



**DRAFT**

**Oxfordshire County Council  
Statement of Accounts**

**2023/24**



**OXFORDSHIRE  
COUNTY COUNCIL**

# Contents

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<b>Narrative Report by the Executive Director of Resources and Section 151 Officer .....</b>	<b>2</b>
<b>Statement of Responsibilities for the Statement of Accounts .....</b>	<b>9</b>
<b>Independent Auditor’s Report to Members of Oxfordshire County Council.....</b>	<b>10</b>
<b>Expenditure and Funding Analysis.....</b>	<b>11</b>
<b>Comprehensive Income and Expenditure Statement.....</b>	<b>12</b>
<b>Movement in Reserves Statement .....</b>	<b>13</b>
<b>Balance Sheet.....</b>	<b>14</b>
<b>Cash Flow Statement .....</b>	<b>15</b>
<b>Notes to the Core Financial Statements .....</b>	<b>16</b>
<b>The Local Government Pension Fund Accounts.....</b>	<b>100</b>
<b>Governance Statement 2023/24 .....</b>	<b>132</b>
<b>Glossary.....</b>	<b>134</b>

# Narrative Report

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## Narrative Report by the Executive Director of Resources and Section 151 Officer Introduction

The purpose of this narrative report is to provide information on the Council, its main objectives and strategies and the principal risks it faces. It sets out information to help readers understand the Council's performance and financial position during 2023/24.

Oxfordshire County Council provides services to residents, businesses and communities across the whole county. Our core services in 2023/24 included:

- Children, 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 sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.



We want to make sure that everyone in Oxfordshire can take advantage of what the county has to offer. Our strategic plan explains our nine cross-cutting priorities and commitments to achieve our vision and sets out our areas of focus.

## Narrative Report

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Our nine priorities are:

1. Put action to address the climate emergency at the heart of our work.
2. Tackle inequalities in Oxfordshire.
3. Prioritise the health and wellbeing of residents.
4. Support carers and the social care system.
5. Invest in an inclusive, integrated and sustainable transport network.
6. Preserve and improve access to nature and green spaces.
7. Create opportunities for children and young people to reach their full potential.
8. Play our part in a vibrant and participatory local democracy.
9. Work with local businesses and partners for environmental, economic and social benefit.

### Our performance

Throughout 2023/24 we have reported on each month's performance to internal managers, councillors and the public. The Business Management and Monitoring Reports bring together information on performance, finance and leadership risk, giving a balanced picture of how the Council is doing and providing audiences with greater insight into our business than in previous years.

In 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 2024 the indicators were assessed as follows:

Green	Amber	Red	Data monitoring	Data Unavailable	Total Indicators
58 (68%)	10 (12%)	8 (10%)	7 (8%)	2(2%)	85

### Risk Management

During 2023/24 we continued to strengthen our risk management activities. This helped us to ensure that we continued to identify and address any uncertainties relating to the achievement of our priorities.

Updates on 9 strategic risks were reported to Cabinet in our bi-monthly Business Management and Monitoring Reports. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level.

Directorates and teams within the Council also maintained operational risk registers to ensure that individual services, projects or areas of business remained on course. Operational risks which become more severe can be escalated to the Leadership level for management.

## Narrative Report

### 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 Management Team and Strategic Leadership Team. Councillors review and challenge the proposals through engagement sessions and member presentations and also take account of feedback from engagement and consultation. The Performance & Corporate Services Overview & Scrutiny Committee scrutinises the budget proposals at its meetings in December and January before Cabinet propose the budget, MTFS and capital programme in February.

### Revenue Budget & Draft Outturn 2023/24

At the end of 2023/24 there was a directorate overspend of £6.6m (1.1%). This includes the on-going impact of inflation and demand pressures for Childrens' social care, as well as workforce shortages.

	Final Budget 2023/24 £m	Net Expenditure 2023/24 £m	Variance March 2024 £m
<b>Directorate Budgets:</b>			
Adult Services	229.7	229.7	0.0
Children's Services	172.3	180.0	7.7
Environment & Place	75.3	72.2	-3.2
Public Health	4.1	3.9	-0.2
Community Safety	27.0	27.7	0.7
Resources and Law & Governance	73.3	74.9	1.5
<b>Total Directorate Budgets</b>	<b>581.8</b>	<b>588.4</b>	<b>6.6</b>

The directorate overspend was offset by an underspend on contingency held for risk and additional interest received on cash balances. The overall position for the council was an underspend of £12.3m or -2.1% of the Net Operating Budget of £578.8m agreed in February 2023.



## Narrative Report

	Final Budget 2023/24 £m	Net Expenditure 2023/24 £m	Variance March 2024 £m
<b>Budgets Held Centrally:</b>			
Capital Financing Costs	19.0	19.4	0.5
Interest on Balances	-7.2	-15.1	-7.9
Contingency	10.9	0.0	-10.9
Un-ringfenced Specific Grants	-45.2	-46.5	-1.3
Insurance	1.4	1.4	0.0
Contributions to (+)/ from (-) reserves	10.9	11.6	0.7
Contributions to (+)/ from (-) balances	7.1	7.1	0.0
<b>Total Budgets Held Centrally</b>	<b>-3.0</b>	<b>-22.0</b>	<b>-19.0</b>
<b>Net Operating Budget</b>	<b>578.8</b>	<b>566.5</b>	<b>-12.3</b>
Business Rates & Council Tax Funding	-578.8	-578.7	0.0
<b>Total Year End Position</b>	<b>0.0</b>	<b>-12.3</b>	<b>-12.3</b>

The [annual report](#) reflects the highlights and achievements over the last 12 months against the priorities of the council.

Through our continued commitment to the Climate emergency, Oxfordshire County Council won best decarbonisation initiative for its role in the partnership Project Local Energy Oxfordshire. We delivered an externally funded food waste recycling project, calling at over 13,000 households across the county to encourage residents to recycle their food waste. We were again named the top performing county council waste disposal authority.

As part of our commitment to tackling inequality across Oxfordshire we spent £1m on our new Residents Support Scheme, providing over 5,000 vulnerable households in financial crisis support with food and energy costs, and essential household items. We spent £1.6m making a £450 cost of living payment to over 3,500 people on low incomes who were not eligible for the equivalent national payments. We spent a further £3.2m ensuring families of children entitled to free school meals received support with food costs during the school holidays.

We worked with a range of community groups and consulted over 1,000 residents to develop a new Health and Wellbeing Strategy for Oxfordshire. Working with partners across Oxfordshire, we trained 348 staff and volunteers to use the Making Every Contact Count approach to opportunistically speak to people about their health and wellbeing. Through outreach to communities, we enabled those residents who experience the greatest barriers to walking and cycling to actively travel more. 74% of Active Travel project participants report having increased the frequency that they walk, cycle, or wheel after having taken part in the project.

## Narrative Report

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Supporting carers and the social care system through our transformation programme – the Oxfordshire Way – we continued to have a positive impact on adult social care assessments and reviews, achieving a 31 per cent decrease in the number of people on waiting lists and a 46 per cent reduction on April 2021 waiting times. Between April 2023 and February 2024, we supported 1667 Carers with a direct payment to support them to have some time to look after their own wellbeing, an increase of 4.2% on previous year's performance.

We have increased the Oxfordshire Together programme to around 130 FixMyStreet (FMS) 'SuperUsers' covering 95 parishes across the county. Across the calendar year they reported and directly instructed repairs to 1379 defects to potholes and kerbing on county roads. Our pilot Flood Warden scheme now has 11 volunteers covering two parishes and one town.

To support Nature and Green Spaces we have cleared 320 km of vegetation to improve the county's public rights of way network. We repaired 48 bridges and replaced 58 more across Oxfordshire. We also continued our highly successful partnership with Community Action Groups, supporting over 100 groups to take grassroots action on environmental issues across Oxfordshire which was featured as best practice in a national report.

As part of the priority Creating opportunities for children and young people to reach their full potential, we completed all the phase transfers (primary to secondary) for over 500 children with EHCPs within the agreed timeframe. Thanks to DfE and Capital Funding, five new children's homes are due to open in Oxfordshire within the next 18 months.

As part of our priority Playing a part in vibrant and participatory local democracy, we enabled people of all ages to address our council and cabinet meetings, welcoming over 115 public speakers, 97 public questions and 6 petitions. Including facilitating over 30 public speakers at October 2023 Cabinet. We have also established the new Education & Young People Overview & Scrutiny Committee.

Through Working with local businesses and partners our trading standards Inspectors of Weights and Measures tested and verified over 700 pieces of weighing and measuring equipment. The trading standards team conducted over 1,790 interventions with Oxfordshire businesses, providing advice and support, testing products and procedures. Our small team of highly skilled fire safety professionals have engaged with existing and new build commercial premises in Oxfordshire to create a safe environment for those who live and work in the county. This includes 450 Fire Safety Audit of commercial premises and 692 Fire Safety Building Regulations consultations.

Migration Support Development delivered a £1.2m employment investment programme to support Ukrainians into meaningful work, with wider benefits being created for other migrant groups wherever possible. A range of county council services have worked closely with the District / City Councils to provide support and challenge to the hotel providers accommodating over 550 asylum seekers in four contingency hotels commissioned by the Home Office to ensure their statutory safeguarding needs are being met, the children are able to attend school, and all can access our libraries.

### **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

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The accounts bring together all the Council's financial statements for the year 2023/24 and show its financial position as at 31 March 2024. The statements reflect both revenue and capital elements for the General Fund, including transactions relating to joint operations with other local authorities and health bodies. The County Council is the administering authority for the Oxfordshire Local Government Pension Fund. As such, the Fund accounts are included as a disclosure within the Council's accounts.

The Statement of Accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2024 and of its income and expenditure for the 2023/24 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of general balances, combined with Earmarked Reserves (Note 44) and action being taken to ensure we can manage the capital programme within the available resources, are sufficient to ensure that the County Council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going concern' basis.

### Notes to the accounts

The Notes to the Accounts explain and provide further detail behind the key items and entries within the Financial Statements. They consist of:

- Expenditure and Funding Analysis – Compares the net expenditure as funded by taxation with the accounting cost of providing services as presented in the Comprehensive Income and Expenditure Statement.
- Notes to the Accounts – Which explain some of the key items and disclosures in the accounts.
- Pension Fund Accounts – These are the accounts of the Pension Fund, which is operated for employees of the County Council, district councils and other bodies.
- Statement of Responsibilities for the Statement of Accounts – Outlines the key responsibilities in respect of the accounts, together with statements from the Chief Finance Officer and Chairman of the Audit & Governance Committee.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.



## Narrative Report

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### **Annual Governance Statement**

The Audit & Governance Committee is expected to approve the Annual Governance Statement (AGS) at its meeting on 17 July 2024. The AGS summarises the governance framework that has been in place in the Council during 2023/24.

### **Conclusion**

Through careful planning and management, Oxfordshire County Council has ensured that we achieved or made good progress with our priorities for the year. We have delivered vital services to the residents and communities of Oxfordshire and have reached the end of the business year in a robust financial position.

# Statement of Responsibilities for the Statement of Accounts

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## 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 2023/24 ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Director of Finance has also

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

## Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the County Council and its income and expenditure for the year ended 31 March 2024.

Signed: .....

Date .....

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

## **Independent Auditor's Report to Members of Oxfordshire County Council**

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Once the accounts have been audited the Independent Auditor's Report to Members of Oxfordshire County Council will be added here.

## Expenditure and Funding Analysis

A description of the purpose of this note is included in the Narrative Report. Please note that this is not a Primary Financial Statement.

2022/23				2023/24		
Expenditure chargeable to the County Fund £'000	Adjustments between funding and accounting basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Expenditure chargeable to the County Fund £'000	Adjustments between funding and accounting basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
59,584	33,239	92,823	Environment and Place	71,492	33,785	105,277
173,026	96,688	269,714	Children's Services	180,025	56,863	236,888
218,412	26,724	245,136	Adult Services	229,726	4,821	234,547
28,421	2,948	31,369	Public Health	31,624	946	32,570
67,353	6,035	73,388	Customers, Culture and Corporate Services	74,889	12,780	87,669
	1,688	1,688	Other Corporate Costs	0	2,459	2,459
<b>546,796</b>	<b>167,322</b>	<b>714,118</b>	<b>Service Costs</b>	<b>587,756</b>	<b>111,654</b>	<b>699,410</b>
-530,094	-155,458	-685,552	Other Income and Expenditure not charged to services	-607,063	-110,369	-717,432
<b>16,702</b>	<b>11,864</b>	<b>28,566</b>	<b>Surplus (-) or Deficit (+) on Provision of Services</b>	<b>-19,306</b>	<b>1,285</b>	<b>-18,022</b>
39,344			Opening County Fund Balance at 1 April	22,642	(Note 4)	
-16,702			Add surplus (+) or deficit (-) on the County Fund for the year	19,306		
<b>22,642</b>			<b>Closing County Fund Balance at 31 March</b>	<b>41,948</b>		

## Comprehensive Income and Expenditure Statement

2022/23						2023/24	
Gross Expenditure	Income	Net Expenditure		Notes	Gross Expenditure	Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
126,311	-33,488	92,823	Environment and Place		142,776	-37,499	105,277
577,127	-307,414	269,713	Children's Services		566,888	-330,000	236,888
323,243	-78,108	245,135	Adult Services		325,258	-90,711	234,547
69,063	-37,695	31,368	Public Health		70,015	-37,445	32,570
121,668	-48,279	73,389	Customers, Culture and Corporate Services		115,448	-27,779	87,669
7,136	-5,448	1,688	Other Corporate Costs		7,080	-4,621	2,459
<b>1,224,548</b>	<b>-510,432</b>	<b>714,116</b>	<b>Cost of Services</b>		<b>1,227,464</b>	<b>-528,055</b>	<b>699,410</b>
14,690	-1,569	13,121	Other Operating Expenditure	14	12,986	-1,427	11,559
51,507	-9,089	42,418	Financing and Investment Income and Expenditure	15	30,598	-21,655	8,943
0	-741,091	-741,091	Taxation and Non-Specific Grant Income	20	0	-737,932	-737,932
<b>1,290,745</b>	<b>-1,262,181</b>	<b>28,564</b>	<b>Surplus (-) or Deficit (+) on Provision of Services</b>	5	<b>1,271,048</b>	<b>-1,289,070</b>	<b>-18,022</b>
			<b>Items that will not be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services</b>				
		44,508	Surplus or Deficit on revaluation of non-current assets	49			-27,016
		428	Impairment losses on non-current assets charges to the revaluation reserve	49			1,015
		-684,318	Remeasurements of the net defined benefit liability (asset)	18			-169,331
		-639,382					-195,332
			<b>Items that may be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services</b>				
		0	Other gains or losses				0
		0					0
		<b>-639,382</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>-195,332</b>
		<b>-610,818</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>-213,355</b>



## Movement in Reserves Statement

Notes	County Fund Balance	Earmarked Reserves	Capital Receipts Unapplied	Capital Grants and Contbns Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Balance at 31 March 2022</b>	39,344	183,562	30,103	181,110	434,119	-5,175	428,944	
<b>Movement in reserves during 2022/23</b>								
Total Comprehensive Income and Expenditure	-28,563	0	0	0	-28,563	639,382	610,819	
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	-9,406	19,436	0	0	10,030	-10,030	0
<b>Increase (+) or Decrease (-) In Year</b>	-16,702	19,436	1,568	37,238	41,540	569,279	610,819	
<b>Balance at 31 March 2023</b>	22,642	202,998	31,671	218,348	475,659	564,104	1,039,763	
<b>Movement in reserves during 2023/24</b>								
Total Comprehensive Income and Expenditure	18,022	0	0	0	18,022	195,333	213,355	
Adjustments between accounting basis and funding basis under statutory provisions	6	-3,558	0	1,403	3,586	1,431	-1,431	0
Transfers to / from earmarked reserves	44	4,843	7,372	0	0	12,215	-12,215	0
<b>Increase (+) or Decrease (-) In Year</b>	19,307	7,372	1,403	3,586	31,668	181,687	213,355	
<b>Balance at 31 March 2024</b>	41,949	210,370	33,074	221,934	507,327	745,791	1,253,118	

## Balance Sheet

As at 31 March 2023 £'000		Notes	As at 31 March 2024 £'000
<b>Long Term Assets</b>			
1,260,482	Infrastructure, Property, Plant and Equipment	22	1,344,412
25,900	Investment Property	23	25,685
1,085	Intangible Assets	25	1,459
69,700	Long Term Investments	34	35,000
10,921	Long Term Debtors	35	11,302
<b>1,368,088</b>	<b>Total Long Term Assets</b>		<b>1,417,858</b>
<b>Current Assets</b>			
1,470	Assets Held for Sale	24	124
145,854	Debtors	36	141,144
463,908	Short Term Investments	34	471,254
16,864	Cash and Cash Equivalents	37	34,946
<b>628,096</b>	<b>Total Current Assets</b>		<b>647,468</b>
<b>Current Liabilities</b>			
-35,351	Short Term Borrowing	34	-22,296
-114,001	Short Term Creditors and Revenue Receipts in Advance	39	-120,967
-4,519	Provisions due within one year	40	-5,187
-740	Short Term Finance Liability	28,34	-836
-15,741	Short Term Capital Grants Receipts in Advance	43	-3,134
<b>-170,352</b>	<b>Total Current Liabilities</b>		<b>-152,420</b>
<b>Long Term Liabilities</b>			
-30,030	Long Term Creditors and Revenue Receipts in Advance	39	-34,942
-2,197	Provisions due over one year	40	-4,389
-274,383	Long Term Borrowing	34	-266,383
-290,583	Pension Liability	18	-129,642
-14,997	Long Term Finance Liability	28,34	-14,161
-3,349	Deferred Income	41	-2,518
-170,530	Long Term Capital Grants Receipts in Advance	43	-207,753
<b>-786,069</b>	<b>Total Long-Term Liabilities</b>		<b>-659,788</b>
<b>1,039,763</b>	<b>Net Assets (+) / Net Liabilities (-)</b>		<b>1,253,118</b>
Financed from:			
<b>475,659</b>	<b>Usable Reserves</b>	42,44-46	<b>507,327</b>
<b>564,104</b>	<b>Unusable Reserves</b>	47-53	<b>745,791</b>
<b>1,039,763</b>	<b>Total Reserves</b>		<b>1,253,118</b>

I certify that the statement of accounts gives a true and fair view of the financial position of the Council at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Lorna Baxter

Executive Director of Resources & Section 151 Officer

Date:

## Cash Flow Statement

2022/23 £'000		Notes	2023/24 £'000
28,564	<b>Net (surplus) or deficit on the provision of services</b>		<b>-18,023</b>
-111,695	Adjust net surplus or deficit on the provision of services for non-cash movements	54	-66,195
133,861	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	55	89,704
<hr/>			
<b>50,730</b>	<b>Net cash flows from Operating Activities</b>		<b>5,486</b>
-32,396	Investing activities	56	-46,307
7,664	Financing activities	57	22,740
<hr/>			
<b>25,998</b>	<b>Net increase (-) or decrease (+) in cash and cash equivalents</b>		<b>-18,082</b>
42,864	Cash and cash equivalents at the beginning of the reporting period		16,864
<hr/>			
<b>16,866</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>34,946</b>



# Notes to the Statement of Accounts



**OXFORDSHIRE  
COUNTY COUNCIL**



# Notes to the Statement of Accounts

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## Contents for Notes to the Core Financial Statements

<b>1. Summary of Significant Accounting Policies General .....</b>	<b>20</b>
<i>Going Concern.....</i>	<i>20</i>
<i>Accruals of Income and Expenditure .....</i>	<i>20</i>
<i>Government Grants and Contributions.....</i>	<i>20</i>
<i>Council tax and business rates income .....</i>	<i>21</i>
<i>Employee Benefits.....</i>	<i>21</i>
<i>Property, Plant and Equipment .....</i>	<i>23</i>
<i>Depreciation of Property, Plant and Equipment.....</i>	<i>24</i>
<i>Infrastructure Assets .....</i>	<i>25</i>
<i>Charges to Revenue for Property, Plant and Equipment .....</i>	<i>25</i>
<i>Disposals and Non-current Assets Held for Sale.....</i>	<i>25</i>
<i>Investment Property.....</i>	<i>26</i>
<i>Revenue Expenditure Funded from Capital Under Statute .....</i>	<i>27</i>
<i>Private Finance Initiative (PFI) and similar contracts (service concession arrangements) .....</i>	<i>27</i>
<i>Leases .....</i>	<i>28</i>
<i>Cash and Cash Equivalents.....</i>	<i>29</i>
<i>Financial Assets.....</i>	<i>29</i>
<i>Financial Liabilities .....</i>	<i>31</i>
<i>Debt Redemption .....</i>	<i>31</i>
<i>Provisions.....</i>	<i>31</i>
<i>Insurance.....</i>	<i>32</i>
<i>Contingent liabilities .....</i>	<i>32</i>
<i>Reserves.....</i>	<i>32</i>
<i>Group Accounts .....</i>	<i>33</i>
<i>Schools.....</i>	<i>33</i>
<i>Taxation.....</i>	<i>33</i>
<i>Rounding.....</i>	<i>34</i>
<b>2. Critical judgements in applying accounting policies.....</b>	<b>34</b>
<b>3. Assumptions made about the future and other major sources of estimation uncertainty .....</b>	<b>36</b>
<i>Property, Plant and Equipment .....</i>	<i>36</i>
<i>Pensions Liability .....</i>	<i>37</i>
<b>4. Adjustments in the Expenditure and Funding Analysis .....</b>	<b>38</b>
<i>Note A - Adjustments for Capital Funding and Expenditure Purposes .....</i>	<i>39</i>
<i>Note B - Net change for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income.....</i>	<i>39</i>
<i>Note C - Other Differences .....</i>	<i>39</i>
<b>5. Analysis of income and expenditure by nature .....</b>	<b>40</b>
<b>6. Adjustments between accounting basis and funding basis under regulations</b>	<b>41</b>
<b>7. Dedicated Schools Grant (DSG) .....</b>	<b>42</b>



## Notes to the Statement of Accounts

---

8.	Partnership schemes under section 75 of the National Health Service Act 2006	
	43	
9.	Members' Allowances.....	44
10.	Audit Fee .....	44
11.	Senior Officers' Remuneration.....	44
12.	Exit Packages .....	48
13.	Operating Leases .....	49
14.	Other Operating Expenditure .....	50
15.	Financing and Investment Income and Expenditure .....	50
16.	Financial Instruments - Income, Expenses, Gains or Losses .....	51
17.	Retirement Benefits.....	52
	<i>The Local Government Pension Scheme (LGPS)</i> .....	52
	<i>The Fire-Fighters Pension Schemes</i> .....	53
	<i>The Teachers' Pension Scheme</i> .....	53
	<i>Risk</i> .....	54
18.	Pension Reserve .....	61
19.	Grant Income .....	62
20.	Taxation and Non - Specific Grant Income.....	63
21.	Related Party Transactions .....	64
22.	Movement in Property, Plant & Equipment.....	66
23.	Investment Properties .....	68
24.	Assets Held for Sale .....	70
25.	Intangible Assets .....	70
26.	Heritage Assets .....	70
27.	Valuation of non-current assets .....	71
28.	Private Finance Initiative (PFI and similar contracts – Homes for Older People).....	71
29.	Capital Spending .....	73
30.	Capital Financing.....	74
31.	Capital Financing Requirement.....	74
32.	Capital Commitments .....	75
33.	Financial Instrument Carrying Values.....	75
34.	Financial Instrument Fair Values.....	76
35.	Long Term Debtors .....	79
36.	Debtors .....	79

## Notes to the Statement of Accounts

---

37.	Cash and Cash Equivalents .....	80
38.	Risks arising from financial instruments.....	80
	<i>Credit Risk</i> .....	81
	<i>Liquidity Risk</i> .....	83
	<i>Market Risk</i> .....	83
	<i>Price Risk</i> .....	85
	<i>Foreign Exchange Risk</i> .....	85
39.	Creditors .....	85
40.	Provisions.....	86
41.	Deferred Income.....	87
42.	County Fund Balance .....	87
43.	Capital Grants Receipts in Advance .....	87
44.	Earmarked Reserves .....	89
	<i>School Reserves</i> .....	89
	<i>Insurance Reserve</i> .....	90
45.	Usable Capital Receipts.....	90
46.	Capital Grants and Contributions Unapplied .....	90
47.	Unusable Reserves .....	91
48.	Pooled Funds Adjustment Account .....	91
49.	Revaluation Reserve .....	92
50.	Capital Adjustment Account .....	93
51.	Collection Fund Adjustment Account.....	94
52.	Accumulated Absences Account .....	94
53.	Dedicated Schools Grant Adjustment Account.....	95
54.	Cash Flow Statement – Non-Cash Movements .....	95
55.	Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities .....	96
56.	Cash Flow Statement – Investing Activities .....	96
57.	Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities .....	97
58.	Contingent Liabilities.....	98
59.	Events after the Reporting Period .....	98
60.	Accounting standards issued but not adopted.....	98
61.	Authorisation of the Accounts.....	98

## Notes to the Statement of Accounts

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### 1. Summary of Significant Accounting Policies General

The Statement of Accounts summarises the County Council's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024. It has been compiled in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

#### Going Concern

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the County Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

#### 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.

## Notes to the Statement of Accounts

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Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with any conditions that would require repayment of the grant or contribution if not met, and the grants and contributions will be received.

Grants and contributions are credited to the Comprehensive Income and Expenditure Statement when recognised as due to the Council (i.e., specific revenue grants and contributions are credited to the relevant service line in the Cost of Services, and capital grants and contributions and non-ring-fenced grants are credited to Taxation and Non-Specific Grant Income and Expenditure).

Where specific revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement, but the associated expenditure has not yet been incurred, the grant is set aside in an Earmarked Revenue Reserve so that it can be matched with the expenditure in a subsequent year.

Capital grants and contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and are transferred to the Capital Adjustment Account (if the grant eligible expenditure has been incurred) or to the Capital Grants Unapplied Account.

Revenue grants and contributions that have been credited to the relevant directorate line in the Comprehensive Income and Expenditure Statement that remain unapplied as at the Balance Sheet Date and are required to meet committed expenditure in future years are transferred to an earmarked reserve through the Movement in Reserves Statement.

### **Council tax and business rates income**

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) for the year is the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the County Fund is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement.

The district councils in Oxfordshire are acting as agents of the County Council in collecting council tax and business rates. The cash collected from council tax payers and business rates payers belongs proportionately to the district councils and the major preceptors. There is, therefore, a debtor/creditor position between each district council and the County Council to recognise that the net cash paid to the County Council in the year is not the same as its share of cash collected. The County Council recognises its share of Council Tax and business rates debtor and creditor balances, impairment allowances for doubtful debts and provisions for losses on appeal in its Balance Sheet. The Cash Flow Statement of the County Council includes the net council tax and business rates cash received from the Collection Fund in the year.

### **Employee Benefits**

#### Benefits Payable during Employment

Short-term employee benefits are recognised as an expense in the year in which employees render service to the Council.

## Notes to the Statement of Accounts

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### Termination Benefits

Termination benefits are charged, on an accrual basis, to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

### Post-Employment Benefits

The County Council participates in four pension schemes:

- The Local Government Pension Scheme
- The Fire-fighters' Pension Scheme
- The Teachers' Pension Scheme and
- The NHS Pension Scheme

These schemes provide defined benefits to members, however, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the County Council. These schemes are, therefore, accounted for as if they are defined contribution schemes – no liability for future payment of benefits is recognised in the Balance Sheet and the relevant service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable in the year.

The County Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award are accounted for on the same basis as defined benefit schemes.

For the schemes treated as defined benefit schemes the Cost of Services includes:

- Current service cost – the increase in the present value of a scheme's liabilities resulting from employee service in the current period. This is included in the relevant directorate line within the Cost of Services.
- Past service cost – the increase in the present value of the scheme liabilities for employee service in prior periods, resulting from a scheme amendment or curtailment. This is included in Other Corporate Costs within the Cost of Services.
- Gain/loss on settlement – changes in liabilities relating to actions that relieve the County Council of primary responsibility for a pension obligation. This is included in Other Corporate Costs within the Cost of Services.

The net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - is included in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Remeasurements comprising actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuary has updated their assumptions – and the return on scheme assets, excluding amounts included in net interest on the net defined liability (asset), are recognised in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.

Scheme assets attributable to the County Council are measured at fair value as at the Balance Sheet date. Scheme liabilities attributable to the County Council are measured on an actuarial basis using the projected unit method. The net pensions liability is recognised in the Balance Sheet.



## Notes to the Statement of Accounts

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The amount chargeable to the County Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each particular pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

Fire-Fighters injury awards are disability benefits paid by the County Council that do not form part of the Fire-Fighters Pension Scheme. However, the measurement of these long-term benefits is subject to the same degree of uncertainty as the measurement of fire-fighters post-employment benefits and therefore they are accounted for in the same way as Fire-Fighters post-employment benefits.

### Property, Plant and Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These include operational land and buildings, vehicles, plant and equipment, surplus assets, assets under construction and infrastructure.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the County Council and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance, which is charged directly to service revenue accounts as an expense when incurred.

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (this only applies when the County Council has an obligation to carry out such activities when the item is acquired, constructed or installed)

The County Council does not capitalise borrowing costs incurred whilst assets are under construction.

Property, Plant and Equipment is subsequently carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Other Property, Plant and Equipment assets (excluding surplus assets) – current value, determined as the amount that would be paid for the asset in its existing use

Surplus assets – fair value (at highest and best use), determined as the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

## Notes to the Statement of Accounts

Where non-property assets have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value.

A *de minimis* level of £20,000 is applied for land and buildings and £15,000 for vehicles and plant, other than for schools local capital spend where a *de minimis* of £2,000 is applied.

Revaluations of property assets are undertaken on a three-year rolling programme as shown below. Material changes to asset valuations are adjusted in the interim periods

		Date of Last Revaluation	Date of Next Revaluation
Year 1	Secondary and Special Schools, Other Educational Premises (Children's, Youth and Sports Centres), Surplus Assets and properties not re-valued in other years.	2021/22	2024/25
Year 2	Primary, Nursery, Junior and Infant Schools	2022/23	2025/26
Year 3	Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot	2023/24	2026/27

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a directorate.

Decreases in valuations are accounted for as follows:

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

Assets are assessed each year as to whether there is an indication of impairment. Where indications exist and the recoverable amount of the asset is materially lower than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified they are accounted for in the same way as decreases in valuations.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant directorate, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation of Property, Plant and Equipment

Depreciation is provided for on all Property, Plant and Equipment with a finite life, which is determined at acquisition or revaluation. Assets under construction are not depreciated until they are brought into use. Depreciation is an estimation technique that is calculated using the straight-line method with the following asset lives:

- Buildings: 60 years (or less if specified by the valuer)
- Vehicles, plant and equipment: between 5 and 30 years
- IT equipment and infrastructure: between 3 and 5 years
- Infrastructure (roads and bridges): 35 years

## Notes to the Statement of Accounts

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Land is determined to have an infinite life and is not depreciated.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

### Infrastructure Assets

Infrastructure assets are recognised in the Balance Sheet under Property, Plant and Equipment and include carriageways, structures (e.g. bridges), footways and cycle tracks, street lighting and street furniture which together form a single integrated network.

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Infrastructure assets are generally measured at depreciated historical cost.

Where impairment losses are identified they are accounted for by writing down the carrying amount of the asset to the recoverable amount.

Depreciation is charged on a straight-line basis on parts of the infrastructure network assets that are subject to deterioration or depletion.

When a component of the infrastructure network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals, if any, are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

The written off value of disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

### Charges to Revenue for Property, Plant and Equipment

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

## Notes to the Statement of Accounts

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reclassified as an Asset Held for Sale. To be classified as an Asset Held for Sale the asset must meet the following criteria:

- Available for immediate sale in its present condition
- The sale must be highly probable
- Actively marketed at a reasonable sale price
- The sale should be expected to be completed within 1 year

Assets Held for Sale are measured at the lower of their carrying value and fair value less costs to sell at initial reclassification. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Decreases in fair value less costs to sell are recognised in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Property, Plant and Equipment and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision not to sell.

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

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Receipts from the disposal of assets in excess of £10,000 are categorised as capital receipts. Capital receipts are appropriated to the Capital Receipts Unapplied reserve from the County Fund Balance in the Movement in Reserves Statement.

The written off value of assets disposed of is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

### **Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value (at highest and best use), being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains and losses on disposal are posted to Other Operating Expenditure. The gains and losses are reversed out of the County Fund Balance to the Capital Adjustment Account (or Capital Receipts Unapplied for disposal receipts over £10,000) in the Movement in Reserves Statement so that they do not impact on Council Tax.

### **Revenue Expenditure Funded from Capital Under Statute**

Capital expenditure on non-current assets not owned by the County Council and grants given by the County Council for capital purposes are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement. In accordance with statutory provisions this expenditure is transferred from the County Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement, such that there is no impact on Council Tax.

### **Private Finance Initiative (PFI) and similar contracts (service concession arrangements)**

PFI type contracts involve a private sector entity (the operator) constructing or enhancing property used in the provision of a public service and operating and maintaining that property for a specified period of time. The operator is paid for its services over the period of the arrangement. Where the County Council controls or regulates the services provided by the operator and controls the residual interest in the property at the end of the term of the arrangement the contract meets the tests for accounting as a service concession arrangement.

Properties used in service concession arrangements are recognised as Property, Plant and Equipment of the County Council. The original recognition of the assets at fair value (based on the cost to purchase the assets) is matched by the recognition of liabilities for amounts due to the operators to pay for the assets and deferred income where the operator part funds the assets from income from third parties. Once recognised on the Balance Sheet these assets are revalued and depreciated in the same way as other Property, Plant and Equipment owned by the County Council.

The amounts payable to the service concession arrangement operators each year are analysed into five elements:

- The value of services received during the year – charged to the relevant directorate in the Comprehensive Income and Expenditure Statement
- Finance costs – an interest charge on the outstanding finance liability – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payments towards the finance liability – applied to write down the Balance Sheet liability towards the operator
- Contingent rents – inflationary increases in the amounts to be paid for the property arising during the contract – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Note for the County Council's current service concession arrangement there is no inflation applied to the elements of the contract payments relating to the property build costs and, therefore, there are no contingent rents.
- Lifecycle replacement costs – recognised as a capital prepayment in the Balance Sheet and transferred to Property, Plant and Equipment when capital works are undertaken.

Deferred income is released to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the service concession period.



### Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a property lease covers both land and buildings, the land and buildings elements are considered separately for lease classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Where the County Council is the lessee, property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – applied to writing down the liability, and a finance charge – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Once recognised on the Balance Sheet, assets recognised under finance leases are accounted for in the same way as other Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Rentals paid by the Council under operating leases are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period except where the contractual payment terms are considered to be a more systematic and appropriate basis.

Where the County Council leases an asset to others under a finance lease, the asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the County Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal, matched by a long-term debtor in the Balance Sheet. Finance lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the long-term debtor (together with any premiums received), and finance income credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is required under statute to be treated as a capital receipt. Where a premium has been received, this is posted out of the County Fund Balance to the Capital Receipts Unapplied reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future years, this is posted out of the County Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the long-term debtor and the deferred capital receipts are transferred to the Capital Receipts Unapplied reserve. The written-off carrying

## Notes to the Statement of Accounts

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amount of the asset on disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no impact on Council Tax.

Where the County Council leases an asset to others under an operating lease, the asset is retained on the Balance Sheet. Rental income is credited to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period (including any premiums received at the commencement of the lease).

### Cash and Cash Equivalents

Cash is represented by cash in hand and bank deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The County Council treats the following as cash equivalents:

- Instant Access Call Accounts
- Instant Access Short Term Funds
- Deposits with one working day to maturity from date of deposit

### Financial Assets

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

- Financial assets are classified into three types:
- Amortised cost
- Financial assets at fair value through Other Comprehensive Income
- Financial assets at fair value through profit or loss

Financial Assets at Amortised cost are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Credits to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for external interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate for the instrument. For the majority of the County Council's investments, the effective interest rate is the same as the actual interest receivable in accordance with the loan agreement. Short duration receivables with no stated interest rates (e.g. debtors) are measured at original invoice amount.

The Council recognises expected credit losses on all its financial assets held at amortised cost.

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

Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The expected credit loss model also applies to lease receivables. Lifetime losses are recognised for trade receivables (debtors) held by the Council.

## Notes to the Statement of Accounts

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The County Council has made a number of loans to clients and other organisations at less than market interest rates or zero rate (referred to in the Code as soft loans). For the County Council there are no material differences between the fair value and the nominal value of such loans and no adjustments are made on initial recognition of these loans.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the carrying value of the asset is reduced through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial assets at fair value through Other Comprehensive Income are initially measured and carried in the Balance Sheet at fair value. Where the asset has fixed or determinable payments, credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable.

Assets are maintained in the Balance Sheet at fair value. Values are based on:

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

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

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

Changes in fair value are balanced by an entry in the Financial Instruments Adjustment Account and the gain/loss recognised in Other Comprehensive Income and Expenditure (except for impairment losses).

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses recognised in the Financial Instruments Revaluation Reserve.

Financial assets at fair value through profit or loss are initially measured and carried in the Balance Sheet at fair value. Movements in fair value are balanced by posting gains and losses to the Financing and Investment Income and Expenditure line in the Comprehensive

## Notes to the Statement of Accounts

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Income and Expenditure Statement as they arise. Any residual gains and losses arising on derecognition are also credited/debited to the Comprehensive Income and Expenditure Statement. The basis of fair value and the inputs to the measurement techniques is the same as for Financial assets at fair value through Other Comprehensive Income.

The carrying amounts of individual financial assets are separated into their current (short-term) and non-current (long-term) elements for presentation within the Balance Sheet.

### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the County Council becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and are carried at their amortised cost.

Interest is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the liabilities, multiplied by the effective rate of interest for the instruments. This means that:

- The amount included in the Balance Sheet is the outstanding principal repayable, plus accrued interest; and
- Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### Debt Redemption

The County Council complies with legislation to charge a Minimum Revenue Provision (MRP) to the County Fund revenue account for the repayment of debt by making a straight-line charge of the outstanding pre-2008 capital expenditure as at 1 April 2017 calculated over a 50-year period and making provision for repayment of prudential borrowing in equal instalments over the estimated life of the asset for which the borrowing is undertaken. In addition, the provision for repayment of debt includes an amount equal to the amount that is taken to the Balance Sheet to reduce the liabilities in respect of PFI and similar contracts and for the prepayment of lifecycle costs relating to these contracts, and an amount equal to the amount that is taken to the Balance Sheet to reduce liabilities in respect of finance leases.

### Provisions

Provisions are made where the County Council has a present obligation (legal or constructive) as a result of a past event that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and are adjusted to reflect the current best estimate against the appropriate directorate in the Comprehensive Income and Expenditure Statement. When payments are eventually made they are charged directly to the provision.

### Insurance

The County Council has a policy of self-insurance of claims across its main insurance categories. In accordance with the Code the insurance provision is set aside to cover insurance claims actually received and awaiting resolution that have been advised to the County Council and which it has been decided to be insured internally rather than externally. Subject to identified contingent liabilities there are no significant unfunded risks.

### Contingent liabilities

Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed by one or more uncertain events occurring in the future and are not wholly under the County Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that there will be a transfer of economic benefits or where the obligation cannot be measured with sufficient reliability.

Financial guarantee contracts come under the definition of financial instruments and are initially recognised in the accounts at fair value. This only applies to guarantees entered into after 1 April 2006. Any entered into before that date continue to be recognised as contingent liabilities. If payment under the guarantee becomes probable the liability would be determined in accordance with the requirement for provisions.

### Reserves

A reserve, whether capital or revenue, results from events that have allowed monies to be set aside, surpluses, or decisions causing anticipated expenditure to have been postponed or cancelled. These can be spent or earmarked at the discretion of the County Council. Earmarked revenue reserves can be used to set aside available monies for major anticipated capital schemes, for projects or service arrangements that the County Council may wish to carry out, business unit surpluses, service efficiency savings and contingent liabilities where a provision is not required.

Reserves are established and used for different reasons. These include:

- Usable reserves - reserves that can be used at the County Council's discretion to fund either revenue or capital spend.
- Unusable reserves - reserves relating to unrealised gains, such as the Revaluation Reserve, that are not "cash backed" and cannot be used to fund future capital or revenue spending and reserves relating to differences between accounting policy and statutory requirements, such as the Capital Adjustment Account.

Earmarked reserves are created by appropriating amounts from the County Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to the appropriate directorate. The reserve is then appropriated back into the County Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212) require DSG deficits to be held in a separate reserve in local authorities' accounts. These regulations, which require the negative balance to be held in an unusable reserve, will come to an end on 31 March 2026.

## Notes to the Statement of Accounts

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### Group Accounts

The County Council is required to prepare group accounts where it has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality. For 2023/24 the County Council did not have any such interests that are considered material and therefore prepared these accounts only as a single entity rather than as group accounts.

The County Council participates in a number of joint operations (e.g. pooled budget arrangements with the health sector). The County Council accounts directly (in its single entity accounts) for its part of the assets, liabilities, income, expenditure and cash flows held within or arising from such an arrangement.

There are a number of circumstances where the County Council exercises limited influence, and these are disclosed as related parties. Under these circumstances, transactions with these bodies are charged against the appropriate service in the Comprehensive Income and Expenditure Statement, and balances owed by them or to them are included in debtors and creditors.

From 31 March 2024, Local Enterprise Partnerships (LEPs) ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities, where they exist. From 1 April 2024 the County Council has a controlling interest in OxLEP Ltd and is the sole member. Group accounts for 2024/25 will be prepared on that basis.

### Schools

Under the Code, local authority-maintained schools are considered to be separate entities with the balance of control lying with the Council. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for in the single entity accounts of the Council rather than requiring consolidation in the Group Accounts.

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These are held as usable earmarked reserves and are committed to be spent on schools.

### Taxation

The County Council is exempt from income tax, corporation tax and from capital gains tax.

Value Added Tax is excluded from both revenue and capital in terms of both income and expenditure except where the County Council is not able to recover VAT on expenditure.

The County Council incurs landfill tax, which is charged on a tonnage basis to the County Council by its waste disposal contractors.

In addition, the County Council incurs stamp duty land tax on the acquisition of property freeholds and leaseholds, climate change levy on its energy bills and insurance premium tax on its insurance costs. Also, the County Council incurs employer's National Insurance contributions based on a percentage of staff salaries.

Where the County Council incurs tax, this cost is charged to directorates in the Comprehensive Income and Expenditure Statement.

### **Rounding**

In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast. Also, Sometime the notes will have opposite signs to the numbers on the balance sheet, because they show the counterpart of the transaction.

### **2. Critical judgements in applying accounting policies**

In applying the accounting policies set out in Note 1, the County Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The County Council has made an assessment of the balance sheet treatment of schools' non-current assets in accordance with IAS 16 Property, Plant and Equipment and IAS 17 Leases. Where assets are owned by the Council and used by maintained schools, the economic benefits and service potential of the asset is considered to be within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore, the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations). The property valuers (an MRICS qualified County Council employee and Sanderson Weatherall) are informed of changes to the ownership of County Council assets by the County Council's Legal Services department, and any adjustments to the value of assets as a consequence are reflected in the County Council's balance sheet.
- School land and buildings that have transferred to academy trusts under 125 year leases (or where the freehold has transferred) have been written out of the County Council's Balance Sheet based on an assessment in accordance with IAS 17 Leases and IAS 16 Property, Plant and Equipment. Newly constructed School land and buildings that are the subject of short-term lease/license agreements with academy trusts but are expected to transfer under 125 year leases have also been written out of the County Council's Balance Sheet based on this assessment.
- An assessment under IFRIC 12 Service Concession Arrangements concluded that the County Council controls the residential care services provided under the agreement with Oxfordshire Care Partnership (OCP) and the residual value of all but one of the homes at the end of the agreement. This includes Chilterns Court Care Centre which came into operation during 2016/17. Except for the home where the residual value at the end of the contract rests with OCP, the accounting policies for PFI and similar contracts have been applied to the arrangement and the homes are recognised as Property, Plant and Equipment on the Balance Sheet, see note 22. A finance liability has been recognised on the Balance Sheet for the amounts due to be paid under the contract for the new homes built by OCP.



## Notes to the Statement of Accounts

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- The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP). OxLEP became a company Limited by Guarantee (Not for Profit) in April 2015 (Company Registration Number 09519056). It is a business led organisation that works for all of its stakeholders in business, academia and local authorities. The Board has 19 members from across the private and public sector and is led by a private sector Chairman. It is supported by the Future Oxfordshire Partnership; a Joint Committee which brings together local authority partners who are also members of the OxLEP Board in a collective decision-making structure. The Leader of the County Council is a member of the OxLEP Board. The Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of jobs for our communities.
- In accounting for OxLEP as at 31 March 2024 it has been assessed that the County Council is acting as the principal in accordance with IAS 18 Revenue and therefore transactions have been included in the County Council's accounts. OxLEP's expenditure is largely funded by government grants for which the County Council is the accountable body, and the Council remains exposed to risks such as the repayment of grants in the event of non-compliance. In addition, the County Council plans to undertake borrowing totalling £50.7m on behalf of OxLEP to deliver planned infrastructure improvements in Oxfordshire. This will be funded through retained business rates from the Science Vale UK Enterprise Zone. A further £3.8m was taken in 2023/24 to make a total to date of £26.0m. This borrowing generates a requirement to increase the Council's Capital Financing Requirement. Because of that the Council is not simply acting as an intermediary by passporting funds to OxLEP and is acting beyond the remit of an agent.
- In respect of revenue, the Council received £0.250m core funding from the Department of Levelling Up, Housing & Communities (DLUHC) on behalf of OxLEP in 2023/24. £1.6m retained business rates funding from the Science Vale UK Enterprise Zone 1 was also received by the council and passed on to OxLEP. Further revenue grant funding of £0.458m received in 2023/24 was for Innovation Support to Businesses and £0.266m from the UK Trade and Investment Programme.
- OxLEP is preparing financial accounts for 2023/24, along with the Letter of Representation, which are expected to be considered by the OxLEP Board in due course. The Board expects to formally adopt these financial accounts at the company's Annual General Meeting in September 2024.
- Based on an assessment in accordance with IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, and taking into account materiality, the County Council has concluded that it does not have control, joint control or significant influence of any other entities as at 31 March 2024. Therefore, the County Council has no subsidiaries, joint ventures or associates and there is no requirement to prepare group accounts for 2023/24.
- From 31 March 2024, Local Enterprise Partnerships (LEPs) ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities, where they exist. From 1 April 2024 the County Council has a controlling interest in OxLEP Ltd and is the sole member. Group accounts for 2024/25 will be prepared on that basis.

## Notes to the Statement of Accounts

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- The County Council has two pooled budgets with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), the successor body to the Oxfordshire Clinical Commissioning Group (OCCG) and one with Oxford Health NHS Foundation Trust. These pooled budgets operate to deliver better outcomes for people supported by Adult Social Care. Based on an assessment in accordance with IFRS 11 Joint Arrangements and FRS 15 Revenue (in relation to principal and agent transactions), the Pooled Budgets are considered to be joint operations. This means that only expenditure and income attributable to the County Council (and equal to the authority's contribution as set out in Note 8) is included in the Council's accounts.
- The BOB ICB is the Accountable Body for Oxfordshire's allocation of the Better Care Fund and will be held to account by NHS England for the appropriate use of the resources locally. The Better Care Fund allocation received by BOB ICB forms part of its contribution to the Better Care Fund Pooled Budget and as such is reported within their accounts.
- In accordance with IAS 32 Financial Instruments: Presentation, the County Council determines the short term/long term categorisation of borrowing by reference to the earliest date on which the lender can require payment. The right to increase the interest rate payable without limit, as in a 'Lender Option, Borrower Option' (LOBO) loan, is treated as a right to require repayment. Consequently, LOBOs are classified as short-term where option dates are due within 12 months of the balance sheet date.

### **3. Assumptions made about the future and other major sources of estimation uncertainty**

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

The items in the County Council's Balance Sheet at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming year are as follows:

#### **Property, Plant and Equipment**

The financial year 2023/24 was year three of a three-year revaluation cycle. The County Council's Property, Plant and Equipment assets have been valued on one of the following three bases under IFRS: Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets. Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature. Fair Value (Market Value) – method used to value property assets held as investments, surplus or for sale. Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings. Reductions in the budget for repairs and maintenance spending brings into doubt the useful lives assigned to buildings. If the useful life of buildings is reduced, depreciation increases and the carrying amount of the building falls.

### Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase and mortality rates. The assumptions used are set out in the Retirement Benefits Note 17. The County Council uses a firm of actuaries, Hymans Robertson LLP, to provide expert advice about the assumptions to be applied. The discount rate used is based on corporate bond yields that reflect the duration of the employer's liabilities.

The effects on the net pension liability of changes in the discount rate or mortality rates are provided in the sensitivity analysis table in the Retirement Benefits Note 17. The IAS 19 balance sheet is based on financial market values and future market expectation indicators as at 31 March 2024 to comply with the accounting standard.

The actuary made assumptions regarding the impact arising from Legal and regulatory uncertainty. The actuary has allowed for the McCloud/Sargeant judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure.

The actuary has also allowed for the impact of full Guaranteed Minimum Pension (GMP) indexation in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation has already been included in the accounting disclosure. However, as further ruling is unlikely to have a significant impact on the pension obligations of a typical employer, and the historic individual member data we would need to assess the impact is not readily available. As a result, the actuary has not made any allowance for this within our calculations at the Accounting Date.

Furthermore, following the Goodwin judgement the actuary has previously carried out some approximate analysis across the actuary LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The remedy is still uncertain, but the actuary estimates the potential impact of this to be very small for a typical Fund (c0.1% of obligations). They therefore do not believe it is necessary or appropriate to make an adjustment to account for this at the moment, given the level of additional work and fees that would be involved for the Employer (and indeed the highly approximate nature of applying an unknown remedy).

There are two further court cases which could potentially impact on the valuation of the net pension liability:

- Walker
- O'Brien

In all two cases, the actuary does not consider the judgements are likely to have a significant impact on the Council's pension obligations.

## 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.

2022/23				2023/24			
Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments	Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
28,052	5,461	-274	33,239	Environment and Place	36,843	102	33,785
63,897	21,853	10,938	96,688	Children's Services	47,600	-2,811	56,863
13,028	7,686	6,010	26,724	Adult Services	7,890	-3,211	4,822
1,108	3,464	-1,625	2,947	Public Health	2,026	975	945
3,117	10,916	-7,997	6,036	Customers, Culture and Corporate Services	7,666	4,910	12,780
-39	2,295	-568	1,688	Other Corporate Costs	15	2,140	2,459
<b>109,163</b>	<b>51,675</b>	<b>6,484</b>	<b>167,322</b>	<b>Service Costs</b>	<b>102,040</b>	<b>-4,114</b>	<b>111,654</b>
-162,569	22,131	-15,020	-155,458	<b>Other Income and expenditure not charged to services</b>	-117,543	-5,331	-110,369
<b>-53,406</b>	<b>73,806</b>	<b>-8,536</b>	<b>11,864</b>	<b>Surplus (-) or Deficit (+)</b>	<b>-15,503</b>	<b>8,397</b>	<b>1,285</b>

## Notes to the Statement of Accounts

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### 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

2022/23		2023/24
£'000	Income and Expenditure	£'000
-83,555	Fees, charges and other service income	-97,436
-693,317	Government grants and contributions	-655,232
-6,389	Interest and investment income	-20,278
-477,350	Income from council tax and non-domestic rates	-514,697
-1,569	Proceeds from the disposal of non-current assets	-1,427
<b>-1,262,180</b>	<b>Total Income</b>	<b>-1,289,070</b>
454,618	Employee benefits expenses	415,674
709,933	Other service expenses	762,155
59,028	Depreciation, amortisation, impairments and revaluations	50,715
27,773	Interest payable and similar charges	16,600
24,703	Net interest expense on the pension defined liability	13,771
14,690	Costs from the disposal of non-current assets	12,134
<b>1,290,745</b>	<b>Total Expenditure</b>	<b>1,271,049</b>
<b>28,565</b>	<b>Surplus (-) or Deficit (+) on the Provision of Services</b>	<b>-18,021</b>

A segmental analysis of fees, charges and other service income is shown in the following table.

2022/23		2023/24
£'000	Fees and Charges by Directorate	£'000
-17,536	Environment and Place	-20,515
-10,730	Children's Services	-12,400
-47,330	Adult Services	-56,414
-83	Public Health	-141
-7,306	Commercial Development, Assets & Investment	-7,432
0	Customers, Organisational Development & Resources	0
-571	Corporate	-534
<b>-83,556</b>	<b>Total Fees and Charges</b>	<b>-97,436</b>

## Notes to the Statements 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.

2022/23					2023/24					
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
					<b>Adjustments to Revenue Resources</b>					
73,804				-73,804	Pension Costs transferred to (or from) the Pensions Reserve	8,390				-8,390
-2				2	Financial instruments transferred to the Financial Instrument Adjustment Account	-2				2
10,168				-10,168	Gain or Loss on the valuation of pooled investment funds	-2,448				2,448
-9,785				9,785	Council Tax and Business Rates transferred to the Collection Fund Adjustment Account	5,817				-5,817
489				-489	Holiday pay transferred to the Accumulated Balances Account	188				-188
127,627				-127,627	Reversal of entries included in the Surplus of Deficit on the Provision of Services in relation to capital expenditure to the Capital Adjustment Account	119,820				-119,820
					<b>Adjustments between Revenue and Capital Resources</b>					
-1,569		1,569			Transfer of non-current asset sale proceeds to the Capital Receipts Unapplied Reserve	-1,403		1,403		
-1,954				1,954	Statutory provision for the repayment of debt transferred to the Capital Adjustment Account	-14,238				14,238
-63,989			-63,890	127,879	Capital expenditure financed from revenue balances transferred to the Capital Adjustment Account	-2,216				2,216
-			101,128		Capital grants and contributions applied	-71,007			-42,872	113,880
101,128					Capital gains and contributions receivable not applied to finance capital expenditure	-46,459			46,459	
				0	<b>Adjustments to Capital Resources</b>					
		0		0	Repayment of loans			0		0
<b>21,268</b>	<b>0</b>	<b>1,569</b>	<b>37,238</b>	<b>-60,075</b>	<b>Total</b>	<b>-3,558</b>	<b>0</b>	<b>1,403</b>	<b>3,587</b>	<b>-1,431</b>



## Notes to the Statements 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 2023. The school Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. DSG income and expenditure is part of the Children's Services Directorate. Details of the deployment of DSG receivable for 2023/24 (with comparators) are as follows:

2022/23				2023/24		
Central Expenditure	ISB	Total		Central Expenditure	ISB	Total
£'000	£'000	£'000		£'000	£'000	£'000
		585,596	Final DSG before Academy & high needs recoupment			629,313
		-337,220	Less Academy & high needs figure recouped for the year			-365,710
		248,376	Total DSG after Academy & high needs recoupment			263,602
		0	Brought forward from previous year			0
		0	Less carry forward to next year agreed in advance			0
<b>78,794</b>	<b>169,582</b>	<b>248,376</b>	<b>Agreed initial budgeted distribution</b>	<b>90,927</b>	<b>172,674</b>	<b>263,602</b>
	76	76	In year adjustments	331	740	1,071
	0	0	Prior year adjustments		0	0
<b>78,794</b>	<b>169,658</b>	<b>248,452</b>	<b>Final budget distribution</b>	<b>91,258</b>	<b>173,414</b>	<b>264,674</b>
-90,792		-90,792	Less actual central expenditure	-107,876		-107,876
	-168,889	-168,889	Less Actual ISB deployed to schools		-170,211	-170,211
1,200	0	1,200	County Council contribution	1,200	0	1,200
<b>-89,592</b>	<b>-168,889</b>	<b>-258,481</b>	<b>Total Actual Expenditure</b>	<b>-106,676</b>	<b>-170,211</b>	<b>-276,887</b>
-10,798	769	-10,029	In year carry forward	-15,418	3,204	-12,213
		-23,581	DSG unusable reserve at the beginning of the year			-33,610
		<b>-33,610</b>	<b>Carry forward to next year</b>			<b>-45,824</b>

\*\*The statutory reporting requirements for the 2023/24 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 3 years within statute until 31 March 2026. It is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is continuing to take action to manage the deficit, but this is continuing to increase. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m

## 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	Age Well Pool		Live Well Pool		Mental Health Provider Pool	
<b>Partner</b>	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	
<b>Purpose</b>	Commissions services for older people including care home placements, services supporting community resilience and hospital avoidance (eg. care at home and daytime services), prevention and carer support.		Commissions services for adults of working age with a learning disability, physical disability or mental health assessed needs along with support for people with an acquired brain injury. Services include supported living, residential care placements and hospital avoidance. Some service users receive direct payments and organise their own care.		Provides integrated health and social care support to adults with Mental Health needs.	
<b>Lead Partner</b>	Oxfordshire County Council		Oxfordshire County Council		Oxford Health NHS Foundation Trust	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
<b>Total Gross Expenditure</b>	<b>259,273</b>	<b>285,131</b>	<b>244,497</b>	<b>301,745</b>	<b>11,810</b>	<b>12,374</b>
<b>Funded by:</b>						
Council Contribution *	-79,273	-89,072	-131,357	-129,635	-1,802	-1,802
Partner Contribution	-86,330	-98,110	-88,114	-146,627	-10,008	-10,572
Service User Contributions	-36,772	-44,979	-5,823	-6,604		
Better Care Fund	-46,696	-49,339	0	0		
Other External Contribution	0	0	-19,197	-18,872		
Other Income **	-10,202	-3,631	-6	-7		
<b>Total Gross Income</b>	<b>-259,273</b>	<b>-285,131</b>	<b>-244,497</b>	<b>-301,745</b>	<b>-11,810</b>	<b>-12,374</b>

\*Note that the Authority's Contribution to the Live Well Pooled Budget 2023/24 includes £1,802k (the same as 2022/23) which is passported to the Mental Health Provider Pool. The Council does not make any other contributions to the Mental Health Provider Pool.

### 9. Members' Allowances

Under the Council's constitution, councillors are entitled to receive annual allowances for their role. These include basic allowance payable to all councillors and special responsibility allowances where councillors undertake specific roles such as chair of a committee.

	2022/23	2023/24
Members' Allowances	£'000	£'000
Allowances	1,146	1,209
Travel and Subsistence	11	14
<b>Total</b>	<b>1,157</b>	<b>1,223</b>

### 10. Audit Fee

The County Council's external auditors are Ernst & Young LLP. The following fees were incurred relating to external audit and grant certification work. This expenditure is part of the Resources Directorate.

	2022/23	2023/24
Audit and Inspection Fees	£'000	£'000
Code of Practice Audit Work	84	292
Other Fees for Prior Years	0	177
Certification of grant claims and Returns	15	15
<b>Total</b>	<b>99</b>	<b>484</b>

### 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					
	2022/23			2023/24		
	School	Non School	Total	School	Non School	Total
50,000-54,999	40	182	<b>222</b>	82	288	<b>370</b>
55,000-59,999	40	158	<b>198</b>	33	187	<b>220</b>
60,000-64,999	24	57	<b>81</b>	32	89	<b>121</b>
65,000-69,999	20	53	<b>73</b>	25	55	<b>80</b>
70,000-74,999	23	18	<b>41</b>	25	39	<b>64</b>
75,000-79,999	7	7	<b>14</b>	14	22	<b>36</b>
80,000-84,999	10	9	<b>19</b>	5	13	<b>18</b>
85,000-89,999	5	31	<b>36</b>	7	9	<b>16</b>
90,000-94,999	3	3	<b>6</b>	2	17	<b>19</b>
95,000-99,999	0	1	<b>1</b>	4	5	<b>9</b>
100,000-109,999	1	8	<b>9</b>	1	2	<b>3</b>
110,000-119,999	0	8	<b>8</b>	0	2	<b>2</b>
120,000-129,999	0	0	<b>0</b>	0	3	<b>3</b>
130,000-139,999	0	6	<b>6</b>	1	6	<b>7</b>
140,000-149,999	0	2	<b>2</b>	0	1	<b>1</b>
150,000-159,999	0	1	<b>1</b>	1	1	<b>2</b>
160,000-169,999	0	0	<b>0</b>	0	1	<b>1</b>
170,000-179,999	0	0	<b>0</b>	0	4	<b>4</b>
180,000-189,999	0	1	<b>1</b>	0	1	<b>1</b>
190,000-199,999	0	0	<b>0</b>	0	2	<b>2</b>
200,000-209,999	0	0	<b>0</b>	0	2	<b>2</b>
210,000-219,999	0	1	<b>1</b>	0	0	<b>0</b>
220,000-229,999	0	0	<b>0</b>	0	0	<b>0</b>
230,000-239,999	0	0	<b>0</b>	0	0	<b>0</b>
240,000-249,999	0	1	<b>1</b>	0	0	<b>0</b>
<b>Total</b>	<b>173</b>	<b>547</b>	<b>720</b>	<b>232</b>	<b>749</b>	<b>981</b>

## Notes to the Statements of Accounts

2023/24							
Post Holder Information	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensation for Loss of Employment	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	
	£	£	£	£	£	£	
Chief Executive - Martin Reeves	232,875	0	0	232,875	46,342	279,217	
Executive Director of People - Stephen Chandler	172,969	0	0	172,969	34,421	207,390	
Executive Director of Resources and Section 151 Officer - Lorna Baxter	153,820	0	0	153,820	32,017	185,837	
Corporate Director for Customers and Organisational Development and Resources - Claire Taylor*	22,734	0	0	22,734	4,524	27,258	
Corporate Director for Adult Social Care - Karen Fuller	144,124	0	0	144,124	28,681	172,805	
Director for Childrens Services - Kevin Gordon**	26,131	0	67,362	93,493	5,200	98,693	
Director for Childrens Services - Lisa Lyons***	33,319	0	0	33,319	6,630	39,949	
Corporate Director for Environment and Place - Bill Cotton	161,181	0	0	161,181	32,075	193,256	
Director for Public Health - Ansaf Azhar	141,181	0	0	141,181	20,302	161,483	
Director of Law and Governance - Anita Bradley	141,181	0	0	141,181	28,095	169,276	
Chief Fire Officer - Rob MacDougall	166,108	0	0	166,108	47,839	213,947	
<b>Total</b>	<b>1,395,624</b>	<b>0</b>	<b>67,362</b>	<b>1,462,986</b>	<b>286,125</b>	<b>1,749,111</b>	

\*Claire Taylor left post and Oxfordshire County Council on 31 May 2023

\*\*Kevin Gordon left post and Oxfordshire County Council on 27 May 2023

\*\*\*Lisa Lyons started post on 8th January 2024

## Notes to the Statement of Accounts

2022/23 Post Holder Information	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensatio n 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
<b>Total</b>	<b>1,414,095</b>	<b>0</b>	<b>159,409</b>	<b>1,573,504</b>	<b>300,966</b>	<b>1,874,471</b>	<b>-38,243</b>	<b>1,836,228</b>

\*Started the post on 1 March 2023 \*\*Stephen Chandler was acting Temporary Chief Executive from 1 March 2022 - 8 March 2023 and started in this post on 9 March 2023

\*\*\*Employed by Cherwell District Council until 31 May 2022 and Stated the post at Oxfordshire County Council 1 June 2022 \*\*\*\*Seconded to Corporate Director of Adult and Housing post from 7 March 2022, prior to this, Karen was Deputy Director Adult Social Care \*\*\*\*\*Finished Post and Left Oxfordshire County Council on 8 August 2022

Several senior officer roles at Oxfordshire County Council were joint posts under the Partnership Agreement with Cherwell District Council: § denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs: Corporate Director Customers, Organisational Development & Resources 70%

§§ denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs: Director of Law & Governance 20% & Corporate Director of Public Health 10%



## 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 (£)	2022/23					2023/24						
	Compulsory		Other		Total	Compulsory		Other		Total		
	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000
0 - 19,999	9	67	13	100	22	167	11	79	28	220	39	299
20,000 - 39,999	3	111	2	43	5	154	5	122	5	127	10	249
40,000 - 59,999	2	108	0	0	2	108	0	0	0	0	0	0
60,000 - 79,999	0	0	0	0	0	0	0	0	2	137	2	137
80,000 - 99,999	2	169	0	0	2	169	0	0	0	0	0	0
100,000 - 149,999	2	263	0	0	2	263	0	0	0	0	0	0
150,000 - 199,999	0	0	0	0	0	0	0	0	0	0	0	0
200,000 - 249,999	0	0	0	0	0	0	0	0	0	0	0	0
250,000 - 299,999	1	279	0	0	1	279	0	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>997</b>	<b>15</b>	<b>143</b>	<b>34</b>	<b>1140</b>	<b>16</b>	<b>201</b>	<b>35</b>	<b>484</b>	<b>51</b>	<b>685</b>
Adjust for differences between payments and accruals						247						0
<b>Total cost of exit packages in the Comprehensive Income and Expenditure Statement</b>						<b>1,387</b>						<b>685</b>

## Notes to the Statements 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 2023/24

County Council as Lessee	2022/23			2023/24		
	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments charged in year	1,717	2,020	3,737	1,603	1,979	3,583
Contingent rents charged in year	200	155	355	130	182	311
Sublease payments received in year	0	-550	-550	0	532	532
Future minimum lease payments:						
Within 1 year	1,427	841	2,267			
Within 2nd - 5th years	844	2,498	3,342	1,017	1,192	2,209
6th year and beyond	0	1,413	1,413	162	2,947	3,109
<b>Total commitments</b>	<b>2,271</b>	<b>4,751</b>	<b>7,022</b>	<b>2</b>	<b>1,207</b>	<b>1,209</b>
Total future sublease payments receivable	0	-517	-517	0	-517	-517

The County Council leases out property under operating leases for the provision of accommodation for services, such as Homes for Older People, pre-schools and waste re-cycling centres. Contingent rents include backdated rent increases.

County Council as Lessor	2022/23			2023/24		
	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments receivable in year	0	2,077	2,077	0	1,732	1,732
Contingent rents receivable in year	0	1,111	1,111	0	1,277	1,277
Future minimum lease payments receivable:						
Within 1 year	0	1,617	1,617	0	1,361	1,361
Within 2nd - 5th years	0	4,923	4,923	0	4,736	4,736
6th year and beyond	0	33,811	33,811	0	31,510	31,510
<b>Total Receivable</b>	<b>0</b>	<b>40,351</b>	<b>40,351</b>	<b>0</b>	<b>37,607</b>	<b>37,607</b>

## 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.

<b>Other Operating Expenditure</b>	<b>2022/23</b> <b>£'000</b>	<b>2023/24</b> <b>£'000</b>
Capital Receipts	-1,583	-1,437
Disposal costs charged against capital receipts	13	33
Net Capital Receipts	-1,570	-1,404
Other Receipts	0	-23
Total Receipts	-1,570	-1,427
Carrying value of non-current assets derecognised	14,690	12,986
Disposal costs charged to the General Fund	0	0
Total Disposal costs	14,690	12,986
<b>Other Operating Expenditure</b>	<b>13,120</b>	<b>11,559</b>
Adjustments between accounting basis and funding basis	-13,120	-11,582
<b>Net Charge to the General Fund</b>	<b>0</b>	<b>-22</b>

### 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:

<b>Financing and Investment Income and Expenditure</b>	<b>2022/23</b> <b>£'000</b>	<b>2023/24</b> <b>£'000</b>
Interest payable and similar charges	17,605	15,634
Gain or Loss on the valuation of pooled investment funds	10,168	-2,448
Interest receivable and similar income	-6,389	-16,863
Income and Expenditure in relation to investment properties and change in their fair value	-1,096	116
Net pensions interest expense	24,703	13,771
Net fire-fighters Pension Fund Top-Up Grant	-2,573	-1,267
<b>Financing and Investment Income and Expenditure</b>	<b>42,418</b>	<b>8,943</b>
Adjustments between accounting basis and funding basis	-31,201	-10,173
<b>Net Charge to the General Fund</b>	<b>11,217</b>	<b>-1,230</b>

## Notes to the Statements 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.

2022/23 Financial Liabilities		2022/23 Financial Assets			2023/24 Financial Liabilities		2023/24 Financial Assets		
Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000	Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000
15,959			0	<b>15,959</b>	15,010			0	<b>15,010</b>
			10,168	<b>10,168</b>				967	<b>967</b>
	1,646		0	<b>1,646</b>		623		0	<b>623</b>
		0	0	<b>0</b>			0	0	<b>0</b>
<b>15,959</b>	<b>1,646</b>	<b>0</b>	<b>10,168</b>	<b>27,773</b>	<b>15,010</b>	<b>623</b>	<b>0</b>	<b>967</b>	<b>16,600</b>
									<b>Total expense in Surplus or Deficit on the Provision of Services</b>
	-2,101		-4,288	<b>-6,389</b>		-12,116		-4,747	<b>-16,863</b>
		0	0	<b>0</b>			0	-3,416	<b>-3,416</b>
<b>0</b>	<b>-2,101</b>	<b>0</b>	<b>-4,288</b>	<b>-6,389</b>	<b>0</b>	<b>-12,116</b>	<b>0</b>	<b>-8,163</b>	<b>-20,279</b>
									<b>Total income in Surplus or Deficit on the Provision of Services</b>
				<b>21,384</b>					<b>Net gain (-) / loss (+) for the year</b>
									<b>-3,679</b>

### 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 2024 set the contribution rates for the period 1 April 2022 to 31 March 2024. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The total contributions expected to be made by the County Council to the Local Government Pension Scheme (LGPS) in 2023/24 are £38.496m for funded benefits (£36.320m was expected for 2022/23).

The pensions liability has decreased from March 2023 (£290.583m) to March 2024 (£129.642m). This is partly due to the difference between the accrual of new benefits and benefits paid out during the year for scheme participants.

The County Council currently participates in the Oxfordshire County Council pool with various other employers with admissions agreements in order to share experience of risks they are exposed to in the Fund. At the 2022 valuation, the deficit on the whole pool was calculated and allocated to each employer, along with the costs of future benefits of the combined membership of the pool, such that all employers within the pool shared the same overall contribution rate. The next re-allocation will be carried out at the 2025 valuation, should the employer remain in the pool.

Should the County Council withdraw from the Fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination

## Notes to the Statement of Accounts

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contribution due by the County Council on a set of assumptions deemed appropriate by the Fund Actuary.

Curtailment costs arise as a result of the payment of unreduced pensions on early retirement. The capitalised cost of the additional benefits relative to those reserved for under IAS 19 is £0.064m for 2023/24 (£0.053m for 2022/23). As a result of some members of the Oxfordshire Pension Fund transferring to/from another employer over the year, liabilities have been settled at a cost different to the amount reserved for under IAS19. The capitalised gain of this settlement for 2023/24 is £1.060m (£0 2022/23).

### **The Fire-Fighters Pension Schemes**

There are five separate schemes relating to Fire-Fighters pensions – the 1992 scheme, the 2006 scheme, the 2015 scheme, the Retained Modified scheme and the fire-fighters compensation scheme for injury benefits and ill health retirements. Each of these are defined benefit statutory schemes administered in accordance with the Fire-Fighters' Pension Scheme Regulations 2014 and Fire Pension Orders 1992 and 2006 and provide benefits based on final salary and length of service on retirement, other than the 2015 scheme which provides benefits accrued from 1 April 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 2023/24 is £7.4m (£8.2m in 2022/23).

### **The Teachers' Pension Scheme**

This is a defined benefit scheme administered in accordance with the Teachers' Pensions Regulations 2014 and provides benefits based on final salary and length of service (for benefits accrued up to 31 March 2015) and career average revalued salary (for benefits accrued from 1 April 2015). The Scheme is administered by Capita on behalf of the Department for Education. The Scheme is an unfunded pension scheme, in which payments from the Scheme are funded by contributions from current employees and employers with the difference between these contributions and Scheme expenditure financed by the Exchequer.



## Notes to the Statement of Accounts

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The County Council contributes towards the costs of the scheme by making contributions based on a percentage of members' pensionable salaries as set by the Secretary of State for Education, taking advice from the Scheme's actuary. The total expected payments to beneficiaries for 2023/24 is £6.213m (£6.029m 22/23).

The Teachers' Pension Scheme is a defined benefit scheme, but because of the way the scheme is centrally managed the County Council is unable to identify its share of the underlying assets and liabilities of the scheme and it is therefore classified as a defined contribution scheme for accounting purposes. Charges are included in the Surplus or Deficit in the Provision of Services but there are no liabilities to disclose in the Balance Sheet with the exception of all pension payments relating to added years which the County Council has awarded to teachers under the Discretionary Payment Regulations. As the County Council is responsible for funding these added years payments on a pay as you go basis they are treated as a defined benefit scheme.

### Risk

The County Council is exposed to a number of risks from participating in the pension schemes accounted for as defined benefit schemes outlined above. Risks common to all of the schemes are:

**Interest rate risk** – the liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. Given the volatile nature of market yields the yield on high quality corporate bonds could fall leading to an increase in the liabilities.

**Inflation risk** – the benefits are linked to inflation and so increased costs may emerge if inflation is higher than expected.

**Longevity risk** – in the event that the members live longer than assumed more benefits will be paid out than expected. There are also other demographic risks.

As a funded scheme, the LGPS gives exposure to other additional risks:

**Investment risk** – The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

**Interest rate risk** – The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of assets and liabilities may not move in the same way.

**Inflation risk** – deficits may emerge to the extent that the assets are not linked to inflation.

In addition, as many unrelated employers participate in the Oxfordshire County Council Pension Fund, there is an 'orphan liability risk' where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the County Council, for example higher than expected investment returns or employers leaving the funds with excess assets which would eventually get inherited by the remaining employers, market yields may rise or inflation be less than expected reducing the value of the liabilities and ongoing cost of benefit accrual. The cost of retirement benefits arising from defined benefit schemes are recognised in the Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the County Council is required to make against the County Fund (and hence Council Tax) is based on cash payable in the year so the real cost of pension benefits is reversed out in the Movement in Reserves Statement. The following table sets out the transactions that have been made in the accounts.

## Notes to the Statements of Accounts

Pension Fund Comprehensive Income and Expenditure Statement	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost of Services</b>						
Current Service Cost	88,708	40,642	5,600	2,000	94,308	42,642
Past Service Costs	1,028	22	0	0	1,028	22
(Gain) / Loss from settlements	0	-1,060	0	0	0	-1,060
Administration Expenses	905	1,342	0	0	905	1,342
<b>Financing and Investment Income &amp; Expenditure</b>						
Net Interest Expense	16,747	3,771	8,200	10,000	24,947	13,771
Government Top-Up Grant / Surplus payable to Government	0	0	-2,573	-1,267	-2,573	-1,267
<b>Surplus / Deficit on the Provision of Services</b>	<b>107,388</b>	<b>44,717</b>	<b>11,227</b>	<b>10,733</b>	<b>118,615</b>	<b>55,450</b>
<b>Other Comprehensive Income and Expenditure</b>						
Return on plan assets	100,817	-115,871	0	0	100,817	-115,871
Actuarial gains (-) and losses (+) from demographic assumptions	-41,595	-10,999	-3,600	-100	-45,195	-11,099
Actuarial gains (-) and losses (+) from financial assumptions	-783,632	-89,100	-101,800	-5,800	-885,432	-94,900
Experience gains (-) and losses (+)	138,340	50,233	4,500	0	142,840	50,233
Other actuarial gains (-) and losses (+)	-466	3,052	332	-746	-134	2,306
<b>Total retirement benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>-479,148</b>	<b>-117,968</b>	<b>-89,341</b>	<b>4,087</b>	<b>-568,489</b>	<b>-113,881</b>
<b>Movement in Reserves Statement</b>						
Reversal of net charges made to the Surplus/Deficit on the Provision of Services for retirement benefits in accordance with the code	-66,581	-1,744	-7,468	-6,646	-74,048	-8,390
<b>Actual amount charged against the General Fund Balance for pensions in the year</b>	<b>40,807</b>	<b>42,973</b>	<b>3,759</b>	<b>4,087</b>	<b>44,567</b>	<b>47,060</b>

## Notes to the Statements 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.

<b>Pension Liability</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Present value liabilities:</b>		
Local Government Pension Scheme funded benefits	1,534,481	1,547,293
Local Government Pension Scheme unfunded benefits	13,469	12,603
Fire Fighters' Pension Schemes	211,800	211,800
Teachers' Added Years	35,388	31,743
<b>Total Present value liabilities</b>	<b>1,795,139</b>	<b>1,803,440</b>
<b>Fair value of assets in the Local Government Pension Scheme</b>	<b>1,504,556</b>	<b>1,673,798</b>
<b>Net Liabilities in the scheme:</b>		
Local Government Pension Scheme funded	29,926	-126,504
Local Government Pension Scheme unfunded	13,469	12,603
Fire Fighters' Pension Schemes	211,800	211,800
Teachers' Added Years	35,388	31,743
<b>Total Net Liabilities</b>	<b>290,583</b>	<b>129,642</b>

It should be noted however that the pension liability valuation in accordance with accounting requirements is only a snapshot in time and will likely fluctuate year on year. The statutory arrangements for funding the deficit ensure that:

- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary
- The rates of employee and employer contributions for the Fire-fighters' Pension Schemes will be reviewed regularly by actuaries acting on behalf of the government to ensure that they reflect the true cost of accruing pensions
- Finance is only required to be raised to cover teachers added years benefits and fire-fighters injury pensions and unfunded ill health retirements when they are actually paid

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The schemes have been assessed by Hymans Robertson LLP, an independent firm of actuaries using estimates based on the latest full valuation of the scheme - at 31 March 2022 for the Local Government Pension Scheme and 31 March 2021 for the Fire-fighters Pension Schemes.

A reconciliation of the opening and closing balances of the present value of scheme liabilities is shown on the following table.

## Notes to the Statements of Accounts

Liabilities	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening Balance at 1 April</b>	<b>2,171,401</b>	<b>1,583,339</b>	<b>304,900</b>	<b>211,800</b>	<b>2,476,301</b>	<b>1,795,139</b>
Revised Opening Balance	17,984	0	0	0	17,984	0
<b>Revised Opening Balance at 1 April</b>	<b>2,153,417</b>	<b>1,583,339</b>	<b>304,900</b>	<b>211,800</b>	<b>2,458,317</b>	<b>1,795,139</b>
Current Service Cost	89,613	41,984	5,600	2,000	95,213	43,984
Interest Expense	58,714	74,828	8,200	10,000	66,914	84,828
Contributions by scheme participants	12,223	11,884	1,500	1,700	13,723	13,584
Actuarial gains and losses - demographic assumptions	-12,227	-10,999	-3,600	-100	-15,827	-11,099
Actuarial gains and losses - financial assumptions	-785,201	-89,100	-101,800	-5,800	-887,001	-94,900
Experience gains and losses	122,947	50,233	4,500	0	127,447	50,233
Other actuarial gains and losses	0	0	332	-746	332	-746
Benefits Paid	-57,175	-68,277	-5,259	-5,787	-62,434	-74,064
Past Service Costs	1,028	22	0	0	1,028	22
(Gain) / Loss from settlements	0	-2,274	0	0	0	-2,274
Fire Fighters pension scheme top-up grant	0	0	-2,573	-1,267	-2,573	-1,267
<b>Closing balance at 31 March</b>	<b>1,583,339</b>	<b>1,591,640</b>	<b>211,800</b>	<b>211,800</b>	<b>1,795,139</b>	<b>1,803,440</b>

## Notes to the Statement of Accounts

The Fire-fighters' Pension Schemes and Teachers Added Years have no assets to cover liabilities. Assets in the Local Government Pension Scheme are valued at fair value, principally market value of investments. Cash contributions from other partners in the Pension Pool mean that the asset values in the County Council's accounts differ to those in the actuarial report. A reconciliation of the fair value of assets in the Local Government Pension Scheme is shown on the following table:

Assets at Fair Value	Local Government Pension Scheme (funded)	
	2022/23 £'000	2023/24 £'000
<b>Opening Balance at 1 April</b>	<b>1,575,205</b>	<b>1,504,556</b>
Revised Opening Balance	-8,936	0
<b>Revised Opening Balance as at 1 April</b>	<b>1,566,269</b>	<b>1,504,556</b>
Interest Income	42,211	71,057
Return on plan assets	-100,245	115,871
Other actuarial gains and losses	466	-3,052
Administration expenses	0	0
Employer Contributions	36,320	38,496
Contributions by scheme participants	12,223	11,884
Benefits Paid	-52,688	-63,800
Settlements received / (paid)	0	-1,214
<b>Closing balance at 31 March</b>	<b>1,504,556</b>	<b>1,673,798</b>

## Notes to the Statements of Accounts

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

Assets	At 31 March 2023			At 31 March 2024		
	£'000	£'000	%	£'000	£'000	%
<b>Equities</b>						
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%
<b>Debt Securities</b>						
UK Government	19,388			21,568		
Other	7,919			8,810		
		27,307	2%		30,378	2%
<b>Derivatives (quoted in an active market)</b>						
Foreign exchange	69			77		
		69	0%		77	0%
<b>Cash and cash equivalents</b>						
Cash	22,730			25,287		
		22,730	2%		25,287	2%
<b>Private Equity</b>						
All	70,624			78,568		
		70,624	5%		78,568	5%
<b>Investment Funds and Unit Trusts</b>						
Equities	839,771			934,233		
Infrastructure	51,869			57,704		
Bonds	96,269			107,098		
Other	395,917			440,453		
		1,381,827	92%		1,539,488	92%
<b>Total</b>		<b>1,504,556</b>	<b>100%</b>		<b>1,673,798</b>	<b>100%</b>



## 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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
<b>Longevity Assumptions:</b>								
Base Table (Explanation on next page)	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	S2NMA/S2NFA with a 110% multiplier	S2NMA/S2NFA with a 110% multiplier	Fund's Vita Curves	Fund's Vita Curves
<b>Men:</b>								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	22	21.9	22	21.9	25.9	25.8	22	21.9
Longevity from 65 (currently aged 45) (yrs)	22.8	22.6	22.8	22.6	27.3	27.2	22.8	22.6
<b>Women:</b>								
Rate of improvement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Longevity from 65 (currently aged 65) (yrs)	24.7	24.5	24.7	24.5	28.5	28.7	24.7	24.5
Longevity from 65 (currently aged 45) (yrs)	26	25.8	26	25.8	29.8	30	26	25.8
<b>Financial Assumptions:</b>								
Retail Price Index (RPI) increases	3.20%	3.10%	3.20%	3.10%	3.20%	3.10%	2.95%	3.10%
Consumer Price Index (CPI) increases	2.95%	2.75%	2.95%	2.75%	3.20%	3.10%	2.95%	2.75%
Rate of increases in salaries	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%
Rate of increases in pensions and deferred pensions	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%	2.95%	2.75%
Rate for discounting scheme liabilities	4.75%	4.85%	4.75%	4.85%	4.75%	4.85%	4.75%	4.85%

## 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	2%	135,400	10%	21,210
0.5% increase in Pension Increase Rate	4%	128,800	8%	16,930
0.5% increase in Salary Increase Rate	0%	9,155	1%	1,200
1 year increase in member life expectancy	2%	63,666	3%	6,350

### 18. Pension Reserve

The movements on the Pension Reserve are set out in the following table:

	2022/23	2023/24
	£'000	£'000
<b>Pension Reserve</b>		
<b>Balance as at 1 April</b>	<b>-901,096</b>	<b>-290,583</b>
Revision to Opening Balance	9,048	0
<b>Revised Balance as at 1 April</b>	<b>-892,048</b>	<b>-290,583</b>
Net charge made for retirement benefits in accordance with IAS19	-73,804	-8,390
Remeasurements of the new defined liability	675,270	169,331
<b>Balance as at 31 March</b>	<b>-290,583</b>	<b>-129,642</b>

## 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	2022/23 £'000	2023/24 £'000	Credited to Services	2022/23 £'000	2023/24 £'000
Department for Levelling Up, Housing and Communities	Business Rate Top Up Grant	40,546	39,976			
	Business Rate Reconciliation Grant	8,331	-	Improved Better Care Fund	10,705	10,705
	Business Rates Retention Levy Surplus	-	1,326			
	Section 31 Grant for Business Rate Compensation	-	19,098			
	New Homes Bonus	2,924	1,749	Homes for Ukraine Tariff Grant	23,247	1,787
	Expanded Troubled Families Scheme - PBR	1,031	-	Homes for Ukraine Sponsor Grant	2,580	2,286
	Domestic Abuse	1,144	1,167			
	Services Grant	4,960	2,910			
Department of Health and Social Care	Independent Living Fund Grant	3,454	-	Public Health Grant	32,569	33,632
	Adult Social Care Support Grant (inc. Independent Living Fund)	17,916	32,684	Market Sustainability and Improvement Fund - Workforce Fund	-	3,485
	Trailblazer Funding	1,184	-	Fair Cost of Care Fund	1,547	-
	Rough Sleeping Drug and Alcohol Grant	-	1,370	Market Sustainability and Improvement Fund	-	5,366
				Adult Social Care Discharge Fund	1,910	1,501
Department for Education	Supporting Families Grant	-	1,106	Dedicated Schools Grant	248,447	264,341
				Pupil Premium Grant	7,807	8,305
				PE and Sports Grant	2,268	2,216
				Universal Infant Free School Meals	3,889	4,046
				Adoption Support Fund	1,637	1,626
				Holidays & Activities Grant	1,367	1,894
				Teachers' Pay Additional Grant	-	1,430
				Delivering Better Value in SEND	-	1,000
				Early Years Supplementary Funding	-	2,978
Department for Transport			Supplementary Funding	3,550	4,285	
Department for Transport			Bus Reform	-	1,294	
Department for Culture, Media and Sport			Music Grant	843	866	
Home Office			Fire (additional pension contributions)	1,362	1,362	
Home Office			Asylum Seekers	5,599	7,028	
Various	Other Revenue Grants	3,594	4,212	Other Revenue Grants	9,025	8,739
Various	Capital Grants	129,837	83,957	Capital Grants	-	-
Various	Developer Contributions	8,097	24,524			
Various	Other Capital Contributions	26,224	9,157			
<b>Non Covid Grants</b>	<b>Total</b>	<b>249,242</b>	<b>223,236</b>	<b>Total</b>	<b>358,352</b>	<b>370,172</b>

## Notes to the Statement of Accounts

Grant issuing body	Credited to Taxation and Non-Specific Grant Income	2022/23	2023/24	Credited to Services	2022/23	2023/24
		£'000	£'000		£'000	£'000
Department for Levelling Up, Housing and Communities	Business Rates Relief Grant	13,512	-			
	COVID-19 Support Grant	-	-			
	Local Council Tax Support Grant	-546	-			
	Additional Section 31 Grant	-	-			
	Sales Fees & Charges Grant	-	-			
Department of Health and Social Care				Household Support Fund	6,845	3,351
				Infection Control Grants	54	-
				Workforce Recruitment & Retention Fund	38	-
Department for Education			Recovery Premium	1,195	1,111	
Various	Other Revenue Grants	917	-	Other Revenue Grants	1,364	343
<b>COVID Grants</b>	<b>Total</b>	<b>13,883</b>	<b>-</b>	<b>Total</b>	<b>9,496</b>	<b>4,805</b>
<b>All Grants</b>	<b>Total</b>	<b>263,125</b>	<b>223,236</b>	<b>Total</b>	<b>367,848</b>	<b>374,977</b>

### 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:

	2022/23	2023/24
Taxation & Non-Specific Grant Income	£'000	£'000
Council Tax Income	447,961	478,674
Non-Domestic Rates	29,389	36,024
Non Ringfenced Government Grants	99,583	105,598
Capital Grants and Contributions	164,158	117,638
<b>Total</b>	<b>741,091</b>	<b>737,934</b>

## Notes to the Statement of Accounts

### 21. Related Party Transactions

The County Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the County Council or to be controlled or influenced by the County Council. Disclosure of these transactions allows the reader of the accounts to assess the extent to which the County Council might have been constrained in its ability to operate independently or might have limited another party's ability to pursue its interests independently.

Central government is responsible for the statutory framework within which all local authorities operate and provides the majority of the Council's funding in the form of general and specific grants (as set out in Note 19).

#### Pension Fund

The County Council administers the Oxfordshire Pension Fund and this is a related party. During the year ended 31 March 2024, the County Council made employer contributions totalling £38.227m to the Fund. The County Council charged the Fund £1.682m for expenses incurred in administering the Fund. As at 31 March 2024 £4.289m was due to the Pension Fund and £0.187m by the Pension Fund.

#### Officers

No related parties

#### Elected Members

Councillor Roz Smith is a member of the Thames Valley Police & Crime Panel.

Three Councillors are trustees of Oxfordshire Buildings Trust. The Council paid £0.017m to the trust during 2023/24.

One Councillor is a trustee of Experience Oxfordshire and one Councillor resigned as trustee in October 2023. The Council paid £0.004m to the trust during 2023/24.

Two Councillors are trustees of The Ark-T Centre. The Council paid £0.017m to the trust during 2023/24.

One Councillor is a trustee of Headington Action. The Council paid £0.001m to the trust during 2023/24.

One Councillor is Chairman Oxford Community Action. The Council paid £0.003m to the trust during 2023/24.

One Councillor is a trustee of Wantage Literary Festival. The Council paid £0.001m to the trust during 2023/24.

One Councillor is a trustee of the Acer Trust. The Council paid £0.283m to the trust during 2023/24.

One Councillor is a trustee, and one Councillor is a director of Oxford Preservation Trust. The Council paid £300 to the trust during 2023/24.

One Councillor is a director and shareholder of Total Pest Control UK Ltd. The Council paid £0.029m to the company during 2023/24.

One Councillor is a Local Councillor on Islip Parish Council. The Council paid £0.009m to the Parish Council during 2023/24.

## Notes to the Statement of Accounts

### Cont. Elected Members

One Councillor is a Local Councillor on Kidlington Parish Council. The Council paid £0.002m to the Parish Council during 2023/24.

One Councillor is a Local Councillor on Didcot Town Council. The Council paid £0.005m to the Town Council during 2023/24.

Two Councillors are Local Councillors on Bicester Town Council. The Council paid £0.0001m to the Town Council during 2023/24.

One Councillor is a Local Councillor on Witney Town Council. The Council paid £0.001m to the Town Council during 2023/24.

One Councillor is a Local Councillor on Banbury Town Council. The Council paid £0.0002m to the Town Council during 2023/24.

One Councillor is a Local Councillor on Abingdon Town Council. The Council paid £0.015m to the Town Council during 2023/24.

One Councillor is a Local Councillor on Carterton Town Council. The Council paid £0.008m to the Town Council during 2023/24.

One Councillor is a Local Councillor on Thame Town Council. The Council paid £0.08m to the Town Council during 2023/24.

Thirty-One County Councillors were also District Councillors within 2023-24

### Commercial Relationships

The County Council incurred costs of £0.454m in 2023/24 for three interim directors and one interim programme manager contracted through Tile Hill Interim Executives.

The County Council incurred costs of £0.007m in 2023/24 for one interim strategic finance business partner contracted through Flexy Corporation.

The County Council incurred costs of £0.120m in 2023/24 for one interim finance business partner contracted through Flexy Corporation.

PricewaterhouseCoopers LLP have been contracted to support the County Council with its Transformation programme. In 2023/24 the Council paid PricewaterhouseCoopers LLP £1.575m.

## Notes to the Statement of Accounts

### 22. Movement in Property, Plant & Equipment (PPE)

2023/24	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation as at 1 April</b>	<b>522,923</b>	<b>37,886</b>	<b>5,086</b>	<b>121,781</b>	<b>687,676</b>	<b>47,715</b>
Additions	5,444	3,510	57	43,745	52,756	638
Donation	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	16,110	0	2,867	0	18,977	11,313
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-8,738	0	-192	0	-8,930	221
Derecognition - disposals	0	-79	0	0	-79	0
Derecognition - other	-11,110	0	0	-854	-11,964	-638
Assets reclassified to / from Held for Sale	0	0	-125	0	-125	0
Assets reclassified to / from Investment Property	0	0	0	0	0	0
Assets reclassified to / from Surplus assets and vehicles, plant and equipment	0	0	0	-521	-521	0
Transfers *	7,080	-2,638	-57	-28,493	-24,108	0
Other movements in cost or valuation	0	0	0	0	0	0
<b>Cost or valuation as at 31 March</b>	<b>531,709</b>	<b>38,679</b>	<b>7,636</b>	<b>135,658</b>	<b>713,682</b>	<b>59,249</b>
<b>Depreciation and impairment as at 1 April</b>	<b>-11,888</b>	<b>-20,772</b>	<b>-20</b>	<b>0</b>	<b>-32,679</b>	<b>-3,530</b>
Depreciation charge	-12,899	-4,132	-63	0	-17,094	-1,472
Depreciation and impairment written out to the Revaluation Reserve	8,031	0	8	0	8,039	3,751
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	4,010	0	45	0	4,055	735
Impairment losses / (reversals) recognised in the Revaluation Reserve	-1,015	0	0	0	-1,015	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-438	0	0	0	-438	0
Derecognition - disposals	0	53	0	0	53	0
Derecognition - other	499	-28	0	0	471	0
Assets reclassified to / from Held for Sale	0	0	1	0	1	0
Assets reclassified to / from Investment Properties	0	0	0	0	0	0
Transfers	-353	353	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
<b>Depreciation and impairment as at 31 March</b>	<b>-14,053</b>	<b>-24,526</b>	<b>-29</b>	<b>0</b>	<b>-38,607</b>	<b>-517</b>
<b>Net book Value at 31 March 2023</b>	<b>511,035</b>	<b>17,114</b>	<b>5,066</b>	<b>121,781</b>	<b>654,997</b>	<b>44,185</b>
<b>Net book Value at 31 March 2024</b>	<b>517,656</b>	<b>14,153</b>	<b>7,607</b>	<b>135,658</b>	<b>675,075</b>	<b>58,732</b>



## Notes to the Statement of Accounts

2022/23	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation as at 1 April</b>	<b>610,480</b>	<b>34,818</b>	<b>5,367</b>	<b>92,272</b>	<b>742,937</b>	<b>47,715</b>
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
Transfers *	2,090	79	-1,110	-14,260	-13,201	0
Other movements in cost or valuation	0	0	0	0	0	0
<b>Cost or valuation as at 31 March</b>	<b>522,923</b>	<b>37,886</b>	<b>5,086</b>	<b>121,781</b>	<b>687,676</b>	<b>47,715</b>
<b>Depreciation and Impairment as at 1 April</b>	<b>-19,200</b>	<b>-17,334</b>	<b>-26</b>	<b>0</b>	<b>-36,560</b>	<b>-2,265</b>
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
<b>Depreciation and impairment as at 31 March</b>	<b>-11,888</b>	<b>-20,772</b>	<b>-20</b>	<b>0</b>	<b>-32,680</b>	<b>-3,530</b>
<b>Net book Value at 31 March 2022</b>	<b>591,280</b>	<b>17,484</b>	<b>5,341</b>	<b>92,272</b>	<b>706,377</b>	<b>45,450</b>
<b>Net book Value at 31 March 2023</b>	<b>511,035</b>	<b>17,114</b>	<b>5,066</b>	<b>121,781</b>	<b>654,996</b>	<b>44,185</b>

## Notes to the Statement of Accounts

	2022/23 £'000	2023/24 £'000
<b>Infrastructure Assets</b>		
Net Book Value(modified historical cost) at 1 April	553,916	605,486
Additions	63,591	67,587
Transfers	13,201	24,108
Depreciation charge	-25,222	-27,843
<b>Net Book Value at 31 March</b>	<b>605,486</b>	<b>669,338</b>

	2022/23 £'000	2023/24 £'000
<b>Reconciliation to Balance Sheet</b>		
Infrastructure Assets	605,486	669,338
Other Property, Plant and Equipment	654,996	675,075
<b>Total Property, Plant and Equipment-per Balance Sheet</b>	<b>1,260,482</b>	<b>1,344,413</b>

### 23. Investment Properties

Investment Properties	2022/23		2023/24	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
<b>Opening Balance at 1 April</b>	<b>27,416</b>	<b>0</b>	<b>25,900</b>	<b>0</b>
Additions	4	0	0	0
Disposal/Derecognition	0	0	0	0
Net gain (+) / losses from fair value adjustments	1,002	0	-215	0
Assets reclassified to / from Investment Properties	-2,522	0	0	0
Other changes	0	0	0	0
<b>Closing balance at 31 March</b>	<b>25,900</b>	<b>0</b>	<b>25,685</b>	<b>0</b>

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 2024 £'000	Additional Information for level 3 properties Valuation technique	Unobservable inputs	Range (weighted average used)	Sensitivity
Agricultural units & other level 2 assets	2	18,314				
Office units	3	560	Income approach using an all risks discount rate to asses capital value	Discount Rate	8% - 11% (10%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
Commercial units	3	6,812	Income approach using an all risks discount rate to asses capital value	Discount Rate	5% - 6% (5%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
		<b>25,685</b>				

The movement for investment properties categorised at level 3 in the hierarchy as follows:

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

Level 3	2022/23 £'000	2023/24 £'000
Balance at 1 April	7,926	7,532
Net gains (+) / losses (-) from fair value adjustments	1,147	-161
Disposals/de-recognition	0	0
Assets reclassified to / from Investment Properties	-1,541	0
Additions	0	0
	<b>7,532</b>	<b>7,372</b>

## Notes to the Statement of Accounts

### 24. Assets Held for Sale

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>1,489</b>	<b>1,470</b>
<b>Assets newly classified as held for sale:</b>		
Property, Plant and Equipment	0	124
Investment property	1,470	0
Revaluation gains / (losses)	0	0
Impairment losses	0	0
<b>Assets declassified as held for sale:</b>		
Property, Plant and Equipment	0	0
Assets derecognised	-1,489	-1,470
Additions	0	0
<b>Balance at 31 March</b>	<b>1,470</b>	<b>124</b>

### 25. Intangible Assets

	2022/23 £'000	2023/24 £'000
<b>Gross Carrying value at 1 April</b>	<b>2,169</b>	<b>2,641</b>
Additions	0	137
Transfers from Assets Under Construction	472	701
Derecognition	0	0
<b>Gross Carrying value at 31 March</b>	<b>2,641</b>	<b>3,479</b>
<b>Amortisation and Impairment at 1 April</b>	<b>-1,351</b>	<b>-1,556</b>
Amortisation for the year	-205	-464
Derecognition	0	0
<b>Amortisation and Impairment at 31 March</b>	<b>-1,556</b>	<b>-2,020</b>
<b>Net Book Value at 1 April</b>	<b>818</b>	<b>1,085</b>
<b>Net Book Value at 31 March</b>	<b>1,085</b>	<b>1,459</b>

### 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

## Notes to the Statement of Accounts

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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 thirteen homes have been closed. The Oxfordshire Care Partnership also operate the new Chilterns Court Care Centre built by the County Council, which was completed in 2016/17 and replaces the former care home in Henley. Under the Code, the County Council is required to recognise homes that meet tests in respect of control of services and control of the residual interest in property on its Balance Sheet. All homes under the contract are included on the County Council's Balance Sheet, with exception of one home that does not meet the control tests specified in the Code. At the end of the contract, all properties currently on the Balance Sheet revert to County Council ownership.

The council's original 25-year agreement with Oxfordshire Care Partnership will end in 2026/27, however The Oxfordshire Care Partnership will continue to operate the homes until the end of 2031/32. There is no requirement for the County Council to purchase a set number or value of beds during the years 2027/28 to 2031/32 other than the obligation of both parties to maintain existing placements as at 31 March 2028. It has not yet been agreed on what basis any beds will be purchased after 31 March 2027.

## 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:

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>16,390</b>	<b>15,735</b>
Liability repaid in the year	-655	-740
<b>Balance at 31 March</b>	<b>15,735</b>	<b>14,996</b>

Details of payments due to be made under the service concession arrangement are as follows, with comparative figures for 2023/24 below.

	Service Costs £'000	Principal Repayments £'000	Interest Costs £'000	Lifecycle Replacement Payments £'000	Total £'000
2023/24 Within 1 year	21,655	836	1,974	1,083	<b>25,547</b>
2023/24 2-5 years	94,313	14,161	3,608	2,297	<b>114,379</b>
<b>Total</b>	<b>115,968</b>	<b>14,997</b>	<b>5,581</b>	<b>3,380</b>	<b>139,926</b>
2022/23 Within 1 year	20,655	740	2,070	1,041	<b>24,505</b>
2022/23 2-5 years	85,062	14,997	5,581	3,380	<b>109,020</b>
<b>Total</b>	<b>105,717</b>	<b>15,736</b>	<b>7,651</b>	<b>4,421</b>	<b>133,525</b>

The service concession arrangement forms part of the finance liability recorded on the Balance Sheet, together with finance leases and forward deals on investments. A reconciliation of the service concession liability to the total finance liability is as follows:

	Long-Term		Current	
	At 31 March 2023 £'000	At 31 March 2024 £'000	At 31 March 2023 £'000	At 31 March 2024 £'000
Service Concession Arrangement	14,997	14,161	740	836
Finance Leases	0	0	0	0
<b>Total Finance Liability</b>	<b>14,997</b>	<b>14,161</b>	<b>740</b>	<b>836</b>

## Notes to the Statement of Accounts

### 29. Capital Spending

Details of the expenditure are set out in the tables below.

<b>Capital Spending by Scheme</b>	<b>2023/24 £'000</b>
ED955 St Edburg's - Exp to 3 Forms of Entry	11,347
Woodstock Expansion to 2 Forms of Entry	2,546
ED954 Lord Willaims 1 Forms of Entry Expansion	2,345
ED933 Blessed George Napier	2,965
ED929 NE Didcot Sires Hill - New Primary	4,153
ED945 Shrivenham - New Primary (relocated)	5,805
Programmes & Projects <£1m	7,628
<b>Pupil Place Plan</b>	<b>36,789</b>
Kennington Bridge - Replacement	3,644
ZEBRA Zero Emission Bus Reg Areas	8,641
North Oxford Corridor - Kidlington	1,278
Banbury Tramway Rd accessibility imp	1,049
A4095-B4100 Roundabout NW Bicester	2,420
Access to Witney (Shore Green)	1,523
North Oxford Corridor A44 Corr imp Peartree-Cassington Growth Deal	8,934
Wantage Eastern Link Rd (Growth Deal)	4,166
Watlington Relief Rd (Growth Deal)	1,747
Benson Relief Rd	1,147
Highways Infrastructure 2 A40 Westbound bus lane	2,544
Highways Infrastructure 1 Clifton Hampden bypass	1,074
Highways Infrastructure 1 Culham river crossing	3,633
A40 Science Transit (project derivatives)	12,726
Programmes & Projects <£1m	7,185
<b>Major Infrastructure</b>	<b>61,711</b>
20mph Speed Limit	1,626
Accessibility and Rd Safety Schemes project	1,407
Carriageways Prog Budget	10,474
Footway and Cycleway Works Prog Budget	2,329
Surface Treatments Prog Budget	7,162
Structural Highway Improvement Prog Budget	5,829
Drainage Improvements Prog Budget	2,095
Street Light LED replacement	10,859
Bridges Packaged Structural Maintenance	3,199
Programmes & Projects <£1m	8,235
<b>Highways Asset Management Plan</b>	<b>53,217</b>
Green Homes Grant	1,768
Oathill, Enstone Children's Home	1,057
Aston Children's Home (ED932)	1,567
Programmes & Projects <£1m	5,244
<b>Property and Investment</b>	<b>9,636</b>
Rural Gigabit Connectivity Hub Sites	1,972
End User Computing Refresh	1,144
Programmes & Projects <£1m	1,746
<b>ICT Strategy</b>	<b>4,862</b>
Better Care Funding Disabled Facilities Grant	7,240
Programmes & Projects <£1m	1,446
<b>Passport Funding</b>	<b>8,686</b>
Capitalised purchase of vehicles	471
Capitalised purchase of Equipment	553
<b>Vehicles and Equipment</b>	<b>1,024</b>
<b>Total Capital Spending</b>	<b>175,924</b>



## Notes to the Statement of Accounts

<b>Capital Spending by Asset Class</b>	<b>2023/24</b>
	<b>£'000</b>
Property, Plant and Equipment	119,705
Intangible Assets	317
Revenue Expenditure Funded from Capital under Statute	55,902
Capital Loans	0
Repayment of capital grants and contributions	0
<b>Total Capital Spending</b>	<b>175,924</b>

### 30. Capital Financing

The capital expenditure has been financed from the following sources:

<b>Capital Financing</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Prudential and other unsupported borrowing	41,704	59,845
Capital Receipts	0	0
Grants & Contributions	127,879	113,863
Revenue	2,577	2,216
<b>Total</b>	<b>172,160</b>	<b>175,924</b>

### 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:

<b>Capital Financing</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Capital Financing Requirement as at 1 April</b>	<b>390,556</b>	<b>420,867</b>
New unsupported borrowing	41,704	59,845
Service Concession arrangements - lifecycle prepayments	1,001	1,041
Loan repayments and other adjustments	0	-89
Minimum Revenue Provision for the year	-12,394	-14,238
<b>Increase (+) / decrease (-) in Capital Financing Requirement</b>	<b>30,311</b>	<b>46,559</b>
<b>Capital Financing Requirement at 31 March</b>	<b>420,867</b>	<b>467,426</b>

## Notes to the Statement of Accounts

### 32. Capital Commitments

As at 31 March 2024 the Council was contractually committed to £66.444m (£47.205m as at 31 March 2023) on the following schemes:

<b>Capital Commitments by Scheme</b>	<b>£'000</b>
<b>Pupil Places</b>	
Shrivenham - 1.5 Forms of Entry Primary School (ED945)	1,359
ED892 Relocate Oxford Hospital Sch	684
NE Didcot, Sires Hill - 2 Forms of Entry Primary Schol (ED929)	982
BGN – 2 Forms of Entry Expansion (ED933)	835
Woodstock Expansion to 2FE	610
St Edburg's Primary School - Expansion to 3FE (ED955)	892
Grove Airfield - Secondary School (ED965)	22,997
SEND Free School - Faringdon (ED985)	1,114
Bloxham Grove SEND Free School (ED986)	533
Below £500k	2,859
	<b>32,865</b>
<b>Major Infrastructure and Highways</b>	
Highways Infrastructure 1 Culham river crossing	3,227
Highways Infrastructure 1 Clifton Hampden bypass	2,049
Highways Infrastructure 2 A40 Westbound bus lane	644
Highways Infrastructure 2 A40 dualing Witney Eynsham	1,900
Benson Relief Rd (Growth Deal)	3,339
Wantage Eastern Link Rd (Growth Deal)	1,791
Accessibility and Rd Safety projects	580
A4095-B4100 Roundabout NW Bicester	6,332
North Oxford Corridor - Kidlington	1,910
USVF Road Safety - RAF Barford	1,020
Kennington Bridge - Replacement	882
Below £500k	6,078
	<b>29,752</b>
<b>Property and Investments</b>	
Below £0.5m	2,237
	<b>2,237</b>
<b>ICT &amp; Passported Funding</b>	
ICT - End User	656
Below £500k	934
	<b>1,590</b>
<b>Total Capital Commitments</b>	<b>66,444</b>

### 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 March	At 31 March	At 31 March	At 31 March
	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
Financial assets at Amortised Cost	74,879	40,158	426,035	449,206
Financial assets at fair value through profit and loss	0	0	113,796	137,466
<b>Total Financial assets</b>	<b>74,879</b>	<b>40,158</b>	<b>539,831</b>	<b>586,672</b>
Financial Liabilities at amortised cost	289,379	280,544	106,871	97,287
<b>Total Financial Liabilities</b>	<b>289,379</b>	<b>280,544</b>	<b>106,871</b>	<b>97,287</b>

Statutory debtors and creditors, receipts in advance and the capital prepayment account are not considered to be financial instruments and are therefore excluded from the above carrying values.

The County Council has not pledged any collateral for liabilities or contingent liabilities and, as at 31 March 2024, there were no defaults or breaches relating to loans payable.

### 34. Financial Instrument Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets classified as assets at fair value through profit and loss and all derivative assets and liabilities are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. Financial assets at amortised cost and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of “Lender’s Option Borrower’s Option” (LOBO) loans have been increased by the value of the embedded options. Lenders’ options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31<sup>st</sup> 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 2023 £'000	Fair Value At 31 March 2023 £'000	Balance Sheet At 31 March 2024 £'000	Fair Value At 31 March 2024 £'000
<b>Financial liabilities held at amortised cost:</b>					
Long-term loans from PWLB*	2	246,573	245,478	244,834	245,478
Long-term LOBO/money market loans*	2	30,442	26,222	25,344	26,222
Short-term LOBO/money market loans*	2	20,466	18,549	15,455	18,549
Finance lease payables and service concession liabilities	3	15,736	740	14,997	836
<b>Total</b>		<b>313,217</b>	<b>290,989</b>	<b>300,630</b>	<b>291,085</b>
Liabilities for which fair value is not disclosed **		83,033		86,408	77,201
<b>Total Financial Liabilities</b>		<b>396,250</b>		<b>377,831</b>	
<b>Recorded on balance sheet as:</b>					
Short-term creditors		70,781		74,155	
Short-term borrowing		35,351		22,296	
Short-term finance liabilities		740		836	
Long-term borrowing		274,383		266,383	
Long-term finance liabilities		14,997		14,161	
<b>Total Financial Liabilities</b>		<b>396,252</b>		<b>377,831</b>	

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date. Similarly the discount rate implied in the service concession arrangement and finance leases is higher than the rates available for new borrowing at the Balance Sheet date.

## Notes to the Statement of Accounts

Financial Assets	Fair Value Level	Balance Sheet At 31 March 2023 £'000	Fair Value At 31 March 2023 £'000	Balance Sheet At 31 March 2024 £'000	Fair Value At 31 March 2024 £'000
<b>Financial assets held at fair value:</b>					
Money market funds	1	18,438	18,438	39,660	39,660
Bond, equity and property funds	1	95,358	95,358	97,806	97,806
<b>Financial assets held at amortised cost:</b>					
Long-term loans to local authorities*	2	70,112	88,430	35,546	34,972
Long-term debtors	3	5,179	5,179	5,158	5,158
<b>Total</b>		<b>189,087</b>	<b>207,405</b>	<b>178,170</b>	<b>177,596</b>
Assets for which fair value is not disclosed **		425,623		448,660	
<b>Total Financial Assets</b>		<b>614,710</b>		<b>626,830</b>	
<b>Recorded on balance sheet as:</b>					
Long-term debtors		5,179		5,158	
Long-term investments		69,700		35,000	
Short-term debtors		59,060		80,471	
Short-term investments		463,908		471,254	
Cash and cash equivalents		16,865		34,947	
<b>Total Financial Assets</b>		<b>614,712</b>		<b>626,830</b>	

\* 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.

## Notes to the Statement of Accounts

### 35. Long Term Debtors

An analysis of long-term debtors is set out as follows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Key Worker Loans	226	226
Chronically Sick and Disabled Persons Act loans	1,532	1,272
Children's Act: Loans to foster carers	547	515
Other	2,874	3,145
	<b>5,179</b>	<b>5,158</b>
Capital Prepayment Account	5,742	6,144
<b>Total</b>	<b>10,921</b>	<b>11,302</b>

Key Worker loans, Chronically Sick & Disabled Persons Act loans and Children's Act loans to foster carers are soft loans in that they are contracted at interest rates below market rates (zero in most cases).

The Capital Prepayment Account holds prepayments for lifecycle replacement costs relating to the service concession arrangement. As lifecycle replacements actually take place the value of the works is transferred to Property, Plant and Equipment in 2023/24 is £0.638m (£1.000m was transferred in 2022/23). For one property that the County Council has control over the residual interest but not control over the services (and therefore does not meet the tests of a service concession arrangement), the account also holds an amount for the excess of the expected fair value of the property at the end of the arrangement over the amount the County Council is required to pay upon reversion. This is built up from payments made by the County Council over the life of the arrangement.

### 36. Debtors

Amounts falling due to the County Council in less than a year are set out as follows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Government Departments	24,278	18,351
Other Local Authorities	22,342	16,788
Health Authorities	19,379	25,545
Payments in Advance	24,098	18,359
Bodies external to general government (i.e. all other bodies)	78,877	86,167
	<b>168,974</b>	<b>165,210</b>
Less Impairment Allowance Account	-23,120	-24,066
<b>Total</b>	<b>145,854</b>	<b>141,144</b>

## Notes to the Statement of Accounts

Under the arrangements for accounting for financial instruments, all financial assets are assessed for impairment. The Code permits the reduction in the carrying amount of financial assets to be held within an allowance account rather than adjusting the value of the financial asset directly. The movement in the debtor impairment allowance account is as follows:

Impairment Allowance	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>-20,038</b>	<b>-23,120</b>
Decrease in allowance	-764	688
Increase in allowance	-2,319	-1,634
<b>Balance at 31 March</b>	<b>-23,121</b>	<b>-24,066</b>

### 37. Cash and Cash Equivalents

Cash and cash equivalents comprise the amount of cash balances held at the bank and in County Council establishments (excluding monies held on behalf of third parties), balances held in call accounts and monies held in Money Market Funds.

An analysis of cash and cash equivalents held by the County Council shows:

	At 31 March 2023 £'000	At 31 March 2024 £'000
Cash at bank and in hand(+)/Overdrawn (-)	-1,589	-4,729
Call Accounts	15	15
Money Market Funds	18,438	39,660
<b>Total</b>	<b>16,864</b>	<b>34,946</b>

### 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 2023		At 31 March 2024	
		Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
<b>Corporate Debtors:</b>					
Trade receivables under £10k after 120 days	60%	409	227	409	228
		<b>409</b>	<b>227</b>	<b>409</b>	<b>228</b>
<b>Adult Social Care debtors:</b>					
Debtors with an account balance under £20k after 6 months	50% of total customer balance	4,392	2,473	4,823	2,722
		<b>4,392</b>	<b>2,473</b>	<b>4,823</b>	<b>2,722</b>
<b>Total</b>		<b>4,801</b>	<b>2,700</b>	<b>5,232</b>	<b>2,950</b>

The following receivables are individually assessed for impairment:

The following receivables are individually assessed for impairment:	At 31 March 2023		At 31 March 2024	
	Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
<b>Corporate Debtors:</b>				
Individuals and sole traders - all debts over £10k after 120 days	413	227	573	237
Organisations - all debts over £10k after 120 days	277	223	412	202
	<b>690</b>	<b>450</b>	<b>985</b>	<b>439</b>
<b>Adult Social Care debtors:</b>				
Adult social care debtors with an account balance over £20k after 6 months	3,568	2,255	4,823	2,722
	<b>3,568</b>	<b>2,255</b>	<b>4,823</b>	<b>2,722</b>
<b>Total</b>	<b>4,258</b>	<b>2,705</b>	<b>5,808</b>	<b>3,161</b>

## Notes to the Statement of Accounts

The next table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2024 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment. The table includes money market funds and call accounts classed as cash and cash equivalents at 31 March 2024.

Aged Debtors	At 31 March 2023 £000	At 31 March 2024 £000
Less than 1 month	13,861	18,687
Between 1 and 3 months	3,344	5,090
Between 3 and 6 months	4,418	4,812
Between 6 month and 1 year	2,787	3,654
Between 1 and 3 years	7,320	8,495
Over 3 years	3,378	3,615
<b>Total</b>	<b>35,110</b>	<b>44,354</b>

Counterparty	Credit Rating Criteria Met when Investment Placed? YES / NO	Credit Rating Criteria Met on 31 March 2024? YES / NO	Balance Invested as at 31 March 2024						Total £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	
			£000	£000	£000	£000	£000	£000	
<b>Banks</b>									
UK	Yes	Yes							0
<b>Banks non-UK</b>									
Australia	Yes	Yes							0
Netherlands	Yes	Yes							0
Singapore	Yes	Yes							0
<b>Total Banks</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Local Authorities and Police Authorities	Yes	Yes	38,700	70,000	110,000	146,000	25,000	10,000	<b>399,700</b>
Notice Accounts			0						0
Bond Funds	Yes	Yes	74,914						<b>74,914</b>
Property Funds	Yes	Yes	22,892						<b>22,892</b>
Money Market Funds	Yes	Yes	39,660						<b>39,660</b>
Call Accounts	Yes	Yes	15						<b>15</b>
<b>Total</b>			<b>176,181</b>	<b>70,000</b>	<b>110,000</b>	<b>146,000</b>	<b>25,000</b>	<b>10,000</b>	<b>537,181</b>

## Notes to the Statement of Accounts

The analysis below shows that all deposits outstanding as at 31 March 2024 met the County Council's credit rating criteria at that date.

Within the £176.181m short-term debtors included in financial assets at amortised cost, £38.700m were past due at 31 March 2023 (£37.990m at 31 March 2023). The past due amount can be analysed by age as follows:

None of these past-due short-term debtors have been individually impaired. An impairment allowance of £1.634m has been provided for past due debtors that are financial instruments based on past and current experience (£2.319m at 31 March 2023). This is the County Council's estimate of maximum exposure to uncollectable debts. £24.066m of the debtor impairment allowance is based on collective assessments of debtors with similar characteristics. Individual impairment allowances have been provided for monies owed from a home support provider that went into liquidation (£0.288m) and for overdue library fines (£0.135m). The past due debtors analysis and impairment allowance quoted above exclude those for statutory debtors as these are not considered to be financial instruments.

The key worker, Chronically Sick and Disabled Persons Act and Children's Act loans are long term debtors and are secured on property.

### Liquidity Risk

As the County Council has access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the County Council may be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to spread the maturity dates of fixed debt so that a significant proportion of the portfolio does not mature in any one year.

The maturity analysis of borrowing and financial liabilities is as follows:

Amount at 31 March 2023		Amount at 31 March 2024			Total £000
£000		Fixed Rate £000	Variable Rate £000	Other Finance Liabilities £000	
36,092	Less than 1 year	17,566	16,654	836	35,056
8,836	Between 1 and 2 years	12,909	5,689	944	19,542
91,161	Between 2 and 5 years	94,861	15,639	13,217	123,717
85,383	Between 5 and 10 years	117,139	0	-	117,139
104,000	More than 10 years	151,176	0	0	151,176
<b>325,472</b>		<b>393,651</b>	<b>37,982</b>	<b>14,997</b>	<b>446,630</b>

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:

## Notes to the Statement of Accounts

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the long-term borrowings will fall
- Investments at variable rates – the variation in the interest income credited to the Surplus or Deficit on the Provision of Services will be dependent upon the nature and proportion of structured products
- Investments at fixed rates – the fair value of the long-term assets will fall

The County Council has a number of strategies for managing interest rate risk. For example, use of Lender’s Option Borrowers Option (LOBO) loans is restricted to 20% of the debt portfolio.

In response to the environment of increasing interest rates, the Council sets fixed and variable rate interest rate exposure limits through its Treasury Management Strategy. These are designed to ensure that the County Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Treasury Management Strategy Team regularly review the debt and investment portfolios and the impact of interest rate changes on the annual budget.

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

2022/23 £'000		2023/24 £'000
0	Increase in interest payable on new borrowings	0
0	Increase in interest receivable on variable and structured investments	0
-2,251	Increase in interest receivable on new fixed rate investments	-1,915
-405	Increase in the gain arising from the revaluation of available for sale assets	-27
<b>-2,656</b>	<b>Impact on CIES</b>	<b>-1,942</b>

If the return on investments had been 1% lower, with all other variables held constant, the financial effect would be as follows:

2022/23 £'000		2023/24 £'000
0	Decrease in interest payable on new borrowings	0
0	Decrease in interest receivable on variable and structured investments	0
2,229	Decrease in interest receivable on new fixed rate investments	1,915
385	Decrease in the gain arising from the revaluation of available for sale assets	27
<b>2,614</b>	<b>Impact on CIES</b>	<b>1,942</b>

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.

## Notes to the Statement of Accounts

### Price Risk

The County Council does not generally invest in equity shares but does have investments in externally managed pooled funds which may invest in instruments sensitive to price movements. The fund managers monitor price fluctuations and have strategies for limiting the impact of adverse price movements of underlying investments within the pooled funds.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31 March 2024 would result in a £1.2m (31 March 2023: £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 2024 would result in a £3.8m (31 March 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 2023 £'000	At 31 March 2024 £'000
<b>Receipts in Advance</b>		
Government Departments	5,145	7,019
Other Local Authorities	1,431	1,579
Health Authorities	18	50
Bodies external to general government (i.e. all other bodies)	9,546	7,165
	<b>16,140</b>	<b>15,813</b>
<b>Creditors</b>		
Government Departments	10,510	9,252
Other Local Authorities	8,422	8,042
Health Authorities	4,298	8,919
Bodies external to general government (i.e. all other bodies)	74,631	78,941
	<b>97,861</b>	<b>105,154</b>
<b>Short Term Creditors and RIA</b>	<b>114,001</b>	<b>120,967</b>
<b>Long Term Receipts in Advance</b>	<b>30,030</b>	<b>34,942</b>
<b>Total</b>	<b>144,031</b>	<b>155,909</b>

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

A breakdown of the items within the Provisions category on the Balance Sheet is set out below, analysed between those due within 1 year and those due after 1 year, together with the movements for the year is as follows:

	Balance at 31 March 2023 £'000	Reclassification between short and long term £'000	Additional provisions made in 2023/24 £'000	Amounts used in 2023/24 £'000	Unused amounts reversed in 2023/24 £'000	Balance at 31 March 2024 £'000
<b>Provision due within 1 year</b>						
Insurance	970	1,045	990	-846	-1,028	705
Pooled Budgets	0	0	0	0	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	80	0	125	-3	0	202
Business Rates	3,469	0	4,280	0	-3,469	4,280
Other	0	0	0	0	0	0
	<b>4,519</b>	<b>1,045</b>	<b>5,395</b>	<b>-849</b>	<b>-4,497</b>	<b>5,187</b>
<b>Provision due after 1 year</b>						
Insurance	2,197	-1,045	3,175	-315	-50	4,389
	<b>2,197</b>	<b>-1,045</b>	<b>3,175</b>	<b>-315</b>	<b>-50</b>	<b>4,389</b>
<b>Total</b>	<b>6,716</b>	<b>0</b>	<b>8,570</b>	<b>-1,164</b>	<b>-4,547</b>	<b>9,576</b>

	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
<b>Provision due within 1 year</b>						
Insurance	957	1,736	776	-850	-1,648	970
Pooled Budgets	1,850	0	0	-1,850	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	130	0	13	-7	-55	80
Business Rates	4,456	0	3,469	0	-4,456	3,469
Joint Use	0	0	0	0	0	0
	<b>7,393</b>	<b>1,736</b>	<b>4,258</b>	<b>-2,707</b>	<b>-6,159</b>	<b>4,519</b>
<b>Provision due after 1 year</b>						
Insurance	3,741	-1,736	860	99	-768	2,197
	<b>3,741</b>	<b>-1,736</b>	<b>860</b>	<b>99</b>	<b>-768</b>	<b>2,197</b>
<b>Total</b>	<b>11,134</b>	<b>0</b>	<b>5,118</b>	<b>-2,608</b>	<b>-6,927</b>	<b>6,716</b>

Details of the provisions held at 31 March 2024 are as follows:

- Insurance claims are managed by the County Council's Insurance Team, working with external insurers and legal advisors to achieve a satisfactory outcome. The time required to settle these claims will depend upon the complexity of each case and the approach adopted by each claimant, but the expectation is that the majority of these cases will be settled within 18 months to two years. In a small number of cases where the final liability is dependent on a long-term medical prognosis, the claim may take longer to settle to ensure all the medical facts are known.
- The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore as at 31 March 2024 the Council has a potential liability of £3.621m remaining on previously settled claims, plus the value of any outstanding and future claims.
- Under the Business Rates Retention Scheme the County Council is required to account for its share of the billing authorities' provision for appeals on business rates valuations.

### **41. Deferred Income**

The deferred income balance of £2.518m at 31 March 2024 (£3.349m at 31 March 2023) relates to lease premiums received under the service concession arrangement with Oxfordshire Care Partnership and in relation to two other leases, which are being released to the Comprehensive Income and Expenditure Statement over the lives of the arrangements.

### **42. County Fund Balance**

The balance on the County Fund at 31 March 2024 was £41.949m (£22.642m at 31 March 2023) as shown in Movement in Reserves Statement.

### **43. Capital Grants Receipts in Advance**

The balance on this account represents capital grants and contributions which have been received but not yet recognised as income as they have conditions attached to them that require the monies to be returned to the provider if not used for the purposes specified. The movement on the account, split between short term and long term is as follows:



## Notes to the Statement of Accounts

2022/23				2023/24				
Capital Grants	Developer Contributions	Other Contributions	Total	Capital Grants	Developer Contributions	Other Contributions	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
				<b>Short Term:</b>				
<b>15,218</b>	<b>5,272</b>	<b>0</b>	<b>20,490</b>	<b>Balance as at 1 April</b>	<b>10,344</b>	<b>5,397</b>	<b>0</b>	<b>15,741</b>
7,352	6,290	0	<b>13,642</b>	Received/refunded during the year	8,360	-4,652	0	3,708
-13,026	-20,121	0	<b>-33,147</b>	Transferred to the Comprehensive Income and Expenditure Statement during the year	-3,515	-27,029	0	-30,544
800	13,956	0	<b>14,756</b>	Transfer between short and long term	0	14,229	0	14,229
<b>10,344</b>	<b>5,397</b>	<b>0</b>	<b>15,741</b>	<b>Balance at 31 March</b>	<b>15,189</b>	<b>-12,055</b>	<b>0</b>	<b>3,134</b>
				<b>Long Term:</b>				
<b>800</b>	<b>158,762</b>	<b>65</b>	<b>159,627</b>	<b>Balance as at 1 April</b>	<b>500</b>	<b>169,965</b>	<b>65</b>	<b>170,530</b>
500	35,002	0	35,502	Received/refunded during the year	0	45,633	0	45,633
0	-13,162	0	<b>-13,162</b>	Transferred to Capital grants unapplied	0	861	0	861
0	3,319	0	<b>3,319</b>	Interest	0	4,958	0	4,958
-800	-13,956	0	<b>-14,756</b>	Transfer between short and long term	0	-14,229	0	-14,229
<b>500</b>	<b>169,965</b>	<b>65</b>	<b>170,530</b>	<b>Balance at 31 March</b>	<b>500</b>	<b>207,188</b>	<b>65</b>	<b>207,753</b>
<b>10,844</b>	<b>175,362</b>	<b>65</b>	<b>186,271</b>	<b>Total Balance at 31 March</b>	<b>15,689</b>	<b>195,133</b>	<b>65</b>	<b>210,887</b>

## Notes to the Statement of Accounts

### 44. Earmarked Reserves

	Balance at 31 March 2022 £'000	In year movement 2022/23 £'000	Balance at 31 March 2023 £'000	In year movement 2023/24 £'000	Balance at 31 March 2024 £'000
School Reserves	14,518	-1,591	12,927	215	13,142
Vehicle and Equipment Reserve	2,681	767	3,448	663	4,111
Revenue Grants and Contribution Reserve	24,691	12,158	36,849	-3,291	33,558
Government Initiatives	3,449	-1,103	2,345	808	3,153
Trading Accounts	460	-249	211	-132	79
Council Elections	189	195	384	188	571
Partnership Reserves	2,397	-528	1,870	184	2,053
On Streetcar Parking	3,970	975	4,945	1,560	6,506
Zero Emissions Zone Reserve	0	503	503	698	1,201
Transformation Reserve	2,187	-716	1,470	365	1,835
Demographic Risk Reserve	9,000	4,000	13,000	4,000	17,000
Youth Provision Reserve	262	0	262	-240	22
Budget Prioritisation Reserve	18,534	-7,104	11,430	-683	10,747
Insurance Reserve	11,726	1,159	12,884	-2,597	10,287
Business Rates Reserve	4,130	5,354	9,484	2,180	11,664
Capital Reserve	47,840	20,390	68,230	12,834	81,064
Redundancy Reserve	3,283	-926	2,357	1	2,358
Investment Prime Pumping Reserve	2,000	0	2,000	-1,880	120
Council Tax Collection Fund Reserve	6,000	-3,000	3,000	0	3,000
Covid-19 Reserve	26,247	-10,847	15,400	-7,500	7,900
<b>Total Earmarked Reserves</b>	<b>183,562</b>	<b>19,436</b>	<b>202,998</b>	<b>7,372</b>	<b>210,370</b>

### School Reserves

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These reserves are committed to be spent on schools. The following table provides an analysis of school surplus and deficits:

	Balance at 31 March 2023		Balance at 31 March 2024	
	No. of schools	Balance £'000	No. of schools	Balance £'000
<b>Primary Schools</b>				
Schools in surplus	113	13,557	109	14,570
Schools in deficit	16	-1,269	20	-1,572
<b>Secondary Schools</b>				
Schools in surplus	0	0	0	0
Schools in deficit	1	-1,142	1	-1,108
<b>Special Schools</b>				
Schools in surplus	4	1,784	3	1,393
Schools in deficit	0	0	1	-142
<b>Sub-Total Revenue</b>	<b>134</b>	<b>12,929</b>	<b>134</b>	<b>13,142</b>
Closed schools and schools contingency		0		0
Schools Forum & miscellaneous activities		0		0
<b>Total</b>	<b>134</b>	<b>12,929</b>	<b>134</b>	<b>13,142</b>

## 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 2024 at £1.924m. In addition to these claims the actuaries have also highlighted an amount in respect of Municipal Mutual Insurance Plc (MMI) clawback and non-standard claims (for example exceptional and latent claims) which in total has been assessed at £1.740m. The sum of £0.581m has been included in the reserves to cover MMI clawback noted as a contingent liability.

	At 31 March 2023 £'000	At 31 March 2024 £'000
Standard claims likely to be received as at 31 March	1,884	1,924
Additional Incurred but not reported/Latent claims as assessed by Actuarial review	1,786	1,740
Municipal Mutual Insurance clawback as assessed by actuarial review	544	581
Risk management	8,671	6,042
<b>Total</b>	<b>12,885</b>	<b>10,287</b>

### 45. Usable Capital Receipts

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>30,103</b>	<b>31,672</b>
Net receipts from sale of assets	1,582	1,437
Net receipts from repayment of loans	0	0
Receipts applied to finance capital expenditure	-13	-33
<b>Balance at 31 March</b>	<b>31,672</b>	<b>33,076</b>

This reserve has been established for the purpose of financing capital expenditure in future years. Unutilised capital receipts at 31 March 2024 have been earmarked for future schemes. An analysis of the net capital receipts from the sale of assets is set out in the following table:

	2022/23 £'000	2023/24 £'000
<b>Net Capital Receipts from the sale of assets</b>		
Other receipts from the sale of assets under £500,000	0	23
<b>Total</b>	<b>0</b>	<b>23</b>

### 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

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>181,120</b>	<b>218,358</b>
Applied during the year	-63,890	-42,872
Repaid during the year	-107	-25
Interest	1,265	1,943
Recognised as income but not applied during the year	96,496	45,402
Transfers from Capital grants received in advance	3,474	-861
<b>Balance at 31 March</b>	<b>218,358</b>	<b>221,945</b>

### 47. Unusable Reserves

A breakdown of reserves within the unusable reserves category on the Balance Sheet is set out in the following table.

<b>Unusable Reserves</b>	2022/23 £'000	2023/24 £'000
Pooled Fund Adjustment Account	-4,902	-2,454
Pensions Reserve	-290,583	-129,642
Revaluation Reserve	158,223	177,234
Capital Adjustment Account	721,293	738,797
Financial Instruments Adjustment Account	-230	-228
Collection Fund Adjustment Account	17,183	11,366
Dedicated Schools Grant Adjustment Account	-33,610	-45,824
Accumulated Absences Account	-3,270	-3,459
<b>Total</b>	<b>564,104</b>	<b>745,790</b>

### 48. Pooled Funds Adjustment Account

The Financial Instruments Revaluation Reserve holds gains /losses arising from the movement in fair value of assets held within the Fair Value through Other Comprehensive Income assets category.

2022/23 £'000		2023/24 £'000
<b>5,265</b>	<b>Balance at 1 April</b>	<b>-4,903</b>
0	Increase in value of assets held at Fair Value through Profit and Loss	3,416
-10,168	Decrease in value of assets held at Fair Value through Profit and Loss	-967
0	Amounts transferred to the General Fund on disposal	0
<b>-4,903</b>	<b>Balance at 31 March</b>	<b>-2,454</b>

## 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.

2022/23		Revaluation Reserve	2023/24	
£'000	£'000		£'000	£'000
	<b>214,793</b>	<b>Balance as at 1 April</b>		<b>158,223</b>
-55,352		Revaluation of assets	18,977	
-428		Impairment of assets	-1,015	
10,137		Write back of accumulated depreciation on revaluations	7,528	
705		Write back of accumulated impairment on revaluations	511	
	<b>-44,938</b>	Surplus or deficit on revaluation of non current assets not posted to the Surplus or Deficit on the Provision of Services		<b>26,001</b>
	<b>463</b>	Asset Transfers		<b>0</b>
-3,846		Difference between fair value depreciation and historical cost depreciation	-3,747	
-8,249		Accumulated gains on assets sold or scrapped	-3,243	
	<b>-12,095</b>	Amounts written off to the Capital Adjustment Account		<b>-6,990</b>
	<b>158,223</b>	<b>Total Balance at 31 March</b>		<b>177,234</b>

## 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.

2022/23		Capital Adjustment Account	2023/24	
£'000	£'000		£'000	£'000
	<b>695,061</b>	<b>Balance as at 1 April</b>		<b>721,291</b>
		<b>Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):</b>		
-38,273		Charges for depreciation for non-current assets	-44,937	
-532		Charges for impairment for non-current assets	-438	
-20,017		Revaluation losses / subsequent gains on Property, Plant and Equipment	-4,875	
-204		Amortisation of Intangible Assets	-462	
-49,449		Revenue Expenditure funded from capital under statute	-55,904	
-18,665		Amounts of non-current assets written off on disposal or sale as part of the gain/ loss on derecognition	-11,518	
0		Removal of finance liability on derecognition of assets held under finance leases	0	
	<b>-127,140</b>			<b>-118,134</b>
		<b>Adjusting amounts written out of the Revaluation Reserve:</b>		
3,845		Difference between fair value depreciation and historical cost depreciation	3,747	
6,759		Accumulated gains on assets sold or scrapped	3,243	
-463		Balance on reclassification of Investment Properties to PPE	0	
	<b>10,141</b>			<b>6,990</b>
		<b>Capital Financing applied in year:</b>		
63,989		Capital grants and contributions credited to the CIES that have been applied to capital financing	71,007	
63,890		Application of grants to capital financing from the Capital Grants Unapplied account	42,872	
0		Reversal of grants and contributions applied in previous years	0	
12,394		Statutory provision for the financing of capital investment charged against the County Fund balance	14,239	
1,954		Capital expenditure charged against the County Fund balance	2,216	
	<b>142,227</b>			<b>130,334</b>
	<b>1,002</b>	<b>Movements in the market value of Investment Properties debited or credited to the CIES</b>		<b>-215</b>
0		<b>Amounts of Investment Properties written off on disposal or sale as part of the gain/loss on derecognition</b>		<b>0</b>
<b>1,489</b>		<b>Accumulated gains on Assets held for Sale or scrapped</b>		<b>0</b>
<b>-1,489</b>		<b>Amounts of Assets held for Sale written off on disposal or sale as part of the gain/loss on derecognition</b>		<b>-1,470</b>
<b>721,291</b>		<b>Total Balance at 31 March</b>		<b>738,796</b>

## 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:

<b>Collection Fund Adjustment Account</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 April</b>	<b>7,397</b>	<b>17,183</b>
Decrease in Council Tax and Business Rate surpluses/increases in deficits	-3,370	477
Increases in Council Tax and Business Rate surpluses/reductions in deficits	13,156	-6,294
<b>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</b>	<b>9,786</b>	<b>-5,817</b>
<b>Balance as at 31 March</b>	<b>17,183</b>	<b>11,366</b>

### 52. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the County Fund balance from accruing for compensated absences earned but not taken in the year. Statutory provisions require that the impact on the County Fund balance is neutralised by transfers to or from the account.

The balance at 31 March 2024 relates to teachers' accumulated holiday pay, no accruals have been made for non-teaching staff in 2023/24 as the amounts involved are not considered to be material to the accounts.

<b>Accumulated Absences Account</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 April</b>	<b>-2,781</b>	<b>-3,271</b>
Settlement or cancellation of previous year's accrual	2,780	3,271
Amount accrued at the end of the current year	-3,270	-3,459
<b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in the year under statute</b>	<b>-490</b>	<b>-188</b>
<b>Balance as at 31 March</b>	<b>-3,271</b>	<b>-3,459</b>



## Notes to the Statement of Accounts

### 53. Dedicated Schools Grant Adjustment Account

The statutory reporting requirements for the 2023/24 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 3 years within statute until 31 March 2026. Is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is continuing to take action to manage the deficit but this is continuing to increase. Within the total held at 31 March 2024 the accumulated deficit for High Needs DSG is £55.8m.

DSG Adjustment Account	2022/23 £'000	2023/24 £'000
<b>Balance as at 1 April</b>	<b>-23,581</b>	<b>-33,611</b>
Contributions to / from reserve	-10,029	-12,213
<b>Balance as at 31 March</b>	<b>-33,610</b>	<b>-45,824</b>

### 54. Cash Flow Statement – Non-Cash Movements

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

Non-cash Movements	2022/23 £'000	2023/24 £'000
Depreciation/amortisation of fixed assets	-38,480	-45,401
Impairment charges/revaluation losses (-) Gains (+)	-20,549	-5,313
Retirement benefit adjustments	-73,805	-8,390
Debt write-offs and Impairment allowances	9,075	20,019
Donated assets	0	0
Other financial instrument adjustments	2	2
Movement in provisions in the year	4,416	-2,860
Deferred income released	1,044	831
Movement in value of Pooled Funds	-10,167	2,447
Movement in value of investment properties	1,002	-215
Carrying amount of non-current assets sold	-20,152	-12,989
Transfers from Capital Grants Receipts in Advance	46,309	29,683
Previous years capitalised spend written-off	0	0
Other non-cash adjustment	-1	0
Increase/decrease (-) in debtors	5,367	-24,594
Increase (-)/decrease in creditors	-15,756	-19,415
<b>Total adjustments for non-cash movements</b>	<b>-111,695</b>	<b>-66,195</b>

## Notes to the Statement of Accounts

**55. Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities.**

	2022/23 £'000	2023/24 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,570	1,427
Gains on loans & receivables	0	0
- Capital grants received	132,291	88,277
-Cash adjustment	0	0
<b>Total</b>	<b>133,861</b>	<b>89,704</b>

**56. Cash Flow Statement – Investing Activities**

Investing Activities	2022/23 £'000	2023/24 £'000
Purchase of property, plant and equipment, investment property and intangible assets	123,259	127,250
Purchase of short-term and long-term investments	368,555	373,454
Other payments for investing activities	-1,001	-1,041
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-1,570	-1,427
Capital grants	-184,754	-142,576
Proceeds from short-term and long-term investments	-339,718	-403,390
Other receipts from investing activities	2,833	1,422
<b>Total adjustments for investing activities</b>	<b>-32,396</b>	<b>-46,307</b>

## 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 2022	Financing Cashflows	Other Cashflows	Non-Cash Transactions	31 March 2023		31 March 2023	Financing Cashflows	Other Cashflows	Non-Cash Transactions	31 March 2024
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
-35,456	105			-35,351	Short term borrowing	-35,351	-945	14,000	0	-22,296
-281,383	7,000			-274,383	long term borrowing	-274,383	8,000		0	-266,383
-662	662	-740		-740	Short term finance liability	-740	740	-836		-836
-15,740	3	740		-14,997	long-term finance liability	-14,997	0	836		-14,161
0				0	liabilities	0				0
0				0	Short term receivables	0				0
					Short term payables	0				0
<b>-333,241</b>	<b>7,770</b>	<b>0</b>	<b>0</b>	<b>-325,471</b>		<b>-325,471</b>	<b>7,795</b>	<b>14,000</b>	<b>0</b>	<b>-303,676</b>

Financing Activities	2022/23 £'000	2023/24 £'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet service concession arrangements	664	740
Short and long-term borrowings raised	-5,000	19,000
Repayments of short- and long-term borrowing	12,000	3,000
<b>Total adjustments for financing activities</b>	<b>7,664</b>	<b>22,740</b>

### 58. **Contingent Liabilities**

The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore as at 31 March 2024 the Council has a potential liability of £3.621m remaining on previously settled claims, plus the value of any outstanding and future claims. On Actuarial advice a further 15% of the total known liability has been secured against future clawback over the longer term. 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 28 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### 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 2023/24, 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 from 1 April 2024 and the Statement of Accounts for 2024/25 will include an update in the note cover operating lease (Note 13).

### 61. **Authorisation of the Accounts**

The draft Statement of Accounts was authorised for issue by Lorna Baxter, Director of Finance on 28 June 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		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	Funds for the Development of Hill End Residential Centre	61	1	38
	Criminal Injuries Compensation Awards	0	1	0
	Other (under £10,000)	1	1	1
CDAI	Bequest of Property at Watlington	84	1	88
<b>Total</b>		<b>146</b>	<b>4</b>	<b>127</b>

Trust Funds where Oxfordshire County Council acts as joint trustee		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	Other (under £10,000)	1	1	1
Adults	Junior Citizens Trust	12	1	7
<b>Total</b>		<b>13</b>	<b>2</b>	<b>9</b>

Other Funds		2022/23 Value of Fund £'000	2023/24 No. of funds	Value of Fund £'000
Children's	City Lectureship Scholarship	19	1	19
	Other (under £10,000)	25	6	26
Adults	Other (under £10,000)	6	1	5
<b>Total</b>		<b>49</b>	<b>8</b>	<b>51</b>





# The Local Government Pension Fund Accounts

# The Local Government Pension Fund Accounts

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## Contents:

<b>Note 1 – Description of the fund</b> .....	<b>104</b>
<i>General</i> .....	<i>104</i>
<i>Membership</i> .....	<i>104</i>
<i>Funding</i> .....	<i>105</i>
<i>Benefits</i> .....	<i>106</i>
<b>Note 2 – Basis of Preparation</b> .....	<b>106</b>
<b>Note 3 – Summary of Significant Accounting Policies</b> .....	<b>107</b>
<i>Investments</i> .....	<i>107</i>
<i>Foreign Currencies</i> .....	<i>107</i>
<i>Contributions</i> .....	<i>107</i>
<i>Benefits, Refunds of Contributions and Transfer Values</i> .....	<i>108</i>
<i>Investment Income</i> .....	<i>108</i>
<i>Investment Management and Scheme Administration</i> .....	<i>108</i>
<i>Expenses</i> .....	<i>108</i>
<i>Cash</i> .....	<i>109</i>
<i>Listed Private Equity</i> .....	<i>109</i>
<i>Management Fees</i> .....	<i>109</i>
<b>Note 4 – Critical Judgements in Applying Accounting Policies</b> .....	<b>109</b>
<i>Unquoted Private Equity Investments</i> .....	<i>109</i>
<i>Pension Fund Liability</i> .....	<i>109</i>
<b>Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty</b> .....	<b>109</b>
<b>Note 6 – Contributions</b> .....	<b>110</b>
<b>Note 7 – Transfers In</b> .....	<b>111</b>
<b>Note 8 – Benefits</b> .....	<b>111</b>
<b>Note 9 – Payment to and on account of leavers</b> .....	<b>111</b>
<b>Note 10 – Management Expenses</b> .....	<b>111</b>
<b>Note 11 – Investment Income</b> .....	<b>112</b>
<b>Note 12 – Investment Management Expenses</b> .....	<b>112</b>
<b>Note 13 – Related Party Transactions</b> .....	<b>112</b>
<i>Brunel Pension Partnership Ltd (Company Number 10429110)</i> .....	<i>114</i>



## The Local Government Pension Fund Accounts

---

<b>Note 14 – Investments .....</b>	<b>114</b>
<i>Note 14a – Reconciliation of Movements in Investments and Derivatives .....</i>	<i>114</i>
<i>Note 14b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances) .....</i>	<i>116</i>
<i>Note 14c – Other Investment Balances.....</i>	<i>116</i>
<i>Cash Deposits .....</i>	<i>117</i>
<b>Note 15 – Current Assets .....</b>	<b>117</b>
<b>Note 16 – Current Liabilities .....</b>	<b>117</b>
<b>Note 17 – Long-Term Assets .....</b>	<b>118</b>
<b>Note 18 - Assets under External Management.....</b>	<b>118</b>
<b>Note 20 – Taxation .....</b>	<b>118</b>
<b>Note 21 – Additional Voluntary Contributions .....</b>	<b>118</b>
<b>Note 22 – Contingent Liabilities and Capital Commitments.....</b>	<b>119</b>
<b>Note 23 – Investment Strategy Statement .....</b>	<b>119</b>
<b>Note 24 - Actuarial Present Value of Promised Retirement Benefits .....</b>	<b>119</b>
<b>Note 25 - Financial Instruments .....</b>	<b>121</b>
<i>Note 25a – Classification of Financial Instruments.....</i>	<i>121</i>
<b>Note 25b – Net Gains and Losses on Financial Instruments .....</b>	<b>122</b>
<b>Note 25c – Valuation of Financial Instruments Carried at Fair Value.....</b>	<b>122</b>
<i>Level 1 .....</i>	<i>122</i>
<i>Level 2 .....</i>	<i>122</i>
<i>Level 3 .....</i>	<i>122</i>
<i>Reconciliation of Movement in Level 3 Financial Instruments .....</i>	<i>124</i>
<i>Level 3 Sensitivities .....</i>	<i>125</i>
<b>Note 26 - Risk .....</b>	<b>125</b>
<i>Credit Risk.....</i>	<i>127</i>
<i>Liquidity Risk.....</i>	<i>127</i>
<i>Market Risk .....</i>	<i>128</i>
<i>Interest Rate Risk.....</i>	<i>129</i>
<i>Currency Risk.....</i>	<i>130</i>
<i>Other Price Risk .....</i>	<i>130</i>
<b>Note 27 - Actuarial Valuation .....</b>	<b>131</b>

## The Local Government Pension Fund Accounts

Fund Account	Notes	2023 £'000	2024 £'000
<b>Contributions and Benefits</b>			
Contributions Receivable	6	-114,312	-135,929
Transfers from Other Schemes	7	-14,980	-17,260
Other Income		-22	-21
<b>Income Sub Total</b>		<b>-129,314</b>	<b>-153,210</b>
Benefits Payable	8	103,572	114,793
Payments to and on Account of Leavers	9	10,681	12,131
<b>Expenditure Sub Total</b>		<b>114,253</b>	<b>126,924</b>
<b>Net (Additions)/Withdrawals From Dealings With Members</b>		<b>-15,061</b>	<b>-26,286</b>
Management Expenses	10	16,857	22,676
<b>Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses</b>		<b>1,796</b>	<b>-3,610</b>
<b>Returns on Investments</b>		<b>1,796</b>	<b>-3,610</b>
Investment Income	11	-20,338	-24,257
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	14a	138,543	-343,413
Less Taxes on Income	11	14	-2
<b>Net returns on Investments</b>		<b>118,219</b>	<b>-367,672</b>
<b>Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year</b>		<b>120,015</b>	<b>-371,282</b>
<b>Opening Net Assets of the Scheme</b>		<b>3,290,167</b>	<b>3,170,152</b>
<b>Closing Net Assets of the Scheme</b>		<b>3,170,152</b>	<b>3,541,434</b>

Net Assets Statement	Notes	2023 £'000	2024 £'000
<b>Investment Assets</b>			
Equities	14b	145,099	177,643
Pooled Investments	14b	2,684,400	2,967,703
Pooled Property Investments	14b	276,454	315,717
Derivative Contracts	14c	0	0
Cash Deposits	14d	11,952	5,753
Other Investment Balances	14c	1,888	2,093
Long-Term Investment Assets	14b	840	840
<b>Investment Liabilities</b>			
Derivative Contracts	14c	0	0
Other Investment Balances	14c	-66	-4
<b>Total Investments</b>		<b>3,120,567</b>	<b>3,469,745</b>
<b>Assets and Liabilities</b>			
Current Assets	15	51,818	74,514
Current Liabilities	16	-2,643	-3,235
<b>Net Current Assets</b>		<b>49,175</b>	<b>71,279</b>
Long-Term Assets	17	410	410
<b>Net Assets of the scheme available to fund benefits at year end</b>		<b>3,170,152</b>	<b>3,541,434</b>

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 24.

### **Note 1 – Description of the fund**

This description of the Fund is a summary only. Further details are available in the Fund's 2023/24 Annual Report and in the underlying statutes.

#### **General**

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme, which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

#### **Membership**

The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government's auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

Organisations participating in the Oxfordshire County Council Pension Fund include:

- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.
- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

## The Local Government Pension Fund Accounts

- Admitted Bodies can be split in to two groups:
  - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.
  - Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008

The table below details the composition of the Fund’s membership:

	As at 31-Mar-23	As at 31-Mar-24
<b>Number of Contributory Employees in Scheme</b>		
Oxfordshire County Council	8,512	8,375
Other Scheduled Bodies	12,643	13,391
Admitted Bodies	433	442
	<b>21,588</b>	<b>22,208</b>
<b>Number of Pensioners and Dependants</b>		
Oxfordshire County Council	10,447	10,858
Other Scheduled Bodies	6,855	7,267
Admitted Bodies	1,210	1,263
	<b>18,512</b>	<b>19,388</b>
<b>Deferred Pensioners</b>		
Oxfordshire County Council	16,268	16,303
Other Scheduled Bodies	13,623	14,137
Admitted Bodies	1,265	1,243
	<b>31,156</b>	<b>31,683</b>

Unprocessed leavers are included as Deferred Pensioners.

### Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2023 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers’ contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2022 and determined the contribution rates to take effect from 01 April 2023. Employer contribution rates currently range from 9.6% to 37.3% of pensionable pay.

## The Local Government Pension Fund Accounts

### Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

	Service Pre 1 April 2008	Service Post 31 March 2008
Pension	Each full-time year worked is worth $1/80 \times$ 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  $1/49^{\text{th}}$ . 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 2023/24.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 21.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 24.

The accounts have been prepared on a going concern basis. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the

## The Local Government Pension Fund Accounts

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2022 valuation was 111%. Therefore, management are assured the pension fund remains a going concern.

### Note 3 – Summary of Significant Accounting Policies

#### Investments

1. Investments are shown in the accounts at market value, which has been determined as follows:
  - a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last listed traded price, as at 31 March 2024.
  - b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information;
  - c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.
  - d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2024.
  - e) Fixed Interest stocks are valued on a ‘clean’ basis (i.e. the value of interest accruing from the previous interest payment date to the valuation date has been included within the amount receivable for accrued income).
  - f) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.
  - g) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
  - h) All gains and losses arising on derivative contracts are reported within ‘Changes in Market Value of Investments.

#### Foreign Currencies

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

#### Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees’ contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

## The Local Government Pension Fund Accounts

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Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

The Actuary determines the contribution rate for each employer during the triennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

### Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

### Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases, investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled

Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2024.

### Investment Management and Scheme Administration

6. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

### Expenses

7. Expenses are accounted for on an accruals basis.



## The Local Government Pension Fund Accounts

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### Cash

8. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

### Listed Private Equity

9. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

### Management Fees

10. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included, only those the pension fund pays to the fund of funds manager.

## Note 4 – Critical Judgements in Applying Accounting Policies

### Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2024 was £496.162m (£389.596m at 31 March 2023).

### Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 24. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

## Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

## The Local Government Pension Fund Accounts

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 £3,290m. There is a risk that this figure is under, or overstated in Note 24 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 (£58m).</p> <p>A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£2m).</p> <p>A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£60m).</p> <p>A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£132m).</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 £496.162m . There is a risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 25.

### Note 6 – Contributions

	2022/23 £'000	2023/24 £'000
<b>Employers</b>		
Normal	-75,718	-88,354
Augmentation	0	0
Deficit Funding	-8,721	-16,040
Costs of Early Retirement	-857	-207
	<b>-85,296</b>	<b>-104,601</b>
<b>Members</b>		
Normal & Additional*	<b>-29,016</b>	<b>-31,328</b>
<b>Total</b>	<b>-114,312</b>	<b>-135,929</b>

\*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 21.

Lump sum pre-payments in respect of contributions for the period 01/04/23-31/03/24 totalling £10.780m were received during 2023/24.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary

## The Local Government Pension Fund Accounts

has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

	Employer Contributions		Members Contributions	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Oxfordshire County Council	-36,321	-38,227	-12,072	-12,733
Scheduled Bodies	-41,908	-58,818	-14,468	-16,052
Resolution Bodies	-4,191	-5,161	-1,623	-1,652
Community Admission Bodies	-1,490	-1,168	-373	-401
Transferee Admission Bodies	-1,386	-1,227	-480	-490
<b>Total</b>	<b>-85,296</b>	<b>-104,601</b>	<b>-29,016</b>	<b>-31,328</b>

### Note 7 – Transfers In

	2022/23	2023/24
	£'000	£'000
Individual Transfers In from other schemes	-14,980	-17,260
Group Transfers In from other schemes	0	0
<b>Total</b>	<b>-14,980</b>	<b>-17,260</b>

### Note 8 – Benefits

	2022/23	2023/24
	£'000	£'000
Pensions Payable	85,687	95,768
Lump Sums – Retirement Grants	14,892	16,071
Lump Sums – Death Grants	2,993	2,954
<b>Total</b>	<b>103,572</b>	<b>114,793</b>

	Pensions Payable		Lump Sums	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Oxfordshire County Council	41,566	46,254	7,827	6,933
Scheduled Bodies	37,041	41,255	7,509	8,897
Resolution Bodies	1,343	1,706	1,171	1,822
Community Admission Bodies	4,467	5,042	844	996
Transferee Admission Bodies	1,270	1,511	534	377
<b>Total</b>	<b>85,687</b>	<b>95,768</b>	<b>17,885</b>	<b>19,025</b>

### Note 9 – Payment to and on account of leavers

	2022/23	2023/24
	£'000	£'000
Refunds of Contributions	218	652
Payments for members joining state scheme	-2	-3
Group Transfers Out to other schemes	0	0
Individual Transfers Out to other schemes	10,465	11,482
<b>Total</b>	<b>10,681</b>	<b>12,131</b>

### Note 10 – Management Expenses

	2022/23	2023/24
	£'000	£'000
Administrative Costs	2,086	2,906
Investment Management Expenses	12,803	18,140
Oversight & Governance Costs	1,968	1,630
<b>Total</b>	<b>16,857</b>	<b>22,676</b>

## The Local Government Pension Fund Accounts

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.025m (2022/23 £0.025m) for the audit of the Pension Fund's Annual Report and Accounts.

A further breakdown of Investment Management Expenses is in Note 12.

### Note 11 – Investment Income

	2022/23 £'000	2023/24 £'000
Bonds	-578	0
Equity Dividends	-4,084	-4,295
Pooled Property Investments	-6,877	-7,061
Pooled Investments – Unit Trusts & Other Managed Funds	-7,744	-10,034
Interest on cash deposits	-1,055	-2,867
	<b>-20,338</b>	<b>-24,257</b>
Irrecoverable withholding tax – equities	14	-2
<b>Total</b>	<b>20,324</b>	<b>-24,259</b>

### Note 12 – Investment Management Expenses

	2022/23 £'000	2023/24 £'000
Management Fees	12,751	18,091
Custody Fees	52	49
<b>Total</b>	<b>12,803</b>	<b>18,140</b>

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

### Note 13 – Related Party Transactions

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

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2023/24, the Committee consisted of five County Councillors (voting members), four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.126m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

	2022/23 £'000	2023/24 £'000
Short Term Benefits*	106	108
Long Term/Post Retirement Benefits	17	18
<b>Total</b>	<b>123</b>	<b>126</b>

\*Includes allowances paid to the Chairman of the Pension Fund Committee

## The Local Government Pension Fund Accounts

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 2024, employer contributions to the Pension Fund from the County Council were £38.227m (2022/23 £36.321m). At 31 March 2024 there were receivables of in respect of contributions due from the County Council of £4.289m (2022/23 £4.049m) and payables due to the County Council of £0.187m (2022/23 £0.336m).

The County Council was reimbursed £1.936m (2022/23 £1.682m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

	Value at 31 March 2023 £'000	Value at 31 March 2024 £'000
<b>Investment Assets</b>		
Equities	145,099	177,643
Pooled Funds:		
Fixed Income	152,779	135,566
Index Linked	167,642	229,819
Global Equity	1,226,423	1,596,696
UK Equity	497,259	359,128
Private Equity	218,892	246,528
Private Debt	40,443	68,410
Infrastructure Funds	130,261	181,224
Diversified Growth Fund	116,201	0
Multi Asset Credit Fund	134,500	150,332
Pooled Property Investments	276,454	315,717
Cash Deposits	11,952	5,753
Long-Term Investments	840	840
Investment Income Due	1,888	1,979
Amounts Receivable for Sales	0	114
<b>Total Investment Assets</b>	<b>3,120,633</b>	<b>3,469,749</b>
<b>Investment Liabilities</b>		
Management Expenses Due	-66	-4
Amounts Payable for Purchases	0	0
<b>Total Investment Liabilities</b>	<b>-66</b>	<b>-4</b>
<b>Net Investment Assets</b>	<b>3,120,567</b>	<b>3,469,745</b>

## The Local Government Pension Fund Accounts

### Brunel Pension Partnership Ltd (Company Number 10429110)

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14 October 2016 and oversees the investment of pension fund assets for the following LGPS funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire. Each of the nine Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2022/23 £'000	2023/24 £'000
Income	0	0
Expenditure	1,182	1,313
Receivables	0	0
Payables	0	0

### Note 14 – Investments

#### Note 14a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2023 £'000	Purchases at Cost & Derivative Payments £'000	Sales Proceeds & Derivative Receipts £'000	Change in Market Value £'000	Cash Movement £'000	Increase in Receivables / (Payables) £'000	Value at 31-Mar-24 £'000
Equities	145,099	3,319	-16,279	45,504			177,643
Pooled Investments	2,684,400	500,902	-533,351	315,752			2,967,703
Pooled Property Investments	276,454	100,158	-43,227	-17,668			315,717
Long-Term Investments	840	0	0	0			840
<u>Derivative Contracts</u>							
FX	0	2		-2			0
Futures	0	0		0			0
<u>Other Investment Balances</u>							
Cash Deposits	11,952	33,565	-39,470	-173	-121		5,753
Amounts Receivable for Sales of Investments	0	0	0	0		114	114
Investment Income Due	1,888	0	0	0		91	1,979
Amounts Payable for Purchases of Investments & Management Expenses	-66	0	0	0		62	-4
<b>Total</b>	<b>3,120,567</b>	<b>637,946</b>	<b>-632,327</b>	<b>343,413</b>	<b>-121</b>	<b>267</b>	<b>3,469,745</b>

## The Local Government Pension Fund Accounts

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

There have been no employer-related investments at any time during the year

	Value at 1 April 2022	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31-Mar-23
	£'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
<b>Derivative Contracts</b>							
FX	-428	2,299	-1,687	-184			0
Futures	203	3,248	-5,133	1,682			0
<b>Other Investment Balances</b>							
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
<b>Total</b>	<b>3,211,955</b>	<b>333,268</b>	<b>-285,186</b>	<b>-138,543</b>	<b>-1,128</b>	<b>201</b>	<b>3,120,567</b>

## The Local Government Pension Fund Accounts

### Note 14b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

	2022/23 £'000	2023/24 £'000
<b>Long-Term Investment Assets</b>		
Brunel Pension Partnership Ltd	840	840
<b>Total</b>	<b>840</b>	<b>840</b>

	2022/23 £'000	2023/24 £'000
<b>Equity Investments</b>		
UK Equities	135,423	177,319
North American Equities	9,343	
European Equities	333	324
<b>Total</b>	<b>145,099</b>	<b>177,643</b>

	2022/23 £'000	2023/24 £'000
<b>Pooled Investment Vehicles</b>		
UK Registered Managed Funds – Property	86,893	105,841
Non-UK Registered Managed Funds – Property	49,637	51,895
UK Registered Managed Funds – Other	2,044,102	2,346,147
Non-UK Registered Managed Funds – Other	640,298	621,556
UK Registered Property Unit Trusts	97,605	99,305
Non-UK Registered Property Unit Trusts	42,319	58,676
<b>Total</b>	<b>2,960,854</b>	<b>3,283,420</b>

	2022/23 £'000	2023/24 £'000
<b>Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)</b>	<b>3,106,793</b>	<b>3,461,903</b>

### Note 14c – Other Investment Balances

	2022/23 £'000	2023/24 £'000
<b>Receivables</b>		
Sale of Investments	0	114
Dividend & Interest Accrued	1,659	1,750
Inland Revenue	229	229
	<b>1,888</b>	<b>2,093</b>
<b>Payables</b>		
Management Fees	-61	0
Custodian Fees	-5	-4
	<b>-66</b>	<b>-4</b>
<b>Total</b>	<b>1,822</b>	<b>2,089</b>



## The Local Government Pension Fund Accounts

### Note 14d - Cash Deposits

	2022/23 £'000	2023/24 £'000
Non-Sterling Cash Deposits	11,952	5,753
<b>Total</b>	<b>11,952</b>	<b>5,753</b>

The following investments represent more than 5% of the net assets of the scheme

	2022/23 £'000	% of Total Fund	2023/24 £'000	% of Total Fund
Brunel UK Equity Fund	497,259	15.69	359,128	10.14
FTSE PAB Developed Equity Index Fund	496,833	15.67	628,606	17.75
Brunel HG ALP GLB EQ	336,236	10.61	352,516	9.95
Brunel GBL Sustainable Mutual Fund	311,965	9.84	615,574	17.38
Blackrock Aquila Life Fund	140,978	4.45	229,819	6.49

### Note 15 - Current Assets

	2022/23 £'000	2023/24 £'000
Receivables:		
Employer Contributions	6,853	7,828
Employee Contributions	2,331	2,627
Rechargeable Benefits	1,065	1,215
Transferred Benefits	1,883	2,115
Cost of Early Retirement	110	87
Inland Revenue	18	197
Other	222	1,525
Cash Balances	39,336	58,920
<b>Total</b>	<b>51,818</b>	<b>74,514</b>

### Note 16 - Current Liabilities

	2022/23 £'000	2023/24 £'000
Transferred Benefits	-186	-260
Benefits Payable	-865	-1,156
Inland Revenue	-1,190	-1,519
Employer Contributions	-1	-2
Staff Costs	-135	-155
Consultancy	-50	-21
Other	-216	-122
<b>Total</b>	<b>-2,643</b>	<b>-3,235</b>

## The Local Government Pension Fund Accounts

### Note 17 – Long-Term Assets

	2022/23 £'000	2023/24 £'000
Employer Contributions	410	410
<b>Total</b>	<b>410</b>	<b>410</b>

### Note 18 - Assets under External Management

The market value of assets under external fund management amounted to £3,217.788m as at 31 March 2024. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

Fund Manager	31/03/2023		31/03/2024	
	Market Value £'000	%	Market Value £'000	%
Brunel Pension Partnership	2,625,431	89.65	3,131,009	97
Legal & General	84,129	2.87	0	0
Insight	116,201	3.97	0	0
Adams Street Partners	63,600	2.17	57,317	1.8
Partners Group	39,314	1.34	29,462	0.9
<b>Total</b>	<b>2,928,675</b>	<b>100</b>	<b>3,217,788</b>	<b>100</b>

### Note 19 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2024	£'000	% of Fund
HG Capital Trust Plc	92,471	2.61
Aberdeen Private Equity Opportunities Trust Plc	27,420	0.77
3i Group Plc	26,641	0.75
CT Private Equity Trust Plc	20,478	0.58
ICG Enterprise Trust Plc	10,128	0.29

### Note 20 – Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

### Note 21 – Additional Voluntary Contributions

Market Value 31 March 2023 £'000	Market Value 31 March 2024 £'000
12,278	12,452

AVC contributions of £1.134m were paid directly to the Fund's AVC providers during the year (2022/23 - £1.044m).

## The Local Government Pension Fund Accounts

The AVC provider to the Fund is Legal & General. The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Legal & General.

### Note 22 – Contingent Liabilities and Capital Commitments

As at 31 March 2024 the fund had outstanding capital commitments (investments) totalling £237.493m (31 March 2023 - £313.060m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts ‘called’ by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

### Note 23 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council’s webpage.

### Note 24 - Actuarial Present Value of Promised Retirement Benefits

	2023	2024
	£m	£m
Present Value of Funded Obligation	3,278	3,290

The movement from March 2023 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £226m (2023 - £431m increase).

There has been a decrease in the present value of the Funded Obligation of £214m (2023 - £1,686m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- A decrease in the assumed level of CPI, and therefore pension increase, from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- A decrease in the assumed level of salary increases from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- An increase in the discount rate to 4.85% from 4.75% (net effect a decrease in Present Value of Funded Obligation).

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an ‘underpin’ which means that they cannot be lower than what they would have received under the previous benefit structure.

## The Local Government Pension Fund Accounts

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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.

## The Local Government Pension Fund Accounts

### Note 25 - Financial Instruments

#### Note 25a – Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	2022/23			2023/24		
	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000
<b>Financial Assets</b>						
Equities	145,099			177,643		
Pooled Investments	2,684,400			2,967,703		
Pooled Property Investments	276,454			315,717		
Derivatives	0			0		
Cash		51,288			64,673	
Long-Term Investments	840			840		
Other Investment Balances	1,659			1,864		
Receivables		96			1,003	
	<b>3,108,452</b>	<b>51,384</b>	<b>0</b>	<b>3,463,767</b>	<b>65,676</b>	<b>0</b>
<b>Financial Liabilities</b>						
Derivatives	0			0		
Other Investment Balances	-66			-4		
Payables			-194			-256
	<b>-66</b>	<b>0</b>	<b>-194</b>	<b>-4</b>	<b>0</b>	<b>-256</b>
<b>Total</b>	<b>3,108,386</b>	<b>51,384</b>	<b>-194</b>	<b>3,463,763</b>	<b>65,676</b>	<b>-256</b>

## The Local Government Pension Fund Accounts

### Note 25b – Net Gains and Losses on Financial Instruments

	31-Mar-23 £'000	31-Mar-24 £'000
<b>Financial Assets</b>		
Fair Value through Profit and Loss	-138,985	343,586
Loans and Receivables	0	0
Financial Assets at Amortised Cost	442	-173
<b>Financial Liabilities</b>		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
<b>Total</b>	<b>-138,543</b>	<b>343,413</b>

### Note 25c – Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

#### Level 1

Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### Level 2

Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).

#### Level 3

Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

## The Local Government Pension Fund Accounts

The following table presents the Fund's financial assets and liabilities within the fair value hierarchy.

Value at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Financial Assets at Fair Value through Profit & Loss	28,505	2,471,707	963,555	3,463,767
Financial Assets at Amortised Cost	65,676	0	0	65,676
<b>Total Financial Assets</b>	<b>94,181</b>	<b>2,471,707</b>	<b>963,555</b>	<b>3,529,443</b>
<b>Financial Liabilities</b>				
Financial Liabilities at Fair Value through Profit & Loss	-4	0	0	-4
Financial Liabilities at Amortised Cost	-256	0	0	-256
<b>Total Financial Liabilities</b>	<b>-260</b>	<b>0</b>	<b>0</b>	<b>-260</b>
<b>Net Financial Assets</b>	<b>93,921</b>	<b>2,471,707</b>	<b>963,555</b>	<b>3,529,183</b>

Value at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
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
<b>Total Financial Assets</b>	<b>82,404</b>	<b>2,275,363</b>	<b>802,069</b>	<b>3,159,836</b>
<b>Financial Liabilities</b>				
Financial Liabilities at Fair Value through Profit & Loss	-66	0	0	-66
Financial Liabilities at Amortised Cost	-194	0	0	-194
<b>Total Financial Liabilities</b>	<b>-260</b>	<b>0</b>	<b>0</b>	<b>-260</b>
<b>Net Financial Assets</b>	<b>82,144</b>	<b>2,275,363</b>	<b>802,069</b>	<b>3,159,576</b>

## The Local Government Pension Fund Accounts

### 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
<b>Market Value 31 March 2023</b>	<b>679</b>	<b>218,892</b>	<b>276,454</b>	<b>130,261</b>	<b>40,443</b>	<b>134,500</b>	<b>840</b>
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	61,376	65,019	57,268	29,239	0	0
Sales	0	-36,444	-8,476	-7,288	-847	0	0
Unrealised Gains/(Losses)	-175	-16,431	-16,291	1,088	-425	15,832	0
Realised Gains/(Losses)	0	19,135	-989	-105	0	0	0
<b>Market Value 31 March 2024</b>	<b>504</b>	<b>246,528</b>	<b>315,717</b>	<b>181,224</b>	<b>68,410</b>	<b>150,332</b>	<b>840</b>

	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
<b>Market Value 31 March 2022</b>	<b>722</b>	<b>197,765</b>	<b>273,869</b>	<b>101,507</b>	<b>12,641</b>	<b>139,284</b>	<b>840</b>
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
<b>Market Value 31 March 2023</b>	<b>679</b>	<b>218,892</b>	<b>276,454</b>	<b>130,261</b>	<b>40,443</b>	<b>134,500</b>	<b>840</b>



## The Local Government Pension Fund Accounts

### Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2024 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	504	555	454
Pooled Private Equity Funds	10%	246,528	271,181	221,875
Pooled Property Funds	3%	315,717	325,189	306,246
Pooled Infrastructure Funds	5%	181,224	190,285	172,162
Pooled Private Debt Funds	5%	68,410	71,831	64,990
Multi Asset Credit Funds	5%	150,332	157,848	142,815
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2023 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	679	747	611
Pooled Private Equity Funds	10%	218,892	240,781	197,003
Pooled Property Funds	3%	276,455	284,749	268,161
Pooled Infrastructure Funds	5%	130,261	136,774	123,748
Pooled Private Debt Funds	5%	40,443	42,465	38,421
Multi Asset Credit Funds	5%	134,500	141,225	127,775
Long-Term Investments	0%	840	840	840

### Note 26 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2022 Valuation estimated that the current Funding Level is 111%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high

## The Local Government Pension Fund Accounts

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proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.

- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2022 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 111% down to 109% or up to 113%. A change in the CPI assumption of 0.2% per annum would lead to a reduction in the funding level to 108% or an increase to 115%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 110% or up to 112%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

## The Local Government Pension Fund Accounts

### Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2024 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31-Mar-23 £'000	31-Mar-24 £'000
UK Government Gilts	15,350	0
UK Corporate Bonds	127,160	135,566
UK Index Linked Gilts	167,642	229,819
Overseas Government Bonds	10,269	0
Multi Asset Credit Funds	134,500	150,332
Non-Sterling Cash Deposits	11,952	5,753
Cash Balances	39,336	58,920
<b>Total</b>	<b>506,209</b>	<b>580,390</b>

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2024 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2023 £'000	Rating	Balance at 31 March 2024 £'000
<b>Money Market Funds</b>				
Aberdeen Standard	AAA	14,465	AAA	7,420
State Street Global Advisors	AAA	33,389	AAA	56,181
<b>Bank Current Accounts</b>				
Lloyds Bank Plc	A+	2,507	A+	340
Santander UK Plc	A+	0	A+	5
State Street Bank & Trust Co	AA+	927	AA+	727
<b>Total</b>		<b>51,288</b>		<b>64,673</b>

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

## The Local Government Pension Fund Accounts

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greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2023/24 the Pension Fund received/accrued income related to dealings with members of £153.2m (2022/23 £129.3m) and incurred expenditure related to dealings with members of £149.6m (2022/23 £131.1m). There were further receipts/accruals of £24.3m (2022/23 £20.3m) in respect of investment income, against which need to be set taxes of £0m (2022/23 £0m). The net inflow was therefore £27.9m (2022/23 £12.1m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.

However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

### Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the

## The Local Government Pension Fund Accounts

Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.

Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

### Interest Rate Risk

The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

Asset Type	Carrying Amount as at 31 March 2024	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
		£'000	£'000
Cash and Cash Equivalents	5,753	58	-58
Cash Balances	58,920	589	-589
Bonds	365,385	3,654	-3,654
Multi Asset Credit Funds	150,332	1,503	-1,503
<b>Total Change in Assets Available</b>	<b>580,390</b>	<b>5,804</b>	<b>-5,804</b>

Asset Type	Carrying Amount as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
		£'000	£'000
Cash and Cash Equivalents	11,952	120	-120
Cash Balances	39,336	393	-393
Bonds	320,421	3,204	-3,204
Multi Asset Credit Funds	134,500	1,345	-1,345
<b>Total Change in Assets Available</b>	<b>506,209</b>	<b>5,062</b>	<b>-5,062</b>

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.

## The Local Government Pension Fund Accounts

### Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant

Currency Exposure - Asset Type	Asset Values as at 31 March 2024 £'000	Change in Year in the Net Assets Available to Pay Benefits	
		10.00% £'000	-10.00% £'000-
Overseas Equities	324	32	-32
Pooled Global Equities	1,596,696	159,670	-159,670
Pooled Private Equity (LLPs)	193,353	19,336	-19,336
Pooled Property	63,541	6,354	-6,354
Infrastructure	51,910	5,191	-5,191
Cash	5,753	575	-575
<b>Total Change in Assets Available</b>	<b>1,911,577</b>	<b>191,158</b>	<b>-191,158</b>

Currency Exposure - Asset Type	Asset Values as at 31 March 2023 £'000	Change in Year in the Net Assets Available to Pay Benefits	
		10.00% £'000	-10.00% £'000
Overseas Equities	9,677	968	-968
Pooled Global Equities	1,226,423	122,642	-122,642
Pooled Private Equity (LLPs)	168,224	16,822	-16,822
Pooled Property	63,725	6,373	-6,373
Infrastructure	34,204	3,420	-3,420
Cash	11,952	1,195	-1,195
<b>Total Change in Assets Available</b>	<b>1,514,205</b>	<b>151,420</b>	<b>-151,420</b>

### 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:

## The Local Government Pension Fund Accounts

	Value as at 31 March 2024	Percentage Change	Value on Increase	Value on Decrease
Asset Type	£'000	%	£'000	£'000
UK Equities	177,319	10	195,051	159,587
Pooled UK Equities	359,128	10	395,040	323,215
Global Equities	324	10	356	292
Pooled Global Equities	1,596,696	10	1,756,366	1,437,027
Pooled Corporate Bonds	135,566	5	142,344	128,788
Infrastructure	181,224	5	190,285	172,162
Pooled Private Equity (LLPs)	246,528	10	271,181	221,875
Pooled Property	315,717	3	325,188	306,245
Multi Asset Credit Fund	150,332	5	157,848	142,815
Index Linked Pooled Fund	229,819	5	241,310	218,328
Private Debt	68,410	5	71,831	64,990
Long-Term Investments	840	0	840	840
Cash	64,673	0	64,673	64,673
<b>Total Assets Available to Pay Benefits</b>	<b>3,526,576</b>		<b>3,812,313</b>	<b>3,240,837</b>
	Value as at 31 March 2023	Percentage Change	Value on Increase	Value on Decrease
Asset Type	£'000	%	£'000	£'000
UK Equities	135,423	10	148,965	121,881
Pooled UK Equities	497,259	10	546,984	447,533
Global Equities	9,676	10	10,644	8,708
Diversified Growth Fund	116,201	3	119,688	112,716
Pooled Global Equities	1,226,423	10	1,349,065	1,103,781
Pooled Corporate Bonds	127,160	5	133,518	120,802
Infrastructure	130,261	5	136,774	123,748
Pooled Private Equity (LLPs)	218,892	10	240,781	197,003
Pooled Property	276,454	3	284,748	268,160
Multi Asset Credit Fund	134,500	5	141,225	127,775
Index Linked Pooled Fund	167,642	5	176,024	159,260
Private Debt	40,443	5	42,465	38,421
Long-Term Investments	840	0	840	840
Cash	51,288	0	51,288	51,288
Pooled UK Fixed Interest Bonds	15,350	5	16,118	14,583
Pooled Overseas Bonds	10,269	5	10,782	9,755
<b>Total Assets Available to Pay Benefits</b>	<b>3,158,081</b>		<b>3,409,909</b>	<b>2,906,254</b>

### Note 27 - Actuarial Valuation

The contribution rates within the 2023/24 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2022.

This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2024 was 19.9% of Pensionable Pay. The



## The Local Government Pension Fund Accounts

corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	17.8	411
West Oxfordshire District Council	17.6	746
Cherwell District Council	15.9	-
Oxford City Council	13.4	-
Vale of White Horse District Council	17.8	767
Oxford Brookes University	19.2	-

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the 2022 valuation date was £3,280m representing 111% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2023 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.

The main financial assumptions were as follows:

Assumptions for the 2022 Valuation	Annual Rate %
Pension Increases	2.7
Salary Increases	2.7
Discount Rate	4.6

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience



## **The Local Government Pension Fund Accounts**

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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	2022/23 £'000	2023/24 £'000
<b>Contributions Receivable</b>		
From Employer:		
Normal	-3,281	-3,474
Early Retirements	0	0
Other (ill health retirement contribution)	-200	-132
From members	-1,506	-2,037
	-4,987	-5,643
<b>Transfers In</b>	-17	0
<b>Benefits Payable</b>		
Pensions	6,031	6,631
Commutations and lump sum retirement benefits	352	400
Lump sum death benefits	1,012	970
Other (ill health lump sums)	13	15
	7,408	8,016
<b>Payments to and on account of leavers</b>		
Individual transfers out to other schemes	16	0
<b>Miscellaneous</b>		
Annual Allowance Charge	153	0
Unauthorised Payment Charge	0	0
Taxable Refunds	0	0
Adjustment from 2019/20	0	0
	153	0
<b>Net amount payable/receivable for the year before top-up grant receivable / payable to sponsoring department</b>	<b>2,573</b>	<b>2,373</b>
<b>Top-up grant receivable</b>	<b>-2,573</b>	<b>-2,373</b>
<b>Net amount payable / receivable for the year</b>	<b>0</b>	<b>0</b>

Net Assets Statement	2022/23 £'000	2023/24 £'000
<b>Net Current Assets and Liabilities</b>		
Contributions due from employer	0	0
Pension top-up grant receivable from sponsoring department	0	0
Other current Assets	0	0
Pension top-up grant payable to sponsoring department	747	-1,267
Other current liabilities (other than liabilities to pay pensions and other benefits in the future)	-52	45
Cash balance	-695	1,222
<b>Total</b>	<b>0</b>	<b>0</b>

### 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

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The financial arrangements for the Firefighters Pension Scheme 1992 were made in exercise of the power conferred by section 26 of the Fire Services Act 1947, for the Firefighters Pension Scheme 2006 and the Firefighters Pension Scheme 2015 by the power conferred by section 34 of the Fire Services Act 2004. The accounts have been prepared in accordance with the requirements of the above powers.

### Payment of the employers and employees' contributions towards pension liabilities

Fire & Rescue Authorities are required to make a payment into their pension fund of 4x average pensionable pay in respect of all higher tier ill health retirements and 2x average pensionable pay in respect of all lower tier ill-health retirements. As the number of firefighters who retire on grounds of ill health varies from year to year and will cause financial volatility authorities are required to spread the charges over a period of 3 years.

### Central government top-up grant

The fund is operated on the principle that employer and employee contributions together meet the full cost of pension liabilities accrued from future employment and central government (Home Office) meet the costs of paying pensions to retired Fire-fighters, net of the employee and employer contributions, by means of a top-up grant.

There are no investment assets held by the fund and where employer and employee contributions paid into the pension fund are not sufficient to meet pension payments for that year, the deficit will be met by central government top-up grant. Any surplus in the pension fund is paid back to central government.

### Administration and Management

The fund is administered and managed by Oxfordshire County Council staff whose time is not rechargeable to the fund.

### Benefits

The funds accounts do not take account of liabilities to pay pensions and other benefits after the year end.

### Membership

The following summarises the membership of the fund as at 31 March 2024.

Membership numbers	1992	2006	2015
	Scheme	Scheme	Scheme
Contributors	0	0	557
Preserved Pensions	36	460	428
Pensioners	333	80	14
<b>Total</b>	<b>369</b>	<b>540</b>	<b>999</b>

### Long-term pension obligations

Details of the County Council's long-term pension obligations in respect of fire-fighters can be found in the Retirement Benefits Note 17 to the core financial statements.





# **Annual Governance Statement 2023/24**



## **Annual Governance Statement 2023/24**

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Not published until signed at Audit & Governance Commitment in July 2024

## Glossary

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### **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

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### **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

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### **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

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### **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.

-

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

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### **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

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### **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.