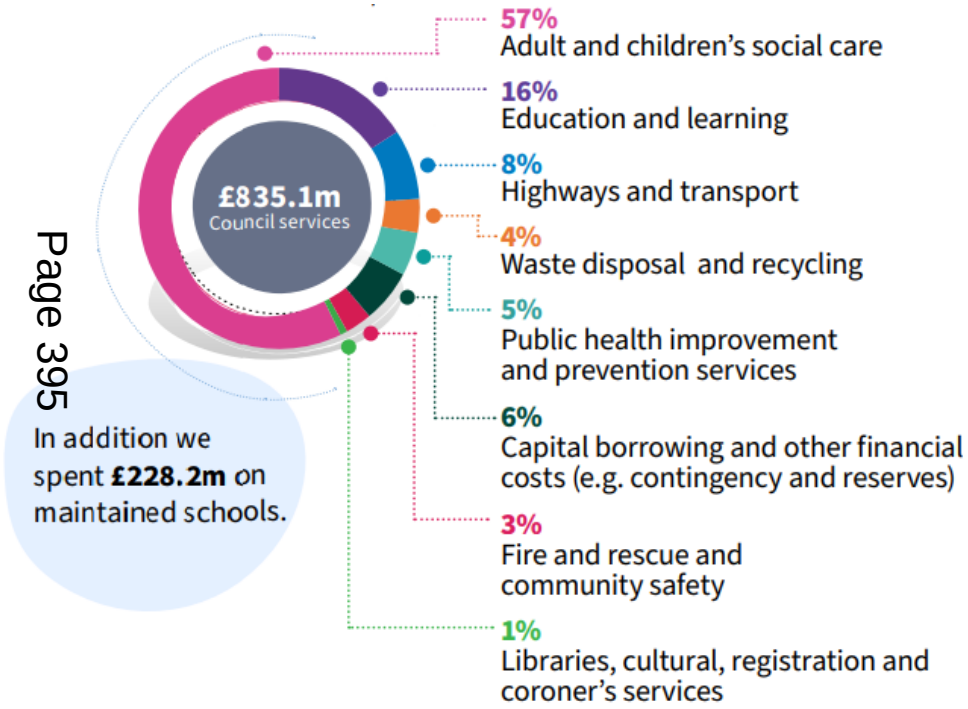
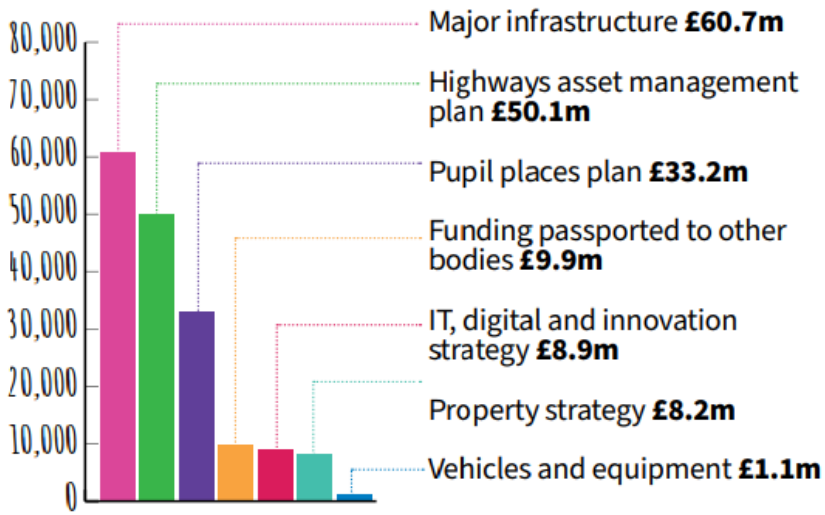
The County Council's accounts set out how much money we have spent on services, what we have invested in capital projects, how we have funded the expenditure, and what assets we own.

Review of 2022/23

What services the money was spent on - £835.1m



What the Capital Programme was spend on - £172.1m



The Council set a net revenue budget for the year of £520.4m to finance day to day service provision. Actual net revenue spending for the year after transfers to earmarked reserves was £537.1m, £16.7m higher than had been budgeted. This means that the County Fund balance has decreased by £16.7m from £39.3m at the beginning of the financial year to £22.6m at 31 March 2024. The Provisional Outturn Report contains detailed explanations of the Directorate Outturn and was presented to Cabinet on 20 June 2023.

OXFORDSHIRE COUNTY COUNCIL

Summarised Revenue Account

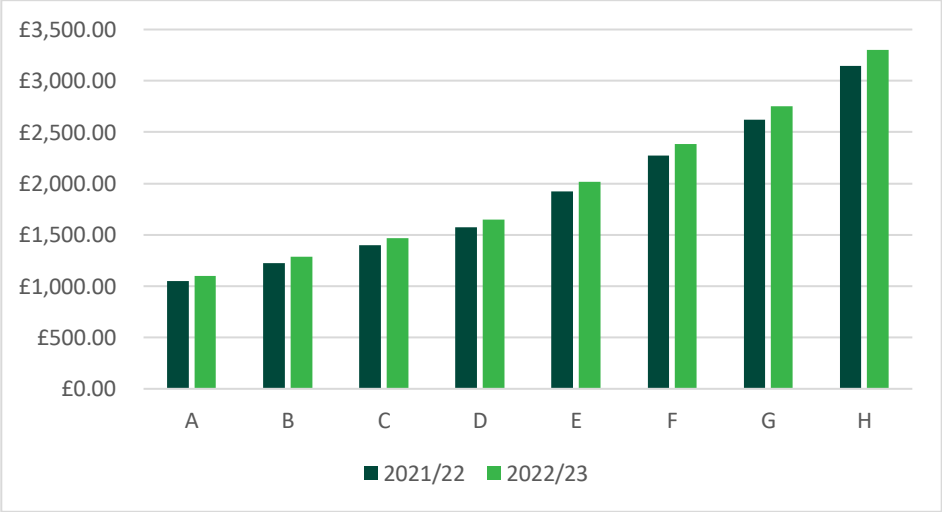
	Gross Expenditure £m	Income £m	Net Expenditure £m
Cost of services	**1,224.6**	**-510.3**	**714.3**
Other operating expenditure	14.7	-1.6	13.1
Financing and investment income and expenditure	51.5	-9.1	42.4
Taxation and non-specific grant income		-741.1	-741.1
Deficit on provision of services	**1,290.7**	**-1,262.0**	**28.7**
Adjustments between accounting & funding basis			-21.3
Transfers from earmarked reserves			9.3
Total adjustments and transfers			**-12.0**
Decrease in County Fund balance for the year			**16.7**

The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (i.e. to Council Tax).

County Fund Balance	£m
Balance at start of year (1 April 2022)	39.3
Decrease in year	-16.7
Balance at end of year (31 March 2023)	**22.6**

Our Council Tax Funding

This graph shows how much Council Tax for County Council services was charged for each property band in 2021/22 and 2022/23. Band D Council Tax increased by 4.99% compared to 2021/22, 1.99% relating to the general council tax and 3% for the Adult Social Care precept.



Band	A	B	C	D	E	F	G	H
2022/23	£1,101.07	£1,284.59	£1,468.10	£1,651.61	£2,018.63	£2,385.66	£2,752.68	£3,303.22
2021/22	£1,048.74	£1,223.53	£1,398.32	£1,573.11	£1,922.69	£2,272.27	£2,621.85	£3,146.22

OXFORDSHIRE COUNTY COUNCIL

Capital Investment

We also spent money on improving the council's assets…

Spending…	£m
Pupil Places Plan	33.1
Major Infrastructure	60.8
Highways Asset Management Plan	50.1
Property and Investment	8.2
ICT Strategy	9.0
Passport Fund	9.9
Vehicle and Equipment	1.1
	172.2

Paid for by…	£m
Grants & contributions	127.9
Borrowing	41.7
Revenue	2.6
Capital Receipts	0.0
	172.2

Some of the larger capital schemes that have benefited the community include:

Shrivenham Primary School	£3.4m
Didcot Sires Hill - New Primary	£5.3m
A40 Science Transit	£8.3m
A44 Corridor Peartree-Cassington	£11.0m
HIF2 A40 Westbound bus lane	£5.5m
Carriageways Programme Budget	£10.6m
Street Light LED replacement	£11.7m
Green Homes Grant	£1.0m
Rural Gigabit Connectivity Hub Sites	£3.1m
Wide Area Network Replacement	£1.1m
Better Care Fund Disabled Facilities Grant	£6.7m

Summarised Balance Sheet as at 31 March 2023

The balance sheet shows the Council's financial position at 31 March 2023, the end of the 2022/23 financial year. It is a snapshot of what we own, what we owe and how this is funded. The balance sheet includes the council's estimated pensions' liabilities as at 31 March 2023. This is a snapshot position and is likely to fluctuate year on year.

Net Assets:	£m
Long-term assets	1,368.1
Cash and short-term investments	482.2
Money owed to the Council	145.9
Money owed by the Council	-144.2
Borrowing	-309.7
Pensions and other liabilities	-316.4
Capital grants and contributions	-186.3
Total assets less total liabilities	**1,039.6**

Financed by:	£m
Earmarked Reserves	202.9
Other usable reserves	272.6
Unusable reserves	564.1
Net Liabilities	**1,039.6**

OXFORDSHIRE COUNTY COUNCIL

Earmarked Reserves

The Council's earmarked reserves that have been set aside for agreed purposes and are available to be spent in future years as at 31 March 2023 are as follows:

	2021/22 £m	2022/23 £m
Schools	14.5	12.9
Capital investment	47.8	68.2
Insurance	11.7	12.9
Budget Prioritisation	18.5	11.4
Grants and Contributions	24.7	36.8
Other reserves	66.4	60.7
	183.6	**202.9**

Other Usable Reserves

The Council's other usable reserves as at 31 March 2023 are as follows:

	2021/22 £m	2022/23 £m
County Fund balance	39.3	22.6
Capital investment balances	211.2	250.0
	250.5	**272.6**

Cash Flow

The cash flow summary shows the total cash inflows and outflows during the year and includes both capital and revenue transactions

	£m
Cash in hand at 1 April 2022	42.9
Net Movement	-26.0
Cash in hand at 31 March 2023	**16.9**

The Outlook

The 2023/24 budget and Medium Term Financial Plan to 2025/26 agreed by Council on 14 February 2023 addresses the demand pressures on the Council that are expected to continue into the medium term, including providing an £17.9m of funding for directorate pressures and new investments, plus savings totalling £17.8m. Inflationary pressures would mean the council needs to pay more to maintain the same level of service provision.

By the end of 2022/23, the County Council effectively managed financial pressures, resulting in a combined revenue overspend of £12.6m after taking into account contingency measures, additional interest on cash balances, and increased business rates funding. The overspend was influenced by rising demand for children's social care, challenges in securing suitable care placements, and higher-than-expected inflation throughout the year.

Despite these pressures, proactive measures helped reduce the directorate overspend to £21.6m (4.0%), offset by a £10.4m net underspend on centrally held budgets and funding. This outcome was an improvement compared to the forecasted overall overspend of £14.4m as of January 2023. Thanks to careful financial management, the County Council's General Fund balance remained robust at £22.6m as of 31 March 2023.

Oxfordshire County Council Pension Fund

The County Council is the administering authority for the Oxfordshire Local Government Pension Fund.

Fund Summary at 31 March 2023	£m
Opening net assets at 1 April	3,290.2
Net expenditure from dealings with fund members	-1.8
Net returns on investments	-118.2
Closing net assets at 31 March 2023	**3,170.2**

Net Assets Statement at 31 March 2023	£m
Net value of investments	3,120.6
Net money owed to the pension fund	49.2
Long Term Assets	0.4
Net assets of the pension fund at 31 March 2023	**3,170.2**

There were 21,588 contributing members to the fund at 31 March 2023, and 18,512 pensions were paid. Contribution rates for 2022/23 were based on the valuation of the Scheme's financial position as at 31 March 2019.

Pension Fund Annual Report

The Pension Fund annual report can be downloaded from the County Council's website at: www.oxfordshire.gov.uk.

Fire-fighters Pension Fund

Separate fire-fighters pension fund accounts are included in the County Council's Statement of Accounts. The scheme has no assets and the surplus or deficit on the pension fund account is paid to/met by central government.

Status of Accounts

The County Council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting. This summary is taken from the draft Statement of Accounts authorised for issue on 31 May 2019 which are subject to audit.

What do you think?

If you have any questions or suggestions as to how we could improve these summary accounts, please send them to accounts@oxfordshire.gov.uk.

OXFORDSHIRE COUNTY COUNCIL

Glossary of Terms

Asset	Something the County Council owns and can be either long term or current.
Balance Sheet	A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities.
Capital Asset	A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.
Capital Expenditure	Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.
Capital Investment	Investment in assets that will be used for more than one year, e.g. buildings or roads.
Capital Investment Balances	Capital grants and contributions and capital receipts reserves that will be used to fund capital expenditure in future years.
Capital Receipts	Receipts from the sale of capital assets.
Cash Flow	The movement of money into or out of the County Council during the year.
County Fund	The main revenue fund of the County Council into which Council Tax income and Government grants are paid and from which day-to-day payments are made.
Financial Year	The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.
Financing and Investment Income and Expenditure	This mainly comprises interest charges, for example on borrowing, and interest earned on investments.
General Revenue Government Grants	These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.
Liabilities	Amounts owed by the County Council which will be paid some time in the future.
Long Term Assets	Capital assets, long-term investments and money owed to the Council over the long-term.
Non- Domestic Rate	A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.
Net Operating Expenditure	The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.
Non-specific Grant Income	Grant income from general revenue government grants and capital grants and contributions.
Provision	An amount of money put aside in the accounts for anticipated liabilities, which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.
Reserves	Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.
Revenue Expenditure	The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.
Specific Grants	Grants paid by the government towards either revenue or capital to support the cost of specific services.
Unusable Reserves	Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it must be funded.

Letter of Representations 2022/23

Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND

Lorna Baxter
Executive Director of Resources and Section 151 Officer

Stephen Reid
Ernst & Young LLP
2 Blagrave Street
Reading
RG1 1AZ

27 November 2024

Dear Stephen

This letter of representations is provided in connection with your audit of the Council financial statements of Oxfordshire County Council ("the council") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Council financial statements give a true and fair view of (or 'present fairly, in all material respects,') the council financial position of Oxfordshire County Council as of 31 March 2023 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the the Council, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)**.**

We understand that the purpose of your audit of our Council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist. Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Council, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

2. We acknowledge, as members of management of the council, our responsibility for the fair presentation of the Council financial statements. We believe the Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the council financial statements are appropriately described in the council financial statements**.**

4. As members of management of the council, we believe that the council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 for the Council that are free from material misstatement, whether due to fraud or error.

5. There have been no significant errors or misstatements, or changes in accounting policies, other than the matters described above, that would require a restatement of the comparative amounts in the current year's Council financial statements. Other differences in the amounts shown as comparative amounts from the amounts in the Council financial statements for the year ended 31 March 2023 are solely the result of reclassifications for comparative purposes.

6. We confirm the council does not have securities (debt or equity) listed on a recognised exchange.

7. We have confirmed to you any changes in service organisations within the council since the last audited financial year.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the council's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non- compliance with applicable laws or regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the

Council financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the Council (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:

   - Involving financial improprieties
   - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council financial statements
   - Related to laws and regulations that have an indirect effect on amounts and disclosures in the Council financial statements, but compliance with which may be fundamental to the operations of the council's business, its ability to continue in business, or to avoid material penalties
   - Involving management, or employees who have significant roles in internal control, or others
   - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
   - Additional information that you have requested from us for the purpose of the audit; and
   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the Council financial statements.

3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the

2022/23 to the most recent meeting on the following date: 27 November 2024.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the 31 March 2023. These transactions have been appropriately accounted for and disclosed in the Council financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with CIPFA LASAAC Code of Practice on Local Council Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

6. We have disclosed to you, and the council has complied with, all aspects of contractual agreements that could have a material effect on the Council financial statements in the event of non- compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorised access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorised access to our information technology systems is reasonably likely to have a material effect on the Council financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

8. We have disclosed to you, and provided you full access to information and any internal investigations relating to, unauthorised access to our information technology systems that has a material effect on the Council financial statements, including disclosures.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Council financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 58 to the Council financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note 1 to the Council financial statements discloses all the matters of which we are aware that are relevant to the council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than the events described in Note 59 to the Council financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the Council financial statements or notes thereto.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the information contained within the Narrative Statement and also the Annual Governance Statement.

2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and the council have reflected these in the financial statements.

Yours faithfully,

_____

Lorna Baxter - Executive Director of Resources and Section 151 Officer

_____

Councillor Ted Fenton - Chair of the Audit & Governance Committee

This Letter was included in Audit & Governance Committee Papers for review.

Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions

OXFORDSHIRE COUNTY COUNCIL
www.oxfordshire.gov.uk

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County Hall
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OXFORD, OX1 1ND

Martin Reeves
Chief Executive

Date: 27th November 2024

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire Pension Fund ("the Fund") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the period from 1 April 2022 to 31 March 2023 and of the amount and disposition of the Fund's assets and liabilities as at 31 March 2012, other than liabilities to pay pensions and benefits after the end of the period, have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

We understand that the purpose of your audit of the Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and for keeping records in respect of contributions received in respect of active members of the Fund.

2. We confirm that the Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the scheme should change.

3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position and the financial performance of the Fund in

accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and are free of material misstatements, including omissions. We have approved the-financial statements.

4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

5. As members of management of the Fund, we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that are free from material misstatement, whether due to fraud or error.We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.

6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations including fraud

1. We acknowledge that we are responsible for determining that the Fund's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have not made any reports to The Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.

5. There have been no other communications with The Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.

6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.

7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

    - Involving financial improprieties

    - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements

    - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund, its ability to continue, or to avoid material penalties

    - Involving management, or employees who have significant roles in internal control, or others

- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.

   - Additional information that you have requested from us for the purpose of the audit.

   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. You have been informed of all changes to the Fund rules.

3. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic and including those related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.

4. We have made available to you all minutes of the meetings of [members of the management of the Fund] and committees of the management of the Fund (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: *[list date].*

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.

6. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. No transactions have been made which are not in the interests of the Fund members or the Fund during the fund year or subsequently.

8. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

9. From 25th January 2024 through the date of this letter we have disclosed to you, to the extent that we are aware, any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 23 to the financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note *2* to the financial statements discloses all the matters of which we are aware that are relevant to the Company's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises .

2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Independence

1. We confirm that, under section 27 of the Pensions Act 1995, no members of the management of the Fund of the Scheme is connected with, or is an associate of, Ernst & Young LLP which would render Ernst & Young LLP ineligible to act as auditor to the Scheme.

I. Derivative Financial Instruments

1. We confirm that the Fund has made no direct investment in derivative financial instruments.

J. Pooling investments, including the use of collective investment vehicles and shared services

1. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS Management and Investment of Funds Regulations 2016 in respect of these investments has been followed.

K. Actuarial valuation

1. The latest report of the actuary Hyman Robertson as at 31 March 2022 and dated 31 March 2023 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

L. Estimates

Level 3 Investment Asset Valuation Estimate and Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgments made in making the the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate.

3. We confirm that the significant assumptions used in making the level 3 investment asset valuation estimate and actuarial present value of promised retirement benefits estimate appropriately reflect our intent and ability to continue to maintain the pension fund investments for the purpose of management of the fund and payment of future benefits on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty [and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 22/23.

5. We confirm that appropriate specialized skills or expertise has been applied in making the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 22/23.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements, including due to the COVID-19 pandemic.

M. Use of the Work of a Specialist

1. We agree with the findings of the specialist, Hymans Robertson as the Pension Fund's actuary, that we have engaged to value fund assets and liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

_____

Executive Director of Resources and Section 151 Officer and Deputy Chief Executive

_____

Chair of the Audit & Governance Committee

Date: 27th November 2024

DRAFT

Oxfordshire County Council

Statement of Accounts

2023/24

OXFORDSHIRE COUNTY COUNCIL

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Narrative Report by the Executive Director of Resources and Section 151 Officer

Introduction

The purpose of this narrative report is to provide information on the Council, its main objectives and strategies and the principal risks it faces. It sets out information to help readers understand the Council's performance and financial position during 2023/24.

Oxfordshire County Council provides services to residents, businesses and communities across the whole county. Our core services in 2023/24 included:

- Children's Social Care and Education (including the safeguarding of children, looked after children, services to vulnerable children and young people and their families, adoption and fostering services and some education services).
- Adult Social Care (commissioning and providing services which keep adults safe and provide the support our residents need for independent living).
- Services for public health including mental well-being.
- Highways maintenance and transport planning.
- Strategic spatial planning including major infrastructure, inward investment and housing growth.
- Strategic environmental management including carbon emissions reduction, energy efficiency and waste disposal.
- Community safety including Fire and Rescue and Trading Standards.
- Cultural Services including libraries, museums and the Music Service.
- Coroners' and Registration services.

These services are either provided directly by the Council or are commissioned from and delivered by other organisations. Most of these services are mandatory, meaning that the Council must provide them because it is under a statutory duty to do so.

Our leadership and workforce

The Constitution sets out the rules and procedures by which the council operates.

https://www2.oxfordshire.gov.uk/cms/content/council-constitution

The Council has 63 members (or 'councillors'), elected by the public to represent a particular local area, or 'Division'. Collectively they are responsible for the democratic structure of the council, overseeing our key policies and services and setting the Council's annual budget for revenue and the capital programme. More information about the democratic structure of the Council and the current Cabinet can be found on our website.

Oxfordshire councillors | Oxfordshire County Council

Oxfordshire's Cabinet | Oxfordshire County Council

https://www.oxfordshire.gov.uk/cms/public-site/about-your-council

Following the County Council election in May 2021, a new administration, the Oxfordshire Fair Deal Alliance, was formed from a coalition of the Liberal Democrats, the Labour & Co-operative Group and the Green Party with Cllr Liz Leffman elected Leader. In September 2023 Labour withdrew from the Alliance. Since then a Liberal Democrat Green Alliance has been running the council as a minority administration. The 2024/25 budget agreed by

Council in February 2024 was a combination of the Administration's proposed budget plus amendments from the Labour & Co-operative Group.

Details of current Cabinet members and their responsibilities can be found on the council's website.

https://www2.oxfordshire.gov.uk/cms/content/cabinet

Employees ('officers') support Cabinet and Council in their work and manage the Council's services and operations. The Chief Executive (Martin Reeves) leads the most senior group of officers, the Senior Leadership Team (SLT), who advise councillors on policy and implement councillors' decisions.

As at 31 March 2024 the Council's staff complement stood at 4,509 FTE (full-time equivalent) posts (4,410 at 31 March 2023), representing 5,378 employees (5,310 at 31 March 2023). Most staff are structured into one of several directorates, each responsible for a group of services and functions in support of the Council's Vision and Strategic Plan.

The council also worked collaboratively with partners in the public, private and voluntary sector to achieve the best outcomes for our residents. Further details of how the Council works, both internally and with external partners, can be found in the Annual Governance Statement.

Vision for Oxfordshire

The Strategic Plan 2022 – 2025 sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

We want to make sure that everyone in Oxfordshire can take advantage of what the county has to offer. Our strategic plan explains our nine cross-cutting priorities and commitments to achieve our vision and sets out our areas of focus.

Our nine priorities are:

1. Put action to address the climate emergency at the heart of our work.
2. Tackle inequalities in Oxfordshire.
3. Prioritise the health and wellbeing of residents.
4. Support carers and the social care system.
5. Invest in an inclusive, integrated and sustainable transport network.

6. Preserve and improve access to nature and green spaces.
7. Create opportunities for children and young people to reach their full potential.
8. Play our part in a vibrant and participatory local democracy.
9. Work with local businesses and partners for environmental, economic and social benefit.

Our performance

Throughout 2023/24 we have reported on each month's performance to internal managers, councillors and the public. The Business Management and Monitoring Reports bring together information on performance, finance and leadership risk, giving a balanced picture of how the Council is doing and providing audiences with greater insight into our business than in previous years.

In these monthly reports we show the latest assessment of our performance indicators. Most are given a Red, Amber or Green (RAG) rating, signifying whether or not progress is on track. In deciding RAG ratings we consider data on current performance and an assessment of progress. As at 31 March 2024 the indicators were assessed as follows:

Green	Amber	Red	Data monitoring	Data Unavailable	Total Indicators
58 (68%)	10 (12%)	8 (10%)	7 (8%)	2(2%)	85

Risk Management

During 2023/24 we continued to strengthen our risk management activities. This helped us to ensure that we continued to identify and address any uncertainties relating to the achievement of our priorities.

Updates on 9 strategic risks were reported to Cabinet in our bi-monthly Business Management and Monitoring Reports. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level.

Directorates and teams within the Council also maintained operational risk registers to ensure that individual services, projects or areas of business remained on course. Operational risks which become more severe can be escalated to the Leadership level for management.

Our financial operating model

The Council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by:

- Financial Strategy,
- Capital & Investment Strategy,
- Treasury Management & Investment Strategy, and
- A risk assessment of the level of general balances required.

The Council's Financial Strategy sets out that financial sustainability and resilience requires successful and sustained focus on the delivery of four critical elements and financial planning principles. These underpin the revenue budget and medium-term financial strategy:

- Transforming the council to become employer, partner and place shaper of choice.
- Managing the impact of rising need through demand management.
- Delivering agreed savings and planned outcomes from investments.
- Ensuring the level of earmarked reserves and general balances is adequate based on the level of risk and financial uncertainty and only using one-off resources for temporary purposes.

Construction of the budget and budget proposals for 2023/24 were subject to challenge by the Council's Management Team and Strategic Leadership Team. Councillors review and challenge the proposals through engagement sessions and member presentations and also take account of feedback from engagement and consultation. The Performance & Corporate Services Overview & Scrutiny Committee scrutinises the budget proposals at its meetings in December and January before Cabinet propose the budget, MTFS and capital programme in February.

Revenue Spending Plans for 2023/24

Our budget for the provision of services in 2023/24 and Medium Term Financial Strategy (MTFS) to 2025/26 was agreed by Council on 14 February 2023 alongside the Strategic Plan for 2023 - 2025. The ongoing impact of inflation, the increase in the national living wage and higher energy prices, increased our costs by £37.8m in 2023/24. A further £19.3m additional costs reflected increased demand for our services, in particular to support children and young people and to provide social care and care placements for children and adults. To help manage these pressures the budget also included £29.9m of new savings. Investments of £7.1m were also included in the budget.

We planned to spend £826.2m (excluding schools) on delivering services in 2023/24. We also planned to spend £206.7m on running schools, the funding for which comes directly from government.

We intended to finance £252.3m of our spending plan from specific and general government grants, contributions from other bodies, charging and interest income plus a contribution from reserves and balances. Therefore, our net operating budget totalled £573.9m.

The net operating budget was financed from Business Rates (£93.1m), the Council Tax Requirement (£466.7m) and Council Tax surpluses (£14.1m). Council tax for a Band D property was set at £1,734.03. This was a 4.99% increase from 2022/23.

The report to Council noted that some information on funding was still outstanding and that updates would be made through the Business Management & Monitoring Reports to Cabinet. Subsequent updates to business rates funding and council tax surpluses increased the Net Operating Budget to £578.8m.

Revenue Year End Position 2023/24

At the end of 2023/24 there was a directorate overspend of £6.6m (1.1%). This reflects the on-going impact of inflation and demand pressures for Childrens' Social Care, as well as workforce shortages.

	Final Budget 2023/24 £m	Net Expenditure 2023/24 £m	Variance March 2024 £m
Directorate Budgets:			
Adult Services	229.7	229.7	0.0
Children's Services	172.3	180.0	7.7
Environment & Place	75.3	72.2	-3.2
Public Health	4.1	3.9	-0.2
Community Safety	27.0	27.7	0.7
Resources and Law & Governance	73.3	74.9	1.5
Total Directorate Budgets	**581.8**	**588.4**	**6.6**

The directorate overspend was offset by an underspend on contingency held for risk and additional interest received on cash balances. The overall position for the council was an underspend of £12.3m or -2.1% of the Net Operating Budget of £578.8m.

	Final Budget 2023/24 £m	Net Expenditure 2023/24 £m	Variance March 2024 £m
Budgets Held Centrally:			
Capital Financing Costs	19.0	19.4	0.5
Interest on Balances	-7.2	-15.1	-7.9
Contingency	10.9	0.0	-10.9
Un-ringfenced Specific Grants	-45.2	-46.5	-1.3
Insurance	1.4	1.4	0.0
Contributions to (+)/ from (-) reserves	10.9	11.6	0.7
Contributions to (+)/ from (-) balances	7.1	7.1	0.0
Total Budgets Held Centrally	**-3.0**	**-22.0**	**-19.0**
Net Operating Budget	**578.8**	**566.5**	**-12.3**
Business Rates & Council Tax Funding	-578.8	-578.7	0.0
Total Year End Position	**0.0**	**-12.3**	**-12.3**

After taking account of the use of contingency and additional interest on balances, planned changes above as well as supplementary estimates agreed earlier in the year, balances would be £42.0m, £11.8m above the risk assessed level of £30.2m at year end. £9.5m of the total will be used to fund contributions to reserves in 2024/25 as set out in paragraph 26 and 27. The remaining £2.3m will be held in balances pending a decision about future use.

On 1 April 2023, one – off funding held in earmarked reserves totalled £202.7m. As set out in Annex B-3a this increased to £210.1m as at 31 March 2024. The increase includes budgeted net contributions to/from reserves totalling £12.8m agreed in February 2023, plus other net changes during the year which reduced reserves by £5.4m.

The 2023/24 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs was £14.7m. This is £3.6m lower than the £18.3m forecast deficit for 2023/24 approved by Cabinet in May 2023. The CIPFA code of practice currently requires negative High Needs DSG balances to be held in an unusable reserve. The deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £41.1m as at 31 March 2023 to £55.8m at 31 March 2024.

The annual report reflects the highlights and achievements over the last 12 months against the priorities of the council.

Through our continued commitment to the Climate emergency, Oxfordshire County Council won best decarbonisation initiative for its role in the partnership Project Local Energy Oxfordshire. We delivered an externally funded food waste recycling project, calling at over 13,000 households across the county to encourage residents to recycle their food waste. We were again named the top performing county council waste disposal authority.

As part of our commitment to tackling inequality across Oxfordshire we spent £1m on our new Residents Support Scheme, providing over 5,000 vulnerable households in financial crisis support with food and energy costs, and essential household items. We spent £1.6m making a £450 cost of living payment to over 3,500 people on low incomes who were not eligible for the equivalent national payments. We spent a further £3.2m ensuring families of children entitled to free school meals received support with food costs during the school holidays.

We worked with a range of community groups and consulted over 1,000 residents to develop a new Health and Wellbeing Strategy for Oxfordshire. Working with partners across Oxfordshire, we trained 348 staff and volunteers to use the Making Every Contact Count approach to opportunistically speak to people about their health and wellbeing. Through outreach to communities, we enabled those residents who experience the greatest barriers to walking and cycling to actively travel more. 74% of Active Travel project participants report having increased the frequency that they walk, cycle, or wheel after having taken part in the project.

Supporting carers and the social care system through our transformation programme – the Oxfordshire Way – we continued to have a positive impact on adult social care assessments and reviews, achieving a 31 per cent decrease in the number of people on waiting lists and a 46 per cent reduction on April 2021 waiting times. Between April 2023 and February 2024,

we supported 1667 Carers with a direct payment to support them to have some time to look after their own wellbeing, an increase of 4.2% on previous year's performance.

We have increased the Oxfordshire Together programme to around 130 FixMyStreet (FMS) 'SuperUsers' covering 95 parishes across the county. Across the calendar year they reported and directly instructed repairs to 1379 defects to potholes and kerbing on county roads. Our pilot Flood Warden scheme now has 11 volunteers covering two parishes and one town.

To support Nature and Green Spaces we have cleared 320 km of vegetation to improve the county' s public rights of way network. We repaired 48 bridges and replaced 58 more across Oxfordshire. We also continued our highly successful partnership with Community Action Groups, supporting over 100 groups to take grassroots action on environmental issues across Oxfordshire which was featured as best practice in a national report.

As part of the priority Creating opportunities for children and young people to reach their full potential, we completed all the phase transfers (primary to secondary) for over 500 children with EHCPs within the agreed timeframe. Thanks to DfE and Capital Funding, five new children's homes are due to open in Oxfordshire within the next 18 months.

As part of our priority Playing a part in vibrant and participatory local democracy, we enabled people of all ages to address our council and cabinet meetings, welcoming over 115 public speakers, 97 public questions and 6 petitions. Including facilitating over 30 public speakers at October 2023 Cabinet. We have also established the new Education & Young People Overview & Scrutiny Committee.

Through Working with local businesses and partners our trading standards Inspectors of Weights and Measures tested and verified over 700 pieces of weighing and measuring equipment. The trading standards team conducted over 1,790 interventions with Oxfordshire businesses, providing advice and support, testing products and procedures. Our small team of highly skilled fire safety professionals have engaged with existing and new build commercial premises in Oxfordshire to create a safe environment for those who live and work in the county. This includes 450 Fire Safety Audit of commercial premises and 692 Fire Safety Building Regulations consultations.

Migration Support Development delivered a £1.2m employment investment programme to support Ukrainians into meaningful work, with wider benefits being created for other migrant groups wherever possible. A range of county council services have worked closely with the District / City Councils to provide support and challenge to the hotel providers accommodating over 550 asylum seekers in four contingency hotels commissioned by the Home Office to ensure their statutory safeguarding needs are being met, the children are able to attend school, and all can access our libraries.

Capital investment plans and expenditure in 2023/24

The Capital and Investment Strategy outlines the council's approach to capital investment over the next ten years and incorporates the requirements of the CIPFA Prudential Code for Local Authorities. A ten-year Capital Programme sets out how the Council will use capital expenditure to deliver its priorities.

The original capital programme for 2023/24 was agreed by Council in February 2023. This set out an expected programme of spend of £198.9m during the year. This included £39.6m

for the provision of additional school places and new schools in housing developments, £72.2m on major infrastructure projects, including large road improvement schemes, and £50.3m on the Highways Asset Management Plan. The total ten year capital programme totalled £1.508m. The main sources of planned funding were grants and contributions (£836.8m), developer contributions and Community Infrastructure Levy (£221.4m), capital receipts (£80.5m) and prudential borrowing (£290.5m).
The capital programme is updated throughout the year to reflect the latest delivery profiles and cost estimates for each programme. The last update was based on the January 2024 monitoring position, and this was agreed by Cabinet in March 2024. Planned capital spend for 2023/24 totalled £191.3m. Actual capital programme expenditure by 31stMarch 2024 was £175.9m. The variation between the latest programme and the actual expenditure is -£15.4m (-8%). This spend is now expected to take place in 2024/25. 4. The expenditure was funded by £83.1m of capital grants and other external contributions, £30.8m of developer contributions and Community Infrastructure Levy, £2.2m of revenue contributions, and £59.8m of prudential borrowing.
Further detail is set out in the Capital Outturn Report to Cabinet on 18 June 2024.

Financial Outlook

While action continues to be taken to manage this and forecast spend for 2024/25 is expected to be managed within the overall budget, demand for social care and the sufficiency of market provision continues to be an issue particularly for Children's Social Care.

The 2024/25 Earmarked Reserves and General Balances Policy Statement maintained the risk assessed level of General Balances at £30.2m in 2024/25. This is equivalent to 5.0% of the net revenue budget for 2024/25.

The 2024/25 budget includes £15.1m on-going funding for pay inflation equivalent to a 5% increase. In addition, on-going contingency budget for 2024/25 is £7.3m. This includes funding for an additional 0.5% pay inflation as well as £4.5m for demand risk.

Following the General Election in July 2024 future funding is currently uncertain. The Government have announced that there will be an Autumn Statement 30 October 2024 so it is possible that information about the approach to council tax, including referendum limits for 2025/26 and updates on the approach to other funding and the increase to the National Living Wage from April 2025 may be shared at that point. However, detailed information about the council's funding for 2025/26 will not be received until the Provisional Local Government Settlement which is expected in late December 2024.

An unusable reserve was created in 2020/21 to hold negative High Needs Dedicated Support Grant balances in line with a change to the CIPFA Code of Practice. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m and forecast to increase to £77.1m by 31 March 2025. These regulations are in place until 31 March 2026, but it remains unclear what the long-term arrangements after that will be. Whilst there is an expectation that a solution from Government will be needed, should this not materialize action would need to be taken to ensure the council continues to hold an adequate level of reserves.

Basis of Preparation and Presentation

The Council produces a Statement of Accounts to provide transparency about the Council's finances, to give assurance to stakeholders that public money has been properly accounted for and that the financial standing of the Council is on a secure basis.

The accounts bring together all the Council's financial statements for the year 2023/24 and show its financial position as at 31 March 2024. The statements reflect both revenue and capital elements for the General Fund, including transactions relating to joint operations with other local authorities and health bodies. The County Council is the administering authority for the Oxfordshire Local Government Pension Fund. As such, the Fund accounts are included as a disclosure within the Council's accounts.

The Statement of Accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2024 and of its income and expenditure for the 2023/24 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of general balances, combined with Earmarked Reserves (Note 44) and action being taken to ensure we can manage the capital programme within the available resources, are sufficient to ensure that the County Council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going concern' basis.

Notes to the accounts

The Notes to the Accounts explain and provide further detail behind the key items and entries within the Financial Statements. They consist of:

- Expenditure and Funding Analysis – Compares the net expenditure as funded by taxation with the accounting cost of providing services as presented in the Comprehensive Income and Expenditure Statement.
- Notes to the Accounts – Which explain some of the key items and disclosures in the accounts.
- Pension Fund Accounts – These are the accounts of the Pension Fund, which is operated for employees of the County Council, district councils and other bodies.
- Statement of Responsibilities for the Statement of Accounts – Outlines the key responsibilities in respect of the accounts, together with statements from the Chief Finance Officer and Chairman of the Audit & Governance Committee.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council 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 directorates. Income and expenditure

accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Annual Governance Statement

The Audit & Governance Committee is expected to approve the Annual Governance Statement (AGS) at its meeting on 17 July 2024. The AGS summarises the governance framework that has been in place in the Council during 2023/24.

Conclusion

Through careful planning and management, Oxfordshire County Council has ensured that we achieved or made good progress with our priorities for the year. We have delivered vital services to the residents and communities of Oxfordshire and have reached the end of the business year in a robust financial position.

The County Council's Responsibilities

The County Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For Oxfordshire County Council, that officer is the Director of Finance
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets

The Audit & Governance Committee has examined these accounts and authorised the Chairman to approve the statement of accounts on its behalf.

Signed: ……

Date ……

TED FENTON

Chairman of the Audit & Governance Committee

The Responsibilities of the Director of Finance

The Director of Finance is responsible for the preparation of the County 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 2023/24 ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Director of Finance has also

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the County Council and its income and expenditure for the year ended 31 March 2024.

Signed: ……

Date ……

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

Once the accounts have been audited the Independent Auditor's Report to Members of Oxfordshire County Council will be added here.

Expenditure and Funding Analysis

A description of the purpose of this note is included in the Narrative Report. Please note that this is not a Primary Financial Statement.

2022/23 Expenditure chargeable to the County Fund £'000	2022/23 Adjustments between funding and accounting basis £'000	2022/23 Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		2023/24 Expenditure chargeable to the County Fund £'000	2023/24 Adjustments between funding and accounting basis £'000	2023/24 Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
59,584	33,384	92,968	Environment and Place	71,491	33,808	105,299
173,026	96,688	269,714	Children's Services	180,025	56,863	236,888
218,412	26,724	245,136	Adult Services	229,726	3,068	232,794
28,421	2,948	31,369	Public Health	31,623	946	32,569
67,353	6,035	73,388	Customers, Culture and Corporate Services	74,890	12,780	87,670
	1,688	1,688	Other Corporate Costs	0	4,212	4,212
546,796	**167,467**	**714,263**	**Service Costs**	**587,755**	**111,677**	**699,432**
-530,094	-155,458	-685,552	Other Income and Expenditure not charged to services	-607,063	-110,369	-717,432
16,702	**12,009**	**28,711**	**Surplus (-) or Deficit (+) on Provision of Services**	**-19,308**	**1,308**	**-18,000**
39,344			Opening County Fund Balance at 1 April	22,642	(Note 4)	
-16,702			Add surplus (+) or deficit (-) on the County Fund for the year	19,308		
22,642			**Closing County Fund Balance at 31 March**	**41,950**		

Comprehensive Income and Expenditure Statement

2022/23 Gross Expenditure £'000	Income £'000	Net Expenditure £'000		Notes	2023/24 Gross Expenditure £'000	Income £'000	Net Expenditure £'000
126,311	-33,343	92,968	Environment and Place		142,775	-37,476	105,299
577,127	-307,414	269,713	Children's Services		566,888	-330,000	236,888
323,243	-78,108	245,135	Adult Services		323,505	-90,711	232,794
69,063	-37,695	31,368	Public Health		70,015	-37,446	32,569
121,668	-48,279	73,389	Customers, Culture and Corporate Services		115,448	-27,778	87,670
7,136	-5,448	1,688	Other Corporate Costs		8,833	-4,621	4,212
1,224,548	**-510,287**	**714,261**	**Cost of Services**		**1,227,464**	**-528,032**	**699,432**
14,690	-1,569	13,121	Other Operating Expenditure	14	12,986	-1,427	11,559
51,507	-9,089	42,418	Financing and Investment Income and Expenditure	15	30,597	-21,654	8,943
0	-741,091	-741,091	Taxation and Non-Specific Grant Income	20	0	-737,934	-737,934
1,290,745	**-1,262,036**	**28,709**	**Surplus (-) or Deficit (+) on Provision of Services**	5	**1,271,047**	**-1,289,047**	**-18,000**
			Items that will not be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services				
		44,508	Surplus or Deficit on revaluation of non-current assets	49			-27,016
		428	Impairment losses on non-current assets charges to the revaluation reserve	49			1,015
		-684,318	Remeasurements of the net defined benefit liability (asset)	18			-169,331
		-639,382					-195,332
			Items that may be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services				
		0	Other gains or losses				0
		0					0
		-639,382	**Other Comprehensive Income and Expenditure**				**-195,332**
		-610,673	**Total Comprehensive Income and Expenditure**				**-213,332**

Movement in Reserves Statement

	Notes	County Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Unapplied £'000	Capital Grants and Contbns Unapplied £'000	**Total Usable Reserves £'000**	**Total Unusable Reserves £'000**	**Total Reserves £'000**
Balance at 31 March 2022		39,344	183,562	30,103	181,110	**434,119**	**-5,175**	**428,944**
Movement in reserves during 2022/23								
Total Comprehensive Income and Expenditure		-28,708	0	0	0	**-28,708**	**639,382**	**610,674**
Adjustments between accounting basis and funding basis under statutory provisions	6	21,267	0	1,568	37,238	**60,073**	**-60,073**	**0**
Transfers to / from earmarked reserves	44	-9,261	19,291	0	0	**10,030**	**-10,030**	**0**
Increase (+) or Decrease (-) In Year		-16,702	19,291	1,568	37,238	**41,395**	**569,279**	**610,674**
Balance at 31 March 2023		22,642	202,853	31,671	218,348	**475,514**	**564,104**	**1,039,618**
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure		18,000	0	0	0	**18,000**	**195,333**	**213,333**
Adjustments between accounting basis and funding basis under statutory provisions	6	-3,558	0	1,403	3,586	**1,431**	**-1,431**	**0**
Transfers to / from earmarked reserves	44	4,866	7,350	0	0	**12,216**	**-12,216**	**0**
Increase (+) or Decrease (-) In Year		19,308	7,350	1,403	3,586	**31,647**	**181,686**	**213,333**
Balance at 31 March 2024		41,950	210,203	33,074	221,934	**507,161**	**745,790**	**1,252,951**

Balance Sheet

As at 31 March 2023 £'000		Notes	As at 31 March 2024 £'000
	Long Term Assets		
1,260,482	Infrastructure, Property, Plant and Equipment	22	1,344,412
25,900	Investment Property	23	25,685
1,085	Intangible Assets	25	1,459
69,700	Long Term Investments	34	35,000
10,921	Long Term Debtors	35	11,209
1,368,088	**Total Long Term Assets**		**1,417,765**
	Current Assets		
1,470	Assets Held for Sale	24	124
145,854	Debtors	36	138,086
463,908	Short Term Investments	34	471,255
16,864	Cash and Cash Equivalents	37	45,919
628,096	**Total Current Assets**		**655,384**
	Current Liabilities		
-35,351	Short Term Borrowing	34	-22,296
-114,146	Short Term Creditors and Revenue Receipts in Advance	39	-134,727
-4,519	Provisions due within one year	40	-5,187
-740	Short Term Finance Liability	28,34	-836
-15,741	Short Term Capital Grants Receipts in Advance	43	-31,755
-170,497	**Total Current Liabilities**		**-194,801**
	Long Term Liabilities		
-30,030	Long Term Creditors and Revenue Receipts in Advance	39	-29,173
-2,197	Provisions due over one year	40	-4,389
-274,383	Long Term Borrowing	34	-266,383
-290,583	Pension Liability	18	-129,642
-14,997	Long Term Finance Liability	28,34	-14,161
-3,349	Deferred Income	41	-2,518
-170,530	Long Term Capital Grants Receipts in Advance	43	-179,131
-786,069	**Total Long-Term Liabilities**		**-625,397**
1,039,618	**Net Assets (+) / Net Liabilities (-)**		**1,252,951**
	Financed from:		
475,514	**Usable Reserves**	42,44-46	**507,161**
564,104	**Unusable Reserves**	47-53	**745,790**
1,039,618	**Total Reserves**		**1,252,951**

I certify that the statement of accounts gives a true and fair view of the financial position of the Council at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Lorna Baxter

Executive Director of Resources & Section 151 Officer **Date:**

Cash Flow Statement

2022/23 £'000		Notes	2023/24 £'000
28,709	**Net (surplus) or deficit on the provision of services**		**-18,000**
-111,840	Adjust net surplus or deficit on the provision of services for non-cash movements	54	-82,058
133,861	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	55	89,704
50,730	**Net cash flows from Operating Activities**		**-10,354**
-32,394	Investing activities	56	-41,441
7,664	Financing activities	57	22,740
26,000	**Net increase (-) or decrease (+) in cash and cash equivalents**		**-29,055**
42,864	Cash and cash equivalents at the beginning of the reporting period		16,864
16,864	**Cash and cash equivalents at the end of the reporting period**		**45,919**

Notes to the Statement of Accounts

OXFORDSHIRE COUNTY COUNCIL

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1. Summary of Significant Accounting Policies General

The Statement of Accounts summarises the County Council's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024. It has been compiled in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* (the *Code)*, published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Going Concern

The Code requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. The Council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future. In addition, management are not currently aware of any significant information that is available for the period beyond 2025/26 that would indicate a contrary conclusion.

This assessment informed the budget for 2024/25, medium term financial strategy to 2026/27, and ten-year Capital Programme to 2033/34 with mitigations to address risks and issues highlighted in the assessment.

The Council's Financial Strategy sets out that financial sustainability and resilience requires successful and sustained focus on the delivery of four critical elements and financial planning principles. These underpin the revenue budget and medium-term financial strategy:

- Transforming the council to become employer, partner and place shaper of choice.
- Managing the impact of rising need through demand management.
- Delivering agreed savings and planned outcomes from investments.
- Ensuring the level of earmarked reserves and general balances is adequate based on the level of risk and financial uncertainty and only using one-off resources for temporary purposes.

The 2024/25 budget was approved by Council on 20 February 2024 and taking account of previously agreed and new changes includes £37.9m funding for inflation ; £16.3m for demographic changes and £15.5m to respond to demand and other pressures. Savings totalling £19.5m are need to be achieved in 2024/25 and the achievement of these is being tracked through the Business Management & Monitoring Reports to Cabinet. Net budgets for Children's Services increased by 15% and Adult Services by 10% in cash terms compared to 2023/24.

There was a revenue underspend of £12.3m at the end of 2023/24 after taking account of the use of contingency and additional interest on cash balances. After taking account of this , the County Council's General Fund balance as at 31 March 2024 was £41.9m (subject to year-end adjustments and audit).

The risk assessed level of general balances for 2024/25 is £30.2m. Based on the forecast position reported to Cabinet in July 2024 balances are currently forecast to be £2.2m higher than that as at 31 March 2024.

The Council proactively manages its cashflow, maintaining an approximate daily forecast of available funds of £20m. This minimum level of liquid cash is held in a combination of UK banks and Money Market Funds. The Councils cashflow forecast projects to maintain at least £10 million in liquid cash and deposits from 31 March 2024 through to 31 March 2025. Liquid deposits are supplemented by the Councils ability to borrow short-term from other local authorities and ultimately borrowing from the Public Works Loan Board could be secured within five working days. The Council has not needed to activate this facility.

At 31 March 2024, the council's outstanding debt totalled £284m. The Treasury Management Strategy for 2023/24 assumed that the council's borrowing requirement for the year would be met through internal borrowing, as external borrowing rates were forecast to remain high during the year, then reduce over the medium term. On that basis no new external borrowing was arranged during 2023/24. Given the high level of cash balances and forecast for borrowing rates to significantly reduce in the medium term, the Treasury Management Strategy agreed in February 2024 sets out that the council should maintain the option to fund new or replacement borrowing through internal borrowing so it is not expected that any external borrowing will need to be taken in 2024/25.

The balance on the General Fund and total useable earmarked reserves at the end of each financial year are set out in the table below.

Date	Status	General Fund Balances (£m)	Earmarked Reserves (£m)
31 March 2019	Audited	28.0	92.3
31 March 2020	Audited	24.1	118.7
31 March 2021	Audited	34.7	151.5
31 March 2022	Audited	39.3	183.6
31 March 2023	Unaudited @ March 2024[1]	22.6	203.0
31 March 2024	Unaudited @ March 2024	41.9	210.4

A planned contribution of £6.8m to top balances up to the risk assessed level of £30.2m for 2023/24 was agreed as part of the 2023/24 budget. A further contribution of £0.8m was made following confirmation of business rates funding and council tax surpluses for 2023/24.

£9.5m of the general fund balance as at 1 April 2024 has been transferred to earmarked reserves as part of the budget for 2024/25. This funding will help to mitigate future risks and to enable the priorities for the next phase of transformation to be delivered and to create a sustainable council for the future.

[1] The audit of 2022/23 is pending the outcome of the Consultation into addressing the local audit backlog in England.

The Council's prudent minimum balance on the General Fund for 2024/25 is £30.2m representing 4.9% of the net operating budget of £611.2m. Taken together with on-going contingency funding of £7.3m built into the 2024/25 budget there is therefore headroom within the General Fund to manage further inflationary or demand pressure in 2024/25.

The Medium-Term Financial Strategy assumes a deficit of £13.9m from 2025/26 based on a council tax increase of 1.99% and a prudent assumption that £4.8m S31 grant funding for social care in 2024/25 notified in the Final Local Government Settlement is one – off and does not continue in 2025/26. Action will be taken through the budget process to ensure that that the council is able to set a balanced budget for 2025/26 through increases to funding and/or a reduction to expenditure.

An unusable reserve was created in 2020/21 to hold negative High Needs Dedicated Support Grant balances in line with a change to the CIPFA Code of Practice. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m. These regulations are in place until 31 March 2026, but it remains unclear what the long-term arrangements after that will be. Whilst there is an expectation that a solution from Government will be needed, should this not materialize action would need to be taken to ensure the council continues to hold an adequate level of reserves. For example, in that scenario an option could be to use the annual budgeted contribution of £4.0m to the Demographic Risk reserve to fund the revenue costs of borrowing to fund the deficit.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when the cash payments are made or received.

Where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is reduced, and a charge is made to revenue for the income that might not be recoverable.

Government Grants and Contributions

Government grants and third-party contributions are accounted for on an accrual basis and are recognised in the Statement of Accounts when there is reasonable assurance that the County Council will comply with the conditions attached to their payment and that the grants or contributions will be received.

Grants and contributions relating to capital and revenue expenditure are recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the County Council has not satisfied. Conditions are stipulations that require the grant or contribution to be returned to the provider if the terms of the grant or contribution are not met.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (capital monies within Capital Grants Receipts

in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant directorate line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income line (un-ringfenced revenue grants and all capital grants and contributions) in the Comprehensive Income and Expenditure Statement.

Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement are reversed out of the County Fund Balance in the Movement in Reserves Statement - where the grant/contribution 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.

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 any conditions that would require repayment of the grant or contribution if not met, and the grants and contributions will be received.

Grants and contributions are credited to the Comprehensive Income and Expenditure Statement when recognised as due to the Council (i.e., specific revenue grants and contributions are credited to the relevant service line in the Cost of Services, and capital grants and contributions and non-ring-fenced grants are credited to Taxation and Non-Specific Grant Income and Expenditure).

Where specific revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement, but the associated expenditure has not yet been incurred, the grant is set aside in an Earmarked Revenue Reserve so that it can be matched with the expenditure in a subsequent year.

Capital grants and contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and are transferred to the Capital Adjustment Account (if the grant eligible expenditure has been incurred) or to the Capital Grants Unapplied Account.

Revenue grants and contributions that have been credited to the relevant directorate line in the Comprehensive Income and Expenditure Statement that remain unapplied as at the Balance Sheet Date and are required to meet committed expenditure in future years are transferred to an earmarked reserve through the Movement in Reserves Statement.

Council tax and business rates income

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) for the year is the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the County Fund is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement.

The district councils in Oxfordshire are acting as agents of the County Council in collecting council tax and business rates. The cash collected from council tax payers and business rates payers belongs proportionately to the district councils and the major preceptors. There is, therefore, a debtor/creditor position between each district council and the County Council to recognise that the net cash paid to the County Council in the year is not the same as its share of cash collected. The County Council recognises its share of Council Tax and

business rates debtor and creditor balances, impairment allowances for doubtful debts and provisions for losses on appeal in its Balance Sheet. The Cash Flow Statement of the County Council includes the net council tax and business rates cash received from the Collection Fund in the year.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are recognised as an expense in the year in which employees render service to the Council.

Termination Benefits

Termination benefits are charged, on an accrual basis, to the relevant service line in the Comprehensive Income and Expenditure Statement 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.

Post-Employment Benefits

The County Council participates in four pension schemes:

- The Local Government Pension Scheme
- The Fire-fighters' Pension Scheme
- The Teachers' Pension Scheme and
- The NHS Pension Scheme

These schemes provide defined benefits to members, however, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the County Council. These schemes are, therefore, accounted for as if they are defined contribution schemes – no liability for future payment of benefits is recognised in the Balance Sheet and the relevant service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable in the year.

The County 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 are accounted for on the same basis as defined benefit schemes.

For the schemes treated as defined benefit schemes the Cost of Services includes:

- Current service cost – the increase in the present value of a scheme's liabilities resulting from employee service in the current period. This is included in the relevant directorate line within the Cost of Services.
- Past service cost – the increase in the present value of the scheme liabilities for employee service in prior periods, resulting from a scheme amendment or curtailment. This is included in Other Corporate Costs within the Cost of Services.
- Gain/loss on settlement – changes in liabilities relating to actions that relieve the County Council of primary responsibility for a pension obligation. This is included in Other Corporate Costs within the Cost of Services.

The net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - is included in the Financing and Investment Income and Expenditure line of the Comprehensive Income and

Expenditure Statement. Remeasurements comprising actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuary has updated their assumptions – and the return on scheme assets, excluding amounts included in net interest on the net defined liability (asset), are recognised in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.

Scheme assets attributable to the County Council are measured at fair value as at the Balance Sheet date. Scheme liabilities attributable to the County Council are measured on an actuarial basis using the projected unit method. The net pensions liability is recognised in the Balance Sheet.

The amount chargeable to the County Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each particular pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

Fire-Fighters injury awards are disability benefits paid by the County Council that do not form part of the Fire-Fighters Pension Scheme. However, the measurement of these long-term benefits is subject to the same degree of uncertainty as the measurement of fire-fighters post-employment benefits and therefore they are accounted for in the same way as Fire-Fighters post-employment benefits.

Property, Plant and Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These include operational land and buildings, vehicles, plant and equipment, surplus assets, assets under construction and infrastructure.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the County Council and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance, which is charged directly to service revenue accounts as an expense when incurred.

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 initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (this only applies when the County Council has an obligation to carry out such activities when the item is acquired, constructed or installed)

The County Council does not capitalise borrowing costs incurred whilst assets are under construction.

Property, Plant and Equipment is subsequently carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Other Property, Plant and Equipment assets (excluding surplus assets) – current value, determined as the amount that would be paid for the asset in its existing use

Surplus assets – fair value (at highest and best use), determined as the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value.

A *de minimis* level of £20,000 is applied for land and buildings and £15,000 for vehicles and plant, other than for schools local capital spend where a *de minimis* of £2,000 is applied.

Revaluations of property assets are undertaken on a three-year rolling programme as shown below. Material changes to asset valuations are adjusted in the interim periods

		Date of Last Revaluation	Date of Next Revaluation
Year 1	Secondary and Special Schools, Other Educational Premises (Children's, Youth and Sports Centres), Surplus Assets and properties not re-valued in other years.	2021/22	2024/25
Year 2	Primary, Nursery, Junior and Infant Schools	2022/23	2025/26
Year 3	Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot	2023/24	2026/27

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a directorate.

Decreases in valuations 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 directorate in the Comprehensive Income and Expenditure Statement

Assets are assessed each year as to whether there is an indication of impairment. Where indications exist and the recoverable amount of the asset is materially lower than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified they are accounted for in the same way as decreases in valuations.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant directorate, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation of Property, Plant and Equipment

Depreciation is provided for on all Property, Plant and Equipment with a finite life, which is determined at acquisition or revaluation. Assets under construction are not depreciated until they are brought into use. Depreciation is an estimation technique that is calculated using the straight-line method with the following asset lives:

- Buildings: 60 years (or less if specified by the valuer)
- Vehicles, plant and equipment: between 5 and 30 years
- IT equipment and infrastructure: between 3 and 5 years
- Infrastructure (roads and bridges): 35 years

Land is determined to have an infinite life and is not depreciated.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, 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 historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Infrastructure Assets

Infrastructure assets are recognised in the Balance Sheet under Property, Plant and Equipment and include carriageways, structures (e.g.bridges), footways and cycle tracks, street lighting and street furniture which together form a single integrated network.

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Infrastructure assets are generally measured at depreciated historical cost.

Where impairment losses are identified they are accounted for by writing down the carrying amount of the asset to the recoverable amount.

Depreciation is charged on a straight-line basis on parts of the infrastructure network assets that are subject to deterioration or depletion.

When a component of the infrastructure network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet written off to Other Operating Expenditure 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 as part of the gain or loss on disposal.

The written off value of disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Charges to Revenue for Property, Plant and Equipment

Services, support services and trading accounts are charged with a capital charge for all Property, Plant and Equipment used in the provision of services. The charge covers the

annual provision for depreciation and revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off. The County Council is not required to raise council tax to fund depreciation or revaluation/impairment losses. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (referred to as Minimum Revenue Provision (MRP)). Depreciation and revaluation/impairment losses are therefore replaced by the MRP contribution in the County Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

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. To be classified as an Asset Held for Sale the asset must meet the following criteria:

- Available for immediate sale in its present condition
- The sale must be highly probable
- Actively marketed at a reasonable sale price
- The sale should be expected to be completed within 1 year

Assets Held for Sale are measured at the lower of their carrying value and fair value less costs to sell at initial reclassification. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Decreases in fair value less costs to sell are recognised in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. 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 Property, Plant and Equipment and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation 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, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Receipts from the disposal of assets in excess of £10,000 are categorised as capital receipts. Capital receipts are appropriated to the Capital Receipts Unapplied reserve from the County Fund Balance in the Movement in Reserves Statement.

The written off value of assets disposed of is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value (at highest and best use), being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains and losses on disposal are posted to Other Operating Expenditure. The gains and losses are reversed out of the County Fund Balance to the Capital Adjustment Account (or Capital Receipts Unapplied for disposal receipts over £10,000) in the Movement in Reserves Statement so that they do not impact on Council Tax.

Revenue Expenditure Funded from Capital Under Statute

Capital expenditure on non-current assets not owned by the County Council and grants given by the County Council for capital purposes are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement. In accordance with statutory provisions this expenditure is transferred from the County Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement, such that there is no impact on Council Tax.

Private Finance Initiative (PFI) and similar contracts (service concession arrangements)

PFI type contracts involve a private sector entity (the operator) constructing or enhancing property used in the provision of a public service and operating and maintaining that property for a specified period of time. The operator is paid for its services over the period of the arrangement. Where the County Council controls or regulates the services provided by the operator and controls the residual interest in the property at the end of the term of the arrangement the contract meets the tests for accounting as a service concession arrangement.

Properties used in service concession arrangements are recognised as Property, Plant and Equipment of the County Council. The original recognition of the assets at fair value (based on the cost to purchase the assets) is matched by the recognition of liabilities for amounts due to the operators to pay for the assets and deferred income where the operator part funds the assets from income from third parties. Once recognised on the Balance Sheet these assets are revalued and depreciated in the same way as other Property, Plant and Equipment owned by the County Council.

The amounts payable to the service concession arrangement operators each year are analysed into five elements:

- The value of services received during the year – charged to the relevant directorate in the Comprehensive Income and Expenditure Statement
- Finance costs – an interest charge on the outstanding finance liability – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- Payments towards the finance liability – applied to write down the Balance Sheet liability towards the operator
- Contingent rents – inflationary increases in the amounts to be paid for the property arising during the contract – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Note for the County Council's current service concession arrangement there is no inflation applied to the elements of the contract payments relating to the property build costs and, therefore, there are no contingent rents.
- Lifecycle replacement costs – recognised as a capital prepayment in the Balance Sheet and transferred to Property, Plant and Equipment when capital works are undertaken.

Deferred income is released to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the service concession period.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a property lease covers both land and buildings, the land and buildings elements are considered separately for lease classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Where the County Council is the lessee, property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's 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 lessor. 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. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – applied to writing down the liability, and a finance charge – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Once recognised on the Balance Sheet, assets recognised under finance leases are accounted for in the same way as other Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Rentals paid by the Council under operating leases are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period except where the contractual payment terms are considered to be a more systematic and appropriate basis.

Where the County Council leases an asset to others under a finance lease, the asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset 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 County Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or

loss on disposal, matched by a long-term debtor in the Balance Sheet. Finance lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the long-term 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 required under statute to be treated as a capital receipt. Where a premium has been received, this is posted out of the County Fund Balance to the Capital Receipts Unapplied 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 years, this is posted out of the County Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the long-term debtor and the deferred capital receipts are transferred to the Capital Receipts Unapplied reserve. The written-off carrying amount of the asset on disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no impact on Council Tax.

Where the County Council leases an asset to others under an operating lease, the asset is retained on the Balance Sheet. Rental income is credited to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period (including any premiums received at the commencement of the lease).

Cash and Cash Equivalents

Cash is represented by cash in hand and bank deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The County Council treats the following as cash equivalents:

- Instant Access Call Accounts
- Instant Access Short Term Funds
- Deposits with one working day to maturity from date of deposit

Financial Assets

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as at 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 are classified into three types:
- Amortised cost
- Financial assets at fair value through Other Comprehensive Income
- Financial assets at fair value through profit or loss

Financial Assets at Amortised cost are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Credits to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for external interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate for the instrument. For the majority of the County Council's investments, the effective interest rate is the same as the actual interest receivable in accordance with the

loan agreement. Short duration receivables with no stated interest rates (e.g. debtors) are measured at original invoice amount.

The Council recognises expected credit losses on all its financial assets held at amortised cost.

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.

The expected credit loss model also applies to lease receivables. Lifetime losses are recognised for trade receivables (debtors) held by the Council.

The County Council has made a number of loans to clients and other organisations at less than market interest rates or zero rate (referred to in the Code as soft loans). For the County Council there are no material differences between the fair value and the nominal value of such loans and no adjustments are made on initial recognition of these loans.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the carrying value of the asset is reduced through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial assets at fair value through Other Comprehensive Income are initially measured and carried in the Balance Sheet at fair value. Where the asset has fixed or determinable payments, credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable.

Assets are maintained in the Balance Sheet at fair value. Values are based on:

- 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 County 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

Changes in fair value are balanced by an entry in the Financial Instruments Adjustment Account and the gain/loss recognised in Other Comprehensive Income and Expenditure (except for impairment losses).

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses recognised in the Financial Instruments Revaluation Reserve.

Financial assets at fair value through profit or loss are initially measured and carried in the Balance Sheet at fair value. Movements in fair value are balanced by posting gains and losses to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement as they arise. Any residual gains and losses arising on derecognition are also credited/debited to the Comprehensive Income and Expenditure Statement. The basis of fair value and the inputs to the measurement techniques is the same as for Financial assets at fair value through Other Comprehensive Income.

The carrying amounts of individual financial assets are separated into their current (short-term) and non-current (long-term) elements for presentation within the Balance Sheet.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the County Council becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and are carried at their amortised cost.

Interest is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the liabilities, multiplied by the effective rate of interest for the instruments. This means that:

- The amount included 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 liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Debt Redemption

The County Council complies with legislation to charge a Minimum Revenue Provision (MRP) to the County Fund revenue account for the repayment of debt by making a straight-line charge of the outstanding pre-2008 capital expenditure as at 1 April 2017 calculated over a 50-year period and making provision for repayment of prudential borrowing in equal instalments over the estimated life of the asset for which the borrowing is undertaken. In addition, the provision for repayment of debt includes an amount equal to the amount that is taken to the Balance Sheet to reduce the liabilities in respect of PFI and similar contracts and for the prepayment of lifecycle costs relating to these contracts, and an amount equal

to the amount that is taken to the Balance Sheet to reduce liabilities in respect of finance leases.

Provisions

Provisions are made where the County Council has a present obligation (legal or constructive) as a result of a past event that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and are adjusted to reflect the current best estimate against the appropriate directorate in the Comprehensive Income and Expenditure Statement. When payments are eventually made they are charged directly to the provision.

Insurance

The County Council has a policy of self-insurance of claims across its main insurance categories. In accordance with the Code the insurance provision is set aside to cover insurance claims actually received and awaiting resolution that have been advised to the County Council and which it has been decided to be insured internally rather than externally. Subject to identified contingent liabilities there are no significant unfunded risks.

Contingent liabilities

Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed by one or more uncertain events occurring in the future and are not wholly under the County Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that there will be a transfer of economic benefits or where the obligation cannot be measured with sufficient reliability.

Financial guarantee contracts come under the definition of financial instruments and are initially recognised in the accounts at fair value. This only applies to guarantees entered into after 1 April 2006. Any entered into before that date continue to be recognised as contingent liabilities. If payment under the guarantee becomes probable the liability would be determined in accordance with the requirement for provisions.

Reserves

A reserve, whether capital or revenue, results from events that have allowed monies to be set aside, surpluses, or decisions causing anticipated expenditure to have been postponed or cancelled. These can be spent or earmarked at the discretion of the County Council. Earmarked revenue reserves can be used to set aside available monies for major anticipated capital schemes, for projects or service arrangements that the County Council may wish to carry out, business unit surpluses, service efficiency savings and contingent liabilities where a provision is not required.

Reserves are established and used for different reasons. These include:

- Usable reserves - reserves that can be used at the County Council's discretion to fund either revenue or capital spend.

- Unusable reserves - reserves relating to unrealised gains, such as the Revaluation Reserve, that are not "cash backed" and cannot be used to fund future capital or revenue spending and reserves relating to differences between accounting policy and statutory requirements, such as the Capital Adjustment Account.

Earmarked reserves are created by appropriating amounts from the County Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to the appropriate directorate. The reserve is then appropriated back into the County Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212) require DSG deficits to be held in a separate reserve in local authorities' accounts. These regulations, which require the negative balance to be held in an unusable reserve, will come to an end on 31 March 2026.

Group Accounts

The County Council is required to prepare group accounts where it has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality. For 2023/24 the County Council did not have any such interests that are considered material and therefore prepared these accounts only as a single entity rather than as group accounts.

The County Council participates in a number of joint operations (e.g. pooled budget arrangements with the health sector. The County Council accounts directly (in its single entity accounts) for its part of the assets, liabilities, income, expenditure and cash flows held within or arising from such an arrangement.

There are a number of circumstances where the County Council exercises limited influence, and these are disclosed as related parties. Under these circumstances, transactions with these bodies are charged against the appropriate service in the Comprehensive Income and Expenditure Statement, and balances owed by them or to them are included in debtors and creditors.

From 31 March 2024, Local Enterprise Partnerships (LEPs) ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities, where they exist. From 1 April 2024 the County Council has a controlling interest in OxLEP Ltd and is the sole member. Group accounts for 2024/25 will be prepared on that basis.

Schools

Under the Code, local authority-maintained schools are considered to be separate entities with the balance of control lying with the Council. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for in the single entity accounts of the Council rather than requiring consolidation in the Group Accounts.

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These are held as usable earmarked reserves and are committed to be spent on schools.

Taxation

The County Council is exempt from income tax, corporation tax and from capital gains tax.

Value Added Tax is excluded from both revenue and capital in terms of both income and expenditure except where the County Council is not able to recover VAT on expenditure.

The County Council incurs landfill tax, which is charged on a tonnage basis to the County Council by its waste disposal contractors.

In addition, the County Council incurs stamp duty land tax on the acquisition of property freeholds and leaseholds, climate change levy on its energy bills and insurance premium tax on its insurance costs. Also, the County Council incurs employer's National Insurance contributions based on a percentage of staff salaries.

Where the County Council incurs tax, this cost is charged to directorates in the Comprehensive Income and Expenditure Statement.

Rounding

In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast. Also, Sometime the notes will have opposite signs to the numbers on the balance sheet, because they show the counterpart of the transaction.

2. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the County 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:

- The County Council has made an assessment of the balance sheet treatment of schools' non-current assets in accordance with IAS 16 Property, Plant and Equipment and IAS 17 Leases. Where assets are owned by the Council and used by maintained schools, the economic benefits and service potential of the asset is considered to be within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore, the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations). The property valuers (an MRICS qualified County Council employee and Sanderson Weatherall) are informed of changes to the ownership of County Council assets by the County Council's Legal Services department, and any adjustments to the value of assets as a consequence are reflected in the County Council's balance sheet.
- School land and buildings that have transferred to academy trusts under 125 year leases (or where the freehold has transferred) have been written out of the County Council's Balance Sheet based on an assessment in accordance with IAS 17 Leases and IAS 16 Property, Plant and Equipment. Newly constructed School land and buildings that are the subject of short-term lease/license agreements with academy trusts but are expected to transfer under 125 year leases have also been written out of the County Council's Balance Sheet based on this assessment.

- An assessment under IFRIC 12 Service Concession Arrangements concluded that the County Council controls the residential care services provided under the agreement with Oxfordshire Care Partnership (OCP) and the residual value of all but one of the homes at the end of the agreement. This includes Chilterns Court Care Centre which came into operation during 2016/17. Except for the home where the residual value at the end of the contract rests with OCP, the accounting policies for PFI and similar contracts have been applied to the arrangement and the homes are recognised as Property, Plant and Equipment on the Balance Sheet, see note 22. A finance liability has been recognised on the Balance Sheet for the amounts due to be paid under the contract for the new homes built by OCP.
- The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP). OxLEP became a company Limited by Guarantee (Not for Profit) in April 2015 (Company Registration Number 09519056). It is a business led organisation that works for all of its stakeholders in business, academia and local authorities. The Board has 19 members from across the private and public sector and is led by a private sector Chairman. It is supported by the Future Oxfordshire Partnership; a Joint Committee which brings together local authority partners who are also members of the OxLEP Board in a collective decision-making structure. The Leader of the County Council is a member of the OxLEP Board. The Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of jobs for our communities.
- In accounting for OxLEP as at 31 March 2024 it has been assessed that the County Council is acting as the principal in accordance with IAS 18 Revenue and therefore transactions have been included in the County Council's accounts. OxLEP's expenditure is largely funded by government grants for which the County Council is the accountable body, and the Council remains exposed to risks such as the repayment of grants in the event of non-compliance. In addition, the County Council plans to undertake borrowing totalling £50.7m on behalf of OxLEP to deliver planned infrastructure improvements in Oxfordshire. This will be funded through retained business rates from the Science Vale UK Enterprise Zone. A further £3.8m was taken in 2023/24 to make a total to date of £26.0m. This borrowing generates a requirement to increase the Council's Capital Financing Requirement. Because of that the Council is not simply acting as an intermediary by passporting funds to OxLEP and is acting beyond the remit of an agent.
- In respect of revenue, the Council received £0.250m core funding from the Department of Levelling Up, Housing & Communities (DLUHC) on behalf of OxLEP in 2023/24. £1.6m retained business rates funding from the Science Vale UK Enterprise Zone 1 was also received by the council and passed on to OxLEP. Further revenue grant funding of £0.458m received in 2023/24 was for Innovation Support to Businesses and £0.266m from the UK Trade and Investment Programme.
- OxLEP is preparing financial accounts for 2023/24, along with the Letter of Representation, which are expected to be considered by the OxLEP Board in due course. The Board expects to formally adopt these financial accounts at the company's Annual General Meeting in September 2024.
- Based on an assessment in accordance with IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, and taking into account materiality, the County Council has concluded that it does not have control, joint control or significant

influence of any other entities as at 31 March 2024. Therefore, the County Council has no subsidiaries, joint ventures or associates and there is no requirement to prepare group accounts for 2023/24.

- From 31 March 2024, Local Enterprise Partnerships (LEPs) ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities, where they exist. From 1 April 2024 the County Council has a controlling interest in OxLEP Ltd and is the sole member. Group accounts for 2024/25 will be prepared on that basis.
- The County Council has two pooled budgets with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), the successor body to the Oxfordshire Clinical Commissioning Group (OCCG) and one with Oxford Health NHS Foundation Trust. These pooled budgets operate to deliver better outcomes for people supported by Adult Social Care. Based on an assessment in accordance with IFRS 11 Joint Arrangements and FRS 15 Revenue (in relation to principal and agent transactions), the Pooled Budgets are considered to be joint operations. This means that only expenditure and income attributable to the County Council (and equal to the authority's contribution as set out in Note 8) is included in the Council's accounts.
- The BOB ICB is the Accountable Body for Oxfordshire's allocation of the Better Care Fund and will be held to account by NHS England for the appropriate use of the resources locally. The Better Care Fund allocation received by BOB ICB forms part of its contribution to the Better Care Fund Pooled Budget and as such is reported within their accounts.
- In accordance with IAS 32 Financial Instruments: Presentation, the County Council determines the short term/long term categorisation of borrowing by reference to the earliest date on which the lender can require payment. The right to increase the interest rate payable without limit, as in a 'Lender Option, Borrower Option' (LOBO) loan, is treated as a right to require repayment. Consequently, LOBOs are classified as short-term where option dates are due within 12 months of the balance sheet date.

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 County 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 made.

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

Property, Plant and Equipment

The financial year 2023/24 was year three of a three-year revaluation cycle. The County Council's Property, Plant and Equipment assets have been valued on one of the following three bases under IFRS: Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets. Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature. Fair Value (Market Value) – method used to value property assets held as

investments, surplus or for sale. Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings. Reductions in the budget for repairs and maintenance spending brings into doubt the useful lives assigned to buildings. If the useful life of buildings is reduced, depreciation increases and the carrying amount of the building falls.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase and mortality rates. The assumptions used are set out in the Retirement Benefits Note 17. The County Council uses a firm of actuaries, Hymans Robertson LLP, to provide expert advice about the assumptions to be applied. The discount rate used is based on corporate bond yields that reflect the duration of the employer's liabilities.

The effects on the net pension liability of changes in the discount rate or mortality rates are provided in the sensitivity analysis table in the Retirement Benefits Note 17. The IAS 19 balance sheet is based on financial market values and future market expectation indicators as at 31 March 2024 to comply with the accounting standard.

The actuary made assumptions regarding the impact arising from Legal and regulatory uncertainty. The actuary has allowed for the McCloud/Sargeant judgement in the calculation of the latest funding valuation results. The Employer’s funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure.

The actuary has also allowed for the impact of full Guaranteed Minimum Pension (GMP) indexation in the calculation of the latest funding valuation results. The Employer’s funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation has already been included in the accounting disclosure. However, as further ruling is unlikely to have a significant impact on the pension obligations of a typical employer, and the historic individual member data we would need to assess the impact is not readily available. As a result, the actuary has not made any allowance for this within our calculations at the Accounting Date.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment is subject to appeal, and the Court of Appeal heard the arguments on 26 and 27 June 2024.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary’s Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, OCC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Furthermore, following the Goodwin judgement the actuary has previously carried out some approximate analysis across the actuary LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses’ benefits. The remedy is still uncertain, but the actuary estimates the potential impact of this to be

very small for a typical Fund (c0.1% of obligations). They therefore do not believe it is necessary or appropriate to make an adjustment to account for this at the moment, given the level of additional work and fees that would be involved for the Employer (and indeed the highly approximate nature of applying an unknown remedy).

There are two further court cases which could potentially impact on the valuation of the net pension liability:

- Walker
- O'Brien

In all two cases, the actuary does not consider the judgements are likely to have a significant impact on the Council's pension obligations.

4. Adjustments in the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to the net expenditure chargeable to the County Fund to arrive at the amounts reported in the Comprehensive Income and Expenditure Statement.

2022/23					2023/24			
Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments		Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
28,052	5,461	-129	33,384	Environment and Place	36,843	102	-3,137	33,808
63,897	21,853	10,938	96,688	Children's Services	47,600	-2,811	12,074	56,863
13,028	7,686	6,010	26,724	Adult Services	6,137	143	-3,211	3,069
1,108	3,464	-1,625	2,947	Public Health	2,026	-2,056	975	945
3,117	10,916	-7,997	6,036	Customers, Culture and Corporate Services	7,666	204	4,910	12,780
-39	2,295	-568	1,688	Other Corporate Costs	1,768	304	2,140	4,212
109,163	**51,675**	**6,629**	**167,467**	**Service Costs**	**102,040**	**-4,114**	**13,751**	**111,677**
-162,569	22,131	-15,020	-155,458	**Other Income and expenditure not charged to services**	-117,543	12,504	-5,331	-110,370
-53,406	**73,806**	**-8,391**	**12,009**	**Surplus (-) or Deficit (+)**	**-15,503**	**8,390**	**8,420**	**1,307**

Note A - Adjustments for Capital Funding and Expenditure Purposes

Service lines have been adjusted to:

- Add in depreciation, amortisation, impairment and revaluation gains/losses and capital expenditure on third party assets which is not recognised on the County Council's balance sheet.
- Remove capital expenditure funded from revenue and finance lease/service concession principal repayments which are not chargeable to service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for the disposal of assets to 'Other income and expenditure not charged to services'.

Other income and expenditure not charged to services has been adjusted to:

- Add in income on disposal of assets and the amounts written off those assets, the movement in the fair value of investment property and capital grants and contributions receivable in the year without conditions or for which conditions were satisfied during the year.
- Remove the statutory charge for capital financing i.e. Minimum Revenue Provision which is not chargeable under generally accepted accounting practices

Note B - Net change for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income

Service lines have been adjusted to remove employer pension contributions made by the County Council in accordance with statute and replace with current service costs, past service costs/curtailments and settlements.

Other income and expenditure not charged to services has been adjusted to add in the net interest on the defined benefit liability and adjust for the fire-fighters pension fund top-up grant.

Note C - Other Differences

Service lines have been adjusted to:

- Add in expenditure for staff holiday entitlement.
- Remove transfers to/from earmarked reserves which did not form part of service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for trading operations and financing costs to, and other corporate service costs/income from, the 'Other income and expenditure not charged to services' line.
- Remove expenditure recharged from one service to another within the County Council

Other income and expenditure not charged to services has been adjusted to:

- Add in the difference between the amount received under statutory regulations for Council Tax and Business Rates notified when the budget was set and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
  Remove corporate transfers to/from earmarked reserves which are not recognised as expenditure under generally accepted accounting practice.

5. Analysis of income and expenditure by nature

2022/23 £'000	Income and Expenditure	2023/24 £'000
-83,555	Fees, charges and other service income	-97,436
-693,172	Government grants and contributions	-655,210
-6,389	Interest and investment income	-20,279
-477,350	Income from council tax and non-domestic rates	-514,697
-1,569	Proceeds from the disposal of non-current assets	-1,427
-1,262,035	**Total Income**	**-1,289,049**
454,618	Employee benefits expenses	415,674
709,933	Other service expenses	761,302
59,028	Depreciation, amortisation, impairments and revaluations	50,715
27,773	Interest payable and similar charges	16,600
24,703	Net interest expense on the pension defined liability	13,771
14,690	Costs from the disposal of non-current assets	12,987
1,290,745	**Total Expenditure**	**1,271,049**
28,710	**Surplus (-) or Deficit (+) on the Provision of Services**	**-18,000**

A segmental analysis of fees, charges and other service income is shown in the following table.

2022/23 £'000	Fees and Charges by Directorate	2023/24 £'000
-17,536	Environment and Place	-20,515
-10,730	Children's Services	-12,400
-47,330	Adult Services	-56,414
-83	Public Health	-141
-7,306	Commercial Development, Assets & Investment	-7,432
0	Customers, Organisational Development & Resources	0
-571	Corporate	-534
-83,556	**Total Fees and Charges**	**-97,436**

6. Adjustments between accounting basis and funding basis under regulations

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

2022/23						2023/24				
County Fund Balance £'000	Ear-marked Reserves £'000	Capital Receipts Unapplied £'000	Capital Grants & Contbns Unapplied £'000	Unusable Reserves £'000		County Fund Balance £'000	Ear-marked Reserves £'000	Capital Receipts Unapplied £'000	Capital Grants & Contbns Unapplied £'000	Unusable Reserves £'000
					Adjustments to Revenue Resources					
73,804				-73,804	Pension Costs transferred to (or from) the Pensions Reserve	8,390				-8,390
-2				2	Financial instruments transferred to the Financial Instrument Adjustment Account	-2				2
10,168				-10,168	Gain or Loss on the valuation of pooled investment funds	-2,448				2,448
9,785				9,785	Council Tax and Business Rates transferred to the Collection Fund Adjustment Account	5,817				-5,817
489				-489	Holiday pay transferred to the Accumulated Balances Account	188				-188
127,627				-127,627	Reversal of entries included in the Surplus of Deficit on the Provision of Services in relation to capital expenditure to the Capital Adjustment Account	119,820				-119,820
					Adjustments between Revenue and Capital Resources					
-1,569		1,569		0	Transfer of non-current asset sale proceeds to the Capital Receipts Unapplied Reserve	-1,403		1,403		0
-12,393				12,393	Statutory provision for the repayment of debt transferred to the Capital Adjustment Account	-14,238				14,238
-1,954				1,954	Capital expenditure financed from revenue balances transferred to the Capital Adjustment Account	-2,216				2,216
-63,989			-63,890	127,879	Capital grants and contributions applied	-71,007			-42,873	113,880
-101,128			101,128	0	Capital gains and contributions receivable not applied to finance capital expenditure	-46,459			46,459	0
				0	**Adjustments to Capital Resources**					
		0		0	Repayment of loans			0		0
21,268	**0**	**1,569**	**37,238**	**-60,075**	**Total**	**-3,558**	**0**	**1,403**	**3,586**	**-1,431**

7. Dedicated Schools Grant (DSG)

The County Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education. An element of DSG is recouped by the Department to fund academy schools in the County Council's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the schools Budget, as defined in the School and Early Years Finance (England) Regulations 2023. The school Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. DSG income and expenditure is part of the Children's Services Directorate. Details of the deployment of DSG receivable for 2023/24 (with comparators) are as follows:

2022/23 Central Expenditure £'000	ISB £'000	Total £'000		2023/24 Central Expenditure £'000	ISB £'000	Total £'000
		585,596	Final DSG before Academy & high needs recoupment			629,312
		-337,220	Less Academy & high needs figure recouped for the year			-363,332
		248,376	Total DSG after Academy & high needs recoupment			265,980
		0	Brought forward from previous year			0
		0	Less carry forward to next year agreed in advance			0
78,794	**169,582**	**248,376**	**Agreed initial budgeted distribution**	**90,927**	**175,053**	**265,980**
	76	76	In year adjustments	331	740	1,071
	0	0	Prior year adjustments		0	0
78,794	**169,658**	**248,452**	**Final budget distribution**	**91,258**	**175,792**	**267,051**
-90,792		-90,792	Less actual central expenditure	-107,876		-107,876
	-168,889	-168,889	Less Actual ISB deployed to schools		-172,589	-172,589
1,200	0	1,200	County Council contribution	1,200	0	1,200
-89,592	**-168,889**	**-258,481**	**Total Actual Expenditure**	**-106,676**	**-172,589**	**-279,265**
-10,798	769	-10,029	In year carry forward	-15,418	3,204	-12,212
		-23,581	DSG unusable reserve at the beginning of the year			-33,610
		-33,610	**Carry forward to next year**			**-45,824**

**The statutory reporting requirements for the 2023/24 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 3 years within statute until 31 March 2026. Is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is continuing to take action to manage the deficit, but this is continuing to increase. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m

8. Partnership schemes under section 75 of the National Health Service Act 2006

Oxfordshire County Council, Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (formerly Oxfordshire Clinical Commissioning Group) and Oxford Health NHS Foundation Trust are working together to improve services and support for the people of Oxfordshire. Under Section 75 of the National Health Services Act 2006, the Council has existing and long-standing agreements to pool resources and deliver shared objectives. The overarching intention is that working together across service areas will lead to better outcomes for service users, more effective decision making, and better use of pooled resources.

Pooled Budget	Age Well Pool		Live Well Pool		Mental Health Provider Pool	
Partner	Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)		Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)		Oxford Health NHS Foundation Trust	
Purpose	Commissions services for older people including care home placements, services supporting community resilience and hospital avoidance (eg. care at home and daytime services), prevention and carer support.		Commissions services for adults of working age with a learning disability, physical disability or mental health assessed needs along with support for people with an acquired brain injury. Services include supported living, residential care placements and hospital avoidance. Some service users receive direct payments and organise their own care.		Provides integrated health and social care support to adults with Mental Health needs.	
Lead Partner	Oxfordshire County Council		Oxfordshire County Council		Oxford Health NHS Foundation Trust	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Total Gross Expenditure	**259,273**	**285,131**	**244,497**	**301,745**	**11,810**	**12,374**
Funded by:						
Council Contribution *	-79,273	-89,072	-131,357	-129,635	-1,802	-1,802
Partner Contribution	-86,330	-98,110	-88,114	-146,627	-10,008	-10,572
Service User Contributions	-36,772	-44,979	-5,823	-6,604		
Better Care Fund	-46,696	-49,339	0	0		
Other External Contribution	0	0	-19,197	-18,872		
Other Income **	-10,202	-3,631	-6	-7		
Total Gross Income	**-259,273**	**-285,131**	**-244,497**	**-301,745**	**-11,810**	**-12,374**

*Note that the Authority's Contribution to the Live Well Pooled Budget 2023/24 includes £1,802k (the same as 2022/23) which is passported to the Mental Health Provider Pool. The Council does not make any other contributions to the Mental Health Provider Pool.

9. Members' Allowances

Under the Council's constitution, councillors are entitled to receive annual allowances for their role. These include basic allowance payable to all councillors and special responsibility allowances where councillors undertake specific roles such as chair of a committee.

Members' Allowances	2022/23 £'000	2023/24 £'000
Allowances	1,146	1,209
Travel and Subsistence	11	14
Total	**1,157**	**1,223**

10. Audit Fee

The County Council's external auditors are Ernst & Young LLP. The following fees were incurred relating to external audit and grant certification work. This expenditure is part of the Resources Directorate.

Audit and Inspection Fees	2022/23 £'000	2023/24 £'000
Code of Practice Audit Work	84	292
Other Fees for Prior Years	0	177
Certification of grant claims and Returns	15	15
Total	**99**	**484**

11. Senior Officers' Remuneration

The Accounts and Audit Regulations 2015 require disclosure of remuneration for senior staff. Remuneration for these purposes includes all sums paid to or receivable by an employee including expense allowances chargeable to tax and non-taxable termination payments including enhancement, redundancy and pay in lieu of notice.

Two sets of disclosures are required. Firstly, the number of employees whose total remuneration (excluding employer pension contributions) exceeded £50,000. Secondly, individual remuneration details (including employer pension contributions) for each senior employee, as defined by the regulations, whose salary is more than £50,000 per year (pro-rata for part-time staff). Senior employees whose salary is over £150,000 are disclosed by name, the remaining senior employees are disclosed by post title.

The number of employees whose remuneration (excluding employer pension contributions) exceeded £50,000 is set out in the following table. In accordance with the 2015 regulations, the figures exclude senior employees whose remuneration is disclosed separately.

Band	Number of Employees					
	2022/23			2023/24		
£	School	Non School	Total	School	Non School	Total
50,000-54,999	40	182	**222**	82	288	**370**
55,000-59,999	40	158	**198**	33	187	**220**
60,000-64,999	24	57	**81**	32	89	**121**
65,000-69,999	20	53	**73**	25	55	**80**
70,000-74,999	23	18	**41**	25	39	**64**
75,000-79,999	7	7	**14**	14	22	**36**
80,000-84,999	10	9	**19**	5	13	**18**
85,000-89,999	5	31	**36**	7	9	**16**
90,000-94,999	3	3	**6**	2	17	**19**
95,000-99,999	0	1	**1**	4	5	**9**
100,000-109,999	1	8	**9**	1	2	**3**
110,000-119,999	0	8	**8**	0	2	**2**
120,000-129,999	0	0	**0**	0	3	**3**
130,000-139,999	0	6	**6**	1	6	**7**
140,000-149,999	0	2	**2**	0	1	**1**
150,000-159,999	0	1	**1**	1	1	**2**
160,000-169,999	0	0	**0**	0	1	**1**
170,000-179,999	0	0	**0**	0	4	**4**
180,000-189,999	0	1	**1**	0	1	**1**
190,000-199,999	0	0	**0**	0	2	**2**
200,000-209,999	0	0	**0**	0	2	**2**
210,000-219,999	0	1	**1**	0	0	**0**
220,000-229,999	0	0	**0**	0	0	**0**
230,000-239,999	0	0	**0**	0	0	**0**
240,000-249,999	0	1	**1**	0	0	**0**
Total	**173**	**547**	**720**	**232**	**749**	**981**

2023/24 Post Holder Information	Salary (Including Fees & Allowances) £	Expense Allowances and Other Emoluments £	Compensation for Loss of Employment £	Total Remuneration Excluding Pension Contributions £	Employers Pension Contribution £	Total Remuneration Including Pension Contributions £
Chief Executive - Martin Reeves	232,875	0	0	232,875	46,342	279,217
Executive Director of People - Stephen Chandler	172,969	0	0	172,969	34,421	207,390
Executive Director of Resources and Section 151 Officer - Lorna Baxter	160,888	0	0	160,888	32,017	192,905
Corporate Director for Customers and Organisational Development and Resources - Claire Taylor*	22,734	0	0	22,734	4,524	27,258
Corporate Director for Adult Social Care - Karen Fuller	144,124	0	0	144,124	28,681	172,805
Director for Childrens Services - Kevin Gordon**	26,131	0	67,362	93,493	5,200	98,693
Director for Childrens Services - Lisa Lyons***	33,319	0	0	33,319	6,630	39,949
Corporate Director for Environment and Place - Bill Cotton	161,181	0	0	161,181	32,075	193,256
Director for Public Health - Ansaf Azhar	141,181	0	0	141,181	20,302	161,483
Director of Law and Governance - Anita Bradley	141,181	0	0	141,181	28,095	169,276
Chief Fire Officer - Rob MacDougall	166,108	0	0	166,108	47,839	213,947
Total	**1,402,691**	**0**	**67,362**	**1,470,053**	**286,126**	**1,756,179**

***Claire Taylor left post and Oxfordshire County Council on 31 May 2023**

****Kevin Gorden left post and Oxfordshire County Council on 27 May 2023**

*****Lisa Lyons started post on 8th January 2024**

2022/23 Post Holder Information	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensation for Loss of Employment	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	Contribution to (+) from (-) Cherwell District Council	Cost to Oxfordshire County Council
	£	£	£	£	£	£		£
Chief Executive - Martin Reeves*	18,750	0	0	18,750	3,731	22,481	0	**22,481**
Interim Executive Director for People, Transformation & Performance - Stephen Chandler**	188,303	0	0	188,303	37,472	225,775	0	**225,775**
Corporate Director for Customers and Organisational Development and Resources - Claire Taylor *** §	136,406	0	0	136,406	27,224	163,630	-18,893	**144,737**
Interim Corporate Director for Adult Social Care - Karen Fuller****	140,266	0	0	140,266	27,913	168,179	0	**168,179**
Corporate Director for Children's Services - Kevin Gordon	136,406	0	0	136,406	27,145	163,551	0	**163,551**
Corporate Director for Environment and Place - Bill Cotton	155,730	0	0	155,730	30,990	186,720	0	**186,720**
Corporate Director for Commercial Development & Asset Management - Steve Jorden***** §§	83,434	0	159,409	242,843	15,853	258,696	-17,703	**240,993**
Corporate Director for Public Health and Community Safety - Ansaf Azhar §§	136,406	0	0	136,406	19,615	156,021	-1,647	**154,374**
Director of Finance (S.151) - Lorna Baxter	136,736	0	0	136,736	41,832	178,569	0	**178,569**
Director of Law and Governance and Monitoring Officer – Anita Bradley	136,406	0	0	136,406	27,211	163,617	0	**163,617**
Chief Fire Officer - Rob MacDougall	145,252	0	0	145,252	41,980	187,232	0	**187,232**
Total	**1,414,095**	**0**	**159,409**	**1,573,504**	**300,966**	**1,874,471**	**-38,243**	**1,836,228**

*Started the post on 1 March 2023 **Stephen Chandler was acting Temporary Chief Executive from 1 March 2022 - 8 March 2023 and started in this post on 9 March 2023
***Employed by Cherwell District Council until 31 May 2022 and Stated the post at Oxfordshire County Council 1 June 2022 ****Seconded to Corporate Director of Adult and Housing post from 7 March 2022, prior to this, Karen was Deputy Director Adult Social Care *****Finished Post and Left Oxfordshire County Council on 8 August 2022
Several senior officer roles at Oxfordshire County Council were joint posts under the Partnership Agreement with Cherwell District Council: § denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs: Corporate Director Customers, Organisational Development & Resources 70%
§§ denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs: Director of Law & Governance 20% & Corporate Director of Public Health 10%

12. Exit Packages

The number of exit packages agreed in the year and the cost of those packages is given in the tables below. Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years and costs of early retirements without actuarial reduction in benefits, ex-gratia payments and other departure costs. Ill-health retirements are excluded because they do not meet the Code's definition of termination benefits.

The bandings in the tables include exit packages in the year they were individually agreed. The bandings are based on HR records for leavers in the year adjusted for accruals. Where there is a difference between the accrued amount and the actual payment in the following year this is shown as a reconciling adjustment at the foot of the table – in some instances the actual payment was higher than the accrued amount and in other instances the actual payment was lower. The bandings exclude exit packages provided for as part of redundancy provision in the year the provision was created – the individual exit packages charged against redundancy provisions are included in the bandings in the year of departure.

Exit packages	2022/23						2023/24					
	Compulsory		Other		Total		Compulsory		Other		Total	
Band (£)	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000
0 - 19,999	9	67	13	100	**22**	**167**	11	79	28	220	**39**	**299**
20,000 - 39,999	3	111	2	43	**5**	**154**	5	122	5	127	**10**	**249**
40,000 - 59,999	2	108	0	0	**2**	**108**	0	0	0	0	**0**	**0**
60,000 - 79,999	0	0	0	0	**0**	**0**	0	0	2	137	**2**	**137**
80,000 - 99,999	2	169	0	0	**2**	**169**	0	0	0	0	**0**	**0**
100,000 - 149,999	2	263	0	0	**2**	**263**	0	0	0	0	**0**	**0**
150,000 - 199,999	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
200,000 - 249,999	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
250,000 - 299,999	1	279	0	0	**1**	**279**	0	0	0	0	**0**	**0**
Total	**19**	**997**	**15**	**143**	**34**	**1140**	**16**	**201**	**35**	**484**	**51**	**685**
Adjust for differences between payments and accruals						**247**						**0**
Total cost of exit packages in the Comprehensive Income and Expenditure Statement						**1,387**						**685**

13. Operating Leases

From time to time, the County Council acquires assets under operating leases. The minimum lease payments and contingent rents charged, and sublease payments received for the year, together with future commitments and future sublease payments receivable are set out below, together with comparative figures for 2023/24

County Council as Lessee	2022/23 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	2023/24 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments charged in year	1,717	2,020	**3,737**	1,603	1,979	**3,582**
Contingent rents charged in year	200	155	**355**	130	182	**312**
Sublease payments received in year	0	-550	**-550**	0	532	**532**
Future minimum lease payments:						
Within 1 year	1,427	841	**2,267**	1,017	1,192	**2,209**
Within 2nd - 5th years	844	2,498	**3,342**	162	2,947	**3,109**
6th year and beyond	0	1,413	**1,413**	2	1,207	**1,209**
Total commitments	2,271	4,751	**7,022**	1,181	5,346	**6,527**
Total future sublease payments receivable	0	-517	**-517**	0	-517	**-517**

The County Council leases out property under operating leases for the provision of accommodation for services, such as Homes for Older People, pre-schools and waste re-cycling centres. Contingent rents include backdated rent increases.

County Council as Lessor	2022/23 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	2023/24 Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments receivable in year	0	2,077	**2,077**	0	1,732	**1,732**
Contingent rents receivable in year	0	1,111	**1,111**	0	1,277	**1,277**
Future minimum lease payments receivable:						
Within 1 year	0	1,617	**1,617**	0	1,361	**1,361**
Within 2nd - 5th years	0	4,923	**4,923**	0	4,736	**4,736**
6th year and beyond	0	33,811	**33,811**	0	31,510	**31,510**
Total Receivable	0	40,351	**40,351**	0	37,607	**37,607**

14. Other Operating Expenditure

Other Operating Expenditure comprises the gain or loss on the derecognition of non-current assets. The gain or loss is the amount by which the disposal proceeds (if any) are more (gain) or less (loss) than the amount which the non-current asset is held on the balance sheet together with the costs of disposal. To comply with statutory/proper practices, the entry is reversed in the Movement in Reserves Statement leaving the cost of disposals chargeable to revenue net of other receipts as a charge against the County Fund. Regulations permit disposal costs of up to 4% of the sale proceeds to be charged against the capital receipt.

Other Operating Expenditure	2022/23 £'000	2023/24 £'000
Capital Receipts	-1,583	-1,437
Disposal costs charged against capital receipts	13	33
Net Capital Receipts	-1,570	-1,404
Other Receipts	0	-23
Total Receipts	-1,570	-1,427
Carrying value of non-current assets derecognised	14,690	12,987
Disposal costs charged to the General Fund	0	0
Total Disposal costs	14,690	12,987
Other Operating Expenditure	**13,120**	**11,560**
Adjustments between accounting basis and funding basis	-13,120	-11,582
Net Charge to the General Fund	**0**	**-22**

15. Financing and Investment Income and Expenditure

A breakdown of the items within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is as follows:

Financing and Investment Income and Expenditure	2022/23 £'000	2023/24 £'000
Interest payable and similar charges	17,605	15,633
Gain or Loss on the valuation of pooled investment funds	10,168	-2,448
Interest receivable and similar income	-6,389	-16,863
Income and Expenditure in relation to investment properties and change in their fair value	-1,096	116
Net pensions interest expense	24,703	13,771
Net fire-fighters Pension Fund Top-Up Grant	-2,573	-1,267
Financing and Investment Income and Expenditure	**42,418**	**8,942**
Adjustments between accounting basis and funding basis	-31,201	-10,173
Net Charge to the General Fund	**11,217**	**-1,231**

16. Financial Instruments - Income, Expenses, Gains or Losses

Financial instruments include bank deposits, investments, debtors (excluding statutory debtors and prepayments), long-term debtors (excluding lifecycle prepayments), creditors (excluding statutory creditors), borrowings, finance leases and the finance liability element of service concession arrangements. The Code requires financial instruments to be classified into defined categories of assets and liabilities. These are explained in the Summary of Significant Accounting Policies in Note 1. The income, expenses, gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are as follows.

2022/23 Financial Liabilities Liabilities at amortised cost £'000	2022/23 Financial Assets Assets at amortised cost £'000	2022/23 Financial Assets Assets at fair value through Other Comprehensive Income £'000	2022/23 Financial Assets Assets at fair value through profit and loss £'000	Total £'000		2023/24 Financial Liabilities Liabilities at amortised cost £'000	2023/24 Financial Assets Assets at amortised cost £'000	2023/24 Financial Assets Assets at fair value through Other Comprehensive Income £'000	2023/24 Financial Assets Assets at fair value through profit and loss £'000	Total £'000
15,959			0	**15,959**	Interest Expense	15,010			0	**15,010**
			10,168	**10,168**	Decreases in fair value				967	**967**
	1,646		0	**1,646**	Impairment Losses		623		0	**623**
		0	0	**0**	Fee expense			0	0	**0**
15,959	**1,646**	**0**	**10,168**	**27,773**	**Total expense in Surplus or Deficit on the Provision of Services**	**15,010**	**623**	**0**	**967**	**16,600**
	-2,101		-4,288	**-6,389**	Interest Income		-12,116		-4,747	**-16,863**
		0	0	**0**	Increases in fair value			0	-3,416	**-3,416**
0	**-2,101**	**0**	**-4,288**	**-6,389**	**Total income in Surplus or Deficit on the Provision of Services**	**0**	**-12,116**	**0**	**-8,163**	**-20,279**
				21,384	**Net gain (-) / loss (+) for the year**					**-3,679**

17. Retirement Benefits

As part of the terms and conditions of employment of its employees, the County Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the County Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The County Council participates in four pension schemes. Only a small number of Public Health staff that transferred from the NHS when the service became a County Council function in April 2013 participate in the NHS Pension Scheme and this is therefore excluded from the disclosures below.

The Local Government Pension Scheme (LGPS)

This is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (as amended) and provides benefits based on final salary and length of service on retirement (for benefits accrued up to 31 March 2022) and career average revalued salary (for benefits accrued from 1 April 2022).

The County Council is the Administering Authority for the Fund. The Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the Fund's professional advisers. The accounts of the Oxfordshire Local Government Pension Fund are included after the Notes to Accounts.

As Administering Authority to the Fund, the County Council, after consultation with the Fund Actuary (Hymans Robertson LLP) and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These are amended when appropriate based on the Fund's performance and funding.

The LGPS is a funded scheme, meaning that the County Council and employees pay contributions into a Fund, calculated at a level intended to balance the pension liabilities with investment assets. The County Council may also grant additional benefits to LGPS members on retirement under the Discretionary Payment Regulations which are not paid from the Fund – these are referred to as LGPS unfunded benefits below.

Employer contributions are set every 3 years as a result of the actuarial valuation of the Fund required by regulations. The actuarial valuation at 31 March 2024 set the contribution rates for the period 1 April 2022 to 31 March 2024. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The total contributions expected to be made by the County Council to the Local Government Pension Scheme (LGPS) in 2023/24 are £38.496m for funded benefits (£36.320m was expected for 2022/23).

The pensions liability has decreased from March 2023 (£290.583m) to March 2024 (£129.642m). This is partly due to the difference between the accrual of new benefits and benefits paid out during the year for scheme participants.

The County Council currently participates in the Oxfordshire County Council pool with various other employers with admissions agreements in order to share experience of risks they are exposed to in the Fund. At the 2022 valuation, the deficit on the whole pool was calculated and allocated to each employer, along with the costs of future benefits of the combined membership of the pool, such that all employers within the pool shared the same overall contribution rate. The next re-allocation will be carried out at the 2025 valuation, should the employer remain in the pool.

Should the County Council withdraw from the Fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination

contribution due by the County Council on a set of assumptions deemed appropriate by the Fund Actuary.

Curtailment costs arise as a result of the payment of unreduced pensions on early retirement. The capitalised cost of the additional benefits relative to those reserved for under IAS 19 is £0.064m for 2023/24 (£0.053m for 2022/23). As a result of some members of the Oxfordshire Pension Fund transferring to/from another employer over the year, liabilities have been settled at a cost different to the amount reserved for under IAS19. The capitalised gain of this settlement for 2023/24 is £1.060m (£0 2022/23).

The Fire-Fighters Pension Schemes

There are five separate schemes relating to Fire-Fighters pensions – the 1992 scheme, the 2006 scheme, the 2015 scheme, the Retained Modified scheme and the fire-fighters compensation scheme for injury benefits and ill health retirements. Each of these are defined benefit statutory schemes administered in accordance with the Fire-Fighters' Pension Scheme Regulations 2014 and Fire Pension Orders 1992 and 2006 and provide benefits based on final salary and length of service on retirement, other than the 2015 scheme which provides benefits accrued from 1 April 2022 based on career average revalued salaries.

The County Council is the Administering Authority for each of the schemes. The day-to-day administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the schemes' professional advisers.

The 1992, 2006, 2015 and the Retained Modified schemes are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pension payments as they fall due. The County Council and employees pay contributions into a fund account and where these are not sufficient to meet pension payments for the year, the deficit is met by a Central Government top-up grant. Any surplus in the pension fund in the year is paid back to Central Government. Employer contributions are set every four years as a result of the combined actuarial valuation of the fire-fighters' pension schemes required by the Home Office on behalf of the Secretary of State. The last completed actuarial valuation was at 31 March 2022 and set contributions for the period from 1 April 2022 to 31 March 2025.

The fire-fighters' compensation scheme injury benefits and ill health retirements are paid on a pay as you go basis. There are no assets held to back the liabilities of the scheme.

For ease of presentation the figures for all the fire-fighters schemes have been combined within the tables in this note. Most of the firefighters defined benefits liabilities relate to the 2015 scheme.

The total of contributions (including government top-up grant) and injury/ill health retirement benefit payments expected to be made by the County Council in 2023/24 is £7.4m (£8.2m in 2022/23).

The Teachers' Pension Scheme

This is a defined benefit scheme administered in accordance with the Teachers' Pensions Regulations 2014 and provides benefits based on final salary and length of service (for benefits accrued up to 31 March 2015) and career average revalued salary (for benefits accrued from 1 April 2015). The Scheme is administered by Capita on behalf of the Department for Education. The Scheme is an unfunded pension scheme, in which payments from the Scheme are funded by contributions from current employees and employers with the difference between these contributions and Scheme expenditure financed by the Exchequer.

The County Council contributes towards the costs of the scheme by making contributions based on a percentage of members' pensionable salaries as set by the Secretary of State for Education, taking advice from the Scheme's actuary. The total expected payments to beneficiaries for 2023/24 is £6.213m (£6.029m 22/23).

The Teachers' Pension Scheme is a defined benefit scheme, but because of the way the scheme is centrally managed the County Council is unable to identify its share of the underlying assets and liabilities of the scheme and it is therefore classified as a defined contribution scheme for accounting purposes. Charges are included in the Surplus or Deficit in the Provision of Services but there are no liabilities to disclose in the Balance Sheet with the exception of all pension payments relating to added years which the County Council has awarded to teachers under the Discretionary Payment Regulations. As the County Council is responsible for funding these added years payments on a pay as you go basis they are treated as a defined benefit scheme.

Risk

The County Council is exposed to a number of risks from participating in the pension schemes accounted for as defined benefit schemes outlined above. Risks common to all of the schemes are:

Interest rate risk – the liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. Given the volatile nature of market yields the yield on high quality corporate bonds could fall leading to an increase in the liabilities.

Inflation risk – the benefits are linked to inflation and so increased costs may emerge if inflation is higher than expected.

Longevity risk – in the event that the members live longer than assumed more benefits will be paid out than expected. There are also other demographic risks.

As a funded scheme, the LGPS gives exposure to other additional risks:

Investment risk – The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk – The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of assets and liabilities may not move in the same way.

Inflation risk – deficits may emerge to the extent that the assets are not linked to inflation.

In addition, as many unrelated employers participate in the Oxfordshire County Council Pension Fund, there is an 'orphan liability risk' where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the County Council, for example higher than expected investment returns or employers leaving the funds with excess assets which would eventually get inherited by the remaining employers, market yields may rise or inflation be less than expected reducing the value of the liabilities and ongoing cost of benefit accrual. The cost of retirement benefits arising from defined benefit schemes are recognised in the Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the County Council is required to make against the County Fund (and hence Council Tax) is based on cash payable in the year so the real cost of pension benefits is reversed out in the Movement in Reserves Statement. The following table sets out the transactions that have been made in the accounts.

Pension Fund Comprehensive Income and Expenditure Statement	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Cost of Services						
Current Service Cost	88,346	40,642	5,600	2,000	93,946	42,642
Past Service Costs	1,028	22	0	0	1,028	22
(Gain) / Loss from settlements	0	-1,060	0	0	0	-1,060
Administration Expenses	1,267	1,342	0	0	1,267	1,342
Financing and Investment Income & Expenditure						
Net Interest Expense	16,503	3,771	8,200	10,000	24,703	13,771
Government Top-Up Grant / Surplus payable to Government	0	0	-2,573	-1,267	-2,573	-1,267
Surplus / Deficit on the Provision of Services	**107,144**	**44,717**	**11,227**	**10,733**	**118,371**	**55,450**
Other Comprehensive Income and Expenditure						
Return on plan assets	100,245	-115,871	0	0	100,245	-115,871
Actuarial gains (-) and losses (+) from demographic assumptions	-12,227	-10,999	-3,600	-100	-15,827	-11,099
Actuarial gains (-) and losses (+) from financial assumptions	-785,201	-89,100	-101,800	-5,800	-887,001	-94,900
Experience gains (-) and losses (+)	122,947	50,233	4,500	0	127,447	50,233
Other actuarial gains (-) and losses (+)	-466	3,052	332	-746	-134	2,306
Total retirement benefits charged to the Comprehensive Income and Expenditure Statement	**-467,558**	**-117,968**	**-89,341**	**4,087**	**-556,899**	**-113,881**
Movement in Reserves Statement						
Reversal of net charges made to the Surplus/Deficit on the Provision of Services for retirement benefits in accordance with the code	-66,337	-1,744	-7,468	-6,646	-73,804	-8,390
Actual amount charged against the General Fund Balance for pensions in the year	**40,807**	**42,973**	**3,759**	**4,087**	**44,566**	**47,060**

The net liabilities set out in the following table show the underlying long-term commitments that the County Council has to pay retirement benefits.

Pension Liability	2022/23 £'000	2023/24 £'000
Present value liabilities:		
Local Government Pension Scheme funded benefits	1,534,481	1,547,293
Local Government Pension Scheme unfunded benefits	13,469	12,603
Fire Fighters' Pension Schemes	211,800	211,800
Teachers' Added Years	35,388	31,743
Total Present value liabilities	**1,795,138**	**1,803,439**
Fair value of assets in the Local Government Pension Scheme	**1,504,556**	**1,673,798**
Net Liabilities in the scheme:		
Local Government Pension Scheme funded	29,926	-126,504
Local Government Pension Scheme unfunded	13,469	12,603
Fire Fighters' Pension Schemes	211,800	211,800
Teachers' Added Years	35,388	31,743
Total Net Liabilities	**290,583**	**129,642**

It should be noted however that the pension liability valuation in accordance with accounting requirements is only a snapshot in time and will likely fluctuate year on year. The statutory arrangements for funding the deficit ensure that:

- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary
- The rates of employee and employer contributions for the Fire-fighters' Pension Schemes will be reviewed regularly by actuaries acting on behalf of the government to ensure that they reflect the true cost of accruing pensions
- Finance is only required to be raised to cover teachers added years benefits and fire-fighters injury pensions and unfunded ill health retirements when they are actually paid

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The schemes have been assessed by Hymans Robertson LLP, an independent firm of actuaries using estimates based on the latest full valuation of the scheme - at 31 March 2022 for the Local Government Pension Scheme and 31 March 2021 for the Fire-fighters Pension Schemes.

A reconciliation of the opening and closing balances of the present value of scheme liabilities is shown on the following table.

Liabilities	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Opening Balance at 1 April	**2,171,401**	**1,583,339**	**304,900**	**211,800**	**2,476,301**	**1,795,139**
Revised Opening Balance	-17,984	0	0	0	-17,984	0
Revised Opening Balance at 1 April	**2,153,417**	**1,583,339**	**304,900**	**211,800**	**2,458,317**	**1,795,139**
Current Service Cost	89,613	41,984	5,600	2,000	95,213	43,984
Interest Expense	58,714	74,828	8,200	10,000	66,914	84,828
Contributions by scheme participants	12,223	11,884	1,500	1,700	13,723	13,584
Actuarial gains and losses - demographic assumptions	-12,227	-10,999	-3,600	-100	-15,827	-11,099
Actuarial gains and losses - financial assumptions	-785,201	-89,100	-101,800	-5,800	-887,001	-94,900
Experience gains and losses	122,947	50,233	4,500	0	127,447	50,233
Other actuarial gains and losses	0	0	332	-746	332	-746
Benefits Paid	-57,175	-68,277	-5,259	-5,787	-62,434	-74,064
Past Service Costs	1,028	22	0	0	1,028	22
(Gain) / Loss from settlements	0	-2,274	0	0	0	-2,274
Fire Fighters pension scheme top-up grant	0	0	-2,573	-1,267	-2,573	-1,267
Closing balance at 31 March	**1,583,339**	**1,591,640**	**211,800**	**211,800**	**1,795,139**	**1,803,440**

The Fire-fighters' Pension Schemes and Teachers Added Years have no assets to cover liabilities. Assets in the Local Government Pension Scheme are valued at fair value, principally market value of investments. Cash contributions from other partners in the Pension Pool mean that the asset values in the County Council's accounts differ to those in the actuarial report. A reconciliation of the fair value of assets in the Local Government Pension Scheme is shown on the following table:

Assets at Fair Value	Local Government Pension Scheme (funded)	
	2022/23 £'000	2023/24 £'000
Opening Balance at 1 April	**1,575,205**	**1,504,556**
Revised Opening Balance	-8,936	0
Revised Opening Balance as at 1 April	**1,566,269**	**1,504,556**
Interest Income	42,211	71,057
Return on plan assets	-100,245	115,871
Other actuarial gains and losses	466	-3,052
Administration expenses	0	0
Employer Contributions	36,320	38,496
Contributions by scheme participants	12,223	11,884
Benefits Paid	-52,688	-63,800
Settlements received / (paid)	0	-1,214
Closing balance at 31 March	**1,504,556**	**1,673,798**

The assets in the Local Government Pension Scheme consist of the following categories:

	At 31 March 2023			At 31 March 2024		
Assets	**£'000**	**£'000**	**%**	**£'000**	**£'000**	**%**
Equities						
Consumer	0			0		
Manufacturing	0			0		
Energy and Utilities	0			0		
Financial Institutions	0			0		
Health and Care	0			0		
Information and Technology	0			0		
		0	0%		0	0%
Debt Securities						
UK Government	19,388			21,568		
Other	7,919			8,810		
		27,307	2%		30,378	2%
Derivatives (quoted in an active market)						
Foreign exchange	69			77		
		69	0%		77	0%
Cash and cash equivalents						
Cash	22,730			25,287		
		22,730	2%		25,287	2%
Private Equity						
All	70,624			78,568		
		70,624	4%		78,568	4%
Investment Funds and Unit Trusts						
Equities	839,771			934,233		
Infrastructure	51,869			57,704		
Bonds	96,269			107,098		
Other	395,917			440,453		
		1,381,826	92%		1,539,488	92%
Total		**1,504,556**	**100%**		**1,673,798**	**100%**

The main assumptions used in the retirement benefit calculations are as follows:

	Local Government Pension Scheme (funded)		Local Government Pension Scheme (unfunded)		Fire-fighters' Pension Schemes		Teachers Added Years	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Longevity Assumptions:								
Base Table (Explanation on next page)	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	S2NMA/S2NFA with a 110% multiplier	S2NMA/S2NFA with a 110% multiplier	Fund's Vita Curves	Fund's Vita Curves
Men:								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	22	21.9	22	21.9	25.9	25.8	22	21.9
Longevity from 65 (currently aged 45) (yrs)	22.8	22.6	22.8	22.6	27.3	27.2	22.8	22.6
Women:								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	24.7	24.5	24.7	24.5	28.5	28.7	24.7	24.5
Longevity from 65 (currently aged 45) (yrs)	26	25.8	26	25.8	29.8	30	26	25.8
Financial Assumptions:								
Retail Price Index (RPI) increases	3.20%	3.10%	3.20%	3.10%	3.20%	3.10%	2.95%	3.10%
Consumer Price Index (CPI) increases	2.95%	2.75%	2.95%	2.75%	3.20%	2.80%	2.95%	2.75%
Rate of increases in salaries	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%
Rate of increases in pensions and deferred pensions	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%
Rate for discounting scheme liabilities	4.75%	4.85%	4.75%	4.85%	4.75%	4.85%	4.75%	4.85%

In addition, the following assumptions have been made for the Local Government Pension Scheme:

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the option to pay 50% of contributions for 50% of benefits at the previous valuation date will remain the same.

For the Fire-Fighters Scheme:

- Members will exchange 90% of the maximum tax-free cash up to HMRC limits of their commutable pension for cash at retirement.
- Members will retire at the earliest age they are able to do so without reduction.
- The effect of an increase or decrease in the assumptions used to calculate the pension liability is set out below.

	Local Government Pension Scheme (funded)		Fire-Fighters' Pension Scheme	
	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	10%	135,400	10%	21,210
0.5% increase in Pension Increase Rate	10%	128,800	8%	16,930
0.5% increase in Salary Increase Rate	1%	9,155	1%	1,200
1 year increase in member life expectancy	4%	63,666	3%	6,350

18. Pension Reserve

The movements on the Pension Reserve are set out in the following table:

Pension Reserve	2022/23 £'000	2023/24 £'000
Balance as at 1 April	**-901,096**	**-290,583**
Revision to Opening Balance	9,048	0
Revised Balance as at 1 April	**-892,048**	**-290,583**
Net charge made for retirement benefits in accordance with IAS19	-73,805	-8,390
Remeasurements of the new defined liability	675,270	169,331
Balance as at 31 March	**-290,583**	**-129,642**

19. Grant Income

The County Council recognised the following grants in the Comprehensive Income and Expenditure Statement.

Grant issuing body	Credited to Taxation and Non-Specific Grant Income	2022/23 £'000	2023/24 £'000	Credited to Services	2022/23 £'000	2023/24 £'000
Department for Levelling Up, Housing and Communities	Business Rate Top Up Grant	40,546	39,976			
	Business Rate Reconciliation Grant	8,331	-	Improved Better Care Fund	10,705	10,705
	Business Rates Retention Levy Surplus	-	1,326			
	Section 31 Grant for Business Rate Compensation	-	19,098			
	New Homes Bonus	2,924	1,749	Homes for Ukraine Tariff Grant	23,247	1,787
	Expanded Troubled Families Scheme - PBR	1,031	1,597	Homes for Ukraine Sponsor Grant	2,580	2,286
	Domestic Abuse	1,144	1,167			
	Services Grant	4,960	2,910			
Department of Health and Social Care	Independent Living Fund Grant	3,454	-	Public Health Grant	32,569	33,632
	Adult Social Care Support Grant (inc. Independent Living Fund)	17,916	32,684	Market Sustainability and Improvement Fund - Workforce Fund	-	3,485
	Trailblazer Funding	1,184	-	Fair Cost of Care Fund	1,547	-
	Rough Sleeping Drug and Alcohol Grant	-	1,370	Market Sustainability and Improvement Fund	-	5,366
				Adult Social Care Discharge Fund	1,910	1,501
Department for Education				Dedicated Schools Grant	248,447	264,341
				Pupil Premium Grant	7,807	8,305
				PE and Sports Grant	2,268	2,216
				Universal Infant Free School Meals	3,889	4,046
				Adoption Support Fund	1,637	1,626
				Holidays & Activities Grant	1,367	1,894
				Teachers' Pay Additional Grant	-	1,430
				Delivering Better Value in SEND	-	1,000
				Early Years Supplementary Funding	-	2,978
				Supplementary Funding	3,550	4,285
Department for Transport				Bus Reform	-	1,294
Department for Culture, Media and Sport				Music Grant	843	866
Home Office				Fire (additional pension contributions)	1,362	1,362
				Asylum Seekers	5,599	7,028
Various	Other Revenue Grants	3,594	3,721	Other Revenue Grants	9,025	8,739
Various	Capital Grants	129,837	83,957	Capital Grants	-	-
Various	Developer Contributions	8,097	24,524			
Various	Other Capital Contributions	26,224	9,157			
Non Covid Grants	**Total**	**249,242**	**223,236**	**Total**	**358,352**	**370,172**

Grant issuing body	Credited to Taxation and Non-Specific Grant Income	2022/23 £'000	2023/24 £'000	Credited to Services	2022/23 £'000	2023/24 £'000
Department for Levelling Up, Housing and Communities	Business Rates Relief Grant	13,512	-			
	COVID-19 Support Grant	-	-			
	Local Council Tax Support Grant	-546	-			
	Additional Section 31 Grant	-	-			
	Sales Fees & Charges Grant	-	-			
Department of Health and Social Care				Household Support Fund	6,845	3,351
				Infection Control Grants	54	-
				Workforce Recruitment & Retention Fund	38	-
Department for Education				Recovery Premium	1,195	1,111
Various	Other Revenue Grants	917	-	Other Revenue Grants	1,364	343
COVID Grants	**Total**	**13,883**	**-**	**Total**	**9,496**	**4,805**
All Grants	**Total**	**263,125**	**223,236**	**Total**	**367,848**	**374,977**

20. Taxation and Non - Specific Grant Income

A breakdown of the items in the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement is:

Taxation & Non-Specific Grant Income	2022/23 £'000	2023/24 £'000
Council Tax Income	447,961	478,674
Non-Domestic Rates	29,389	36,024
Non Ringfenced Government Grants	99,583	105,598
Capital Grants and Contributions	164,158	117,638
Total	**741,091**	**737,934**

21. Related Party Transactions

The County Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the County Council or to be controlled or influenced by the County Council. Disclosure of these transactions allows the reader of the accounts to assess the extent to which the County Council might have been constrained in its ability to operate independently or might have limited another party's ability to pursue its interests independently.

Central government is responsible for the statutory framework within which all local authorities operate and provides the majority of the Council's funding in the form of general and specific grants (as set out in Note 19).

Pension Fund
The County Council administers the Oxfordshire Pension Fund and this is a related party. During the year ended 31 March 2024, the County Council made employer contributions totalling £38.227m (£36.320m in 2022/23) to the Fund. The County Council charged the Fund £1.682m for expenses incurred in administering the Fund. As at 31 March 2024 £4.289m (£1.505m in 2022/23) was due to the Pension Fund and £0.187m (£0.0m in 2022/23) by the Pension Fund.

Officers
No related parties

Elected Members
Councillor Roz Smith is a member of the Thames Valley Police & Crime Panel.
Three Councillors are trustees of Oxfordshire Buildings Trust. The Council paid £0.017m to the trust during 2023/24.
One Councillor is a trustee of Experience Oxfordshire and one Councillor resigned as trustee in October 2023. The Council paid £0.004m to the trust during 2023/24.
Two Councillors are trustees of The Ark-T Centre. The Council paid £0.017m to the trust during 2023/24.
One Councillor is a trustee of Headington Action. The Council paid £0.001m to the trust during 2023/24.
One Councillor is Chairman Oxford Community Action. The Council paid £0.003m to the trust during 2023/24.
One Councillor is a trustee of Wantage Literary Festival. The Council paid £0.001m to the trust during 2023/24.
One Councillor is a trustee of the Acer Trust. The Council paid £0.283m to the trust during 2023/24.
One Councillor is a trustee, and one Councillor is a director of Oxford Preservation Trust. The Council paid £300 to the trust during 2023/24.
One Councillor is a director and shareholder of Total Pest Control UK Ltd. The Council paid £0.029m to the company during 2023/24 (£0.015m in 2022/23).

Cont. Elected Members
One Councillor is a Board member of NHS Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (ICB). The Council paid £2.452m to the ICB during 2023/24.
One Councillor's spouse is employed as an engineer at Buckinghamshire County Council. The Council paid £0.546m to Buckinghamshire County Council during 2023/24.
One Councillor is a Local Councillor on Islip Parish Council. The Council paid £0.009m to the Parish Council during 2023/24.
One Councillor is a Local Councillor on Kidlington Parish Council. The Council paid £0.002m to the Parish Council during 2023/24.
One Councillor is a Local Councillor on Didcot Town Council. The Council paid £0.005m to the Town Council during 2023/24.
Two Councillors are Local Councillors on Bicester Town Council. The Council paid £0.0001m to the Town Council during 2023/24.
One Councillor is a Local Councillor on Witney Town Council. The Council paid £0.001m to the Town Council during 2023/24.
One Councillor is a Local Councillor on Banbury Town Council. The Council paid £0.0002m to the Town Council during 2023/24.
One Councillor is a Local Councillor on Abingdon Town Council. The Council paid £0.015m to the Town Council during 2023/24.
One Councillor is a Local Councillor on Carterton Town Council. The Council paid £0.008m to the Town Council during 2023/24.
One Councillor is a Local Councillor on Thame Town Council. The Council paid £0.08m to the Town Council during 2023/24.
Thirty-One County Councillors were also District Councillors within 2023-24 (Thirty-Six in 2022/23)

Commercial Relationships
The County Council incurred costs of £0.454m in 2023/24 for three interim directors and one interim programme manager contracted through Tile Hill Interim Executives.
The County Council incurred costs of £0.007m in 2023/24 for one interim strategic finance business partner contracted through Flexy Corporation.
The County Council incurred costs of £0.120m in 2023/24 for one interim finance business partner contracted through Flexy Corporation.

22. Movement in Property, Plant & Equipment (PPE)

2023/24	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation as at 1 April	**522,923**	**37,886**	**5,086**	**121,781**	**687,676**	**47,715**
Additions	5,444	3,510	57	43,745	52,756	638
Donation	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	16,110	0	2,867	0	18,977	11,313
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-8,738	0	-192	0	-8,930	221
Derecognition - disposals	0	-79	0	0	-79	0
Derecognition - other	-11,110	0	0	-854	-11,964	-638
Assets reclassified to / from Held for Sale	0	0	-125	0	-125	0
Assets reclassified to / from Investment Property	0	0	0	0	0	0
Assets reclassified to / from Surplus assets and vehicles, plant and equipment	0	0	0	-521	-521	0
Transfers	7,080	-2,638	-57	-28,493	-24,108	0
Other movements in cost or valuation	0	0	0	0	0	0
Cost or valuation as at 31 March	**531,709**	**38,679**	**7,636**	**135,658**	**713,682**	**59,249**
Depreciation and Impairment as at 1 April	**-11,887**	**-20,772**	**-20**	**0**	**-32,680**	**-3,530**
Depreciation charge	-12,899	-4,132	-63	0	-17,094	-1,472
Depreciation and impairment written out to the Revaluation Reserve	8,031	0	8	0	8,039	3,751
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	4,010	0	45	0	4,055	735
Impairment losses / (reversals) recognised in the Revaluation Reserve	-1,015	0	0	0	-1,015	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-438	0	0	0	-438	0
Derecognition - disposals	0	53	0	0	53	0
Derecognition - other	499	-28	0	0	471	0
Assets reclassified to / from Held for Sale	0	0	1	0	1	0
Assets reclassified to / from Investment Properties	0	0	0	0	0	0
Transfers	-353	353	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
Depreciation and impairment as at 31 March	**-14,052**	**-24,526**	**-29**	**0**	**-38,607**	**-516**
Net book Value at 31 March 2023	**511,036**	**17,114**	**5,066**	**121,781**	**654,996**	**44,185**
Net book Value at 31 March 2024	**517,657**	**14,153**	**7,607**	**135,658**	**675,075**	**58,733**

2022/23	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation as at 1 April	**610,480**	**34,818**	**5,367**	**92,272**	**742,937**	**47,715**
Additions	5,699	3,038	0	49,297	58,034	1,000
Donation	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	-56,023	0	673	0	-55,350	0
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-26,549	0	156	0	-26,393	0
Derecognition - disposals	0	-49	0	0	-49	0
Derecognition - other	-13,826	0	0	-5,463	-19,289	-1,000
Assets reclassified to / from Held for Sale	-1,470	0	0	0	-1,470	0
Assets reclassified to / from Investment Property	2,522	0	0	0	2,522	0
Assets reclassified to / from Surplus assets and vehicles, plant and equipment	0	0	0	-65	-65	0
Transfers	2,090	79	-1,110	-14,260	-13,201	0
Other movements in cost or valuation	0	0	0	0	0	0
Cost or valuation as at 31 March	**522,923**	**37,886**	**5,086**	**121,781**	**687,676**	**47,715**
Depreciation and Impairment as at 1 April	**-19,200**	**-17,334**	**-26**	**0**	**-36,560**	**-2,265**
Depreciation charge	-9,404	-3,488	-161	0	-13,053	-1,265
Depreciation and impairment written out to the Revaluation Reserve	10,809	0	33	0	10,842	0
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	6,342	0	34	0	6,376	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	-428	**0**	0	0	-428	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-532	0	0	0	-532	0
Derecognition - disposals	0	50	0	0	50	0
Derecognition - other	542	0	83	0	625	0
Assets reclassified to / from Held for Sale	0	0	0	0	0	0
Assets reclassified to / from Investment Properties	0	0	0	0	0	0
Transfers	-17	**0**	17	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
Depreciation and impairment as at 31 March	**-11,888**	**-20,772**	**-20**	**0**	**-32,680**	**-3,530**
Net book Value at 31 March 2022	**591,280**	**17,484**	**5,341**	**92,272**	**706,377**	**45,450**
Net book Value at 31 March 2023	**511,035**	**17,114**	**5,066**	**121,781**	**654,996**	**44,185**

Infrastructure Assets	2022/23 £'000	2023/24 £'000
Net Book Value(modified historical cost) at 1 April	553,916	605,486
Additions	63,591	67,587
Transfers	13,201	24,108
Depreciation charge	-25,222	-27,843
Net Book Value at 31 March	**605,486**	**669,338**

Reconciliation to Balance Sheet	2022/23 £'000	2023/24 £'000
Infrastructure Assets	605,486	669,338
Other Property, Plant and Equipment	654,996	675,075
Total Property, Plant and Equipment-per Balance Sheet	**1,260,482**	**1,344,413**

23. Investment Properties

Investment Properties	2022/23 Non-current £'000	2022/23 Current £'000	2023/24 Non-current £'000	2023/24 Current £'000
Opening Balance at 1 April	**27,416**	**0**	**25,900**	**0**
Additions	4	0	0	0
Disposal/Derecognition	0	0	0	0
Net gain (+) / losses from fair value adjustments	1,002	0	-215	0
Assets reclassified to / from Investment Properties	-2,522	0	0	0
Other changes	0	0	0	0
Closing balance at 31 March	**25,900**	**0**	**25,685**	**0**

None of the investment properties are held under operating leases. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. Classification in the fair value hierarchy, together with additional information for property classified as level 3 within the hierarchy is provided in the table overleaf.

The fair value for the agricultural properties has 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.

The office and commercial units located in the local authority area are measured using the income approach where the expected cash flows from the properties are discounted (using a market-derived all risks discount rate) to establish the present value of the net income stream.

The Council's office and commercial units are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique used significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

	Fair Value Level	Fair Value at 31 March 2024 £'000	Additional Information for level 3 properties Valuation technique	Unobservable inputs	Range (weighted average used)	Sensitivity
Agricultural units & other level 2 assets	2	22,828				
Office units	3	560	Income approach using an all risks discount rate to asses capital value	Discount Rate	8% - 11% (10%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
Commercial units	3	2,297	Income approach using an all risks discount rate to asses capital value	Discount Rate	5% - 6% (5%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
		25,685				

The movement for investment properties categorised at level 3 in the hierarchy as follows:

Level 3	2022/23 £'000	2023/24 £'000
Balance at 1 April	7,926	7,532
Net gains (+) / losses (-) from fair value adjustments	1,147	-161
Transfers to/from Level 3	0	-4,515
Disposals/de-recognition	0	0
Assets reclassified to / from Investment Properties	-1,541	0
Additions	0	0
	7,532	**2,857**

The fair value of the County Council's investment property is measured annually at each reporting date. Valuations are carried out by external valuers (Sanderson Weatherall) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

24. Assets Held for Sale

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**1,489**	**1,470**
Assets newly classified as held for sale:		
Property, Plant and Equipment	0	124
Investment property	1,470	0
Revaluation gains / (losses)	0	0
Impairment losses	0	0
Assets declassified as held for sale:		
Property, Plant and Equipment	0	0
Assets derecognised	-1,489	-1,470
Additions	0	0
Balance at 31 March	**1,470**	**124**

25. Intangible Assets

	2022/23 £'000	2023/24 £'000
Gross Carrying value at 1 April	**2,169**	**2,641**
Additions	0	317
Transfers from Assets Under Construction	472	521
Derecognition	0	0
Gross Carrying value at 31 March	**2,641**	**3,479**
Amortisation and Impairment at 1 April	**-1,351**	**-1,556**
Amortisation for the year	-205	-464
Derecognition	0	0
Amortisation and Impairment at 31 March	**-1,556**	**-2,020**
Net Book Value at 1 April	**818**	**1,085**
Net Book Value at 31 March	**1,085**	**1,459**

26. Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations. This category of assets excludes assets with heritage characteristics that are used by the County Council in the provision of services - these are accounted for as operational assets within Property, Plant and Equipment.

The main heritage assets held by the County Council comprise museum collections, history centre collections and archaeological sites.

Information is not available on the cost of the heritage assets held by the County Council, other than for a very small number of items, as the majority have been donated or acquired by excavation. The County Council considers that obtaining valuations for the museum and history centre collections would involve a disproportionate cost in comparison to the benefits to the users of the accounts and therefore does not recognise these assets on the Balance Sheet. The County Council does not consider that reliable valuation information can be obtained for the archaeological sites because of the diverse nature of the sites and lack of comparable market values, and therefore does not recognise these assets on the Balance Sheet.

Although current valuation information is not available to recognise the heritage assets on the Balance Sheet, contents insurance of £3.82m for the Museum Service and the Oxfordshire

History Centre (based on historic valuations) provides an indication of the value of these items not recognised on the Balance Sheet.

27. Valuation of non-current assets

It is the policy of the County Council to revalue land, buildings and component assets within Property, Plant and Equipment on a three-year rolling programme set out in Note 1. In addition, material changes in asset valuations are adjusted for in the interim periods.

Investment properties valuations are reviewed annually. Assets held for sale are revalued at the point of reclassification to that category.

Property valuations are conducted by the County Council's internal and external property valuers (Sanderson Weatherall). They provide an annual valuation report and valuation certificate which give details of their opinion of the value of specific assets, basis of valuation, assumptions made and details of the rolling programme, additional and ad-hoc valuations. Valuations have been undertaken in accordance with the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors. The basis of valuations is set out in Note 1.

28. Private Finance Initiative (PFI and similar contracts – Homes for Older People)

The County Council has one PFI type contract (service concession arrangement) with an external operator, The Oxfordshire Care Partnership, relating to the provision of residential care homes and care services. The Cabinet Member for Adult Social Care represents the Council's interests as a director of the Partnership.

Provision of residential care services was originally in 19 homes across Oxfordshire under a 25-year contract with The Oxfordshire Care Partnership which came into operation in 2001. The County Council had an average of 70% of the beds in these homes. Under this arrangement, nine of the homes are subject to long term leases and these assets had previously been excluded from the County Council's Balance Sheet. A further ten homes were transferred to the contractor but with short term leases as the homes did not meet required property standards. These have now all been re-provided through a redevelopment programme.

The operator has built nine new homes and four extra care housing schemes through the redevelopment programme, whilst thirteen homes have been closed. The Oxfordshire Care Partnership also operate the new Chilterns Court Care Centre built by the County Council, which was completed in 2016/17 and replaces the former care home in Henley. Under the Code, the County Council is required to recognise homes that meet tests in respect of control of services and control of the residual interest in property on its Balance Sheet. All homes under the contract are included on the County Council's Balance Sheet, with exception of one home that does not meet the control tests specified in the Code. At the end of the contract, all properties currently on the Balance Sheet revert to County Council ownership.

The council's original 25-year agreement with Oxfordshire Care Partnership will end in 2026/27, however The Oxfordshire Care Partnership will continue to operate the homes until the end of 2031/32. There is no requirement for the County Council to purchase a set number or value of beds during the years 2027/28 to 2031/32 other than the obligation of both parties to maintain existing placements as at 31 March 2028. It has not yet been agreed on what basis any beds will be purchased after 31 March 2027.

The value of assets recognised under service concession arrangements at each Balance Sheet date and the movements in value during the year are provided as a memorandum to the movement in Property Plant and Equipment (Note 22).

The financial liabilities arising from the service concession arrangement and an analysis of movements in the year are set out below:

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**16,390**	**15,735**
Liability repaid in the year	-655	-740
Balance at 31 March	**15,735**	**14,995**

Details of payments due to be made under the service concession arrangement are as follows, with comparative figures for 2023/24 below.

		Service Costs £'000	Principal Repayments £'000	Interest Costs £'000	Lifecycle Replacement Payments £'000	Total £'000
	Within 1 year	21,655	836	1,974	1,083	**25,548**
2023/24	2-5 years	94,313	14,161	3,608	2,297	**114,379**
	Total	**115,968**	**14,997**	**5,582**	**3,380**	**139,927**
	Within 1 year	20,655	740	2,070	1,041	**24,506**
2022/23	2-5 years	85,062	14,997	5,581	3,380	**109,020**
	Total	**105,717**	**15,737**	**7,651**	**4,421**	**133,526**

The service concession arrangement forms part of the finance liability recorded on the Balance Sheet, together with finance leases and forward deals on investments. A reconciliation of the service concession liability to the total finance liability is as follows:

	Long-Term		Current	
	At 31 March 2023 £'000	At 31 March 2024 £'000	At 31 March 2023 £'000	At 31 March 2024 £'000
Service Concession Arrangement	14,997	14,161	740	836
Finance Leases	0	0	0	0
Total Finance Liability	**14,997**	**14,161**	**740**	**836**

29. Capital Spending

Details of the expenditure are set out in the tables below.

Capital Spending by Scheme	2023/24 £'000
ED955 St Edburg's - Exp to 3 Forms of Entry	11,347
Woodstock Expansion to 2 Forms of Entry	2,546
ED954 Lord Willaims 1 Forms of Entry Expansion	2,345
ED933 Blessed George Napier	2,965
ED929 NE Didcot Sires Hill - New Primary	4,153
ED945 Shrivenham - New Primary (relocated)	5,805
Programmes & Projects <£1m	7,628
Pupil Place Plan	**36,789**
Kennington Bridge - Replacement	3,644
ZEBRA Zero Emission Bus Reg Areas	8,641
North Oxford Corridor - Kidlington	1,278
Banbury Tramway Rd accessibility imps	1,049
A4095-B4100 Roundabout NW Bicester	2,420
Access to Witney (Shore Green)	1,523
North Oxford Corridor A44 Corr imps Peartree-Cassington Growth Deal	8,934
Wantage Eastern Link Rd (Growth Deal)	4,166
Watlington Relief Rd (Growth Deal)	1,747
Benson Relief Rd	1,147
Highways Infrastructure 2 A40 Westbound bus lane	2,544
Highways Infrastructure 1 Clifton Hampden bypass	1,074
Highways Infrastructure 1 Culham river crossing	3,633
A40 Science Transit (project derivatives)	12,726
Programmes & Projects <£1m	7,185
Major Infrastructure	**61,711**
20mph Speed Limit	1,626
Accessibility and Rd Safety Schemes project	1,407
Carriageways Prog Budget	10,475
Footway and Cycleway Works Prog Budget	2,329
Surface Treatments Prog Budget	7,162
Structural Highway Improvement Prog Budget	5,829
Drainage Improvements Prog Budget	2,095
Street Light LED replacement	10,859
Bridges Packaged Structural Maintenance	3,199
Programmes & Projects <£1m	8,235
Highways Asset Management Plan	**53,216**
Green Homes Grant	1,768
Oathill, Enstone Children's Home	1,057
Aston Children's Home (ED932)	1,567
Programmes & Projects <£1m	5,244
Property and Investment	**9,636**
Rural Gigabit Connectivity Hub Sites	1,972
End User Computing Refresh	1,144
Programmes & Projects <£1m	1,746
ICT Strategy	**4,862**
Better Care Funding Disabled Facilities Grant	7,240
Programmes & Projects <£1m	1,446
Passport Funding	**8,686**
Capitalised purchase of vehicles	471
Capitalised purchase of Equipment	553
Vehicles and Equipment	**1,024**
Total Capital Spending	**175,924**

Capital Spending by Asset Class	2023/24 £'000
Property, Plant and Equipment	119,705
Intangible Assets	317
Revenue Expenditure Funded from Capital under Statute	55,902
Capital Loans	0
Repayment of capital grants and contributions	0
Total Capital Spending	**175,924**

30. Capital Financing

The capital expenditure has been financed from the following sources:

Capital Financing	2022/23 £'000	2023/24 £'000
Prudential and other unsupported borrowing	41,704	59,845
Capital Receipts	0	0
Grants & Contributions	127,879	113,863
Revenue	2,577	2,216
Total	**172,160**	**175,924**

31. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the County Council that has yet to be financed (including assets acquired under finance leases and service concession arrangements). The movements on the CFR for the year are as follows:

Capital Financing	2022/23 £'000	2023/24 £'000
Capital Financing Requirement as at 1 April	**390,556**	**420,867**
New unsupported borrowing	41,704	59,845
Service Concession arrangements - lifecycle prepayments	1,001	1,041
Loan repayments and other adjustments	0	-89
Minimum Revenue Provision for the year	-12,394	-14,238
Increase (+) / decrease (-) in Capital Financing Requirement	**30,311**	**46,559**
Capital Financing Requirement at 31 March	**420,867**	**467,426**

32. Capital Commitments

As at 31 March 2024 the Council was contractually committed to £66.444m (£47.205m as at 31 March 2023) on the following schemes:

Capital Commitments by Scheme	£'000
Pupil Places	
Shrivenham - 1.5 Forms of Entry Primary School (ED945)	1,359
ED892 Relocate Oxford Hospital Sch	684
NE Didcot, Sires Hill - 2 Forms of Entry Primary Schol (ED929)	982
BGN – 2 Forms of Entry Expansion (ED933)	835
Woodstock Expansion to 2FE	610
St Edburg's Primary School - Expansion to 3FE (ED955)	892
Grove Airfield - Secondary School (ED965)	22,997
SEND Free School - Faringdon (ED985)	1,114
Bloxham Grove SEND Free School (ED986)	533
Below £500k	2,859
	32,865
Major Infrastructure and Highways	
Highways Infrastructure 1 Culham river crossing	3,227
Highways Infrastructure 1 Clifton Hampden bypass	2,049
Highways Infrastructure 2 A40 Westbound bus lane	644
Highways Infrastructure 2 A40 dualing Witney Eynsham	1,900
Benson Relief Rd (Growth Deal)	3,339
Wantage Eastern Link Rd (Growth Deal)	1,791
Accessibility and Rd Safety projects	580
A4095-B4100 Roundabout NW Bicester	6,332
North Oxford Corridor - Kidlington	1,910
USVF Road Safety - RAF Barford	1,020
Kennington Bridge - Replacement	882
Below £500k	6,078
	29,752
Property and Investments	
Below £0.5m	2,237
	2,237
ICT & Passported Funding	
ICT - End User	656
Below £500k	934
	1,590
Total Capital Commitments	**66,444**

33. Financial Instrument Carrying Values

Financial assets comprise long-term and short-term investments, long-term and short-term debtors (excluding statutory debtors and prepayments) and cash & cash equivalents. Financial liabilities comprise long-term and short-term borrowing, creditors (excluding statutory creditors), finance leases, the finance liability element of service concession arrangements and forward deals on investments. The Code specifies the categorisation of these assets (see Note 1 Summary of Significant Accounting Policies). For each category, the financial instruments disclosed in the Balance Sheet are carried at the following values:

	Long-Term		Current	
	At 31 March 2023 £'000	At 31 March 2024 £'000	At 31 March 2023 £'000	At 31 March 2024 £'000
Financial assets at Amortised Cost	74,879	40,158	426,035	457,122
Financial assets at fair value through profit and loss	0	0	113,796	137,466
Total Financial assets	**74,879**	**40,158**	**539,831**	**594,588**
Financial Liabilities at amortised cost	289,379	280,544	106,871	105,113
Total Financial Liabilities	**289,379**	**280,544**	**106,871**	**105,113**

Statutory debtors and creditors, receipts in advance and the capital prepayment account are not considered to be financial instruments and are therefore excluded from the above carrying values.

The County Council has not pledged any collateral for liabilities or contingent liabilities and, as at 31 March 2024, there were no defaults or breaches relating to loans payable.

34. Financial Instrument Fair Values

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. Financial assets classified as assets at fair value through profit and loss and all derivative assets and liabilities are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. Financial assets at amortised cost and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of “Lender’s Option Borrower’s Option” (LOBO) loans have been increased by the value of the embedded options. Lenders’ options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of finance lease liabilities and of service concession liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the rate for new PWLB borrowing.
- No early repayment or impairment is recognised for any financial instrument, other than short-term debtors.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- **Level 1** – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- **Level 2** – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- **Level 3** – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	Balance Sheet At 31 March 2023 £'000	Fair Value At 31 March 2023 £'000	Balance Sheet At 31 March 2024 £'000	Fair Value At 31 March 2024 £'000
Financial liabilities held at amortised cost:					
Long-term loans from PWLB*	2	246,573	245,478	244,834	217,042
Long-term LOBO/money market loans*	2	30,442	26,222	25,344	16,304
Short-term LOBO/money market loans*	2	20,466	18,549	15,455	10,513
Finance lease payables and service concession liabilities	3	15,736	740	14,997	836
Total		**313,217**	**290,989**	**300,630**	**244,695**
Liabilities for which fair value is not disclosed **		83,035		85,027	
Total Financial Liabilities		**396,252**		**385,657**	
Recorded on balance sheet as:					
Short-term creditors		70,781		81,981	
Short-term borrowing		35,351		22,296	
Short-term finance liabilities		740		836	
Long-term borrowing		274,383		266,383	
Long-term finance liabilities		14,997		14,161	
Total Financial Liabilities		**396,252**		**385,657**	

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date Similarly the discount rate implied in the service concession arrangement and finance leases is higher than the rates available for new borrowing at the Balance Sheet date.

Financial Assets	Fair Value Level	Balance Sheet At 31 March 2023 £'000	Fair Value At 31 March 2023 £'000	Balance Sheet At 31 March 2024 £'000	Fair Value At 31 March 2024 £'000
Financial assets held at fair value:					
Money market funds	1	18,438	18,438	39,660	39,660
Bond, equity and property funds	1	95,358	95,358	97,806	97,806
Financial assets held at amortised cost:					
Long-term loans to local authorities*	2	70,112	88,430	35,546	41,530
Long-term debtors	3	5,179	5,179	5,064	5,064
Total		**189,087**	**207,405**	**178,076**	**184,060**
Assets for which fair value is not disclosed **		425,625		456,578	
Total Financial Assets		**614,712**		**634,654**	
Recorded on balance sheet as:					
Long-term debtors		5,179		5,064	
Long-term investments		69,700		35,000	
Short-term debtors		59,060		77,414	
Short-term investments		463,908		471,255	
Cash and cash equivalents		16,865		45,921	
Total Financial Assets		**614,712**		**634,654**	

* For the purpose of fair value comparison accrued interest on long term investments has been classified as long term in the balance sheet total.

**The fair value of short-term financial assets including trade receivables is assumed to approximate to the carrying amount.

The fair value of financial assets held at amortised cost is higher than their balance sheet carrying amount because the interest rate on similar investments is now lower than that obtained when the investment was originally made.

35. Long Term Debtors

An analysis of long-term debtors is set out as follows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Key Worker Loans	226	226
Chronically Sick and Disabled Persons Act loans	1,532	1,272
Children's Act: Loans to foster carers	547	515
Other	2,874	3,052
	5,179	**5,065**
Capital Prepayment Account	5,742	6,144
Total	**10,921**	**11,209**

Key Worker loans, Chronically Sick & Disabled Persons Act loans and Children's Act loans to foster carers are soft loans in that they are contracted at interest rates below market rates (zero in most cases).

The Capital Prepayment Account holds prepayments for lifecycle replacement costs relating to the service concession arrangement. As lifecycle replacements actually take place the value of the works is transferred to Property, Plant and Equipment in 2023/24 is £0.638m (£1.000m was transferred in 2022/23). For one property that the County Council has control over the residual interest but not control over the services (and therefore does not meet the tests of a service concession arrangement), the account also holds an amount for the excess of the expected fair value of the property at the end of the arrangement over the amount the County Council is required to pay upon reversion. This is built up from payments made by the County Council over the life of the arrangement.

36. Debtors

Amounts falling due to the County Council in less than a year are set out as follows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Government Departments	24,278	18,351
Other Local Authorities	22,342	16,788
Health Authorities	19,379	22,492
Payments in Advance	24,098	18,359
Bodies external to general government (i.e. all other bodies)	78,877	86,162
	168,974	**165,152**
Less Impairment Allowance Account	-23,120	-24,066
Total	**145,854**	**138,086**

Under the arrangements for accounting for financial instruments, all financial assets are assessed for impairment. The Code permits the reduction in the carrying amount of financial assets to be held within an allowance account rather than adjusting the value of the financial asset directly. The movement in the debtor impairment allowance account is as follows:

Impairment Allowance	2022/23 £'000	2023/24 £'000
Balance at 1 April	**-20,038**	**-23,120**
Decrease in allowance	-764	688
Increase in allowance	-2,319	-1,634
Balance at 31 March	**-23,121**	**-24,066**

37. Cash and Cash Equivalents

Cash and cash equivalents comprise the amount of cash balances held at the bank and in County Council establishments (excluding monies held on behalf of third parties), balances held in call accounts and monies held in Money Market Funds.

An analysis of cash and cash equivalents held by the County Council shows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Cash at bank and in hand(+)/Overdrawn (-)	-1,589	6,244
Call Accounts	15	15
Money Market Funds	18,438	39,660
Total	**16,864**	**45,919**

38. Risks arising from financial instruments

The County Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the County Council
- Liquidity risk – the possibility that the County Council might not have funds available to meet its commitments to make payments when they fall due.
- Market risk – the possibility that the County Council may suffer a financial loss as a result of changes in such measures as interest rates and movements in financial markets.

The County Council's risk management of financial instruments is carried out by the Treasury Management Team, under policies approved by full Council in the Treasury Management Strategy and Annual Investment Strategy.

The Treasury Management Strategy sets out the approach to managing any borrowings the County Council may be required to undertake to meet the needs of the capital programme.

The Annual Investment Strategy sets out the County Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, including the treasury limits in force to limit the treasury risk and activities of the County Council.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the County Council's debtors. Deposits are restricted to institutions that meet the County Council's minimum credit rating criteria. Deposits are not made to banks or building societies with a FITCH short-term credit rating below F1, long-term rating below BBB-, unless there are other exceptional circumstances including Government ownership or Government guarantee.

Longer-term deposits of 1 year or more are restricted to the higher rated institutions with a minimum short-term FITCH rating of F1+, long-term rating AA-, or other Government bodies (e.g. other Local Authorities).

Receivables are collectively assessed for credit risk in the following groupings:

	Allowance set aside based on historic rate	At 31 March 2023		At 31 March 2024	
		Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
Corporate Debtors:					
Trade receivables under £10k after 120 days	60%	409	227	409	228
		409	**227**	**409**	**228**
Adult Social Care debtors:					
Debtors with an account balance under £20k after 6 months	50% of total customer balance	4,392	2,473	4,823	2,722
		4,392	**2,473**	**4,823**	**2,722**
Total		**4,801**	**2,700**	**5,232**	**2,950**

The following receivables are individually assessed for impairment:

The following receivables are individually assessed for impairment:	At 31 March 2023		At 31 March 2024	
	Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
Corporate Debtors:				
Individuals and sole traders - all debts over £10k after 120 days	413	227	573	237
Organisations - all debts over £10k after 120 days	277	223	412	202
	690	**450**	**985**	**439**
Adult Social Care debtors:				
Adult social care debtors with an account balance over £20k after 6 months	3,568	2,255	4,823	2,722
	3,568	**2,255**	**4,823**	**2,722**
Total	**4,258**	**2,705**	**5,808**	**3,161**

The next table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2024 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment. The table includes money market funds and call accounts classed as cash and cash equivalents at 31 March 2024.

Aged Debtors	At 31 March 2023 £000	At 31 March 2024 £000
Less than 1 month	13,863	18,688
Between 1 and 3 months	3,344	5,090
Between 3 and 6 months	4,418	4,812
Between 6 month and 1 year	2,787	3,654
Between 1 and 3 years	7,320	8,495
Over 3 years	3,378	3,615
Total	**35,110**	**44,354**

Counterparty	Credit Rating Criteria Met when Investment Placed? YES / NO	Credit Rating Criteria Met on 31 March 2024? YES / NO	Balance Invested as at 31 March 2024						Total
			Up to 1 month £000	≥ 1 month and < 3 months £000	≥ 3 months and < 6 months £000	≥ 6 months and < 12 months £000	≥ 12 months and < 24 months £000	≥ 24 months and < 36 months £000	£000
Banks									
UK	Yes	Yes							**0**
Banks non-UK									
Australia	Yes	Yes							**0**
Netherlands	Yes	Yes							**0**
Singapore	Yes	Yes							**0**
Total Banks			**0**	**0**	**0**	**0**	**0**	**0**	**0**
Local Authorities and Police Authorities	Yes	Yes	38,700	70,000	110,000	146,000	25,000	10,000	**399,700**
Notice Accounts			0						**0**
Bond Funds	Yes	Yes	74,914						**74,914**
Property Funds	Yes	Yes	22,892						**22,892**
Money Market Funds	Yes	Yes	39,660						**39,660**
Call Accounts	Yes	Yes	15						**15**
Total			**176,181**	**70,000**	**110,000**	**146,000**	**25,000**	**10,000**	**537,181**

The analysis below shows that all deposits outstanding as at 31 March 2024 met the County Council's credit rating criteria at that date.

Within the £176.181m short-term debtors included in financial assets at amortised cost, £38.700m were past due at 31 March 2023 (£37.990m at 31 March 2023). The past due amount can be analysed by age as follows:

None of these past-due short-term debtors have been individually impaired. An impairment allowance of £1.634m has been provided for past due debtors that are financial instruments based on past and current experience (£2.319m at 31 March 2023). This is the County Council's estimate of maximum exposure to uncollectable debts. £24.066m of the debtor impairment allowance is based on collective assessments of debtors with similar characteristics. Individual impairment allowances have been provided for monies owed from a home support provider that went into liquidation (£0.288m) and for overdue library fines (£0.135m). The past due debtors analysis and impairment allowance quoted above exclude those for statutory debtors as these are not considered to be financial instruments.

The key worker, Chronically Sick and Disabled Persons Act and Children's Act loans are long term debtors and are secured on property.

Liquidity Risk

As the County Council has access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the County Council may be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to spread the maturity dates of fixed debt so that a significant proportion of the portfolio does not mature in any one year.

The maturity analysis of borrowing and financial liabilities is as follows:

Amount at 31 March 2023		Amount at 31 March 2024			
£000		Fixed Rate £000	Variable Rate £000	Other Finance Liabilities £000	Total £000
36,092	Less than 1 year	17,566	16,654	836	**35,056**
8,836	Between 1 and 2 years	12,909	5,689	944	**19,542**
91,161	Between 2 and 5 years	94,861	15,639	13,217	**123,717**
85,383	Between 5 and 10 years	117,139	0	-	**117,139**
104,000	More than 10 years	151,176	0	0	**151,176**
325,472		**393,651**	**37,982**	**14,997**	**446,630**

All trade and other payables are due to be paid in less than one year.

Market Risk

The County Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the County Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the long-term borrowings will fall
- Investments at variable rates – the variation in the interest income credited to the Surplus or Deficit on the Provision of Services will be dependent upon the nature and proportion of structured products
- Investments at fixed rates – the fair value of the long-term assets will fall

The County Council has a number of strategies for managing interest rate risk. For example, use of Lender's Option Borrowers Option (LOBO) loans is restricted to 20% of the debt portfolio.

In response to the environment of increasing interest rates, the Council sets fixed and variable rate interest rate exposure limits through its Treasury Management Strategy. These are designed to ensure that the County Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Treasury Management Strategy Team regularly review the debt and investment portfolios and the impact of interest rate changes on the annual budget.

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

2022/23 £'000		2023/24 £'000
0	Increase in interest payable on new borrowings	0
0	Increase in interest receivable on variable and structured investments	0
-2,251	Increase in interest receivable on new fixed rate investments	-1,915
-405	Increase in the gain arising from the revaluation of available for sale assets	-27
-2,656	**Impact on CIES**	**-1,942**

If the return on investments had been 1% lower, with all other variables held constant, the financial effect would be as follows:

2022/23 £'000		2023/24 £'000
0	Decrease in interest payable on new borrowings	0
0	Decrease in interest receivable on variable and structured investments	0
2,229	Decrease in interest receivable on new fixed rate investments	1,915
385	Decrease in the gain arising from the revaluation of available for sale assets	27
2,614	**Impact on CIES**	**1,942**

Where prevailing rates were below 1% for new debt or investments, zero return has been assumed where a reduction in interest rates by 1% would imply a negative return. Negative return is applicable to available for sale assets.

Price Risk

The County Council does not generally invest in equity shares but does have investments in externally managed pooled funds which may invest in instruments sensitive to price movements. The fund managers monitor price fluctuations and have strategies for limiting the impact of adverse price movements of underlying investments within the pooled funds.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31 March 2024 would result in a £1.1m (31 March 2023: £1.4m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. A 5% fall in share prices at 31 March 2024 would result in a £3.7m (31 March 2023: £3.9m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

This risk is limited by the Council's maximum exposure to pooled funds of 50% of the total investment portfolio.

Foreign Exchange Risk

The council's deposits and debt instruments are denominated in sterling.

39. Creditors

A breakdown of the items within the creditors category on the Balance Sheet is given in the following table:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Receipts in Advance		
Government Departments	5,290	7,186
Other Local Authorities	1,431	1,579
Health Authorities	18	50
Bodies external to general government (i.e. all other bodies)	9,546	12,933
	16,285	**21,748**
Creditors		
Government Departments	10,510	9,252
Other Local Authorities	8,422	8,042
Health Authorities	4,298	8,613
Bodies external to general government (i.e. all other bodies)	74,631	87,072
	97,861	**112,979**
Short Term Creditors and RIA	**114,146**	**134,727**
Long Term Receipts in Advance	**30,030**	**29,173**
Total	**144,176**	**163,900**

Long Term Receipts in Advance relate to contributions received which have conditions attached to them that are not expected to be satisfied within the next 12 months.

40. Provisions

A breakdown of the items within the Provisions category on the Balance Sheet is set out below, analysed between those due within 1 year and those due after 1 year, together with the movements for the year is as follows:

	Balance at 31 March 2023 £'000	Reclassification between short and long term £'000	Additional provisions made in 2023/24 £'000	Amounts used in 2023/24 £'000	Unused amounts reversed in 2023/24 £'000	Balance at 31 March 2024 £'000
Provision due within 1 year						
Insurance	970	1,045	990	-846	-1,028	705
Pooled Budgets	0	0	0	0	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	80	0	125	-3	0	202
Business Rates	3,469	0	4,280	0	-3,469	4,280
Other	0	0	0	0	0	0
	4,519	**1,045**	**5,395**	**-849**	**-4,497**	**5,187**
Provision due after 1 year						
Insurance	2,197	-1,045	3,175	-315	-50	4,389
	2,197	**-1,045**	**3,175**	**-315**	**-50**	**4,389**
Total	**6,716**	**0**	**8,570**	**-1,164**	**-4,547**	**9,576**

	Balance at 31 March 2022 £'000	Reclassification between short and long term £'000	Additional provisions made in 2022/23 £'000	Amounts used in 2022/23 £'000	Unused amounts reversed in 2022/23 £'000	Balance at 31 March 2023 £'000
Provision due within 1 year						
Insurance	957	1,736	776	-850	-1,648	970
Pooled Budgets	1,850	0	0	-1,850	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	130	0	13	-7	-55	80
Business Rates	4,456	0	3,469	0	-4,456	3,469
Joint Use	0	0	0	0	0	0
	7,393	**1,736**	**4,258**	**-2,707**	**-6,159**	**4,519**
Provision due after 1 year						
Insurance	3,741	-1,736	860	99	-768	2,197
	3,741	**-1,736**	**860**	**99**	**-768**	**2,197**
Total	**11,134**	**0**	**5,118**	**-2,608**	**-6,927**	**6,716**

Details of the provisions held at 31 March 2024 are as follows:

- Insurance claims are managed by the County Council's Insurance Team, working with external insurers and legal advisors to achieve a satisfactory outcome. The time required to settle these claims will depend upon the complexity of each case and the approach adopted by each claimant, but the expectation is that the majority of these cases will be settled within 18 months to two years. In a small number of cases where the final liability is dependent on a long-term medical prognosis, the claim may take longer to settle to ensure all the medical facts are known.
- Under the Business Rates Retention Scheme the County Council is required to account for its share of the billing authorities' provision for appeals on business rates valuations.

41. Deferred Income

The deferred income balance of £2.518m at 31 March 2024 (£3.349m at 31 March 2023) relates to lease premiums received under the service concession arrangement with Oxfordshire Care Partnership and in relation to two other leases, which are being released to the Comprehensive Income and Expenditure Statement over the lives of the arrangements.

42. County Fund Balance

The balance on the County Fund at 31 March 2024 was £41.950m (£22.642m at 31 March 2023) as shown in Movement in Reserves Statement.

43. Capital Grants Receipts in Advance

The balance on this account represents capital grants and contributions which have been received but not yet recognised as income as they have conditions attached to them that require the monies to be returned to the provider if not used for the purposes specified. The movement on the account, split between short term and long term is as follows:

2022/23 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000		2023/24 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000
				Short Term:				
15,218	**5,272**	**0**	**20,490**	**Balance as at 1 April**	**10,344**	**5,397**	**0**	**15,741**
7,352	6,290	0	**13,642**	Received/refunded during the year	8,360	-4,652	0	3,708
-13,026	-20,121	0	**-33,147**	Transferred to the Comprehensive Income and Expenditure Statement during the year	-3,515	-27,029	0	-30,544
800	13,956	0	**14,756**	Transfer between short and long term	0	42,850	0	42,850
10,344	**5,397**	**0**	**15,741**	**Balance at 31 March**	**15,189**	**16,566**	**0**	**31,755**
				Long Term:				
800	**158,762**	**65**	**159,627**	**Balance as at 1 April**	**500**	**169,965**	**65**	**170,530**
500	35,002	0	35,502	Received/refunded during the year	0	45,632	0	45,632
0	-13,162	0	**-13,162**	Transferred to Capital grants unapplied	0	861	0	861
0	3,319	0	**3,319**	Interest	0	4,958	0	4,958
-800	-13,956	0	**-14,756**	Transfer between short and long term	0	-42,850	0	-42,850
500	**169,965**	**65**	**170,530**	**Balance at 31 March**	**500**	**178,566**	**65**	**179,131**
10,844	**175,362**	**65**	**186,271**	**Total Balance at 31 March**	**15,689**	**195,132**	**65**	**210,886**

44. Earmarked Reserves

	Balance at 31 March 2022 £'000	In year movement 2022/23 £'000	Balance at 31 March 2023 £'000	In year movement 2023/24 £'000	Balance at 31 March 2024 £'000
School Reserves	14,518	-1,591	12,927	215	13,142
Vehicle and Equipment Reserve	2,681	767	3,448	663	4,111
Revenue Grants and Contribution Reserve	24,690	12,158	36,849	-3,291	33,558
Government Initiatives	3,449	-1,103	2,345	808	3,153
Trading Accounts	460	-249	211	-132	79
Council Elections	189	195	384	188	571
Partnership Reserves	2,397	-528	1,870	184	2,053
On Streetcar Parking	3,970	975	4,945	1,560	6,506
Zero Emissions Zone Reserve	0	503	503	534	1,037
Transformation Reserve	2,187	-716	1,470	365	1,835
Demographic Risk Reserve	9,000	4,000	13,000	4,000	17,000
Youth Provision Reserve	262	0	262	-240	22
Budget Prioritisation Reserve	18,534	-7,104	11,430	-683	10,747
Insurance Reserve	11,726	1,159	12,884	-2,597	10,287
Business Rates Reserve	4,130	5,354	9,484	2,180	11,664
Capital Reserve	47,839	20,389	68,229	12,830	81,060
Redundancy Reserve	3,283	-926	2,357	1	2,358
Investment Prime Pumping Reserve	2,000	0	2,000	-1,880	120
Council Tax Collection Fund Reserve	6,000	-3,000	3,000	0	3,000
Covid-19 Reserve	26,247	-10,847	15,400	-7,500	7,900
Total Earmarked Reserves	**183,562**	**19,436**	**202,998**	**7,205**	**210,203**

School Reserves

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These reserves are committed to be spent on schools. The following table provides an analysis of school surplus and deficits:

	Balance at 31 March 2023		Balance at 31 March 2024	
	No. of schools	Balance £'000	No. of schools	Balance £'000
Primary Schools				
Schools in surplus	113	13,556	109	14,570
Schools in deficit	16	-1,269	20	-1,572
Secondary Schools				
Schools in surplus	0	0	0	0
Schools in deficit	1	-1,142	1	-1,108
Special Schools				
Schools in surplus	4	1,784	3	1,393
Schools in deficit	0	0	1	-142
Sub-Total Revenue	**134**	**12,929**	**134**	**13,142**
Closed schools and schools contingency		0		0
Schools Forum & miscellaneous activities		0		0
Total	**134**	**12,929**	**134**	**13,142**

Insurance Reserve

An independent actuary, Arthur J Gallagher, carries out a full valuation of the County Council's employers and public liability, motor, property and personal accident liability every three years using generally accepted actuarial methods. Interim valuations take place annually in between. The last full valuation was completed as at 31 March 2021.

The actuaries projected the standard claims arising in future years in respect of the period up to 31 March 2024 at £1.924m. In addition to these claims the actuaries have also highlighted an amount in respect of Municipal Mutual Insurance Plc (MMI) clawback and non-standard claims (for example exceptional and latent claims) which in total has been assessed at £1.740m. The sum of £0.581m has been included in the reserves to cover MMI clawback noted as a contingent liability.

	At 31 March 2023 £'000	At 31 March 2024 £'000
Standard claims likely to be received as at 31 March	1,884	1,924
Additional Incurred but not reported/Latent claims as assessed by Actuarial review	1,786	1,740
Municipal Mutual Insurance clawback as assessed by actuarial review	544	581
Risk management	8,671	6,042
Total	**12,885**	**10,287**

45. Usable Capital Receipts

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**30,103**	**31,672**
Net receipts from sale of assets	1,582	1,437
Net receipts from repayment of loans	0	0
Receipts applied to finance capital expenditure	-13	-33
Balance at 31 March	**31,672**	**33,076**

This reserve has been established for the purpose of financing capital expenditure in future years. Unutilised capital receipts at 31 March 2024 have been earmarked for future schemes. An analysis of the net capital receipts from the sale of assets is set out in the following table:

Net Capital Receipts from the sale of assets	2022/23 £'000	2023/24 £'000
Other receipts from the sale of assets under £500,000	0	23
Total	**0**	**23**

46. Capital Grants and Contributions Unapplied

The balance on this account represents grants and contributions which have been recognised as income in the Comprehensive Income and Expenditure Statement but not yet applied to finance capital expenditure.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**181,120**	**218,358**
Applied during the year	-63,890	-42,872
Repaid during the year	-107	-25
Interest	1,265	1,943
Recognised as income but not applied during the year	96,496	45,392
Transfers from Capital grants received in advance	3,474	-861
Balance at 31 March	**218,358**	**221,935**

47. Unusable Reserves

A breakdown of reserves within the unusable reserves category on the Balance Sheet is set out in the following table.

Unusable Reserves	2022/23 £'000	2023/24 £'000
Pooled Fund Adjustment Account	-4,902	-2,454
Pensions Reserve	-290,583	-129,642
Revaluation Reserve	158,223	177,234
Capital Adjustment Account	721,293	738,797
Financial Instruments Adjustment Account	-230	-228
Collection Fund Adjustment Account	17,183	11,366
Dedicated Schools Grant Adjustment Account	-33,610	-45,824
Accumulated Absences Account	-3,270	-3,459
Total	**564,104**	**745,790**

48. Pooled Funds Adjustment Account

The Financial Instruments Revaluation Reserve holds gains /losses arising from the movement in fair value of assets held within the Fair Value through Other Comprehensive Income assets category.

2022/23 £'000		2023/24 £'000
5,265	**Balance at 1 April**	**-4,903**
0	Increase in value of assets held at Fair Value through Profit and Loss	3,416
-10,168	Decrease in value of assets held at Fair Value through Profit and Loss	-967
0	Amounts transferred to the General Fund on disposal	0
-4,903	**Balance at 31 March**	**-2,454**

49. Revaluation Reserve

The Revaluation Reserve contains the gains made by the County Council arising from increases in the value of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, consumed through depreciation or disposed. The Reserve contains only revaluation gains accumulated since 1 April 2007, when the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23 £'000	£'000	Revaluation Reserve	2023/24 £'000	£'000
	214,793	**Balance as at 1 April**		**158,223**
-55,352		Revaluation of assets	18,977	
-428		Impairment of assets	-1,015	
10,137		Write back of accumulated depreciation on revaluations	7,527	
705		Write back of accumulated impairment on revaluations	511	
	-44,938	Surplus or deficit on revaluation of non current assets not posted to the Surplus or Deficit on the Provision of Services		**26,000**
	463	Asset Transfers		**0**
-3,846		Difference between fair value depreciation and historical cost depreciation	-3,746	
-8,249		Accumulated gains on assets sold or scrapped	-3,243	
	-12,095	Amounts written off to the Capital Adjustment Account		**-6,989**
	158,223	**Total Balance at 31 March**		**177,234**

50. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences between 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 as depreciation, impairment losses and amortisations 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 the amounts set aside by the County Council as finance for the costs of acquisition, construction, or enhancement. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

2022/23 £'000	£'000	Capital Adjustment Account	2023/24 £'000	£'000
	695,061	**Balance as at 1 April**		**721,291**
		Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):		
-38,273		Charges for depreciation for non-current assets	-44,937	
-532		Charges for impairment for non-current assets	-438	
-20,017		Revaluation losses / subsequent gains on Property, Plant and Equipment	-4,875	
-204		Amortisation of Intangible Assets	-462	
-49,449		Revenue Expenditure funded from capital under statute	-55,904	
-18,665		Amounts of non-current assets written off on disposal or sale as part of the gain/ loss on derecognition	-11,518	
0		Removal of finance liability on derecognition of assets held under finance leases	0	
	-127,140			**-118,134**
		Adjusting amounts written out of the Revaluation Reserve:		
3,845		Difference between fair value depreciation and historical cost depreciation	3,747	
6,759		Accumulated gains on assets sold or scrapped	3,243	
-463		Balance on reclassification of Investment Properties to PPE	0	
	10,141			**6,990**
		Capital Financing applied in year:		
63,989		Capital grants and contributions credited to the CIES that have been applied to capital financing	71,007	
63,890		Application of grants to capital financing from the Capital Grants Unapplied account	42,872	
0		Reversal of grants and contributions applied in previous years	0	
12,394		Statutory provision for the financing of capital investment charged against the County Fund balance	14,239	
1,954		Capital expenditure charged against the County Fund balance	2,217	
	142,227			**130,335**
	1,002	**Movements in the market value of Investment Properties debited or credited to the CIES**		**-215**
	0	**Amounts of Investment Properties written off on disposal or sale as part of the gain/loss on derecognition**		**0**
	1,489	**Accumulated gains on Assets held for Sale or scrapped**		**0**
	-1,489	**Amounts of Assets held for Sale written off on disposal or sale as part of the gain/loss on derecognition**		**-1,470**
	721,291	**Total Balance at 31 March**		**738,797**

51. Collection Fund Adjustment Account

The account holds the difference between the accrued Council Tax income and accrued Business Rates income included in the Comprehensive Income and Expenditure Statement (CIES) and the amount required by regulations to be credited to the County Fund.

The movement on the account is as follows:

Collection Fund Adjustment Account	2022/23 £'000	2023/24 £'000
Balance as at 1 April	**7,397**	**17,183**
Decrease in Council Tax and Business Rate surpluses/increases in deficits	-3,370	477
Increases in Council Tax and Business Rate surpluses/reductions in deficits	13,156	-6,294
Amount by which Council Tax and Business Rate income credited to the CIES is different from the income for the year calculated in accordance with statutory requirements	**9,786**	**-5,817**
Balance as at 31 March	**17,183**	**11,366**

52. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the County Fund balance from accruing for compensated absences earned but not taken in the year. Statutory provisions require that the impact on the County Fund balance is neutralised by transfers to or from the account.

The balance at 31 March 2024 relates to teachers' accumulated holiday pay, no accruals have been made for non-teaching staff in 2023/24 as the amounts involved are not considered to be material to the accounts.

Accumulated Absences Account	2022/23 £'000	2023/24 £'000
Balance as at 1 April	**-2,781**	**-3,271**
Settlement or cancellation of previous year's accrual	2,780	3,271
Amount accrued at the end of the current year	-3,270	-3,459
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in the year under statute	**-490**	**-188**
Balance as at 31 March	**-3,271**	**-3,459**

53. Dedicated Schools Grant Adjustment Account

The statutory reporting requirements for the 2023/24 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 3 years within statute until 31 March 2026. Is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is continuing to take action to manage the deficit but this is continuing to increase. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m.

DSG Adjustment Account	2022/23 £'000	2023/24 £'000
Balance as at 1 April	**-23,581**	**-33,611**
Contributions to / from reserve	-10,029	-12,213
Balance as at 31 March	**-33,610**	**-45,824**

54. Cash Flow Statement – Non-Cash Movements

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

Non-cash Movements	2022/23 £'000	2023/24 £'000
Depreciation/amortisation of fixed assets	-38,480	-45,401
Impairment charges/revaluation losses (-) Gains (+)	-20,549	-5,313
Retirement benefit adjustments	-73,805	-8,390
Debt write-offs and Impairment allowances	9,075	957
Donated assets	0	0
Other financial instrument adjustments	2	2
Movement in provisions in the year	4,416	-2,860
Deferred income released	1,044	831
Movement in value of Pooled Funds	-10,167	2,447
Movement in value of investment properties	1,002	-215
Interest on S106 Contributions	0	-4,958
Carrying amount of non-current assets sold	-20,152	-12,989
Transfers from Capital Grants Receipts in Advance	46,309	29,683
Previous years capitalised spend written-off	0	0
Other non-cash adjustment	-1	0
Increase/decrease (-) in debtors	5,367	-8,589
Increase (-)/decrease in creditors	-15,901	-27,263
Total adjustments for non-cash movements	**-111,840**	**-82,058**

55. Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities.

	2022/23 £'000	2023/24 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,570	1,427
Gains on loans & receivables	0	0
- Capital grants received	132,291	88,277
-Cash adjustment	0	0
Total	**133,861**	**89,704**

56. Cash Flow Statement – Investing Activities

Investing Activities	2022/23 £'000	2023/24 £'000
Purchase of property, plant and equipment, investment property and intangible assets	123,259	127,250
Purchase of short-term and long-term investments	368,555	373,454
Other payments for investing activities	-1,001	-1,041
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-1,570	-1,427
Capital grants	-184,754	-137,617
Proceeds from short-term and long-term investments	-339,718	-403,389
Other receipts from investing activities	2,833	1,329
Total adjustments for investing activities	**-32,396**	**-41,441**

57. Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

31 March 2022 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2023 £'000		31 March 2023 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2024 £'000
-35,456	105			-35,351	Short term borrowing	-35,351	14,000		-945	-22,296
-281,383	7,000			-274,383	long term borrowing	-274,383	8,000		0	-266,383
-662	662	-740		-740	Short term finance liability liabilities	-740	740	-836		-836
-15,740	3	740		-14,997	long-term finance liability liabilities	-14,997	0	836		-14,161
0				0	Short term receivables	0				0
0				0	Short term payables	0				0
-333,241	**7,770**	**0**	**0**	**-325,471**		**-325,471**	**22,740**	**0**	**-945**	**-303,676**

Financing Activities	2022/23 £'000	2023/24 £'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet service concession arrangements	664	740
Short and long-term borrowings raised	-5,000	19,000
Repayments of short- and long-term borrowing	12,000	3,000
Total adjustments for financing activities	**7,664**	**22,740**

58. Contingent Liabilities

The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore as at 31 March 2024 the Council has a potential liability of £3.621m remaining on previously settled claims, plus the value of any outstanding and future claims. On Actuarial advice a further 15% of the total known liability has been secured against future clawback over the longer term.

59. Events after the Reporting Period

The accounts were authorised for issue on 27 November 2024. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Four schools converted to academy status since 31 March 2024, none of which are recognised on the County Council's balance sheet. These are non-adjustment events.

60. Accounting standards issued but not adopted

The County Council is required to disclose information relating to the impact on the financial statements of any accounting changes resulting from the adoption by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

There are no changes that have a material impact on the Council's financial statements in 2023/24.

The International Accounting Standards Board (IASB) has issued International Financial Reporting Standard 16 (IFRS 16) on Leases, which will come into effect for the year commencing 1 April 2024. This new standard will significantly impact how leases are accounted for on the Council's Balance Sheet. Unlike the current practice, where only assets and liabilities from finance leases are recognized, IFRS 16 requires the recognition of most leased assets as 'right-of-use' assets along with corresponding lease liabilities. This change will apply to nearly all lease agreements, including operating leases, except for those of short duration or low value.

Under IFRS 16, lease payments will be split into two components: one part will reduce the lease liability, while the other will be treated as interest on the outstanding liability. Additionally, the right-of-use assets will be subject to depreciation, which will be recorded in the Comprehensive Income and Expenditure Statement. These changes will increase the Capital Financing Requirement and the annual Minimum Revenue Provision; however, statutory provisions ensure that the amounts charged to the revenue budget will not change as a result.

The standard also requires the remeasurement of lease liabilities in response to significant changes, such as rent increases linked to inflation indices like RPI or CPI. These adjustments will apply to both lease agreements and Private Finance Initiative (PFI) arrangements. Moreover, IFRS 16 provides guidance on handling lease liabilities in sale and leaseback

transactions, though this is not expected to have a material impact on the Council's financial statements.

The Council's Statement of Accounts for 2024/25 will reflect these updates, including changes related to operating leases as noted in the lease disclosure (Note 13).

61. Authorisation of the Accounts

The draft Statement of Accounts was authorised for issue by Lorna Baxter, Executive Director of Resources and Section 151 Officer on 27 November 2024. These statements may be subject to amendment following the conclusion of the audit.

The County Council acts as a trustee for the various funds below. The funds are invested in the Stock Market and with the County Council. They do not form part of the Balance Sheet.

Trust Funds where Oxfordshire County Council acts as sole trustee		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	Funds for the Development of Hill End Residential Centre	61	1	38
	Criminal Injuries Compensation Awards	0	1	0
	Other (under £10,000)	1	1	1
CDAI	Bequest of Property at Watlington	84	1	88
Total		**146**	**4**	**127**

Trust Funds where Oxfordshire County Council acts as joint trustee		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	Other (under £10,000)	1	1	1
Adults	Junior Citizens Trust	12	1	7
Total		**13**	**2**	**9**

Other Funds		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	City Lectureship Scholarship	19	1	19
	Other (under £10,000)	25	6	26
Adults	Other (under £10,000)	6	1	5
Total		**49**	**8**	**51**

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The Local Government Pension Fund Accounts

OXFORDSHIRE COUNTY COUNCIL

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Fund Account	Notes	2023 £'000	2024 £'000
Contributions and Benefits			
Contributions Receivable	6	-114,312	-135,929
Transfers from Other Schemes	7	-14,980	-17,260
Other Income		-22	-21
Income Sub Total		**-129,314**	**-153,210**
Benefits Payable	8	103,572	114,793
Payments to and on Account of Leavers	9	10,681	12,131
Expenditure Sub Total		**114,253**	**126,924**
Net (Additions)/Withdrawals From Dealings With Members		**-15,061**	**-26,286**
Management Expenses	10	16,857	22,676
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses		**1,796**	**-3,610**
Returns on Investments			
Investment Income	11	-20,338	-24,257
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	14a	138,543	-343,413
Less Taxes on Income	11	14	-2
Net returns on Investments		**118,219**	**-367,672**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**120,015**	**-371,282**
Opening Net Assets of the Scheme		**3,290,167**	**3,170,152**
Closing Net Assets of the Scheme		**3,170,152**	**3,541,434**

Net Assets Statement	Notes	2023 £'000	2024 £'000
Investment Assets			
Equities	14b	145,099	177,643
Pooled Investments	14b	2,684,400	2,967,703
Pooled Property Investments	14b	276,454	315,717
Derivative Contracts	14c	0	0
Cash Deposits	14d	11,952	5,753
Other Investment Balances	14c	1,888	2,093
Long-Term Investment Assets	14b	840	840
Investment Liabilities			
Derivative Contracts	14c	0	0
Other Investment Balances	14c	-66	-4
Total Investments		**3,120,567**	**3,469,745**
Assets and Liabilities			
Current Assets	15	51,818	74,514
Current Liabilities	16	-2,643	-3,235
Net Current Assets		**49,175**	**71,279**
Long-Term Assets	17	410	410
Net Assets of the scheme available to fund benefits at year end		**3,170,152**	**3,541,434**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 24.

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2023/24 Annual Report and in the underlying statutes.

General

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme, which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

Membership

The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government's auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

Organisations participating in the Oxfordshire County Council Pension Fund include:

- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.
- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

- Admitted Bodies can be split in to two groups:
  - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.
  - Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008

The table below details the composition of the Fund's membership:

	As at 31-Mar-23	As at 31-Mar-24
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,512	8,375
Other Scheduled Bodies	12,643	13,391
Admitted Bodies	433	442
	21,588	**22,208**
Number of Pensioners and Dependants		
Oxfordshire County Council	10,447	10,858
Other Scheduled Bodies	6,855	7,267
Admitted Bodies	1,210	1,263
	18,512	**19,388**
Deferred Pensioners		
Oxfordshire County Council	16,268	16,303
Other Scheduled Bodies	13,623	14,137
Admitted Bodies	1,265	1,243
	31,156	**31,683**

Unprocessed leavers are included as Deferred Pensioners.

Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2023 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2022 and determined the contribution rates to take effect from 01 April 2023. Employer contribution rates currently range from 9.6% to 37.3% of pensionable pay.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

	Service Pre 1 April 2008	Service Post 31 March 2008
Pension	Each full-time year worked is worth 1/80 × final pensionable salary.	Each full-time year worked is worth 1/60 × final pensionable salary.
Lump Sum	Automatic lump sum of 3 × pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014 the scheme became a career average scheme, where members accrue benefits based on their pensionable pay in any given year at an accrual rate of 1/49th. Accrued pension is indexed annually in line with the Consumer Prices Index. The normal retirement age is linked to each individual member's State Pension Age.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. Scheme members are now also able to opt to pay 50% of the standard contributions in return for 50% of the pension benefit.

Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 21.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 24.

The accounts have been prepared on a going concern basis. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the

2022 valuation was 111%. Therefore, management are assured the pension fund remains a going concern.

Note 3 – Summary of Significant Accounting Policies

Investments

1. Investments are shown in the accounts at market value, which has been determined as follows:
   a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last listed traded price, as at 31 March 2024.
   b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information;
   c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.
   d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2024.
   e) Fixed Interest stocks are valued on a 'clean' basis (i.e. the value of interest accruing from the previous interest payment date to the valuation date has been included within the amount receivable for accrued income).
   f) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.
   g) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
   h) All gains and losses arising on derivative contracts are reported within 'Changes in Market Value of Investments.

Foreign Currencies

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

The Actuary determines the contribution rate for each employer during the triennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

   In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases, investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled

   Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2024.

Investment Management and Scheme Administration

6. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

Expenses

7. Expenses are accounted for on an accruals basis.

Cash

8. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

Listed Private Equity

9. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

Management Fees

10. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included, only those the pension fund pays to the fund of funds manager.

Note 4 – Critical Judgements in Applying Accounting Policies

Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2024 was £496.162m (£389.596m at 31 March 2023).

Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 24. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

Item	Uncertainties	Potential Impact
Actuarial Present Value of Promised Retirement Benefits	Estimation of the net liability to pay pensions 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 ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied.	The actuarial present value of promised retirement benefits included in the financial statements is £3,290m. There is a risk that this figure is under, or overstated in Note 24 to the accounts. Sensitivities to the key assumptions are as follows: A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£58m). A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£2m). A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£60m). A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£132m).
Unquoted Private Equity	Unquoted private equity and infrastructure investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process there is a degree of estimation involved in the valuation.	Unquoted private equity, private debt and infrastructure investments included in the financial statements total £496.162m . There is a risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 25.

Note 6 – Contributions

	2022/23 £'000	2023/24 £'000
Employers		
Normal	-75,718	-88,354
Augmentation	0	0
Deficit Funding	-8,721	-16,040
Costs of Early Retirement	-857	-207
	-85,296	**-104,601**
Members		
Normal & Additional*	**-29,016**	**-31,328**
Total	**-114,312**	**-135,929**

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 21.

Lump sum pre-payments in respect of contributions for the period 01/04/23-31/03/24 totalling £10.780m were received during 2023/24.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary

has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

	Employer Contributions		Members Contributions	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Oxfordshire County Council	-36,321	-38,227	-12,072	-12,733
Scheduled Bodies	-41,908	-58,818	-14,468	-16,052
Resolution Bodies	-4,191	-5,161	-1,623	-1,652
Community Admission Bodies	-1,490	-1,168	-373	-401
Transferee Admission Bodies	-1,386	-1,227	-480	-490
Total	**-85,296**	**-104,601**	**-29,016**	**-31,328**

Note 7 – Transfers In

	2022/23 £'000	2023/24 £'000
Individual Transfers In from other schemes	-14,980	-17,260
Group Transfers In from other schemes	0	0
Total	**-14,980**	**-17,260**

Note 8 – Benefits

	2022/23 £'000	2023/24 £'000
Pensions Payable	85,687	95,768
Lump Sums – Retirement Grants	14,892	16,071
Lump Sums – Death Grants	2,993	2,954
Total	**103,572**	**114,793**

	Pensions Payable		Lump Sums	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Oxfordshire County Council	41,566	46,254	7,827	6,933
Scheduled Bodies	37,041	41,255	7,509	8,897
Resolution Bodies	1,343	1,706	1,171	1,822
Community Admission Bodies	4,467	5,042	844	996
Transferee Admission Bodies	1,270	1,511	534	377
Total	**85,687**	**95,768**	**17,885**	**19,025**

Note 9 – Payment to and on account of leavers

	2022/23 £'000	2023/24 £'000
Refunds of Contributions	218	652
Payments for members joining state scheme	-2	-3
Group Transfers Out to other schemes	0	0
Individual Transfers Out to other schemes	10,465	11,482
Total	**10,681**	**12,131**

Note 10 – Management Expenses

	2022/23 £'000	2023/24 £'000
Administrative Costs	2,086	2,906
Investment Management Expenses	12,803	18,140
Oversight & Governance Costs	1,968	1,630
Total	**16,857**	**22,676**

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.025m (2022/23 £0.025m) for the audit of the Pension Fund's Annual Report and Accounts.

A further breakdown of Investment Management Expenses is in Note 12.

Note 11 – Investment Income

	2022/23 £'000	2023/24 £'000
Bonds	-578	0
Equity Dividends	-4,084	-4,295
Pooled Property Investments	-6,877	-7,061
Pooled Investments – Unit Trusts & Other Managed Funds	-7,744	-10,034
Interest on cash deposits	-1,055	-2,867
	-20,338	**-24,257**
Irrecoverable withholding tax – equities	**14**	**-2**
Total	**20,324**	**-24,259**

Note 12 – Investment Management Expenses

	2022/23 £'000	2023/24 £'000
Management Fees	12,751	18,091
Custody Fees	52	49
Total	**12,803**	**18,140**

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

Note 13 – Related Party Transactions

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

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2023/24, the Committee consisted of five County Councillors (voting members), four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.126m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

	2022/23 £'000	2023/24 £'000
Short Term Benefits*	106	108
Long Term/Post Retirement Benefits	17	18
Total	**123**	**126**

*Includes allowances paid to the Chairman of the Pension Fund Committee

These figures represent the relevant proportion of the salary and employer pension contributions for the key Council staff, reflecting their work for the Pension Fund.

As the County Council is the designated statutory body responsible for administrating the Oxfordshire Pension Fund, it is a related party.

For the 12 months ended 31 March 2024, employer contributions to the Pension Fund from the County Council were £38.227m (2022/23 £36.321m). At 31 March 2024 there were receivables of in respect of contributions due from the County Council of £4.289m (2022/23 £4.049m) and payables due to the County Council of £0.187m (2022/23 £0.336m).

The County Council was reimbursed £1.936m (2022/23 £1.682m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

	Value at 31 March 2023 £'000	Value at 31 March 2024 £'000
Investment Assets		
Equities	145,099	177,643
Pooled Funds:		
Fixed Income	152,779	135,566
Index Linked	167,642	229,819
Global Equity	1,226,423	1,596,696
UK Equity	497,259	359,128
Private Equity	218,892	246,528
Private Debt	40,443	68,410
Infrastructure Funds	130,261	181,224
Diversified Growth Fund	116,201	0
Multi Asset Credit Fund	134,500	150,332
Pooled Property Investments	276,454	315,717
Cash Deposits	11,952	5,753
Long-Term Investments	840	840
Investment Income Due	1,888	1,979
Amounts Receivable for Sales	0	114
Total Investment Assets	**3,120,633**	**3,469,749**
Investment Liabilities		
Management Expenses Due	-66	-4
Amounts Payable for Purchases	0	0
Total Investment Liabilities	**-66**	**-4**
Net Investment Assets	**3,120,567**	**3,469,745**

Brunel Pension Partnership Ltd (Company Number 10429110)

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14 October 2016 and oversees the investment of pension fund assets for the following LGPS funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire. Each of the nine Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2022/23 £'000	2023/24 £'000
Income	0	0
Expenditure	1,182	1,313
Receivables	0	0
Payables	0	0

Note 14 – Investments

Note 14a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2023 £'000	Purchases at Cost & Derivative Payments £'000	Sales Proceeds & Derivative Receipts £'000	Change in Market Value £'000	Cash Movement £'000	Increase in Receivables / (Payables) £'000	Value at 31-Mar-24 £'000
Equities	145,099	3,319	-16,279	45,504			177,643
Pooled Investments	2,684,400	500,902	-533,351	315,752			2,967,703
Pooled Property Investments	276,454	100,158	-43,227	-17,668			315,717
Long-Term Investments	840	0	0	0			840
Derivative Contracts							
FX	0	2		-2			0
Futures	0	0		0			0
Other Investment Balances							
Cash Deposits	11,952	33,565	-39,470	-173	-121		5,753
Amounts Receivable for Sales of Investments	0	0	0	0		114	114
Investment Income Due	1,888	0	0	0		91	1,979
Amounts Payable for Purchases of Investments & Management Expenses	-66	0	0	0		62	-4
Total	**3,120,567**	**637,946**	**-632,327**	**343,413**	**-121**	**267**	**3,469,745**

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

There have been no employer-related investments at any time during the year

	Value at 1 April 2022 £'000	Purchases at Cost & Derivative Payments £'000	Sales Proceeds & Derivative Receipts £'000	Change in Market Value £'000	Cash Movement £'000	Increase in Receivables / (Payables) £'000	Value at 31-Mar-23 £'000
Bonds	80,934	34,495	-98,362	-17,067			0
Equities	164,113	2,813	-12	-21,815			145,099
Pooled Investments	2,684,178	120,155	-90,803	-29,130			2,684,400
Pooled Property Investments	273,869	108,030	-32,974	-72,471			276,454
Long-Term Investments	840						840
Derivative Contracts							
FX	-428	2,299	-1,687	-184			0
Futures	203	3,248	-5,133	1,682			0
Other Investment Balances							
Cash Deposits	6,626	62,228	-56,215	441	-1,128		11,952
Amounts Receivable for Sales of Investments	34	0	0			-34	0
Investment Income Due	2,134	0	0	1		-247	1,888
Amounts Payable for Purchases of Investments & Management Expenses	-548	0	0	0		482	-66
Total	**3,211,955**	**333,268**	**-285,186**	**-138,543**	**-1,128**	**201**	**3,120,567**

Note 14b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

Long-Term Investment Assets	2022/23 £'000	2023/24 £'000
Brunel Pension Partnership Ltd	840	840
Total	**840**	**840**

Equity Investments	2022/23 £'000	2023/24 £'000
UK Equities	135,423	177,319
North American Equities	9,343	
European Equities	333	324
Total	**145,099**	**177,643**

Pooled Investment Vehicles	2022/23 £'000	2023/24 £'000
UK Registered Managed Funds – Property	86,893	105,841
Non-UK Registered Managed Funds – Property	49,637	51,895
UK Registered Managed Funds – Other	2,044,102	2,346,147
Non-UK Registered Managed Funds – Other	640,298	621,556
UK Registered Property Unit Trusts	97,605	99,305
Non-UK Registered Property Unit Trusts	42,319	58,676
Total	**2,960,854**	**3,283,420**

Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)	2022/23 £'000	2023/24 £'000
	3,106,793	**3,461,903**

Note 14c – Other Investment Balances

	2022/23 £'000	2023/24 £'000
Receivables		
Sale of Investments	0	114
Dividend & Interest Accrued	1,659	1,750
Inland Revenue	229	229
	1,888	**2,093**
Payables		
Management Fees	-61	0
Custodian Fees	-5	-4
	-66	**-4**
Total	**1,822**	**2,089**

Note 14d - Cash Deposits

	2022/23 £'000	2023/24 £'000
Non-Sterling Cash Deposits	11,952	5,753
Total	**11,952**	**5,753**

The following investments represent more than 5% of the net assets of the scheme

	2022/23 £'000	% of Total Fund	2023/24 £'000	% of Total Fund
Brunel UK Equity Fund	497,259	15.69	359,128	10.14
FTSE PAB Developed Equity Index Fund	496,833	15.67	628,606	17.75
Brunel HG ALP GLB EQ	336,236	10.61	352,516	9.95
Brunel GBL Sustainable Mutual Fund	311,965	9.84	615,574	17.38
Blackrock Aquila Life Fund	140,978	4.45	229,819	6.49

Note 15 – Current Assets

	2022/23 £'000	2023/24 £'000
Receivables:		
Employer Contributions	6,853	7,828
Employee Contributions	2,331	2,627
Rechargeable Benefits	1,065	1,215
Transferred Benefits	1,883	2,115
Cost of Early Retirement	110	87
Inland Revenue	18	197
Other	222	1,525
Cash Balances	39,336	58,920
Total	**51,818**	**74,514**

Note 16 – Current Liabilities

	2022/23 £'000	2023/24 £'000
Transferred Benefits	-186	-260
Benefits Payable	-865	-1,156
Inland Revenue	-1,190	-1,519
Employer Contributions	-1	-2
Staff Costs	-135	-155
Consultancy	-50	-21
Other	-216	-122
Total	**-2,643**	**-3,235**

Note 17 – Long-Term Assets

	2022/23 £'000	2023/24 £'000
Employer Contributions	410	410
Total	**410**	**410**

Note 18 - Assets under External Management

The market value of assets under external fund management amounted to £3,217.788m as at 31 March 2024. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

Fund Manager	31/03/2023 Market Value £'000	%	31/03/2024 Market Value £'000	%
Brunel Pension Partnership	2,625,431	89.65	3,131,009	97
Legal & General	84,129	2.87	0	0
Insight	116,201	3.97	0	0
Adams Street Partners	63,600	2.17	57,317	1.8
Partners Group	39,314	1.34	29,462	0.9
Total	**2,928,675**	**100**	**3,217,788**	**100**

Note 19 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2024	£'000	% of Fund
HG Capital Trust Plc	92,471	2.61
Aberdeen Private Equity Opportunities Trust Plc	27,420	0.77
3i Group Plc	26,641	0.75
CT Private Equity Trust Plc	20,478	0.58
ICG Enterprise Trust Plc	10,128	0.29

Note 20 – Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

Note 21 – Additional Voluntary Contributions

Market Value 31 March 2023 £'000	Market Value 31 March 2024 £'000
12,278	12,452

AVC contributions of £1.134m were paid directly to the Fund's AVC providers during the year (2022/23 - £1.044m).

The AVC provider to the Fund is Legal & General. The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Legal & General.

Note 22 – Contingent Liabilities and Capital Commitments

As at 31 March 2024 the fund had outstanding capital commitments (investments) totalling £237.493m (31 March 2023 - £313.060m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

Note 23 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council's webpage.

Note 24 - Actuarial Present Value of Promised Retirement Benefits

	2023 £m	2024 £m
Present Value of Funded Obligation	3,278	3,290

The movement from March 2023 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £226m (2023 - £431m increase).

There has been a decrease in the present value of the Funded Obligation of £214m (2023 - £1,686m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- A decrease in the assumed level of CPI, and therefore pension increase, from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- A decrease in the assumed level of salary increases from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- An increase in the discount rate to 4.85% from 4.75% (net effect a decrease in Present Value of Funded Obligation).

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 Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Oxfordshire County Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates. The revised estimate is that total liabilities (i.e. the increase in active members' liabilities expressed in terms of the employer's total membership) could be 0.5% higher as at 31 March 2021, an increase of approximately £6m.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

Note 25 - Financial Instruments

Note 25a – Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	2022/23 Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	2023/24 Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000
Financial Assets						
Equities	145,099			177,643		
Pooled Investments	2,684,400			2,967,703		
Pooled Property Investments	276,454			315,717		
Derivatives	0			0		
Cash		51,288			64,673	
Long-Term Investments	840			840		
Other Investment Balances	1,659			1,864		
Receivables		96			1,003	
	3,108,452	**51,384**	**0**	**3,463,767**	**65,676**	**0**
Financial Liabilities						
Derivatives	0			0		
Other Investment Balances	-66			-4		
Payables			-194			-256
	-66	**0**	**-194**	**-4**	**0**	**-256**
Total	**3,108,386**	**51,384**	**-194**	**3,463,763**	**65,676**	**-256**

Note 25b – Net Gains and Losses on Financial Instruments

	31-Mar-23 £'000	31-Mar-24 £'000
Financial Assets		
Fair Value through Profit and Loss	-138,985	343,586
Loans and Receivables	0	0
Financial Assets at Amortised Cost	442	-173
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	**-138,543**	**343,413**

Note 25c – Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

Level 1

Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).

Level 3

Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Fund's financial assets and liabilities within the fair value hierarchy.

Value at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	28,505	2,471,707	963,555	3,463,767
Financial Assets at Amortised Cost	65,676	0	0	65,676
Total Financial Assets	**94,181**	**2,471,707**	**963,555**	**3,529,443**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-4	0	0	-4
Financial Liabilities at Amortised Cost	-256	0	0	-256
Total Financial Liabilities	**-260**	**0**	**0**	**-260**
Net Financial Assets	**93,921**	**2,471,707**	**963,555**	**3,529,183**

Value at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	31,021	2,275,363	802,069	3,108,453
Financial Assets at Amortised Cost	51,383	0	0	51,383
Total Financial Assets	**82,404**	**2,275,363**	**802,069**	**3,159,836**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-66	0	0	-66
Financial Liabilities at Amortised Cost	-194	0	0	-194
Total Financial Liabilities	**-260**	**0**	**0**	**-260**
Net Financial Assets	**82,144**	**2,275,363**	**802,069**	**3,159,576**

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Pooled Private Debt Funds	Multi Asset Credit Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	61,376	65,019	57,268	29,239	0	0
Sales	0	-36,444	-8,476	-7,288	-847	0	0
Unrealised Gains/(Losses)	-175	-16,431	-16,291	1,088	-425	15,832	0
Realised Gains/(Losses)	0	19,135	-989	-105	0	0	0
Market Value 31 March 2024	**504**	**246,528**	**315,717**	**181,224**	**68,410**	**150,332**	**840**

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Pooled Private Debt Funds	Multi Asset Credit Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2022	**722**	**197,765**	**273,869**	**101,507**	**12,641**	**139,284**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	37,412	79,009	29,608	29,197	0	0
Sales	0	-29,384	-32,680	-11,006	-227	0	0
Unrealised Gains/(Losses)	-43	-1,787	-46,108	16,293	-1,168	-4,784	0
Realised Gains/(Losses)	0	14,886	2,364	-6,141	0	0	0
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**

Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2024 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	504	555	454
Pooled Private Equity Funds	10%	246,528	271,181	221,875
Pooled Property Funds	3%	315,717	325,189	306,246
Pooled Infrastructure Funds	5%	181,224	190,285	172,162
Pooled Private Debt Funds	5%	68,410	71,831	64,990
Multi Asset Credit Funds	5%	150,332	157,848	142,815
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2023 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	679	747	611
Pooled Private Equity Funds	10%	218,892	240,781	197,003
Pooled Property Funds	3%	276,455	284,749	268,161
Pooled Infrastructure Funds	5%	130,261	136,774	123,748
Pooled Private Debt Funds	5%	40,443	42,465	38,421
Multi Asset Credit Funds	5%	134,500	141,225	127,775
Long-Term Investments	0%	840	840	840

Note 26 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2022 Valuation estimated that the current Funding Level is 111%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high

proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.

- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2022 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 111% down to 109% or up to 113%. A change in the CPI assumption of 0.2% per annum would lead to a reduction in the funding level to 108% or an increase to 115%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 110% or up to 112%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2024 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31-Mar-23 £'000	31-Mar-24 £'000
UK Government Gilts	15,350	0
UK Corporate Bonds	127,160	135,566
UK Index Linked Gilts	167,642	229,819
Overseas Government Bonds	10,269	0
Multi Asset Credit Funds	134,500	150,332
Non-Sterling Cash Deposits	11,952	5,753
Cash Balances	39,336	58,920
Total	**506,209**	**580,390**

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2024 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2023 £'000	Rating	Balance at 31 March 2024 £'000
Money Market Funds				
Aberdeen Standard	AAA	14,465	AAA	7,420
State Street Global Advisors	AAA	33,389	AAA	56,181
Bank Current Accounts				
Lloyds Bank Plc	A+	2,507	A+	340
Santander UK Plc	A+	0	A+	5
State Street Bank & Trust Co	AA+	927	AA+	727
Total		**51,288**		**64,673**

The Pension fund has no experience of default against which to quantify the credit risk against the current investments.

Liquidity Risk

Liquidity risk represents the risk that the Fund will be unable to meet its financial obligations as they fall due. At the present time, the liquidity risk is seen, relatively, as the

greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2023/24 the Pension Fund received/accrued income related to dealings with members of £153.2m (2022/23 £129.3m) and incurred expenditure related to dealings with members of £149.6m (2022/23 £131.1m). There were further receipts/accruals of £24.3m (2022/23 £20.3m) in respect of investment income, against which need to be set taxes of £0m (2022/23 £0m). The net inflow was therefore £27.9m (2022/23 £12.1m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.

However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the

Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.

Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

Interest Rate Risk

The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

Asset Type	Carrying Amount as at 31 March 2024	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	5,753	58	-58
Cash Balances	58,920	589	-589
Bonds	365,385	3,654	-3,654
Multi Asset Credit Funds	150,332	1,503	-1,503
Total Change in Assets Available	**580,390**	**5,804**	**-5,804**

Asset Type	Carrying Amount as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	11,952	120	-120
Cash Balances	39,336	393	-393
Bonds	320,421	3,204	-3,204
Multi Asset Credit Funds	134,500	1,345	-1,345
Total Change in Assets Available	**506,209**	**5,062**	**-5,062**

In the short term, interest rate risk is difficult to quantify in that it impacts directly on both the price of fixed interest and index linked securities as well as the discount factor used to value liabilities. Increases in interest rates which will drive down security prices and asset values will also reduce the future pension liabilities and therefore improve funding levels rather than worsen them.

Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant

Currency Exposure - Asset Type	Asset Values as at 31 March 2024 £'000	Change in Year in the Net Assets Available to Pay Benefits 10.00% £'000	-10.00% £'000-
Overseas Equities	324	32	-32
Pooled Global Equities	1,596,696	159,670	-159,670
Pooled Private Equity (LLPs)	193,353	19,336	-19,336
Pooled Property	63,541	6,354	-6,354
Infrastructure	51,910	5,191	-5,191
Cash	5,753	575	-575
Total Change in Assets Available	**1,911,577**	**191,158**	**-191,158**

Currency Exposure - Asset Type	Asset Values as at 31 March 2023 £'000	Change in Year in the Net Assets Available to Pay Benefits 10.00% £'000	-10.00% £'000
Overseas Equities	9,677	968	-968
Pooled Global Equities	1,226,423	122,642	-122,642
Pooled Private Equity (LLPs)	168,224	16,822	-16,822
Pooled Property	63,725	6,373	-6,373
Infrastructure	34,204	3,420	-3,420
Cash	11,952	1,195	-1,195
Total Change in Assets Available	**1,514,205**	**151,420**	**-151,420**

Other Price Risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or foreign exchange risk.

All investments in securities present a risk of loss of capital. The maximum risk is the fair value of the financial instrument.

The effect of various movements in market price are presented in the table below along with the effect on total assets available to pay benefits assuming all other factors remain constant:

Asset Type	Value as at 31 March 2024 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	177,319	10	195,051	159,587
Pooled UK Equities	359,128	10	395,040	323,215
Global Equities	324	10	356	292
Pooled Global Equities	1,596,696	10	1,756,366	1,437,027
Pooled Corporate Bonds	135,566	5	142,344	128,788
Infrastructure	181,224	5	190,285	172,162
Pooled Private Equity (LLPs)	246,528	10	271,181	221,875
Pooled Property	315,717	3	325,188	306,245
Multi Asset Credit Fund	150,332	5	157,848	142,815
Index Linked Pooled Fund	229,819	5	241,310	218,328
Private Debt	68,410	5	71,831	64,990
Long-Term Investments	840	0	840	840
Cash	64,673	0	64,673	64,673
Total Assets Available to Pay Benefits	**3,526,576**		**3,812,313**	**3,240,837**

Asset Type	Value as at 31 March 2023 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	135,423	10	148,965	121,881
Pooled UK Equities	497,259	10	546,984	447,533
Global Equities	9,676	10	10,644	8,708
Diversified Growth Fund	116,201	3	119,688	112,716
Pooled Global Equities	1,226,423	10	1,349,065	1,103,781
Pooled Corporate Bonds	127,160	5	133,518	120,802
Infrastructure	130,261	5	136,774	123,748
Pooled Private Equity (LLPs)	218,892	10	240,781	197,003
Pooled Property	276,454	3	284,748	268,160
Multi Asset Credit Fund	134,500	5	141,225	127,775
Index Linked Pooled Fund	167,642	5	176,024	159,260
Private Debt	40,443	5	42,465	38,421
Long-Term Investments	840	0	840	840
Cash	51,288	0	51,288	51,288
Pooled UK Fixed Interest Bonds	15,350	5	16,118	14,583
Pooled Overseas Bonds	10,269	5	10,782	9,755
Total Assets Available to Pay Benefits	**3,158,081**		**3,409,909**	**2,906,254**

Note 27 - Actuarial Valuation

The contribution rates within the 2023/24 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2022.

This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2024 was 19.9% of Pensionable Pay. The

corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	17.8	411
West Oxfordshire District Council	17.6	746
Cherwell District Council	15.9	-
Oxford City Council	13.4	-
Vale of White Horse District Council	17.8	767
Oxford Brookes University	19.2	-

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the 2022 valuation date was £3,280m representing 111% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2023 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.

The main financial assumptions were as follows:

Assumptions for the 2022 Valuation	Annual Rate %
Pension Increases	2.7
Salary Increases	2.7
Discount Rate	4.6

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience

of the Oxfordshire County Council Pension Fund and make allowance for an expectation of further improvements in mortality rates in the future.

Fire Fighters' Pension Fund Accounts

OXFORDSHIRE COUNTY COUNCIL

Fund Account	2022/23 £'000	2023/24 £'000
Contributions Receivable		
From Employer:		
Normal	-3,281	-3,474
Early Retirements	0	0
Other (ill health retirement contribution)	-200	-132
From members	-1,506	-2,037
	-4,987	-5,643
Transfers In	-17	0
Benefits Payable		
Pensions	6,031	6,631
Commutations and lump sum retirement benefits	352	400
Lump sum death benefits	1,012	970
Other (ill health lump sums)	13	15
	7,408	8,016
Payments to and on account of leavers		
Individual transfers out to other schemes	16	0
Miscellaneous		
Annual Allowance Charge	153	0
Unauthorised Payment Charge	0	0
Taxable Refunds	0	0
Adjustment from 2019/20	0	0
	153	0
Net amount payable/receivable for the year before top-up grant receivable / payable to sponsoring department	**2,573**	**2,373**
Top-up grant receivable	**-2,573**	**-2,373**
Net amount payable / receivable for the year	**0**	**0**

Net Assets Statement	2022/23 £'000	2023/24 £'000
Net Current Assets and Liabilities		
Contributions due from employer	0	0
Pension top-up grant receivable from sponsoring department	0	0
Other current Assets	0	0
Pension top-up grant payable to sponsoring department	747	-1,267
Other current liabilities (other than liabilities to pay pensions and other benefits in the future)	-52	45
Cash balance	-695	1,222
Total	**0**	**0**

Basis of Preparation

The fund reflects the financial arrangements relating to the 1992, 2006, 2015 and Retained Modified Firefighters Pension Schemes and the redress payments arising from the employee contribution holiday provision.

The financial arrangements for the Firefighters Pension Scheme 1992 were made in exercise of the power conferred by section 26 of the Fire Services Act 1947, for the Firefighters Pension Scheme 2006 and the Firefighters Pension Scheme 2015 by the power conferred by section 34 of the Fire Services Act 2004. The accounts have been prepared in accordance with the requirements of the above powers.

Payment of the employers and employees' contributions towards pension liabilities

Fire & Rescue Authorities are required to make a payment into their pension fund of 4x average pensionable pay in respect of all higher tier ill health retirements and 2x average pensionable pay in respect of all lower tier ill-health retirements. As the number of firefighters who retire on grounds of ill health varies from year to year and will cause financial volatility authorities are required to spread the charges over a period of 3 years.

Central government top-up grant

The fund is operated on the principle that employer and employee contributions together meet the full cost of pension liabilities accrued from future employment and central government (Home Office) meet the costs of paying pensions to retired Fire-fighters, net of the employee and employer contributions, by means of a top-up grant.

There are no investment assets held by the fund and where employer and employee contributions paid into the pension fund are not sufficient to meet pension payments for that year, the deficit will be met by central government top-up grant. Any surplus in the pension fund is paid back to central government.

Administration and Management

The fund is administered and managed by Oxfordshire County Council staff whose time is not rechargeable to the fund.

Benefits

The funds accounts do not take account of liabilities to pay pensions and other benefits after the year end.

Membership

The following summarises the membership of the fund as at 31 March 2024.

Membership numbers	1992 Scheme	2006 Scheme	2015 Scheme
Contributors	0	0	557
Preserved Pensions	36	460	428
Pensioners	333	80	14
Total	**369**	**540**	**999**

Long-term pension obligations

Details of the County Council's long-term pension obligations in respect of fire-fighters can be found in the Retirement Benefits Note 17 to the core financial statements.

Oxfordshire County Council Annual Governance Statement 2023/2024

OXFORDSHIRE COUNTY COUNCIL

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Introduction

1. Oxfordshire County Council is obliged to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

2. An annual governance statement is a document that local authorities in the UK are required to prepare and publish as part of their annual accounts. It demonstrates how the local authority has complied with its own governance framework and the principles of good governance set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). It also identifies any significant governance issues that need to be addressed and how the local authority plans to do so. The annual governance statement aims to provide assurance to the local authority's stakeholders and the public that it is conducting its affairs in a lawful, ethical, and effective manner.

3. In accordance with the Regulation 6 of the Accounts and Audit Regulations 2015, we have conducted a review of the effectiveness of our system of internal control in accordance with proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016).

4. Whilst supporting the Council's arrangements for risk management, the governance framework cannot eliminate all risk to the achievement of policies, aims and objectives and this review can therefore only provide reasonable and not absolute assurance of effectiveness.

5. Similarly, this review provides assurance that we have in place appropriate processes to ensure transparency and democratic oversight in decision making.

6. This statement is guided by CIPFA Advisory Note One, "Understanding the Challenge to Local Authority Governance" (March 2022) and describes our governance framework, the steps we have taken to ensure that it is effective and establishes key actions that we will put in place to ensure the ongoing effectiveness of our arrangements.

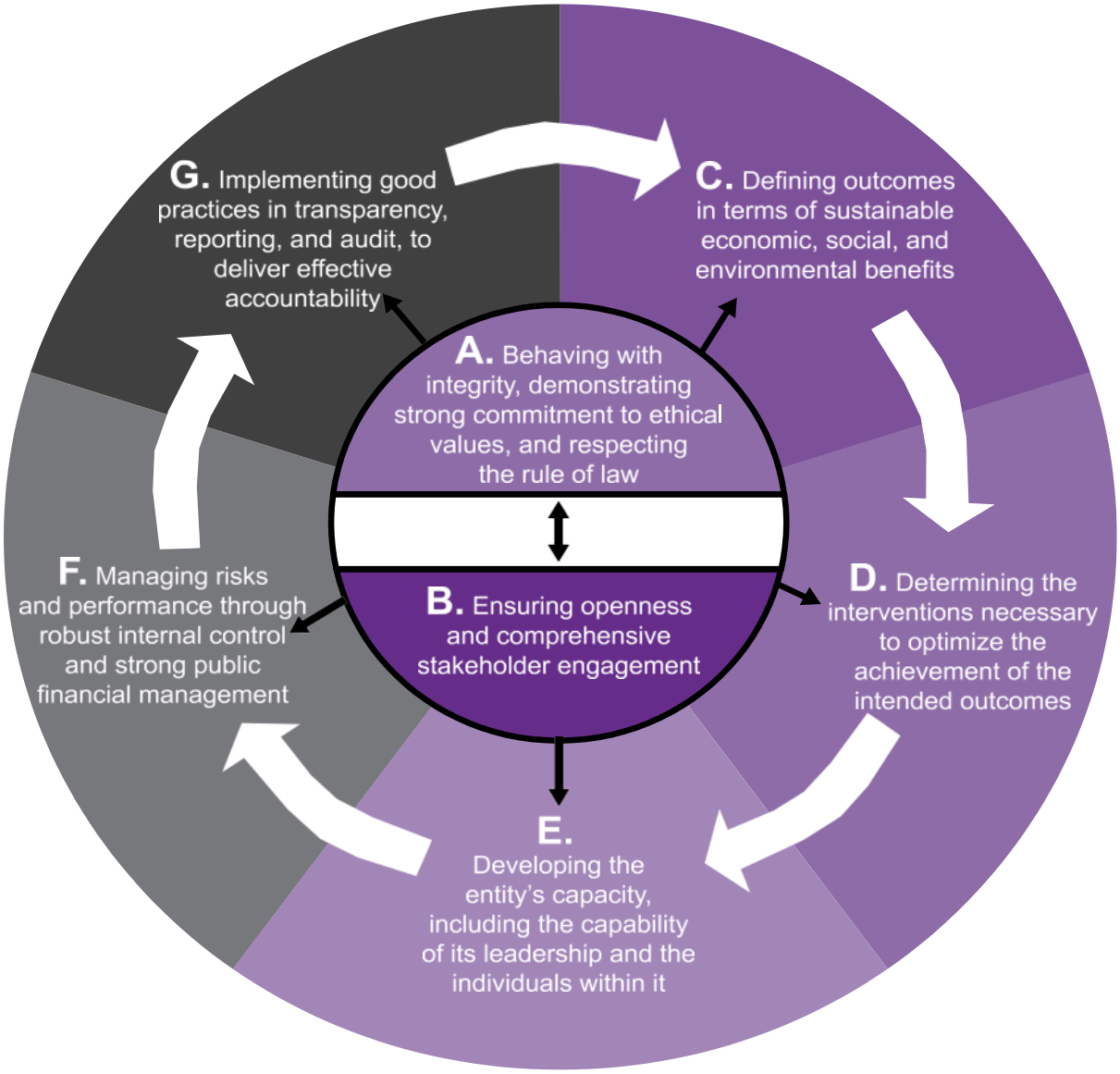
7. The review reflects enquiries made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the Council's Head of Paid Service, the Monitoring Officer, and the Executive Director of Resources (Section 151 Officer).

Our Governance Framework

8. The governance framework at Oxfordshire County Council comprises the systems and processes, culture, and values which the council has adopted in order to deliver on the principles in the below diagram, (as taken from the International Framework: Good

Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework')). This illustrates the various principles of good governance in the public sector and how they relate to each other).

9. The council has a separate code of governance, "the Oxfordshire Code of Corporate Governance" which is consistent with the principles of the CIPFA/SoLACE framework (2016). This is updated each year, approved by the Audit & Governance Committee and evidence actively collated and assessed for compliance. Compliance with the code was reported to the Audit and Governance Committee on 13 March 2024.



10. This Statement provides:

    a) An *opinion* on the Council's governance arrangements from the Council's Senior Officers, and signed by the Chief Executive and Leader of the Council
    b) A review of the *effectiveness* of the Council's governance arrangements during 2023/24
    c) A *conclusion* in relation to the effectiveness of the Council's governance arrangements
    d) A review of the *action plan* completed in 2023/24
    e) An *action plan* for 2024/25
    f) An *annex* summarising the Council's governance framework.

11. As previously stated, the Annual Governance Statement is required by Regulation 6 of the Accounts and Audit Regulations 2015 and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting.

Assurance Statement

12. It is our opinion that the Council's governance arrangements in 2023/24 were adequate and provide a platform for achieving the Council's priorities and challenges in 2024/25.

Signatures

Signed on behalf of Oxfordshire County Council:

Martin Reeves
Chief Executive

Councillor Liz Leffman
Leader of the Council

Reviewing Our Effectiveness During 2023/24
Overview and review of overall effectiveness

13. The Council reviewed its overall effectiveness through an assessment of governance in all Directorates in late 2023 / early 2024. This required members of the Council's Management team (CMT) to work with their Directorate Leadership Teams to assess the level of assurance that they had in their service area regarding colleagues' awareness and compliance in the following areas:

    a) General Corporate Governance
    b) Business Continuity
    c) Customer Focus
    d) Finance and Financial Management
    e) Health and Safety
    f) Human resources & Organisational Development
    g) Information, Technology, Innovation and Digital
    h) Information Services
    i) Legislation
    j) Performance Management
    k) Procurement and contract management
    l) Property and security
    m) Risk Management

14. In addition to the Directorate surveys, corporate lead statements were produced by service leads describing the governance in place during the 2023/24 year and highlighting areas of focus for 2024/25. Statements were produced for areas as noted above at paragraph 13.

15. The Council's Corporate Governance Assurance Group (CGAG), an officer working group, chaired by the Director of Law & Governance and Monitoring Officer, will monitor any areas of focus throughout the year.

16. Any areas where issues were identified have been considered and will form part of the action plan for 2024/25.

17. In relation to the completion of the action plan for 2023/24, ten of the thirteen action points were completed, with three requiring further work to be undertaken during 2024/25. The status of these actions is outlined in ***Annex 1***. The progress on these actions was reported to the Audit and Governance Committee throughout the year.

18. Specific action points for 2024/25 are set out in ***Annex 2***. The Council believes these actions will help to establish some improved practices arising out of our active learning and experience in 2023/24.

Details of how the Council's governance proved effective during 2023/24 can be found under the Service Issues section below (paragraph 59 onwards).

Governance Actions – Review of 2023/24 and priorities for 2024/25

19. The two annexes to this Annual Governance Statement summarise:

    Annex 1: updates on the priority actions for 2023/24

    Annex 2: actions for 2024/25

20. The Actions for 2023/24 in ***Annex 1*** highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the Council's Audit & Governance Committee. As such, progress reports on these actions are reported to the Committee through the year. The Actions for 2024/25 in ***Annex 2*** will be monitored by the Corporate Governance Assurance Group (CGAG), and the Audit & Governance Committee.

21. Other governance and audit activity across the Council will continue to be reported to Audit & Governance Committee through its normal work programmes

Governance in Outline

22. ***Annex 3*** sets out the Council's governance framework in outline. This framework was reviewed and updated in March 2024, by the Corporate Governance Assurance Group (CGAG).

Our Ambitions and People

Our strategic plan 2023 – 2025

23. The Council's strategic plan 2023 – 2025 sets out a vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer, and healthier county.

24. The strategic plan sets out nine cross-cutting priorities and commitments to achieve the vision and the areas of focus. Our nine priorities are:

    i. Put action to address the climate emergency at the heart of our work.
    ii. Tackle inequalities in Oxfordshire.
    iii. Prioritise the health and wellbeing of residents.
    iv. Support carers and the social care system.
    v. Invest in an inclusive, integrated and sustainable transport network.
    vi. Preserve and improve access to nature and green spaces.
    vii. Create opportunities for children and young people to reach their full potential.
    viii. Play our part in a vibrant and participatory local democracy.
    ix. Work with local businesses and partners for environmental, economic and social benefit.

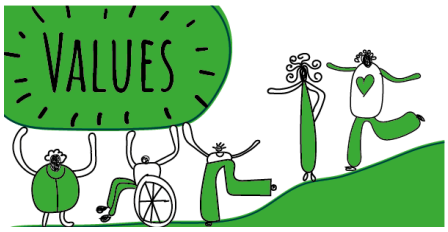
25. The plan sets out how the Council aims to achieve each priority and ways in which it will work with partners to create a more joined-up approach to delivering services.

Delivering the Future Together 2023/24

26. Delivering the Future Together (DTFT) underpins everything our employees do; how we work together; how we make decisions; how we manage organisational change and development; and how we serve our residents. DTFT initiatives help us to reach our goal of being an employer of choice, a partner of choice and a place shaper of choice.

27. The values co-created in 2021 have been retained in 2023/24.

28. The values we live by are:
    a) Be kind and care.
    b) Equality and Integrity in all we do.
    c) Always Learning.
    d) Taking Responsibility.
    e) Daring to do it differently.



29. Our values run through all our dealings with colleagues, service users, partners and our residents. They are the foundation for every decision we make.

30. The Council has more than 200 colleagues from across the organisation who have volunteered to Champion DTFT, our new ways of working and help us to live our values and behaviours.

31. DTFT Champions make sure the voices in their teams are heard. They advocate for change in relatable ways and exemplify the spirit of continuous improvement.

32. Progress through the DTFT programme during 2023/24:

    a) In May 2023 we launched a training programme for all new managers which is designed to equip them with the information and skills they need to support their team.
    b) The 2023 employee engagement survey results showed 75 per cent of respondents agreed or strongly agreed that agile working is well supported in the Council;

33. Our ways of working, DTFT Champions, values and behaviours all support us to deliver the future together and achieve our vision to become an employer, partner and place shaper of choice:

    a) **Employer of choice**
    - All our colleagues recommend working here.
    - People aspire to work for us and proactively seek employment.

    b) **Partner of choice**
    - We choose the right organisations to develop purposeful relationships to deliver the best outcomes for our residents.
    - Our partners feel well supported by us.

    c) **Place shaper of choice**
    - We bring together public, private and community groups to shape the county.
    - Our residents take pride in where they live and are happy with the facilities and services available to them.

Appointment of Executive Directors and our statutory governance roles

To provide more strategic capacity at the senior management level across the whole Council on 7 November 2023, Council formally approved two new strategic leadership team appointments to the roles of **Executive Director of Resources and Section 151 Officer,** and **Executive Director of People**.

34. The Council is required to appoint to three specific posts, each of which oversees a key aspect of the Council's governance.

    i. ***Head of the Paid Service*** (HOPS) role; responsible for how the Council's functions are delivered, and the appointment and proper management of staff. – Throughout 2023/24 this has been and remains **Martin Reeves, Chief Executive**.

    ii. ***Monitoring Officer*** – and the Council's Director of Law and Governance and Monitoring Officer, throughout 2023/24 has been and remains **Anita Bradley**.

    iii. ***'Section 151 Officer'*** – the Chief Finance Officer, and Executive Director of Resources (as of November 2023), throughout 2023/24 has been and remains **Lorna Baxter**: responsible for the financial management of the authority.

35. Each of the postholders is an integral member of the Council's Strategic Leadership Team (SLT). As such, they are fully sighted on the Council's objectives, workstreams and emerging plans; and their perspectives and voices continue to be heard in, and to

influence, this senior forum. In line with best practice, the Chief Finance Officer and Monitoring Officer report directly to the Chief Executive.

36. The Executive Director of Resources and the Monitoring Officer both have open access to the Chief Executive at all times and meet regularly as statutory officers. They carry a statutory responsibility to report issues to the Council, if needed. As such, the posts remain pivotal to the Council's good governance.

37. In March 2024 Lawyers in Local Government (LLG), CIPFA and SOLACE consulted on a new Code of Practice on Good Governance for Statutory Officers. The Code of Practice for Good Governance sets out expectations for the Chief Executive, Chief Financial Officer, and the Monitoring Officer in local authorities. The Code aims to support these roles to work effectively together and deliver good governance. They must recognise their responsibilities, understand the separation of powers, and display good governance. As there are higher expectations from individuals in these roles, the Code considers the seven Nolan Principles in conjunction with the "Golden Triangle"[2] to advise and guide them. The Seven Principles of the Golden Triangle are as follows:

    a) Respect Roles and Responsibilities
    b) Act Wisely: A duty of enquiry and the exercise of statutory functions
    c) Be Robust in working arrangements
    d) Resource up: Get the tools to do the job
    e) Build resilience: Appointing Deputies
    f) Champion good decision making
    g) Effective Oversight: External companies and entities of the authority

38. The consultation period closed in early April 2024. In 2024/25 the Council will consider its Governance position against the final published version of the Code of Practice.

Council Management Team

39. A new Council Management Team (CMT) was established in June 2023 (its inaugural meeting took place on 22 June 2023), which is a small group of leaders from across the Council. CMT is responsible for overseeing the day-to-day operation of the Council, including service delivery, quality assurance, finances, governance, performance management, risk, and forward planning.

The creation of CMT means the Strategic Leadership Team (SLT) now has more time to focus on strategic activity and setting direction.

[2] The Golden triangle is the trio of statutory officers at the top of a local authority – the Head of Paid Service (typically the CEO), The s151 officer (typically the CFO or Director of Finance), and the Monitoring Officer. These roles are crucial for the governance and decision-making processes within a local authority – LLG.

Risk Management

40. Throughout 2023/24 the Executive Director of Resources & Section 151 Officer had overarching responsibility for risk management. This function is led by the Head of Insight and Corporate Programmes and managed on a day-to-day basis by the Performance and Insight Team Leader.

41. The Risk and Opportunities Management Strategy was approved by Audit and Governance committee and published in May 2023. This Strategy was developed with considerable input from SLT.

42. The Strategy is the foundation for the Council's approach to risk and opportunity management for the performance and risk management environment. This strategy is reviewed and updated where necessary on an annual basis. As well as collectively owning and supporting, the Council Management Team (CMT) and Strategic Leadership Team (SLT) members worked closely with the performance and Insight team to help implement the Strategy and embed risk management in the Council's everyday business delivering against the strategic priorities.

43. This strategy outlines the process of Identification, Assessment, Managing and Controlling and Review and Reporting of risks across the council. The following systems/mechanisms to ensure internal control have been in place throughout 2023/24 and are captured within the Strategy.

44. Cabinet is responsible for approving the Risk and Opportunities Management Strategy. Audit and Governance Committee considered the draft Strategy and provided input and comments to Cabinet ahead of its approval. The Head of Insight and Corporate Programmes and Performance Team Leader supports the Group and directorates giving

assurance around the escalation process into the Strategic risk register as necessary. The directorates are responsible for their operational risk registers.

Internal Audit in 2023/24

45. The 2019 CIPFA Statement on the "Role of the Head of Internal Audit in public service organisations" outlines the principles that define the core activities and behaviours that belong to the role of the 'Head of Internal Audit' and the governance requirements needed to support them. The Council's arrangements conform with the governance requirements of the CIPFA statement with our Chief Internal Auditor carrying out the following:

    a) objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
    b) championing best practice in governance and commenting on responses to emerging risks and proposed developments.
    c) being a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee.
    d) leading and directing an internal audit service that is resourced appropriately, sufficiently, and effectively.
    e) being professionally qualified and suitably experienced.

46. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The self-assessment against the standards is completed on an annual basis. It is a requirement of the PSIAS for an external assessment of internal audit to be completed at least every five years. This took place in November 2023 and the results were reported to the Audit & Governance Committee in January 2024. This confirmed that the "service **fully conforms** to the requirements of the standards. There were no areas of either partial or non-conformance with the standards identified and no recommendations arising.

47. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2024, there is satisfactory assurance regarding Oxfordshire County Council's overall control environment and the arrangements for governance, risk management and control. Where issues have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.

48. As part of governance arrangements between Oxfordshire County Council and the Hampshire Partnership/Integrated Business Centre (IBC), Hampshire provide annual assurance on the adequacy and effectiveness of governance, risk management and control from the work carried out via the IBC. This is provided through a commissioned Service Organisation Controls review under ISAE 3402. (International Auditing and

Assurance Standards Board –which provides a framework for reporting on the design and compliance with control objectives related to financial reporting). The report for 2023/24 concludes that the key financial system controls were suitably designed and operated effectively, with no exceptions noted.

49. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by the Internal Audit team and the Audit Working Group. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

Financial Management Code ('FM Code')

50. A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. In accordance with the CIPFA Financial Management (FM) Code, local authorities should disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.

51. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As set out in the council's Financial Strategy, an assessment has been made of the Council's current compliance with the Code for 2023/24 ***(See Annex 4)***.

52. The assessment identified the Council's compliance for the year, and 15 of the 17 standards have been assessed as green meaning that compliance can be evidenced.

53. The two standards assessed as amber (see references A and E in the assessment at ***annex 4)*** are expected to be addressed through the council's transformation programme and the development and implementation of strategies for data & insight and commercial activity.

Procurement

54. The Procurement Act 2023 received Royal Asset in October 2023 and will come into effect from 28 October 2024. This legislation will be applicable to all new procurement activity from 28 October 2024 onwards. The Procurement team are attending training given by central government, to ensure that they are all aware of the new legislation and how it will apply to the Council's procurement activities. This knowledge and information will be shared with colleagues across the Council and Contract Procedure Rules will need to be reviewed and amended as necessary to be compliant with the change of legislation.

55. A Commercial Board was established in January 2024, to challenge and discuss all new tender requirements and contract renewals. Membership currently comprises the Director for Financial Services, Head of Procurement, and the Head of Legal and Deputy Monitoring Officer. Directorates will present tender requirements, contract renewals, and income generation opportunities to this group to ensure that the most commercial route forward is identified wherever possible. It also provides an opportunity to identify any cross-Directorate synergy and opportunities not easily seen at an operational level.

Customer Focus

56. The Customer Experience function can be split into two areas for governance, the Customer Service Centre (CSC) and the Continuous Improvement Team (CIT). Both areas have their own governance structure with overall responsibility from the CSC Management team which comprises the Director for Customer Experience and Cultural Services, Service Delivery Manager and Quality & Performance Manager.

57. The Council's operating model has determined that customer contact work should be dealt with by the CSC and a programme of business development is in place. This aspect forms one part of the wider 'Improving the Customer Experience' which is now embedded in the Council's transformation agenda.

58. As part of the new ways of working to deliver the future together, there is now an 'Improving the Customer Experience' programme which is responsible for the development of the council's customer experience approach.

Service Issues
HR Policies and Procedures

59. Following a need identified in 2022/23 there has been an ongoing review of the Council's Human Resources (HR) policies and procedures throughout 2023/24, where specific policies have been reviewed and updated, and associated procedural/guidance documents refreshed/reviewed to support these policies.

60. Four of the six policies reviewed during 2023/24 have been updated. The two outstanding, disciplinary and capability policies, and associated toolkits will form part of a wider programme of work to improve performance capability and conduct across the organisation.

61. All HR policies support the council's People and Culture Strategy, comply with employment law, promote leading employment practice, have a consistency of approach to people management, and are designed to be straightforward and easy to use.

Capital Governance

62. Since the introduction of new governance measures in 2022, there has been a commitment to continuously improve upon what is already in place. An ongoing programme of work is aiming to build upon these foundations, enabling efficiency, transparency, and effectiveness across all areas of Capital Programme governance. Central to this, is the integration of technology tools which will provide senior leaders with increased visibility and oversight of the Capital Programme and enhanced capacity to make evidence-based decisions.

63. There are Capital Programme Boards established for Major Infrastructure, Highways, Property, IT & Digital and Environment & Climate which report into the Strategic Capital Board (SCB), chaired by the Chief Executive Officer. The SCB meets monthly and provides a collective officer oversight of capital projects within the Capital Programme. The Board functions as an internal governance requirement, complementary to the Council's democratic process and makes recommendations to an executive decision-maker to an Officer, Cabinet Member or Cabinet.

64. The Board oversees the performance of the Council's Capital Programme and addresses risks and / or issues through exception reporting with a focus on variations in time, scope, and cost, ensuring the programme delivers value for money and reflects the strategic priorities of the Council. It also reviews the drafted annual Capital Programme ahead of consideration and approval by Council as part of the business planning process. The Board may also recommend to executive decision-makers, any new in-year additions to the Capital Programme that are greater than £500,000 that have not been considered through the annual business planning process.

Adult Social Care

65. Adult Social Care has been making great progress in the Council's commitment to support people to live independently in their own homes with the roll out of the Discharge to Assess approach to hospital discharge. This has supported more people than ever before to return directly to their own homes and access reablement following a hospital stay. Indicative data shows that 87.6% of people who receive reablement go on to regain their independence or require less care support than at the point of discharge. Broken down this is 74.8% of people having regained full independence with 12.8% having had a reduction in support needed. The teams have delivered an online financial assessment tool to support people and their families to upload information directly at a time and place that suits them, making for faster and more streamlined assessments. Adult Social Care continues to support 6550 people with care and support needs and responded to 6713 safeguarding concerns in 2023.

66. The Health and Care Act 2022 introduced a new duty for Care Quality Commission (CQC) to independently review and assess how local authorities are delivering their Care Act

functions. A total of 25 authorities across the country have been notified of their assessment dates by CQC. To ensure a state of readiness Adult Social Care has been refining the Self-Assessment with a quarterly refresh to capture key updates. Adult Social Care invited the Local Government Association to undertake a peer review in March 2024 to support our preparations. It was a great opportunity to celebrate what has gone well but also to confirm the Council's commitment to further development in co-production and delivering strength-based practices.

Children and Young Peoples Services

67. A standard inspection under the Inspection of Local Authority Children's Services (ILACS) took place in February 2024. The report was published on 09 April 2024. The overall Judgement was 'Good' and the Council achieved 'good across all five judgements. The link to the report can be found here: **https://**files.ofsted.gov.uk/**v1/file/50243682**.

68. The report commented upon effective practice and improved outcomes for children. Considerable work had been undertaken to ensure that consistent and effective practice is delivered to children and their families. The report also reviewed school and education services delivered by the local authority and were positive about the strengths.

69. Performance data continues to be strong. The Council is confident that it knows its service well and where we could strengthen practice and service delivery.

    Demand for services continues to rise in line with a national picture. This appears to be driven by the post covid impact on children and families and further exacerbated by the cost-of-living crisis and the increasing population and new residents that will require services, be that education services or statutory children's social care.

70. However, while overall demand for services increase, the number of 'Children We Care For' has reduced following close management oversight and intervention, those that do require care are often the most complex children and their needs are increasing in complexity of presentation. This continues to place pressure in terms of high-cost placements. The Council has a number of strategies to mitigate this including the residential and fostering strategy and an expansion of family help.

71. In 2024, the senior Leadership team within Children, Education & Families (CEF) has stabilised with permanent and longer-term appointments after a period of change.

72. In July 2023 the Local Area Partnership for SEND was inspected under the new Ofsted/ CQC framework and in September 2023 the published judgement was that significant concerns had been identified an improvement notice was issued and a SEND Area Improvement Board was established. The board is chaired independently with key

strategic leads and close work with stakeholders. A Priority Action Plan is in place and additional investment has been made to meet improvements. Early signs of improvement can be seen in the timeliness of EHCP's issued within 20 weeks, which has been above the national average. The demand for EHCP's continues to rise and the wider availability of services, means the High Needs Block continues to be under pressure.

Law & Governance

73. The Monitoring Officer provided her annual report to the Audit and Governance Committee on her view on the Council's governance arrangements. This review was formally reported to and endorsed by the Audit & Governance Committee on 20 September 2023. This report confirmed the progress in maintaining democratic accountability and transparency, with members continuing to undertake their role as community leaders.

74. The Law & Governance transformation programme was established in 2022-2023 and includes an Improvement Steering Group to monitor and drive progress against the project's objectives and timelines. Following the reshape of Legal Services and Governance in 2023-2024, working groups have been set up to deal with the targeted improvement of aspects of the individual services.

75. In Governance the working groups cover Democratic Processes, including digitalisation, Corporate Governance, and Information Services. They are overseeing several projects including the introduction of new system for school appeals, report preparation, Subject Access Requests (SARs) and data breaches. There is also a project to encourage more councillors to go paperless and use the case management system.

76. Legal Services have established working groups to consider Practice Improvements and Lexcel accreditation, and Case Management. Project plans were established for both working groups - and meetings commenced - at the start of April 2024.

77. A full review of the Council's Arrangements for Dealing with Complaints Against Members has been undertaken. Revised arrangements were presented to Audit & Governance Committee on 13 March 2024, who recommended to Council that these revised arrangements, together with annexes 1 to 5 are approved and adopted. Council approved the revised arrangements on 16 April 2024.

78. Electoral Review – The Local Government Boundary Commission for England continued its electoral review of the Council. The Council has responded to the Commission's draft recommendations and subsequent further draft recommendations during 2023-24. The new electoral arrangements will become effective for the May 2025 County Council Election.

79. The Whistleblowing policy has been reviewed. – The terms of reference for the Audit and Governance Committee have been revised to include oversight of the Whistleblowing Policy and arrangements for whistleblowing. This change was confirmed by Council on 16 April 2024.

80. Information Governance - The Information Governance Board chaired by the Monitoring Officer met on a regular basis to ensure that the Council has adequate arrangements for data protection and information security. The Board includes the Senior Information Risk Owner (SIRO), Caldicot Guardian and Data Protection Officer. The Information Governance Group has an operational role in looking at data breaches and security incidents in more detail and highlighting risk areas that need to be addressed through Council-wide training. The Group comprises representatives from across the Council and refers matters to the Board as appropriate.

Conclusion

81. The Council's governance arrangements are regarded as fit for purpose and will be monitored throughout 2024/25.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions identified for 2023/24 - Update

This is a review of the progress during 2023/24 on the priorities for that year. The actions identified were completed in-year

Actions that were planned for 2023/24	Original Timescale	Outcome
1. Directorate Scheme of Delegation: Powers and Financial Powers • To review and update all outwardly facing documentation, as well as review the location of information. • The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) updated on the Council's website. • Directorate level Schemes of Delegation, which are held centrally, have been reviewed by representatives of each directorate and updated. A further review is required to reflect the recent changes in reporting arrangements.	31 August 2023 30 September	• Completed. The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) were approved by Council on 16 May 2023 and will be published in the next Constitution update for the website. • Work is still required to finalise the Directorate Schemes of Delegation with further reviews needed to be undertaken by each Directorate. The Scheme of Delegation for Law & Governance has been completed and signed off by the Director of Law & Governance; this will be shared with other

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
• Financial Powers: The schemes of delegation for each directorate are reviewed. Updated versions will be signed off by the Corporate Directors and the S151 Officer	2023 30 September 2023	directorates as part of a wider piece of communication following the Council's recent organisational changes. The Directorate Schemes of Delegation will be carried forward for completion in 24/25. • Review undertaken. Financial Powers: The Council's Finance Team have undertaken a complete update in relation to the financial scheme of delegation with the intention that going forward the schedule of authorised officers will be updated on a rolling basis rather than an annual update. The team have also been working with the directorates to agree the principles of how their authorisations will work going forward and documenting directorate specific schemes of financial delegation (like a financial powers documents). This was a more significant piece of work than originally expected due to substantial organisational changes. As with the completion of the directorate delegated powers documents, completing the finance directorate schemes and schedules has been a time challenge. Updates as of March/April 2024: ○ Intranet page has been updated with Finance scheme of delegation section.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
		○ In relation to Directorate Schemes, we have focused on completing the Delivery Directorate's. ○ Adults published. ○ CEF - 80% complete, delayed to due to Inspection/Year end - will be published by end of May 2024 ○ Public Health - complete just requires sign off to be sent w/c 29/4/24. ○ E&P - some issues with last version, now updated, (received Director sign off and published in May 2024). ○ Property - Additional services moved needed adding, then ready for Director sign off w/c 29/4/24. ○ Enabling services - to be completed after above published/subject. ○ Work still required on schemes of delegation across Governance, Finance, Legal to align approach to delegated powers.
2. Cherwell-Oxfordshire Decoupling Programme • Following Decoupling in 2022, Cherwell District Council and the Council agreed a way forward for continued	6 October 2023	Completed. The documentation had been completed as of 14 December 2023.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
provision of certain services between Cherwell District Council and the Council • Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.		
3. HR policies to be reviewed and updated for 2023/2024 • Domestic abuse- supporting employees: policy and guidance (HR and Public Health) • Sickness/supporting attendance policy and process maps. • Agile working policy • Additions to pay policy (to include honoraria, market supplements)	30 September 2023 30 September 2023 30 September 2023	• Completed action: Domestic Abuse supporting employees' policy and how to guide launched 12/03/2024. • Completed action: Sickness supporting attendance policy launched 31/01/2024. • Completed action: Agile working policy launched 31/10/2023. • Completed action: Market supplements guidance on target to be uploaded on the intranet by 31/03/2024. • Honoraria guidance and any required updates still under review.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
• Capability policy and procedures • Disciplinary policy and procedures	31 March 2024 31 March 2024 31 March 2024	• Both the disciplinary and capability policies and associated toolkits will form part of a wider project of work to improving performance capability and conduct across our organisation. These will be removed from the policy list for 2024/2025, whilst the Council focus on the organisation change policy suite.
4. Governance Policies and Procedures To review and update the following: • Register of interests • Gifts & Hospitality • Member representation on Outside Bodies • Social Media for Members (as part of the Council's Main Social Media Policy) • Officer Guidance on executive decision making and	31 March 2024	The Policies and procedures have been reviewed and currently with the Director of Law & Governance to approve.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
key decisions.		
5. Constitution • Reconvene the Constitution Working Group and continue the review of the Council's Constitution	31 March 2024	The officer group has been established and is formed to work alongside the member group. The Officer group is formulating the schedule of work to be considered by members.
6. Member training • To provide a further programme of Member training and briefings responding to the identified needs of Members. • To act upon evaluation of Member feedback following training events.	31 March 2024	Training to date and information is being provided to Members through regular briefings. An improved and responsive training programme reflecting the evolving requirements of elected Members will be in place by 31 March 2025 as part of the induction programme following the elections in May 2025.
7. Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.	31 December 2023	It is important that the legal status of and responsibilities and accountabilities of Members are clearly understood in relation to outside bodies they are appointed to by the Council. This work has not yet commenced and will be carried forward to 2024/25.

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
8. Review of Customer Feedback • Customer feedback via corporate and statutory complaints and Freedom of Information requests is very important to Oxfordshire County Council. • We will act to ensure that colleagues are fully aware of the importance placed upon responding in the appropriate timescales and that training, knowledge share and learning from customer feedback is promoted across the council.	31 March 2024	Complete. From April to November 2023 there has been a heightened level of engagement and communication about the complaints (statutory and corporate) process and the need to have an improved performance in terms of responsiveness and quality. Actions included: a) A complaints (and FOI) report has been produced for each monthly Business Monitoring and Management Report (BMMR). This was reviewed, signed off and owned at Council Management Team (CMT) level. On a bi-monthly basis, the report is also taken to Cabinet. b) On 5 July 2023, the Director for Customer Experience and Cultural services wrote to all Extended Leadership Team (ELT) colleagues requesting the cascade of the message to all colleagues to improve the current responsiveness rates; this was followed by articles in the Managers' Briefings and on the intranet. c) On 30 July 2023, the Director for Customer Experience and Cultural Services wrote to all ELT colleagues asking for them to provide feedback on the draft revised complaints process. d) In November 2023, the newly updated complaints policy was launched.

Actions that were planned for 2023/24	Original Timescale	Outcome
		21. In addition, the Customer Feedback team have provided the following information: a) Stage 1 training has been provided for Children's Social Care. There were around 90 attendees, and a further session took place at the end of November for those staff unable to attend the original training. b) The Customer Feedback Team is working closely with the Partnership Youth Development Manager to support stage 1 responses within the relevant timeframe. c) Work is being undertaken with Head of The Multi-agency Safeguarding Hub (MASH)/front door to provide a face-to-face training session on the quality of responses. This training will be rolled out in early 2024 and will become mandatory in future. d) The team have provided Statutory Stage 2 training to SEND colleagues to provide an overview of the process should any complaints become part of the statutory process. e) The team have created guidance to support staff with writing responses until the they are able to provide in-person training.
9. Review the current culture of dealing with information requests and the expectations of the	31 March 2024	Complete. Six-monthly meetings have taken place with an ICO Case Worker to assist in the understanding of the Council's

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
Information Commissioner's Office (ICO) • The Customer Feedback, and Governance Teams to review the joint working approach when dealing with requests for information under the Environmental Information Regulations (EIR), Freedom of Information Act (FOIA), and Subject Access Request (SAR) regimes. Teams to meet regularly to ensure the Council is working in accordance with the relevant legislation and to consult with the ICO during the year to assist with the monitoring of the Council's performance.		performance against other similar authorities. The last meeting with the ICO took place in January 2024.
10. Recording of Decisions	30 September 2023	Complete. A paper was taken to the Council Management Team (CMT) setting out the approach to key decisions and officer decision notices. This detailed the need for consistency in decision making and reminded colleagues of the importance of making and retaining records of officer decisions where such matters were not taken before a political decision maker. Internal communications regarding the approach to key decisions has been publicised and guidance added to the intranet.
11. Proactive Training for Governance	First session on 29 June 2023,	Following a review of the Governance policies, training will be put in place including raising awareness about the Council's

Annex 1 - Significant Governance Issues – 2023/24 Actions Update

Actions that were planned for 2023/24	Original Timescale	Outcome
• Governance sessions to raise awareness and skills level within the Organisation to be carried out by Head of Legal.	with further roll out to SLT/CMT and SMF in 2023/24.	whistleblowing process and amended policy. The training materials are in development.
12. Review of the Annual Governance Statement Process	31 August 2023	Complete. The Director of Law and Governance presented the AGS process to the Council Management Team (CMT) on 5 December 2023.
13. Financial Management Strategy • The Financial Management Strategy is in development which will set out the improvements required to enhance financial management capabilities including financial management reporting structures and the development of business objects dashboard reporting.	31 August 2023	Complete. The Financial Management Strategy action has been integrated into the Business Services Transformation Programme (BST). This new programme, which is running for 12 months, until October 2024 is reviewing Financial Management, Procure to Pay and HR activities performed across the Council, focusing on improvements in three key themes; People Change (roles and responsibilities, training); Process Improvement; Data and Reporting. A Programme Board headed by the Executive Director of Resources is established and this will report to the Strategic Transformation Board as a priority A programme. This programme of change will run for 12 months, ending 31 October 2024.

Annex 2 - Significant Governance Issues 2024/25

Actions identified for 2024/25

	Action now planned for 2024/25	Timescale for Completion	Outcome	Senior Responsible Officer
1	**Constitution Working Group** • To establish a member working group to work alongside the officer working group,	31/03/2025	To continue the review of the Council's Constitution.	Head of Governance
2	**HR policies to be reviewed and updated for 2024/2025** • Organisational Change policy • Redeployment policy • Redundancy procedure • Fixed Term /Temporary contracts of employment policy • TUPE guidance Pensions and Retirement policy	30/06/2024 30/06/2024 30/06/2024 30/06/2024	All HR policies support the council's Workforce Strategy, comply with employment law, promote leading employment practice, consistency of approach to people management, and are straightforward and easy to use.	Head of HR Business Partnering & Advisory, HR Policy Manager

	Action now planned for 2024/25	Timescale for Completion	Outcome	Senior Responsible Officer
		30/04/2024 30/06/2024		
3.	**Directorate level Schemes of Delegation**, • To continue with the review and update of the Directorate Schemes of Delegation	31 March 2025	Directorate level Schemes of Delegation, which are held both by individual Directorates and centrally, require further review to reflect the recent changes in reporting arrangements.	Head of Governance
4.	**Further consideration of the Information Commissioner's Office's (ICO) expectations when handling Freedom of Information and Environmental Information Regulation requests.**	31 March 2025	A joined-up approach to responding to Information requests which enables the Council to consistently meet the statutory requirements and reflects best practice,	Director of Transformation, Digital & Customer Experience, Head of Governance

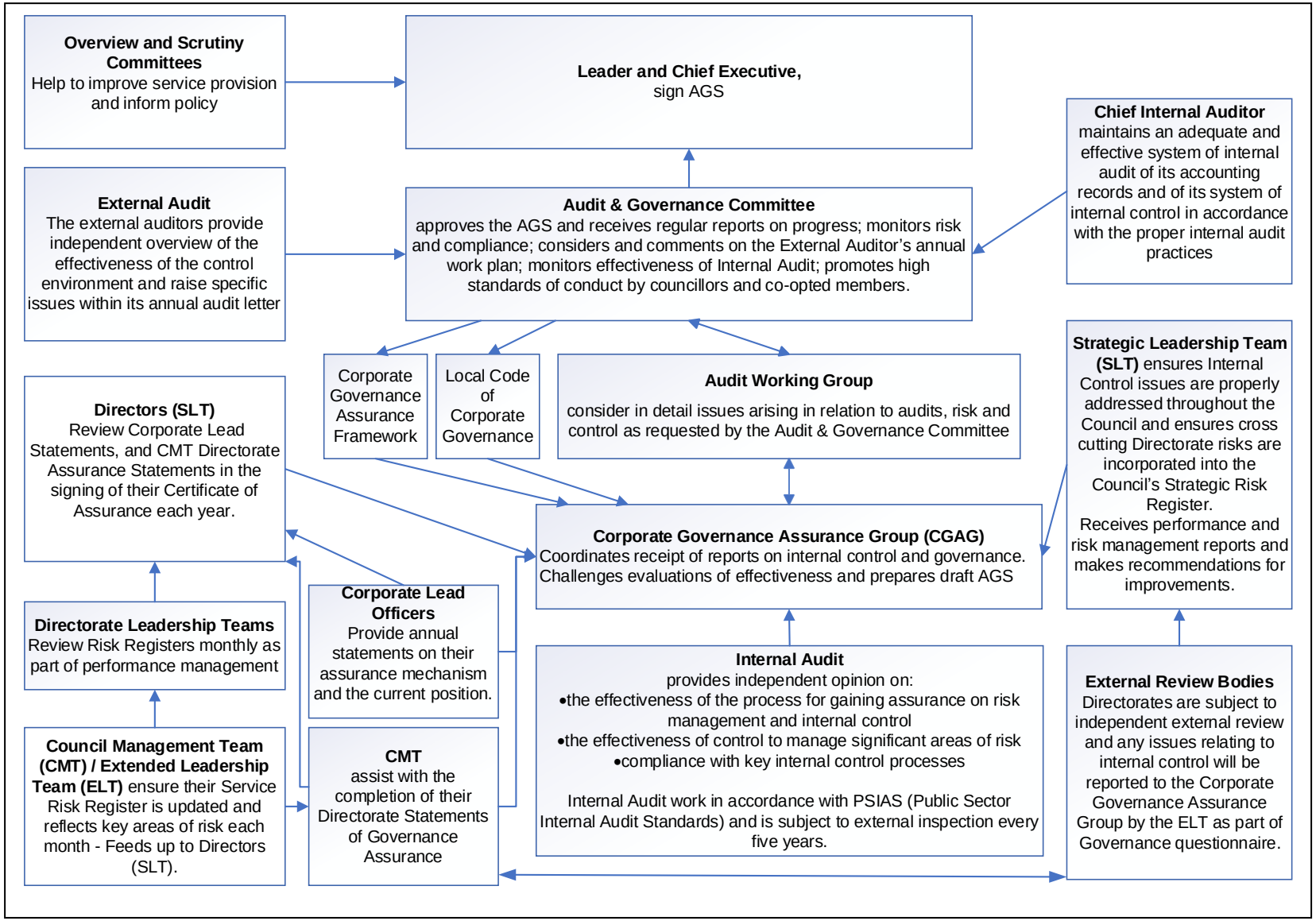
	Action now planned for 2024/25	Timescale for Completion	Outcome	Senior Responsible Officer
	• During 2023/24 the Council improved its compliance rates in respect of meeting statutory response deadlines. The Customer Feedback Team (FOI Officers) need now to work with services to improve the quality of responses to requests, and the handling of requests in accordance with FOI/EIR legislation, to further improve resolutions ahead of any ICO involvement. Officers in the Customer Feedback team to work with the Corporate Governance Team on increasing awareness within the Council on the correct application of the legislation.			
6.	**Full review of current CCTV & intruder alarm monitoring arrangements.**	1 November 2024	As part of an ongoing initiative to increase self-delivery of services, provide a detailed options paper for CCTV & Intruder alarm monitoring to be self-delivered vs. the	Director of Property Services, Head of Facilities

Annex 2 - Significant Governance Issues 2024/25

	Action now planned for 2024/25	Timescale for Completion	Outcome	Senior Responsible Officer
			current outsourced model.	Management
7.	**Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.**	31 March 2025	It is important that the legal status of and responsibilities and accountabilities of Members are clearly understood in relation to outside bodies they are appointed to by the Council.	Head of Governance
8.	**Proactive Training for Governance** Governance sessions to raise awareness and skills level within the Organisation to be carried out by Heads of Governance and Legal.	31 March 2025	Following a review of the Governance policies, training materials are in development which will be published and used in Governance sessions, including raising awareness about the Council's whistleblowing process and amended policy.	Head of Governance, Head of Legal

Annex 3: Overview of Corporate Governance Assurance Framework

Annex 3: Overview of Corporate Governance Assurance Framework



Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1.	**Responsibilities of the Chief Finance Officer (CFO) and Leadership Team**			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM but this is often ad hoc and there is limited visibility beyond the service. Procurement decisions consider VfM by considering the quality of service and not just price.	The council's transformation programme is expected to focus on improving the business intelligence information available to the council. This will include developing a strategy for data and insight. A commercial strategy, that will be overseen by a new Commercial Board is being drafted and will also focus on procurement, third party spend, commissioning and commercial activity.	**AMBER**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
B	The authority complies with the CIPFA "Statement of the Role of the CFO in Local Government"	The CFO is qualified accountant with significant experience working as an active member of the council's leadership team. In carrying out their role as Executive Director of Resources and Section 151 Officer, the CFO is a member of SLT (Strategic Leadership Team) and reports directly to the Chief Executive. The CFO has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members. The budget proposals for 2024/25 include funding for additional finance capacity needed to support the organisation to transform and to ensure that the CFO is able to lead and direct a finance function that is resourced to be fit for purpose.	The Business Services Transformation project will focus on sustainable financial management across the organisation through developing improved guidance and training for non – finance staff and reviewing, documenting and clarifying roles and responsibilities and accountabilities with efficient use of systems and processes to support that in the council's self service operating framework.	**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
2.	**Governance and Financial Management Style**			
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Strategic Leadership Team (SLT) understands its responsibilities in relation to Financial Management and considers the assessment against the Code and actions or further work required in order to continuously improve. The Council Management Team (CMT) receive and review on a quarterly basis a report from the Chief Internal Auditor on progress against the Internal Audit Plan, implementation of agreed management actions and delivery of the Counter Fraud Plan. The Annual Governance Statement (AGS) and Action Plan are also considered by CMT. In addition, the Audit & Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.	SLT are continuing to discharge their responsibilities through CMT including focussing on managing pressures over the short and medium term to maintain financial resilience through the Medium Term Financial Strategy. The council's Delivering the Future Together programme has moved to a new phase and is focussing on the operational priorities for the council of employer, place shaper and partner of choice.	**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
D	The authority applies the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)"	The Local Code of Corporate Governance sets out how the Council complies with the requirements of the Framework and identifies key documents, which provide detailed information as to how the Council ensures the Corporate Governance principles are adhered to. The annual update of the Oxfordshire Code of Corporate Governance was last approved by Audit & Governance Committee in May 2023.		GREEN

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. Training in financial management roles and responsibilities has been a focus across a number of Directorates during the last financial year. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation. An updated Financial Strategy including financial performance indicators that are tracked and reporting during the following year is published annually as part of the budget agreed by Council.	Business Services Transformation will develop a clearer framework of financial roles and accountability and develop training to support that which will be used consistently across the Council. A new Financial Management Strategy and a Commercial Strategy are being developed. Business Partnering will be developed across more functions within the council and a formal operating model for business partnering will be developed. Development of improved and digitised business case process for capital and revenue.	**AMBER**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
3.	**Long to Medium-Term Financial Management**			
F	The authority has carried out a credible and transparent financial resilience assessment	A review of both the 2022/23 Financial Resilience index and the OFLOG finance data set compared to the nearest neighbour's cohort of local authorities has been undertaken. This is set out in in the Financial Strategy (section 4.5 of the Budget & Business Planning Report to Cabinet in January 2024). The Financial Strategy also includes a suite of measures against which financial performance is measured during the year and reported through the Business Management & Monitoring Reports to Cabinet. These measures include the forecast level of General Balances against the minimum risk assessed level for balances taking into account the latest monitoring position in the current year and the forecast achievement of savings built into the budget. The council's People and Culture Strategy, which will inform future workforce requirements will be considered for approval by Cabinet in January 2024.		**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium term. The Capital & Investment Strategy and the Capital Programme both cover a 10-year period. The Capital & Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the Council's capital investment will help achieve the Council's vision and priorities as well as respond to demographic change.	With the development of a new business intelligence approach, it remains an ambition to progress the development of scenario planning in relation to the long term and the council's place shaping ambitions.	**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	The Capital & Investment Strategy is updated annually and agreed by Council alongside the Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for the Strategic Capital Board and Cabinet. Quarterly Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators. The ratio of financing costs to the net revenue stream is forecast to remain within 4%-5% over the medium term. The future affordability of any proposed new borrowing is a key consideration within the Budget & Business Planning process.		**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year Medium Term Financial Strategy linked to service plans. This is reviewed and updated each year with new future years added to ensure that the strategy covers at least three years.		**GREEN**
4.	**The Annual Budget**			
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	The CFO's Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.		**GREEN**
5.	**Stakeholder Engagement and Business Plans**			

L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	One of the Council's priorities has been to develop and implement a new consultation and engagement strategy, enhancing opportunities for residents, including young people and those seldom heard, to have their say in service development. This was implemented for the 2023/24 budget process and has been developed further for 2024/25. New for 2024/25 the council is using an online budget simulator tool, that enables residents and other stakeholders to weigh up funding choices and trade-offs for themselves. Wider engagement and outreach activities include two sounding board events for secondary school aged children, three online Oxfordshire Conversations in December 2023 and five events for adults known to experience inequity, in December and January to support their engagement with the simulator. Performance & Corporate Services Overview & Scrutiny Committee have also considered the budget proposals ahead of the budget being agreed by Council.		**GREEN**

M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	Key decisions requiring investment to deliver service improvements, deliver savings or invest or save opportunities require business case to aid decision making via the appropriate governance process (e.g., Strategic Capital Board).	Review the requirements, standards and guidance for business cases including training options for responsible officers and decision makers. A project to automate the completion and sign off of business cases for revenue and capital projects has just commenced and is expected to be completed in Spring 2024.	**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
6.	**Monitoring Financial Performance**			
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The regular Business Management and Monitoring Reports to Cabinet include performance, finance and risk so enable the council's leadership team and Cabinet to respond to emerging issues and to take action to manage those. The regular Capital Programme monitoring report includes updates on scheme activity, performance and risks.	Continue to improve the visibility and links between performance, risk and finance reporting, highlighting key issues that need to be considered in the Business Management & Monitoring Report as well as any issues arising from the Capital Programme. Business Services Transformation and development of Data and Insight are expected to improve reporting capabilities and the use of data to underpin that.	**GREEN**

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The Business Management and Monitoring Reports to Cabinet include monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).		**GREEN**
7.	**External Financial Reporting**			

Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2023/24

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code)	The annual accounts are produced in compliance with The Code and have always received an unqualified audit opinion. Statutory deadlines for publication of the accounts were consistently met until 2021/22 when resourcing issues impacted the completion of the accounts. Since then the on-going impact of audits for previous years has made it more difficult to complete the accounts by the deadline. The audit of the 2020/21 accounts was completed during 2023/24 and the audit of the 2021/22 accounts is expected to be completed in early 2024. The audit of the 2022/23 accounts remains outstanding as at 31 December 2023 pending national guidance on the approach to be taken to resolve the national audit backlog.		**GREEN**
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The Council Management Team and Cabinet consider the outturn and year end variances in a Provisional Outturn Report to Cabinet each June. Where relevant this enables strategic financial decisions to be made early in the following financial year.		**GREEN**

Glossary

OXFORDSHIRE COUNTY COUNCIL

Actuarial gains and losses
These are changes in deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.

Amortised
Written off over a period of time.

Bond Fund
A fund primarily invested in government and corporate bonds. The value of the investment changes as the market value of assets held by the fund changes.

Budget Equalisation Reserve
This reserve is used to manage the cash flow implications of variations to the Medium Term Financial Plan.

Budget Prioritisation Reserve
This reserve is to help support the implementation of directorate business strategies and the Medium Term Financial Strategy.

Business Rates Reserve
This reserve is being used to smooth out any volatility in the business rates collected by the District Councils on behalf of the County Council.

Call Account
A call account is a deposit account with a financial institution without a fixed maturity date.

Capital Receipts
Receipts from the sale of capital assets.

Capital Reserve
This reserve has been established for the purpose of financing capital expenditure in future years.

Cash Equivalent
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow
The movement of money into or out of the County Council during the financial year.

Collection Fund
A fund maintained by each district council to receive all income raised through the Council Tax and Business Rates. The County Council precepts the district councils to receive its share of Council Tax receipts.

Commutation Factor
Factor used to determine the amount of lump sum payable from the amount of annual pension commuted.

Contingent Asset
A possible asset arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the County Council's control.

Contingent Liability
A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the County Council's control, or where it is not probable that an outflow of resources will be required to settle the obligation.

Contingent Rent
The portion of a lease payment that is not fixed at the start of the lease but is based on the future amount of a factor that changes other than with the passage of time (e.g. amount of future use, future price indices).

Council Elections Reserve
This reserve has been established to meet the cost of County Council Elections.

County Fund
The main revenue fund of the County Council into which precept income and Government grants are paid and from which day-to-day payments are made.

Creditors
Amounts owed by the County Council for work done, goods received, or services rendered within the financial year for which payment has not yet been made.

Current Asset
An asset which will be used up during the next accounting period e.g. cash.

Curtailment
Early retirement costs calculated in accordance with accounting standard IAS19.

Debtors
Amounts owed to the County Council for services carried out during the financial year but not yet received.

Deferred Income
Prepaid income credited to the Balance Sheet and amortised to the Comprehensive Income and Expenditure Statement to match the benefit of the receipts over the term of the contractual arrangement.

Depreciation
The systematic write-off of the reduction in value of a tangible fixed asset due to wear and tear, passing of time and technological changes over its economic useful life.

Derecognition
Removal of an asset or liability from the Balance Sheet.

Equity instrument
A contract such as an equity share in a company.

Fair value
Fair value is defined as 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

Financial asset
A right to future economic benefits controlled by the County Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash (or another financial asset) from another entity or a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the County Council.

Financial liability
An obligation to transfer economic benefits controlled by the County Council that is represented by a contractual obligation to deliver cash (or another financial asset) to another entity, or a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavorable to the County Council.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Financial instruments include bank deposits, investments, debtors, long-term debtors, creditors, temporary loans and borrowings.

Financial Year
The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.

Fixed Asset
A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.

General Government Grants
These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.

Government Initiatives Reserve
This reserve is used to hold underspends on budgets funded by un-ringfenced grants held that relate to specific agreed outcomes or the implementation of Government initiatives.

Grants and Contributions Reserve
This reserve has been set up to hold the net overspent or underspent grants and contributions committed to be spent or recovered in future years.

Hedge Fund
A hedge fund is a form of investment partnership.

Impairment
A reduction in the carrying value of an asset arising from physical damage, obsolescence or a significant decline in market value.

Inventories
Raw materials and stores which the County Council has bought and holds in stock for use as required.

Intangible Asset
An asset that does not have physical substance but is identifiable and controlled by the organisation through custody or legal rights e.g. software licenses.

International Financial Reporting Standards (IFRS)

These are issued by the International Accounting Standards Board and provide standards for the preparation of financial statements.

A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.

A party to a lease agreement who makes payment to use an asset.

Insurance Reserve
This reserve covers the County Council for insurance claims that, based on the previous experience of the County Council, are likely to be received, as well as a number of insurance related issues.

Lessor
A party to a lease agreement who receives payment for the use of an asset.

Liabilities
Amounts owed by the County Council which will be paid at some time in the future.

Limited Liability Partnership
A partnership in which some or all partners have limited liabilities.

Long Term Investments
Investments that are not due to mature within the next 12 months.

Money Market Fund
Funds are invested in short-dated assets including certificates of deposits, government securities and commercial papers making them highly liquid. Money Market Funds must be AAAmf rated, invest in high credit quality assets and maintain a weighted average maturity of 60 days or fewer. Investments have a stable net asset value and dividends are paid to investors on their investment.

Mortality Assumptions – Abbreviations
S1NA, S1PA and S2PA - mortality tables issued as part of the "S1" and “S2” series of mortality tables produced by the Continuous Mortality Investigation. The "S1" mortality tables are based on mortality experience from UK self-administered pension schemes between 2000 and 2006. The “S2” mortality tables are based on mortality experience from UK self-administered pension schemes between 2004 and 2011.

Net Debt
The County Council’s borrowings and finance liabilities less cash and liquid resources.

Net Operating Expenditure
The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.

Non-current Asset
A long-term asset that is not expected to be used up or realised within the next 12 months e.g. Property, Plant and Equipment.

Non-Domestic Rate
A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.

Non-Derivative Financial Asset/Liability
Asset/Liability whose value does not depend on the value of another asset/liability such as a currency. Examples of non-derivative financial asset/liability consist of trade and other receivables, cash and cash equivalents, and long-term debt.

Partnership Reserves
This reserve holds funds relating to partnership arrangements.

Pooled Fund
Funds from individual investors are aggregated for the purposes of investment and returns are apportioned between investors according to the size of the investment.

Pooling
Where services benefit larger areas than the local authorities which provide them, the expenditure is sometimes pooled according to a formula which reflects usage of the service.

Precept
The levy made by the precepting authority (the County Council) on billing authorities (the district councils in Oxfordshire) requiring the latter to collect income from council taxpayers on their behalf.

Private Finance Initiative (PFI)
A scheme to encourage private sector investment in the public sector. Typically these involve a private sector operator building or enhancing property and operating services on behalf of a public sector organisation.

Professional Fees
The fees paid by the County Council for professional services such as those of architects and quantity surveyors.

Provision
An amount of money put aside in the accounts for anticipated liabilities which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.

Observable Inputs
Inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability

On-Street Car Parking Reserve
This surplus has arisen under the operation of the Road Traffic Regulation Act 1984 (Section 55). The purposes for which these monies can be used are defined by statute.

Public Works Loan Board (PWLB)
A central government agency which provides long and shorter term loans to local authorities at interest rates slightly higher than those at which the government itself can borrow. Local authorities are able to borrow a proportion of their requirement to finance capital spending from this source.

Reserves
Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.

Revenue Expenditure
The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.

Revenue Expenditure Funded from Capital Under Statute
Capital expenditure as defined by statute that does not result in the acquisition, creation or enhancement of fixed assets and is charged to the Comprehensive Income & Expenditure Statement in accordance with the accounting policy.

RIA
Receipts received in advance.

School Reserves
In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits

Segregated Mandate Fund
Funds from individual investors are invested on a segregated basis so that the holdings can be directly attributed to investors.

Settlement (Retirement Benefits)
Settlement relates to a bulk transfer out of the Fund as a result of functions transferring to another organisation. It reflects the difference between the liability transferred (calculated in accordance with accounting standard IAS19) and the assets transferred to settle the liability.

Specific Grants
Grants paid by the Government in respect of specific services.

Strategic Measures
This comprises interest on balances and capital financing charges. The former involves surplus cash from the County Fund which is either invested or used to reduce the need to borrow externally. The interest received is credited to the County Fund. Capital financing charges include the minimum revenue provision required and interest on outstanding debt, together with a general revenue contribution to finance capital spending.

Trading Accounts Reserve
This reserve holds funds relating to trading activities to help manage investment.

Transformation Reserve
This reserve is to fund the Council's transformation programme.

Vehicle and Equipment Reserve
This reserve is to fund future replacements of vehicles and equipment.

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The County Council's accounts set out how much money we have spent on services, what we have invested in capital projects, how we have funded the expenditure, and what assets we own.

Review of 2023/24

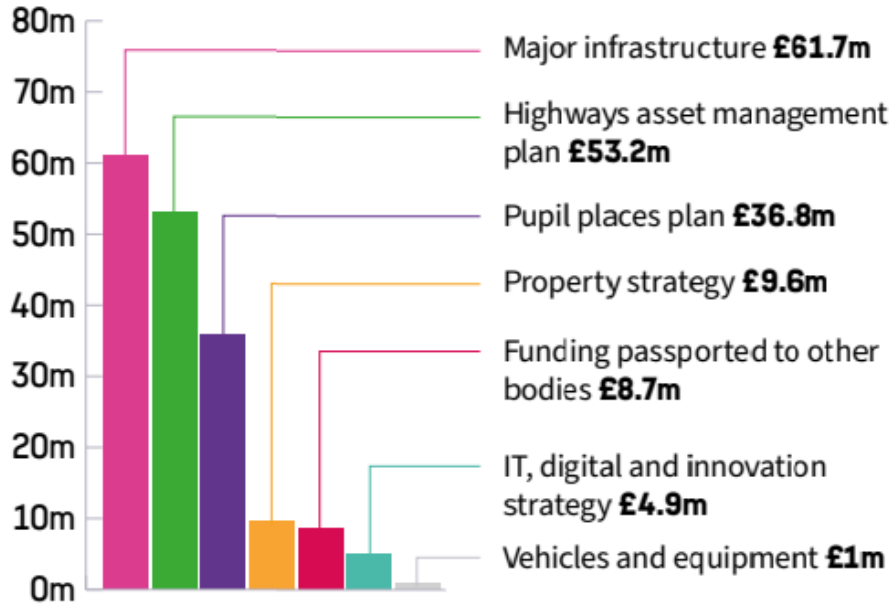
What services the money was spent on - £894.9m

- **51%** Adult and children's social care
- **18%** Education and learning
- **9%** Highways and transport
- **7%** Capital borrowing and other financial costs (eg contingency and reserves)
- **5%** Public health improvement and prevention services
- **4%** Waste disposal and recycling
- **4%** Fire and rescue and community safety
- **2%** Culture and customer experience

+

In addition we spent **£238.9m** on maintained schools.

What the Capital Programme was spend on - £175.9m



The Council set a net revenue budget for the year of £578.8m to finance day to day service provision. Actual net revenue spending for the year after transfers to earmarked reserves was £559.5m, £19.3m lower than had been budgeted. This means that the County Fund balance has increased by £19.3m from £22.6m at the beginning of the financial year to £41.9m at 31 March 2024. The Provisional Outturn Report contains detailed explanations of the Directorate Outturn and was presented to Cabinet on 18 June 2024.

OXFORDSHIRE COUNTY COUNCIL

Summarised Revenue Account

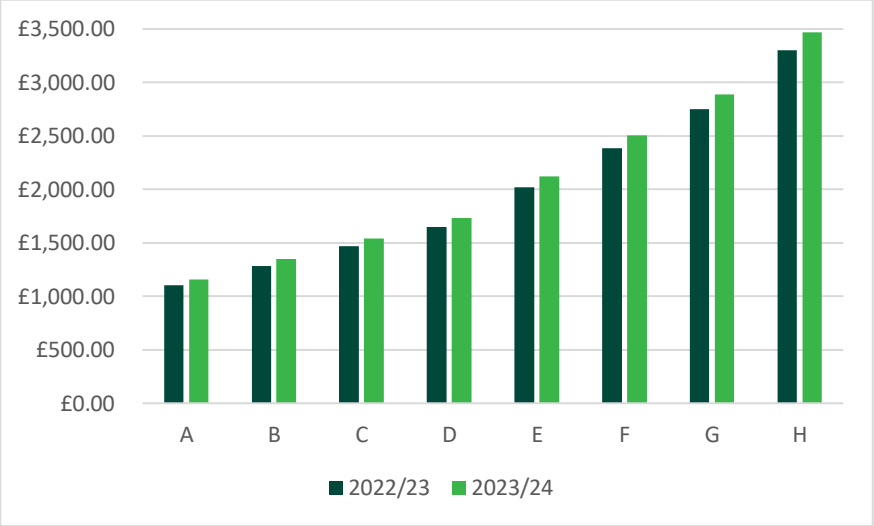
	Gross Expenditure £m	Income £m	Net Expenditure £m
Cost of services	**1,227.5**	**-527.9**	**699.6**
Other operating expenditure	13.0	-1.4	11.6
Financing and investment income and expenditure	30.6	-21.6	8.9
Taxation and non-specific grant income		-737.9	-737.9
Deficit on provision of services	**1,271.1**	**-1,288.9**	**-17.8**
Adjustments between accounting & funding basis			3.5
Transfers from earmarked reserves			-5.0
Total adjustments and transfers			**-1.5**
Increase in County Fund balance for the year			**-19.3**

The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (i.e. to Council Tax).

County Fund Balance	£m
Balance at start of year (1 April 2023)	22.6
Increase in year	19.3
Balance at end of year (31 March 2024)	**41.9**

Our Council Tax Funding

This graph shows how much Council Tax for County Council services was charged for each property band in 2022/23 and 2023/24. Band D Council Tax increased by 4.99% compared to 2017/18, 2.99% relating to the general council tax and 2% for the Adult Social Care precept.



Band	A	B	C	D	E	F	G	H
2023/24	£1,156.02	£1,348.69	£1,541.36	£1,734.03	£2,119.37	£2,504.71	£2,890.05	£3,468.06
2022/23	£1,101.07	£1,284.59	£1,468.10	£1,651.61	£2,018.63	£2,385.66	£2,752.68	£3,303.22

OXFORDSHIRE COUNTY COUNCIL

Capital Investment

We also spent money on improving the council's assets…

Spending…	£m
Pupil Places Plan	36.8
Major Infrastructure	61.7
Highways Asset Management Plan	53.2
Property and Investment	9.6
ICT Strategy	4.9
Passport Fund	8.7
Vehicle and Equipment	1.0
	175.9

Paid for by…	£m
Grants & contributions	113.9
Borrowing	59.8
Revenue	2.2
Capital Receipts	0.0
	175.9

Some of the larger capital schemes that have benefited the community include:

St Edburg's Primary School, Bicester	£11.3m
Didcot Sires Hill - New Primary	£4.2m
Shrivenham - New Primary School	£5.8m
ZEBRA Zero Emission Bus Reg Areas	£8.6m
A44 Corridor Peartree-Cassington	£8.9m
HIF1 Culham River crossing	£3.6m
Street Light LED replacement	£10.9m
20mph Speed Limit	£1.6m
Aston Children's Home	£1.6m
Oathill, Enstone Children's Home	£1.0m
Better Care Fund Disabled Facilities Grant	£7.2m

Summarised Balance Sheet as at 31 March 2024

The balance sheet shows the Council's financial position at 31 March 2024, the end of the 2023/24 financial year. It is a snapshot of what we own, what we owe and how this is funded. The balance sheet includes the council's estimated pensions' liabilities as at 31 March 2024. This is a snapshot position and is likely to fluctuate year on year.

Net Assets:	£m
Long-term assets	1,417.8
Cash and short-term investments	517.3
Money owed to the Council	138.1
Money owed by the Council	-163.9
Borrowing	-288.7
Pensions and other liabilities	-156.7
Capital grants and contributions	-210.9
Total assets less total liabilities	**1,253.0**

Financed by:	£m
Earmarked Reserves	210.1
Other usable reserves	297.1
Unusable reserves	745.8
Net Liabilities	**1,253.0**

OXFORDSHIRE COUNTY COUNCIL

Earmarked Reserves

The Council's earmarked reserves that have been set aside for agreed purposes and are available to be spent in future years as at 31 March 2024 are as follows:

	2022/23 £m	2023/24 £m
Schools	12.9	13.1
Capital investment	68.2	81.0
Insurance	12.9	10.3
Budget Prioritisation	11.4	10.7
Grants and Contributions	36.8	33.6
Other reserves	60.7	61.4
	202.9	**210.1**

Other Usable Reserves

The Council's other usable reserves as at 31 March 2024 are as follows:

	2022/23 £m	2023/24 £m
County Fund balance	22.6	42.0
Capital investment balances	250.0	254.9
	272.6	**296.9**

Cash Flow

The cash flow summary shows the total cash inflows and outflows during the year and includes both capital and revenue transactions

	£m
Cash in hand at 1 April 2023	16.9
Net Movement	28.9
Cash in hand at 31 March 2024	**45.8**

The Outlook

The council's 2024/25 budget is projected to remain within its overall allocation despite challenges, particularly in managing demand for Children's Social Care and market sufficiency. The General Balances are maintained at £30.2m, equivalent to 5% of the net revenue budget, while £15.1m has been allocated for a 5% pay inflation increase, alongside a £7.3m contingency for risks, including demand and additional pay inflation.

Uncertainty surrounds future funding due to the July 2024 General Election. Updates on council tax and funding may emerge in the Government's Autumn Statement on 30 October 2024, but detailed information will not arrive until the Provisional Local Government Settlement in late December.

A £55.8m deficit in High Needs Dedicated Schools Grant (DSG) at March 2024 is forecast to grow to £77.1m by March 2025. Current regulations allow these deficits to be held in unusable reserves until March 2026, but long-term solutions from the Government remain uncertain. If unresolved, the council may need to take action to maintain adequate reserves.

Oxfordshire County Council Pension Fund

The County Council is the administering authority for the Oxfordshire Local Government Pension Fund.

Fund Summary at 31 March 2024	£m
Opening net assets at 1 April	3,170.2
Net expenditure from dealings with fund members	3.5
Net returns on investments	367.7
Closing net assets at 31 March 2024	**3,541.4**

Net Assets Statement at 31 March 2024	£m
Net value of investments	3,469.7
Net money owed to the pension fund	71.3
Long Term Assets	0.4
Net assets of the pension fund at 31 March 2024	**3,541.4**

There were 22,208 contributing members to the fund at 31 March 2024, and 19,388 pensions were paid. Contribution rates for 2023/24 were based on the valuation of the Scheme's financial position as at 31 March 2022.

Pension Fund Annual Report

The Pension Fund annual report can be downloaded from the County Council's website at: www.oxfordshire.gov.uk.

Fire-fighters Pension Fund

Separate fire-fighters pension fund accounts are included in the County Council's Statement of Accounts. The scheme has no assets and the surplus or deficit on the pension fund account is paid to/met by central government.

Status of Accounts

The County Council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting. This summary is taken from the draft Statement of Accounts authorised for issue on 31 May 2019 which are subject to audit.

What do you think?

If you have any questions or suggestions as to how we could improve these summary accounts, please send them to accounts@oxfordshire.gov.uk.

OXFORDSHIRE COUNTY COUNCIL

Glossary of Terms

Asset	Something the County Council owns and can be either long term or current.
Balance Sheet	A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities.
Capital Asset	A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.
Capital Expenditure	Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.
Capital Investment	Investment in assets that will be used for more than one year, e.g. buildings or roads.
Capital Investment Balances	Capital grants and contributions and capital receipts reserves that will be used to fund capital expenditure in future years.
Capital Receipts	Receipts from the sale of capital assets.
Cash Flow	The movement of money into or out of the County Council during the year.
County Fund	The main revenue fund of the County Council into which Council Tax income and Government grants are paid and from which day-to-day payments are made.
Financial Year	The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.
Financing and Investment Income and Expenditure	This mainly comprises interest charges, for example on borrowing, and interest earned on investments.
General Revenue Government Grants	These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.
Liabilities	Amounts owed by the County Council which will be paid some time in the future.
Long Term Assets	Capital assets, long-term investments and money owed to the Council over the long-term.
Non- Domestic Rate	A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.
Net Operating Expenditure	The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.
Non-specific Grant Income	Grant income from general revenue government grants and capital grants and contributions.
Provision	An amount of money put aside in the accounts for anticipated liabilities, which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.
Reserves	Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.
Revenue Expenditure	The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.
Specific Grants	Grants paid by the government towards either revenue or capital to support the cost of specific services.
Unusable Reserves	Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it must be funded.

Division: **ALL**

AUDIT AND GOVERNANCE COMMITTEE
27 November 2024

ANNUAL GOVERNANCE STATEMENT 2023/24 – UPDATE ON ACTIONS

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. The Committee is **RECOMMENDED** to receive this update on the actions from the Annual Governance Statement 2023/24 and to make any comment upon them.

Executive summary

2. On 17 July 2024, this Committee approved the Annual Governance Statement (AGS) for the year 2023/24. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles and to give an opinion on the effectiveness of those arrangements. As part of the process, authorities are expected to highlight areas of focus for the year following.

3. This report therefore updates the Committee on the seven specific areas of focus identified for 2024/25.

Annual Governance Statement actions for 2024/25

4. The seven actions were:

Service area	Action
A. Constitution Working Group	To establish a member working group to work alongside the officer working group
B. HR policies to be reviewed and updated for 2024/2025	• Organisational Change policy • Redeployment policy • Redundancy procedure Fixed Term /Temporary contracts of employment policy • TUPE guidance Pensions and Retirement policy
C. Directorate level Schemes of Delegation	To continue with the review and update of the Directorate Schemes of Delegation.
D. Further consideration of the Information Commissioner's Office's (ICO) expectations when handling Freedom of Information and Environmental	The Customer Feedback team (FOI Officers) to work with the Corporate Governance Team on increasing awareness within the Council on the correct application of the legislation;

Information Regulation requests.	improving the handling and, the quality of responses, to requests.
E. Current CCTV & intruder alarm monitoring arrangements.	To review.
F. Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.	To review.
G. Proactive Training for Governance	Governance sessions to raise awareness and skills level within the Organisation to be carried out by the Head of Governance and Head of Legal.

UPDATES

A. Constitution Working Group

5. A Member Constitution Working Group has been established with the first meeting taking place on 14 November 2024. Attendees included:

Councillor Liz Leffman,
Councillor David Bartholomew,
Councillor Robin Bennett,
Councillor Yvonne Constance,
Councillor Ian Corkin,
Councillor Trish Elphinstone,
Councillor Ted Fenton,
Councillor Stefan Gawrysiak,
Councillor Mark Lygo,
Councillor Roz Smith, and,
Councillor Bethia Thomas.

Also in attendance were the Director of Law & Governance and Monitoring Officer, Head of Legal and Deputy Monitoring Officer, and key Democratic and Governance officers as support.

B. HR Policies

6. The following policies have been reviewed and published:

i. Organisational Change policy;
ii. Redeployment policy;
iii. Redundancy procedure (published as part of organisational change policy);
iv. TUPE guidance;
v. Pensions and Retirement policy.

7. The Fixed Term/Temporary contracts of employment policy is pending approvals. There was a delay in completing the review of this policy due to changes in organisational priority. Planned date for completion is now January 2025.

C. Directorate level Schemes of Delegation

8. Directorate level Schemes of Delegation, which are held both by individual Directorates and centrally, require further review to reflect the recent changes in reporting arrangements.

9. The Law and Governance Scheme of Delegation has been reviewed and updated. The need to review schemes of delegation across the Council has been considered by the Corporate Governance Assurance Group. Steps are being taken to support individual Directors in undertaking this process.

D. Further consideration of the Information Commissioner's Office (ICO) expectations when handling Freedom of Information and Environmental Information Regulation requests.

10. Officers have continued to provide advice to ensure compliance with FOI and EIR services legislation. Services are encouraged to strengthen their responses by considering the ICO's approach, with officers raising specific questions about the handing of a request, including how information searches are undertaken, and who has been involved with a request – ensuring full and thorough consideration is given to each individual request.

11. Key officers meet regularly to discuss current caseloads, themes and compliance. These meetings are extended to specific service areas where themes occur. This provides opportunity to work through a request and ensure legislation is applied correctly.

12. Quality assurance is undertaken by Officers on responses to requests for information before they are sent to ensure they fully address the request. If any request has not been adequately answered, it is referred back to the responding managers for revision. Consequently, the number of internal reviews is decreasing due to the accuracy of responses before their release.

13. Officers continue to attend ICO workshops as well as undertake benchmarking exercises against other local authorities to review best practice and update internal guidance.

E. Full review of current CCTV & intruder alarm monitoring arrangements.

14. Complete. Revised policy and procedure implemented.

F. Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.

15. It is important that the legal status of and responsibilities and accountabilities of Members are clearly understood in relation to outside bodies they are appointed to by the Council. This is still to be reviewed by 31 March 2025.

G. Proactive Training for Governance

16. Following a review of the Governance policies, training materials are in development which will be published and used in Governance sessions, including raising awareness about the Council's whistleblowing process and amended policy. Training sessions have been held for officers relating to decision-making including compliance with legal requirements around key decisions. Key Officers will be requested to complete CIPFA's online training on whistleblowing.

17. Further in-house whistleblowing eLearning material is in development and will be rolled out across the organisation.

Financial implications

18. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Legal implications

19. The Council has a legal duty to agree an Annual Governance Statement. This report does not itself raise legal implications but is an update on the actions arising from last year's AGS and is consistent with the responsibility of this Committee to ensure the effectiveness of the Council's governance.

Checked by: Paul Grant, Head of Legal, & Deputy Monitoring Officer
paul.grant@oxfordshire.gov.uk

Equality and inclusion implications

20. The recommendations in this report do not themselves raise equality implications. However, the effectiveness and inclusivity of the Council's governance arrangements are integral to the effective running of the Council and of the outcomes for the community.

Anita Bradley
Director of Law and Governance & Monitoring Officer

Contact Officer Sarah Smith, Senior Governance Lead
governance@oxfordshire.gov.uk

November 2024

Divisions Affected – N/A

AUDIT AND GOVERNANCE COMMITTEE

27 November 2024

WHISTLEBLOWING POLICY

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. To note the number of incidents of Whistleblowing during the 2023-24 financial year.

2. To note that training on Whistleblowing is currently being rolled out within the organisation.

Background

3. A new Whistleblowing Policy was presented to the Audit and Governance Committee on 13 March 2024. A copy of the policy is attached to the report.

4. The new policy provides greater clarity around the six categories set out in the Employment Rights Act 1996 that make a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998.

5. The Monitoring Officer was tasked with providing training on the Whistleblowing policy and procedure and this is currently being rolled out.

Incidents of whistleblowing during 2023-24

6. Thirteen whistleblowing allegations were received. Nine were assessed by the Monitoring Officer as requiring action under a different council policy (e.g. Grievance Procedure) and four were accepted as requiring investigation under the Whistleblowing Policy. Summary of allegations and status of investigation are provided below:

a) Health and Safety concerns in a residential home setting – investigation completed.
b) Improper practices in awarding contracts in a service area - investigation completed.
c) Breach to the Council's procurement policy - investigation completed.
d) Lack of health and safety considerations in a Children's Services setting - investigation completed.

7. Three of the allegations were reported by Council employees and one was from a contractor to the Council.

8. For the first six months of 2024-25, 1 April to 30 September 2024, six whistleblowing allegations were received. Of these, three were assessed by the Monitoring Officer as requiring action under a different Council policy. Three have been accepted as requiring investigation under the Council's Whistleblowing Policy.

9. A single point of confidential contact is available at whistleblowing@oxfordshire.gov.uk and overseen by the Monitoring Officer and Chief Internal Auditor. The policy gives the contact details of senior managers and external organisations in case a person wishes to raise matters that way in the first instance.

Corporate policies and priorities

10. The Whistleblowing Policy supports the Council's organisational values, most notably 'equality and integrity in all that we do' and 'taking responsibility'.

Financial implications

11. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Risk management implications

12. Without clear arrangements for employees to raise whistleblowing concerns safely, it is difficult for an organisation effectively to manage the risks it faces.

Legal implications

13. Under the scheme of delegation in the Constitution, the Monitoring Officer has authority to agree and adopt the governance policies for the Council, including the Whistleblowing Policy, following consultation with the Leader, Deputy Leader and Director of Finance.

14. The Public Interest Disclosure Act 1998 sets out a framework for a worker to make disclosure (whistleblowing) about categories of wrongdoing, if there is a public interest in doing so. A person raising such a concern has a right not to suffer any detriment. The Council's Whistleblowing Policy is consistent with the expected framework, and other best practice guidance, and sets out the expected protections.

Checked by: Paul Grant, Head of Legal, & Deputy Monitoring Officer
paul.grant@oxfordshire.gov.uk

Equality and inclusion implications

15. The Whistleblowing Policy is intended to give confidence to all who wish to raise an allegation of wrongdoing and not to disadvantage any individual that has one or more protected characteristic.

Anita Bradley
Director of Law & Governance and Monitoring Officer

Annex: Whistleblowing Policy

Contact Officer: Sarah Smith, Senior Governance Lead
Email governance@oxfordshire.gov.uk

November 2024

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OXFORDSHIRE COUNTY COUNCIL

Whistleblowing Policy

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A. ABOUT THIS POLICY

1. Oxfordshire Council is committed to conducting its business with honesty and integrity and expects all staff including anyone contracted to work or volunteer for the council, to maintain high standards. Any suspected wrongdoing should be reported as soon as possible.

2. This policy covers all employees, past employees, councillors, consultants, contractors, volunteers, interns, casual workers and agency workers and for the purpose of this policy known as a 'Worker'

3. This policy does not form part of any employee's contract of employment and we may amend it at any time.

B. SCHOOLS

4. All schools and academy trusts are required to have appropriate procedures in place for handling whistleblowing and for ensuring school staff know who they can contact if they wish to raise a concern.

5. There is a specific whistleblowing policy for maintained schools in Oxfordshire which should be followed for any whistleblowing matters raised by employees of the school, supply staff and agency workers.

6. In a multi academy trust (MAT), the procedure is likely to be trust-wide and approved and reviewed at trust board level.

C. AIM OF POLICY

7. This policy aims to

   a) encourage workers to report any suspected wrongdoing as soon as possible, in the knowledge that their concern will be taken seriously and investigated as appropriate, and that their confidentiality will be respected as far as possible; and
   b) provide guidance on how to raise those concerns; and
   c) reassure anyone raising a genuine concern, made in the public interest, that this can be done without fear of reprisals, even if they turn out to be mistaken.

D. WHAT IS WHISTLEBLOWING

8. Whistleblowing is the reporting by a worker of suspected wrongdoing or dangers in relation to our activities. This includes bribery, facilitation of tax evasion, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal or professional obligations.

9. We believe that anyone who raises any type of concern about work that they believe to be true, should be treated with respect, and should not suffer as a result. Certain types of wrongdoing or dangers that are reported are regarded as being in the public interest. These are specified within The Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 and concern the following matters:

   i. Any criminal offence (such as fraud or theft)

ii. Any breach of a legal obligation or duty
iii. A miscarriage of justice
iv. A danger to the health and safety of any individual
v. Dangers to the environment
vi. Deliberate concealment of information tending to show any of the above five matters

10. A worker who reasonably believes that one of the above concerns is either happening now, took place in the past, or is likely to happen in the future is making a 'qualifying disclosure' (and discloses information regarding the matter to the appropriate person or body), will be 'protected' from detrimental treatment or victimisation from their employer. These are called "protected disclosures", further information on the protection for workers can be found in section G of this policy.

    As a whistle-blower you're protected by law - you shouldn't be treated unfairly or lose your job because you 'blow the whistle'

11. In some cases, a disclosure may be investigated under a separate policy of the Council where appropriate, for example, an employment issue or poor behaviour of employees. In these cases, the Council's Bullying and Harassment Policy and/or Grievance policy and procedure and/or Dignity at Work Policy will be used as the internal mechanism for dealing with the concern in the first instance.

12. There are other concerns, that may not amount to a 'qualifying disclosure', or fall into the Council's employment policies, but may however meet the public interest criteria, and by way of example only may be 'value for money' concerns or poor contract management. While these may not have the same legal protection, the Council takes these seriously and so the Council's complaint procedure Complaints and comments about Oxfordshire County Council | Oxfordshire County Council should be used for the Council to consider and investigate with a view to resolving those concerns.

13. If another Council procedure or policy is used to investigate a complaint that comes through the Whistleblowing route but when assessed does not amount to a whistleblow, the investigating officer will be requested to confirm to the Monitoring Officer when the alternative process has been completed. The investigating officer should report the fact that the process has been completed and wherever possible the outcome to the complainant.

E. WHO CAN RAISE A WHISTLELBLOWING CONCERN

14. The policy applies to all:

    i. employees of the council,
    ii. agency workers,
    iii. temporary workers,
    iv. students and volunteers working for Oxfordshire County Council.
    v. Staff working for other contractors working for the council (where the contractor has agreed to adopt the council's policy),
    vi. elected and co-opted members of Oxfordshire County Council.

15. Although the council's elected members are not workers within the definition of Employment Rights Act 1996, this policy nevertheless also applies to the Council's elected and co-opted members.

16. Members of the public can raise concerns through the Council's complaints processes or via the Local Government and Social Care Ombudsman or the Council's External Auditors.

17. If a member of the public or a member of staff contacts a County Councillor with a whistleblowing concern, then the Councillor should contact the Monitoring Officer in the first instance.

F. CONFIDENTIALITY

18. We hope that workers will feel able to voice whistleblowing concerns openly under this policy. However, if you want to raise your concern confidentially, we will make every effort to keep your identity secret. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.

19. We do not encourage workers to make disclosures anonymously, although we will make every effort to investigate anonymous disclosures. You should be aware that proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also more difficult to establish whether any allegations are credible.

20. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the Monitoring Officer or one of the other contact points listed in Annex 1 and, we will discuss this as soon as possible with you, and aim to devise strategies for supporting you to ensure that you suffer no detriment or harassment as a result.

21. There is a continuing duty to the Council not to disclose confidential information. This does not prevent you from seeking independent advice at any stage nor from discussing the issue with the charity Protect (previously called Public Concern at Work) on 020 3117 2520 and www.protect-advice.org.uk, in accordance with the provisions of the Public Interest Disclosure Act 1998.

G. PROTECTION AND SUPPORT FOR WHISTLEBLOWERS

22. Speaking up about any concern you have at work is vitally important. In fact, it's essential because it will help us to keep improving our services for all residents and the working environment for our employees.

23. You may feel worried about raising a concern, and we understand this. But please don't be put off. We will listen to and investigate what you say.

24. This policy encourages concerns to be raised in a constructive and positive manner and provides an escalation process where concerns can be raised if they remain outstanding.

25. If you raise a genuine concern (i.e. held in reasonable belief) under this policy, you will not be at risk of losing your job or suffering any form of reprisal as a result. We will not tolerate the harassment or victimisation of anyone raising a concern. Nor will we tolerate any attempt to bully you into not raising any such concern; in fact, any such attempt would warrant you raising a concern in itself. Any such behaviour, to deter a report, is a breach of our Delivering The Future Together (DTFT) values, and if upheld following investigation, could result in disciplinary action for the person(s) involved.

26. Provided you are acting honestly, it does not matter if you are mistaken or if there is an innocent explanation for your concerns. We want to hear from you. Of course, we do not extend this assurance to someone who may maliciously raise a matter they know is untrue, this would be an abuse of this policy and may result in disciplinary action.

27. The Public Interest Disclosure Act 1998 protects employees from reprisal, victimisation or harassment at work if they raise a concern that they reasonably believe is in the public interest. If any persons raising a concern believe themselves to be suffering a detriment for having raised a concern, this should be made known to the Monitoring Officer (contact details below).

H. ROLE OF TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS

28. Employees can raise concerns directly themselves or can ask their trade union or professional association to do so on their behalf. Whistleblowers can bring a trade union or professional association representative or friend with them to any meetings.

I. HOW TO RAISE A CONCERN (PROCEDURE)

29. This section of the policy tells you how to and to whom you can raise a whistleblowing complaint. The earlier you express your concern, the easier it is to take action. You will need to provide the following information:

    i. the nature of your concern and why you believe it to be true.
    ii. the background and history of the concern (giving relevant dates and information).

30. If your concerns are raised verbally, then a written record will be taken.

a) STEP 1

31. We hope that in many cases you will be able to raise any concerns with your manager.

b) STEP 2

32. However, where you prefer not to raise it with your manager for any reason, then you can raise your concern in writing at whistleblowing@oxfordshire.gov.uk or verbally via the Whistleblowing hotline: **01865 328573.**

33. This is a confidential email address and telephone number, attended by the service reporting directly to the Council's Chief Internal Auditor.

34. To raise your concern in writing, we encourage you to use the' Formal Whistle blow Concern Form' Whistleblowing and serious concerns | Oxfordshire County Council. This Form and any accompanying documents should be sent via email to the whistleblowing generic email address whistleblowing@Oxfordshire.gov.uk to ensure that actions are tracked and escalated by the Monitoring Officer.

35. You can also raise your concern in writing (using the Form (link)) by posting this to the Chief Internal Auditor (Whistleblowing), Oxfordshire County Council, New Road, Oxford, OX1 1ND.

36. Once you have raised a concern, we will carry out an initial assessment to determine the scope of any investigation and whether it falls within the Whistleblowing process. We will inform you of the outcome of our assessment. You may be required to attend additional meetings to provide further information.

37. In some cases, we may appoint an investigator who may be internal or external to the council or a team of investigators including employees with relevant experience of investigations or specialist knowledge of the subject matter. The investigator(s) may make recommendations for change to enable us to minimise the risk of future wrongdoing.

38. We will:

i. treat your concern confidentially unless otherwise agreed. ii. ensure you receive timely support to progress your concern.
iii. escalate to HR any indications that you are being subjected to detriment for raising your concern. iv. remind the organisation of the need to give you timely feedback on how your concern is being dealt with.
v. ensure you have access to personal support since raising your concern may be stressful.

c) STEP 3

39. If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact the Chief Executive at Oxfordshire County Council, internal audit or anyone listed in Annex 1 (details below).

d) STEP 4

40. You can raise concerns formally with external bodies other than your employer which are listed here https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribedpeople-and-bodies - and also those listed in Annex 2.

41. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

42. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. We strongly encourage you to seek advice from the Monitoring Officer before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern.Their contact details are at the end of this policy.

J. HOW WILL THE COUNCIL RESPOND?

43. The council is committed to giving concerns raised through the policy thorough consideration whilst responding as quickly as possible. We will also be open and transparent with people raising concerns and those subject to whistleblowing concern, explaining when information can and cannot be shared.

a) INITIAL ASSESSMENT

i. The Monitoring Officer or an Officer acting on their behalf will acknowledge receipt of the concern within **3 working days**; and

ii. Within **5 working days** an appropriate lead identified by the Monitoring Officer will undertake an initial desktop (paper based) assessment and determine if the concern amounts to whistleblowing or not, and if it requires further information or investigation.

iii. It may be necessary, at this stage to conduct initial enquiries, which will be objective, and evidence based, and may involve contacting you for further evidence/information.

iv. Where we can, we will write to you within **12** working days of a concern being raised with the outcome of the initial assessment:

a) indicating if the complaint does amount to a Whistleblowing complaint;
b) indicating if the complaint does not amount to a Whistleblowing complaint, what other council policies might be appropriate instead.
c) indicating how the council proposes to deal with the matter i.e. telling you whether further investigations will take place and if not, why not.
d) supplying you with information on any support mechanisms as appropriate
e) confirming how the matter can be taken further if you do not agree with the council's response.

If more time is required to undertake the initial assessment we will confirm this to you.

b) FURTHER ASSESSMENT

44. Where after initial assessment has been made, your concerns amount to whistleblowing then the matters raised may:

    i. require further investigation by someone suitably independent (usually from a different part of the organisation or external to the council);
    ii. be referred to the police;
    iii. be referred to the external auditor;
    iv. be referred to existing child protection/abuse procedures.

45. If following the INITIAL ASSESSMENT it is necessary to undertake a further investigation, then the council will advise you as to how long this is likely to take with an indication as to when you might receive how the council intends to provide a FINAL response to your complaint.

46. While the council cannot guarantee that the outcome will be as you wish, it will handle the matter fairly and in accordance with this policy. You need to be assured that your disclosure has been properly addressed. Unless there are any legal reasons why this cannot be done, you will be kept informed of the progress and outcome of any investigation, maintaining security and confidentiality for all parties as far as possible. You will not however be provided with any report or other correspondence created by any investigation and dealing with your disclosure.

47. In respect of disclosures of serious misconduct or wrongdoing relating to safeguarding children or adults at risk and or special educational needs the Council has a legal obligation to investigate and will do so irrespective of the status of any school or relevant organisation.

K. IF YOU ARE NOT SATISFIED

48. The council will inform you in writing of the outcome of its assessment and/or any investigation or any action taken, subject to the constraints of confidentiality and the law.

49. If you do not believe your concern has been addressed adequately, you can raise it with any person listed in Annex 1 or an independent body such as:

    i. the council's external auditor
    ii. Trade Union
    iii. Citizens' Advice Bureau
    iv. a relevant professional body or regulatory organisation
    v. a relevant voluntary organisation
    vi. Police
    vii. Local Government and Social Care Ombudsman
    viii. Equalities and Human Rights Commission
    ix. NSPCC should the concern relate to a child.

L. EXTERNAL DISCLOSURES

50. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

51. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

52. Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a customer, client, supplier or service provider. If this is the case, we encourage you to report such concerns internally first, in line with this policy. You should contact the Whistleblowing Officer or Monitoring Officer for guidance.

M. REVIEW OF THIS POLICY

53. The Council's Monitoring Officer has overall responsibility for this Policy, how it is used and how the Policy is working. It will be reviewed annually, with the Monitoring Officer taking an annual report to the Audit & Governance Committee to assess the effectiveness of the Policy and the arrangements and training underpinning it. The Monitoring Officer will also make an annual report on the type of cases dealt with under this Policy.

Responsible Officer: Monitoring Officer

Published: April 2024 (version 2)

ANNEX 1 - CONTACT DETAILS (OXFORDSHIRE COUNTY COUNCIL)

Whistleblowing Officer
Declan Brolly
Confidential email: whistleblowing@oxfordshire.gov.uk

List of senior managers:

Executive Director of Resources and Section 151 Officer (Deputy Chief Executive)	Lorna.Baxter@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Chief Internal Auditor	Sarah.Cox@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND WB Tel no: 01865 328573
Head of Paid Service/Chief Executive	Tel no: 07354 845921 Martin.Reeves@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Director of Law & Governance and Monitoring Officer	Anita.Bradley@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Head of Legal and Deputy Monitoring Officer	Paul.Grant@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Directors Executive Director – People and Transformation (Deputy Chief Executive) Director of Adult Social Care Director of Children's Services Director of Public Health and Communities Director of Environment and Highways Director of Economy and Place	 Stephen.Chandler@oxfordshire.gov.uk Karen.Fuller@oxfordshire.gov.uk Lisa.Lyons@oxfordshire.gov.uk Ansaf.Azhar@oxfordshire.gov.uk Paul.Fermer@oxfordshire.gov.uk Robin.Rogers@Oxfordshire.gov.uk
Chief Fire Officer and Director of Community Safety	Rob.MacDougall@Oxfordshire.gov.uk

Your Local Councillors (if you live in Oxfordshire)	Web site: www.oxfordshire.gov.uk Click on: Council>About your council>Oxfordshire councillors>Your county councillor Your county councillor | Oxfordshire County Council

ANNEX 2 – EXTERNAL ORGANISATIONS – CONTACT DETAIL

Any directly relevant Body listed in the Department for Business, Energy & Industrial Strategy
website under "Blowing the whistle: list of prescribed people and bodies Or
Any contact listed below:

Contact	Details
External Auditors Ernst & Young LLP	Apex plaza, Forbury Road, Reading. RG1 1YE Web: www.ey.com Or: 0118 928 1100
The Local Government and Social Care Ombudsman	PO Box 4771, Coventry. CV4 0EH www.lgo.org.uk Tel no. 0300 061 0614
The Equalities and Human Rights Commission	www.equalityhumanrights.com/en/whistleblowing#report
The Health and Safety Executive (Regional Office)	Priestley House, Priestley Road, Basingstoke, Hampshire. RG24 9NW Web: www.hse.gov.uk Tel no. 0300 790 6787
The Environment Agency (Thames Regional Office)	Kings Meadow House, Kings Meadow Road, Reading. RG1 8DQ Web: www.environment-agency.gov.uk Tel No. 03708 506506
Citizens Advice Bureau	www.citizensadvice.org.uk
Whistleblowing Helpline Free advice for NHS and Social Care	https://speakup.direct/ Tel No. 08000 724725
The NSPCC Whistleblowing Helpline (when it relates to children)	0800 028 0285 Whistleblowing Advice Line | NSPCC
Police	www.gov.uk/contact-police
Your Local Councillors (if you live in Oxfordshire)	You can find your Oxfordshire County Councillor on our website:
Protect Confidential advice line	www.protect-advice.org.uk / 020 3117 2520

ANNEX 3 – WHISTLEBLOWING & PROTECTIONS

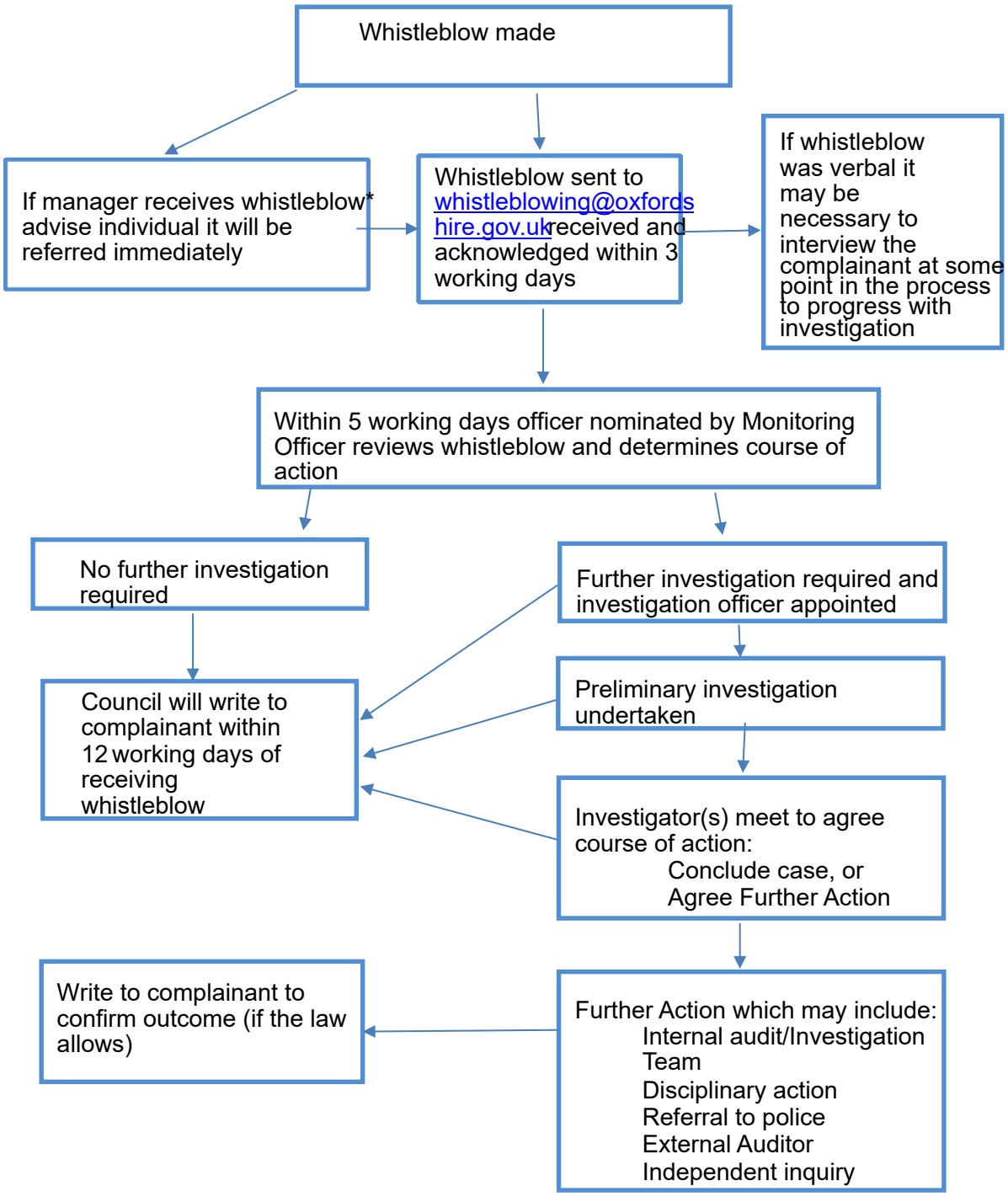
a) If a whistleblower has any doubt about whether it is lawful to make a disclosure, it is recommended that they take advice from the Director of Law and Governance and Monitoring Officer or Chief Internal Auditor, before disclosing the detail to avoid inappropriate disclosure. This is so the whistleblower keeps any protection the law affords as a consequence of their actions. The law protects the whistleblower from any retaliation or discrimination which may occur, so long as they believe any "protected disclosure" to be true, it is proportionate to the circumstances and importantly that it is made to a prescribed person or relevant body only. to include reference to the for further advice regarding whether it is lawful to make a disclosure

b) An employee is not protected or immune from other action being taken against them if making the disclosure breaks the law

c) Any protection the whistleblower may be entitled to by law, may be compromised or lost if the disclosure is made to the press.

ANNEX 4 - WHISTLEBLOWING PROCEDURE – FLOW CHART

(a text only version is available on the next page)



Whistle blowing procedure – text-only version.

A whistle blow is made.

Whistle blow may be sent directly to email whistleblowing@oxfordshire.gov.uk

If manager receives the whistle blow. Individual is advised it will be referred immediately.

Whistle blow received via the whistleblowing email address will be acknowledged within 3 working days

Within 5 working days officer nominated by Monitoring Officer reviews whistleblow and determines course of action

If the whistle blow was verbal it may be necessary to interview the complainant at some point in the process to progress with the investigation.

If no investigation is required

Action: If no investigation is required, council will write to complainant within 12 working days of receiving whistle blow

If further investigation is required
If further investigation is required, an investigation officer will be appointed. **Action**: The council will write to complainant within 12 working days of receiving the whistle blow.

A preliminary investigation undertaken.

Investigator(s) meet to agree course of action: conclude case or agree further action.

Further action

Further action may include:

- internal audit/investigation team
- disciplinary action
- referral to police
- external auditor
- independent inquiry

Action: Write to complainant to confirm outcome (if the law allows)

ANNEX 5 - WHISTLEBLOWING FORM

This form is intended for use by employees and workers who wish to make a Whistleblowing Complaint under the terms of the Council's whistleblowing policy (link). This is to assist you in making your complaint and ensure that the Council captures your complaint. You are encouraged to use this form, however there are a number of methods by which you can make a whistleblowing complaint, and this is set out in section I of the Council's policy.

Agency workers, consultants and contractors and any others who perform functions in relation to the Council can also use the Council's whistleblowing policy.

A Whistleblowing Complaint requires that a Qualifying Disclosure is made.

A 'qualifying disclosure' is the term used in the whistleblowers legislation (Public Interest Disclosure Act 1998) to identify the categories of information which an employee/worker can disclose to a suitable person without fear of reprisal.

A qualifying disclosure is a protected disclosure provided

- the disclosure of information which you reasonably believe is made in the public interest; and
- the disclosure of information, shows one or more of the following categories of 'relevant failures' is either currently happening, took place in the past, or is likely to happen in the future; and - the complaint is made to the right person in the right way.

<u>Categories of 'relevant failures' as determined by statute</u>

- a criminal offence, including offences such as theft, fraud or acts of bribery
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health and safety of any individual
- damage to the environment
- deliberate concealment of information tending to show any of the above five matters.

Your belief must be reasonable, but it need not be correct.

It might be discovered subsequently that you were, in fact, wrong or mistaken in your belief, and if that is the case you are still afforded protection from reprisal or detriment, provided you demonstrate you held the belief and that it was a reasonable belief to hold in the circumstances at the time of making your whistleblowing complaint.

For a qualifying disclosure to be a protected disclosure, then you then need to make it to the right person and in the right way. There are a number of methods by which you can make a qualifying protected disclosure, and this is set out in section I of the Council's policy, but we always encourage first raising your whistleblowing complaint with the council in the first instance and this is the purpose of this form.

If you are an employee and your concern relates to a breach of your own contract of employment or is otherwise a personal grievance or is of a personal interest, you should use the Council's/Schools grievance procedure instead.

If you are unsure whether your concern is best dealt with under the whistleblowing policy or grievance policy or Anti Bulling and Harassment policy or other council/school policy, please consult your line manager, HR Business Partner or the Council's Monitoring Officer for further advice.

Once you have completed this form, you should immediately forward it to whistleblowing@oxfordshire.gov.uk . You can also forward this and/or copy this to you line manager. If you send your complaint to your line manager, they will forward this to the whistleblowing email box.

Once you have submitted your complaint, the procedure set out in the whistleblowing policy will be invoked and this will result first in an INITIAL ASSESSMENT and may then lead to further investigations/enquires and may result in a FINAL ASSESSMENT.

You can request that your concerns be kept anonymous. Where possible, this will be respected, but we cannot guarantee that this will be the case. See the whistleblowing policy for more details on 'Protection for Whistleblowers'.

Formal whistleblowing disclosure	
Full name of employee/complainant:	
Job title/Service Area/Directorate	
Date:	
Does your public interest disclosure relate to your line manager?	YES/NO*
What is the category of your public interest disclosure? Delete the categories that DO NOT APPLY to your complaint.	• a criminal offence, including offences such as theft, fraud or acts of bribery • the breach of a legal obligation • a miscarriage of justice • a danger to the health and safety of any individual • damage to the environment • deliberate concealment of information tending to show any of the above five matters.

Please set out a) further details of the issue you wish to raise, including any dates, times, locations and the individuals involved: please use additional pages if necessary and please add your name and number to these pages; and b) why you reasonably believe your disclosure of information is made in the	
public interest; and c) how your disclosure of information is in the public interest.	
If possible, please provide the names and contact details of the individuals involved, including any witnesses:	
Please set out how you would like to see the issue dealt with, and why you believe this outcome will resolve the issue:	
I declare that the information I have given on this form is true and accurate to the best of my knowledge and belief. I understand that if I knowingly make false or malicious allegations, then disciplinary actions, including dismissal may be taken by the council. If I am a third party, such as an agency worker, consultant or contractor, I understand that it may result in my engagement being terminated.	

(delete as appropriate)*

Name: .....
(insert name of employee/complainant)

Signed: .....

Date: .....

CONTINUATION PAGES Name:

Please provide: further details of the issue you wish to raise, including any dates, times, locations and the individuals involved

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AUDIT & GOVERNANCE COMMITTEE
27 November 2024

COUNTER FRAUD UPDATE

Report by Executive Director of Resources

RECOMMENDATION

1. **The Committee is RECOMMENDED to**

a) Note the summary of activity against the Counter Fraud Plan for 2024/25.

Executive Summary

2. This report presents a summary of activity against the Counter Fraud Plan for 2024/25, presented to the July 2024 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

Counter-Fraud Team Update

Counter-Fraud Service & Resources Update

3. As reported to the July 2024 meeting, the Counter Fraud team comprises of the Counter Fraud Team Manager, Senior Counter Fraud Officer, Data and Intelligence Officer and the Assistant Counter Fraud Officer.

4. As noted in previous updates, the Counter Fraud team receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Counter Fraud Team Manager meet with the Director of Law & Governance regularly to review, discuss and progress all whistleblowing investigations.

5. **Case Figures 2024/25 (at end of October 2024):**

Indicator	Value
New Cases 2024/25 (April – November 2024)	14 cases
Current open cases (by year)	2024/25: 11 2023/24: 3 2022/23: 0

With the Police	2021/22: 0 2020/21: 1 For 2 cases, the Team are currently in liaison with the police.
New Cases by type	Blue Badge: 6 Contractor: 1 Deprivation of Assets: 1 Direct Payment: 1 Employee: 5
New Cases by referral source	Anonymous: 1 Employee / Internal Control: 10 Other Local Authority: 2 External: 1

6. Update against the Counter-Fraud Plan 2024/25

The 2024/25 Plan, which was previously presented to the Audit & Governance July 2024 meeting, has been structured around the 5 pillars of anti-fraud activity in the Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally:

Objective	Actions	Timescale	November 2024 Update
Acknowledge: Understand fraud risk and maintain a robust anti-fraud response.	1) Continue development of Council's fraud risk register.	End of quarter 3.	Development of the register is ongoing and is on target to be completed by end of quarter 3.
Prevent: Prevent and detect fraud taking place against the organisation, using proactive work and data analysis.	2) Fraud alerts to be provided to service areas as necessary.	Ongoing.	Ongoing.
	3) Upload of data for the new NFI 2024/2025 exercise.	End of quarter 3.	The upload has been completed.
	4) Review of initial NFI match data once received in	End of quarter 4.	The matches are not yet available but a plan for the review is being prepared.

	February 2025.		
	5) To complete Joint Internal Audit & Counter Fraud proactive reviews into Travel expenses (included in Internal Audit Plan 24/25).	End of July 2024.	The audit testing has been completed and the report is on target to be issued by end of quarter 3.
	6) To enhance data analytic capability to support potential areas of proactive work.	Ongoing.	Ongoing.
Pursue: Carry out fraud investigations, apply sanctions to offenders and recover losses.	7) Conduct investigations into suspected fraud and malpractice (this includes participation in joint investigations with other enforcement authorities).	Ongoing.	Ongoing. 14 cases of suspected fraud have been opened so far in 2024/25, with 3 investigations closed.
	8) Continue enforcement activities against Blue Badge fraud and misuse by completing on-street exercises.	3-4 targeted exercises per financial year.	2 exercises have so far been completed in 2024/25. Please see the Blue Badge Update below.
	9) Respond to information requests from the Police, other	Ongoing.	Information sharing between the Counter-Fraud Team, Police, Local Authorities and

		Local Authorities and investigation bodies such as HMRC.		other investigation bodies is ongoing.
Protect: Recognising the harm that fraud can cause in the community.	10)	Review and share fraud trends and new threats with relevant service areas.	Ongoing.	Ongoing. The Team have disseminated 13 NAFN fraud alerts to relevant service areas so far in 2024/25.
	11)	Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, & Care Quality Commission).	Ongoing.	Ongoing. One case has been referred to the Gangmasters Authority so far in 2024/25.

Other updates

7. **Blue Badge Enforcement:**

The Counter-Fraud Team have continued to conduct on-street blue badge enforcement exercises in 2024-25, with two exercises completed in May and June 2024.

During the on-street exercise in May, 64 blue badges were checked. 1 blue badge was seized, and 4 Penalty Charge Notices were issued by the Council's Civil Enforcement Partner. In the case where the blue badge was seized, a warning letter was issued to the badge user. The exercise has also resulted in 2 prosecution files being prepared for the use of badges that had been reported as lost and stolen (respectively).

The on-street exercise in June, where 53 blue badges were checked, resulted in the seizure of 2 blue badges and 5 Penalty Charge Notice(s) issued. Prosecution files have been prepared for 2 cases involving the use of blue badges reported as stolen. For an additional case, the investigation resulted in a Local Authority Simple Caution being issued and signed by the user of the badge.

Oxford Magistrates Court has scheduled a court date for the 4 cases where prosecution files have been prepared. Updates on the outcomes of these cases will be provided in the next Counter-Fraud Update.

8. National Fraud Initiative:

8.1. 2022/23 Exercise:

The National Fraud Initiative (NFI) reports from the 2022/23 exercise, released in February 2023, have been fully reviewed. All reports are closed with the exception of the 'Pensions to DWP Deceased' report, which has 3 open matches.

In July 2024, it was reported that 7 pensions overpayments amounting to £18,123 had been fully recovered, with the recovery of the remaining 5, amounting to £30,948, still in progress. Since then, an additional £8,345 has been recovered from 2 overpayments. One of the remaining 3 overpayments is in excess of £18,000, and the potential use of a Financial Investigator to aid in further investigation / recovery is being reviewed.

In total, the Cabinet's Office estimated future saving figure for the 2022/23 exercise is £574,403. A breakdown of this figure by area was provided in the July 2024 Counter-Fraud Update.

8.2. 2024/25 Exercise:

The 2024/25 exercise commenced in October 2024, with the extraction and upload of 7 datasets across 5 areas of the Council: Concessionary Travel Passes, Creditors, Parking Permits, Payroll, and Pensions. The upload is complete, and the matches are expected to become available in late December 2024. The review of these matches is being planned for early 2025.

The NFI has proposed that reports covering Personal Budgets (for Adult Social Care clients) and Private Supported Care Home Residents will be reintroduced as supplemental matches for the 2024/25 exercise. These reports were available up until (but not including) the 2020/21 exercise and have previously resulted in financial savings for the Council. The relevant service areas have been informed and the Counter-Fraud Team awaits further instructions from the NFI.

The NFI has noted the increase in multiple employment fraud across the public sector, particularly concerning agency contracts. The Payroll-to-Payroll match, which identifies overlapping periods of employment in more than one organisation, currently only includes permanent employees. This has now been expanded to include agency workers for a small number of Local Authorities and is expected to be rolled out to all NFI participants (including Oxfordshire County Council) at a future date.

9. Controls Improvement & Cases to Note:

Upon the conclusion of each investigation, where applicable, the control environment is reviewed, and a post investigation report issued. The report highlights any weaknesses identified and includes agreed actions to prevent, stop and minimise the risk of reoccurrence. The agreed action plan is monitored for implementation by the Counter Fraud Team.

Since the last update to the July 2024 Audit Committee, the team has issued one investigation report regarding improvements to made to the financial management processes of a primary school. This followed an investigation into a School Business Manager which identified fraudulent purchasing card transactions and forged cheques from the school bank account. The team have prepared a full prosecution file which was referred to the police and we are now waiting for a charging decision to be made by the Crown Prosecution Service. The amount lost from the forged cheques has also been refunded by the relevant bank.

It was previously reported that the team is currently investigating a supplier of services to the Council who appears to have continued to invoice for a service no longer provided. This case is now being jointly investigated with the police and an interim investigation report is being prepared.

It was reported in July 2024 that a further investigation is being carried out into an allegation that the Council has been provided with incorrect information regarding the residency of a client of Adult Social Care's family member, which materially affected the client contribution. The investigation is ongoing.

The Team previously investigated a case where the Council were provided with incorrect information regarding the capital of a client of Adult Social Care, intended to affect their care contribution. A relative of the client who held Power of Attorney pled guilty to fraud by abuse of position in 2020, and the Council were awarded compensation and full costs under the Proceeds of Crime Act 2002. As of September 2024, the Council have received the full £53,826 in mis-paid client contributions, in addition to £6,085 in costs and interest.

The prevalence of 'parallel working' or 'multiple employment fraud', where an employee has undeclared secondary employment, has been observed to be an increasing fraud risk to public sector organisations, including Oxfordshire County Council. Three cases of alleged multiple employment fraud have been opened in 2024-25, which are all under investigation. The Counter-Fraud Team has been working closely with other Local Authorities to identify potential overlapping periods of employment for these cases. Additionally, information sharing with HR on fraud alerts or referrals concerning multiple employment fraud has been enhanced, and the Team has provided support to HR and Governance in strengthening relevant internal policies.

An item is scheduled for the next Audit Working Group which will provide a detailed update on the counter fraud case activity and also the work being undertaken to develop a Fraud Risk Register.

Financial Implications

10. There are no direct financial implications arising from this report. The report presents amounts recovered and prevented future losses from individual investigations.

    Comments checked by:

    Lorna Baxter, Executive Director of Resources & S151 Officer
    lorna.baxter@oxfordshire.gov.uk

Legal Implications

11. There are no direct legal implications arising from this report. The Director of Law and Governance and also the Head of Legal are involved in all Whistleblowing referrals and fraud referral cases that proceed to investigation stages.

    Comments checked by:

    Paul Grant, Head of Legal, paul.grant@oxfordshire.gov.uk

Staff Implications

12. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

13. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

14. There are no direct sustainability implications arising from this report.

Risk Management

15. The are no direct risk management implications arising from this report.

Lorna Baxter, Executive Director of Resources & S151 Officer

Annex: Nil

Background papers: Nil

Contact Officers: Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk
Declan Brolly, Counter Fraud Manager,
Declan.brolly@oxfordshire.gov.uk

November 2024

AUDIT AND GOVERNANCE COMMITTEE

27 NOVEMBER 2024

FINANCIAL PROCEDURE RULES AND FINANCIAL REGULATIONS

Report by Executive Director of Resources and Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to**

   a) Endorse the amendments to the Financial Procedure Rules and Financial Regulations including those made in April 2020 that were not subject to approval; and, to submit to Council for approval at the meeting on 10 December 2024.

Executive Summary

2. It has recently been identified that the amendments to the Financial Procedure Rules and Financial Regulations updated in April 2020, that remain in current operation, have not been approved by Council. The last approved version was in 2016.

3. The amendments made in 2020 were scheduled to be presented to Council for approval in April 2020, but the meeting was cancelled following the outbreak of the Covid 19 pandemic. The agenda item was never rescheduled. It is a requirement under the Constitution that Financial Procedure Rules and Financial Regulations are subject to approval by Council, therefore this is being reported to Audit and Governance Committee, before a report is submitted to Council on 10 December 2024 for approval.

Background and Summary

4. In 2016 the Financial Regulations were integrated as part of the Financial Procedure Rules, listed in full. In April 2020, the Financial Regulations were separated from the main body of the Financial Procedure Rules, with only a high-level index retained as an annex to the rules. This effectively removed the Financial Regulations from the Constitution document, with the rational that the regulations themselves are designed to set out the operational financial policies and framework for managing the council's financial affairs. They are intended to be the reference point for staff and members rather than as a public facing document. Procedurally though the requirement for changes to the Financial Regulations to be approved by the County Council was unchanged.

5. The other key change between the 2016 and 2020 versions was to the authorisation levels for Capital, section 5 of the Financial Regulations. The detail of the changes is shown in the table attached as annex 1. (See also para. 8 of this report).

6. The 2020 updated version was due to be approved by the County Council in April 2020 and should have been preceded by a review of the proposed amendments by the Audit and Governance Committee in March 2020. Both meetings were cancelled following the lockdown resulting from the onset of the Covid 19 pandemic.

7. The 2020 updates of both the Financial Procedure Rules and the Financial Regulations were applied to the published Constitution and the internal governance pages on the Council's intranet at that time and are currently in operation; however procedurally as a result of the County Council meeting being cancelled in April 2020, and with the agenda item never being rescheduled, these updates have never been formally approved.

8. On 1 November 2022, the County Council approved further amendments to section 5 (Capital) of the Financial Regulations (Capital Governance – Amendments to the Financial Regulations). (These changes were agreed by the Audit and Governance Committee on 21 September 2022). The amendments were made to reflect the review of the Capital Governance Framework. The updates were mostly immaterial but did include amending the approval limits to sections 5.5 Disposal of Land and Property, and 5.6 Transfer of Property Assets to be consistent with those in sections 5.1 Capital Resource Allocation, and 5.2 Variations in time, cost, and scope. The approval limits set out in 5.1 and 5.2 were those updated in April 2020, that were never presented to the County Council for approval. County Council did approve the amendments to section 5 of the Financial Regulations on 1 November 2022, but the authorisation limits shown in relation to 5.1 and 5.2 were not presented as amendments. Therefore, whilst the approval of the amendments is an endorsement of the limits shown throughout section 5, there has never been a formal approval of the limits shown in section 5.1 and 5.2. (see Annex 1)

9. There are some further immaterial presentational changes required to both documents, to reflect title changes and also to remove the section on virement rules within the Financial Regulations as this is already covered under Part 3, Section 3.3 of the Constitution. The changes are listed in Annex 2.

Financial Implications

10. There are no financial implications.

Comments checked by: Lorna Baxter, Executive Director Resources and S151 Officer lorna.baxter@oxfordshire.gov.uk

Legal Implications

11. There are no legal implications in the report, and changes to the constitution must be approved by Full Council in due course.

    Comments checked by: Paul Grant, Head of Legal and Deputy Monitoring Officer paul.grant@oxfordshire.gov.uk

Staff Implications

12. There are no staff implications.

Equality & Inclusion Implications

13. There are no equality and inclusion implications.

Sustainability Implications

14. There are no sustainability implications.

Risk Management

15. There are no risk management implications associated with this report.

Lorna Baxter
Executive Director Resources and S151 Officer

Annex: ANNEX 1 – Table showing changes to approvals in Financial Regulations section 5 – Capital

ANNEX 2 - Summary of the November 2024 amendments to the Financial Procedure Rules and Financial Regulations.

Background papers: Nil

Contact Officer: Ian Dyson, Director Financial and Commercial Services. Ian.dyson@oxfordshire.gov.uk

November 2024

ANNEX 1 – Table showing changes to approvals in Financial Regulations section 5 – Capital

	2016			2022			Current Finance Regs	
	Amount	**Approver**		**Amount**	**Approver**		**Amount**	**Approver**
Initial resource allocation	£25k or less	Corporate Finance Manager		£50k or less	Head of Service, FBP & Senior Corp Acc (Capital)		£50k or less	Head of Service & Senior P&RA
	£25k to £500k	Director of E&E and CFO		£50k to £500k	Service Director		£50k to £500k	Service Director & S151 Officer
	Above £500k	Cabinet		£500k to £1m	S151 Officer		£500k to £1m	S151 Officer
				£1m or above	Cabinet		£1m or above	Cabinet
Contractual Commitments	£500k or less	Service or Cost centre manager		£500k or less	Authorised officer as per scheme of delegation		£500k or less	Authorised officer as per scheme of delegation
	£500k to £1m	Service manager		£500k to £1m	S151 Officer		£500k to £1m	S151 Officer
	£1m to £2m	Deputy Director		£1m or above	Cabinet		£1m or above	Cabinet
	£2m to £5m	Director and CFO						
	Above £5m	Cabinet						
Cost Variation	£25k or less	Corporate Finance Manager		£50k or less	Head of Service, FBP & Senior Corp Acc (Capital)		£50k or less	Head of Service, FBP & Senior P&RA
	£25k to £500k	Director of E&E and CFO		£50k to £500k	Service Director & FPB		£50k to £500k	Service Director & FBP
	Above £500k	Cabinet		£500k to £1m	S151 Officer		£500k to £1m	S151 Officer
				£1m or above	Cabinet		£1m or above	Cabinet

	2016			2022			Current Finance Regs	
	Amount	**Approver**		**Amount**	**Approver**		**Amount**	**Approver**
Disposal of Land	Less than £2m	Deputy Director E&E		Less than £500k	Director of Property		Less than £500k	Director of Property
	£2m to £5m	Director of E&E and CFO		£500k to £1m	SCB		£500k to £1m	SCB
	£5m or more	Cabinet		£1m or above	Cabinet		£1m or above	Cabinet
Disposal undervalue	Less than £25k	Deputy Director E&E		Less than £50k	Director for Property		Less than £50k	Director for Property
	£25k to £500k	Deputy Director of E&E and CFO		£50k to £500k	Property Capital Programme Board		£50k to £500k	Property Capital Programme Board
	Above £500k	Director of E&E and CFO		£500k to £1m	SCB		£500k to £1m	SCB
				£1m or above	Cabinet		£1m or above	Cabinet
Transfer of Property	Less than £25k	Deputy Director E&E		The process followed for the transfer of property and land assets should be robust and transparent and in accordance Section 123 of the Local Government Act 1972 and any related Council's policies (Community Asset Transfer Policy). The Director for Property should seek appropriate financial and legal advice before any transfer. Then, depending on the estimated loss of income due to the transfer of the property assets, different levels of approval are needed. These are through the approval levels under section 5.5.2				
	£25k to £500k	Deputy Director of E&E and CFO						
	Above £500k	Director of E&E and CFO						

Annex 2 Summary of the November 2024 amendments to the Financial Procedure Rules and Financial Regulations.

Changes to Financial Procedure Rules

- Date
- Correcting alignment and formatting
- All references to S151 Officer, Executive Director of Resources etc. changed to: Executive Director of Resources and Section 151 Officer

Changes to Financial Regulations

- Date
- Correcting alignment and formatting, standardising grammar and use of capital letters
- Updated hyperlinks in the text
- All references to S151 Officer, Executive Director of Resources etc. changed to: Executive Director of Resources and Section 151 Officer
- Section 2: 2.6.2 Updated deputy S151 role to include Head of Finance Business Partnering
- Section4: Virement section 4.3.3. This section has been removed as it already included in the Constitution, Part 3 section 3.3 Virement Rules..
- Section 5: 5.2.2 – deleted 'think of definition': If the cost variation is requesting additional corporate funds (~~think of definition~~) and if below £500,000 then the Deputy Section 151 Officer must approve the funding.
- Section 6: 6.3 Updated reference to Head of IT
- Section 9: 9.4.1 Updated reference to Director of HR and Cultural Change

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Audit and Governance Committee
Date: 27th November 2024

Community Safety Services
Oxfordshire Fire and Rescue Service
Fire & Rescue Service Statement of Assurance 2023/24

Report by Jo Bowcock, Deputy Chief Fire Officer

RECOMMENDATION

The Committee is RECOMMENDED to

1. Consider and approve the Oxfordshire Fire and Rescue Service Statement of Assurance 2023/24 for publication. This document is procedural and not recommending any policy decision, strategy or project involving major change.

Executive Summary

2. The Fire and Rescue National Framework for England 2018 sets out a requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters through publishing an Annual Statement of Assurance. Oxfordshire Fire and Rescue Service's Statement of Assurance confirms that we are demonstrating due regard to the requirements included in the framework and the expectations set out in the authorities' risk management plans.

Exempt Information

3. No areas of exemption requested. Content will be public facing and open to public scrutiny.

Purpose

4. Oxfordshire Fire and Rescue Authority is the designated Fire and Rescue Authority for the County of Oxfordshire. It has a primary responsibility to protect the community, reduce harm and save lives. The Chief Fire Officer and the Cabinet Member for Public Health, Inequalities and Community Safety ensure the Council meets its legal and operational responsibilities to provide an effective fire and rescue service for Oxfordshire's communities.

5. The Oxfordshire Fire and Rescue Service Statement of Assurance is published in line with statutory reporting requirements. It provides assurance against the four strategic areas of protection, prevention, response and people outlined in the Fire and Rescue Service Delivery Plan.

6. The Statement of Assurance supports principles of good governance by ensuring transparency, regular reporting and public accountability across the Services strategic priorities. Information has been presented with "readability" and engagement in mind and will be available online.

7. The Statement of Assurance signposts readers to further information to support understanding of the Directorates activities and performance. For example, the CSS Directorates Annual Report 2023/24 which includes a more detailed breakdown of the types and numbers of incidents fire crews attended. Both documents support assurance and good governance enabling elected members and communities to scrutinise how outcomes are being achieved efficiently, effectively and in accordance with statutory requirements.

Aligning with Oxfordshire County Council's Corporate Policies and Priorities

8. The Statement of Assurance is aligned directly to the Councils Vision, Values, Objectives and Strategic Priorities. The document highlights how Community Safety Services contribute in particular to the following strategic priorities:
    a. Taking action to address the climate emergency in the way we work
    b. Tackling inequalities in Oxfordshire
    c. Prioritising the health and wellbeing of residents through our prevention and response work
    d. Supporting carers and the social care system through safeguarding referrals
    e. Creating opportunities for children and young people to reach their full potential through education, work experience and outreach programmes
    f. Engaging with our communities to play our part in a vibrant and participatory local democracy.
    g. Working with local businesses and partners for environmental, economic and social benefit.

Financial Implications

9. There are no new or additional financial implications arising from the Statement of Assurance. The document forms part of the annual procedural reporting process.

Legal Implications

10. There are no new or additional legal implications arising from the Statement of Assurance. The document forms part of the annual procedural reporting process.

Staff Implications

11. There are no new or additional resourcing implications. The document forms part of the annual procedural reporting process.

Equality & Inclusion Implications

12. There are no additional equality and inclusion implications. The Community Safety Services Directorate aims to ensure all areas of service delivery are considered within a risk based framework targeting those most vulnerable from harm. The Statement of Assurance contains references to initiatives designed to develop inclusivity within the Community Safety Services Directorate. All policies, procedures and working practices are assessed against an Equality Impact assessment. The Statement of Assurance document has been produced with accessibility and readability in mind.

Sustainability Implications

13. There are no sustainability implications within this proposal. Consideration has been given to limit environmental impact from printing and the publication will be made available to the general public as an online publication.

Risk Management

14. Community Safety Services activities are managed through robust national and local risk assessment frameworks. These include utilising and aligning with National Fire Chiefs Council guidance and National Fire Standards to manage operational and strategic risks. The Service also maintains a Directorate risk register and acts as the local authorities lead agency in business continuity, resilience, and emergency planning. This report is not

recommending any policy decision, strategy or project that would impact on the existing risk management strategy.

Consultations

15. There were no specific consultation requirements to producing the Oxfordshire Fire and Rescue Service Statement of Assurance

Rob MacDougall
Director of Community Safety and Chief Fire Officer

Annex
Oxfordshire Fire and Rescue Service Statement of Assurance 2023-2024

Background Papers
CSS Annual Report 2023/24
Oxfordshire Fire and Rescue Service, Statement of Assurance 2022/23

Other Documents
Oxfordshire Fire and Rescue Service Community Risk Management Plan 2022-26
HMICFRS Inspection Report 2023-25: Oxfordshire Fire and Rescue Service, Effectiveness efficiency and people.

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November 2024

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OXFORDSHIRE
FIRE & RESCUE SERVICE

OXFORDSHIRE
COUNTY COUNCIL

Oxfordshire Fire and Rescue Service
Fire and Rescue Services National Framework for England
Statement of Assurance 2023-2024

You will find information on the following key areas:

- Introduction to our Statement of Assurance
- What is a Statement of Assurance
- Governance
- Identify and Assess
- Operational - Overview
- Operational - Prevention activity
- Operational - Protection activity
- Operational - Response activity
- Collaborative Arrangements
- National Resilience
- Terrorism
- People & Wellbeing
- NFCC
- HMICFRS Inspection
- Finance

Introduction

Welcome to Oxfordshire Fire and Rescue Service's Statement of Assurance for 2023-2024. As the Cabinet Member and Chief Fire Officer for Oxfordshire Fire and Rescue Service (OFRS), we are pleased to present this statement of assurance for our local communities outlining how we meet the statutory duties of the Fire and Rescue Services Act 2004[1], Regulatory Reform (Fire Safety) Order 2005[2], Civil Contingencies Act 2004[3], The Fire and Rescue National Framework for England 2018[4] and The Local Government and Housing Act 1989[5]

Cllr Dr Nathan Ley, Cabinet Member for Public Health, Inequalities and Community Safety

Rob MacDougall, Chief Fire Officer and Director of Community Safety

What the Statement of Assurance (SOA) is

The Fire and Rescue National Framework for England 2018 sets out the requirement for all fire and rescue authorities to provide annual assurance. It specifies that:

- Every fire and rescue authority must have regard to the Fire and Rescue National Framework for England 2018 in carrying out their functions.
- Every authority must publish an annual statement of assurance of compliance with the Framework.
- The statement of assurance should outline the way in which the fire authority and its fire and rescue service has had regard – in the period covered by the

[1] Fire and Rescue Services Act 2004
[2] Regulatory Reform (Fire Safety) Order 2005
[3] Civil Contingencies Act 2004
[4] Fire and Rescue National Framework for England 2018
[5] Local Government and Housing Act 1989

document – to the National Framework, their Community Risk Management Plan and any other strategic plan prepared by the authority for that period.
- The authority must also provide assurance to their community and to government on financial, governance and operational matters.

In 2022 we published our four-year Community Risk Management Plan (CRMP). Our CRMP is a strategic document that identifies potential risks within our community and outlines effective strategies to manage and mitigate these risks. It is a crucial tool for any fire and rescue service, as it allows us to proactively address the unique challenges faced by our communities in Oxfordshire.

Our CRMP is not a static document but a living plan that evolves with the changing needs and developments within our communities and the fire sector. To ensure its continued relevance and effectiveness, we produce an additional action plan each year. This annual plan takes into account the latest developments in Oxfordshire and the fire sector so we can integrate them into our overall strategy.

Our approach is proactive and focused on preventative activities. We believe that prevention is better than cure, and our strategies are designed to prevent incidents before they occur. This involves educating the public, conducting regular risk visits, and implementing effective risk management strategies.

Through our CRMP and annual action plans, we aim to create a safer and thriving Oxfordshire. We are committed to protecting our communities and ensuring their prosperity, and our CRMP is a testament to this commitment. By identifying and managing risks, we can ensure the safety and well-being of all residents in Oxfordshire.

In addition, the Fire and Rescue National Framework for England 2018 states that the priorities for Fire and Rescue Authorities is to:

- Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
- Identify and assess the full range of foreseeable fire and rescue related risks their areas face;
- Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide;
- Be accountable to communities for the service they provide; and
- Develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse

Our Statement of Assurance will also assure that we have focused and met these priorities as required by the Framework.

As well as our SOA, the service also produces a separate Annual Report for 2023/24 detailing performance in all areas of service delivery across OCC Community Safety Services. You can read a copy of the Annual Report 2023/2024 here.

Governance

Oxfordshire Fire and Rescue Authority is the designated Fire and Rescue Authority for the County of Oxfordshire. It has a primary responsibility to protect the community, reduce harm and save lives through prevention, protection and response activities. The Chief Fire Officer and the Cabinet Member for Public Health, Inequalities and Community Safety ensure the Council meets its legal and operational responsibilities to provide an effective fire and rescue service for Oxfordshire's communities.

OFRS governance is carefully managed through regularly reviewed policies, procedures and assurance systems managed by monitoring Officers and Senior Leadership Officers. Effective systems of internal control are assured through a corporate governance framework. The Service adheres to the principles of the CIPFA / SOLACE framework "Delivering Good Governance in Local Government". Our Annual Governance statement demonstrates that we have fulfilled its obligations under this framework.

Further information can be found in our Annual Governance Statement, which is included in our Statement of Accounts publication here.

Identify and Assess

Our overarching risk identification and assessment process for Oxfordshire has seen a review and change in approach over the last year in order to ensure we are identifying all foreseeable risk in our communities. Now known as our Oxfordshire Needs and Risk Analysis (ONRA), it serves the purpose of:

- Acting as our "risk assessment" of the County from a Fire and Rescue perspective
- Allowing us to look at the various hazards that are present in the County and assess the risks our communities and service face from these hazards
- Helping guide our plan as a service in everything that we do and how we respond through our Community Risk Management Plan. The plan is framed by our statutory duties under the legislation named in this Statement of Assurance

We follow nationally produced processes and guidance when producing our ONRA and CRMP, including the NFCC Community Risk Management Planning Strategic Framework and Fire Standard's Board Community Risk Management Planning Standard. By following these we are able to assess risk holistically and target our prevention, protection and response work through our CRMP. Some of the key highlights from our new ONRA process include:

- No longer looking at risks in isolation of "Prevention, Protection & Response" but looking at how they affect our communities and service across all departments, and in other areas such as People and Transformation

- Including an “Equality Impact Assessment from Risk” to ensure we are considering everybody in our community and are able to provide targeted mitigations and response.

Operational – Overview

The way in which we carry out our prevention, protection and response activities is based on our CRMP. This CRMP was published in 2022 and is our 4 year plan based on our ONRA process that identifies what risks exist in Oxfordshire that we are required to act upon through various statutory obligations, legislation, and regulations.

Our ONRA and CRMP are not static documents but a living process that evolve with the changing needs and developments within our communities and the fire sector. To ensure its continued relevance and effectiveness, we produce an additional action plan each year. This annual plan takes into account the latest developments in Oxfordshire and the fire sector so we can integrate them into our overall strategy.

Operational - Prevention Activity

Our prevention strategy is based around continuing to see a reduction in fires, road traffic collisions and other emergencies attended by OFRS through proactive, targeted prevention work across the county. This includes delivering educational programmes, providing advice and supporting visitors, residents and businesses to prevent incidents occurring. This year, our we have been carrying out the following activity in line with our prevention strategy in our CRMP:

Prevention Activity Area	**What We Have Done**
Cycling education and training for vulnerable and hard to reach groups in our community	Continuing to identify vulnerable and hard to reach groups which involved investigating and implemented targeted cycle training for teenagers and young adults as highlighted withing the Vision Zero Cycling group. Over the last year we have trained 6124 children through this scheme, a 26% increase from last year
Vision Zero Project	OCC Collaborative Vision Zero project group consisting of 6 working subgroups bringing together relevant groups, departments with a combined aim to reduce road injuries and collisions This includes Policy Development, Road Safety Education, Cycle Safety, Speed Management, New Infrastructure and Development, Improvement programs and Communications and Engagement.
Virtual Reality for training and engagement	Utilising and implementing technology and virtual reality media as a training and

	engagement tool for events, schools, Junior Citizens and across wider training and community safety activities.
Safe and Well	Upgrading the new Safe and Well app to v2.0 so that it is able to record risk reduction during visit, repeat visits, new equalities monitoring questions and is able to onboard national Home Fire Safety Checks. It will also allow streamlining of the Safe and Well booking process through providing an on-line option to book a visit.

Operational - Protection Activity

Our team remains committed to the comprehensive delivery of protection services throughout Oxfordshire, leveraging both technology and direct engagement to ensure adherence to the Regulatory Reform (Fire Safety) Order 2005. Our efforts have been instrumental in maintaining compliance among commercial entities, with a focus on diminishing the risk of fire in non-residential buildings through a calculated, risk-based approach to business interaction and inspection. This year, we have refined our Risk Based Inspection Programme (RBIP) to further prioritise the inspection of high-risk commercial properties, enhancing our community service effectiveness.

In instances where individuals have neglected their legal duties, thereby endangering lives, we have not hesitated to initiate legal proceedings when it serves the public interest. This past year has seen us undertake prosecutions within our area of responsibility.

Fulfilling our role as a statutory consultee under Building Regulations, we have diligently ensured that new or modified buildings meet fire safety standards, with 694 formal fire safety and building regulation consultations conducted this year. In alignment with our protection strategy outlined in our CRMP, we have engaged in the following activities:

Protection Activity Area	**What We Have Done**
Engage with businesses to reduce risk through a combination of digital media, leafletting, physical visits and online seminars.	Develop an effective online presence via social media to educate and inform responsible persons of their legal fire safety requirements Collaborated with operational crews to deliver two themed business-safety initiatives to support the Protection Calendar themes.
Enhance our business engagement through an expansion of our PAS partnership working.	To further expand our Primary Authority Scheme (PAS) activities to influence

	business fire safety at a strategic level in organisations with high-risk premises.
Adopting the Competency Framework for Fire Safety Regulators (the framework) where relevant to the role by continuing with applications for Inspectors to be accredited by the IFE as well as inspectors working towards a Fire Engineering L6 qualification where appropriate.	2 of our team commenced their IFE accreditation with one person fully signed off, and we are aiming to put more staff through the process in the coming year. Additionally one of our staff have commenced their Fire Engineering L6 qualification.
To continue to increase the number of audits undertaken via our Risk Based Inspection Program and 'themed' activity to address high-risk premises-types.	We have carried out 449 audits this year, with 325 (72%) being recorded as satisfactory.

Operational - Response Activity

Throughout 2023-2024 we have been evaluating how we can adapt to changes in risk across Oxfordshire by beginning a comprehensive review of our response functions. The review process analysed the effectiveness, efficiency and resilience of the service whilst also look at ways of reducing our environmental impact. This resulted in recommendations for improvements across six areas of our response activity.

Five of these recommended changes are currently being implemented as they relate to specific, internal improvements. The final change – a new operational response model – is currently awaiting risk-modelling by an external provider. Once complete, public consultation will take place in relation to this new operational response model, which aims to improve response times and resilience of the service for the community of Oxfordshire.

In addition, this year our plan was to work on other specific areas within response which align with our ONRA and CRMP, such as reducing Unwanted Fire Signals, recruitment for Wholetime firefighters that focuses on diversifying the service's workforce, our collaboration with partners, to deliver aligned training on newly procured breathing apparatus and improvement of the operational availability of our fire appliances:

Response Activity Area	**What We Have Done**
Unwanted Fire Signals	Developing, implementing, and evaluating changes to Unwanted Fire Signals was ambitious in its scope for a single financial year, and therefore will continue this work into 2024-25. In 2023-24, the service successfully drove a Thames Valley

	aligned approach that resulted in aligned policy and procedure intentions and in a public consultation that ended in May 2024.
Wholetime Firefighter Recruitment	Our wholetime recruitment process began at the start of 2024 and resulting in recruiting 9 apprentice firefighters who are beginning their initial operational training at the Fire Service College in September 2024. These firefighters will be in our communities carrying out vital prevention, protection and response work by December 2024 whilst developing in their roles.
Thames Valley Breathing Apparatus Alignment	Throughout 2023-2024, the new Thames Valley breathing apparatus set has been introduced, with all three services now closely aligned in terms of breathing apparatus equipment, policies and practices. This has resulted in a reduction in the mobilisation of appliances into neighbouring counties to support BA operations, which saves money, reduces road risk, reduces environmental impact, and improves operational availability.
Joint Oxfordshire Resilience Team	The team responded to incidents, activated by the Resilience On Call Officer (ROCO) throughout 2023 and 2024 supporting our response to incidents and assisting our communities in recovering. The team also have statutory duties to help communities prepare for emergencies, assist with business continuity, and have processes to warn, inform and support the public in emergencies, with the team carrying this out across a large number of household, events and businesses.

Collaborative Arrangements

Thames Valley Fire Control Service (TVFCS) which officially opened in 2015 and bought together the three control rooms from the fire and rescue services within Thames Valley, continues to handle and manage the mobilisation of resources to incidents In Oxfordshire, Berkshire and Buckinghamshire areas, demonstrating the benefits and positive outcome of collaborative arrangements.

The Thames Valley collaboration board continues to explore further areas in which the three Thames Valley FRSs can work together to achieve positive outcomes for

its residents. This has included work such as the Thames Valley Breathing Apparatus Alignment as well as other areas such as production of joint policies and operating procedures so fire crews can work more closely together across the three counties. This has included work on implementing National Operational Guidance from the NFCC into all services' policies and procedures across the 3 counties to ensure standardisation and interoperability in our response work.

Memorandums of understanding (MOUs) for support exist with agencies such as Thames Valley Police, South Central Ambulance Service and the Defence Fire and Rescue Service, alongside MOUs with the voluntary sector including The British Red Cross and Oxfordshire Lowland Rescue. We have successfully worked alongside the broad spectrum of organisations throughout the year, including the wider Oxfordshire County Council, other blue light responders, partner agencies, utilities and services and the voluntary sector in order to provide a more holistic approach to our prevention, protection and response activities.

National Resilience

The National Resilience programme was established as part of the UK response to the terrorist attacks on the World Trade Centre in New York on 11 September 2001 and is a shared responsibility between central and local government. National Resilience provides specialist capabilities, personnel and resources which enhance the ability of the sector to respond effectively to large-scale or critical incidents. Those incidents may be natural disasters, industrial accidents or terrorist attacks.

OFRS is responsible for two national resilience functions for a large geographical area. These are:

- Detection, Identification and Monitoring - specialist teams that provide the Fire and Rescue Service with the ability to make an assessment on the potential presence of chemical, biological and radiological agents
- High Volume Pumping capability - Used to move significant volumes of water over long distances, either in response to floods, or to provide a water supply to fight fires in locations where large amounts are required.

Our staff train and exercises on national assets through the year to ensure their efficient and effective deployment and use of equipment when requested. Over the last year, we have deployed these national assets 5 times within Oxfordshire and 22 times nationally, demonstrating our dedication and commitment to protecting the wider population and our responsibilities as a National Resilience asset holder.

Terrorism

Chaired by OFRS's Deputy Chief Fire Officer, the Channel Panel is an early intervention scheme that supports people who are at risk of radicalisation and provides practical support tailored to individual needs. It can help people to make positive choices about their lives. It is about safeguarding individuals vulnerable to radicalisation by using existing multi-agency working between local authorities to identify individuals at risk of being drawn into terrorism, assess the nature and extent of that risk, develop the most appropriate support plan for the individual concerned,

with a clear process is in place to ensure that the right people are referred to the panel.

In addition, the findings and recommendations from the Manchester Arena Inquiry have been reviewed in detail and actioned by the service, and we are working on continuing to ensure that OFRS is able to respond to terrorist incidents through development of policy and procedures with the Thames Valley alignment group. We currently have a dedicated operational response team shared across the Thames Valley who are trained and equipped to respond to terrorism incidents, and we are currently rolling out training packages to the rest of our operational firefighters and officers to ensure they are able to safely and efficiency respond to terrorism incidents to support these teams and other Category 1 responders.

People and Wellbeing

As part of our people strategy, we have continued to work to ensure a positive culture as an organisation over the last year. In order to achieve this, we commissioned an independent cultural review by Stephanie Wheeler Associates across a range of topics. These ranged from exploring the implementation of our values within our daily work and understanding positive areas of our culture as well as exploring potential barriers that are in the way of our culture being as good as it could be and gaining a more detailed understanding of cultural leadership maturity levels within OFRS.

This process was a success and involved over 32 group discussions with over 190 people, 69 one to one conversations with our staff from across the organisation, and a total engagement of over 260 members of staff from 15 different locations and over 20 different Community Safety Services job roles, with staff tenure ranging from less than one month to over 35 years.

The findings of the report demonstrated good areas within the organisation such as the organisation having supportive colleagues, a great level of camaraderie, a nurturing environment and staff living the values of the organisation through day to day actions and behaviours rather than just “the words on the wall”. It also identified areas for improvement for us such as resource management, career development conversations and areas of improvement for senior leaders. The report also produced a detailed list of recommended actions and a roadmap of next steps, which we have begun to implement. We are currently working to deliver 8 key actions over the next three-months during this phase of the implementation.

This year we ran a whole time recruitment process for the first time since 2021 which resulted in 9 apprentice firefighters. We expect them to be on station and supporting our communities by the end of the year after completing their initial fire training. Additionally, we have continued to work on a number of projects and areas across our people strategy, including:

People Activity Area	What We Have Done
Continuing to work to increase the diversity of our operational	Supported a variety of positive action activities to attract a wide range of people and backgrounds into

workforce, through engagement with the community	the service. We have reviewed our recruitment materials as part of our On-Call Recruitment Campaigns. We continue to collect information on protected characteristics for recruitment and promotional processes so we can analyse where support and positive action could be considered.
Reviewing promotional processes and implementing feedback	We have reviewed past promotional processes and used feedback gathered to make further improvements to our promotion processes. Currently, we have updated plans for Crew Manager, Watch Manager and we have commenced a reviewing into Station Manager and Group manager processed following feedback from a Gateway trial in 2022 and the culture review findings.
Commitment to the NFCC Direct Entry Scheme	We have recruited a Direct Entry Station Manager into the service in line with our commitment to the NFCC Direct Entry Scheme. The primary aim of the scheme is to provide a different route to entry into the role of Station Manager, alongside the more traditional firefighter route, that can play a valuable part in diversifying senior management in fire and rescue services.
Continue to lead the contaminants group work for the service	We have established a contaminants working group to ensure that work is progressed to complete the action plan. Contaminants risk has gone through our risk process and this will be reviewed once the action plan is completed to understand if the assessment of action reduces the risk.
Continuing to train Mental Health First Aiders (MHFA) and evaluate their impact	We continue to support MHFAs across the service. We have continued training for new MHFA's. This gives staff access to another support system for wellbeing and mental health and is a positive interaction through peer to peer support.

National Fire Chief's Council (NFCC)

The NFCC is the professional voice of the UK fire and rescue service and aims to drive improvement and development throughout the UK Fire and Rescue Sector. OFRS has a proud history of engagement with the NFCC, and we are represented on a number of NFCC working groups covering a broad range of topics across the sector. Our Chief Fire Officer and Director of Community Safety Rob MacDougal serves as Chair of the NFCC People Programme, which sees him leading a team that is defining the next People Strategy, providing a direction of travel for the sector over the next few years. OFRS have also worked with the NFCC over the last year on the Direct Entry Station Manager programme, and our Fire Protection team were nominated for two NFCC Prevention and Protection Awards over the last year, demonstrating the high quality work we do to protect our communities and our commitment to NFCC best practices and projects.

HMICFRS Inspection

In 2024, His Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) inspected OFRS, with their report published in July 2024. Their report highlighted several positive aspects as well as some areas for improvement. It highlighted that the service has:

- Improved the availability of risk information for control room staff
- Maintained a well-qualified protection team
- An effective prevention strategy that is focused on those most at risk
- Collaborated effectively with other organisations to enhance community safety
- Sound financial management, with strategic plans to improve efficiency and sustainability.

However, the inspection also identified several areas needing improvement. There are some delays in updating risk information on mobile data terminals, which hampers effective risk mitigation. The service struggles with the availability of on-call fire appliances (which is recognised as a nationwide issue) and has not met its response time targets in certain areas. Staff workloads, particularly in the prevention team and at middle management level are high, and there is a high number of temporary promotions and movements that can cause instability. The service could do more to enhance its approach to equality, diversity, and inclusion, and there is a need for clearer communication and better support for staff during the ongoing change programme.

Overall while OFRS has shown strengths in several areas, we also face challenges. Addressing these issues will be crucial for us to improve our effectiveness and efficiency whilst keeping the community safe. The ongoing improvements and development within the service, led by our Community Safety Services review, are key steps in the right direction, but we must ensure we continue this work in the most effective way with clear communication at our core.

Upon publication of the report, OFRS immediately began developing a robust action plan to address the areas identified as requiring improvement. We have made progress in some areas already, such as launching our updated Automatic Fire Alarm Response Policy, however some areas will require more time to refine and implement to ensure the best outcomes. We will continue to work with HMICFRS to ensure our actions provide the results needed to address the areas for improvement whilst also continuing to deliver and drive our positive work in the areas identified.

More detail on assessments of Oxfordshire Fire and Rescue service can be found on the HMICFRS website.

Finance

Our budget for 2023-2024:

- The total net expenditure for Oxfordshire Fire and Rescue Service was £29.7m
- The cost of providing the fire and rescue service in 2023/24 was approximately 11p per day for each person within Oxfordshire and the cost per head of population was £39.62 per year.
- Our overall expenditure against the number of incidents we attend is £4625.99 per incident in 2023-24.
-

Financial data is taken from the CIPFA Fire and Rescue Statistics Auditors' findings. Oxfordshire Fire and Rescue Service (OFRS) are an integral part of Oxfordshire County Council (OCC) who provide the statement of accounts, audit reports and pay policy statement.

A summary of auditors' reports and findings can be found in the annual audit letter for 2023-2024. The accounts and audit regulations require local authorities, including fire and rescue authorities, to prepare an annual governance statement in support of the annual statement of accounts. Full details can be found in the annual governance statement, which is included in our statement of accounts.

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Audit and Governance Committee

DATE 27 November 2024

Community Safety Services
Oxfordshire Fire and Rescue Service
Annual Report 2023/24

Report by Daisy Hickman, Performance Improvement Manager

RECOMMENDATION

1. The Committee is RECOMMENDED to

Consider and approve the Community Safety Services, Annual Report 2023/24 for publication. This document is procedural and not recommending any policy decision, strategy or project involving major change.

Executive Summary

The Community Safety Services, Annual Report provides information to members of the public on Oxfordshire Fire and Rescues activities and performance. It demonstrates what we have done between 2023 and 2024 across our strategic priorities of protection, prevention, response and people. The Annual Report supports principles of good governance, transparency, regular reporting and public accountability. The report covers the four teams that make up Oxfordshire Fire and Rescue Service including Emergency Response, Road Safety, Emergency Planning and Trading Standards.

Exempt Information

2. No areas of exemption requested. Content will be public facing and open to public scrutiny.

About the Community Safety Services, Oxfordshire Fire and Rescue Service, Annual Report 2023/24

Purpose

3. Oxfordshire Fire and Rescue Authority is the designated Fire and Rescue Authority for the County of Oxfordshire. It has a primary responsibility to protect the community, reduce harm and save lives through prevention, protection and response. The Chief Fire Officer and the Cabinet Member for Community Services and Safety ensure the Council meets its legal and operational responsibilities to provide an effective fire and rescue service for Oxfordshire's communities.

4. The Community Safety Services, Annual Report provides information to members of the public on Oxfordshire Fire and Rescues performance between 2023/24. It demonstrates, in an easy-to-read manner, our activities against our strategic priorities of protection, prevention, response and people outlined in the Services 2023-24 Fire and Rescue, Service Delivery Plan.

5. The Annual Report supports principles of good governance by ensuring transparency, regular reporting and public accountability across the Services strategic priorities. Information has been presented with "readability" and engagement in mind and will be available online.

6. The Annual Report signposts readers to further information where appropriate. This includes links to the CSS Directorates Statement of Assurance 2023/24 which is submitted to this Committee for approval as a separate document. Both documents support assurance and good governance enabling elected members and communities to scrutinize how outcomes are being achieved efficiently, effectively and in accordance with statutory requirements.

Aligning with Oxfordshire County Council's Corporate Policies and Priorities

The Community Safety Services 2023/24, Annual Report is aligned directly to the Councils Vision, Values, Objectives and Strategic Priorities. The document highlights how Community Safety Services contribute to the following strategic priorities:

- Put action to address the climate emergency at the heart of our work.
- Tackle inequalities in Oxfordshire.
- Prioritise the health and wellbeing of residents.
- Support carers and the social care system.
- Invest in an inclusive, integrated and sustainable transport network.
- Preserve and improve access to nature and green spaces.
- Create opportunities for children and young people to reach their full potential.
- Play our part in a vibrant and participatory local democracy.
- Work with local businesses and partners for environmental, economic and social benefit.

Financial Implications

7. There are no new or additional financial implications arising from the CSS 2023/24 Annual Report. The document forms part of the annual procedural reporting process.

Legal Implications

8. There are no new or additional legal implications arising from the Annual Report. The document forms part of the annual procedural reporting process.

Staff Implications

9. There are no new or additional resourcing implications. The document forms part of the annual procedural reporting process.

Equality & Inclusion Implications

9. There are no additional equality and inclusion implications. The Community Safety Services directorate aims to ensure all areas of Service delivery are considered within a risk-based framework targeting those most vulnerable from harm. The Annual Report contains references to initiatives designed to develop inclusivity within the Community Safety Services Directorate. All policies, procedures and working practices are assessed against an Equality Impact assessment. The Annual Report document has been produced with accessibility and readability in mind.

Sustainability Implications

10. There are no sustainability implications within this proposal. Consideration has been given to limit environmental impact from printing and the publication will be made easily available as an online publication.

Risk Management

11. Community Safety Services activities are managed through robust national and local risk assessment frameworks. These include utilising and aligning with National Fire Chiefs Council guidance and National Fire Standards to manage operational and strategic risks. The Service also maintains a Directorate risk register and acts as the local authorities lead agency in business continuity, resilience, and emergency planning. This report is not recommending any policy decision, strategy or project that would impact on the existing risk management strategy.

Consultations

12. There were no specific consultation requirements to producing the Community Safety Services, Annual Report.

NAME	**Rob MacDougall Chief Fire Officer and Director for Community Safety**
Annex:	Community Safety Services, Annual Report 2023-2024

Background papers: Community Safety Services, Oxfordshire Fire and Rescue Service, Statement of Assurance 2023-24

Other Documents:

- Oxfordshire Fire and Rescue Service Community Risk Management Plan 2022-26
- HMICFRS Inspection Report 2023-25: Oxfordshire Fire and Rescue Service, Effectiveness efficiency and people.

Contact Officer: Daisy Hickman,
Performance Improvement Manager, Community, Safety Services, Oxfordshire Fire and Rescue Service.

Daisy.Hickman@oxfordshire.gov.uk

November 2024

Annual report 2023-24

Community Safety Services

Protecting our community, reducing harm and saving lives.

OXFORDSHIRE FIRE & RESCUE SERVICE

OXFORDSHIRE COUNTY COUNCIL

1 Welcome and foreword

Welcome to Oxfordshire Community Safety Services' annual report, highlighting our performance and achievements from April 2023 to March 2024. This report covers the **fire and rescue** service, **emergency planning**, **road safety** and the **trading standards** services.

Throughout 2023/24, we continued to protect our communities, reduce harm and save lives with community focused, forward thinking; trusted, inclusive and sustainable services.

Our vision, as part of Oxfordshire County Council, is for a greener, fairer and healthier county and our work this year has focused on working with communities and ensuring an inclusive approach to all we do.

This year, another inspection from His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) rated our performance as being adequate in some areas and requiring improvement in others. This judges how effectively and efficiently the service prevents and protects the public against fires and how well it looks after staff.

We welcome this feedback on the fire and rescue service and have committed to continuing to develop and improve all aspects of the community safety service we offer to Oxfordshire's residents. More details on how we plan to do this can be found on page 6.

Thank you for taking the time to read the report.

Rob MacDougall
Chief Fire Officer and
Director for Community Safety

Cllr Dr Nathan Ley

HMICFRS inspection - How did we do?

Community safety

2 The service and the county

Size of the county:

1,006 miles²

Population:

738,280

Appliances:

34

(excluding specialist vehicles to support operations)

Support staff:

83

(as at 4 June 2024)

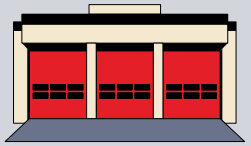
Firefighters:

559

(wholetime including secondees **236**, on-call **323)**

Stations:

25



=

19 on-call

these stations are fully on-call and firefighters respond from their home or work

+

3 wholetime and on-call

these stations are crewed 24/7 by both wholetime and on-call firefighters

+

3 day crewed and on-call

wholetime crew during the day with an on-call appliance as well and with a mixture of on-call and wholetime response at night

3 Emergency response

Our firefighters attended over **6,400** incidents

(data and analysis as per 2023/24 report)

1,172 fires

(18 per cent of total incidents)

153 incidents involving flooding

– decline of 23 incidents (13 per cent decrease) from 2022/23

64 animal rescues

122 incidents where we assisted other agencies

54 rescues from water

3,400 false alarms

(53 per cent of total incidents)

445 road traffic collisions

(7 per cent of total incidents)

62 incidents involving hazardous materials

Highlights of 2023/24 in figures

449
fire safety audits
completed in commercial premises by our fire safety team

2,488
safe and well visits
completed, ensuring our residents receive essential safety advice and help reduce risk in the home

£194,000
saved or recovered
for victims of doorstep crime, scams and other forms of financial abuse

130
businesses visited
in our fire safety week, delivering preventative fire safety advice in person by specially trained fire crews

18
road traffic enforcement
prosecutions by our trading standards department, resulting in fines and costs of £19,322

22%
reduction
(-329) in primary and non-primary fires attended from the previous year

769
electric blankets tested
with a failure rate of 36 per cent, protecting residents from the risk of fire

46,386
miles driven
in our electric fleet, reducing our environmental impact

26%
increase
(6,124) in children taking part in 7-11 year olds learning how to ride a bicycle safely on our cycle training programme

5 Areas of improvement

We have identified **three areas of improvement**, acknowledging they require long term objectives and programmes to establish lasting improvement.

1. On-call availability

Levels have not improved this year. We recruited **25 fewer** on-call firefighters this year compared to last.

Action

- We recently launched our new inclusive recruitment campaign and will evaluate the success of this.
- We are also working to reduce our turnover rate from 14.7 per cent (15.4 per cent) in 2022/23 previous year.

2. Unwanted fire signals

Continue to rise, and this is common to many fire and rescue services. It relates to false alarms from automatic fire alarm activations.

Action

- We publicly consulted on new policy arrangements to reduce the burden of these calls. The changes were implemented during 2024.
- Our fire protection department continue to proactively educate business owners about how to manage these alarms themselves, preventing the need for call outs.

3. Response times

Between 2023/24 we responded to **70 per cent** of incidents within **11 minutes**.

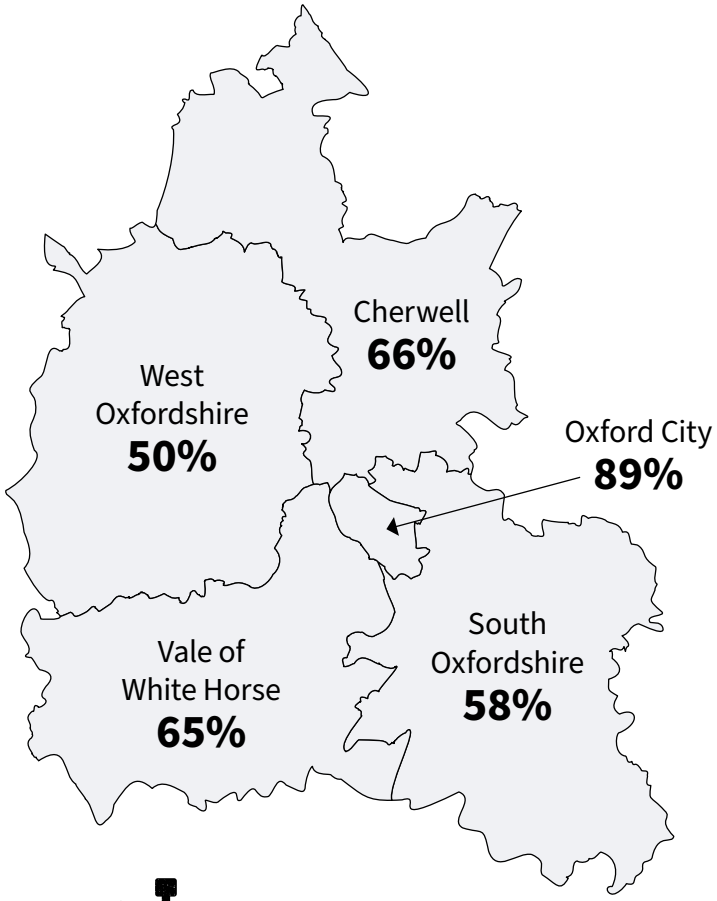
This was a decrease of **two percentage points** from the previous year and below our performance target of **80 per cent**.

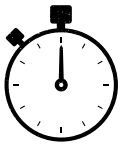
Response standards for attendance within **14 minutes** remained similar to 2022/23 at **84 per cent**.

Action

- We are exploring links between the reduction of on-call availability and the impact this has on our response times.

Oxfordshire response standards





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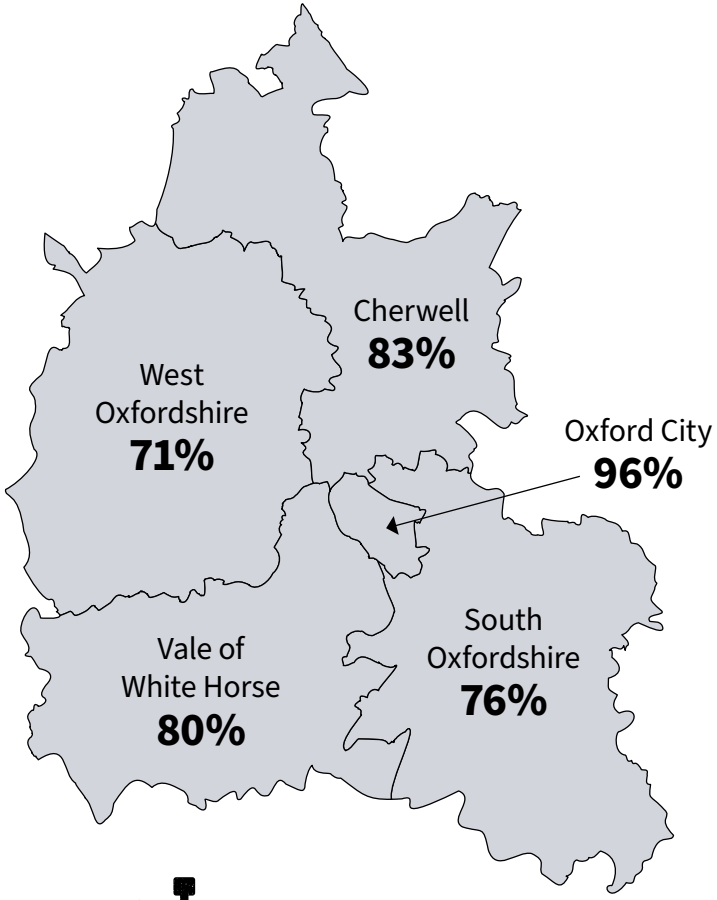

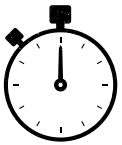

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6 New initiatives

Community safety review

We are implementing **five internal improvements**, with a new operational response model pending risk modelling and public consultation to enhance service response times and resilience in Oxfordshire.

Fleet review

The Oxfordshire Fire and Rescue **fleet strategy** was rolled out in November 2023. This strategy ensures that fire appliances and associated vehicles are replaced on a schedule that prevents them from breaching recommended lifespan periods.

Cultural review work

As an organisation we are working towards being an employer of choice. With **external input** capturing the views of our team, we can continue to build on the positives and enablers and focus on improving in areas that have been fed back as barriers or concerns.

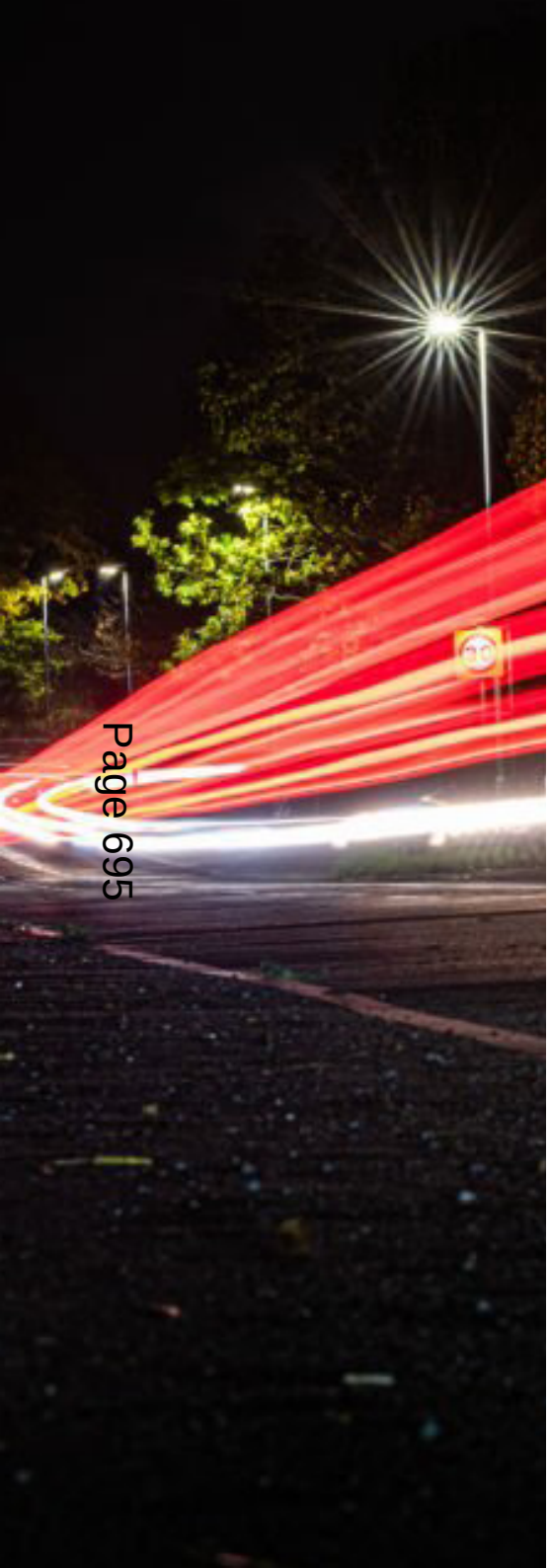
HMICFRS action plan

His Majesty's Inspectorate of Constabularies and Fire & Rescue Services (HMICFRS) inspected Oxfordshire Fire and Rescue in January 2024. The inspectors gathered documents and data and carried out a survey of staff prior to the inspection.

Their report has been published and has highlighted the following:

- From the **11 criteria** that are scored, Oxfordshire Fire and Rescue Service received an **adequate** grade **in seven areas** and **requires improvement in four.**
- Within the report the inspectors have suggested **26 areas** where the service could improve.

We take the report as a great opportunity. An action plan will be established to drive activity around these 26 areas.

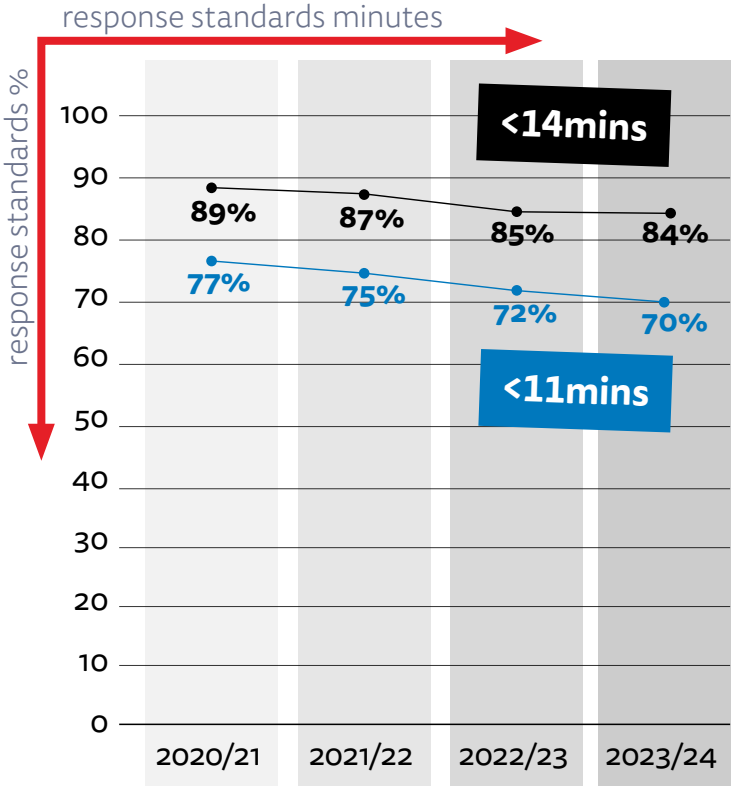


7 Response

Response standards

Our core function is to respond effectively to emergency incidents. This response service is provided from **25 fire stations** across the county.

80 per cent of attendances should be achieved within 11 minutes, and 95 per cent within 14 minutes of a call.



Nationally, there has been an increase of **23 seconds** compared with previous years. The average response time year ending March 2023 was 9 minutes and 13 seconds.

Our average response time during 2023/24 was **9 minutes and 2 seconds**.

2020/21	2021/22	2022/23	2023/24
08:36	08:40	09:00	09:02

Six fire stations are crewed by wholetime personnel. Three of these provide 24-hour cover. The other three provide cover in the day and an on-call service at night.

All **25 fire stations** have an on-call crew and **19 fire stations** are crewed only by on-call personnel. These stations provide an emergency response to our communities.

Figure: Response standards across Oxfordshire 2020-2024

On-call availability

We aspire to provide 100 per cent availability at all on-call fire stations.

On-call availability across Oxfordshire for 2023/24 was 58 per cent – a decrease compared with the previous year's figure which was 59 per cent.

There are many factors which impact on-call availability including recruitment, retention, contracts, cover from fulltime (wholetime crews and operational day duties staff).

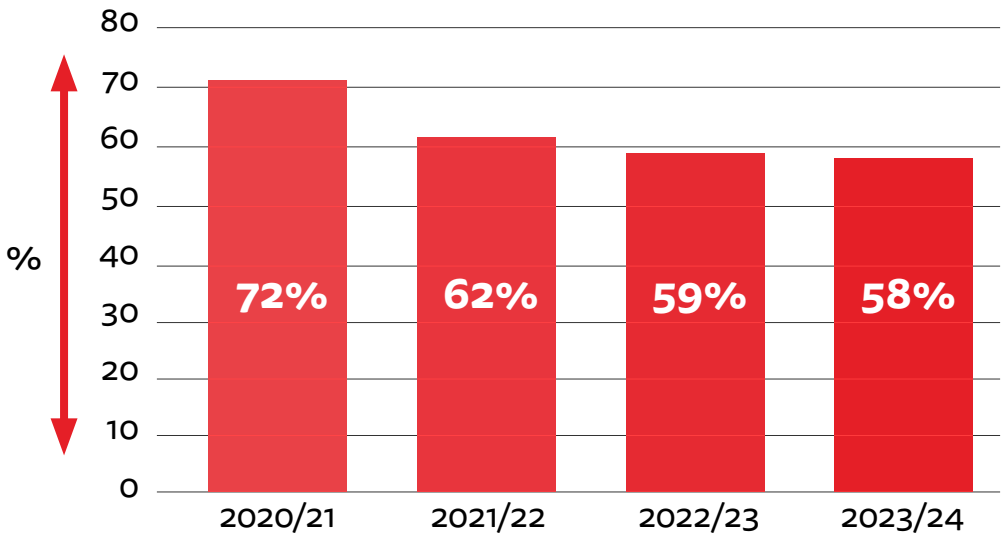


Figure: On-call availability across Oxfordshire by year

8 Prevention

Focusing our resources on the most vulnerable, working with our partners to protect our communities

Safe and well

Safe and well visits are done by our specialist home and community safety advisers and operational crews.

They work to reduce the likelihood of fires starting in the home through advice and simple interventions. We also ensure residents can respond effectively if required, by installing fire detection or referring to partner agencies for further support.

This year, the prevention department joined forces with the data systems team and the newly appointed data analyst to produce risk profiles for the station areas.

The profiles are created by combining historical incident data with demographics and lifestyle factors, a methodology that allows for areas to be mapped according to risk.

This is an evidence-led approach, enabling frontline staff to focus their efforts and reduce the risk to those most likely to have a fire in the home. The profiles have been combined with community insights data to ensure that our teams are better equipped with the knowledge and understanding of their residents and local communities.

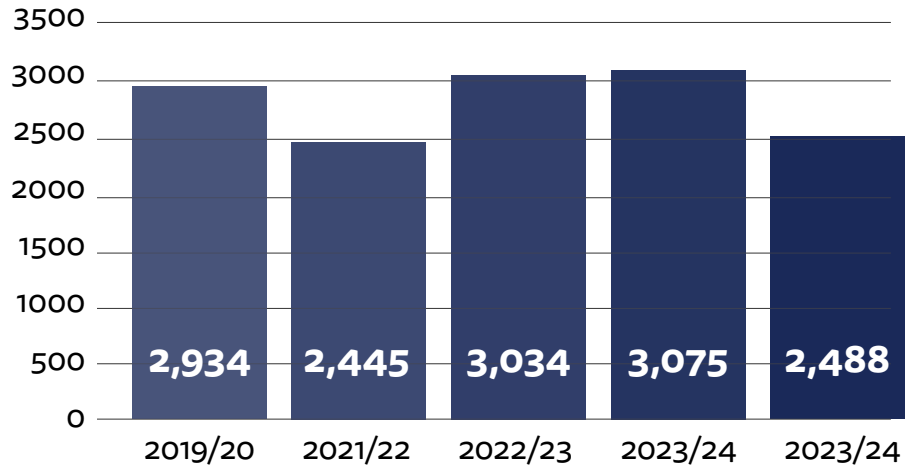


Figure: Safe and well visits 2019-2024 by financial year

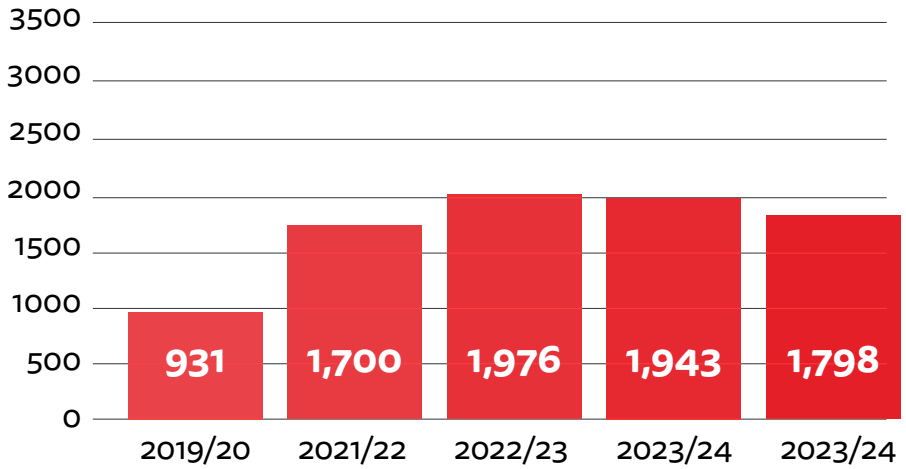


Figure: Referrals from partner agencies to Oxfordshire Fire and Rescue

Safeguarding concerns and referrals

Overall reported numbers are increasing year on year. This means we are helping more vulnerable residents receive the support they need from the right agency.

In the annual safeguarding children's and adult's audit, commissioned by both the adult and children's safeguarding boards, Oxfordshire Fire and Rescue Service ranked **green**, a positive result across all the required sectors of the audit.

An example of this was in May 2023, when fire crews raised a safeguarding concern following their response to a smoke alarm activation in a home in Banbury. The property was found to be severely hoarded with a resident who was struggling to cope following the loss of his wife.

A multi-agency approach was taken to ensure the right support was put in place to improve conditions in the property. Fire crews returned and visited all neighbours to ensure that advice was provided and sufficient steps were taken to reduce the risk from fire.

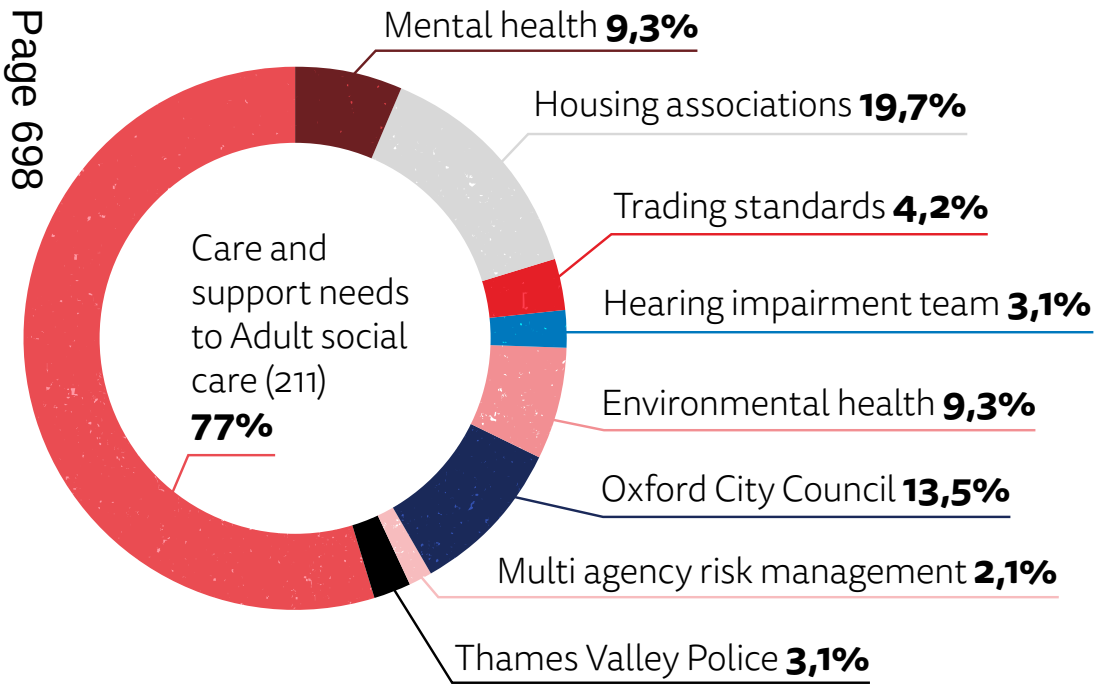


Figure: Referrals from Oxfordshire Fire and Rescue Service to other agencies

Cycle training and road safety education

Over 6,000 children have taken part in our cycle training programme. It works to teach every 7-11 year old child to ride a bicycle safely over a two year period.

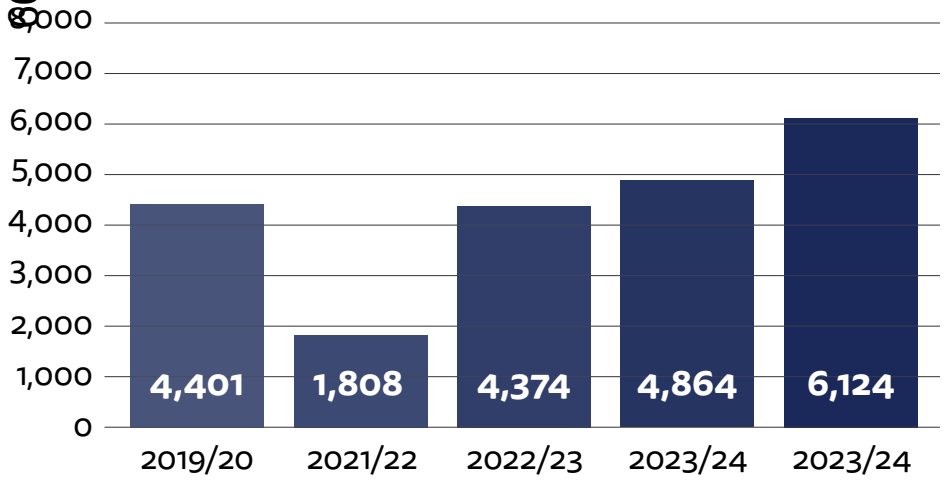


Figure: Number of children taking part in our cycle training programme

Bikeability funding was **increased by £150k**. We have also received an **additional £8.5k** to fund a project for school engagement to increase the take up of cycle training.

We continued to support the **Bike Library programme** by working with Active Oxfordshire to set up a bike library and use fire stations to collect donated bicycles for Oxfordshire families who could not afford them previously.

We have introduced **adult rider confidence** session for adults and will continue to look at options such as directly delivering into the universities.

All aspects of road safety education are targeted to those most at risk, and we work with partner agencies to ensure our road safety campaigns are combined and consistent.

In 2023, the **Vision Zero project** group was established which brings together a collaborative approach to reducing road deaths and serious injuries.

Fire investigation

We are working with our Thames Valley fire and rescue partners and Thames Valley Police to enhance our fire investigation capability. This will help us meet planned national standards when supporting criminal prosecutions taken by the Crown Prosecution Service.

This capability will deliver a range of benefits including improvements in our prevention services, improved crime detection levels and a value for money solution for Thames Valley Police. We are also aligning the fire investigation teams and training across the Thames Valley to maximise the opportunities available and improve resilience.

Social media engagement

We continue to share prevention messages on our social media accounts – ensuring we reach a diverse range and number of people across our communities.

Facebook

20,000 followers

2,219 posts

64,180 engagement (clicks, likes, shares, comments))

A reach of over **8 million** people

Instagram

1,930 followers

737 people reached on average, per day

329,570 impressions from content on our Instagram page

X

10,490 followers

583 posts reaching 295,520 people

9 Protection

Targeting the most vulnerable people and businesses in our built environment

The fire protection department has been proactive in targeting our highest risk premises, through known premises on our risk-based inspection program (RBIP), themed audits and complaints/referrals.

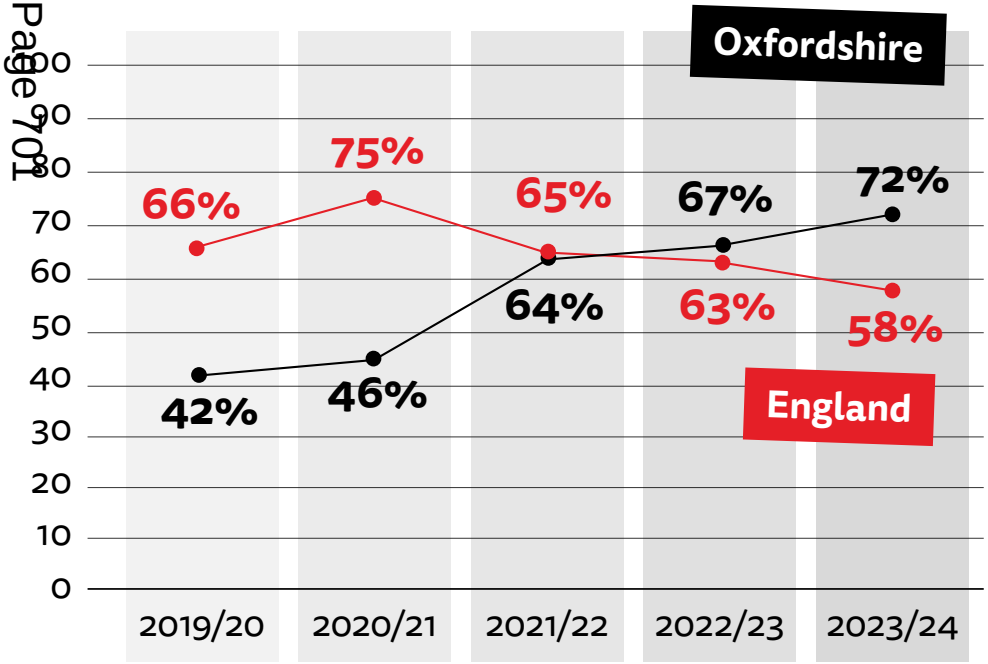


Figure: Percentage of 'satisfactory' fire safety audits in Oxfordshire against England 2019-2023

449 audits were completed this year, **325** (72 per cent) of these were satisfactory. This is better than the England average of **58 per cent**.

With the recruitment of **five** new safety officers, we continue to make Oxfordshire safer for both residents and visitors to the county.

Our building control team completed **694 formal fire safety building regulation consultations**. This has ensured that new premises being constructed in the county meet rigorous safety standard.

We have completed multiple business engagement campaigns. This included a successful campaign focused on bed and breakfasts across the county which resulted in an increased level of compliance against the fire safety regulations.

Our digital presence has also increased across multiple social media platforms with a monthly fire safety e-letter being sent to our subscribers.

273

electric blankets are no longer a threat

10 Trading Standards

- Saved or recovered **£194,000** for victims of doorstep crime, scams and other forms of financial abuse (including responding to 44 incidents of doorstep crime).
- Reached **3,478** people with preventative advice and support.
- Inspectors of weights and measures tested and verified over **700** items of weighing and measuring equipment.
- Safety tested **769** electric blankets of which **273** failed the test – a 36 per cent failure rate.
- With support from public health, we restricted children's access to vapes, visiting **34** retailers and seizing over **4,600** non-compliant devices.
- Fitted **206** call blockers, leading to **194,879** calls being blocked. Estimated savings to residents, police, social care and the NHS was **£2,930,294**.
- Recruited over **150** friends against scams (friendsagainstscams.org.uk) who help to raise awareness throughout their community.
- Conducted **1,790** interventions with Oxfordshire businesses, providing advice and support, testing products and procedures.
- Investigated hundreds of reports regarding HGVs inappropriately using weight-restricted roads and bridges, leading to **18** prosecutions.

11 Joint Oxfordshire Resilience Team

The Joint Oxfordshire Resilience Team (formerly Emergency Planning) helps Oxfordshire County Council to meet the statutory duties to have robust emergency plans and business continuity arrangements and promote resilience within communities and businesses.

Community resilience: The team has statutory duties to help communities prepare for emergencies, assist with business continuity, and have processes to warn, inform and support the public in emergencies.

The team supported **42 events** and distributed **1,557 community resilience bags** to make vulnerable households more resilient. **622 businesses** were provided with business continuity information.

12 Learning and improvement

Fire and Rescue service incidents and training

Learning from past incidents to prevent future ones is crucial for the health, safety, and wellbeing of Oxfordshire fire and rescue service workers. We take every opportunity to learn both from ourselves and others.

We monitor incidents, crews, training and exercises, and use systems to examine skills, techniques, procedures and our interactions with others. After incidents or training events we provide an opportunity for staff to discuss what went well, what didn't go well, and how improvements can be made. These are then processed to understand if we can action improvements and share learning both internally and with others.

- The purchase of new ratchet tools to assist with rescuing people from cars (this followed feedback and trial using the equipment by station personnel).
- The purchase of different bags to keep Road Traffic Collision gear in a safe and effective manner as previous containers were breaking easily.
- The planned rollout of 'Highrise boards' to assist with recording of information to assist the searching of Highrise buildings during an incident.
- The use of thermal imaging cameras by officers in charge to assess buildings and situations before committing crews.

Learning from national events

In response to the 2017 Grenfell tragedy, we are collaborating with Thames Valley Fire and Rescue service partners on an action plan to enhance our prevention, mitigation, and response capabilities, including operational procedures, communications, call handling, incident command, and training.

In response to a 2019 firefighter fatality during water rescue training, a working group is reviewing and aligning equipment, procedures, and risk assessments for boat and water operations with National Fire Chiefs Council national best practices.

13 Awards

- Firefighter and LGBT+ champion **Charlotte Stacey** was awarded a **British Empire Medal** for her services to the community.

British Empire Medal

Charlotte Stacey

British Empire Medal (BEM)

Achievement or contribution of a very "hands-on" service to the community in a local geographical area.

This might take the form of sustained commitment in support of very local charitable and/or voluntary activity; or innovative work that has delivered real impact but that is relatively short (three to four years) in duration.

Presentations of BEMs are made locally.

- **Peter Savage** was the recipient of the **Rose Award**.

Rose Award

Peter Savage

Rose Award

Presented in memory of Cllr Rodney Rose, who was cabinet member for Community safety Services and Deputy Leader of the county council.

This is awarded to an employee who has made an outstanding contribution to supporting Oxfordshire communities and has consistently demonstrated qualities of compassion, proves an unyielding dedication to community service and to improving the lives of others in Oxfordshire.

AUDIT & GOVERNANCE COMMITTEE
27 November 2024

Report of the Audit Working Group 8 October 2024

Report by Executive Director of Resources

RECOMMENDATION

1. The Committee is RECOMMENDED to note the report.

Executive Summary

2. The Audit Working Group (AWG) met on 8 October 2024. The group received an update on the implementation of management actions arising from the audits of Legal Case Management and also Supported Transport, which were both undertaken during 2023/24, and had the overall conclusion graded as Red.

Introduction

3. Attendance:
Full Meeting: Chairman Dr Geoff Jones. Councillors: Nick Leverton, Roz Smith, Glynis Phillips, Jenny Hannaby, Charlie Hicks.

Officers: Full meeting: Sarah Cox, Chief Internal Auditor, Ian Dyson, Director of Financial and Commercial Services, Mohamed Cassimjee, Committee Officer, Katherine Kitashima, Audit Manager, Emma Vickers, Auditor

Officers: Part meeting: Paul Grant, Head of Legal and Deputy Monitoring Officer, Janice White, Head of Law LBP, Adult Social Care and Litigation, Diane Surman, Legal Practice Manager, Sandra Pearce, Head of Supported Transport, Andrew Richards, Operational Manager Supported Transport.

Apologies: Cllr Ted Fenton, Anita Bradley, Director of Law & Governance and Monitoring Officer

Matters to Report:

Internal Audit of Legal Case Management 2023/24

4. The Internal Audit of Legal Case Management was undertaken during 2023/24. The overall conclusion was graded Red. The audit identified that policies and procedures required updating, training was needed around legal case management and the use of the case management system, the case

management system was not being used accurately or consistently and improvements were required to the quality review process and service performance monitoring.

5. Officers updated the group, including the restructure within Legal Services that took place in 2023 and the subsequent recruitment activity to key management positions within the team. The legal services improvement plan includes applying for the external practice mark “Lexcel” and management had found the internal audit a useful assessment of the case management processes in operation and identifying the improvements required to bring them up to standard.

6. The Audit Working Group noted that good progress has been made with the implementation of the management action plan. Eleven management actions had been agreed and officers report that ten management actions have been fully implemented. The remaining action, which was not yet due for implementation at the date of the AWG, is in progress and completion is being monitored.

7. The Audit Working Group were satisfied with the response taken to the issues identified within the Internal Audit report and will be updated on the implementation of the remaining action through the routine Internal Audit follow up process. The Group also noted that Internal Audit were undertaking a “Follow Up” audit of a sample of actions from several 2023/24 audits and that this audit was included for follow up testing.

Internal Audit of Supported Transport 2023/24

8. The audit of Supported Transport was undertaken in 2023/24. The overall conclusion was graded Red. Weaknesses were identified in the contract procurement processes and controls and also with the contract management activity. Follow up of actions from previous internal audit work identified actions that had not been implemented or found not to be effectively working.

9. The Audit Working Group noted that good progress has been made to implement eight of the ten agreed management actions, with work in progress to implement the remaining two. Actions outstanding from previous internal audit work have also been reported as implemented by officers.

10. The group discussed the wider operational difficulties, reported by Supported Transport Officers, due to the different IT systems in use within the service which to date have not been able to integrate with the wider council contract procurement and contract management systems. The group noted the risks around managing multiple individual complex systems and the impact this can have on delivering greater efficiency and performance.

11. The group were satisfied with the response taken to the issues identified within the Internal Audit report. The group agreed that implementation of the remaining

actions will be continued to be monitored through the routine Internal Audit follow up process. The group noted that further internal audit activity in the area of Supported Transport will be considered during internal audit planning for 2025/26.

Financial Implications

13. There are no direct financial implications arising from this report.

    Comments checked by: Ian Dyson, Director of Financial and Commercial Services ian.dyson@oxfordshire.gov.uk

Legal Implications

14. There are no direct legal implications arising from this report.

    Comments checked by: Anita Bradley, Director of Law & Governance and Monitoring Officer
    anita.bradley@oxfordshire.gov.uk

Lorna Baxter
Executive Director of Resources

Annex: None
Background papers: None

Contact Officer: Sarah Cox, Chief Internal Auditor.
Email: sarah.cox@oxfordshire.gov.uk

October 2024.

Next AWG meeting: 11 December 2024.

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Last Updated 19 November 2024

AUDIT & GOVERNANCE COMMITTEE

WORK PROGRAMME – 2024/25

27 November 2024

Session with Internal Auditor – 30 minutes

Session with External Auditor – 30 minutes

1. Treasury Management Mid Term Review 2024/25 (Tim Chapple)
2. Oxford Fire & Rescue Service Statement of Assurance 2023-24 (Matt Schanck)
3. Oxfordshire Fire and Rescue Service 2023/2024 Annual Report (Daisy Hickman)
4. Audit Working Group Update (Sarah Cox)
5. Annual Governance Statement 2023/24-Update on Actions (Anita Bradley)
6. Annual Report on Whistleblowing (Anita Bradley)
7. Counter Fraud Update (Sarah Cox)
8. Ernst & Young Update (Stephen Reid /Adrian Balmer)
9. Audit & Governance Committee Work Programme

15 January 2025

Training Session – Treasury Management – 45 minutes

1. Annual Governance Statement- Update on Actions (Anita Bradley)
2. Internal Audit 2024/25 Progress Report (Sarah Cox)
3. Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 (Tim Chapple)
4. Financial Management Code (Kathy Wilcox)
5. Risk Management Update (Louise Tustian)
6. Electoral Fees and Charges April 2025 (Anita Bradley)
7. Highways Contract Arrangements (Paul Fermer)
8. Audit Working Group Update (Sarah Cox)
9. Ernst & Young Update (Stephen Reid /Adrian Balmer)
10. Audit & Governance Committee Work Programme

12 March 2025

Training Session - Accounts and Financial Assets – 45 minutes

1. Counter Fraud Update (Sarah Cox)

2. Audit and Governance Committee Annual Report to Council (Sarah Cox)
3. Treasury Management Q3 Performance Report 2024/25 (Tim Chapple)
4. Risk Management Update (Louise Tustian)
5. 2021/22 Draft Audit Results Report (Maria Grindley/Adrian Balmer)
6. Audit Working Group Update (Sarah Cox)
7. Accounting Policies (Richard Quayle)
8. Ernst & Young Update (Stephen Reid /Adrian Balmer)
9. Audit & Governance Committee Work Programme