

Summary of Financial Position for 2022/23

1. This annex provides a summary of the council's financial position for the 2022/23 financial year which ran from 1 April 2022 to 31 March 2023.
2. The information in this report will be used to compile the Council's Statement of Accounts for 2022/23. Both the draft and final Statement of Accounts will be published on the Council's website.
3. Ernst & Young have indicated that work on the audit of the 2022/23 Statement of Accounts will begin in early in 2024. It is possible that changes may be made to the accounts during this period which may alter the position presented within this report.
4. Under the [Accounts and Audit Regulations 2015](#) regulations 9 and 15, the commencement period for the exercise of public rights to inspect the draft 2022/23 accounts and related documents, based on an account's completion date of 31 May 2023, should include the first 10 working days of June 2023, with inspection dates being between 1 June and 12 July 2023.
5. The audit of the 2021/22 accounts began in January 2023 and is still in progress due a variety of complex factors arising from audit delays in previous years. This has impacted on the commencement of the 2022/23 accounts. This means the council will not be in a position to commence the period for the exercise of public rights as set out above.
6. Audit & Governance Committee considered this on 10 May 2023 and endorsed the intention to publish the draft 2022/23 accounts on 30 June 2023. Following that the public will have the right to inspection for 10 working days in early July as required by Regulation 15.
7. The following additional information is provided to support the information in this Annex:

Annex B – 1 (a) to (e)	Detail of Directorate Financial Position 2022/23
Annex B – 2	Virements to note
Annex B – 3a	Earmarked Reserves
Annex B – 3b	Maintained School Balances
Annex B – 3c	Parking Account
Annex B – 4	General Balances
Annex B – 5	Government Grants Summary

Introduction

8. The 2022/23 budget was agreed by Council on 8 February 2022. This included £17.9m funding for directorate pressures and new investments, plus savings totalling £17.8m.

Annex B

Business Management Report Summary of Financial Position for 2022/23

9. This is the final update for 2022/23 and sets out the final expenditure against the agreed budget as well as an update on the achievement of those budget changes. The Financial Monitoring Report to Cabinet in May 2023 set out updates to funding notified since the budget was agreed as well as other changes and risks which will need to be managed in 2023/24 and in the context of the Medium Term Financial Strategy. The first full Business Management and Monitoring report for 2023/24, based on the forecast position at the end of May 2023, will be considered by Cabinet on 18 July 2023.

Overview of Year End Expenditure & Funding

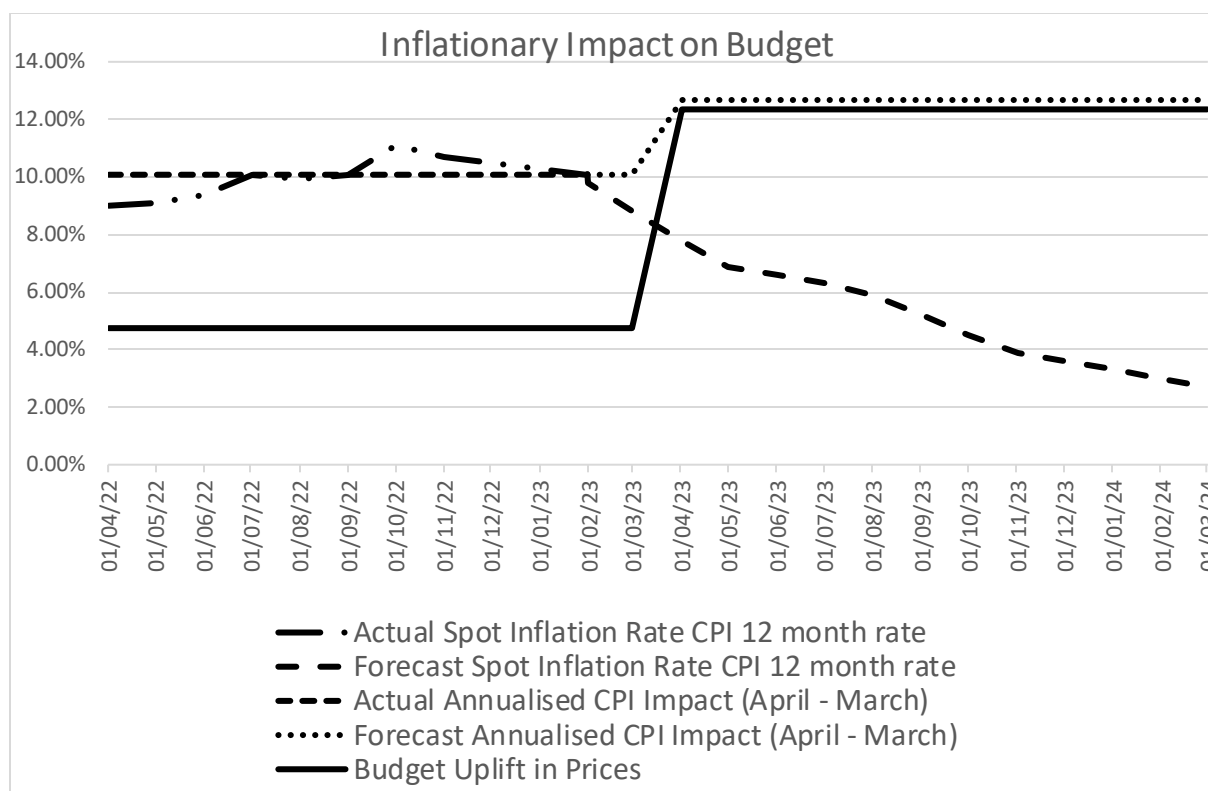
10. At the end of 2022/23, there was an overspend of £21.6m (4.1%) against the final directorate budget and a net underspend of £9.6m on budgets and funding held centrally. The combined overspend after taking account of additional business rates funding received during the year is £13.4m. The final position compares to a forecast directorate overspend of £22.4m, and an overall forecast overspend of £14.4m, based on the position as at the end of January 2023, reported to Cabinet in March 2023.
11. The table on the next page summarises the final position compared to the Net Operating Budget for 2022/23 agreed by Council in February 2022. This is made up of directorate spend plus budgets and funding held centrally and is funded by council tax and business rates income.

Annex B
Business Management Report Summary of Financial Position for 2022/23

	Final Budget 2022/23	Net Expenditure 2022/23	Variance March 2023	Variance March 2023	Variance January 2023
	£m	£m	£m	%	£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	-4.7%	-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 and 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
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	-0.3%	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

12. As explained in the Business Management & Monitoring Reports throughout the year the final position for 2022/23 reflects the impact of increases in the level of demand for children's social care and a lack of suitable care placements available in the system.
13. Inflation has also contributed to directorate overspends in 2022/23. The graph below illustrates that actual CPI has been higher throughout the year than assumed when the budget for 2022/23 was agreed in February 2022.

Annex B
Business Management Report Summary of Financial Position for 2022/23



14. Action has been 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.

15. The final position also includes the achievement of planned savings in 2022/23. The table below summarises the total planned savings and delivery as well as other variations which include one – off contributions from reserves supporting the expenditure for Adult Services, that are included in the year end directorate variation.

	2022/23 Planned Savings	Savings Delivered	Savings Delivered	Savings Not Delivered	Other Variations	Total Variance March 2023
	£m	£m	%	£m	£m	£m
Adult Services	-6.0	-2.0	33%	4.0	-1.1	2.9
Children's Services	-2.2	-0.3	14%	1.9	17.3	19.2
Environment & Place	-6.3	-4.0	64%	2.3	-5.4	-3.1
Public Health	-0.4	-0.4	100%		-0.4	-0.4
Community Safety						
Customers, Culture and Corporate Services	-2.9	-0.9	32%	2.0	0.9	2.9
TOTAL	-17.8	-7.6	43%	10.2	11.4	21.6

16. Directorates need to take action to manage services within agreed budgets for

Annex B

Business Management Report Summary of Financial Position for 2022/23

2023/24. As part of that any planned savings not delivered in 2022/23, where the on-going impact was not adjusted through the 2023/24 Budget & Business Planning Process, will need to be achieved in 2023/24 as well as new savings agreed in February 2023. Updates will be included as part of the Business Management & Monitoring Reports for 2023/24.

17. The risk assessed level of balances for 2022/23 was £28.9m. After taking account of planned changes and the £13.4m overspend, general balances were £22.6m as at 31 March 2023. This is £7.6m below the £30.2m risk assessed level for 2023/24. While balances have reduced, the prudent level of funding available, as well as on-going contingency budget, has allowed the council to sustain services despite the unexpected inflationary and demand pressures experienced during 2022/23.
18. One – off funding of £6.8m estimated to be required to top balances up to the risk assessed level for 2023/24 was included in the budget for 2023/24. Since the overspend is £0.8m higher than assumed when the budget was set further one-off funding of £0.8m will need to be added to balances in 2023/24. This will be funded from the £5.0m additional Business Rates and Council Tax funding noted in the Financial Monitoring Report to Cabinet in May 2023. The remaining balance of £4.2m will be added to contingency, as agreed by Cabinet in May 2023.

Directorate Financial Positions

Adult Services

19. Adult Services overspent by £2.9m against a budget of £215.6m.

Service Area	2022/23 Final Budget	Net Expenditure 2022/23	Variance
	£m	£m	£m
Age Well Pooled Budget	68.9	70.7	1.8
Live Well Pooled Budget	123.2	126.9	3.7
Non-Pool Services	16.7	15.4	-1.3
Commissioning	6.7	5.4	-1.3
Total Adult Services	215.6	218.5	2.9

Age Well Pooled Budget

20. The Age Well pool combines health and social care expenditure on care homes, activity relating to hospital avoidance and prevention and early support activities for older people.
21. Budgets within the pool were managed on an aligned basis with the Integrated Care Board (ICB) for Buckinghamshire, Oxfordshire and Berkshire West (BOB) following the agreement of the contributions and risk share arrangements for 2022/23.

Annex B

Business Management Report Summary of Financial Position for 2022/23

22. The council elements of the pool overspent by £1.8m after the planned use of £1.4m one-off funding held in reserves.
23. As a result of pressures created during the COVID-19 pandemic, £2.1m of savings relating to reductions in spend on residential placements have not been delivered.
24. The overspend reflects an increase in residential short stay beds linked to the cessation of the hospital discharge scheme and a £0.9m increase in the contribution to the council's provision for risk associated with the collection of adult social care service user income that is still due to be paid after six months.
25. The council's share of the Better Care Fund (BCF) held within the pool was £27.8m and increased by 5.66% compared to 2021/22. The funding increase was used to support the cost of supporting hospital discharges and BCF schemes as agreed within the BCF plan.
26. £2.9m was funded from planned transfers from the Budget Priorities reserve into the pool to fund costs relating to hospital discharges and other systems pressures across both health and social care.

Live Well Pooled Budget

27. The Live Well pool supports a mix of health and social care needs for adults of working age with learning disabilities, acquired brain injury or mental health needs and adults with physical disabilities.
28. Under the risk share arrangements agreed for 2022/23, the council is responsible for any variation against budgets for learning disabilities and the residential element of the mental health Outcomes Based Contract (OBC) with Oxford Health Foundation NHS Trust (OHFT).
29. The physical disability and the acquired brain injury budgets were managed on an aligned basis. Any pressure linked to the cost of people with mental health needs falling outside of the OBC were to be split equally after the first £0.2m which was the responsibility of the council
30. The council elements of the pool overspent by £3.7m after the planned use of £3.2m of one-off funding held in reserves.
31. The Learning Disability, High Functioning Autism and Physical Disability elements of the pool overspent by £4.1m. This a £1.2m increase in Continuing Health Care Placements since 2021/22 (causing a variance to the county council through the agreed risk share) and a £1.7m delay in the delivery of savings relating to supported living to 2023/24. The remaining £1.2m overspend relates to an increase in transport costs reflecting the increased level of activity and fuel prices plus an increase in the level of voids paid for unfilled supported living accommodation places.

Annex B

Business Management Report Summary of Financial Position for 2022/23

32. The social care contract for service users covered by the Outcome Based Contract (OBC) within the Mental Health element of the pool overspent by £4.2m. £1.5m is funded from a permanent budget added as part of the 2022/23 Budget and Business Planning process, £0.3m from an over provision linked to the 2021/22 OBC residential placements overspend, with the remaining £2.4m reported as an in year overspend.
33. A £0.6m overspend relating to the cost of people with mental health needs falling outside the scope of the OBC with OHFT is included within the final year end position. Under the current risk share arrangement, the council is responsible for £0.4m of the pressure.
34. £0.2m was funded from planned transfers from the Budget Priorities reserve into the pool to fund costs relating to various projects and pilots within the pool.

Non-Pool Budgets

35. Non-Pool budgets underspent by £2.6m.
36. Within provider and support services, there was an underspend of £1.2m linked to Adult Social Care staffing. This consists of: £0.2m relating to a grant notified on 29 March 2023, £0.4m relating to underspends within social care teams, and £0.3m related to a variance against the Trailblazer Fund grant. The Trailblazer grant variance reflects that this is offsetting costs incurred elsewhere within the directorate, particularly provider and support services which is overspent by £0.3m, related to preparation for reform. The balance relates mainly to a £0.6m underspend on budgets set aside for one-off activities.
37. Health, Education and Social Care (HESC) underspent by £1.4m. This relates to one-off funds which were not fully utilised and vacant posts held throughout the year arising because of the continuation of the restructure process and the workforce pressures in the market.

Use of Reserves

38. As set out in the year end report for 2021/22, £10.7m one-off funding intended to support pressures and risks within Adult Services was held in the Budget Priorities reserve at the beginning of 2022/23. £5.6m of the total held on 1 April 2022 reflected additional contributions to the pools made by Oxfordshire Clinical Commissioning Group over the last three financial years. £3.5m of this has been spent in 2022/23 in agreement with the ICB, with the remaining £2.1m balance committed to be used in 2023/24. £4.6m of the other £5.1m funding has been used to partly offset in-year budget pressures within the pooled budgets in 2022/23. The remaining £0.4m will be used to support mental health transformation activity and intensive support costs in 2023/24.
39. £0.6m held within the Government Initiatives Reserve at 1 April 2022 related to un-ringfenced grant funding allocated to Oxfordshire from the Omicron Support Fund in 2021/22. This has been fully utilised in 2022/23, supporting the directorate by covering the cost of services arising as a result of the pandemic.

Annex B

Business Management Report Summary of Financial Position for 2022/23

Virements

40. Virements to note actioned before year end reflected the receipt of the ICB element of Adult Social Care Discharge grant, the Streamline Adult Social Care Staffing and Infrastructure Grant, further reallocations of budget relating to price increases and the utilisation of grant funding plus various budget virements tidying up the budgets outside the pooled budgets.

Ringfenced Grants

41. As set out in Annex B-4, ring-fenced government grants received and spent by the directorate in 2022/23 totalled £14.2m.
42. The Improved Better Care Fund Grant was £10.7m in 2022/23. The conditions attached to the grant funding require it to be used for the purposes of meeting adult social care needs, including contributing to the stabilisation of local care markets and supporting the NHS in addressing pressures such as delayed discharges.
43. The Market Sustainability & Fair Cost of Care grant (£1.5m) was used in line with the grant terms to implement the fair cost of care which is part of the reforms of Adult Social Care announced by the Government in late 2021. 25% of the fund was used to carry out the fair cost of care exercise, with the remaining 75% used to support the funding of the annual uplift of fees paid to care providers in 2022/23.
44. The Adult Social Care Discharge Fund totalling £500m nationally was announced on 22 September 2022 and Oxfordshire's share was £1.9m. This has been used flexibly on the interventions that best enabled the discharge of patients from hospital to the most appropriate location for their ongoing care.

Children's Services

45. Children's Services overspent by £19.2m against a budget of £153.7m. The directorate position includes £2.0m of Family Solutions Service staffing costs which were funded from Supporting Families reserve as well as a further £0.4m funded by the COVID-19 reserve.

Service Area	2022/23 Final Budget	Net Expenditure 2022/23	Variance March 2023
	£m	£m	£m
Education & Learning	37.4	38.0	0.6
Children's Social Care	38.5	39.9	1.4
Children's Social Care Countywide	72.7	90.2	17.5
Schools ¹	0.2	0.2	0
Children's Services Central Costs	4.9	4.6	-0.3
Total Children's Services	153.7	172.9	19.2

46. In addition there was an overspend of £11.3m on the High Needs Dedicated Schools Grant (DSG) of £75.3m. The overspend was £9.0m lower than the deficit budget of £20.3m for 2022/23 agreed by Cabinet in January 2022.

Education & Learning

47. Education and Learning overspent by £0.6m against a budget of £37.4m

48. The overspend in Education and Learning on Home to School Transport was £1.7m as a result of unanticipated increase in the number of placements for pupils with SEN aged 16 or over. Actions including contract reviews and increased direct payments to families where those are more cost-efficient are being undertaken in 2023/24 to manage expenditure within the budget.

49. The Home to School Transport overspend was offset by planned underspends in other areas within Education and Learning. Since Summer 2022, Education & Learning have been subject to controls on recruitment in order to help the overall Directorate position. £0.6m was previously predicted, this increased at year end as a £0.3m transfer of underspends to reserves was not transacted. There were also a number of other underspent cost centres that combined to reduce the final overspend.

Social Care

50. The Social Care assessment and safeguarding service overspent by £1.4m on a

¹ Maintained Schools are funded by Dedicated Schools Grant

Annex B

Business Management Report Summary of Financial Position for 2022/23

budget of £38.5m. In the year it experienced considerable pressures on staffing and a growing reliance on agency to address both backlogs and vacancies within the service. This pressure was partly offset by additional one-off funding and savings.

51. The continued workload pressure, increased vacancies and recruitment difficulties within front-line services necessitated recruitment of a greater number of agency staff at significantly higher cost. The approach was implemented to ensure delivery of statutory duty of care and to ensure safe working practices. It is against a backdrop growing staff shortages in the sector, post COVID-19, post Brexit and an increasingly volatile economic and financial climate
52. An investment of £2.8m in the Family Solutions Plus service to reduce the backlog of assessments and intervention measures from April to end of November. This was funded from the COVID-19 reserve and the application of the Supporting Families reserve.
53. Recruitment and retention of front-line children's social workers is an issue in most local authorities and has emerged as an increasing challenge in Oxfordshire. COVID-19 has magnified the pressures on the service which has seen a critical increase in the level of need and a disproportionately greater number of complex cases.
54. During the pandemic, the national crisis in supply of social workers has deepened, making the agency market more competitive. The regional Memorandum of Cooperation, which aims to control the cost of agency staff, was 'suspended' as services ignored the requirements amid increasing pressure to recruit. This created increased competition for available experienced social workers, which in turn led to increased hourly rates across the region. In addition, the high agency rates of experienced temporary staff had an impact on the ability of Oxfordshire to recruit and retain permanent experienced social workers, although recruitment of newly qualified social workers remains stable.
55. The service implemented a plan to clear the backlog and commence a programme to attract, recruit, develop and retain its core staff and reduce the reliance on agency. It is currently in the process of setting up a workforce development Board to oversee the strategy going forward.

Children's Social Care Countywide

56. Social Care Countywide overspent by £17.5m and within this the most significant pressure was placement costs. The overspend includes:
 - £15.3m on mainstream placements
 - £2.1m on children with disabilities placements which was mainly due to an increase in the number of placements resulting from care proceedings.
57. The pressure It is driven by two key factors:
 - A substantial increase in the average residential unit cost since 2020/21
 - An increase in demand to support high risk children with acute complex needs. This is reflected in both an increase in the ratio of staff to child need and

spiralling costs in commissioning the care support.

Schools (excluding DSG)

58. There was no variance at year end.

Children's Services Central Costs

59. The year-end underspend of £0.3m related to staff vacancies and project savings. These were planned underspends following the Summer 2022 action plan to reduce expenditure to offset against the Directorate forecast overspend.

High Needs DSG

60. the County Council's agreed High Needs deficit budget for 2022/23 was £20.3m. The outturn was a deficit of £11.3m, which is a further reduction compared to the £16.5m forecast included in the Business Management & Monitoring Report to Cabinet in March 2023. The forecast deficit has fluctuated with notification of increases in high needs learners within colleges and those placed within Independent and Non-Maintained Special Schools. A number of expected starts, that are subject to tribunal, have been delayed resulting in a reduction to the previously forecast spend. In addition, there have been a lower number of expected independent placements than initially budgeted, due to lower numbers of young people in schools in 2022/23, the continuation of the Enhanced Pathway scheme and the introduction of Early Intervention initiatives. The use of funding set aside for contract pressures was also lower than expected.

Early Years DSG

61. There is a £1.1m underspend at year end assuming that the impact of the January 2023 census (unknown until mid-March 2023) will result in additional grant of £0.7m. The final 2022/23 grant will not be published by the Department for Education (DfE) until July 2023. The increased funding reflects increased numbers of children.

62. There is also a net underspend of £0.26m as the contingency in the formula has not been used. The Early years funding formula for 2023/24 has been set without a contingency of £0.3m. Balances are moved to the Unusable Reserve at the end of the financial year.

63. Within the overall Early Years DSG block, the funding received for 2-year-olds was insufficient to cover the payments made in 2022/23.

Ringfenced Grants

64. As set out in Annex B-4, ring-fenced government grants received by the directorate in 2022/23 totalled £281.3m. £248.7m of the total was Dedicated Schools Grant. £7.8m related to funding for the Pupil Premium, £3.9m for Universal Infant Free School Meals, £4.0m funding for education needs related to the Homes for Ukraine scheme and £4.0m support for Asylum.

Virements

65. Confirmation of the un-ringfenced grant funding available for Extended Rights to Free Travel was received late in 2022/23. Virements to note actioned before year

Annex B

Business Management Report Summary of Financial Position for 2022/23

end include a £0.455m increase in the expenditure budget for Access to Learning in compared to the £0.278m previously assumed in the budget. The funding has been taken into account in the final overspend on home to school transport.

Environment & Place

66. Environment & Place underspent by £3.0m against a budget of £63.9m.

Service Area	2022/23 Final Budget £m	Net Expenditure 2022/23 £m	Variance £m
Transport & Infrastructure	1.9	1.9	0.0
Planning, Environment & Climate Change	34.8	32.4	-2.4
Highways & Operations	25.0	24.4	-0.6
Directorate Support	2.2	2.1	-0.1
Total Environment & Place	63.9	60.8	-3.1

Transport & Infrastructure

67. The service area broke even at the year end.

Planning, Environment & Climate Change

68. This service area underspent by £2.4m. £2.1m of the underspend was in Environment & Circular Economy and reflects a significant reduction in waste tonnages requiring disposal compared to the previous two years. COVID-19 restrictions in 2020/21 and 2021/22 caused a substantial increase in waste due to more people being at home for work, school and leisure. As restrictions eased, coupled with the increased cost of living and economic uncertainty, waste tonnages fell. A further contributing factor was the summer drought which reduced garden waste.

Waste Stream	Underspend in £m	Outturn Tonnage	Budgeted Tonnage	Reduction in Outturn Tonnage compared to 2021/22
Recycling/composts	-1.1	159,420	171,637	-10.04%
Energy recovery	-0.3	103,163	105,758	-2.95%
Landfill	-0.4	8,108	10,471	-32.80%
Total	-1.8	281,024	287,866	

* note: Recycling / composting: dry recycling was down 7.31% and composting down 12.72% and it was a low year overall for green waste. Landfill is down by 32% due to a general decrease in landfill, but also because of the need to manage Persistent Organic Pollutants. Total household tonnage for 2022/23 was 278kts, and LACW (Local Authority Collected Waste - includes non-household items such as fly tipping and trade) was 288kts. both were significantly down.

Annex B

Business Management Report Summary of Financial Position for 2022/23

69. The remainder of the underspend was mainly attributed to vacancy factors and efficiencies in delivering existing work. Teams were also able to capitalise more of their staffing costs than anticipated reducing the revenue impact.

Communities Management

70. Communities Management overspent by £1.6m due to the service redesign saving that has not been achieved in year. This has been managed and mitigated through underspends elsewhere within the directorate. The savings are now expected to be achieved in the 2023/24 financial year.

Highways & Operations

71. Highway Operations underspent by £0.5m. The final outturn position includes a £1.0m underspend in Network Management that has been achieved through greater levels of work being undertaken that has generated more permit income. Service teams conducted more enforcement activity resulting in larger income generation for the service area.

72. The underspend is partially offset through overspends in Highway Maintenance and Senior Service Management totalling £0.3m. These include to pressures in Highway Maintenance that have been reported through the year due to increased energy costs and greater number of defects brought about through adverse weather.

73. Supported Transport broke even after taking account of recharges to Children's Services.

Directorate Support

74. Directorate support underspent by £0.1m. This is primarily due to staffing vacancies within the Business Performance & Service improvement service area.

Ringfenced Grants

75. Total budgeted grants and contributions were £1.0m. As set out in Annex 4 the directorate received £2.6m of funding from various central government bodies including the Department for Transport, Department for Education and Homes England.

Reserves

76. £0.9m has been drawn down from the Grants & Contributions Reserve primarily to support public transport initiatives and growth deal partnership work undertaken throughout the year.

77. £0.2m ringfenced funding to be used to support countryside activity in future years has been added to the Grants & Contributions Reserve at year end.

Public Health and Community Safety

Public Health

78. Public health needs and services continue to adapt to changing demands and patterns of service use following the pandemic. As a result £1.4m ringfenced grant funding has been transferred to the Public Health reserve at the end of the year leaving a £0.3m underspend against council funded budgets.

Service Area	2022/23 Final Budget £m	2022/23 Final Outturn £m	Variance £m
Public Health Functions	35.6	33.9	-1.7
Public Health Recharges	0.6	0.6	0.0
Grant Income	-32.5	-32.5	0.0
Transfer to Public Health Reserve		1.4	1.4
Total Public Health	3.7	3.4	-0.3
Total Community Safety	25.0	25.0	0.0
Total Public Health and Community Safety	28.7	28.4	-0.3

79. Spend within the sexual health service was £0.6m less than budgeted. Use of sexual health services fell during the pandemic with both the temporary closure of some services as well as a significant shift to remote and online service use. Rather than the anticipated rebound in sexual health service activity following the pandemic, service use remains lower than before the pandemic during 2022/23. Contributing to this is the fact that the anticipated seasonal increase in activity linked to the return of university students did not materialise, alongside an ongoing high use of online services with associated cheaper tariffs – a service that has proved particularly popular amongst younger people.

80. Public Health grant funded projects in relation to childhood obesity and community outreach of additional smoking cessation support will be implemented in 2023/24. Although planned for 2022/23, the services were not sufficiently developed for implementation in that financial year, resulting in a £0.2m underspend in 2022/23.

81. £0.4m of the Public Health grant was allocated to support the COVID-19 incident response in 2022/23. This was not used due to a lower than anticipated rate of COVID-19.

82. Other Public Health services are reporting a £0.3m underspend mainly due to anticipated spend on mental health training not being delivered in 2022/23, the training is now planned for 2023/24. Public mental health training was not delivered because competing pressures in the public health start well team (particularly the resign of 0-19 services). Public mental health services will be developed in 2023/24 in line the Oxfordshire mental wellbeing strategy.

Annex B

Business Management Report Summary of Financial Position for 2022/23

83. Significant additional funding has been provided to substance misuse services from national grants, to develop services and improve outcomes for drug and alcohol users. As a result, more clients have been sent to residential treatment, and this increased activity has resulted in a £0.1m overspend.

84. Comprehensive services for Domestic Abuse meeting the needs of the local population and in line with the Oxfordshire Domestic Abuse Strategy have been recommissioned and the new arrangements began in April 2023. Ahead of that current service levels were maintained. The availability of grant funding means there is a £0.3m underspend against council funded budgets.

Community Safety

85. The Fire and Rescue Service overspent by £0.1m as a result of backdated ill health retirement costs that have been charged into 2022/23.

86. Trading Standards underspent by £0.1m due to lower costs and late funding received towards costs in relation to a large investigation/prosecution.

Ringfenced Grants

87. As set out in Annex B-4 government grants received by the directorate totalled £34.4m for 2022/23.

88. The ringfenced Public Health grant was £32.6m. The grant was used to support Public Health activities throughout 2022/23 with unutilised grant transferred to the Grants & Contributions reserve for use in future years.

89. The council also received £1.4m in relation to the Firefighter's Pension Fund Grant, £0.3m Fire Protection Uplift Grant and £0.1m in total from the New Dimensions, Pension Administration and COVID-19 special grants.

Customers, Culture and Corporate Services

90. Services within Customers, Culture & Corporate Services overspent by £2.9m against a budget of £64.2m.

Service Area	2022/23 Final Budget £m	Net Expenditure 2022/23 £m	Variance £m
Corporate Services	1.9	2.1	0.2
Human Resources & Organisational Development	4.1	3.8	-0.3
Communications, Strategy & Insight	3.0	2.8	-0.2
IT, Innovation & Digital	11.7	11.6	-0.1
Culture & Customer Experience	11.5	11.9	0.4
Finance & Procurement	8.0	8.5	0.5
Property, Investment & Facilities Management	16.6	18.3	1.7
Law & Governance	6.9	7.6	0.7
Delivery & Partnership	0.5	0.5	0.0
Total Customers, Culture & Corporate Services	64.2	67.1	2.9

Corporate Services

91. The £0.2m overspend relates to additional staffing costs, the costs associated with staging the Proclamation (shared with Oxford City Council), and the cost of recruiting a new Chief Executive in 2023/24.

Human Resources and Organisational Development

92. An underspend of £0.1m relates to comprehensive service redesign not yet fully completed. The remaining work is planned for 2023/24.

Communications, Strategy and Insight

93. The £0.2m underspend is due to a combination of unsuccessful recruitment to vacancies and funding of some posts from Homes for Ukraine grant.

IT, Innovation and Digital

94. An underspend of £0.1m is from not renewing some IT support licenses as contracts are being reviewed.

Culture and Customer Experience

95. The £0.4m overspend is attributed to unachievable income target in Libraries due to changes in the market conditions including the loss of the DVD rental income stream. This aligns with the agreed budget pressure to reduce Libraries income target by £0.4m for 2023/24.

Finance & Procurement

96. The £0.5m overspend is mainly due to increased use of agency staff for backfilling and contracting out Internal Audit activity as result of vacancies, and cost of commissioning of specialist cost recovery services met within the Procurement budget.

Property, Investment and Facilities Management

97. The £1.7m overspend is mainly attributed higher costs from inflation, utilities and unachieved additional income targets.
98. School Catering overspent by £0.6m due to higher food costs and lower uptake in school meals linked to cost of living pressures.
99. School Cleaning overspent by £0.5m due to higher costs and a £0.3m additional income target was unachieved.
100. Joint Use Arrangements overspent by £0.2m due to higher costs and lower income. Corporate Estates overspent by £0.3m as a result of higher utilities prices.

Law and Governance

101. The £0.7m overspend relates to Legal Services where increased childcare cases have led to the number of locums doubled compared to last year and at significantly higher hourly rate due to the national shortage of Childcare solicitors.

Delivery & Partnership

102. This service achieved a breakeven position and includes the delivery of the COVID-19 and Migration programme, and Corporate Transformation. The budget was mainly funded from earmarked reserves and specific government grants.

Ringfenced Grants

103. As set out in Annex B-4 government grants received by the directorate totalled £2.8m in 2022/23.

Medium Term Financial Plan Savings

104. The 2022/23 budget agreed by Council in February 2022, included planned savings of £17.8m. As set out in paragraph 15 43% of these savings have been delivered compared to the target of 95% set out in the budget agreed by Council in February 2022.

Adult Services

105. £2.0m savings achieved in 2022/23 reflect the on-going impact of the “The Oxfordshire Way”, a narrative and roadmap for the transformation of Adult Social Care and the role it will play within our communities.

106. Savings of £1.2m relating to the turnover and utilisation of block contracts for residential and nursing care and £1.1m relating to a programme to invest in supported and dementia care accommodation that it was not possible to achieve in 2022/23 are now built into the directorate’s savings delivery programme and expected to be achieved in 2023/24.

107. £0.6m savings for the review of block contract for care home beds, a £1.1m reduction in the cost of out of area placements and placement commissioning savings are also expected to be achieved in 2023/24.

Children’s Services

108. A saving of £1.0m relating to Home to School Transport was planned to be achieved through adjusting the price of the spare seat scheme to reflect the increasing cost of providing this service, reviewing areas of discretionary spend and adapting policies to bring the Oxfordshire transport offer more in-line with other parts of the Country, optimising routes to reduce emissions and make savings and running services more efficiently and ensuring eligibility is tightly managed. As noted in paragraph 48 increases in activity during the year meant it was not possible to achieve this saving.

Environment & Place

109. The energy usage saving through LED conversion project is being met but the increasing cost of electricity has added a pressure. Therefore, this has significantly reduced the ability to achieve £1.7m savings from reduced energy and maintenance costs relating to streetlighting.

Annex B

Business Management Report Summary of Financial Position for 2022/23

110. £0.4m Home to school contract management and fleet management savings through use of technology and improved process were not delivered in year due to delayed system development and delays on one fleet project.

111. £0.3m development and implementation of new service delivery model for the travel planning team was not delivered throughout the 2022/23 due to delays in the project.

Customers, Culture & Corporate Services

112. £1.4m savings for Property Services transformational, efficiency and service specific saving initiatives are now expected to be achieved in future years. The Property and Asset Strategy is approved, and the Oxford City Accommodation Strategy work started in February 2023.

113. £0.3m savings related to renegotiation of existing cleaning contracts and additional income from new cleaning contracts are now planned to be delivered in 2023/24.

114. Cost of living pressures impacted on school meal uptake plus high food costs combined with no capacity to increase school meal prices hampered the opportunity for income growth. This means that a £0.1m saving related to additional income from review of School Catering Services - enhancing the service to enable it to develop a more commercially enhanced operating model could not be achieved in 2022/23.

Debt Management

Corporate Debtors

115. The final 120-day invoice collection rate, for invoices collected within 120 days, was 98.7% in March 2023. The average for the year was 96.5%. This was above the 95% target and 98.5% on invoice value.

116. The target level for debt requiring impairment at the end of 2022/23 was £0.3m. The actual level of debt requiring impairment was £0.45m as at 31 March 2023. The largest two cases account for 44% of the total bad debt. The top bad debt case accounts for £0.15m of the required impairment; this relates to a company in liquidation and is assessed as unrecoverable.

117. 132 corporate write-offs were processed in 2022/23 with a combined value of £0.02m. This is 0.01% of the value of invoices raised and is in line with the expected collection performance. A further nine corporate write offs were processed with a value of £0.3m. The largest, £0.29m, related to a care provider whose liquidation was finalised this year and reported to Cabinet in November 2022.

Adult Social Care Debtors

118. The 120-day invoice collection rate was 89.5% in March 2023, below the 92% target. However, more positively looking at the past 12 months in full the figure is 91% of invoice collected with 120 days and direct debit collections increased from 59% to 61%.

Annex B

Business Management Report Summary of Financial Position for 2022/23

119. The final balance of bad debt requiring impairment in the council's accounts was £4.5m. This is £0.9m above the current balance and the increase is included in the year end position for Adult Services. This reflects the trailing impact of COVID-19 which has impacted resources, volumes of work and the cost of living impact on individuals who pay for care.
120. Adult Services are developing an improvement plan to address the current debt and bad debt levels, including addressing issues with the business processes related to financial assessment, charging and recovery. They are also strengthening performance management and oversight in this area.
121. There were 188 Adult Social care write offs processed this year with a value of £0.32m or 0.7% of the value of invoices raised; the target for the year was less than 1.0% of the value of invoices raised.

Budgets Held Centrally

122. There was a combined underspend of £10.4m against budgets held centrally. This includes a £0.9m underspend on budget held as contingency that has not been allocated to meet pressures in 2022/23.
123. The budget agreed in February 2022 included a £8.4m budgeted drawdown from the COVID-19 reserve. The use of a further £2.4m funding held in the reserve was agreed during the year increasing the total contribution to £10.8m.
124. £46m of new external borrowing was originally forecast to be taken during 2022/23. Owing to higher cash balances and a change in the interest rate outlook, no new external borrowing was taken during 2022/23. As a result, interest payable on debt was £13.8m compared to the original budget of £14.4m, giving an underspend of £0.6m.
125. The borrowing costs and minimum revenue provision for capital projects funded by Prudential Borrowing are either recharged to directorates where savings arising from the scheme are expected to meet them or met corporately from the budget for capital financing costs. Funding from the Enterprise Zone 1 retained business rates is supporting the cost of borrowing related to the OxLEP City Deal Programme (for which the Council is the Accountable body).

Reserves

126. On 1 April 2022, one – off funding held in earmarked reserves totalled £183.6m. As set out in Annex B-3a this increased to £202.7m as at 31 March 2023. The increase includes budgeted net contributions to/from reserves totalling £15.3m agreed in February 2022, plus other net changes during the year totalling £3.8m.
127. The DSG reserve held a deficit balance of £23.6m on 1 April 2022. The net deficit added to the reserve in 2022/23 was £10.0m. After taking this into account the closing deficit balance was £33.6m as at 31 March 2023.

Annex B
Business Management Report Summary of Financial Position for 2022/23

128. Reserves held by the council, including planned contributions agreed as part of the 2022/23 budget and other changes during the year are summarised in the table below. Most of the funding is being held for specific agreed purposes and will be used to support revenue expenditure or to fund the capital programme. Aside from the planned contributions the increase in reserves compared to 1 April 2022 predominantly relates to Homes for Ukraine & other grants that have been received ahead of the anticipated expenditure being incurred.

Reserves	Balance at 31 March 2022	Budgeted Contributions to/from Reserves	Other Changes to Reserves	Balance at 31 March 2023
	£m	£m	£m	£m
Revenue Grants Unapplied				
Grants and Contributions Reserve	24.7		12.3	37.0
COVID-19 Reserve	26.2	-8.4	-2.4	15.4
Government Initiatives Reserve	3.4		-1.1	2.3
Subtotal	54.3	-8.4	8.8	54.7
Corporate Priorities				
Budget Priorities Reserve	18.5	9.5	-16.6	11.4
Transformation Reserve	2.2		-0.7	1.5
Zero Emissions Zone			0.5	0.5
Youth Provision Reserve	0.2			0.2
Subtotal	20.9	9.5	-16.8	13.6
Funding for Risk				
Insurance Reserve	11.8		1.1	12.9
Demographic Risk Reserve	9.0	4.0		13.0
Council Elections	0.2		0.2	0.4
Redundancy Reserve	3.3		-0.9	2.4
Trading Accounts	0.5		-0.3	0.2
Council Tax Collection Fund Reserve	6.0		-3.0	3.0
Business Rates Reserve	4.1		5.5	9.5
Subtotal	34.9	4.0	2.6	41.4
Capital & Equipment				
Capital & Prudential Borrowing Reserves	47.9	7.5	12.4	67.8
Vehicle and Equipment Reserve	2.7		0.8	3.4
Investment Pump Priming Reserve	2.0			2.0
Subtotal	52.6	7.5	13.2	73.2
Other Reserves				
Partnership Reserves	2.4		-0.5	1.9
On-Street Car Parking Reserve	4.0		0.9	4.9
Budget Equalisation Reserve		2.7	-2.7	0.0

Annex B
Business Management Report Summary of Financial Position for 2022/23

Reserves	Balance at 31 March 2022 £m	Budgeted Contributions to/from Reserves £m	Other Changes to Reserves £m	Balance at 31 March 2023 £m
Subtotal	6.4	2.7	-2.3	6.8
Unusable				
Schools' Reserves	14.5		-1.6	12.9
Total	183.6	15.3	3.8	202.7
DSG Reserve ²	-23.6	0.0	-10.0	-33.6
Total Reserves	160.0	15.3	-6.2	169.1

Grants and Contributions Reserve

129. This reserve holds underspends on ringfenced grant funding which needs to be used in accordance with the grant conditions in future years. Almost half of the £37.0m balance at 31 March 2023 relates to £16.8m grant funding for the Homes for Ukraine scheme that has not been required to be spent by the end of 2022/23. This will be used to support the on-going cost of the scheme in Oxfordshire in future years. £2.1m funding for education costs relating to the scheme is also held in the reserve.

130. Public Health grant funding held in the reserve totalled £5.9m at 31 March 2023. The planned use of the reserve was considered as part of the Budget & Budget process for 2023/24 and noted that a three way approach would be taken:

- Standing up public health services disrupted by COVID-19 in key priority areas.
- Working with wider council on new areas to promote prevention and reduce demand across the council.
- Support to fund and protect wider existing council preventative public health activities.

131. A revised plan to utilise the reserve is being worked on with a further £1.8m currently forecast to be spent in 2023/24, £0.9m in 2024/25 and £0.5m in 2025/26, leaving a balance of £2.7m.

132. £2.3m relates to the remaining balance of the £5.0m of the BT Openreach Broadband Gainshare that was received in 2021/22. This will be used to fund future ICT related capital expenditure in accordance with the gainshare agreement.

133. £3.9m Section 106 funding for Public Transport will be used in accordance with the agreements.

² The cumulative High Needs DSG deficit held within the DSG reserve total increased from £29.8m as at 1 April 2022 to £41.1m at 31 March 2023.

134. Funding relating to the Fire Uplift Grant totals £0.5m at 31 March 2023. This is being held to fund employee costs expected to be incurred over the next three to five years.

COVID-19 Reserve

135. Funding held in the COVID-19 reserve as at 1 April 2022 was £26.2m. Calls on the reserve in 2022/32 included £8.4m funding for directorate pressures agreed as part of the 2022/23 budget, £1.0m agreed to be used to offset pressures in Children's Services on the basis that some of the additional cost and activity for Children we Care For was driven by the on-going impact of the COVID-19 pandemic and further calls totalling £1.2m agreed during 2022/23.

136. A summary of the actual and planned use of the reserve is included at Annex B-3a. The balance held in the reserve as at 31 of March 2023 is £15.4m. As agreed in the 2023/24 budget and Medium Term Financial Strategy £13.4m is planned to be used to fund COVID-19 related pressures in future years. The uncommitted balance of £2.0m is available to support further COVID-19 pressures on a one-off basis.

Government Initiatives Reserve

137. This reserve is used to hold underspends on directorate budgets funded by un-ringfenced grants so that the funding remains available for use to support the specified purpose of the grant in future years.

138. £0.3m added to the reserve at the end of 2022/23 relates to charging reform and reflects elements of the Trailblazer programme where costs will continue to be incurred by Adult Services in 2023/24 and 2024/25 ahead of the revised date for charging reform in autumn 2025.

139. £0.7m will be used to support the provision of accommodation-based support to victims of domestic abuse and their children and the graduate trainee programme in future years.

140. £0.6m relates to Children's Services and includes funding for adoption reform, SEN Strategic Planning and School Improvement Grant.

141. £0.6m relates to accumulated unused balances from grant funded projects in the iHub and will be held as a contingency to continue to fund grant funded project staff.

Budget Priorities Reserve

142. The net contribution from this reserve in 2022/23 was £7.1m reducing the total held to £11.4m. A one – off budgeted contribution totalling £7.7m was agreed as part of the 2022/23 budget and Medium Term Financial Strategy and was added to the existing planned contribution of £1.8m.

143. As set out in the Earmarked Reserves and General Balances Policy Statement for 2022/23 £7.0m was transferred to the Capital Reserve to help meet the costs of the 20 MPH Speed Limit Programme and the Zero Emission Buses Regional

Annex B

Business Management Report Summary of Financial Position for 2022/23

Areas (ZEBRA) Schemes. The following use of the reserve to support revenue expenditure was also agreed during 2022/23:

- Vision Zero £0.250m
- Food Strategy £0.250m
- Low Traffic Neighbourhoods £0.360m
- Council Tax Hardship Schemes (up to) £0.380m
- Replacement trees on highways £0.185m

144. As noted in paragraph 38 £8.1m has been drawn down to fund Adult Social Care and Mental Health expenditure in 2022/23. Total funding for Adult Social Care held in the reserve reduced from £10.7m at 1 April 2022 to £2.6m at 31 March 2023. The remaining funding is committed for use in 2023/24.

145. As set out in the Earmarked Reserves and General Balances Policy Statement 2023/24, £1.2m of the £11.4m funding held in the reserve at the end of 2022/23 will be used to allow the council to unlock the full £5.2m grant offered by government to fund four children's homes, plus £3.0m to support climate action including tree replacement. A further £2.9m will be used to support revenue investments agreed as part of the 2023/24 budget.

Zero Emissions Zone (ZEZ)

146. Surpluses generated by Network Coordination are being ringfenced for the development and expansion of the ZEZ in the future years, as well as funding the ongoing cost and maintenance of the existing scheme in Oxford. Cabinet is asked to approve the creation of a new reserve to hold this income for future use and note that £0.5m income received during the year has been added to the reserve at the end of 2022/23.

Demographic Risk Reserve

147. In light of the significant pressures relating to High Needs and other budgets with demographic volatility a demographic risk reserve was created in 2019/20. £13.0m was held in the reserve at the end of 2022/23.

Business Rates Reserve

148. This reserve is held to manage fluctuations in Business Rate income that the Council receives. Business Rate income for 2022/23 was estimated in the budget agreed in February 2022 as information about both the 2022/23 income and 2021/22 deficit position was received from the district councils after the budget was agreed. As set out in the Business Management & Monitoring Report to Cabinet in July 2022 the actual income was £5.9m more than estimated in the budget and was added to the Business Rates Reserve pending agreement about the use of this funding. £0.5m Tax Income Guarantee funding that was received in previous years was repaid to DLUHC from funds held in the reserve during 2022/23. The use of £9.5m funding held in the Business Rates Collection Fund Reserve will be considered as part of the Budget & Business Planning process for 2024/25.

Capital & Prudential Borrowing Reserves

149. The Capital Reserve holds capital receipts and other funds to meet the cost of borrowing to finance the capital programme. Funding held in the reserve will be used to meet the costs of the capital programme and pipeline agreed in February 2022.

Vehicle & Equipment Reserve

150. £2.7m is held in reserves at the year-end for the renewal of fire and rescue vehicles and breathing apparatus equipment. This reflects an in-year increase of £0.9m with a larger scale of renewal expected from 2023 onwards.

151. £0.5m is being held to cover the cost of the replacement of Airwave for Oxfordshire Fire and Rescue Service and the implementation of the new Emergency Service Mobile Communications Programme.

Investment Pump Priming Reserve

152. This reserve is held to meet the costs of self-financing schemes which require pump priming until the funds are returned. The following schemes were agreed to be funded from this reserve as part of the budget agreed in February 2023.

- Low Carbon Business Travel Project (grey fleet) £0.8m
- Energy Efficiency Recycling Fund for OCC Maintained Schools £0.8m
- Initial funding to develop plans for the workplace charging levy £0.2m

On-Street Parking Account

153. Expenditure and income relating to parking is required to be transacted through the parking account. In accordance with Section 55(4) of the Road Traffic Regulation Act 1984, the Cabinet is required to approve that any surplus from the parking account can be carried forward to support infrastructure and maintenance in future years. After taking into account net income of £3.1m and a £2.1m contribution to support the revenue budget a net contribution of £1.0m has been made to the reserve. This contribution is primarily to be held for the benefit of the Highways Infrastructure and Parking Account to fund future drawdowns.

Schools' Reserves

154. Maintained schools' balances were £14.5m at 1 April 2022 and decreased to £12.9m at 31 March 2023. As set out in Annex C-3b, 117 schools had surplus balances at 31 March 2023, while 17 had deficits. This is in comparison to 31 March 2022 where 124 schools were in surplus and 13 in deficit.

155. In 2022/23 three maintained schools with a surplus balance converted to academy status. The net increase of four schools with deficit balances was due to 8 schools moving to a deficit from a surplus position, offset by four schools moving to a surplus from a deficit position. There was an overall increase in deficit balances of £0.4m. All schools with deficit budgets are subject to a strategy intervention.

156. Surplus balances decreased by £1.2m. This reflects the inflationary pressures within schools from rising energy costs and pay awards. 152 schools have converted to academy status as at 31 March 2023. Under the transfer of Balances

Regulations, the local authority must transfer the school balances to the successor academy once the closed school accounts have been finalised and agreed. A total of £0.3m remains to be agreed and passed to academies.

Budget Equalisation Reserve

157. This reserve is used to smooth the timing differences between funding changes and emerging pressures over the period of the MTFS. As part of the Business Management & Monitoring report to Cabinet in January 2023, £1.8m was agreed to be transferred into the Transformation Reserve to meet costs associated with continuous improvement and transformation programmes.

DSG Reserve

158. Schedule 2 to the School and Early Years Finance (England) Regulations 2022, requires a deficit on the Dedicated School's Grant to be carried forward to be funded from future DSG income unless permission is sought and received from the Secretary of State for Education to fund the deficit from general council resources.

159. The total deficit transferred to the DSG reserve at the end of 2022/23 was £10.0m. This consists of the overspend of £11.3m on High Needs, offset by a £1.1m underspend on Early Years, and other minor adjustments. The addition of the deficit for 2022/23 increases the net negative balance to £33.6m. Within the overall total, which also includes positive balances held for Early Years and other purposes, the total unusable High Needs deficit has increased from £29.8m at 1 April 2022 to £41.1m at 31 March 2023.

160. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212), made by what is now the Department for Levelling Up, Housing and Communities (DLUHC), require DSG deficits to be held in a separate reserve in local authorities' accounts. These regulations, which require the negative balance to be held in an unusable reserve, will come to an end on 31 March 2026. The impact of the unusable reserve on the council's ability to set a balanced budget over the medium term will need to be considered through the Budget & Business Planning Process for 2024/25.

Treasury Management

161. In house interest receivable was £5.4m above budget and totalled £7.0m. The budget was set in February 2022 when the forecast for interest rates was significantly below official bank rates during the financial year. Of the £5.4m overachievement, approximately £3.5m has been applied to developer contributions to index those in line with the Section 106 agreements.

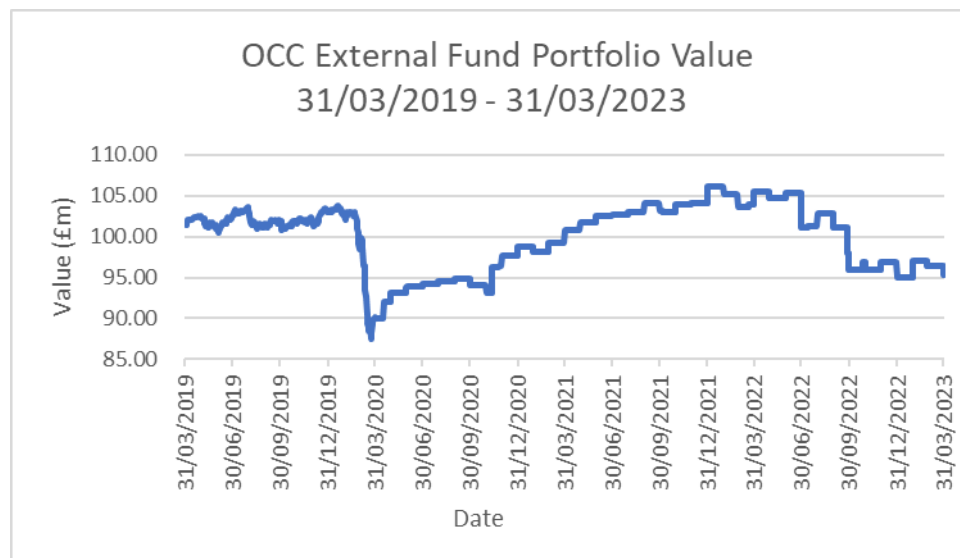
162. External Fund dividends are paid quarterly. The provisional outturn position for external fund returns was £4.3m. This is £0.6m above budget.

163. The value of external funds decreased by £10.2m during the year, to a value of £95.4m as at 31 March 2023. Volatility in the value of the funds has been driven by the war in Ukraine and the resulting global financial pressures. Whilst the value

Annex B

Business Management Report Summary of Financial Position for 2022/23

of the funds is currently below the purchase cost of £100.5m, they have produced income of £16.4m since March 2019.



164. Interest payable totalled £13.8m. This was below the budget of £14.4m, due to a lower level of external debt at year end compared to the budget.

Business Rates Funding

165. Business rates funding assumed in the 2022/23 budget agreed included estimated grant funding for business rates reliefs for hospitality and leisure businesses impacted by the COVID-19 pandemic as well as an estimated deficit of £1.6m. Confirmation of £8.2m grant funding was received in January 2023. The £3.5m additional funding compared to the budget is included in the year end position along with the council's £0.6m share of the Surplus Distribution Levy that was announced in February 2023.

General Balances

166. As set out in Annex B-5 general balances were £39.2m as at 1 April 2022. A £1.0m planned contribution to balances was included as part of the budget agreed in February 2022 as well as the use of £3.0m to support the capital programme. Calls on balances agreed during the year include £0.5m to fund a schools' condition survey and £0.7m to fund the Children's Services Recruitment and Retention Strategy.

167. Balances have reduced to £22.6m as at 31 March 2023 after funding the overspend of £13.4m. This is £7.6m lower than the risk assessed level of £30.2m for 2023/24.

168. Funding of £6.8m estimated to be required to top balances up to the risk assessed level for 2023/24 was included in the budget for 2023/24. Since the overspend is £0.8m higher than assumed when the budget was set further one-off funding of £0.8m will need to be added to balances in 2023/24. This will be funded from the £5.0m additional Business Rates and Council Tax funding noted in the Financial Monitoring Report to Cabinet in May 2023. The remaining balance

Annex B

Business Management Report Summary of Financial Position for 2022/23

of £4.2m will be added to contingency, as agreed by Cabinet in May 2023.