

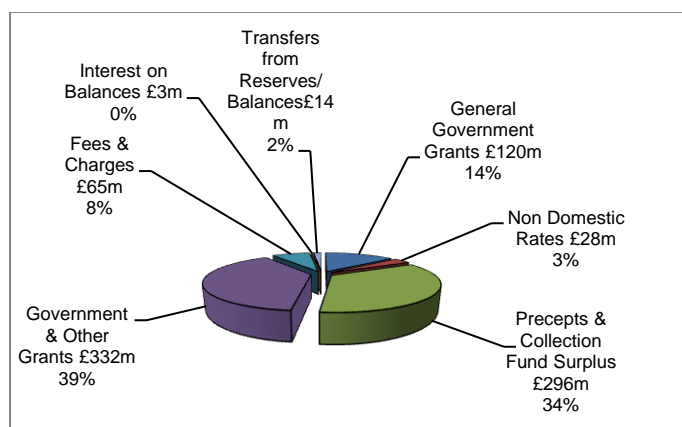
SUMMARY ACCOUNTS 2015/16

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.

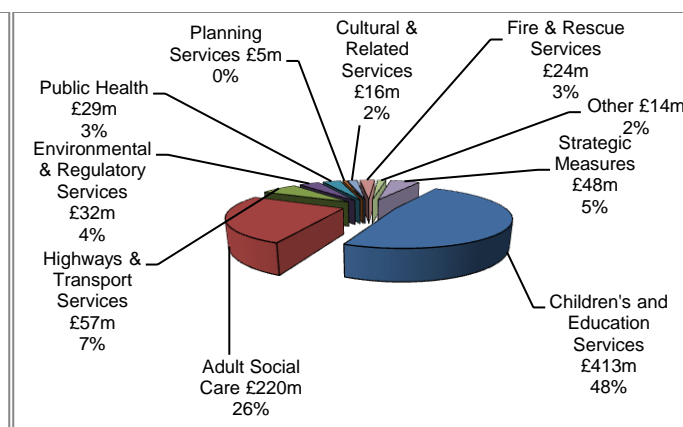
Review of 2015/16

Total Gross Expenditure: £858m

Where the money came from



What services the money was spent on



The Council set a net revenue budget for the year of £424.6m to finance day to day service provision. Actual spending for the year after transfers to earmarked reserves was £428.9m, £4.3m higher than had been budgeted and we received £1.0m less general funding during the year. The County Fund balance has decreased by £5.3m from £24.3m at the beginning of the financial year to £19.0m at 31 March 2016. The majority of the reduction in balances related to approval given by Council in July 2015 to transfer £4.7m to the Budget Reserve (£2.7m) and the Efficiency Reserve (£2.0m).

Summarised Revenue Account

	Gross Expenditure £m	Income £m	Net Expenditure £m
Net cost of services	876.4	-395.0	481.4
Other operating expenditure	102.5	-2.1	100.4
Financing and investment income and expenditure	48.1	-8.6	39.5
Taxation and non-specific grant income	0.0	-542.1	-542.1
Deficit on provision of services	1,027.0	-947.8	79.2
Adjustments between accounting basis & funding basis:			
Income and expenditure to be excluded	-194.6	103.9	-90.7
Capital financing costs to be included	25.3	0.0	25.3
Net decrease before transfers to earmarked reserves	857.7	-843.9	13.8
Transfers from earmarked reserves		-8.5	-8.5
Increase in County Fund balance for the year	857.7	-852.4	5.3

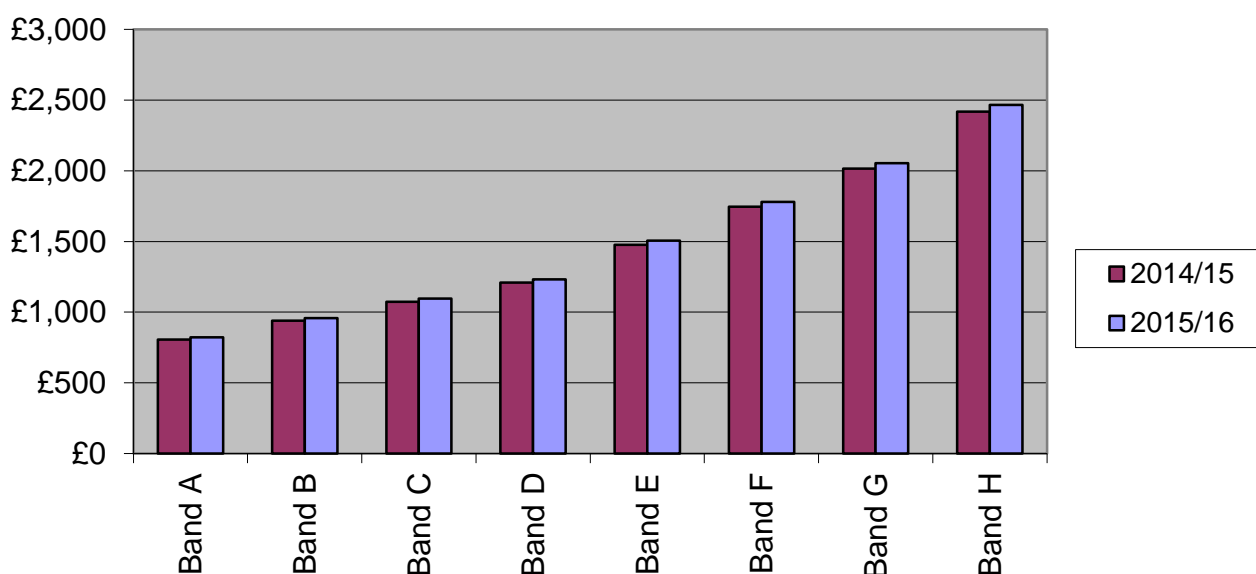
The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (i.e. to Council Tax).

	£m
County Fund Balance	
Balance at start of year (1 April 2015)	24.3
Decrease in year	-5.3
Balance at end of year (31 March 2016)	<u>19.0</u>

This compares to a risk assessed recommended level of balances for 2016/17 of £17.6m.

Our Council Tax Funding

The graph below shows how much Council Tax for County Council services was charged for each property band in 2014/15 and 2015/16. Band D Council Tax increased by 1.99% compared to 2014/15.



	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2015/16	£822	£959	£1,096	£1,232	£1,506	£1,780	£2,054	£2,465
2014/15	£806	£940	£1,074	£1,208	£1,477	£1,745	£2,014	£2,417

Capital Investment

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

Spending...	£m	Paid for by...	£m
Children's and education services	54.4	External borrowing	0
Environment, roads and transport	47.6	Grants & contributions	118.0
Social, community and other services	15.9	Revenue	8.3
Properties, offices and technology	8.4		
	<u>126.3</u>		<u>126.3</u>

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

Didcot, Great Western Park Primary No.1	£4.3m
Bodicote, Longford Park School	£3.1m
South West Bicester Primary School	£4.0m
Didcot, Great Western Park Secondary	£4.1m
Frideswide Square	£4.0m
Bicester Park & Ride	£3.2m
A34 Chilton Interchange	£3.1m
Milton Interchange, Science Vale UK	£6.7m
Better Broadband Project	£7.0m
Local Growth Fund - Oxpens Development	£3.5m

Summarised Balance Sheet as at 31 March 2016

The balance sheet shows the Council's financial position at 31 March 2016, the end of the 2015/16 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 pension's liabilities as at 31 March 2016.

	£m
Net Assets	
Long-term assets	1,229.0
Cash and short-term investments	273.1
Money owed to the Council	53.8
Other short-term assets	0.5
Money owed by the Council	-94.0
Borrowing	-397.7
Pensions and other liabilities	-806.9
Capital grants and contributions	-86.1
Total assets less total liabilities	171.7
Financed by	
Earmarked Reserves	106.1
Other usable reserves	65.9
Unusable reserves	-0.3
Net Assets	171.7

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 2016 are as follows:

	£m
Schools	20.6
Capital investment	34.6
Insurance	7.1
Cash flow	8.7
Other corporate reserves	2.9
Directorate reserves	32.2
	106.1

Other Usable Reserves

The Council's other usable reserves as at 31 March 2016 are as follows:

	£m
County Fund balance	19.0
Capital investment balances	46.9
	<u>65.9</u>

Cash Flow

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

	£m
Cash in hand at 1 April 2015	22.3
Cash in	1,272.8
Cash out	-1,282.3
Cash in hand at 31 March 2016	<u>12.8</u>

Plans for future service delivery

2016/17 is the third 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 2016 to 2020 set out that over the period 2010/11 to 2017/18 the Council has already saved, or has plans to save, a total of £292m to offset funding reductions and to meet additional expenditure pressures. Additionally, it is now expected that we will have to save up to £69m more in the four years between 2016/17 and 2019/20.

Throughout the year the Financial Monitoring and Business Strategy Delivery Reports to Cabinet have highlighted pressures of which the most significant have been in Special Educational Needs (SEN) Home to School Transport, Children's Social Care staffing and Waste. The on-going impacts of the increased demand have been reflected in the 2016/17 budget agreed by Council in February 2016.

Oxfordshire County Council Pension Fund

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

Fund Summary at 31 March 2016

Net Assets Statement at 31 March 2016

	£m		£m
Opening net assets at 1 April	1,845.5	Net value of investments	1,778.9
Net income from fund members	1.9	Net money owed to the pension fund	52.7
Net returns on investments	-5.1	Long Term Assets	10.7
Closing net assets at 31 March 2016	<u>1,842.3</u>	Net assets of the pension fund at 31 March 2016	<u>1,842.3</u>

There were 23,606 contributing members to the fund at 31 March 2016, and 13,982 pensions were paid. Contribution rates for 2015/16 were based on the valuation of the Scheme's financial position as at 31 March 2013.

Pension Fund Annual Report

The Pension Fund annual report can be downloaded from the County Council's website at: 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 full Statement of Accounts presented to the Audit & Governance Committee on 14 September 2016. The audited Statement of Accounts will be published at the end of September 2016.

What do you think?

If you have any questions or suggestions as to how we could improve these summary accounts please send these to accounts@oxfordshire.gov.uk.

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.