

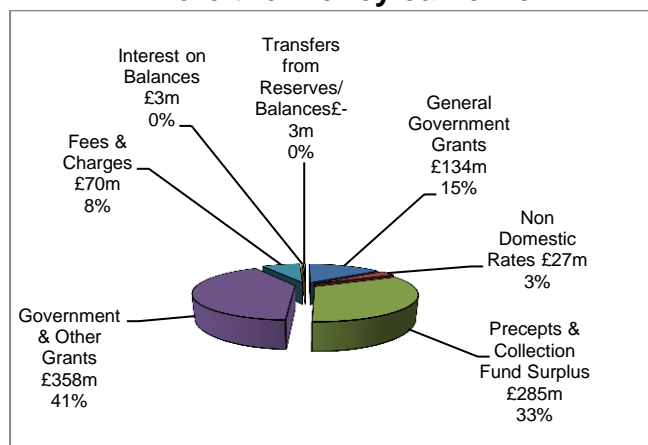
# SUMMARY ACCOUNTS 2014/15

The County Council's accounts set out how much money we have spent on services, what we have invested in capital projects, how we have funded the expenditure and what assets we own.

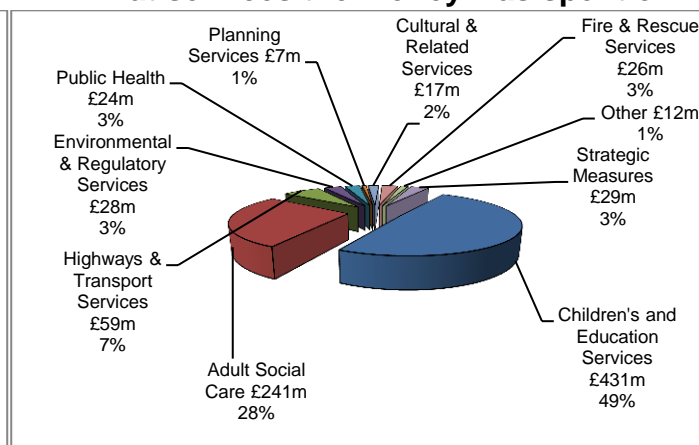
## Review of 2014/15

**Total  
£874m**

### Where the money came from



### What services the money was spent on



The Council set a net revenue budget for the year of £430.3m to finance day to day service provision. Actual spending for the year after transfers to earmarked reserves was £427.5m, £2.8m lower than had been planned. The County Fund balance has increased by £2.8m from £21.5m at the beginning of the financial year to £24.3m at 31 March 2015. This includes the remaining £2.1m of the £3.0m Severe Weather Recovery Grant received in March 2014 that is expected to be spent in 2015/16.

## Summarised Revenue Account

	Gross Expenditure £m	Income £m	Net Expenditure £m
<b>Net cost of services</b>	<b>891.4</b>	<b>-422.4</b>	<b>469.0</b>
Other operating expenditure	110.8	-1.9	72.0
Financing and investment income and expenditure	54.4	-11.1	43.4
Taxation and non-specific grant income	0.0	-529.1	-529.1
<b>Deficit on provision of services</b>	<b>1,056.6</b>	<b>-964.4</b>	<b>92.2</b>
Adjustments between accounting basis & funding basis:			
Income and expenditure to be excluded	-188.3	88.1	-100.2
Capital financing costs to be included	24.3	0.0	24.3
<b>Net decrease before transfers to earmarked reserves</b>	<b>898.6</b>	<b>-897.2</b>	<b>1.4</b>
Transfers from earmarked reserves		-19.1	-19.1
<b>Increase in County Fund balance for the year</b>	<b>892.6</b>	<b>-895.4</b>	<b>-2.8</b>

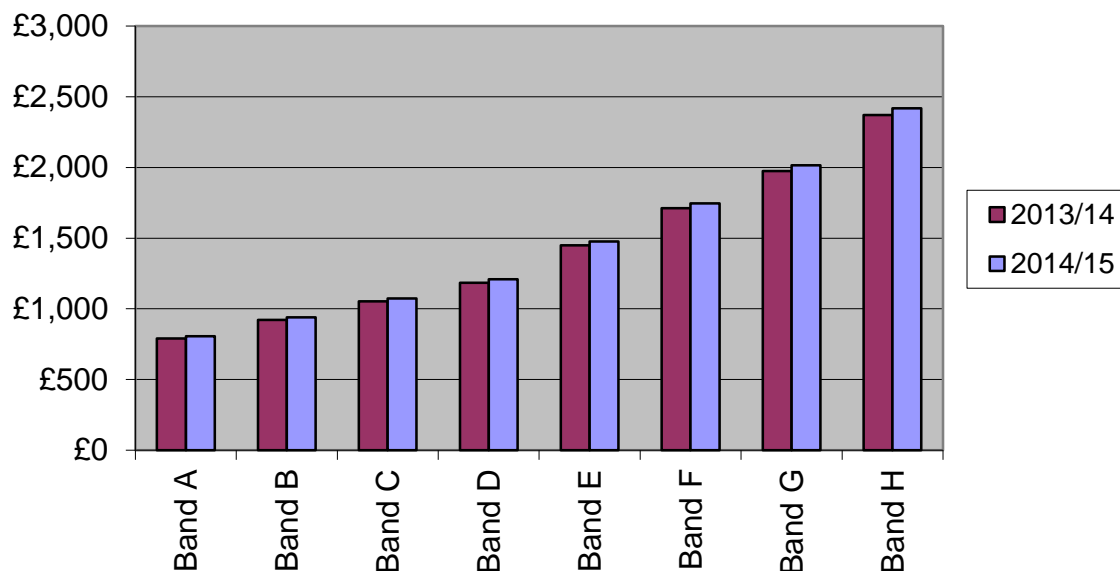
The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (ie. to Council Tax).

## County Fund Balance

	<b>£m</b>
Balance at start of year (1 April 2014)	<b>21.5</b>
Increase in year	<b>2.8</b>
Balance at end of year (31 March 2015)	<b>24.3</b>

## Our Council Tax Funding

The graph below shows how much Council Tax for County Council services was charged for each property band in 2013/14 and 2014/15. Band D Council Tax increased by 1.99% compared to 2013/14.



	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2014/15	£806	£934	£1,074	£1,208	£1,476	£1,745	£2,014	£2,217
2013/14	£790	£921	£1,053	£1,185	£1,448	£1,711	£1,975	£2,370

## Capital Investment

We also spent money on improving the council's assets...

Spending...	£m	Paid for by...	£m
Children's and education services	37.4	External borrowing	0.4
Environment, roads and transport	45.6	Grants & contributions	88.4
Social, community and other services	3.8	Revenue	6.6
Properties, offices and technology	8.6		
	<b>95.4</b>		<b>95.4</b>

Some of the larger capital schemes that have benefited the community include:

Oxford Bayards Hill Primary School	£3.7m
New Special Educational Needs provision (Endeavour Academy)	£4.1m
Oxford St Christopher's Primary School	£1.8m
Oxford St Gregory the Great	£2.9m
Bicester South West Primary School	£2.9m
Didcot Milton Interchange Improvement	£2.7m

Kennington Roundabout Improvement	£5.9m
Oxford Frideswide Square	£1.9m
A4130 Bix Dual Carriageway	£3.7m
A420 Shrivenham Bypass	£2.8m
Witney Ducklington Lane/Station Lane Junction	£2.1m
Broadband	£6.1m
Asset Strategy Implementation	£2.1m

## Summarised Balance Sheet as at 31 March 2015

The balance sheet shows the Council's financial position at 31 March 2015, the end of the 2014/15 financial year. It is a snapshot of what we own, what we owe and how this is funded. The value of the balance sheet is significantly reduced by the council's estimated pensions liabilities as at 31 March 2015.

	£m
<b>Net Assets</b>	
Long-term assets	1,162.1
Cash and short-term investments	311.9
Money owed to the Council	57.2
Other short-term assets	0.1
Money owed by the Council	-101.5
Borrowing	-403.8
Pensions and other liabilities	-864.4
Capital grants and contributions	-71.4
<b>Total assets less total liabilities</b>	<b><u>90.2</u></b>
<b>Financed by</b>	
Earmarked reserves	111.7
Other usable reserves	90.0
Unusable reserves	-111.5
<b>Net Assets</b>	<b><u>90.2</u></b>

## Earmarked Reserves

The Council's earmarked reserves that have been set aside for agreed purposes and are available to be spent in future years as at 31 March 2015 are as follows:

	£m
School Balances (held on behalf of LEA maintained schools)	22.0
Capital investment (ie, funding for the capital programme)	30.9
Insurance	4.5
Cash flow (Budget Reserve – used to manage the cash flow implications of the Medium Term Financial Plan)	8.8
Other corporate reserves	1.9
Directorate reserves	43.6
	<b><u>111.7</u></b>

## Other Usable Reserves

The Council's other usable reserves as at 31 March 2014 are as follows:

	£m
County Fund balance (including £2.1m Severe Weather Recovery Grant)	24.3

Capital investment balances (ie. funding for the capital programme)	65.7
	<u>90.0</u>

## Cash Flow

The cash flow summary shows the total cash inflows and outflows during the year and includes both capital and revenue transactions.

	<b>£m</b>
Cash in hand at 1 April 2014	16.3
Cash in	1,193.5
Cash out	<u>-1,187.6</u>
Cash in hand at 31 March 2015	<u>22.2</u>

## Plans for future service delivery

2015/16 is the second year of the four - year directorate business strategies agreed by Council in February 2014. These build on the previous strategies agreed in 2011, and were not extended beyond 2017/18 due to uncertainty over future levels of government funding.

Sustained reductions in government funding combined with pressure to restrict council tax increases have resulted in a significant squeeze on council resources at a time when demand for services has been increasing. The Corporate Plan for 2014/15 set out that over the period 2010/11 to 2017/18 the Council planned to save £265m to offset funding reductions and to meet additional expenditure pressures.

On-going expenditure pressures that were not anticipated when those savings were agreed have been highlighted in the Financial Monitoring and Business Strategy Delivery reports to Cabinet throughout 2014/15. Additional savings of £27m over that period are now required to manage these pressures, bringing the total savings over the period 2010/11 to 2017/18 to £292m.

## Oxfordshire County Council Pension Fund

The County Council is the administering authority for the Oxfordshire Local Government Pension Fund.

### Fund Summary at 31 March 2015

### Net Assets at 31 March 2015

	<b>£m</b>		<b>£m</b>
Opening net assets at 1 April	1,631.2	Value of investments	1,785.0
Net income from fund members	8.1	Net money owed to the pension fund	48.2
Net returns on investments	<u>206.2</u>	Long term assets	<u>12.3</u>
<b>Closing net assets at 31 March 2015</b>	<u><b>1,845.5</b></u>	<b>Net assets of the pension fund at 31 March 2015</b>	<u><b>1,845.5</b></u>

There were 21,858 contributing members to the fund at 31 March 2015, and 13,465 pensions were paid. Contribution rates for 2014/15 were based on the valuation of the Scheme's financial position as at 31 March 2010.

## Pension Fund Annual Report

The Pension Fund annual report is available to be downloaded from the County Council's website at: [www.oxfordshire.gov.uk](http://www.oxfordshire.gov.uk).

## **Fire-fighters Pension Fund**

Separate fire-fighters pension fund accounts are included in the County Council's Statement of Accounts. The scheme has no assets and the surplus or deficit on the pension fund account is paid to/met by central government.

## **Status of Accounts**

The County Council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting. This summary is taken from the audited Statement of Accounts 2014/15. The full Statement of Accounts is available on the County Council's website.

## **What do you think?**

If you have any questions or suggestions as to how we could improve these summary accounts, please contact Kathy Wilcox, Chief Accountant

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## **Glossary of Terms**

### **Asset**

An asset is something the County Council owns and can be either long term or current.

### **Balance**

The accumulated surplus of income over expenditure. Such a surplus is available to meet unexpected expenditure or a shortfall in income, to allow flexibility in borrowing from the money market, to finance expenditure pending the receipt of income or to reduce the Council Tax requirement.

### **Balance Sheet**

A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities.

### **Capital Asset**

A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.

### **Capital Expenditure**

Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.

### **Capital Investment**

Investment in assets that will be used for more than one year, such as buildings and roads.

### **Capital Investment Balances**

Capital grants and contributions and capital receipts reserves that will be used to fund capital expenditure in future years.

### **Capital Receipts**

Receipts from the sale of capital assets.

### **Cash Flow**

The movement of money into or out of the County Council during the financial year.

### **County Fund**

The main revenue fund of the County Council into which Council Tax income and Government grants are paid and from which day-to-day payments are made.

### **Financial Year**

The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.

### **Financing and Investment Income and Expenditure**

This mainly comprises interest charges, for example on borrowing, and interest earned on investments.

### **General Revenue 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.

### **Liabilities**

Amounts owed by the County Council which will be paid some time in the future.

**Long Term Assets**

Capital assets, long-term investments and money owed to the Council over the long-term.

**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.

**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-specific Grant Income**

Grant income from general revenue government grants and capital grants and contributions.

**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.

**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.

**Specific Grants**

Grants paid by the government towards either revenue or capital to support the cost of specific services.

**Unusable Reserves**

Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it has to be funded.