

CABINET
21 June 2022

BUSINESS MANAGEMENT AND MONITORING REPORT
ANNUAL REPORT AND PROVISIONAL REVENUE OUTTURN 2021/22

**Report by Corporate Director for Customers, Organisational
Development and Resources and the Director of Finance**

RECOMMENDATION

- a. To note the Annual Report for 2021/22.
- b. To note the summary of the provisional year - end financial position for 2021/22 along with the year-end position on general balances and earmarked reserves as set out in Annex B.
- c. To note the virements set out in Annex B-2.
- d. To agree that the surplus on the On-Street Parking Account at the end of the 2021/22 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 2022/23 financial year as set out in Annex B-3c.
- e. To approve the transfer of £4.6m underspends to general balances as set out in paragraph 6.6.
- f. To approve the updated risk share arrangements for the pooled budgets for Live Well and Age Well services from 1 April 2022 to 31 March 2023 as set out in paragraph 8.1.
- g. To approve the use of directorate underspends to offset the £1.2m overspend on COVID-19 costs related to High Needs in Children's Services as set out in paragraph 7.1.

1. Executive Summary

- 1.1 This report presents the council's annual performance report and provisional year - end finance position for 2021/22.
- 1.2 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.
- 1.3 This annual report reflects the end of year position against the corporate priorities, and budget documents supporting the ambitions and priorities. The Corporate Plan agreed by Council in February 2021 set out the Council's ambitions for 2021/22.
- 1.4 The Strategic Plan, Medium Term Financial Plan, Outcomes Framework and previous business management reports, can be found on the council's website.
- 1.5 This report summarises the performance over the last year. Further information is provided in the following annexes:

- a. Annex A: Annual report 2021/22
- b. Annex B: Provisional revenue outturn 2021/22

2. Performance Overview

- 2.1 The Outcomes Framework 2021/22 set out the golden thread of key performance indicators and progress measures supporting the overarching strategic priorities.
- 2.2 The monthly business management and monitoring reports included progress updates supporting the six strategic priorities, 25 overarching indicators which comprised of 90 key performance indicators and progress measures.

3. End of year 2021/22 performance summary:

The end of financial year performance indicators are as follows:

Green	Amber	Red	Total
16	3	6	25

- 3.1 This represents a strong outcome of the measures and indicators supporting the overarching priorities for the financial year with:
 - 76% either above target or very close to it
 - 24% below target

4. Financial year tracking of performance Indicators

- 4.1 The table on the next page illustrates the performance progress throughout the year. As part of the collection of key performance indicators and performance measures there are a number of measures that have seasonal variations (eg. waste collection) and that are also reported quarterly and annually as per the variation in numbers.

Month	Green	Amber	Red	Total
April	13	2	6	21
May	11	4	7	22
June (Q1)	15	6	4	24
July	12	5	5	22
August	10	6	6	22
September (Q2)	15	7	4	26
October	14	2	7	23
November	14	4	5	23
December (Q3)	10	4	9	23
January	12	4	7	23
February	11	3	7	21
March (Q4)	16	3	6	25

Figure 2 - Please note that the total number of indicators fluctuates throughout the year due to quarterly measures and increase and closure of some measures, hence the difference in the number of measures in some months.

- 5.1 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 pandemic; the significant impact on the services we deliver; how we coordinated and supported the delivery of the Covid testing

programme and how we reinforced the communications around vaccinations.

- 5.2 The report also captures some of the progress supporting **our commitment to the Climate emergency**, launching the pilot for Britain's first zero emission zone in Oxford City centre; 9 School Street trials delivered which restricted motorised traffic during school drop off and pick up times. The installation of air source heat pumps, solar panels and other energy saving improvements as part of the Green Homes Grant. And, with our partners we have installed a number of EV Chargers across 20 council owned car parks across the county.
- 5.3 As part of our commitment to **tackling inequality across Oxfordshire** the report captures, we were one of the lead sponsors for Oxford's virtual Pride event, we were one of 150 organisations to achieve a Stonewall Bronze Award for our work in promoting LGBTQ+ inclusion in our workplace. We worked with partners to resettle and support Afghan refugees including access to healthcare, education and support with employment. In partnership with the NHS, we delivered home monitoring blood pressure kits to support people in the 10 most deprived wards across Oxfordshire.
- 5.4 We launched a new Stop Smoking Service to further support residents and Oxfordshire's ambition to become Smoke free by 2025 supporting our **Health and Wellbeing priority**. Oxfordshire's Street Tag, a family-friendly game app that rewards primary school pupils, communities and schools for physical activity, had the highest sign-up rate for Street-Tag in Britain. Our fire and rescue service delivered over 3,000 safe and well visits, supporting some of the country's most vulnerable residents.
- 5.5 **Supporting carers and the social care system** is another priority which has seen a 44% reduction in the number of people waiting for social care assessments, by working closely with the voluntary sector to deliver a new way of working known as The Oxfordshire Way. Two of our Shared Lives carers received recognition at the Oxfordshire Care Awards for making an exceptional difference to dignity in care. We invested £5m to increase the supply of supported housing for people with learning difficulties and/or autism with an agreement with Resonance.
- 5.6 A new vision for transport in Oxfordshire was unveiled with the Local Transport and Connectivity Plan as part of our **Transport** priority. We launched a new initiative offering communities across the county the change to apply to cut local speeds to 20mph. We also supported 905 residents to take part in a range of activities to enable them to cycle or walk more – all part of the wider cycling and walking activation programme.
- 5.7 **Nature and Green Spaces** has achieved the following achievements, the delivery of biodiversity initiatives engaging with over 350 people across 20 events and expanding our volunteering programme as part of our Lower Windrush Valley Project. We supported the Oxfordshire Treescapes Project in developing a mapping tool which allows users to understand more about how trees can be used to create benefit in Oxfordshire. And, our countryside access team replaced 83 wooden bridges and repaired a further 40.
- 5.8 As part of the priority **Creating opportunities for children and young people to reach their full potential**, we have maintained an OFSTED rating of Good for all three of the council's children's homes. We provided 42,000 free holiday activity and food places for children aged 5-16 years and who were eligible for

free school meals. We launched the life-long links programme, enabling children in our care to build strong, long-term connections with family and friends and we also launched a SEND strategy consultation with parents and carers – collecting a view of service needs across the county. We opened a rebuilt and expanded Orion Academy and completed expansions or replacements of temporary accommodation at eight other schools. This provided an additional 385 primary, 140 secondary and 124 SEND places.

- 5.9 We introduced a new digital and consultation platform – Let’s talk Oxfordshire – which now has over 10,000 residents registered as part of our priority **Playing a part in vibrant and participatory local democracy**. A broad range of public and stakeholder engagement informed the development of the new strategic plan, including a residents’ survey, public and stakeholder workshops, and five discussion groups with children and young people. The council’s scrutiny function was restructured, with the aim of achieving greater public accountability. A trio of new committees has been established - people, place and performance – each of which are chaired by opposition councillors to ensure robust challenge.
- 5.10 **Working with local businesses and partners** has provided £100,000 to Oxfordshire Community Foundation to top up their loneliness and isolation funding. 25 local voluntary and community sector organisations were supported for the provision of mental health support and support to those self-isolating. Working with Good Food Oxfordshire, local businesses, the voluntary and community sector and local authorities, we developed an Oxfordshire-wide food strategy to address food poverty, inequality and accessibility. Trading standards officers conducted over 1,400 interventions with Oxfordshire businesses, including visits to provide advice and support, along with testing products, procedures and measuring equipment.

6. **Financial Management**

Summary of the Council’s financial position at the end of 2021/22

- 6.1 This report provides a summary of the provisional year - end financial position for 2021/22.
- 6.2 The information in this report will be used to compile the Council’s Statement of Accounts for 2021/22. Ernst and Young, the Council’s external auditor, will carry out their audit over the autumn. It is possible that changes may be made to the accounts during this period which may alter the position presented within this report.
- 6.3 The statutory deadline for the publication of the audited accounts for 2021/22 is 30 November 2022. The draft accounts are currently expected to be published by the end of June 2022. It is anticipated that the Audit & Governance Committee will be able to approve the audited accounts by the publication deadline of 30 November 2022. Both the draft and final Statement of Accounts will be published on the Council’s website.
- 6.4 As reported to Audit & Governance Committee on 11 May 2022¹, a local government wide technical issue relating to infrastructure assets has led to a moratorium from all external auditors being placed on signing off any accounts still subject to audit at February 2022. This includes Oxfordshire County Council’s accounts for 2020/21. It is expected that a solution, which will apply to 2020/21 and future years will be found in time for the audited accounts

¹ Item 7: Accounting Policies for Inclusion in the 2021/22 Statement of Accounts

publication deadline for the 2021/22 accounts of 30 November 2022.

- 6.5 The table on the next page summarises the final position compared to the Net Operating Budget for 2021/22 agreed by Council in February 2021. There was an underspend of £4.6m or 0.9% compared to the final budget. This was made up of a directorate underspend of £3.0m (0.6%) plus an underspend of £1.6m on budgets held centrally. £1.1m of the directorate variation relates to lower than anticipated expenditure on costs related to COVID-19 in 2021/22.
- 6.6 The final position for 2021/22 compares to an underspend of £5.9m at the end of 2020/21. The final position for the last five years is summarised in the table below:

	2021/22 £m	2020/21 £m	2019/20 £m	2018/19 £m	2017/18 £m
Underspend (-)/Overspend (+)	-4.6	-5.9	-2.5	-2.3	-1.0

	Final Budget 2021/2 2 £m	Net Expenditure 2021/22 £m	Variance March 2022 £m	Variance March 2022 %	Variance January 2022 £m
Directorate Budgets:					
Adult Services	200.4	199.6	-0.8	-0.4%	0.0
Children's Services	142.9	144.6	1.7	1.2%	2.2
Public Health	1.8	1.5	-0.3	-19.6%	-0.4
Environment & Place	61.6	61.6	0.0	0.0%	0.6
Commercial Development, Assets and Investments	51.1	48.4	-2.7	-5.3%	-1.2
Customers, Organisational Development & Resources	36.0	35.1	-0.9	-2.6%	0.0
Total Directorate Budgets	493.8	490.8	-3.0	-0.6%	1.2

Budgets Held Centrally²:					
Capital Financing Costs	23.7	23.4	-0.3	-1.3%	0.0
Interest on Balances	-10.8	-11.3	-0.5	-4.6%	0.0
Contingency	2.2	0.0	-2.2	-100.0%	-2.2
Budgeted Contribution from COVID-19 reserve funding additional directorate expenditure agreed during 2021/22	-7.2	-6.1	1.1	-15.3%	0.0
Un-ringfenced Specific Grants	-40.4	-40.6	-0.2	-0.5%	0.0
Other	0.9	1.1	0.2	0.0%	0.0
Contributions to reserves	31.6	31.9	0.3	1.6%	0.0
Total Budgets Held Centrally	0.0	-1.6	-1.6		-2.2
Net Operating Budget	493.8	489.2	-4.6	-0.9%	-1.0
Business Rates & Council Tax Funding	-493.8	-493.8	-0.0		0.0
Total Year End Position	0.0	-4.6	-4.6		-1.0

- 6.7 The Council's general balances were **£39.2m** as at 31 March 2022 after taking account of the underspend of **£4.6m**. £3.0m was agreed to be used to support the capital programme as part of the 2022/23 budget. The remaining £7.3m balance above the **£28.9m** risk assessed level for 2022/23 is available to support one – off expenditure in future years.
- 6.8 Earmarked reserves totalled **£183.6m** at 31 March 2022. The increase of **£32.1m** compared to the £151.5m balance as at 1 April 2021 consists of **£32.0m** in planned contributions to reserves plus **£0.1m** for other changes during the year. Budgeted contributions included: COVID-19 Reserve (£18.2m), Investment Pump Priming Reserve (£2.2m), Budget Priorities Reserve (£1.8m), Redundancy Reserve (2.0m), Transformation Reserve (£3.0m) Business Rates Reserve (£1.8m), and Demographic Risk Reserve (£3.0m).
- 6.9 **£6.1m** of the funding held in reserves to support COVID-19 pressures was utilised in 2021/22. **£20.1m** was agreed to be used to fund pressures in future years as part of the 2022/23 budget and Medium Term Financial Strategy. A further **£0.5m** funding for IT equipment slipped into 2022/23 and £0.1m will be used to support additional costs within the Coroner's service in 2022/23. The balance of **£5.5m** is available to support future COVID-19 pressures on a one– off basis.
- 6.10 The Council received **£189.8m** of government grants during 2021/22 of which, **£103.7m** were un-ringfenced and **£86.1m** were ringfenced. £3.4m of the **£86.1m** ringfenced funding received in 2021/22 will be carried forward for use in 2022/23, in line with terms and conditions of the individual grants.
- 6.11 The 2021/22 budget agreed by Council in February 2021 included planned directorate savings of £16.1m. 85% of these savings have been delivered in 2021/22. Where savings have not been delivered, these are reflected in the directorate outturn position. Where relevant the ongoing impact has been addressed through the 2022/23 Budget and Business Planning Process.

² Strategic Measures and Contributions to/from Reserves

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

7. Costs Related to High Needs

7.1 The Education and Skills Funding Agency (ESFA) have given the council permission to offset £1.2m of COVID-19 costs related to High Needs that would otherwise have been funded through the Dedicated Schools Grant (DSG) from council resources in 2021/22. Based on the position at year end it is recommended that the £1.2m should be met from revenue underspends elsewhere in the council.

8. Pooled Budget Risk Share for 2022/23

8.1 Under Section 75 of the NHS Act 2006 Oxfordshire Clinical Commissioning Group (OCCG) and the Council have pooled health and social care commissioning budgets since April 2013. The arrangements from 1 April 2022 were considered by Cabinet on 15 March 2022 and included the agreement of a single, fully integrated pooled budget and risk share for Live Well and Age Well services. While the other changes are being implemented, further discussions have taken place about the risk share in the context of the current development of the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System (ICS). As a result, it is proposed that the risk share should continue under the same arrangements as in 2021/22.

CLAIRE TAYLOR Corporate Director for Customers, Organisational Development and Resources	LORNA BAXTER Director of Finance
---	--

Contact Officers:

Louise Tustian, Head of Insight and Corporate Programmes

Kathy Wilcox, Head of Financial Strategy