



DRAFT

**Oxfordshire County Council
Statement of Accounts**

2022/23



**OXFORDSHIRE
COUNTY COUNCIL**

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Narrative Report by the Director of Finance

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.



Narrative Report by the Director of Finance

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.

Narrative Report by the Director of Finance

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

Narrative Report by the Director of Finance

	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

Narrative Report by the Director of Finance

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.

Narrative Report by the Director of Finance

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

Narrative Report by the Director of Finance

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.

Statement of Responsibilities for the Statement of Accounts

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							2022/23		
Gross Expenditure £'000	Income £'000	Net Expenditure £'000		Notes	Gross Expenditure £'000	Income £'000	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 £'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 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	Expenditure chargeable to the County Fund	Adjustments between funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	Notes	£'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	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**

Notes to the Statement of Accounts

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Notes to the Statement of Accounts

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).

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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

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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 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, if any, are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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

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- 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.

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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

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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.

Notes to the Statement of Accounts

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.

Notes to the Statement of 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

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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 IFRS 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 deemed 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.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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				2022/23				
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	
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

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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	Ear-marked Reserves	Capital Receipts Unapplied	Capital Grants & Contbns Unapplied	Unusable Reserves		County Fund Balance	Ear-marked Reserves	Capital Receipts Unapplied	Capital Grants & Contbns Unapplied	Unusable Reserves
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'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

Notes to the Statement of Accounts

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				2022/23		
Central Expenditure	ISB	Total		Central Expenditure	ISB	Total
£'000	£'000	£'000		£'000	£'000	£'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

Notes to the Statement of Accounts

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	2022/23	2021/22	2022/23	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'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.

	2021/22	2022/23
Members' Allowances	£'000	£'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.

	2021/22	2022/23
Audit and Inspection Fees	£'000	£'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.

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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%

Notes to the Statement of Accounts

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 Jordan	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%

Notes to the Statement of Accounts

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 Band (£)	2021/22			2022/23			2021/22			2022/23		
	Compulsory No.	Other No.	Total £'000	Compulsory No.	Other No.	Total £'000	Compulsory No.	Other No.	Total £'000	Compulsory No.	Other No.	Total £'000
0 - 19,999	19	32	256	9	13	409	19	32	256	9	13	100
20,000 - 39,999	4	6	158	3	2	266	4	6	158	3	2	43
40,000 - 59,999	1	3	139	2	0	191	1	3	139	2	0	0
60,000 - 79,999	1	0	0	0	0	78	1	0	0	0	0	0
80,000 - 99,999	0	1	98	2	0	98	0	1	98	2	0	0
100,000 - 149,999	2	0	0	2	0	234	2	0	0	2	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	0	0	0	1	0	0	1	0	0	1	0	0
Total	27	42	651	19	15	1,276	27	42	651	19	15	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

Notes to the Statement of Accounts

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		Total	2022/23		Total
	Plant, vehicles & equipment £'000	Land and buildings £'000		Plant, vehicles & equipment £'000	Land and buildings £'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		Total	2022/23		Total
	Plant, vehicles & equipment £'000	Land and buildings £'000		Plant, vehicles & equipment £'000	Land and buildings £'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

Notes to the Statement of Accounts

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.

	2021/22	2022/23
	£'000	£'000
Other Operating Expenditure		
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:

	2021/22	2022/23
	£'000	£'000
Financing and Investment Income and Expenditure		
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

Notes to the Statement of Accounts

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	Assets at amortised cost	Assets at fair value through Other Comprehensive Income	Assets at fair value through profit and loss	Total		Liabilities at amortised cost	Assets at amortised cost	Assets at fair value through Other Comprehensive Income	Assets at fair value through profit and loss	Total
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'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.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

Pension Fund Comprehensive Income and Expenditure Statement	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	Revised				Revised	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	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	1,028	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

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

Liabilities	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	Revised				Revised	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'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	2022/23
	£'000	£'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

Notes to the Statement of Accounts

The assets in the Local Government Pension Scheme consist of the following categories:

Assets	At 31 March 2022		At 31 March 2023			
	Revised £'000	Revised £'000	Revised %	£'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%

Notes to the Statement of Accounts

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%

Notes to the Statement of Accounts

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:

	2021/22 £'000	2022/23 £'000
Pension Reserve		
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

Notes to the Statement of Accounts

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	2022/23	Credited to Services	2021/22	2022/23
		£'000	£'000		£'000	£'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 Services Grant	1,141	1,144			
			-	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

Notes to the Statement of Accounts

Grant issuing body	2021/22		2022/23		2021/22		2022/23	
	Credited to Taxation and Non Specific Grant Income		Credited to Services		£'000		£'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		
Department for Education				Test and Trace Grant	1,660	-		
				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		

Notes to the Statement of Accounts

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:

	2021/22	2022/23
Taxation & Non-Specific Grant Income	£'000	£'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.

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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		2022/23	
	Non-current £'000	Current £'000	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	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).

Notes to the Statement of Accounts

	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.

Notes to the Statement of Accounts

24. Assets Held for Sale

	2021/22	2022/23
	£'000	£'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	2022/23
	£'000	£'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

Notes to the Statement of Accounts

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	2022/23
	£'000	£'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	Principal Repayments	Interest Costs	Lifecycle Replacement Payments	Total
	£'000	£'000	£'000	£'000	£'000
2022/23					
Within 1 year	20,655	740	2,070	1,041	24,505
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
2021/22					
Within 1 year	18,616	655	2,155	1,001	22,426
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	At 31 March	At 31 March	At 31 March
	2022	2023	2022	2023
	£'000	£'000	£'000	£'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

Notes to the Statement of Accounts

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 imp's 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

Notes to the Statement of Accounts

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

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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:

Notes to the Statement of Accounts

	Long-Term		Current	
	At 31	At 31	At 31	At 31
	March	March	March	March
	2022	2023	2022	2023
	£'000	£'000	£'000	£'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.

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

the financial asset directly. The movement in the debtor impairment allowance account is as follows:

Impairment Allowance	2021/22	2022/23
	£'000	£'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	At 31 March
	2022	2023
	£'000	£'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.

Notes to the Statement of Accounts

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		At 31 March 2023	
		Gross Receivable £000	Loss allowance £000	Gross Receivable £000	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		At 31 March 2023	
	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	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

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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 £000
			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	
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 Notice Accounts	Yes	Yes	70,000	40,000	96,000	158,800	49,700	20,000	434,500
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

Notes to the Statement of Accounts

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			Total
		Fixed Rate	Variable Rate	Other Finance Liabilities	
£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

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- 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.

Notes to the Statement of Accounts

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.

Notes to the Statement of Accounts

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:

Notes to the Statement of Accounts

2021/22				2022/23				
Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000	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	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

Notes to the Statement of Accounts

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 No. of schools	Balance £'000	Balance at 31 March 2023 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

Notes to the Statement of Accounts

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:

	2021/22 £'000	2022/23 £'000
Net Capital Receipts from the sale of assets	£'000	£'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.

Notes to the Statement of Accounts

	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.

	2021/22 £'000	2022/23 £'000
Unusable Reserves		
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

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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		Capital Adjustment Account	2022/23	
£'000	£'000		£'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

Notes to the Statement of Accounts

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:

	2021/22	2022/23
	£'000	£'000
Collection Fund Adjustment Account		
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.

	2021/22	2022/23
	£'000	£'000
Accumulated Absences Account		
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.

	2021/22	2022/23
	£'000	£'000
DSG Adjustment Account		
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

Notes to the Statement of Accounts

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

Notes to the Statement of Accounts

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.

Trust Funds

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	2022/23	
		Value of Fund £'000	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	2022/23	
		Value of Fund £'000	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	2022/23	
		Value of Fund £'000	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



The Local Government Pension Fund Accounts

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		10,474	1,796
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	15a	-304,386	138,543
Value of Investments			
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

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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.

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- 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.

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	Service Pre 1 April 2008	Service Post 31 March 2008
Pension	Each full-time year worked is worth $1/80 \times$ final pensionable salary.	Each full-time year worked is worth $1/60 \times$ final pensionable salary.
Lump Sum	Automatic lump sum of $3 \times$ 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 $1/49$ th. 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.

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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

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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 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.

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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.	<p>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.</p> <p>Sensitivities to the key assumptions are as follows:</p> <p>A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£55m).</p> <p>A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£5m).</p> <p>A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£59m).</p> <p>A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£131m).</p>
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.

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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

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	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

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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	2022/23
	£'000	£'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 administering 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

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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

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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.

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	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)

	2021/22	2022/23
	£'000	£'000
Long-Term Investment Assets		
Brunel Pension Partnership Ltd	840	840
Total	840	840

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	2021/22	2022/23
	£'000	£'000
Bonds		
UK Government	22,248	0
Overseas Government	18,405	0
UK Government Index Linked	40,281	0
Total	80,934	0

	2021/22	2022/23
	£'000	£'000
Equity Investments		
UK Equities	154,024	135,423
Overseas Listed Equities:		
North America	9,768	9,343
Europe	321	333
Total	164,113	145,099

	2021/22	2022/23
	£'000	£'000
Pooled Investment Vehicles		
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

	2021/22	2022/23
	£'000	£'000
Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)	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

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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.

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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

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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
Total	-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		31/03/2023	
	Market Value £'000	%	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

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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
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Prudential	13,816	12,278
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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)

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- 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.

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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

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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.

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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

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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	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

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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.

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- 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:

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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

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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:

The Local Government Pension Fund Accounts

Asset Type	Carrying Amount as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		1% £'000	-1% £'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% £'000	-1% £'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% £'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

The Local Government Pension Fund Accounts

Currency Exposure -	Asset Values as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
Asset Type	£'000	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

The Local Government Pension Fund Accounts

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 Local Government Pension Fund Accounts

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**

Fire Fighters' Pension Fund

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.

Fire Fighters' Pension Fund

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



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 GOVERNANCE 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

Annual Governance Statement 2022/23

- 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

Martin Reeves
Chief Executive

..... Date

Cllr Liz Leffman
Leader of the Council

Annual Governance Statement 2022/23

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

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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.

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- ❖ 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).

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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;

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- 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

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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

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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

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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 -

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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

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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
<p>Directorate Scheme of Delegation: Powers and Financial Powers</p> <ul style="list-style-type: none"> To review and update all outwardly facing documentation, as well as review the location of information. 	<p>31 July 2022</p>	<p>The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) updated on the Council’s website.</p> <p>Directorate level Schemes of Delegation, which are held centrally, have been reviewed by representatives of each directorate and updated.</p> <p>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.</p>
<p>Cherwell-Oxfordshire Decoupling Programme</p>	<p>31 August 2022</p>	<p>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.</p>

Actions that were planned for 2022/23	Original Timescale	Outcome
<ul style="list-style-type: none"> • 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. 		
<p>Constitution Review</p> <ul style="list-style-type: none"> • 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
<p>Capital Programme</p> <ul style="list-style-type: none"> Governance has been reviewed for implementation throughout 2022/23 	31 March 2023	Completed.
<p>Data Subject Access Requests</p> <ul style="list-style-type: none"> 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.
<p>Member Code of Conduct Training</p>	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.
<p>Information Governance Group/Board</p> <ul style="list-style-type: none"> 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	<p>Directorate Scheme of Delegation: Powers and Financial Powers</p> <ul style="list-style-type: none"> To review and update all outwardly facing documentation, as well as review the location of information. 	<p>31 August 2023</p> <p>30 September 2023</p> <p>30 September 2023</p>	<p>The updated Scheme of Delegation pages within the Constitution (7.1 and 7.2) updated on the Council's website.</p> <p>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.</p> <p>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</p>	<p>Simon Harper Head of Governance</p> <p>Simon Harper Head of Governance</p> <p>Ian Dyson Assistant Director of Finance</p>
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
	<ul style="list-style-type: none"> 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.	<p>HR policies to be reviewed and updated for 2023/2024</p> <ul style="list-style-type: none"> Domestic abuse- supporting employees: policy and guidance (HR and Public Health) Sickness/supporting attendance policy and process maps 	<p>30 September 2023</p> <p>30 September</p>	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
	<ul style="list-style-type: none"> Agile working policy Additions to pay policy (to include honorariums, market supplements) Capability policy and procedures Disciplinary policy and procedures 	<p>2023</p> <p>30 September 2023</p> <p>31 March 2024</p> <p>31 March 2024</p> <p>31 March 2024</p>		
4.	<p>Governance Policies and Procedures</p> <p>To review and update the following:</p> <ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> • 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.	<p>Constitution</p> <ul style="list-style-type: none"> • 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.	<p>Member training</p> <ul style="list-style-type: none"> • 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

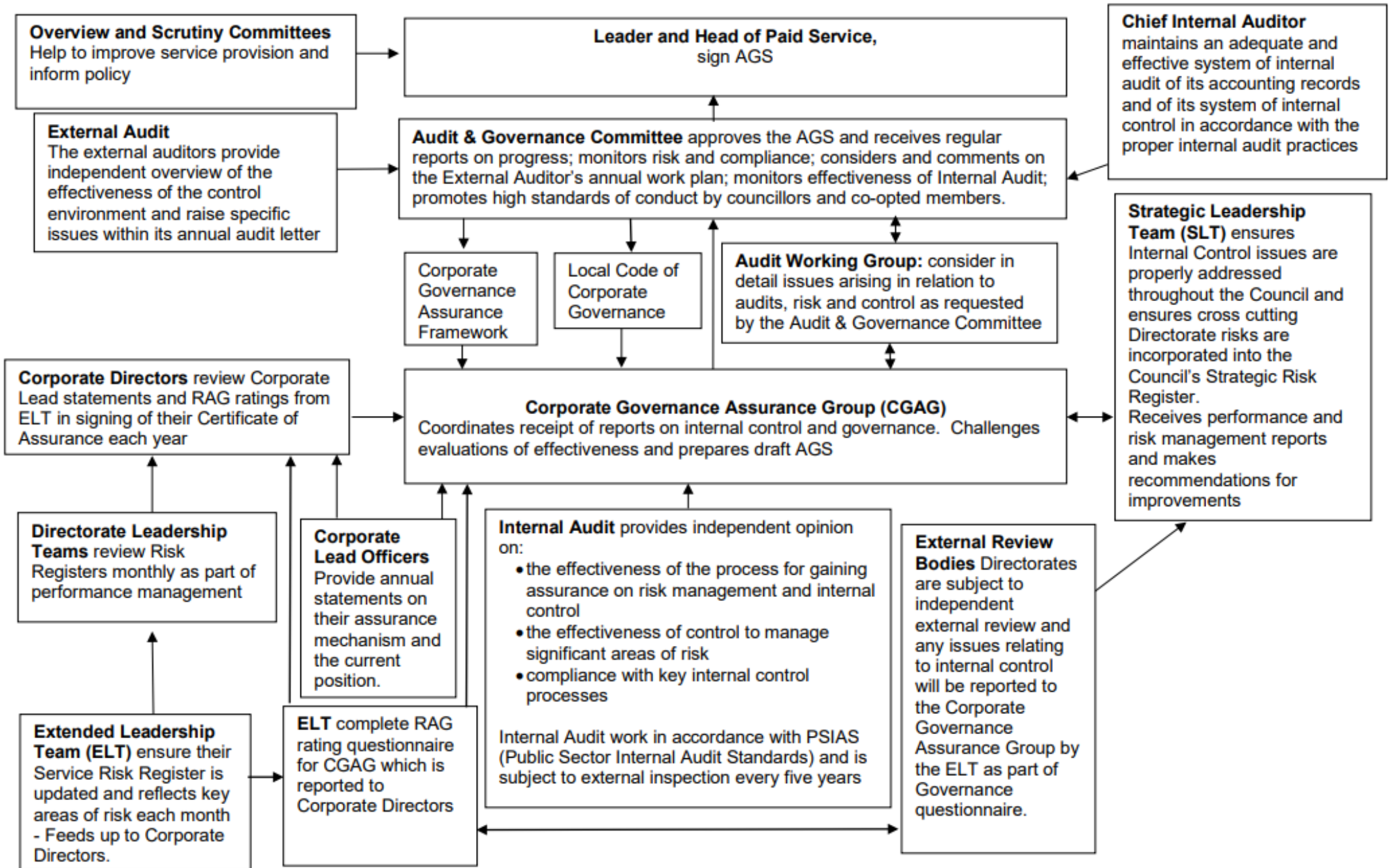
	Action now planned for 2023/24	Timescale for Completion	Outcome	Senior Responsible Officer
	<p>Member training and briefings responding to the identified needs of Members.</p> <ul style="list-style-type: none"> To act upon evaluation of Member feedback following training events. 			
7.	Review of Members' 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 <ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> 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.	<p>Review the current culture of dealing with information requests and the expectations of the Information Commissioner’s Office (ICO)</p> <ul style="list-style-type: none"> 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	<p>Mark Haynes, Director for Customer Experience, Cultural and Property Services</p> <p>Anita Bradley, Director of Law & Governance and Monitoring Officer</p>

	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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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)	<p>Services use benchmarking to inform opportunities to improve VfM but this is often ad hoc.</p> <p>Procurement decisions consider VfM by considering the quality of service and not just price.</p>	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
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. 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				

Annexes for Annual Governance Statement 2022/23

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	<p>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.</p> <p>In addition, the Audit & Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.</p>		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

Annexes for Annual Governance Statement 2022/23

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
3. 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

Annexes for Annual Governance Statement 2022/23

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	<p>The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium and longer term.</p> <p>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.</p>	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”	<p>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.</p> <p>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.</p>		GREEN

Annexes for Annual Governance Statement 2022/23

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				

Annexes for Annual Governance Statement 2022/23

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	<p>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.</p> <p>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.</p>		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				

Annexes for Annual Governance Statement 2022/23

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	<p>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.</p> <p>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.</p>	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
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				

Annexes for Annual Governance Statement 2022/23

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

Glossary

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.

Glossary

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.

Curtailement

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.

Glossary

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.

Glossary

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.

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A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.

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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.

Glossary

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.

Glossary

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.