

**CABINET
18 JUNE 2024**

**ANNUAL PERFORMANCE REPORT AND
PROVISIONAL REVENUE OUTTURN 2023/24**

Report by the Executive Director of Resources and Section 151 Officer

RECOMMENDATION

1. The Cabinet is RECOMMENDED to

- a. To note the annual Performance Report for 2023/24.
- b. To note the summary of the provisional year - end financial position for 2023/24 along with the year-end position on general balances and earmarked reserves as explained in Annex B.
- c. To agree that the £1.6m surplus on the On-Street Parking Account at the end of the 2023/24 financial year, that has not yet been applied to fund eligible expenditure in accordance with Section 55(4) of the Road Traffic Regulation Act 1984, can be carried forward to the 2024/25 financial year as set out in Annex B-3c.
- d. To approve the creation of a new reserve to support the council's Commercial Strategy and initial contribution of £2.0m.
- e. To approve the addition of £2.8m to the IFRS9 Reserve.
- f. To approve the addition of £1.0m to the Budget Priorities Reserve.
- g. To note the Digital Inclusion Action Plan progress update for 2023/24 – Annex C.
- h. To note the Voluntary and Community progress update for 2023/24 – Annex D.

Executive Summary

2. This report presents the council's annual performance report and provisional year- end finance position for 2023/24.
3. The Council recognises the importance of timely, accurate and accessible performance and budget management information as part of its commitment to both transparency and demonstrating efficiency and effectiveness.
4. This annual report reflects the end of year position against the corporate priorities, and budget documents supporting the ambitions and priorities. The Strategic Plan agreed by Council in February 2022 set out the Council's ambitions for 2023/24.
5. The Strategic Plan, Medium Term Financial Plan, Outcomes Framework and previous business management reports, can be found on the council's website.
6. This report summarises the performance over the last financial year. Further information is provided in the following annexes:
 - a. Annex A: Annual performance report 2023/24.
 - b. Annex B: Provisional revenue outturn 2023/24.
 - c. Annex C: Digital Inclusion Action Plan progress update for 2023/24.
 - d. Annex D: Voluntary and Community Strategy progress update for 2023/24.

Performance Overview

7. The Outcomes Framework 2023/24 sets out the golden thread of key performance indicators and progress measures supporting the overarching nine strategic priorities and running the business priority.
8. The bi-monthly business management and monitoring reports included progress updates supporting the nine strategic priorities, overarching indicators which comprised of 85 key performance indicators and progress measures.

End of year 2023/24 performance summary:

9. The end of financial year performance indicators are reported as follows:

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

Table 1 – End of year performance summary for 2023/2024

This represents a strong outcome of the measures and indicators supporting the overarching priorities for the financial year with:

- 80% either above target or very close to it.
- 10% below target.

The release of data required to calculate the position for OCC02.04 Inequality in life expectancy at birth (Female) and OCC02.05 Inequality in life expectancy at birth (male) indicators has been delayed by the Office for National Statistics, therefore no performance update is available for the reporting period.

10. The annual report reflects the highlights and achievements over the last 12 months against the priorities of the council. The annual report captures the response to the cost of living crisis and the migration support; the significant impact on the services we deliver; how we coordinated and supported the delivery of services.
11. Included below are some highlights that services have delivered during 2023/24. Please refer to the Annex A: Annual report 2023/24 for the full overview of how services have delivered against our nine priorities and our response to the cost of living crisis and provided migration support.
12. 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**. In 2022/23, residents recycled, reused, or composted 57.2 per cent of their household waste, according to the latest government figures.
13. 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 **£3.2m** ensuring families of children entitled to free school meals received support with food costs during the school holidays.

14. **Health and Wellbeing priority.** We worked with a range of community groups and consulted **over 1000 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 (MECC)** approach to opportunistically speak to people about their health and wellbeing. A further 36 members of staff became qualified MECC trainers. Through outreach to communities to enable 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.
15. 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.
16. 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**.
17. Some of the achievements supporting **Nature and Green Spaces** have accomplished include **clearing 320 km of vegetation** to improve the county's public rights of way network. We repaired 48 bridges and replaced 58 bridges across Oxfordshire. We 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.
18. 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 (Aspen House, Peak House, Willowbank, Oathill Lodge, Greatmead).
19. 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 established the new Education & Young People Overview & Scrutiny Committee.
20. 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 **1790 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**. We will take oversight for the Oxfordshire Local Enterprise Partnership (OxLEP). It has a long and successful track record and, between 2016 and 2022, it worked with over 6,200 businesses

and provided around 18,000 hours of support and advice (worth over £28.75 million).

21. **Migration Support** Development and delivery of 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.

Digital Inclusion Strategy Action plan 2023/24 – Progress updates

22. Oxfordshire County Council’s [Digital Inclusion Strategy](#) (DIS) was approved by Cabinet in July 2022. The 2022-2025 Strategy sets out the council’s framework to enable a digitally inclusive Oxfordshire, shaped by three key priority areas (the action plan follows the same structure):

- Digitally Inclusive Communities
- Digitally Inclusive Service Delivery
- Digitally Inclusive Workforce

In autumn 2022, the Digital Inclusion Strategy was integrated with the service planning cycle, and this action plan developed in summer of 2023 included actions derived from service delivery plans from across the organisation. These actions were further developed through conversations with colleagues across services to ensure they were aligned with the strategy’s commitments. All actions are aligned with one of the strategy’s priority areas, though many of the actions span multiple priority areas. All actions aim to deliver benefits for the council, the sector, and residents. This action plan provides a progress update for the year 2023/24.

Long term ambition	Completed	Ongoing	Removed	Total
Digitally Inclusive Communities	7	9	1	17
Digitally Inclusive Service Delivery	6	8	N/A	14
Digitally Inclusive Workforce	2	1	2	5
Total	15 (42%)	18 (50%)	3 (8%)	36

Table 2 – End of year DIS action plan performance summary for 2023/2024

Voluntary and Community Sector Action Plan 2023/24 - Progress updates

23. The Oxfordshire County Council Voluntary and Community Sector (VCS) Action Plan, which was approved by Cabinet in July 2022, exists to implement the aims and commitments as set out in the VCS 2022 – 2027 Strategy. The strategy sets out the council’s framework to support a sustainable VCS through co-production and partnership working, shaped by five key priority areas:

- Collaboration and Networking
- Volunteering and Social Action
- Capacity and Skills
- Supporting a Sustainable Sector
- Reducing Inequalities.

In autumn 2022, the VCS Strategy was integrated with the service planning cycle, and this action plan developed in summer of 2023 included actions derived from service delivery plans from across the organisation. These actions were further developed through conversations with colleagues across services to ensure they were aligned with the strategy's commitments. The actions support the strategy's aims and deliver meaningful outcomes, enhanced partnership working and alignment with our overarching strategic priorities, such as tackling inequalities and the health and wellbeing of residents. All actions are aligned with one of the strategy's priority areas, though many of the actions span multiple priority areas. All actions aim to deliver benefits for the council, the sector, and residents.

This action plan provides a progress update for the year 23-24. This update will later be taken to the Oxfordshire Stronger Communities Alliance (OSCA).

Long term ambition	Completed	Ongoing	Removed	Total
Collaborating and Networking	16	11	3	30
Volunteering and Social action	6	2	N/A	8
Capacity and Skills	2	2	1	5
Supporting and Sustainable sector	3	3	1	7
Reducing Inequality	2	3	N/A	5
Total	29 (53%)	21 (38%)	5 (9%)	55

Table 3 – End of year VCS action plan performance summary for 2023/2024

Financial Management

Summary of the Council's financial position at the end of 2023/24

24. The table below shows actual expenditure for each directorate compared to the final budget and shows the movement since the report to Cabinet in March 2024. The final directorate position was an overspend of £6.6m (+1.1%).

25. The directorate overspend was offset by an underspend of £10.9m on contingency held for risk and additional interest received on cash balances (£7.9m). The overall position for the council was an underspend of £12.3m or -2.1% of the Net Operating Budget.

Directorate Budgets	Final Net Budget	Total Spend	Year End Variance	Year End Variance	Variance Last Cabinet Reporting Month	Change in Variance
	£m	£m	£m	%	£m	£m
Adult Services	229.7	229.7	0.0	0.0%	0.0	0.0
Childrens' Services	172.3	180.0	7.7	4.5%	12.9	-5.2
Environment & Place	75.3	72.2	-3.2	-4.2%	-2.9	-0.3
Public Health	4.1	3.9	-0.2	-3.7%	0.0	-0.2
Community Safety	27.0	27.7	0.7	2.5%	0.4	0.3
Resources	73.3	73.9	1.5	2.1%	1.9	-0.4
Total Directorate Budgets	581.8	588.4	6.6	1.1%	12.3	-5.7
Budgets Held Centrally	-3.0	-22.0	-19.0	624.6%	-12.3	-6.7

Directorate Budgets	Final Net Budget	Total Spend	Year End Variance	Year End Variance	Variance Last Cabinet Reporting Month	Change in Variance
	£m	£m	£m	%	£m	£m
Net Operating Budget	578.8	566.5	-12.4	-2.1%	0.0	-12.4
Business Rates and Council Tax funding	-578.8	-578.8	0.0	0.0%	0.0	0.0
Year-End Position	0.0	-12.3	-12.3		0.0	-12.4

26. As agreed as part of the 2024/25 budget, £1.5m of the underspend arising from additional interest on cash balances will be used to fund a one – off revenue contribution to the Transformation Reserve in 2024/25. A further £2.2m will be used to make an initial contribution to a new reserve to manage the risk pending the end of the statutory over-ride for IFRS9 (changes in the value of Treasury Management Pooled Funds at year end) which may impact on the revenue account in 2025/26. This means that £3.7m of the underspend that will be held in balances as at 31 March 2024 is already committed in 2024/25.

27. Since the underspend is higher than anticipated as a result of the reduction in the directorate overspend it is recommended to:

- Add a further £2.8m to the IFRS9 reserve in 2024/25, increasing the total to £5.0m. That should then provide sufficient cover for future risks.
- Create a new Pump Priming reserve in 2024/25 to support the council's Commercial Strategy with an initial contribution of £2.0m.
- Make a contribution of £1.0m to the Budget Priorities Reserve to be used to complete or extend schemes already agreed as part of the Cabinet's priorities including Rail Studies and an extension of the funding for efficiency loans to schools.

28. After taking account of the use of contingency and additional interest on balances, planned changes above as well as supplementary estimates agreed earlier in the year, balances would be £42.0m, £11.8m above the risk assessed level of £30.2m at year end. £9.5m of the total will be used to fund contributions to reserves in 2024/25 as set out in paragraph 26 and 27. The remaining £2.3m will be held in balances pending a decision about future use.

29. On 1 April 2023, one – off funding held in earmarked reserves totalled £202.7m. As set out in Annex B-3a this increased to £210.1m as at 31 March 2024. The increase includes budgeted net contributions to/from reserves totalling £12.8m agreed in February 2023, plus other net changes during the year which reduced reserves by £5.4m.

30. The 2023/24 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs was £14.7m. This is £3.6m lower than the £18.3m forecast deficit for 2023/24 approved by Cabinet in May 2023. The CIPFA code of practice currently requires negative High Needs DSG balances to be held in an unusable reserve. The deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £41.1m as at 31 March 2023 to £55.8m at 31 March 2024.

31. Further details and commentary explaining both the directorate positions and variations on budgets held centrally are included in Annex B.

Financial Implications

32. This report sets out the financial position for the council as at 31 March 2024. While there is an underspend at year end as a result of additional interest on balances

and the use of contingency, the directorate position is overspent, albeit by less than anticipated earlier in the year as a result of sustained management action throughout the year.

33. The budget for contingency is lower and an increased level of interest on cash balances is already built into in the budget for 2024/25 so strong financial management and oversight will continue to be required in 2024/25.

Comments checked by: Kathy Wilcox, Head of Corporate Finance

Legal Implications

34. The Council's constitution at Part 3.2 (Budget and Policy Framework) sets out the obligations and responsibilities of both the Cabinet and the Full Council in approving, adopting and implementing the council's budget and policy framework.
35. The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The report sets out the performance and finance position for the Council as at 31 March 2024 as part of its fiduciary duty to implement budgetary controls and monitoring.

Comments checked by: Anita Bradley Director of Law and Governance and Monitoring Officer.

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