

Section 4

Budget Strategy and Capital Programme

Section 4.0

Budget Strategy and Capital Programme

- Section 4 of the report sets out the financial plans, strategies and policies that the Council is required to approve as part of the budget setting process. The content of this section is as follows:

Section		Title
4.1		Medium Term Financial Plan (MTFP) 2020/21 – 2023/24
4.2		Investments and Pressures & Income and Savings proposals 2020/21 – 2023/24 (including those agreed in previous MTFPs)
4.3		Council tax and precepts 2020/21
4.4		Detailed Revenue budget 2020/21
4.5		Virement Rules for 2020/21
4.6		Financial Strategy 2020/21
4.7		Earmarked Reserves & General Balances Policy Statement
	4.7.1	Summary of Earmarked Reserves 2019/20 to 2023/24
4.8		Dedicated Schools Grant provisional allocation 2020/21
4.9		Capital & Investment Strategy 2020/21 – 2029/30 (including the minimum revenue provision statement and capital prudential indicators)
	4.9.1	Capital Programme 2019/20 – 2029/30
	4.9.2	Changes to the existing Capital Programme
	4.9.3	Highways Maintenance Programme 2020/21 – 2024/25
	4.9.4	Investment Strategy 2020/21
	4.9.5	Treasury Management Strategy (including prudential indicators and specified and non-specified investment instruments)
4.10		Budget Consultation Report
4.11		Overarching Service and Community Impact Assessment (SCIA)

Medium Term Financial Plan 2020/21 - 2023/24
Summary

	INDICATIVE POSITION											
	2020/21			2021/22			2022/23			2023/24		
	Agreed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Directorate Budgets												
Children's Services	113,745	16,929	130,674	130,674	3,727	134,401	134,401	3,345	137,746	137,746	3,076	140,822
Adult Services	184,027	10,020	194,047	194,047	6,268	200,315	200,315	8,086	208,401	208,401	8,782	217,183
Public Health	0		0	0		0	0		0	0		0
Communities	86,846	2,146	88,992	88,992	1,834	90,826	90,826	-2,045	88,781	88,781	-750	88,031
Customers & Organisational Development	29,152	-2,564	26,588	26,588	-905	25,683	25,683	50	25,733	25,733		25,733
Commercial Development, Assets and Investment	26,120	6,529	32,649	32,649	844	33,493	33,493	-850	32,643	32,643	-660	31,983
Inflation and Other Adjustments ⁽¹⁾	-1,500	-3,964	-5,464	-5,464	-3,643	-9,107	-9,107	4,085	-5,022	-5,022	6,500	1,478
Directorate Budgets	438,390	29,096	467,486	467,486	8,125	475,611	475,611	12,671	488,282	488,282	16,948	505,230
Strategic Measures												
Capital Financing												
Principal	8,474	575	9,049	9,049	2,233	11,282	11,282	1,635	12,917	12,917		12,917
Interest	15,217	-189	15,028	15,028	90	15,118	15,118	75	15,193	15,193		15,193
Interest on Balances	-8,418	-2,031	-10,449	-10,449	-3,098	-13,547	-13,547	-2,150	-15,697	-15,697		-15,697
Un-Ringfenced Specific Grants	-18,743	-8,303	-27,046	-27,046	15,840	-11,206	-11,206	686	-10,520	-10,520	1,058	-9,462
Contingency	7,629	-2,771	4,858	4,858	10,190	15,048	15,048		15,048	15,048		15,048
Insurance Recharge	2,896	46	2,942	2,942	100	3,042	3,042	100	3,142	3,142		3,142
OxLEP	192	-192	0	0		0	0		0	0		0
Public Health Saving	-250	-175	-425	-425		-425	-425	425	0	0		0
Total Strategic Measures	6,997	-13,040	-6,043	-6,043	25,355	19,312	19,312	771	20,083	20,083	1,058	21,141
Contributions to/from reserves												
General Balances	-6,000	10,025	4,025	4,025	-3,025	1,000	1,000		1,000	1,000		1,000
Prudential Borrowing Costs	2,200		2,200	2,200		2,200	2,200		2,200	2,200		2,200
Budget Equalisation Reserve	-280	280	0	0		0	0	2,754	2,754	2,754	-313	2,441
Budget Prioritisation Reserve	245	4,196	4,441	4,441	-2,618	1,823	1,823		1,823	1,823		1,823
Transformation Reserve	6,000	-6,000	0	0		0	0		0	0		0
Business Rates Reserve	494	-494	0	0		0	0		0	0		0
Demographic Risk Reserve	3,000		3,000	3,000		3,000	3,000	1,000	4,000	4,000		4,000
Youth Provision Fund	500	-500	0	0		0	0		0	0		0
Insurance Reserve	-1,000	1,000	0	0		0	0		0	0		0
Total Contributions to/from reserves	5,159	8,507	13,666	13,666	-5,643	8,023	8,023	3,754	11,777	11,777	-313	11,464
Budget Shortfall	0	0	0	0	-25,123	-25,123	-25,123		-25,123	-25,123		-25,123
Net Operating Budget	450,546	24,563	475,109	475,109	2,714	477,823	477,823	17,196	495,019	495,019	17,693	512,712

(1) Adjustment for inflation and other items that have not yet been allocated by Directorate including Transformation Savings.

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Medium Term Financial Plan 2020/21 - 2023/24

Financing

	INDICATIVE POSITION											
	2020/21			2021/22			2022/23			2023/24		
	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Operating Budget	450,546	24,563	475,109	475,109	2,714	477,823	477,823	17,196	495,019	495,019	17,693	512,712
Funded by:												
Government Grant												
Revenue Support Grant		0	0			0			0			0
Business Rates Top-up	-39,896	-589	-40,485	-40,485	5,662	-34,823	-34,823	-610	-35,433	-35,433	-620	-36,053
Total Government Grant	-39,896	-589	-40,485	-40,485	5,662	-34,823	-34,823	-610	-35,433	-35,433	-620	-36,053
Business Rates												
Business Rates local share	-34,015	-575	-34,590	-34,590	3,594	-30,996	-30,996	-542	-31,538	-31,538	-552	-32,090
Collection Fund Surplus/Deficit	-264	264	0	0		0	0	0	0	0	0	0
Total Business Rates	-34,279	-311	-34,590	-34,590	3,594	-30,996	-30,996	-542	-31,538	-31,538	-552	-32,090
Council Tax Surpluses	-7,306	-1,304	-8,610	-8,610	3,610	-5,000	-5,000		-5,000	-5,000		-5,000
Care Leavers Discount	0	21	21	21		21	21		21	21		21
COUNCIL TAX REQUIREMENT	369,065	22,380	391,445	391,445	15,580	407,025	407,025	16,044	423,069	423,069	16,521	439,590
Council Tax Calculation												
Council Tax Base			256,276			261,276			266,276			271,275
Council Tax (Band D equivalent)			£1,527.44			£1,557.84			£1,588.84			£1,620.46
Increase in Council Tax (precept)			6.1%			4.0%			3.9%			3.9%
Increase in Band D Council Tax			3.99%			1.99%			1.99%			1.99%

Summary of Changes to Medium Term Financial Plan

Existing Medium Term Financial Plan

Net Existing Pressures and Priorities	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m
Children's Services	2.474	4.227	4.500	0.000	11.201
Adult Services	9.723	6.551	7.150	0.000	23.424
Public Health	0.000	0.250	0.000	0.000	0.250
Communities	-0.381	0.170	-0.095	0.000	-0.306
Commercial Development, Assets and Investments	0.017	0.040	0.055	0.000	0.112
Customers & Organisational Development	-1.500	0.000	-0.005	0.000	-1.505
Corporate Measures	-12.427	-10.966	6.198	0.000	-17.195
Total Net Existing Pressures and Priorities	-2.094	0.272	17.803	0.000	15.981
Existing Funding Changes	17.675	-0.092	-16.226	0.000	1.357
Shortfall in Existing MTFP	15.581	0.180	1.577	0.000	17.338

Changes to Medium Term Financial Plan

Year	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m
Total Changes to Funding	-49.404	30.595	-0.283	-16.634	-35.726
Net New Pressures and Priorities					
Children's Services	14.956	-0.500	-1.155	3.076	16.377
Adult Services	11.729	-0.283	0.936	8.782	21.164
Public Health	-0.175	-0.250	0.425	0.000	0.000
Communities	1.376	0.303	-1.989	-0.750	-1.060
Commercial Development, Assets and Investments	1.468	0.804	-0.858	-0.660	0.754
Customers & Organisational Development	0.873	-0.905	0.300	0.000	0.268
Corporate Measures	0.571	-1.796	-2.668	6.500	2.607
Total Net New Pressures and Priorities	30.798	-2.627	-5.009	16.948	40.110
Shortfall in Existing MTFP	15.581	0.180	1.577	0.000	17.338
Overall position (+budget shortfall / -budget surplus)	-3.025	28.148	-3.715	0.314	21.722
Total Contributions to (+) / Use of Reserves (-)	3.025	-3.025	3.715	-0.314	3.401
Overall position (+budget shortfall / -budget surplus) after contributions to and use of reserves	0.000	25.123	0.000	0.000	25.123

Key

Positive Figures = Investments or Funding of Pressures

Negative Figures - Savings or Income Generation

Year	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Investment Themes:					
Demographic Pressures	21.767	13.675	12.334	11.650	59.426
Essential Investment	5.845	3.681	-0.067	0.200	9.659
Investment to Manage Demand	9.897	-1.521	0.150	0.250	8.776
Invest to Save	4.783	-5.038	-3.028	-1.652	-4.935
Income Generation	-1.232	-0.390	-0.125	0.000	-1.747
Total Net Pressures and Priorities by theme	41.060	10.407	9.264	10.448	71.179
Corporate Measures	-11.856	-12.762	3.530	6.500	-14.588
Total All Net Pressures and Priorities	29.204	-2.355	12.794	16.948	56.591
Of which:					
Budget Changes in existing MTFP	-2.094	0.272	17.803	0.000	15.981
New Budget Changes	30.798	-2.627	-5.009	16.948	40.110
Funded By:					
Funding Changes	-31.729	30.503	-16.509	-16.634	-34.369
Contributions to and Use of Reserves	3.025	-3.025	3.715	-0.314	3.401
TOTAL INVESTMENTS/PRESSURES AND INCOME GENERATION	0.000	25.123	0.000	0.000	25.123

Investments, Pressures and Savings

Children's Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<u>Investment to Manage Demand</u>						
21CS2	SEND - funding for a new early intervention service to address rising demand for High Needs SEND support . This service will provide additional and direct support to schools, ie behavioural support services, to enable them to support children to remain in their current school.	0.409				0.409
21CS9	Children with Disabilities - Direct Payments hourly rate review anticipated impact.	0.040				0.040
21CS12	Transitions Team jointly with adult services to improve outcomes for young people who move in to adult social care. (Also see 21AD20)	0.155	0.155			0.310
19PC1/ 20CH7	Staffing pressure - staffing to meet demographic growth in children's social care services . Numbers of children have increased in children in care teams and extra staffing is required to maintain caseloads at acceptable level .	0.665	0.292	0.300		1.257
21CS17	Leaving care - new duties on councils to support care leavers to age of 25 (previously 21) requires service redesign to meet current and future demand of eligible young people .	0.337				0.337
<u>Invest to Save</u>						
21CS4	Access to Education - Independent Travel Trainer - post required to support young people to learn the skills to travel alone . This will reduce demand on home to school transport and maximise independence for young people where appropriate .	0.037				0.037

Investments, Pressures and Savings

Children's Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CS21	Family safeguarding model - this is the introduction of a new model in children social care . This will provide support to the whole family and is a preventative model which has proven in other areas to both enhance outcomes for children and their families and manage demand. The costs detailed below include costs of implementing the model as well as increased staffing to deliver it.	2.228	-1.208	-1.431	-0.944	-1.355
20CH4	Family safeguarding model - Programme investment	0.080				0.080
21CS26	Fostering project - this is a new project to support a new offer to foster carers in Oxfordshire . The costs cover increased fees and support to in-house foster carers. This will encourage more people to join the scheme which will increase the number of children who are supported in this way. The savings attached to this project (over the following years) are based on an increased percentage of children in care being supported in this way as opposed to independent fostering or private residential care.	0.600	-0.401	-0.393	-0.230	-0.424
<u>Demographic Pressures</u>						
21CS3	SEND - Educational psychologists to meet anticipated growth in demand . The number of children requiring Educational Health Care plans (EHCPs) continues to grow - 33% in 2019 . Extra resources are needed to assess and support these children and meet statutory guidelines .	0.348				0.348
21CS1	SEND - Casework Team additional numbers of staff needed to meet rise in numbers of children on EHCPs.	0.860	0.194			1.054
19PC1/20C H3	Access to Education - Home to School Transport Demography to meet demand, particularly in relation to SEND transport.	1.215	1.215	0.800		3.230

Investments, Pressures and Savings

Children's Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CS6	Access to Education - Home to School Transport Demography to meet demand, particularly in relation to SEND transport.	2.985	0.085	0.500	1.300	4.870
19PC1/20C H6	Children with Disabilities: Demographic Increases - extra resources required to meet increased numbers of children with disabilities supported by our children social care.	0.200	0.200	0.200		0.600
21CS8	Children with Disabilities - Demographic Increases - extra resources required to meet increased numbers of children with disabilities supported by our children social care.				0.200	0.200
21CS10	Children with Disabilities - Social Work Teams pressure to meet current increased demand.	0.190				0.190
21CS11	Children with Disabilities - Specialist Housing Occupational Therapist additional temporary resource to address current waiting lists. Extra resources are required to meet increased numbers of children with disabilities supported by our children social care.	0.170	-0.085	-0.085		0.000
21CS13	Children's Social Care Specialist Advice and Legal Costs	0.200				0.200
19PC1/20C H5	Corporate parenting placements - this pressure is linked to both the anticipated demand for placements for children in care . Includes rising costs of many of our specialist placements .	4.203	3.520	3.800		11.523
21CS14	Corporate parenting placements - this pressure is linked to both the anticipated demand for placements for children in care . Includes rising costs of many of our specialist placements .	1.400			2.600	4.000
21CS16	Social care staffing team pressures to meet current and anticipated demand. Extra resources required in social care teams to maintain caseloads	0.386	-0.140	-0.246		0.000
20CH8	Leaving Care Allowances and Support	0.150	0.150	0.150		0.450
21CS20	Leaving Care Allowances and Support				0.150	0.150

Investments, Pressures and Savings Children's Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Essential Investment						
19PC4/ 20CH9/ 20CH10	Home to School Transport Saving	-0.270	-0.400			-0.670
21CS5	Original savings plans reversed due to ongoing pressure in this area. Further work will look at ways to better manage demand rather than achieve savings	0.270	0.400			0.670
21CS7	Learning and school improvement - post to provide permanent current enhanced support to provide support to safeguarding in schools	0.050				0.050
20CH14	Reconnecting Families - supporting some children in care to return to birth families	-0.833				-0.833
20CH15/ 20CH21	Review of third party spend - commissioning to review contracts , collaboration with providers etc to provide appropriate placements and support to children and provide best value	-1.000	-0.250	-0.250		-1.500
21CS15	Reduce savings to be made through review of third party spend	0.250				0.250
21CS35	Reduce savings to be made through review of third party spend - Not achieved in 2019/20	1.650				1.650
20CH18	Supported lodgings - increasing the supported lodging scheme to offer to more young people	-0.120				-0.120
21CS18	Increased safeguarding support and advice for schools	0.047				0.047
20CH16	Fostering - previously agreed saving	-1.016				-1.016

Investments, Pressures and Savings Children's Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CS29	Reverse previously agreed fostering savings - savings will be achieved following completion of new project (see 21CS26)	1.016				1.016
21CS30	Reverse fostering savings from 2019/20 - savings will be achieved following completion of new project (see 21CS26)	0.088				0.088
20CH17/ 20CH23	Savings arising from Service Redesign	-0.800	-0.500	-0.500		-1.800
21CS32	Reverse Service Redesign savings - savings to be achieved from implementing Family Safeguarding Model (See 21CS21)	0.800	0.500	0.500	0.000	1.800
21CS33	Reverse part of Service Redesign savings from 2019/20 - savings to be achieved from implementing Family Safeguarding Model (See 21CS24)	0.440				0.440
Total Investments, Pressures and Savings		17.430	3.727	3.345	3.076	27.578
Total New Investments, Pressures and Savings		14.956	-0.500	-1.155	3.076	16.377

Summary by theme

Investment to manage demand	1.606	0.447	0.300	0.000	2.353
Invest to save	2.945	-1.609	-1.824	-1.174	-1.662
Demographic pressures	12.307	5.139	5.119	4.250	26.815
Essential Investment	0.572	-0.250	-0.250	0.000	0.072
	17.430	3.727	3.345	3.076	27.578

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<u>Investment to Manage Demand</u>						
21AD1	Community Capacity: Strengthen and build community capacity, informal care networks & connections in Oxfordshire to help people to live as independent lives as possible.	0.250	0.250	0.250	0.250	1.000
21AD28	Community Capacity: a reduction in care home placements generated by better support in the community (1% = approx 7-8 placements costing £0.3m per annum @ £800 per week average). Assumes reduction from Q4 of 2020/21 onwards. (links to 21AD1)	-0.075	-0.225			-0.300
21AD2	Care Workforce: initiatives that continue to develop best practice and shared ways of addressing workforce issues and encouraging people to want to work across the local health and social care system.	0.125				0.125
21AD3	Innovation: Develop new ways of working and drive a reduction in the need for formal care, and service improvements through an on-going series of innovation projects.	0.250				0.250
21AD4	Equipment: Additional funding for equipment required to support people to remain independent in their own homes for as long as possible. Assumes 2019/20 activity levels continue from 2020/21.	0.250				0.250
21AD5	Winter: Support for one - off change and project activity to mitigate pressures on the local health and social care system in winter 2020/21.	1.200	-1.200			0.000
20AD8	Housing Related Support: the council will invest £0.250m into the Oxfordshire Homelessness Partnership in each of 2020/21 and 2021/22.	0.250		-0.250		0.000

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21AD23	Housing Related Support: support for people with housing issues to enable them to leave hospital.	0.200				0.200
21AD24	Housing Related Support: An additional council contribution to Floyds Row Homelessness Hub in Oxford (funded collectively by statutory authorities in Oxfordshire) to support ongoing development of the service.	0.088	-0.088			0.000
20MC8	Grant Change Impact: The Winter Pressures element of the iBCF grant was used to fund growth in social care expenditure (demography) on a one-off basis in 2019/20. This needs to be replaced by base budget funding in 2020/21	2.292				2.292
19PA3	Grant Change Impact: On - going funding for the Hospital Team. The cost of the team was funded by iBCF grant in 2017/18, 2018/19 and 2019/20.	1.200				1.200
19PA3	Grant Change Impact: On - going funding for the on-going cost of inflationary increases paid to care providers in 2017/18. This was funded by iBCF grant in 2017/18, 2018/19 and 2019/20.	1.700				1.700
21AD30	Service Review: The Community Outreach & Floating Support Service provides support for vulnerable adults and people with learning disabilities. The service is being reviewed and this will generate a commercial saving.	-0.056				-0.056
Invest to Save						
20AD11	Service Review: Work to coordinate purchasing of support for people with Learning Disabilities on a regional basis, generating a Regional Framework leading to a commercial saving	-0.200				-0.200

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21AD10	Care Workforce: Increase funding for Shared Lives carers to maintain payment rates compared to neighbouring areas. Also includes the on-going impact of benefit changes impacting on contributions to housing costs for people living with Shared Lives carers.	0.217	0.088	0.120	0.032	0.457
21AD11	Mental Health & Autism: Funding for transformation projects designed to improve flow through the housing pathway for people with mental health issues and/or autism and reduce expenditure on residential placements on an on-going basis.	1.000	-1.000			0.000
21AD12	Mental Health & Autism: One - off contribution to the cost of residential placements for people with mental health issues and/or autism	1.750	-1.750			0.000
20AD12	Individual Reviews: reviews of older people receiving support at home to ensure they have the right level of support.	-1.200				-1.200
20AD6	Co-Production: Co-Production and cross system work (reduction partially removed in 20AD6U)	-0.312				-0.312
20AD6U	Co-Production: the team was originally funded to the end of 2019/20. Based on outcomes the 3 FTE team + non - pay costs will continue to be funded on an on-going basis. (links to 20AD6)	0.237				0.237
Demographic Pressures						
19PA1 & 20AD3	Population Changes for Adults with Learning Disabilities: Funding for Demographic Changes built into existing MTFP based on increasing current spend by growth indices developed by Emerson & Hatton for the incidence of learning disability in the general population.	2.100	2.342	2.436		6.878

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21AD6	Population Changes for Adults with Learning Disabilities: impact of Demographic Changes - add additional year to MTFP based on growth indices for the incidence of learning disability in the general population.				2.520	2.520
20AD1	Population Changes: Actual learning disability growth is higher than existing MTFP demography assumptions (assuming £1.5m per annum net package growth)	0.500	0.500	0.500		1.500
21AD7	Population Changes: Learning Disability expenditure is higher than existing MTFP assumptions and planned demographic growth based on forecast position for 2019/20. Additional pressure assumes on-going effect of 2019/20 activity then £2.0m per annum net package growth from 2020/21 onwards (based on average growth over last two years).	1.200	0.700	0.600	1.100	3.600
21AD8	Population Changes: expenditure on the social care element of educational placements for young adults aged 18 - 25 increased in 2018/19 and was overspent by £1.0m. An overspend of £1.3m against the 2019/20 budget is expected to be on-going from 2020/21 as the placements will continue over the medium term.	1.600	0.300	0.300	0.300	2.500
21AD13	Population Changes: On-going effect of additional 2019/20 activity relating to adults with autism.	0.375				0.375
21AD14	Population Changes: On-going effect of additional 2019/20 activity relating to adults with other conditions including mental health, substance misuse and complex vulnerability.	0.375				0.375
21AD15	Population Changes: On-going effect of additional 2019/20 activity and expenditure relating to adults with physical disabilities.	0.750				0.750

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
19PA1 & 20AD3	Population Changes for Older People: impact of Demographic Changes built into existing MTFP - additional packages of care required for growing and ageing population. Based on uplifting existing budgets by Office for National Statistics population estimates.	2.900	3.234	3.364		9.498
21AD16	Population Changes for Older People: impact of Demographic Changes add additional year to MTFP based on population growth and changes to the age profile.				3.480	3.480
21AD20	Staffing: additional adult social work capacity to support young people moving from Children's to Adult Social Care.	0.050	0.050			0.100
21AD26	Care Workforce: support at home activity continues at lower than budgeted level in 2020/21 ahead of a review of homecare.	-0.600	0.600			0.000
21AD27	Care Workforce: completed re-ablement packages continue to be below contracted level in 2020/21	-0.600	0.600			0.000
Essential Investment						
20AD10U	Service Review: £1.2m of Learning Disability saving 20AD10 (in 2019/20) is not expected to be achieved as planned in 2019/20. A further £0.5m of the existing saving is expected to be achieved through reviews of placements in 2020/21. The remaining £0.7m is not expected to be achievable based on current activity. (links to 20AD10)	0.700				0.700
21AD9	Service Review: Health & Safety related mitigations for night time fire risk for vulnerable adults in supported living accommodation.	0.300				0.300

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
19PA5	Individual Reviews: reviews of people in out of county Learning Disability placements with the aim of providing in county support. (Transforming Care)	-0.457	-0.325			-0.782
19PA5U	Individual Reviews: Remove Learning Disabilities Transforming Care saving. Local housing provision needs to be developed before this can be progressed. (links to 19PA5)	0.729	0.325			1.054
20AD19	Staffing: Reduction to Mental Health Social Work contribution	-0.300	-0.300			-0.600
20AD19U	Staffing: Remove reduction to Mental Health staffing contribution and review options for the use of this funding for people with mental health issues and/or autism which include the possibility of staffing provision either in or outside Oxford Health Foundation Trust. (links to 20AD19)	0.300	0.300			0.600
21AD17	Service Review: The council's new contractual arrangements for homecare will be implemented in April 2021. After taking account of one - off implementation costs in 2020/21 the additional on-going cost of the new arrangements underpins a move towards working in closer partnership with local home support providers to maintain capacity and develop improved outcomes for the system. Pressure reflects implementation costs and change to paying for planned hours for home support to aid financial planning and stability for providers. Significant benefits are expected through moving away from a transactional relationship with providers.	0.300	1.100			1.400

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
20AD17U	Service Review: Reprofile part of saving 20AD17 to reflect updated timescale for the implementation of commercial changes relating to the way the council commissions care home placements. Phasing reflects turnover of placements and ability to move to block contracting arrangements as existing spot placements come to an end. (links to 20AD17)	0.667	-0.333	-0.334		0.000
20AD4	Inflation: uplifts to Care Packages (links to increased cost for providers driven by increases to the National Living Wage and other costs) .	0.900	1.100	1.100		3.100
21AD31	Inflation: Additional funding required to support increases to the National Living Wage - linked to Homecare 2020	0.400				0.400
21AD18	Inflation: additional year of funding for provider inflationary uplifts to MTFP.				1.100	1.100
21AD19	Staffing: Money Management (£0.013m) & Brokerage capacity for Extra Care Housing (£0.040m) plus historic health funding for weekend working falls out (£0.116m).	0.169				0.169
21AD21	Staffing: self Funder Support (offset by self - funder income) - two additional Care & Brokerage staff to support people funding their own care to find appropriate care provision.	0.070				0.070
21AD29	Income: self - funder charges contribute to costs of self - funder offer. (links to 21AD21)	-0.070				-0.070
21AD22	System: County Council share of health and social care system management costs	0.075				0.075

Investments, Pressures and Savings

Adult Services

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
19PA7	Income: Income Impairment (remove one - off reduction to the impairment of outstanding service user contributions towards their care included in 2019/20 budget)	0.350				0.350
21AD25	Service Review: adjustments to reflect current activity and previously achieved commercial savings	-0.497				-0.497
Total Investments, Pressures and Savings		21.452	6.268	8.086	8.782	44.588
Total New Investments, Pressures and Savings		11.729	-0.283	0.936	8.782	21.164
Memorandum - Additional Ring-Fenced Adult Social Care Funding						
	iBCF Ringfenced Grant Funding (including £2.292m for winter	-10.391				-10.391
	Increase in contribution from the Better Care Fund	-1.000				-1.000
	Adult Social Care Precept (2.0% in 2020/21)	-7.528	-0.303	-0.296	-0.303	-8.430
Total Additional Funding for Adult Social Care		-18.919	-0.303	-0.296	-0.303	-19.821

Summary by theme

Investment to manage demand	7.674	-1.263	0.000	0.250	6.661
Invest to save	1.492	-2.662	0.120	0.032	-1.018
Demographic Pressures	8.650	8.326	7.200	7.400	31.576
Essential Investment	3.636	1.867	0.766	1.100	7.369
	21.452	6.268	8.086	8.782	44.588

Investments, Pressures and Savings

Public Health

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<u>Investment to Manage Demand</u>						
21PH4	School Vision Screening - Oxford University NHS Trust funding will cease at the end of 2019/20. Public Health will fund the service from 2020/21 onwards.	0.110				0.110
21PH5	Adult Substance Misuse - one of the outcomes of the Family Safeguarding Model pilot project is an increase in activity needed to support adults with substance misuse issues.	0.072				0.072
<u>Demographic Pressures</u>						
21PH1	Drugs and Alcohol residential detoxification and/or rehabilitation placement activity is higher than the budgeted level in 2019/20 and this is expected to continue from 2020/21	0.200				0.200
21PH6	Weight management services - existing capacity will be doubled through revised contract arrangements and will support an additional 1% of the local population unmet need	0.210	0.210			0.420
<u>Essential Investment</u>						
21PH16	Use the Public Health reserve to manage pressures and savings within the ringfenced grant funding	-0.137	0.144	-0.037	-0.033	-0.063
21PH3	Estimated Public Health funded staff salary inflation (to be met from Public Health grant funding)	0.045	0.046	0.047	0.048	0.186
21PH8	Jubilee House - review and halve hot desk provision for council staff when current arrangements end in November 2022. Retain 8 desks.			-0.010	-0.015	-0.025

Investments, Pressures and Savings

Public Health

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21PH9	Sexual Health - align budget with current and expected on-going activity level due to cost effective changes to the contract	-0.500				-0.500
21PH11	Sexual Health - move to on-line testing offer for sexually transmitted diseases		-0.200			-0.200
21PH14	Smoking Cessation Service (non - statutory currently) - contract break point in March 2021. Current contract value is £0.575m per annum. Remodel and reprocure current provision.		-0.200			-0.200
19PPH1	Contribution from reserves towards Public Health activity funded by the Council for three years (2018/19 to 2020/21)		0.250			0.250
21PH15	Use of Public Health Reserve to support the costs of the system wise posts as part of the Family Safeguarding model in Children's Services. Total contribution of £0.425m in 2020/21 and 2021/22. (See 21CS21)	-0.175	-0.250	0.425		0.000
Total Investments, Pressures and Savings		-0.175	0.000	0.425	0.000	0.250

Total New Investments, Pressures and Savings	-0.175	-0.250	0.425	0.000	0.000
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Summary by theme

Investment to manage demand	0.182	0.000	0.000	0.000	0.182
Invest to save	0.000	0.000	0.000	0.000	0.000
Demographic Pressures	0.410	0.210	0.000	0.000	0.620
Income generation	0.000	0.000	0.000	0.000	0.000
Essential Investment	-0.767	-0.210	0.425	0.000	-0.552
	-0.175	0.000	0.425	0.000	0.250

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Investment to Manage Demand						
19COM16	Housing and Growth Deal Capacity Funding. <i>(ending of temp funding)</i>	-2.000				-2.000
19COM17	Housing and Growth Deal Capacity Funding. <i>(ending of temp funding)</i>	2.000				2.000
21COM11	Improvement in natural environment responses/advice to planning applications and consultations e.g. ecology, biodiversity, natural environment.	0.060	0.040			0.100
21COM20	Enhancing the provision of safety related tree maintenance - a 2-year programme of works to ensure the safety of trees adjacent to our highways on on our OCC property for which the County has responsibility.	0.200	0.200	-0.150		0.250
Invest to Save						
21COM3	One off cost to invest in the improvement of data management and processes to enable timely council-wide responses to planning consultations.	0.200	0.200	-0.400		0.000
21COM13	One-off drawdown from S106 penalty monies (offset 21COM03)	-0.200	-0.200	0.400		0.000
21COM4	Improvement to the data management and processes that enable the Council to provide council-wide responses to planning consultations.	0.093				0.093
21COM14	Draw down from S106 penalty monies (offset 21COM04)	-0.093				-0.093

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COM6	Active and Healthy Travel: supporting the development of county wide walking and cycling provision . This is investment into additional capacity to develop more detailed plans to push forward improved provision for pedestrians and cyclists across the county, further developing the walking and cycling plans for Bicester, Oxford and Didcot, enabling the council to provide better legacy after the OVO races and support the modal shift we need to encourage to reduce carbon. On average 40% of an individuals carbon footprint is the way they travel so this also links to the Climate Action declaration.	0.102	0.054			0.156
21COM7	Climate Action mobilisation and investment aligned with the Council's Climate Declaration. The implementation of a joint team with CDC to develop and promote climate action across the Council - including the monitoring of air quality and supporting directorates to deliver carbon reduction activities.	0.337	0.112			0.449
21COM8	Digitalisation of development management and enforcement service to enable more efficient, flexible working.		0.150		-0.300	-0.150
19COM1	Update of the Oxfordshire Strategic Transport Model. <i>(ending of temp funding)</i>		-0.500			-0.500
21COM9	Development and implementation of a new service delivery model for Travel Planning team, to enable the service to become self financing and provide a better service to customers.	0.250	-0.150	-0.250		-0.150
20COM1	Street Lighting - Energy and Maintenance Costs	0.100	0.150	0.150		0.400

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
18EE10/ 19COM4/ 19COM14/2 0COM12	Savings from reduced energy and maintenance costs relating to Street Lighting (assumes capital investment)	-1.120	-0.950	-0.930		-3.000
20COM2	Street Lighting - Borrowing Costs of replacement investment			0.780		0.780
21COM26	LED replacement programme. Previous stretch targets for the implementation of LED street-lighting have not been achieved by third party contractors. Acceleration proposed to bring this back on track but likely to cause delay in energy & maintenance savings. Re-profile of 20COM12.	0.400	0.350	-0.750		0.000
21CDAI17	Salix / potential borrowing relating to energy savings and repayments coming to and end	-0.053	-0.043	-0.044		-0.140
Demographic Pressures						
20COM10	Increase share of Joint Control Centre costs - growth in volume (Fire & Rescue Service)			0.015		0.015
Income Generation						
21COM12	New charge for natural environment advice on planning consultations/applications (21COM11)	-0.010	-0.010	-0.010		-0.030

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
19COM6	Increased Income Target (realised through pre-planning process based on 5yr planned growth projections)	-0.250	-0.250			-0.500
20COM19	Income from the new Strategic Transport Model.	-0.060	-0.080	-0.100		-0.240
21COM16	New charge for pre-application advise on air quality.	-0.009				-0.009
21COM17	Increased Development Management fees for minerals and waste applications	-0.025				-0.025
21COM18	Increased income through Road Agreements	-0.250				-0.250
21COM19	Increased income through Planning Performance Agreements and pre-application advise to developers.	-0.100				-0.100
21COM28	Cost recovery of comingled DIY waste at recycling centres	-0.100				-0.100
21COM35	Gross income from Permit Scheme is expected to be £1m pa. The direct costs to operate scheme are £800k, therefore contributing £200k to organisational overheads.	-0.200				-0.200
20COM23	Increased income from extra demand (Fire & Rescue Service)			-0.010		-0.010
21COM42	Charging for deployment of fire and rescue emergency resources to incidents in other counties as per the agreement ratified by the Joint Fire and Rescue Thames Valley Joint Committee	-0.040				-0.040

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COM43	Local Resilience Forum contributions reduction. Review of the contribution from District and City Councils following an increase in costs	-0.008				-0.008
21COM44	Grant funding contribution to illegal tobacco work	-0.010				-0.010
Essential Investment						
21COM1	Strategic Rail Cotswold Taskforce: partnership contribution to progress to progress the significant enhancement of the rail corridor supporting growth in West Oxfordshire.	0.175	-0.090	-0.085		0.000
21COM2	Development of the flood risk data base: statutory requirement to hold information on flood assets across the county (by March 2021)	0.090	-0.090			0.000
21COM45	New programme of vegetation clearing, cleaning and other minor activities, delivered by 1 gang in the north and 1 gang in the south of the county, the programme to be developed in conjunction with the local members in line with the collaborative programme objectives from the capital programme.	0.640	-0.320			0.320
21COM31	Capitalisation of current revenue funded minor works gangs (4 no.)	-0.640				-0.640
18EE4	Phase 2 of Minerals & Waste Plan (ending of temp funding).	-0.200				-0.200
21COM5	Additional staffing costs required to recoup S38 income. Costs covered through income secured (21COM15)	0.065				0.065

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COM15	Full income realised through recouping S38 income (offsets 21COM5)	-0.150	-0.050			-0.200
18EE3	Household Waste Recycling Centre (HWRC) Prudential Borrowing costs - future investment (ending of temp funding).	-0.018				-0.018
21COM22	OCC contributions towards real time passenger informations system, shelter maintenance, and pole maintenance to ensure the promotion of bus services as an alternative mode of transport.	0.100				0.100
20COM14	Integrated Transport Unit (ITU) change to the cost of operating model.	-0.500	-0.600			-1.100
21COM23	ITU - Planned operating cost savings delayed resulting in an in-year pressures due to wider consideration with joint SEN project. Re-profile of 20COM14.	0.200	0.200	-0.400		0.000
20COM26	Income - Additional parking income.	-0.300				-0.300
21COM24	Re-assessment of the costs and the income targets from previous years impacting on the short-term sustainability of continued draw down at a level of £1.9m from the parking account.	0.750		-0.300	-0.450	0.000
20COM13	ITU - Use of Bus Services Operators Grant to fund net cost of the Comet Bus Service (end of temporary funding)		0.400			0.400
20COM15	Waste Demography		0.500			0.500
20COM27	Release of Highways Maintenance budget (end of temporary funding)		1.500			1.500

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COM29	Reducing costs of managing Household Waste Recycling Centre sites	-0.100	-0.100			-0.200
21COM30	Funding of relevant traffic signal expenditure from the capital programme leading to reduced funding from the revenue budget.	-0.250				-0.250
21COM32	Following upgrading of the highways depot facilities as part of the capital programme providing a reduction in the cost on regular maintenance of highway depots.		-0.100			-0.100
21COM33	Following from the implementation of the transformation of corporate services there is an ability to remove a Project Officer post in Community Operations.	-0.063				-0.063
21COM34	Community operations has reviewed the core revenue budget for its service improvement activities and has identified that they can be funded from capital grants recharging for officer time as well as capitalising some relevant work.	-0.050	-0.050			-0.100
19FRS5	Reinstate contribution to vehicle replacement reserve (was funded from capital temporarily)	0.800				0.800
20COM9	Increased pension costs for Fire Fighters	1.167				1.167
21COM37	Recalculation of firefighter pensions, leading to increased contribution from employers - original estimate has been revised.		0.200			0.200
21COM39	Contract for use of external facilities to provide realistic fire training to operational crews to development and maintain competence (Fire & Rescue Service).	0.100				0.100

Investments, Pressures and Savings Communities

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COM40	Legal requirement in Oct 2020 for Fire Investigation to comply with ISO standard. Delivering in a collaborative approach with key partners reduces costs from £0.150m to £0.04m.	0.040				0.040
20COM20	Impact of greater alignment of services (Fire & Rescue Service)		-0.150			-0.150
20COM22	Retained Fire Fighters budget higher than required		0.150			0.150
21COM41	Wholetime Shift Review project - following engagement with staff starting trials in January 2020, expected to deliver savings beyond the £0.9m delivered in 19/20 (Fire & Rescue Service)	-0.075				-0.075
Total Investments, Pressures and Savings		0.995	0.473	-2.084	-0.750	-1.366
Total New Investments, Pressures and Savings		1.376	0.303	-1.989	-0.750	-1.060

Summary by theme

Investment to manage demand	0.260	0.240	-0.150	0.000	0.350
Invest to save	0.016	-0.827	-1.044	-0.300	-2.155
Demographic Pressures	0.000	0.000	0.015	0.000	0.015
Income generation	-1.212	-0.390	-0.120	0.000	-1.722
Essential Investment	1.931	1.450	-0.785	-0.450	2.146
	0.995	0.473	-2.084	-0.750	-1.366

Investments, Pressures and Savings

Commercial Development, Assets and Investment

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<u>Invest to Save</u>						
21CDAI13	Climate Action - a key part of the reduction in carbon relates to our property portfolio, this will fund specialist staff and staff training to enhance the internal skills and abilities of the property and estates team to make them self-sufficient by 22/23 and meet the climate action motion.	0.180	0.060	-0.180	-0.060	0.000
21CDAI9	Review of Catering Services - enhancing the service to enable it to develop a more commercially enhanced operating model with the introduction of a commercial manager and teams to provide a service to external organisations e.g. school academies / other authorities.	0.150		-0.100	-0.150	-0.100
<u>Demographic Pressures</u>						
21CDAI21	Legal Services - cost pressure for ongoing levels of demand across directorates	0.400				0.400
<u>Income Generation</u>						
21CDAI22	Impact of increased Legal Services hourly rate for Section 106 and other charges (in Review of Charges)	-0.020				-0.020
<u>Essential Investment</u>						
21CDAI1	The continued development of the Corporate Facilities Management team to provide coverage across the full property portfolio to ensure all services are maintained effectively for all OCC properties.	0.200				0.200
21CDAI2	Enhancement of the property security service within Facilities Management providing security services across all of OCC property portfolio, currently limited to a small number of sites.	0.100	0.200			0.300

Investments, Pressures and Savings

Commercial Development, Assets and Investment

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CDAI3	Construction function - with the increase in the schools programme (capital programme) there is a need to enhance the team to be fit to deliver the service (90% of these costs capitalisable)	0.070				0.070
21CDAI4	Review of project related workload and current delivery model - to review the structure and management of the property and estates team in line with the communities redesign work.	-0.200				-0.200
21CDAI5	Review of Hard Facilities Management Services - following the review of the OCC assets we have identified the need for the replacement of hard systems e.g. heating systems etc. this is profiled to manage the replacement over the MTFP.		0.200	-0.100	-0.100	0.000
21CDAI6	Holistic review of all posts/activities within Property, Investment & Facilities Management revenue vs capital charging purposes	-0.250				-0.250
21CDAI7	Consolidation of various activities between the three separate functions, reducing duplication and increasing efficiency	-0.025				-0.025
21CDAI8	Further to the implementation of the provision cycle work we will carry out a holistic review of our whole supply chain and existing contractual arrangements, including opportunities to renegotiate various existing arrangements.		-0.150			-0.150
20COM7	Atrium (Property database) replacement costs (ending of temp funding)	-0.050	-0.025	-0.015		-0.090
18CM2	Impact of 2017 Rates Revaluation.	0.019				0.019
21CDAI10	Rates Revaluation			0.019		0.019
20COM6	Property utility cost increases	0.035	0.065	0.070		0.170

Investments, Pressures and Savings
Commercial Development, Assets and Investments

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CDAI11	Cost of utility costs rising	0.035	0.065	0.070	-0.150	0.020
21CDAI12	Costs to bring our Assets to a satisfactory operating level	0.300	0.700	-0.500	-0.200	0.300
20COM18	Joint Use Agreements - One off funding to part fund pressure	0.100				0.100
21CDAI14	Joint Use Agreements - the current agreements with district for the use of leisure centres by schools require a level of maintenance to be undertaken over the next 3 years	0.338	-0.271	-0.067		0.000
21CDAI15	Health & Safety / Compliance works - continued works to maintain the	0.200				0.200
21CDAI16	Health & Safety / Compliance team - consolidation, collaboration and future proofing to ensure we maintain the level of statutory compliance	0.050				0.050
21CDAI18	A40 toilets closure - running costs to stop	-0.070				-0.070
21CDAI19	Improved efficiency through fully implementing e-bundling across the legal service	0.010				0.010
19RES12	IBC on-boarding charge ends	-0.087				-0.087
Total Investments, Pressures and Savings		1.485	0.844	-0.803	-0.660	0.866
Total New Investments, Pressures and Savings		1.468	0.804	-0.858	-0.660	0.754

Investments, Pressures and Savings
Commercial Development, Assets and Investment

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Summary by theme						
	Investment to manage demand	0.000	0.000	0.000	0.000	0.000
	Invest to save	0.330	0.060	-0.280	-0.210	-0.100
	Demographic Pressures	0.400	0.000	0.000	0.000	0.400
	Income generation	-0.020	0.000	0.000	0.000	-0.020
	Essential Investment	0.775	0.784	-0.523	-0.450	0.586
		1.485	0.844	-0.803	-0.660	0.866

**Investments, Pressures and Savings
Customers and Organisational Development**

Ref	Directorate	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<u>Investment to Manage Demand</u>							
19RES18	COD	Councillor Priorities Fund (£15,000 per Councillor) <i>(ending of temp funding)</i>	-0.945				-0.945
21COD01	COD	Councillor Priority Fund - new funding proposed	0.945	-0.945			0.000
21COD09	COD	Funding required to manage demand and response to frontline customer service queries in the contact centre. As the county council continues to improve and develop its frontline customer service offer more calls will be handled in the contact centre (for example highways, blue badges, adult social care), staffing must be maintained to ensure effective and efficient response.	0.175				0.175
<u>Invest to Save</u>							
21COM25	COD	Music Teachers' Pay and pension contributions - annual rises	0.120				0.120
21COM27	COD	Music Service - Increased charges to reflect music teacher cost increase (offset 21COM25)	-0.120				-0.120
<u>Income Generation</u>							
20COM21	COD	Cost recovery charges for services provided to Coroner's Service			-0.005		-0.005
<u>Essential Investment</u>							
20CM24		Youth Provision Fund (end of temporary funding)	-0.500				-0.500
19RES19	COD	End of temporary funding for WW1 celebration in 2019/20	-0.055				-0.055
21COD08	COD	New Occupational Health service (centralised)	0.060				0.060
21COD02	COD	Joint Performance and Risk System with CDC - on-going maintenance costs		0.040			0.040

Investments, Pressures and Savings Customers and Organisational Development

Ref	Directorate	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21COD07	COD	Microsoft Licensing increase costs from 2022			0.300		0.300
21COD05	COD	Cease legacy contracts for ICT supplies and services	-0.247				-0.247
21COD06	COD	Cease legacy contracts for supplies and services	-0.027				-0.027
21COM21	COD	Coroners Service - increased costs for the contracted provision of collection and transport for the coroners service.	0.117				0.117
21COM36	COD	Restructure will result in fewer management posts (Cultural Services)	-0.150				-0.150
Total Investments, Pressures and Savings			-0.627	-0.905	0.295	0.000	-1.237

Total New Investment, Pressures and Savings	0.873	-0.905	0.300	0.000	0.268
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Summary by theme

Investment to manage demand	0.175	-0.945	0.000	0.000	-0.770
Invest to save	0.000	0.000	0.000	0.000	0.000
Demographic Pressures	0.000	0.000	0.000	0.000	0.000
Income generation	0.000	0.000	-0.005	0.000	-0.005
Essential Investment	-0.302	0.040	0.300	0.000	0.038
	-0.127	-0.905	0.295	0.000	-0.737

Investments, Pressures and Savings

Corporate Measures

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
BALANCE	Balance Available to allocate		7.876			7.876
20CM3	Inflation for 2022/23 (additional year of MTFP)			6.600		6.600
VARIOUS	Additional income from Treasury Management activity	-0.761	-0.621	-0.440		-1.822
19CM4	Reduction in inflation allocation	-1.500				-1.500
20CM14a	Revised profile of Service Redesign programme savings	-7.500	-9.500			-17.000
20CM13	Contribution to Contingency (end of temporary addition)	-3.242				-3.242
20CM24	Youth Provision Fund (end of temporary funding)	-0.500				-0.500
VARIOUS	Contributions to/ Use of Reserves agreed in previous years	7.076	-1.618	0.038		5.496
21CM13	Inflation provision in 2023/24				6.500	6.500
21CM17	Impact of reprofiling of Service Redesign programme	2.811	-0.143	-2.668		0.000
21CM19	Reduce Funding held for pay inflation by 0.5%, pay award assumed to be 2.0%	-0.758				-0.758
21CM21	Additional income from Treasury Management activity due to higher cash balances	-0.882	-0.153			-1.035
21CM25	Additional ongoing contribution to Contingency	0.494				0.494

Investments, Pressures and Savings

Corporate Measures

Ref	Existing (shaded) and New Pressures/Investments and Income/Savings	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CM20	Amend previously agreed contributions to earmarked reserves as set out in Section 4.7.1	-1.094	-1.500			-2.594
21CM23	Budget Equalisation Reserve Contribution (one-off)			3.715	-0.314	3.401
21CM22	Contribution to general balances	3.025	-3.025			0.000
Total Investments, Pressures and Savings		-8.831	-15.787	7.245	6.186	-11.187
Total New Investments, Pressures and Savings		0.571	-1.796	-2.668	6.500	2.607
Total Contributions to (+) / Use of Reserves (-)		3.025	-3.025	3.715	-0.314	3.401

Funding Changes

Ref	Existing (shaded) and New Funding Changes	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
VARIOUS	Previously Agreed Changes to Business Rate Income	5.254	0.053	-1.151		4.156
19CM3	Impact of changes in previous years to taxbase	-1.430	0.149	-7.112		-8.393
19CM16 20CM10	Impact of Additional Council Tax in previous years	-0.282	-0.294	-7.963		-8.539
20CM7	Negative Revenue Support Grant - not implemented in 2019/20 (falls out in 2020/21)	6.239				6.239
20CM8	Unringfenced Social Care Grant - announced in Autumn Budget 2018 (falls out in 2020/21)	3.914				3.914
20CM18	Levy Account Surplus - New Grant (falls out in 2020/21)	1.086				1.086
20CM21	Increased Collection Fund Surplus (falls out in 2020/21)	2.806				2.806
20CM22	Brexit Preparation Grant (falls out in 2020/21)	0.088				0.088
21CM14	Council Tax increase 1.99% in 2023/24				-8.250	-8.250
21CM16	Inflation increase on Business rates in 2023/24				-1.172	-1.172
21CM2	Business Rates - no negative RSG to reduce top-up, no reset and inflation on 19/20 figure	-10.390	10.390			0.000
21CM1	Additional 2% Council Tax - Adult Social Care Precept	-7.528	-0.303	-0.296	-0.303	-8.430
21CM10	Tax Base growth only 1.99% rather than 2.00%	0.021	0.003	0.001		0.025
21CM12	Taxbase forecast increase at 5,000 per year (previously increased by a percentage)		0.195	-0.674	-7.967	-8.446
21CM11	Council tax surpluses	-4.109	3.609			-0.500
21CS19	Funding to support the Care Leavers Council Tax Discount Scheme across Oxfordshire	0.021				0.021
21CM4	No fallout of iBCF & Winter Pressures Grant - assumed to be ongoing	-10.391				-10.391
21CM9	Additional BCF funding - assumed to be ongoing	-1.000				-1.000
21CM7	Fire Pension Grant continues in 2020/21	-1.361	1.361			0.000

Funding Changes

Ref	Existing (shaded) and New Funding Changes	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
21CM5	Social Care Support Grant continues in 2020/21	-3.915	3.915			0.000
21CM6	New Social Care Grant for 2020/21	-8.116	8.116			0.000
21CM8	New Homes Bonus - scheme payment continues in 2020/21 then ceases	-1.220	1.893	0.686	1.058	2.417
21CM3	No fallout of Section 31 grant for business rates - continues for another year	-1.416	1.416			0.000
Total Funding Changes		-31.729	30.503	-16.509	-16.634	-34.369
Total New Funding Changes		-49.404	30.595	-0.283	-16.634	-35.726

Draft Council Tax and Precepts 2020/21

Council Tax Data

1. In order to set its budget for 2020/21, the council needs to calculate its council tax requirement. This is the amount that the council needs to raise from council tax to meet its expenditure after taking account of the income it will accrue from the following
 - (a) the amount to be received from specific grants.
 - (b) the amount to be received from Revenue Support Grant and the Business Rates Top Up under the Business Rates Retention Scheme.
 - (c) the amount to be received for the County Council's share of Non-Domestic Rating Income.
 - (d) any surpluses/shortfalls on the Council Tax Collection Funds and Business Rates Collection Funds for earlier years and the estimated position for the current year.
 - (e) the amount expected to be received from fees, charges and contributions.
2. In order to set its council tax for the forthcoming year, the council needs to calculate its council tax requirement and have available the council tax base, expressed in terms of Band D equivalent properties.
3. Based on the final information on funding and assuming a council tax requirement of **£391,445,480** as shown in the proposed Medium Term Financial Plan (Section 4.1) the calculation of the Band D Council Tax for 2020/21 is as follows:

Council Tax Calculation 2020/21

	£m
County Council net expenditure after specific grants	475.128
Less: Revenue Support Grant	0.000
Business Rates Top Up	-40.485
Non-Domestic Rating Income	-34.589
Council Tax Collection Fund Adjustments	-8.609
Business Rates Collection Fund Adjustments	0.000
Council Tax Requirement (R)	391.445
Council Tax Base (assuming losses on collection) (T)	256,275.52
Band D Council Tax (R/T)	£1,527.44

The calculation of the council tax for the other bands is shown below in Table 1. Table 2 analyses the tax base over each district council area and allocates the estimated County Council precept to each area relative to their tax base.

Table 1**Council Tax by Property Band for Oxfordshire County Council**

Assuming a Band D council tax of £1,527.44, the council tax for other bands is as follows:

Property Band	Property Values	Band D Proportion	2019/20 £ p
A	Up to £40,000	6/9	1,018.29
B	Over £40,000 and up to £52,000	7/9	1,188.01
C	Over £52,000 and up to £68,000	8/9	1,357.72
D	Over £68,000 and up to £88,000	9/9	1,527.44
E	Over £88,000 and up to £120,000	11/9	1,866.87
F	Over £120,000 and up to £160,000	13/9	2,206.30
G	Over £160,000 and up to £320,000	15/9	2,545.73
H	Over £320,000	18/9	3,054.88

Table 2**Allocation of Precept to Districts**

The County Council precept (£391,445,480) is the sum of the council tax income required to fund the Council's budget.

District Council	Tax Base Number	Assumed Precept Due £ p
Cherwell	55,559.90	84,864,413.66
Oxford City	45,895.50	70,102,622.52
South Oxfordshire	57,848.50	88,360,112.84
Vale of White Horse	52,686.40	80,475,314.82
West Oxfordshire	44,285.22	67,643,016.44
TOTAL	256,275.52	391,445,480.28

Formal approval is required under the council tax legislation for:

- The County Council's precept, allocated to district councils pro rata to their share of the council tax base for the County Council;
- The council tax figures for the County Council for a Band D equivalent property and a calculation of the equivalent council tax figure for all other bands.

The information must be given to district councils by 1 March 2020.

Detailed Revenue Budget 2020/21

11 February 2020 Council



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Section 4.4

Revenue Budget 2020/21
Summary

		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2019/20
		£000	£000	£000	£000	£000	£000	£000	£000
Children's Services	Expenditure	375,690	-11,708	1,083	10,310	2,427	14,956	-1,901	390,857
	Recharge Income	-7,246	437	0	0	0	0	0	-6,809
	DSG income (*)	-221,855	10,412	0	-9,099	0	0	-2	-220,544
	Grant income	-18,522	613	0	-860	0	0	0	-18,769
	Other Income	-14,322	259	-1	0	0	0	3	-14,061
		113,745	13	1,082	351	2,427	14,956	-1,900	130,674
Adult Services	Expenditure	204,376	-321	542	0	4,531	10,799	-5,235	214,692
	Recharge Income	-8,575	363	0	0	0	0	0	-8,212
	Grant income	-10,391	0	0	-10,391	5,192	0	5,199	-10,391
	Other Income	-1,383	-212	-19	0	0	-70	-358	-2,042
		184,027	-170	523	-10,391	9,723	10,729	-394	194,047
Public Health	Expenditure	29,950	0	0	0	0	0	0	29,950
	Recharge Income	-177	0	0	0	0	0	0	-177
	Grant income	-29,722	0	0	0	0	0	0	-29,722
	Other Income	-51	0	0	0	0	0	0	-51
		0	0	0	0	0	0	0	0
Communities	Expenditure	130,337	3,739	2,900	-4,168	1,174	6,425	-174	140,233
	Recharge Income	-22,639	-877	0	0	-945	-3,955	0	-28,416
	Grant income	-4,201	-234	0	2,807	0	0	0	-1,628
	Other Income	-16,651	-2,573	-274	0	-610	-1,094	5	-21,197
		86,846	55	2,626	-1,361	-381	1,376	-169	88,992
Customers & Organisational Development	Expenditure	39,991	-2,332	477	10	-1,453	993	-86	37,600
	Recharge Income	-4,448	0	0	0	0	0	0	-4,448
	Grant income	-827	0	0	-10	0	0	0	-837
	Other Income	-5,564	3	-46	0	0	-120	0	-5,727
		29,152	-2,329	431	0	-1,453	873	-86	26,588
Commerical Development, Assets & Investments	Expenditure	44,027	1,519	637	0	17	1,338	-549	46,989
	Recharge Income	-15,288	682	0	0	0	150	2,791	-11,665
	Grant income	0	0	0	0	0	0	0	0
	Other Income	-2,619	-34	-2	0	0	-20	0	-2,675
		26,120	2,167	635	0	17	1,468	2,242	32,649

**Revenue Budget 2020/21
Summary**

		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2019/20
		£000	£000	£000	£000	£000	£000	£000	£000
Strategic Measures and Contributions to/from Reserves	Expenditure	39,246	456	0	0	-269	2,208	-191	41,450
	Recharge Income	-3,762	0	0	0	0	-175	0	-3,937
	Grant income	-18,743	0	0	-8,303	0	0	0	-27,046
	Other Income	-6,277	0	0	0	-1,365	-666	0	-8,308
		10,464	456	0	-8,303	-1,634	1,367	-191	2,159
OxLEP	Expenditure	1,409	-192	0	785	0	0	0	2,002
	Recharge Income	-314	0	0	0	0	0	0	-314
	Grant income	-820	0	0	-785	0	0	0	-1,605
	Other Income	-83	0	0	0	0	0	0	-83
		192	-192	0	0	0	0	0	0
Net Operating Budget		450,546	0	5,297	-19,704	8,699	30,769	-498	475,109
General Government Grant	Grant income	-39,896	0	0	0	0	0	-589	-40,485
Business Rates from District Councils	Other Income	-34,279	0	0	0	0	0	-311	-34,590
Collection Fund Surpluses/Deficits	Other Income	-7,306	0	0	0	0	0	-1,304	-8,610
Care Leavers Discount	Other Income	0	0	0	0	0	21	0	21
COUNCIL TAX REQUIREMENT		369,065	0	5,297	-19,704	8,699	30,790	-2,702	391,445
	Expenditure	865,026	-8,839	5,639	6,937	6,427	36,719	-8,136	903,773
	Recharge Income	-62,449	605	0	0	-945	-3,980	2,791	-63,978
	DSG income (*)	-221,855	10,412	0	-9,099	0	0	-2	-220,544
	Grant income	-123,122	379	0	-17,542	5,192	0	4,610	-130,483
	Other Income	-88,535	-2,557	-342	0	-1,975	-1,949	-1,965	-97,323
COUNCIL TAX REQUIREMENT		369,065	0	5,297	-19,704	8,699	30,790	-2,702	391,445

(*) Notes

1. DSG = Dedicated Schools Grant.
2. For Children's Services further changes will be required to reflect revised pupil numbers and academy conversions.

Revenue Budget 2020/21
Children's Services

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
CEF1	<u>EDUCATION & LEARNING</u>									
CEF1-1	Management & Central Costs (including administration)	expenditure recharge Income DSG income grant income income	2,224 0 -809 0 0	0 0 0 0 0	24 0 0 0 0	0 0 0 0 0	0 0 0 0 0	181 0 0 0 0	-204 0 0 0 0	2,225 0 -809 0 0
			1,415	0	24	0	0	181	-204	1,416
CEF1-2	SEND Service	expenditure recharge Income DSG income grant income income	43,323 -591 -39,297 0 -1,293	875 0 -775 0 0	67 0 0 0 -1	8,160 0 -8,160 0 0	0 0 0 0 0	1,436 0 0 0 0	0 0 0 0 1	53,861 -591 -48,232 0 -1,293
			2,142	100	66	0	0	1,436	1	3,745
CEF1-3	Learning & School Improvement	expenditure recharge Income DSG income grant income income	5,494 -1,510 -1,318 -1,249 77	0 120 0 0 -120	72 0 0 0 0	0 0 0 0 0	0 0 0 0 0	50 0 -50 0 0	-1 0 0 0 1	5,615 -1,390 -1,368 -1,249 -42
			1,494	0	72	0	0	0	0	1,566
CEF1-4	Access to Learning (Including Home to School Transport recharge)	expenditure recharge Income DSG income grant income income	23,858 -372 -4,065 0 -7	-287 0 288 0 0	21 0 0 0 0	0 0 0 0 0	945 0 0 0 0	3,292 0 0 0 0	-1 0 0 0 0	27,828 -372 -3,777 0 -7
			19,414	1	21	0	945	3,292	-1	23,672
CEF1-5	Learner Engagement	expenditure recharge Income DSG income grant income income	2,498 0 -2,498 0 -3	376 0 0 0 -268	5 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	2,879 0 -2,498 0 -271
			-3	108	5	0	0	0	0	110
	SUBTOTAL EDUCATION & LEARNING		24,462	209	188	0	945	4,909	-204	30,509

Revenue Budget 2020/21
Children's Services

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
CEF2	<u>CHILDREN'S SOCIAL CARE</u>									
CEF2-1	Management & Central Costs (including administration)	expenditure recharge Income DSG income grant income income	6,844 -37 0 0 0	-44 0 0 0 -65	103 0 0 0 0	0 0 0 0 0	186 0 0 0 0	847 0 0 0 0	-1,509 0 0 0 0	6,427 -37 0 0 -65
			6,807	-109	103	0	186	847	-1,509	6,325
CEF2-2	Social Care	expenditure recharge Income DSG income grant income income	27,873 -481 0 -1,844 -990	-1,448 321 0 -52 -87	376 0 0 0 0	25 0 0 -25 0	-651 0 0 0 0	3,725 0 0 0 0	1 0 0 0 0	29,901 -160 0 -1,921 -1,077
			24,558	-1,266	376	0	-651	3,725	1	26,743
	SUBTOTAL CHILDREN'S SOCIAL CARE		31,365	-1,375	479	0	-465	4,572	-1,508	33,068
CEF3	<u>CHILDREN'S SOCIAL CARE</u> <u>COUNTYWIDE SERVICES</u>									
CEF3-1	Corporate Parenting	expenditure recharge Income DSG income grant income income	43,249 -2,492 0 -18 -315	541 0 0 -225 -1	279 0 0 0 0	7 0 0 -7 0	1,384 0 0 0 0	4,754 0 0 0 0	-1 0 0 0 1	50,213 -2,492 0 -250 -315
			40,424	315	279	0	1,384	4,754	0	47,156
CEF3-2	Safeguarding	expenditure recharge Income DSG income grant income income	2,465 -53 -64 0 -150	1,207 -136 0 0 0	56 0 0 0 0	351 0 0 0 0	283 0 0 0 0	116 0 0 0 0	0 0 0 0 0	4,478 -189 -64 0 -150
			2,198	1,071	56	351	283	116	0	4,075
CEF3-3	Services for Disabled Children	expenditure recharge Income DSG income grant income income	8,772 -10 0 0 0	1 0 0 0 0	47 0 0 0 0	0 0 0 0 0	200 0 0 0 0	555 0 0 0 0	-1 0 0 0 0	9,574 -10 0 0 0
			8,762	1	47	0	200	555	-1	9,564

Revenue Budget 2020/21
Children's Services

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
CEF4-5	Capitalised Repairs & Maintenance	expenditure	1,567	0	0	0	0	0	0	1,567
		recharge Income	0	0	0	0	0	0	0	0
		DSG income	-1,567	0	0	0	0	0	0	-1,567
		grant income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
	SUBTOTAL SCHOOLS		216	0	0	0	0	0	0	216
CEF5	CHILDREN'S SERVICES' CENTRAL COSTS									
CEF5-1	Management and Administration	expenditure	1,948	-195	20	0	80	50	-186	1,717
		recharge Income	0	0	0	0	0	0	0	0
		DSG income	-386	0	0	0	0	0	0	-386
		grant income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			1,562	-195	20	0	80	50	-186	1,331
CEF5-2	Premature Retirement Compensation (PRC)	expenditure	3,377	0	0	0	0	0	0	3,377
		recharge Income	0	0	0	0	0	0	0	0
		DSG income	0	0	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			3,377	0	0	0	0	0	0	3,377
CEF5-3	Joint Commissioning Recharge	expenditure	1,088	0	0	0	0	0	0	1,088
		recharge Income	0	0	0	0	0	0	0	0
		DSG income	-133	0	0	0	0	0	0	-133
		grant income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			955	0	0	0	0	0	0	955
	SUBTOTAL CEF CENTRAL COSTS		5,894	-195	20	0	80	50	-186	5,663
		expenditure	375,690	-11,708	1,083	10,310	2,427	14,956	-1,901	390,857
		recharge Income	-7,246	437	0	0	0	0	0	-6,809
		DSG income	-221,855	10,412	0	-9,099	0	0	-2	-220,544
		grant income	-18,522	613	0	-860	0	0	0	-18,769
		income	-14,322	259	-1	0	0	0	3	-14,061
	BUDGET CONTROLLABLE BY CHILDREN'S SERVICES		113,745	13	1,082	351	2,427	14,956	-1,900	130,674

Revenue Budget 2020/21
Adult Services

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2018/19	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2019/20
			£000	£000	£000	£000	£000	£000	£000	£000
SCS1	ADULT SOCIAL CARE									
SCS1-1	<u>Pooled Budget Contributions</u>									
SCS1-1A	Better Care Fund Pool Contribution	Expenditure	79,620	226	116	0	2,050	2,059	-4,351	79,720
		Recharge Income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			79,620	226	116	0	2,050	2,059	-4,351	79,720
SCS1-1B	Adults with Care and Support Needs Pool Contribution	Expenditure	83,848	852	-76	0	1,643	7,598	1,493	95,358
		Recharge Income	0	0	0	0	0	0	0	0
		income	-54	52	0	0	0	0	0	-2
			83,794	904	-76	0	1,643	7,598	1,493	95,356
	Subtotal Pooled Budget Contributions		163,414	1,130	40	0	3,693	9,657	-2,858	175,076
SCS1-2	Adult Protection & Mental Capacity	Expenditure	3,423	594	61	0	0	0	0	4,078
		Recharge Income	-264	0	0	0	0	0	0	-264
		income	-30	0	0	0	0	0	0	-30
	Subtotal Adult Protection & Mental Capacity		3,129	594	61	0	0	0	0	3,784
SCS1-3	Provider & Support Services	Expenditure	10,538	-4	59	0	0	230	-7	10,816
		Recharge Income	-7,028	3	0	0	0	0	0	-7,025
		income	-875	-263	-19	0	0	0	0	-1,157
	Subtotal Provider & Support Services		2,635	-264	40	0	0	230	-7	2,634
SCS1-4	Domestic Violence & Abuse Support Service	Expenditure	657	0	0	0	0	0	244	901
		Recharge Income	0	0	0	0	0	0	0	0
		Grant income	0	0	0	0	0	0	0	0
		income	-64	0	0	0	0	0	-358	-422
	Subtotal Domestic Violence & Abuse Support Service		593	0	0	0	0	0	-114	479
SCS1-5	Housing Related Support	Expenditure	783	0	0	0	250	88	0	1,121
		Recharge Income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
	Subtotal Housing Related Support		783	0	0	0	250	88	0	1,121

Revenue Budget 2020/21
Adult Services

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2018/19	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2019/20
			£000	£000	£000	£000	£000	£000	£000	£000
SCS1-6	Other Funding	Expenditure	3,917	-754	0	0	900	550	-2,364	2,249
		Recharge Income	0	0	0	0	0	0	0	0
		Grant income	-10,391	0	0	-10,391	5,192	0	5,199	-10,391
		income	0	0	0	0	0	0	0	0
	Subtotal Other Funding		-6,474	-754	0	-10,391	6,092	550	2,835	-8,142
SCS1-7	Adult Social Care Recharges	Expenditure	4	0	0	0	0	0	0	4
SCS1-8		Recharge Income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
	Subtotal Adult Social Care Recharges		4	0	0	0	0	0	0	4
SCS1-9	Adult Social Care Staffing & Infrastructure	Expenditure	13,910	-282	265	0	0	-148	0	13,745
		Recharge Income	-197	0	0	0	0	0	0	-197
		income	-96	0	0	0	0	0	0	-96
	Subtotal Adult Social Care Staffing & Infrastructure		13,617	-282	265	0	0	-148	0	13,452
	TOTAL ADULT SOCIAL CARE		177,701	424	406	-10,391	10,035	10,377	-144	188,408
SCS2	Commissioning	Expenditure	7,676	-953	117	0	-312	422	-250	6,700
		Recharge Income	-1,086	360	0	0	0	0	0	-726
		income	-264	-1	0	0	0	-70	0	-335
			6,326	-594	117	0	-312	352	-250	5,639
	TOTAL COMMISSIONING		6,326	-594	117	0	-312	352	-250	5,639
		Expenditure	204,376	-321	542	0	4,531	10,799	-5,235	214,692
		Recharge Income	-8,575	363	0	0	0	0	0	-8,212
		Grant income	-10,391	0	0	-10,391	5,192	0	5,199	-10,391
		Income	-1,383	-212	-19	0	0	-70	-358	-2,042
	BUDGET CONTROLLABLE BY ADULT SERVICES		184,027	-170	523	-10,391	9,723	10,729	-394	194,047

Revenue Budget 2020/21
Communities

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
EE1	<u>PLANNING & PLACE</u>									
EE1	Planning & Place	expenditure	8,453	1,773	156	0	-200	1,276	-46	11,412
		recharge income	-374	-262	0	0	0	0	0	-636
		grant income	0	0	0	0	0	0	0	0
		income	-2,986	-1,460	-11	0	-310	-794	-1	-5,562
	TOTAL PLANNING & PLACE		5,093	51	145	0	-510	482	-47	5,214
EE2	<u>COMMUNITY OPERATIONS</u>									
EE2-1	Community Operations Management	expenditure	-2,059	1,284	17	0	0	0	-61	-819
		recharge income	-121	56	0	0	0	0	0	-65
		grant income	0	0	0	0	0	0	0	0
		income	-1,500	-1,000	-50	0	0	0	0	-2,550
EE2-1	Subtotal Community Operations Management		-3,680	340	-33	0	0	0	-61	-3,434
EE2-2	Infrastructure Operations									
EE2-21	Highways Maintenance	expenditure	19,075	302	595	0	-1,020	990	-2	19,940
		recharge income	-764	-605	0	0	0	-640	0	-2,009
		grant income	0	0	0	0	0	0	0	0
		income	-12	-43	-1	0	0	0	1	-55
EE2-21	Subtotal Highways Maintenance		18,299	-346	594	0	-1,020	350	-1	17,876
EE2-22	Transport Operations									
EE2-22A	Community Delivery	expenditure	2,931	-496	19	-12	0	0	0	2,442
		recharge income	-298	221	0	0	0	0	0	-77
		grant income	-239	0	0	12	0	0	0	-227
		income	-53	-218	0	0	0	0	0	-271
			2,341	-493	19	0	0	0	0	1,867
EE2-22B	Network Management	expenditure	1,140	78	19	0	0	100	-1	1,336
		recharge income	0	0	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	-2,040	261	-36	0	0	-200	1	-2,014
			-900	339	-17	0	0	-100	0	-678

Revenue Budget 2020/21
Communities

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
EE2-22C	Parking Management	expenditure	6,107	0	72	0	0	750	-1	6,928
		recharge income	0	0	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	-6,857	0	-137	0	-300	0	0	-7,294
			-750	0	-65	0	-300	750	-1	-366
EE2-22D	Supported Transport	expenditure	33,951	-1	768	-795	445	3,455	0	37,823
		recharge income	-20,808	0	0	0	-945	-3,255	0	-25,008
		grant income	-795	0	0	795	0	0	0	0
		income	-718	0	-13	0	0	0	0	1
			11,630	-1	755	0	-500	200	1	12,085
EE2-23	Asset Data & Systems	expenditure	1,855	-79	22	0	0	0	-44	1,754
		recharge income	-195	195	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	-242	-1	-4	0	0	0	0	0
EE2-23	Subtotal Asset Data & System		1,418	115	18	0	0	0	-44	1,507
EE2-2	Subtotal Infrastructure Operations		32,038	-386	1,304	0	-1,820	1,200	-45	32,291
EE2-4	Commissioning									
EE2-41	Highways Contract Management	expenditure	2,439	221	4	0	0	0	0	2,664
		recharge income	0	0	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	-38	-150	0	0	0	0	0	0
			2,401	71	4	0	0	0	0	2,476
EE2-42	Waste Management	expenditure	27,347	-171	627	0	-18	-100	1	27,686
		recharge income	0	0	0	0	0	0	0	0
		grant income	0	0	0	0	0	0	0	0
		income	-554	62	-10	0	0	-100	1	-601
			26,793	-109	617	0	-18	-200	2	27,085
EE2-4	Subtotal Commissioning		29,194	-38	621	0	-18	-200	2	29,561
EE2-5	Integration & Improvement	expenditure	632	-5	13	0	0	-63	0	577
		recharge income	-55	55	0	0	0	-50	0	-50
		grant income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
EE2-5	Subtotal Integration & Improvement		577	50	13	0	0	-113	0	527
	TOTAL COMMUNITY OPERATIONS		58,129	-34	1,905	0	-1,838	887	-104	58,945

Revenue Budget 2020/21
Communities

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
EE3	<u>GROWTH & ECONOMY</u>									
EE3	Growth & Economy	expenditure	2,000	613	12	-2,000	0	0	0	625
		recharge income	0	-537	0	0	0	0	0	-537
		grant income	-2,000	0	0	2,000	0	0	0	0
		income	0	0	0	0	0	0	0	0
	TOTAL GROWTH & ECONOMY		0	76	12	0	0	0	0	88
EE4	<u>FIRE & RESCUE SERVICE and COMMUNITY SAFETY</u>									
EE4-1	Fire and Rescue Service	Expenditure	24,185	195	539	-1,361	1,967	17	-20	25,522
		Recharge Income	-24	0	0	0	0	0	0	-24
		grant income	-1,167	-234	0	0	0	0	0	-1,401
		income	-861	0	-8	0	0	0	1	-868
			22,133	-39	531	-1,361	1,967	17	-19	23,229
EE4-2	Emergency Planning	Expenditure	215	0	4	0	0	0	0	219
		Recharge Income	0	0	0	0	0	0	0	0
		income	0	0	0	0	0	0	0	0
			215	0	4	0	0	0	0	219
EE4-3	Gypsy & Traveller Services	Expenditure	354	21	3	0	0	0	0	378
		Recharge Income	0	0	0	0	0	0	0	0
		income	-443	-20	-2	0	0	0	0	-465
			-89	1	1	0	0	0	0	-87
EE4-4	Trading Standards	Expenditure	1,712	4	30	0	0	0	0	1,746
		Recharge Income	0	0	0	0	0	-10	0	-10
		income	-347	-4	-2	0	0	0	1	-352
			1,365	0	28	0	0	-10	1	1,384
	TOTAL FIRE & RESCUE SERVICE and COMMUNITY SAFETY		23,624	-38	564	-1,361	1,967	7	-18	24,745
		expenditure	130,337	3,739	2,900	-4,168	1,174	6,425	-174	140,233
		recharge income	-22,639	-877	0	0	-945	-3,955	0	-28,416
		grant income	-4,201	-234	0	2,807	0	0	0	-1,628
		income	-16,651	-2,573	-274	0	-610	-1,094	5	-21,197
	BUDGET CONTROLLABLE BY COMMUNITIES		86,846	55	2,626	-1,361	-381	1,376	-169	88,992

Revenue Budget 2020/21
Customers and Organisational Development

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21	
			£000	£000	£000	£000	£000	£000	£000	£000	
COD1	Corporate Services	expenditure	2,298	0	8	0	-1,500	945	0	1,751	
		recharge income	0	0	0	0	0	0	0	0	
		income	0	0	0	0	0	0	0	0	
			2,298	0	8	0	-1,500	945	0	1,751	
COD2	Human Resources & Organisational Development	expenditure	4,681	-1,153	44	0	0	60	-11	3,621	
		recharge income	-987	0	0	0	0	0	0	-987	
		income	-185	-5	-2	0	0	0	0	0	-192
			3,509	-1,158	42	0	0	60	-11	2,442	
COD3	Communications, Strategy & Insight	expenditure	3,910	108	72	0	47	0	-10	4,127	
		recharge income	-981	0	0	0	0	0	0	-981	
		income	-126	0	-1	0	0	0	0	0	-127
			2,803	108	71	0	47	0	-10	3,019	
COD4	ICT & Digital	expenditure	12,970	-1,279	135	0	0	-274	-21	11,531	
		recharge income	-30	0	0	0	0	0	0	0	-30
		income	-287	0	0	0	0	0	0	0	-287
			12,653	-1,279	135	0	0	-274	-21	11,214	
COD5	Culture & Customer Experience	expenditure	16,132	-8	218	10	0	262	-44	16,570	
		recharge income	-2,450	0	0	0	0	0	0	-2,450	
		Grant Income	-827	0	0	-10	0	0	0	0	-837
		income	-4,966	8	-43	0	0	-120	0	0	-5,121
			7,889	0	175	0	0	142	-44	8,162	
		expenditure	39,991	-2,332	477	10	-1,453	993	-86	37,600	
		recharge income	-4,448	0	0	0	0	0	0	-4,448	
		grant income	-827	0	0	-10	0	0	0	-837	
		income	-5,564	3	-46	0	0	-120	0	-5,727	
	BUDGET CONTROLLABLE BY CUSTOMERS & ORGANISATIONAL DEVELOPMENT		29,152	-2,329	431	0	-1,453	873	-86	26,588	

Revenue Budget 2020/21
Commercial Development, Assets & Investment

Ref. 2020/21	Service Area		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
			£000	£000	£000	£000	£000	£000	£000	£000
CDAI1	Property & Community Facilities Management	expenditure	30,097	-698	218	0	104	1,328	-517	30,532
		recharge income	-10,534	603	0	0	0	-250	0	-10,181
		income	-876	0	-1	0	0	0	0	-877
			18,687	-95	217	0	104	1,078	-517	19,474
CDAI2	Law & Governance	expenditure	6,542	-26	120	0	0	10	-9	6,637
		recharge income	-3,360	-36	0	0	0	400	2,791	-205
		income	-538	-34	0	0	0	-20	0	-592
			2,644	-96	120	0	0	390	2,782	5,840
CDAI3	Finance & Procurement	expenditure	7,388	2,243	299	0	-87	0	-23	9,820
		recharge income	-1,394	115	0	0	0	0	0	-1,279
		income	-1,205	0	-1	0	0	0	0	-1,206
			4,789	2,358	298	0	-87	0	-23	7,335
		expenditure	44,027	1,519	637	0	17	1,338	-549	46,989
		recharge income	-15,288	682	0	0	0	150	2,791	-11,665
		grant income	0	0	0	0	0	0	0	0
		income	-2,619	-34	-2	0	0	-20	0	-2,675
	BUDGET CONTROLLABLE BY COMMERCIAL DEVELOPMENT, ASSETS & INVESTMENT		26,120	2,167	635	0	17	1,468	2,242	32,649

Revenue Budget 2020/21
Strategic Measures

		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
		£000	£000	£000	£000	£000	£000	£000	£000
<u>CAPITAL FINANCING</u>									
Principal	Expenditure	8,474				792	-217		9,049
Interest	Expenditure	15,217				-189			15,028
Net Interest on Balances (split income and expenditure)	Expenditure	1,371							1,371
	Recharge Income	-3,512							-3,512
	Other income	-6,277				-1,365	-666		-8,308
		-8,418	0	0	0	-1,365	-666	0	-10,449
SUBTOTAL CAPITAL FINANCING		15,273	0	0	0	-762	-883	0	13,628
Contingency	Expenditure	7,629	231			-3,305	494	-191	4,858
Recharge to Public Health	Recharge Income	-250					-175		-425
Insurance	Expenditure	2,896				46			2,942
Transformation Savings	Expenditure	-1,500	225			-4,189			-5,464
<u>CONTRIBUTIONS TO/FROM BALANCES</u>									
General Balances	Expenditure	-6,000				7,000	3,025		4,025
SUBTOTAL CONTRIBUTIONS TO/FROM BALANCES		-6,000	0	0	0	7,000	3,025	0	4,025
<u>CONTRIBUTIONS TO/FROM RESERVES</u>									
Reserves	Expenditure	8,959				-424	-1,094		7,441
	Other income	0							0
		8,959	0	0	0	-424	-1,094	0	7,441
Prudential Borrowing costs	Expenditure	2,200							2,200
SUBTOTAL CONTRIBUTIONS TO/FROM RESERVES		11,159	0	0	0	-424	-1,094	0	9,641

Revenue Budget 2020/21
Strategic Measures

		Budget 2019/20	Permanent Virements Agreed in 2019/20	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2020/21
		£000	£000	£000	£000	£000	£000	£000	£000
<u>UNRINGFENCED SPECIFIC GRANT INCOME</u>	Grant income	-18,743			-8,303				-27,046
TOTAL UNRINGFENCED SPECIFIC GRANT INCOME		-18,743	0	0	-8,303	0	0	0	-27,046
Strategic Measures	Expenditure	39,246	456	0	0	-269	2,208	-191	41,450
	Recharge Income	-3,762	0	0	0	0	-175	0	-3,937
	Grant Income	-18,743	0	0	-8,303	0	0	0	-27,046
	Other income	-6,277	0	0	0	-1,365	-666	0	-8,308
STRATEGIC MEASURES TOTAL		10,464	456	0	-8,303	-1,634	1,367	-191	2,159
OxLEP	Expenditure	1,409	-192		785				2,002
	Recharge Income	-314							-314
	Grant Income	-820			-785				-1,605
	Other income	-83							-83
OxLEP TOTAL		192	-192	0	0	0	0	0	0
<u>COUNCIL TAX COLLECTION FUND SURPLUSES/DEFICITS</u>	Other income	-7,306						-1,304	-8,610
TOTAL COLLECTION FUND SURPLUSES/DEFICITS		-7,306	0	0	0	0	0	-1,304	-8,610
<u>CARE LEAVERS DISCOUNT</u>	Other income	0					21		21
TOTAL CARE LEAVERS DISCOUNT		0	0	0	0	0	21	0	21
<u>BUSINESS RATES FROM DISTRICT COUNCILS</u>	Other income	-34,015						-311	-34,326
<u>BUSINESS RATES COLLECTION FUND SURPLUSES/DEFICITS</u>	Other income	-264							-264
TOTAL BUSINESS RATES FROM DISTRICT COUNCILS		-34,279	0	0	0	0	0	-311	-34,590
<u>GENERAL GOVERNMENT GRANT INCOME</u>									
Revenue Support Grant	Grant income	0							0
Business Rates Top-Up	Grant income	-39,896						-589	-40,485
TOTAL GENERAL GOVERNMENT GRANT INCOME		-39,896	0	0	0	0	0	-589	-40,485

Government Grants 2019/20, 2020/21 & 2021/22

Ringfenced	Directorate	Issued by	Estimate 2019/20 £000	Revised 2019/20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000
	Communities							
R	Bus Service Operators Grant	DfT	795	795	0	0	0	0
R	Natural England	DEFRA	239	227	227	227	227	227
R	Housing and Growth Deal Capacity Funding	MHCLG	2,000	2,000	0	0	0	0
R	Housing and Growth Deal Infrastructure Grant		0	4,000	0	0	0	0
R	Fire Fighter's New Dimensions Grant	MHCLG	0	40	40	40	40	40
R	Fire Fighter's Pension Fund Grant	MHCLG	1,167	1,361	1,361	1,361	0	0
	TOTAL COMMUNITIES		4,201	8,423	1,628	1,628	267	267
	Customers & Organisational Development							
R	Music Service	AC	827	837	837	837	837	837
	TOTAL CUSTOMERS & ORGANISATIONAL DEVELOPMENT		827	837	837	837	837	837
	Strategic Measures							
U	Lead Local Flood Authority	DEFRA	45	45	45	45	45	45
U	Extended Rights to Free Travel	DfE	341	341	278	278	278	278
U	Fire Revenue Grant	MHCLG	213	213	213	213	213	213
U	Troubled Families - Service Transformation Grant	MHCLG	150	150	500	0	0	0
U	Troubled Families Attachment Fees - Phase 2	MHCLG	142	142	143	0	0	0
U	New Homes Bonus	MHCLG	3,641	3,641	4,137	1,745	1,058	0
U	Local Reform & Community Voices Grant	DfE	515	515	515	515	515	515
U	Independent Living Fund	DfE	3,454	3,454	3,454	3,454	3,454	3,454
U	Mockingbird Funding	DfE	0	47	0	0	0	0
U	School Improvement and Brokering Grant	DfE	570	570	570	0	0	0
U	Section 31 Grant for Business Rate Compensation	MHCLG	4,583	4,583	5,160	3,743	3,743	3,743
U	Social Care Support Grant	MHCLG	3,915	3,915	12,031	0	0	0
U	Levy Accounts Surplus	MHCLG	1,086	1,086	0	0	0	0
U	Brexit Preparation Grant	MHCLG	88	88	0	0	0	0
U	Business Rates Top-Up	MHCLG	39,896	39,896	40,485	34,823	35,433	36,053
	Subtotal Strategic Measures		58,639	58,686	67,531	44,816	44,739	44,301

Government Grants 2019/20, 2020/21 & 2021/22

Ringfenced	Directorate	Issued by	Estimate 2019/20 £000	Revised 2019/20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000
R	Grants held on behalf of Local Enterprise Partnership	BEIS	205	205	205	205	205	205
R	Oxford Innovation Business Support		75	0	0	0	0	0
R	Careers & Employment Centre	AC	0	5	0	0	0	0
R	Arts Council Grant		40	1,700	900	500	0	0
R	European Regional Development Fund	MHCLG	500	700	500	500	500	500
R	DCLG (Local Enterprise Partnership Funding)							
	Subtotal Grants held on behalf of Local Enterprise Partnership		820	2,610	1,605	1,205	705	705
	TOTAL STRATEGIC MEASURES		59,459	61,296	69,136	46,021	45,444	45,006
	Total All Grants		338,670	342,951	351,027	327,938	326,000	325,562

Ringfenced

R Ringfenced
U Un-ringfenced

Issued by

DfE Department for Education
YJB Youth Justice Board
HO Home Office
DHSC Department of Health
MHCLG Ministry for Housing, Communities & Local Government

ESFA Education & Skills Funding Agency
BEIS Department for Business, Energy & Industrial Strategy
DEFRA Department for Environment, Food & Rural Affairs
CO Cabinet Office
AC Arts Council

Virement Rules 2020/21

Introduction

1. The Council's budget is the financial expression of its plans and policies. The virement process allows budgets to be adjusted to reflect changes in those plans and policies throughout the financial year. The use of virements is intended to enable directorates to manage budgets with a degree of flexibility while at the same time ensuring that these remain consistent with the overall policy framework determined by Council.
2. Under the Constitution the Council is required to specify the extent of virement within the approved budget which may be undertaken by the Cabinet or delegated to officers. Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.
3. Virements for these purposes is taken to include:
 - the transfer of budget provision between budget heads as set out in budget approved by Council each February prior to the start of the financial year;
 - changes to gross income and gross expenditure budgets;
 - changes arising from additional non-ringfenced grant income notified in year;
 - transfers between revenue and capital budgets;
 - the transfer of funds from general balances or contingency by way of supplementary estimate.
4. Virements can be temporary virements, only affecting the current financial year, or permanent, affecting the current financial year and all future years.
5. No expenditure shall be incurred without appropriate budget provision and, if necessary, a virement should be undertaken to put this in place before the expenditure is incurred.
6. No virement relating to a specific financial year should be made after 31 March of that financial year.
7. Where Cabinet approval is required for a virement, this approval will normally be sought via the monthly ' Business Management and Monitoring Report'. The report must explain the reason for the virement, the proposed expenditure and the source of funding, and set out the implications in the current and future financial years.

Cumulative Rule

8. If a proposed virement, together with the total of previous virements within the same financial year, would result in a cumulative increase or decrease that would require approval at a higher level (for example Council rather than Cabinet), the cumulative virement should be reported and approval obtained for

the virement that triggers the requirement for cumulative approval, in accordance with the table below. The overall effect on the relevant budget must be noted as part of the request. Once the higher level of approval has been obtained for a cumulative virement the total is reset to zero. This means that any subsequent virement is treated as a new and separate request. Cumulative virements are reset to zero at the end of each financial year.

Virement Approvals

9. All virements will be subject to the following approval limits:

Amount	Minimum approval required
Up to and including £0.5m <i>(Subject to the cumulative rule above)</i>	Director <i>(following consultation with the Budget Holder), Section 151 Officer and relevant Cabinet Member(s)</i>
Greater than £0.5m <i>(Subject to the cumulative rule above)</i>	Cabinet <i>(following consultation with relevant Cabinet Member(s), Director and Section 151 Officer)</i>
Major Change in Policy and is worth £0.5m or more but less than £1m	Cabinet <i>(following consultation with relevant Cabinet Member(s), Director and Section 151 Officer)</i> Officer and relevant Cabinet member(s)). Section 151 Officer must consider if virements involve a major change in policy)
Any virement that involves a major change in policy and is over £1m	Council (Section 151 Officer must consider if virements involve a major change in policy)

Exceptions to the virement rules

10. Exceptions to the virement rules are as follows:
- (i) If **Section 151 Officer** decides a decision by Council or Cabinet is required.
 - (ii) Member approval is not required where a budget will continue to be used for the approved purpose but is being moved, for example, to reflect a change in budget holder responsibilities. Such transfers will however require the approval of the relevant Finance Business Partner(s).
 - (iii) Ringfenced grant funding has to be used for specified purpose. Virements to update income and expenditure budgets to match the grant notification provided by the relevant body can be actioned without further approval.
 - (iv) Transfers between revenue and capital will be classed as a change in policy and will require Council approval regardless of the value.

Financial Strategy 2020/21

Overview

The Financial Strategy supports the delivery of all other council strategies, such as the Corporate Plan and the Capital & Investment Strategy. It links the council's more detailed service plans, asset management plans and capital plans with the longer term to show that the council's plans are financially achievable.

This budget is underpinned by a financial strategy to ensure the financial sustainability of the Council, deliver essential services to residents and achieve our vision for **thriving communities for everyone in Oxfordshire**, within a limited amount of resource. This will continue to be achieved by focusing on continuous improvement and increasing income generation.

In order to continue to deliver for our residents and thrive in the longer term, financial sustainability and resilience is essential. This requires successful delivery of two critical elements which reflect the financial planning principles for the budget and medium-term plan:

- Managing the impact of rising need, caused by population growth and increased complexity, for adult and children's social care through demand management approaches, more effective pathways and commercial improvements.
- Delivering the programme of service redesign and organisational development which will drive improved outcomes.

Over the last six years, we have generated savings to taxpayers of £260m. The Council has a good track record in delivering savings and delivering value to our residents, with a constant focus on our strategic outcomes and financial prudence.

Funding Context

When the 2019/20 to 2022/23 MTFP was set in February 2019 there was a high degree of uncertainty about funding beyond 2020/21. As set out in the Financial Strategy for 2019/20¹, a spending review was expected in 2019 combined with a new funding formula, following the Fair Funding review, and the introduction of 75% Business Rate Retention.

This spending review has now been delayed until 2021/22. The technical consultation on the settlement for 2020/21, released in October 2019, proposed a roll forward of funding from 2019/20. The Changes to funding assumptions for 2020/21 arising from the detail provided in the technical consultation were set out in Service and Resource Planning update to Cabinet².

The 50% Business Rates retention scheme was introduced in 2013/14 with a planned reset of the baseline due in 2020/21. Growth across Oxfordshire has been consistent

¹ Link to Section 4.6 Financial Strategy to [Council February 2019](#)

² Link to Cabinet report – [September](#)

since 2013/14 and by 2020/21 Oxfordshire County Council will be receiving approximately £3.1m³ annually. It is now expected that the reset will not take place for 2020/21 but will be delayed until 2021/22 to align with the Fair Funding Review.

The technical consultation confirmed the continuation of the improved Better Care Fund and Adult Social Care Grant. It also included a further 2% adult social care precept for 2020/21. In recognition of national concerns about social care funding levels and the impact of these on NHS pressures a further un-ringfenced grant for social care was included in the consultation, totalling £1 billion nationally.

The general election, held on 12 December 2019, created a delay in the announcement of the provisional settlement which was originally expected on 5 December 2019. This was announced on 20 December 2019. There were no significant differences from the technical consultation. However, this has also resulted in the government missing the target date of 31 January 2020 to publish the final settlement.

Medium Term

We recognise the challenges we face and there will be a continued focus on service redesign, commercialism, effective contract management and working with partners to secure value for money in delivering our Corporate Plan priorities.

The impact of the Fair Funding Review is unknown. This makes it very difficult to predict the level of funding available for 2021/22 and beyond. A budget is expected to be brought forward by the new Government in February 2020. This budget may provide an indication of funding beyond 2020/21 but the prospect of a new budget creates further uncertainty in the short term.

The proposed MTFP has a budgeted shortfall of £25.1m in 2021/22. Within this shortfall, it is assumed that the business rate baseline is reset (£4.5m), social care support grants end (£12.0m), the Settlement Funding Assessment is reduced (£7.3m), the Fire Fighters pension grant ends (£1.4m), New Homes Bonus scheme winds down (£1.9m).

The current MTFP includes a £10.2m additional budgeted contribution to contingency in 2021/22. This contribution provides some cover should the Fair Funding Review adversely impact on the Council's funding beyond the assumptions already made.

Although the impact of the Fair Funding Review is unclear, beyond 2021/22 the current working assumption is that the level of government support will remain stable as the review should deliver a clear and sustainable funding model.

Tax base growth is expected to be 4,977 Band D equivalent properties or 1.98% for 2020/21 and an increase in taxbase of 5,000 approximately 2.00% beyond. This is equivalent to around 15,000 new houses over the medium term to 2024. Given the

³ Excluding element of s31 grant for Business Rates compensation

ambition to plan for and support the delivery of 100,000 homes by 2031 as part of the Housing & Growth Deal secured in February 2018, this increase is expected to be surpassed in the medium term.

As set out in the Earmarked Reserves and General Balances Policy Statement (Section 4.7) it is expected that the Dedicated Schools Grant (DSG) High Needs Reserve will be in deficit at the end of 2019/20 and the medium term. This is a common position for upper tier local authorities and there is uncertainty about how this projected deficit should be accounted for. The current CIPFA guidance⁴ does not allow for useable reserves to be presented in a deficit provision which means that the deficit would need to be met from general balances. In contrast, the Department for Education issued a consultation in Autumn 2019 which proposed to amend the conditions of grant and regulations applying to the DSG to clarify that the DSG is a ring-fenced specific grant separate from the general funding of local authorities. Under this proposal, any deficit an authority may have on its DSG account would be carried forward and should not be covered by the authority's general reserves. The position taken by external auditors is in line with CIPFA guidance, that an authority cannot have a negative reserve and not planning to meet the shortfall from general balances or earmarked reserves could result in an adverse assessment of the authority's financial position. In order to help mitigate this risk, a demographic risk reserve has been created which will reach £17m over the MTFP. This reserve, combined with a planned higher level of general balances (as set out in Section 4.7), means that it is possible to offset the expected deficit over the medium term.

Long Term

In planning for the long term, it is important to understand both the context of Oxfordshire as well as the main drivers of change. In this context, we need to ensure that the most fundamental issues facing the organisation which have been identified are responded to. Longer term planning needs to account for alternative possible future economic and political environments.

The Capital & Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. This strategy effectively becomes the long-term plan.

The capital programme is a ten-year programme which offers strategic choice and options around developing our community assets and respond to the fundamental issues of rising demand in adults and children's services and allow for a for planned approach to replacement of assets.

The Council has already taken advantage of this longer-term approach. In July 2018, Cabinet approved investment Street Lighting LED replacement programme of £41m replacing traditional lanterns with LED. And as an invest to save scheme, the costs will be repaid from the savings in the energy costs that will be generated from the programme. In September 2018, Cabinet approved investment of £120m in the

⁴ [CIPFA LAAP Bulletin 99 'Local Authority Reserves and Balances'](#)

Council's assets to be funded by borrowing. Reduced funding and deterioration in asset condition in highways and property led to reassessment of the benefits of investment. Investment at this stage will allow repairs to many of the roads already in poor condition and reduce the number of potholes that arise and improve the longevity of future repairs in these areas, thus reducing the increasing pressure on revenue resources.

Measuring financial performance

Measuring the Council's financial health through a set of targeted measures is a key way of measuring our financial health and resilience in supporting the Council's plans and priorities. The key indicators upon which we will measure ourselves are set out in Annex 1 below.

The CIPFA Financial Resilience Index was published on 16 December. The index is a comparative analytical tool based on publicly available information. It is intended to support good financial management by providing an assessment of relative financial health, giving reassurance to councils that are relatively stable or prompting challenge where councils are outliers.

The index offers insight into the comparative level of earmarked and general balances held by local authorities. The level of reserves as a percentage of net revenue budget and the rate at which reserves are being depleted are both identified as indicators of financial stress. The Earmarked Reserves and General Balances Policy Statement (Section 4.7) considers the potential stress factors identified by index.

Financial Management

Financial indicators alone do not give a complete picture of financial health and sustainability; strengths of financial management and governance are also an essential foundation of any successful organisation.

CIPFA have recognised this and in November 2019 launched the first Code of Practice for Financial Management (the FM Code). The FM code is not statutory but compliance with the code is obligatory. It brings together elements that are already part of existing statutory guidance:

- Role of the Chief Financial Officer in Local Government
- Prudential Code for Capital Finance
- Code of Practice on Local Authority Accounting in the United Kingdom

The FM Code clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972. Importantly it emphasises the collective financial responsibility of the leadership team, including the relevant elected members, of which the Chief Finance Officer is one member.

The FM Code has six key themes:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The FM Code includes 19 standards which the Council must measure itself against to demonstrate compliance with the six key themes. An early assessment indicates that the Council is well placed for full compliance by April 2021. Where possible, compliance with standards will be achieved by 2020/21.

Indicator	2020/21 Target	Within MTFP period	
Delivering to budget & Achieving Savings:			
Directorates deliver services and achieve planned performance within agreed budget	=<1% budget variation (with service outcomes achieved and planned activity delivered)	=<1% budget variation (with service outcomes achieved and planned activity delivered)	
Total outturn variation	0%	0%	
Achievement of planned savings	95% of all savings in year	n/a	
Progress towards achieving savings in 2021/22	90% of all future savings are on track to be achieved	n/a	
Systems and processes operate effectively and are well controlled to reduce and detect error and fraud:			
Positive assurance from Internal Audit and External Audit			
Late payments	>95%	>95%	
Use of Grants / Earmarked Reserves			
Total outturn variation for DSG grant funded services	Schools and early years to break even. Use of high needs DSG to match Action Plan	Schools and early years to break even. Use of high needs DSG to match Action Plan	
Use of non – DSG revenue grant funding	>=95% of grant funding is spent in year.		
Ability to manage unplanned/unforeseen events			
General balance outturn at the risk assessed level	=>the risk assessed level	=>the risk assessed level	
Forecast outturn of cost of insurance claims received in year	=< the actuarial assessment	=< the actuarial assessment	
Capital Programme Delivery			
Average cost variation from Concept Design (Gate 1) baseline to Practical Completion (Gate 3)	<=2%	<=1%	
Value of committed capital expenditure funded by s106 not yet received	<=5% of total programme	<=2.5% of total programme	
Debt Management			
Invoice Collection Rate	Corporate debtors	97.50%	98%
	ASC contribution debtors	92%	94%

Indicator	2020/21 Target		Within MTFP period
Debtor Days	Corporate debtors	35 days	30 days
	ASC contribution debtors	100 days	65 days
Debt requiring impairment	Corporate debtors	<£0.300m	<£0.250m
	ASC contribution debtors	<£2m	<£1m
Write offs as a percentage of invoiced income	Corporate debtors	<0.10%	<0.05%
	ASC contribution debtors	<1%	<0.60%
Unsecure debt over 1 year	Corporate debtors	<£0.5m	<£0.250
	ASC contribution debtors	<£1.6m	<£1m
Treasury Management			
Average interest rate achieved in-house compared to treasury Management Budgeted Rate	>=0.85%		2021/22 >=0.75% 2022/23 >=0.75% 2023/24 >=0.75%
Average Annualised Return achieved compared to Benchmark Rate* (Pooled Fund)	>=3.75%		>=3.75%

(*) composite of 7 Day LIBID, 7 Day LIBID + 50BPS, IPD Other Balanced Property Funds Index, BofA Merrill Lynch 1-10 Year Non-Gilt Index & BofA Merrill Lynch Euro High Yield ex Financials Index (GBP Hedged)

Earmarked Reserves and General Balances Policy Statement 2020/21

Introduction

1. This paper sets out the Council's policies underpinning the maintenance of a level of general balances and earmarked reserves within the Council's accounts.

Statutory Position

2. A local authority is not permitted to allow its spending to exceed its available resources so that overall it would be in deficit. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting future estimated future expenditure when calculating the council tax requirement.
3. Balances and reserves can be held for three main purposes:
 - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, this forms part of general reserves
 - A contingency to cushion the impact of unexpected events or emergencies, this forms part of general balances;
 - A means of building up funds often referred to as earmarked reserves, to meet known or predicted liabilities
4. This policy statement is concerned with general balances and earmarked reserves as defined above.

Purpose of balances and reserves

5. The Council maintains general balances in order to provide a contingency against unplanned or unexpected events.
6. Although there is no recognised official guidance on the level of general balances to be maintained, the key factor is that the level should be justifiable in the context of local circumstances. The council's external auditor comments on the level of balances and reserves as part of the annual audit of the Council's financial position. Financial regulations require Council to decide on the level of general balances it wishes to maintain before it can decide the level of council tax. This will be done as part of the annual budget setting process.
7. Whilst general balances are unallocated, earmarked reserves are held for a specific purpose and to mitigate against potential future known or predicted liabilities.

Planned use of balances and reserves

8. Planned use of earmarked reserves or general balances in setting a budget each year is an acceptable approach subject to the level of reserves being adequate and necessary, albeit recognising that it is only a one-off measure. Any planned use of, or contribution to, earmarked reserves or balances must be included as part of the budget setting process each year.
9. In accordance with the Council's Financial Procedure Rules, any new reserves or a change in the purpose of earmarked reserves requires Cabinet approval.

Level of General Balances

10. In recent years, it has been considered prudent to maintain a level of balances commensurate with risk, with a risk assessment undertaken annually by the Section 151 officer (Director of Finance), as part of the budget setting process. CIPFA's Financial Resilience Index provides information on the level of general balances for all authorities. Excluding extremes, the average percentage of net revenue budget held for general balances in County Councils is 5.1%.
11. The risk assessment for 2020/21 has determined that balances should be held at £23.4m, compared to £19.3m for 2019/20. This is equivalent to 4.9% of the proposed net revenue budget for 2020/21. Based on the latest 2019/20 Business Management & Monitoring Report to Cabinet in January 2020, the expected level of balances at 31 March 2020 is currently £19.2m assuming the forecast directorate overspend is met from contingency.
12. The increase in the assessed risk from 2019/20 is primarily as a result of separately identifying the risk that known pressures will exceed the level of additional funding agreed and using the average percentage held for County Councils as a guide. Details of the risk assessment are set out at the end of this Appendix.
13. The proposed budget includes a contribution to balances of £3.0m in 2020/21. In addition, the existing MTFP includes an annual £1.0m contribution to balances to replenish any use from the previous year and ensure that the risk assessed level is maintained. Based on the current forecast level of balances at 31/3/2020, these contributions take the expected level to £23.2m at 1/4/2020.

Earmarked Reserves

14. Section 4.7.1 sets out the actual level of earmarked reserves at 31 March 2019 and expected level at 31 March each year to 2024. It also sets out the purpose of each of the earmarked reserves. Details of new reserves and issues of significance are set out in the paragraphs below.
15. Excluding schools, earmarked reserves are forecast to be £54.1m at 1 April 2020, reducing over the medium term to £44.9m by 2023/24. This position takes into account an estimated deficit on the DSG High Needs Block Reserve by

2023/24 of £33.6m. Excluding schools, the forecast level of earmarked reserves at 31 March 2019 was £54.8m this time last year, with the actual position being £75.0m. In addition, forecast earmarked reserves, excluding schools, by the end of the MTFP period have increased from £35.3m per last years' Service & Resource Planning round to £44.9m this year.

Existing Earmarked Reserves

16. In 2017/18, as part of this policy document, Cabinet approved the amalgamation of a large number of low value reserves into a single Budget Priorities reserve. This decision was made on the basis that holding a large number of small reserves was restrictive in using them holistically in accordance with the Financial Strategy. The existing MTFP includes the repayment, into this reserve of £8.1m used earlier years in 2020/21, 2021/22 and 2022/23, with a further addition of £1.8m proposed in 2023/24. The reserve is not currently earmarked for specific purposes, as budget priorities are addressed through the revenue budget proposals. After taking account of the transfer to the new Redundancy Reserve in 2019/20 (see Paragraph 17), the balance in this reserve is currently expected to be £10.7m by 2023/24. It is proposed that £3.0m is used to fund towards the redundancy Reserve; and £1.0m towards the Investment Pump Priming Reserve.
17. A new Redundancy Reserve of £1.0m has been created during 2019/20 to meet the costs associated with service redesign, of which £0.300m is forecast to be used in year. It is proposed that a further £3.0m is added to the reserve over the period 2020/21 and 2021/22 to meet further predicted costs. This will be achieved through a contribution from the Budget Priorities Reserve.
18. Based on the current profile of spend, the balance if funding remaining in the Transformation Reserve at the end of 2019/20 is £2.7m. The remaining sum will be used to meet the costs of further service redesign and organisational development.
19. It is expected that the Dedicated Schools Grant (DSG) High Needs Reserve will be in deficit at the end of 2019/20 and the medium term. The Department for Education (DfE) has recently consulted on changing the conditions of grant and regulations applying to the DSG, to clarify that it is ring-fenced specific grant separate from the general funding of local authorities. It also clarifies that any deficit an authority may have on its DSG account is expected to be carried forward and should not be covered by the authority's general reserves. The Government will make a decision on the proposed changes, in time to inform the setting of local authorities' budget for the financial year 2020/21. Based on current levels of demand, it is anticipated that the reserve could reach a deficit of £33.6m by 2023/24.
20. In light of the significant pressures relating to High Needs and other budgets with demographic volatility, last year the budget included £3.0m of on-going funding in 2019/20 (and rising in future years) to help manage demographic risk. The funding is intended to be held in the reserve until its need is determined. It is proposed that annual contributions are kept at £3.0m per year for 2020/21 and 2021/22, releasing ongoing funding of £0.6m in 2020/21, a further £1.0m in

2021/22. An additional annual contribution to the reserve of £1.0m remains for 2022/23. Therefore, the total in the reserve by 2023/24 is expected to be £17.0m.

21. The Insurance Reserve is held for insurance claims that are likely to be received. The level of the reserve is determined based on an annual actuarial assessment. As the expected balance at 31 March 2020 is greater than the actuarial assessment, it is proposed that £1.0m is taken from the reserve and is used to help create the Investment Pump Priming reserve.
22. The Public Health Grant Reserve, which holds the balance of unspent grant and must be spent on public health related activity, is expected to have a balance of £1.2m at 31 March 2020. It is proposed that a contribution of £0.4m for both 2020/21 and 2021/22 is made to support the costs of up to ten system wide posts as part of the Family Safeguarding Model in Children's Services.
23. In 2015/16 a new reserve was created with an annual contribution of £0.5m to manage the impact of future year business Rates collection fund deficits. This reserve has not been used since 2016/17 and the balance of the reserve is £1.0m at the end of 2019/20. It is proposed that the annual contribution is stopped and the £0.5m instead added to the contingency budget.

New Earmarked Reserves

24. Following the adoption by Council of the Investment Strategy in September 2019, and updated approval as part of the Service & Resource Planning process each year, a new Investment Pump Priming reserve is proposed to be created to meet the initial costs of developing business cases and feasibility studies associated with the strategy. It is expected that this will generally work as a revolving fund, with costs being capitalised if projects proceed. It is proposed that a reserve of £2.0m is created for 2020/21, to be funded evenly from contributions from the Insurance Reserve and the Budget Priorities Reserve.

Financial Resilience Index

25. CIPFA's Financial Resilience Index is designed to support and improve discussions surrounding local authority financial resilience. It shows a council's performance against a range of measures associated with financial risk, including the level of earmarked reserves and general balances. The Index is a comparative tool to be used to support good financial management and generate a common understanding of the financial position within authorities.
26. For 2018/19, the Index shows that Oxfordshire had relatively high depletion of reserves compared to other County Councils, and that reserves were relatively lower than many other counties. However, for 2017/18 and earlier years, Oxfordshire compared more averagely to other counties. This position reflects the financial planning principles for 2018/19, which set out that a holistic approach would be taken in using reserves in 2018/19 to allow time for the actions to reduce demand start to take effect. £14.7m of earmarked reserves were used towards setting a balanced budget for 2018/19. £1.0m of earmarked reserves were used towards setting a balanced budget in 2019/20. No earmarked

reserves are proposed to be used to balance the budget in 2020/21. In addition, as set out above, the risk assessed level of General Balances has been increased to £23.4m, including an additional contribution as per the proposed 2020/21 Budget. This will increase the overall level of reserves,

2020/21 risk assessment for determining appropriate level of balances

	2020/21		2019/20
Area of risk	£m	Explanation of risk/justification of balances	£m
Emergencies	1.0	Expenditure below Bellwin Scheme threshold (0.2% of annual net operating budget).	0.9
Directorate overspends	3.9	Risk that directorates will overspend due to unforeseen pressures, demography or demand (based on a 2.0% adverse variance).	3.1
Non-achievement of planned savings	7.6	Risk that savings are not achieved. This is based on a risk assessment of savings which considers the deliverability of the savings proposals.	6.7
Pressures identified within Medium Term Financial Plan exceed budgeted amounts	2.1	Risk that pressures will exceed the level of additional funding agreed. The allowance is made based on an assessment of the volatility of pressures and the level of certainty about the level of funding required to meet the pressure.	0.0
Contingent liabilities & insurance risk	4.0	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (0.5% of gross expenditure or minimum to meet quantified contingent liabilities)	3.9
Major contracts & 3rd party spend	4.8	Risk of contractors failing, mis-specification, or non-delivery plus contract costs increase by more than allowed for in the budget (1.5% of estimated annual value of 3rd party spend)	4.7
Total	23.4		19.3

Forecast Earmarked Reserves 2019/20 to 2023/24

	2019/20			2020/21		2021/22		2022/23		2023/24	
	Balance at 1 April £000	Movement £000	Forecast Balance at £000	Movement £000	Forecast Balance at £000	Movement £000	Forecast Balance at £000	Movement £000	Forecast Balance at £000	Movement £000	Forecast Balance at £000
Schools' Reserves	17,309	-4,751	12,558	-6,585	5,973	-3,175	2,798	-1,609	1,189	-422	767
Vehicle and Equipment Reserve	2,901	-2,124	777	-389	388	-198	190	-190	0	0	0
Grants and Contributions Reserve *	14,704	-19,319	-4,615	-8,564	-13,179	-6,425	-19,604	-6,200	-25,804	-5,072	-30,876
Government Initiatives	1,324	-451	873	-814	59	-59	0	0	0	0	0
Trading Accounts	325	138	463	-203	260	-130	130	-129	1	0	1
Council Elections	328	150	478	218	696	-582	114	218	332	218	550
Partnership Reserves	2,659	-699	1,960	-10	1,950	-10	1,940	-1,892	48	-10	38
On Street Car Parking	1,997	250	2,247	0	2,247	0	2,247	0	2,247	0	2,247
Transformation Reserve	3,193	-526	2,667	-467	2,200	-60	2,140	0	2,140	0	2,140
Demographic Risk Reserve	0	3,000	3,000	3,000	6,000	3,000	9,000	4,000	13,000	4,000	17,000
Youth Provision Reserve	0	500	500	-500	0	0	0	0	0	0	0
Budget Prioritisation Reserve	4,890	-3,286	1,604	603	2,207	823	3,030	1,823	4,853	1,823	6,676
Insurance Reserve	10,647	-1,000	9,647	-1,000	8,647	0	8,647	0	8,647	0	8,647
Business Rates Reserve	555	494	1,049	0	1,049	0	1,049	0	1,049	0	1,049
Capital Reserves	31,188	1,517	32,705	700	33,405	-8,600	24,805	-482	24,323	2,200	26,523
Budget Equalisation Reserve	280	-280	0	0	0	0	0	2,754	2,754	2,441	5,195
Redundancy Reserve	0	700	700	2,000	2,700	1,000	3,700	0	3,700	0	3,700
Investment Pump Priming Reserve	0	0	0	2,000	2,000	0	2,000	0	2,000	0	2,000
Total Reserves	92,300	-25,687	66,613	-10,011	56,602	-14,416	42,186	-1,707	40,479	5,178	45,657
Total Reserves Excluding Schools	74,991	-20,936	54,055	-3,426	50,629	-11,241	39,388	-98	39,290	5,600	44,890
* Includes DSG High Needs Reserve	0	-12,012	-12,012	-6,600	-18,612	-5,000	-23,612	-5,000	-28,612	-5,000	-33,612

Provisional 2020/21 Dedicated Schools Grant Allocation

	Early Years Block	Schools Block	Central Schools Services Block	High Needs Block	Total DSG
	£000	£000	£000	£000	£000
2020/21 Initial Baseline	37,962	373,997	4,117	64,263	480,339
2019-20 import/export pupil adjustment (replaced SEN recoupment)				-2,307	-2,307
2020/21 Revised Baseline	37,962	373,997	4,117	61,956	478,032
Provisional 2020-21 import/export pupil adjustment (replaced SEN recoupment)				2,307	2,307
Increase in DSG per pupil rates	664	16,297	48		17,009
increase in Disability Access Fund (DAF)	13				13
Growth fund change		265		497	762
Additional funding 2020-21				8,379	8,379
- Facilities agreement funding			-64		-64
- Premises Mobility factors		-283			-283
Additional funding for Special Free Schools				-6	-6
School Pupil Population increase (pupil number increased from October 2019)		4,416	25		4,441
Total Provisional DSG 2020/21 per Department for Education (DfE)	38,639	394,692	4,126	73,133	510,590
Deductions for academy recoupment and high needs places funded directly by ESFA (draft recoupment and agreed planned special places, funding transfer to ESFA for distribution)				-12,760	-12,760
Deductions for academy recoupment, estimate as calculated by APT		-277,286			-277,286
As per DfE notification 19 December 2019, amended for recoupment	38,639	117,406	4,126	60,373	220,544

Capital & Investment Strategy - 2020/21 to 2029/30

Purpose and Objectives

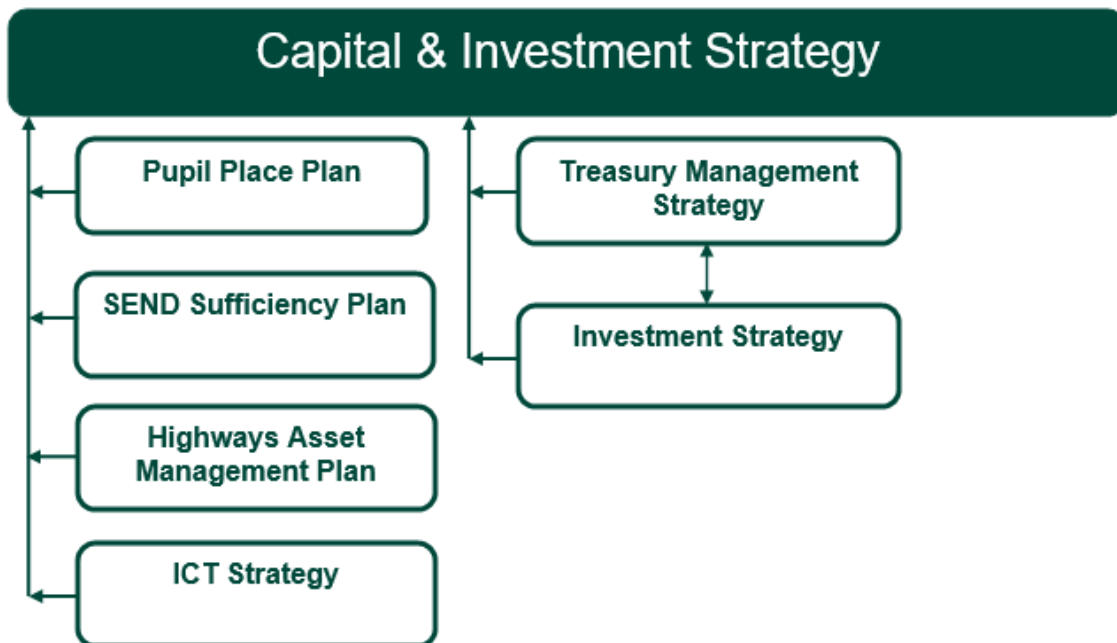
1. The Prudential Code for Capital Finance in Local Authorities was updated by the Chartered Institute of Public Finance and Accountancy in December 2017. The code requires that for each financial year, a local authority should prepare at least one Investment Strategy which should contain the disclosures and reporting requirements specified in the guidance. The Strategy must be approved by full Council.
2. The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
3. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.
4. The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financing implications and potential risks to the authority.
5. The Prudential Code sets out that in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
6. This Capital & Investment strategy sets out the requirements of the Prudential Code covering all the investments of the authority and covers the following areas:
 - The Council's Corporate Plan priorities and the local context
 - Financial context and funding streams
 - Approach to capital investment
 - Capital Programme financing principles

- Capital programme approach and overview of existing Capital Programme
- Capital investment proposals for 2020/21 – 2029/30
- Capital governance and decision-making
- Prudential Indicators for capital finance
- Treasury Management Strategy Statement (including external debt)

Introduction

7. The Capital & Investment Strategy is a policy document that outlines Oxfordshire County Council's approach to investments over the next ten years. It is closely linked to other key strategic and policy documents, such as:
 - The Corporate Plan
 - The Oxfordshire Infrastructure Strategy (OxIS)
 - Oxfordshire Local Industrial Strategy
 - Oxfordshire Joint Statutory Spatial Plan
 - The Financial Strategy including the Medium Term Financial Plan
8. This strategy reflects the ambition for the Capital Programme where the schemes contained in the programme will all be defined from council strategies that determine the management of its assets, services and needs. The structure of the Capital Programme has been amended and is now based around the supporting strategies rather than the previous structure that was presented on a Directorate basis. The main supporting strategies include Pupil Place Planning, Highways Asset Management Plan, Investment Strategy, Oxfordshire Infrastructure Strategy, the developing Property Strategy (see paragraph 24), and the ICT Strategy.
9. During 2021/22 there will be a fundamental review of the capital programme against these strategies, but in the forthcoming year, the proposal is that only essential requirements will be built into the programme.
10. The new capital programme is structured as follows:
 - **Pupil Place Plan:** including basic need (new schools and expansion), maintenance, health and safety and improvements
 - **Property and Estates:** including health & safety, maintenance, improvements and the Investment Strategy
 - **Highways and structural maintenance:** including street lighting, and bridges
 - **ICT Strategy:** including broadband and End User equipment
 - **Passported Funds:** including Disabled Facilities Grant and Devolved Schools Capital
 - **Vehicles and Equipment:** including fire and rescue vehicles and equipment

- **Major Infrastructure:** including Growth Deal
 - **Corporate:** including earmarked reserves and contingency
11. The proposed allocations are based on a combination of identified schemes with known budget requirements, identified schemes with estimated budget requirements and general allocations where services can bring forward business cases to add specific schemes to the programme.
 12. This diagram shows relationship between the Capital and Investment Strategy and supporting plans and strategies:



13. The Capital & Investment Strategy complements the key documents above by defining the approach, structure and governance for the effective financing and management of the Council's capital investment needs and ambitions. It outlines how capital investment contributes to the Council's priorities and how the Council's existing and proposed capital resources will be effectively managed to meet the planned needs plus opportunities for meeting the ambitions for longer term capital investments.
14. It is inevitable that the level of capital resources required to meet capital investment needs and aspirations will exceed the actual resources available. Therefore, one of the key purposes of the Capital & Investment Strategy is to ensure that capital projects or programmes are only approved where they accord with the capital investment principles.
15. The Council seeks to employ a variety of different resources to close the funding gap. In this context, the second key purpose of the Capital & Investment Strategy is to ensure that capital investment plans are affordable, prudent, sustainable and demonstrate value for money. It provides the framework for

determining capital spending plans and the effective use of the Council's capital resources.

The Council's Corporate Plan Priorities

16. The Capital & Investment Strategy emphasises the significant contribution that the capital programme can make in delivering the corporate priorities of thriving communities, thriving people and thriving economy and in bringing benefits for wider communities. It embraces the Council's philosophy of putting residents at the heart of everything we do; and, through the delivery of programmes and schemes will ensure adherence to the Council's own strategy for Climate Action. This strategy also seeks to ensure that resources are used in the most efficient way and support the Council's objectives most effectively.

Partnership Working

17. The Council has a strong vision to create sustainable places by working closely with its partners. It recognises that it can only achieve its objectives through partnership working and is therefore committed to working with public, private, voluntary and community organisations.
18. The Council has a history of pursuing joint-working and joint-service delivery initiatives for better outcomes for communities and residents of the County. It will continue to actively seek opportunities to work in partnership to provide capital investment in Oxfordshire.
19. The Council is currently working with:
 - All Oxfordshire District Councils, the City Council and OxLEP to deliver the Housing & Growth Deal;
 - OxLEP to deliver Local Growth Fund projects;
 - Cherwell District Council through our joint partnership arrangements; and
 - Oxfordshire District Councils and the City Council to deliver One Public Estate Projects.

Capital Investment Principles

20. The Council's approach to capital investment is integral to the Council's financial planning processes. The approach aims to ensure that:
 - a. Capital expenditure contributes to the achievement of the priorities set out in the Corporate Plan;
 - b. An affordable and sustainable capital programme is agreed;
 - c. Use of resources and value for money is maximised;
 - d. A clear framework for making capital investment decisions is provided;
 - e. A corporate approach to the use of capital resources is maintained;

- f. Sufficient assets to provide services are acquired, or built, and maintained;
- g. Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged;
- h. Investment in existing assets to enhance their value, including acquisition of land, is supported;
- i. An appraisal and prioritisation process for new schemes is robust

Capital Programme Financing Principles

21. The Council's capital programme financing principles are:

- a. The government grants received for basic need, school maintenance and highways maintenance are treated as a single flexible pot that fund the statutory requirements of the provision of school places and school and highways maintenance as the first priority.
- b. Capital receipts are also treated as a corporate resource and used across the capital programme flexibly.
- c. The Council will continue to be proactive in ensuring, as far as possible, that all additional capital investment needs arising from new developments are funded from developer contributions.
- d. Ringfenced resources are used for the purposes for which they are issued.
- e. Prudential borrowing will be considered where:
 - i. capital investment will result in future revenue savings and the cost of borrowing can be met from the savings; or
 - ii. the council has a significant unmet capital need. The borrowing is repaid from revenue over the life of the asset and this implication is taken into account when assessing the affordability of the proposal.
 - iii. It contributes towards the overall investment approach, subject to clear and demonstrable business case;
- f. The Council will try wherever possible to influence investment through the targeted use of its limited capital resources to lever in other investment to meet its objectives. However, the Council is clear that projects that may bring in further investment will only be supported if they meet the Council's priorities and objectives. The Council also evaluates long-term implications of accepting any external funding provision, in particular on its revenue budget.
- g. The Capital Programme will maintain a 3% contingency level.
- h. The Council will continue to employ an effective year-end financing strategy that is aimed at minimising the liability on the revenue budget. The first calls on capital resources are therefore external funding (including S106), grants, capital receipts and reserves. The final calls, where necessary, are on prudential borrowing.

Investment Strategy

22. In September 2019 Council approved the Investment Strategy. This is required to be approved by Council annually and is included at Section 4.9.4. The Investment Strategy sets out an investment framework under which the Council can undertake investments against the following broad categories:
- investments in property funds, bond funds, equities and multi asset classes;
 - maximising the use of and value of our own assets (land & buildings);
 - acquisitions & investments, which derive a service outcome or Council priority, and which generate a commercial return;
 - investments for policy, social, community benefits.
23. The Prudential Code requires that where authorities have commercial investments, that local authorities should disclose the contribution they make towards the service delivery objectives and/or place making role of the authority. In addition, the types of investment, due diligence processes, the proportionality of those investments and the local authority's risk appetite are also required to be set out. Currently there are no such investments but going forward these will be included in the annual update of this strategy.

Developing Property Strategy

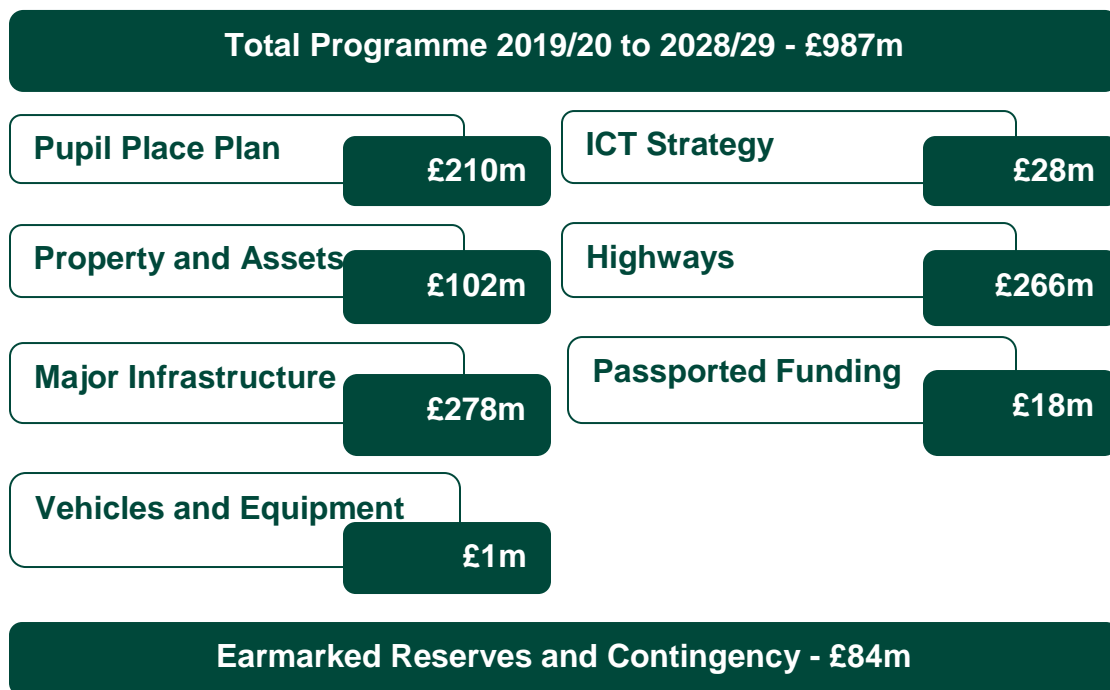
24. The Investment Strategy will be supported by the development of a Property Strategy which in turn will be informed by an organisation wide workforce strategy.
25. The Property Strategy will act as a mechanism for assessing the property portfolio from all angles and will be directly linked with the wider ongoing work to:
- a. support service areas across the county to deliver their services to residents
 - b. enable and support the Council's workforce strategy
 - c. act as a catalyst for service co-location and integration
 - d. inform opportunities that can feed into the investment strategy
26. The development of the property strategy will involve all the service directorates of the Council, who will be responsible for providing the information required in terms of their service delivery needs from a property point of view. In that way we will be able to develop the most appropriate strategy which fits exactly the needs and objectives of each area to enable them to execute their delivery strategies in the future.
27. A draft Implementation plan will then be generated that captures models for operational and non-operational sites which optimises the use of existing

assets and considers the necessity of the creation of new assets to meet the ongoing needs of the council over the next five to 10 years.

28. Various workshops will be facilitated by the Property, Investment and Facilities Management team with all key stakeholders to establish some key principles for the development of the property strategy. This will include items such as:
- a. Clear direction of each directorate’s service short/medium/long-term delivery strategies
 - b. Engagement and co-location opportunities with partners
 - c. Localities, community hubs and area-based service designs
 - d. Climate Action impact
 - e. Financial impact
 - f. Identify and evaluate key assets for investment opportunities

Capital Programme Overview

29. The current capital programme for 2019/20 to 2028/29 totals £968m¹. The diagram below sets out the current programme summary:



30. The existing programme includes School Basic Need projects, the annual highways maintenance programme and large transport schemes that have received specific government grant funding. These include City Deal, Local Growth Fund, the Housing and Growth Deal. The current programme also

¹ Based on the Capital Programme presented to Cabinet in December 2019

includes investments in the street lighting estate (£41m) funded by prudential borrowing. The borrowing cost for this investment will be funded by the reduction in revenue costs in relation to street lighting.

31. The programme includes a further £120m investment in highways maintenance (£80m) and property (£40m) funded by prudential borrowing. This borrowing can be afforded based on an assumption that the growth in the Council Tax base will be above the level assumed in the Medium Term Financial Plan.
32. The £80m investment in highways maintenance was approved by Cabinet in September 2018. The investment has enabled an increase to the annual maintenance programme over the 10-year programme. Making repairs to roads already in poor condition will reduce the number of potholes that arise and improve the longevity of future repairs in these areas, thus reducing the increasing pressure on revenue resources.
33. In September 2018 Cabinet approved a £40m investment in Property to manage legacy issues relating to property maintenance and the demise of Carillion. That investment has enabled essential works to be completed, with clarity to the programme work required going forward. The priority is to ensure that the estate remains compliant with statutory and health and safety requirements.
34. The Pupil Place Plan programme includes an investment of £19.5m linked to the SEND strategy, agreed by Cabinet in December 2018, to increase the provision of Special School places in the county. £10m of this relates to the rebuild of Northfield School with an expanded number of places. Further amounts are available for additional SEN bases at mainstream schools and the expansion of existing special schools. The school's estate allocation also includes provision to increase the number of early year's places across the county.

Capital investment proposals 2019/20 - 2029/30

35. The new Capital Programme proposed alongside this strategy, extends the programme period to 2029/30. Details of proposed new capital investments are set out in Section 4.9.2.
36. In addition to extending the programme by a year, the allocations have been reviewed in light of emerging proposals, agreed programmes and revised funding levels.

37. The Pupil Place Plan² sets out the need for school expansions and new schools. Section 3.3 of the plan sets out the schemes already in development as a result of adopted Local Plans and other known growth. An additional allocation of £50.7m is proposed over the ten year programme to meet the identified need.
38. The proposed programme includes a £10.0m allocation within the Property and Asset programme for the new Investment Strategy. As business cases come forward they will be subject to the governance arrangements and criteria as set out in the Investment Strategy.
39. Within the Highways and Structural Maintenance programme an allocation of £53m is proposed for urgent works to Kennington Bridge. A submission has been made to Department for Transport for grant funding of £30m and third-party contributions of £18m are also sought. The remaining £5m coming from corporate resources. This may need to be reviewed if the grant application is unsuccessful.
40. The Information and Communication Technology Strategy was approved by Cabinet on 19 December 2019. The proposed ICT programme includes the reallocation of existing £9m block to meet the initial outcomes of the strategy. This includes investment of £7.8m in an End User Computing refresh to improve ICT services for all staff and customers which is tangible in the day to day use of technology and in how ICT staff operate. It is expected that investment in ICT will support better decision making, reduce the overall cost of ICT to the Council and provide better value for money.

Governance Arrangements

41. The Prudential Code sets out that the responsibility for decision making and on-going monitoring in respect of capital expenditure, investment and borrowing, including prudential indicators, remains with full council. Although detailed implementation and monitoring may be delegated to a committee.
42. The capital governance arrangements were reviewed during 2019 and interim arrangements were agreed which are still in place. The governance arrangements will be reviewed during 2020.

Council and Cabinet

43. Council and the Cabinet are the key democratic decision-making bodies as per the Council's constitution. The Council approves the key policy documents and the capital programme as part of the Council's Policy and Budgetary Framework. The Cabinet recommends priorities, policy direction and the

² [Pupil Place Plan Annex 3 Appendix D - Cabinet 21 January 2020](#)

capital programme to the Council for approval. The Cabinet also approves new inclusions to the capital programme in line with the scheme of delegation and the financial procedure rules.

Delegated Powers to Officers

44. Delegations to officers are set out in full in Section 5 of the Council's Financial Regulations. In addition, all officers are bound by the scheme of delegation.
45. The Section 151 Officer, jointly with the Corporate Director Communities, are responsible for ensuring that appropriate arrangements are in place to monitor the capital programme and resources, control expenditure against approved budgets, and address any problems of overspending or resource re-allocation.

Capital Programme Implementation

46. The Council operates a two-stage approval process for capital resource allocation. If a project is approved at stage 1, it is accepted in principle to the capital programme and is allocated a project development budget. This stage is also called "commit to investigate". At stage 2, the project receives full approval for work to commence and expenditure to be incurred, subject to the budget constraints of the project delivery budget allocation.
47. A business case supports each approval stage that has:
 - Analysed a range of possible solutions at the feasibility phase of each major capital investment;
 - Based the options appraisal on the life cycle costs of possible solutions, including the discounted cost of future expenditures to determine their affordability;
 - Explored different project delivery models that, where possible, include partnerships, sharing costs with other organisations, obtaining grant contributions or generates revenue income;
 - Recommended the option that ensures the capital investment secures the maximum benefit.

Capital Expenditure Definitions

48. Expenditure which qualifies as capital under this strategy is set out on the Council's intranet using the link below. It also sets out information on de-minimus values, abortive costs, abnormal costs and leases.

<https://intranet.oxfordshire.gov.uk/cms/content/what-capital-expenditure>

Minimum Revenue Provision Policy Statement for 2020/21

49. The Council is required by statute to charge a Minimum Revenue Provision (MRP) to the General Fund Revenue account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
50. Legislation³ requires local authorities to draw up a statement of their policy on the annual MRP, for full approval by Council before the start of the financial year to which the provision will relate.
51. The implementation of the International Financial Reporting Standards (IFRS) requirements brought some service concession arrangements on balance sheet and resulted in some leases being reclassified as finance leases instead of operating leases. Part of the service charge or rent payable is taken to reduce the balance sheet liability rather than being charged to revenue accounts. To ensure that this does not result in a one-off increase in the capital financing requirement and in revenue account balances, an amount equal to the amount that has been taken to the balance sheet is included in the annual MRP charge.
52. The Council is recommended therefore to approve the following statement:

For capital expenditure incurred before 1 April 2008, the MRP policy for 2017/18 onwards will be a straight-line charge of the outstanding pre-2008 expenditure as at 1 April 2017 calculated over a 50-year period.

For all unsupported (prudential) borrowing, the MRP policy will be based on the estimated life of the assets for which the borrowing is undertaken (Option 3 – Asset Life Method or Annuity Method).

In the case of finance leases and on-balance sheet Private Finance Initiative (PFI) type contracts, the MRP requirement will be regarded as being met by a charge equal to the element of the rent/charge that goes to write-down the balance sheet liability, including the retrospective element in the first year (Option 3 in modified form).

³ Statutory Instrument 2008 no. 414 s4

Prudential Indicators for Capital Finance

53. The Prudential Code for Capital Finance in Local Authorities (2017) requires the Council to set and monitor against Prudential Indicators in the following categories:

- Prudence – Capital Expenditure and External Debt
- Affordability
- Treasury Management

54. The indicators have been based on the February 2020 capital programme which will be approved by Council on 11 February 2020 with the Service & Resource Planning Report.

55. The capital expenditure figures for beyond 2020/21 will be able to be revised in twelve months' time.

Prudence

Estimates of Capital Expenditure

56. The Council is required to make reasonable estimates of the total of capital expenditure that it plans to incur during 2020/21 and the following two financial years. The Council must also approve the actual expenditure for 2018/19 and revised expenditure for 2019/20.

	Actual	Estimates				
	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Capital Expenditure	102.451	163.562	192.448	204.437	180.108	104.951

	Actual	Estimates				
	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Prudential Borrowing	0.221	22.477	19.351	66.171	54.494	54.494
Grants and Contributions	93.101	140.935	172.568	118.339	35.585	35.585
Capital Receipts	0	0	0	19.913	1.920	1.920
Revenue	9.129	0.150	0.529	0.014	0	0
Reserves	0	0	0	0	5.711	5.711
TOTAL	102.451	163.562	192.448	204.437	180.108	98.710

The Capital Financing Requirement

57. Estimates of the end of year Capital Financing Requirement (CFR) for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2019 that are recommended for approval are:

Year	Actual/Estimate	£m
2018/19	Actual	367.643
2019/20	Estimate	379.879
2020/21	Estimate	388.308
2021/22	Estimate	441.142
2022/23	Estimate	498.286
2023/24	Estimate	479.821

58. The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice the County Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated Treasury Management Strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

Authorised Limit and Operational Boundary for External Debt

59. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
60. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

61. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
62. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst-case scenario with sufficient headroom over and above this to allow for unusual cash movements. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements.

	2019/20 probable outturn	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m	£m
Operational Boundary for External Debt					
Borrowing	360.000	365.000	415.000	475.000	475.000
Other long-term liabilities	25.000	25.000	25.000	25.000	25.000
TOTAL	385.000	390.000	440.000	500.000	500.000
Authorised Limit for External Debt					
Borrowing	370.000	380.000	440.000	500.000	500.000
Other long-term liabilities	30.000	30.000	30.000	30.000	30.000
TOTAL	400.000	410.000	470.000	530.000	530.000

Actual External Debt

63. This indicator enables the comparison of Actual External Debt at year end to the Operational Boundary and Authorised Limit.

Total External Debt as at 31.03.19	£m
External Borrowing	343.383
Other Long-term Liabilities	17.483
Total	360.866

Gross Debt and the Capital Financing Requirement

64. This is a key indicator of prudence. In order to ensure that the medium-term debt will only be for a capital purpose, the local authority should ensure that the gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

65. In 2018/19 the CFR was higher than gross debt, indicating a level of internal borrowing. The forecast for 2019/20 onwards indicates an increased level of internal borrowing over the medium term, consistent with the approach set out in the Treasury Management Strategy, taking into account current commitments, existing plans and the proposals in the approved budget.

Debt	31.03.19 Actual £m	31.03.20 Revised £m	31.03.21 Estimate £m	31.03.22 Estimate £m	31.03.23 Estimate £m	31.03.24 Estimate £m
External Borrowing	343.383	341.383	335.383	338.383	379.383	367.383
Long Term Liabilities	17.483	16.970	16.391	15.736	14.997	14.161
Total Debt	360.866	358.353	351.774	354.119	394.380	381.544

Affordability

The Ratio of Financing Costs to the Net Revenue Stream

66. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

Year	Actual/ Estimate	Financing Cost £m	Net Revenue Stream £m	Ratio %
2018/19	Actual	21.140	454.206	4.65%
2019/20	Estimate	18.976	469.289	4.04%
2020/21	Estimate	20.833	502.155	4.15%
2021/22	Estimate	23.655	489.028	4.84%
2022/23	Estimate	25.730	505.538	5.09%
2023/24	Estimate	26.758	522.173	5.12%

67. Financing costs include interest payable on borrowing, interest and investment income and the amount required for the minimum revenue provision (MRP).

Capital Programme 2020/21 - 2029/30

Council
11 February 2020



CAPITAL PROGRAMME: 2019/20 TO 2029/30

Strategy/Programme	Capital Investment Programme (latest forecast)						CAPITAL INVESTMENT TOTAL £'000s	
	Current Year	Firm Programme	Provisional Programme					
	2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s		
Pupil Places	35,779	41,620	40,260	26,406	17,976	98,981	261,022	
Major Infrastructure	60,082	74,939	56,058	75,970	2,612	8,098	277,759	
Highways Asset Management Plan	34,104	46,254	56,237	60,882	62,733	91,415	351,625	
Property & Estates, and Investment Strategy	10,280	10,848	14,697	12,971	8,801	28,360	85,957	
ICT	10,806	5,414	3,970	1,460	1,210	7,039	29,899	
Passport Funding	7,565	900	1,900	1,700	1,619	4,333	18,017	
Vehicles & Equipment	629	303	450	0	0	0	1,382	
TOTAL ESTIMATED CAPITAL PROGRAMME EXPENDITURE	159,245	180,278	173,572	179,389	94,951	238,226	1,025,661	
Earmarked Reserves	4,317	12,170	30,865	719	10,000	21,064	79,135	
TOTAL ESTIMATED CAPITAL PROGRAMME	163,562	192,448	204,437	180,108	104,951	259,290	1,104,796	
TOTAL ESTIMATED PROGRAMME IN-YEAR RESOURCES	179,327	159,469	165,382	159,143	92,999	247,113	1,003,433	
In-Year Shortfall (-) / Surplus (+)		15,765	-32,979	-39,055	-20,965	-11,952	-12,177	-101,363
Cumulative Shortfall (-) / Surplus (+)	82,945	98,710	65,731	26,676	5,711	-6,241	-18,418	-18,418

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SOURCES OF FUNDING	2019 / 20	2020 / 21	2021 / 22	2022 / 23	2023 / 24	up to 2029 / 30	CAPITAL RESOURCES TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
SCE(C) Formulaic Capital Allocations - Un-ringfenced Grant	83,225	131,580	71,273	50,000	21,850	129,400	487,328
Devolved Formula Capital- Grant	800	800	800	600	519	1,700	5,219
Prudential Borrowing	22,477	19,351	66,171	72,314	54,494	1,208	236,015
Grants	22,334	9,095	13,894	20,600	8,117	11,169	85,209
Developer Contributions	34,235	30,864	32,364	13,706	4,576	60,236	175,981
District Council Contributions	0	226	0	0	0	0	226
Other External Funding Contributions	313	3	8	3	1,523	3	1,853
Revenue Contributions	150	529	14	0	0	2,500	3,193
Schools Contributions	28	0	0	0	0	0	28
Use of Capital Receipts	0	0	19,913	10,526	1,920	40,897	73,256
Use of Capital Reserves	0	0	0	12,359	5,711	0	18,070
TOTAL ESTIMATED PROGRAMME RESOURCES UTILISED	163,562	192,448	204,437	180,108	98,710	247,113	1,086,378
TOTAL ESTIMATED IN YEAR RESOURCES AVAILABLE	179,327	159,469	165,382	159,143	92,999	247,113	1,003,433
Capital Grants Reserve C/Fwd	41,098	55,654	21,062	0	0	0	0
Usable Capital Receipts C/Fwd	23,171	24,683	26,599	8,606	0	0	0
Capital Reserve C/Fwd	18,676	18,373	18,070	18,070	5,711	0	0

PUPIL PLACES STRATEGY CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s	
		Firm Programme		Provisional Programme				Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s				Future Capital Investment Total (excluding previous and current years) £'000s
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s						
Provision of School Places (Basic Need)													
Existing Demographic Pupil Provision (Basic Needs Programme)	1,969	1,326	9,770	14,986	17,000	15,000	88,824	148,875	146,906	145,580			
11/12 - 17/18 Basic Need Programme Completions	3,556	268	230	743	0	0	0	4,797	1,241	973			
Matthew Arnold - 1FE Expansion (ED877)	1,980	1,350	50	0	0	0	0	3,380	1,400	50			
East Hanney, St James - Expansion to 1FE (ED859)	1,693	193	0	0	0	0	0	1,886	193	0			
Bloxham, Warriner - 2FE Expansion (ED901)	2,497	2,850	0	353	0	0	0	5,700	3,203	353			
Marcham - Expansion to 1FE (ED882)	306	500	750	113	0	0	0	1,669	1,363	863			
John Blandy - Expansion to 1.5FE (ED887)	295	950	1,500	148	0	0	0	2,893	2,598	1,648			
North Leigh - Repl of Temporary Classroom (ED926)	4	363	0	0	0	0	0	367	363	0			
John Watson - Additional Capacity & Improvements (Primary Site) (ED849)	1,364	1,400	250	86	0	0	0	3,100	1,736	336			
Cholsey - Expansion to 2FE (ED911)	251	200	1,700	68	0	0	0	2,219	1,968	1,768			

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s	
		Firm Programme		Provisional Programme				Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s				Future Capital Investment Total (excluding previous and current years) £'000s
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s						
Chesterton - Expansion to 1FE (ED898)	190	500	1,350	83	0	0	0	2,123	1,933	1,433			
West Witney - Expansion to 2FE (ED889)	458	600	2,300	223	0	0	0	3,581	3,123	2,523			
Benson - Expansion to 1.5FE (ED914)	175	500	1,100	197	0	0	0	1,972	1,797	1,297			
Provision of School Places Total	14,738	11,000	19,000	17,000	17,000	15,000	88,824	182,562	167,824	156,824			
<u>Growth Portfolio - New Schools</u>													
The Swan Free School (Financial Contribution) (ED917)	63	2,074	0	37	0	0	0	2,174	2,111	37			
Bicester, South West (Whitelands) - Secondary (ED880)	988	9,000	4,500	1,512	0	0	0	16,000	15,012	6,012			
Oxford, Barton Park - 1.5FE Primary School (ED868)	784	3,700	4,000	316	0	0	0	8,800	8,016	4,316			
Banbury, Southam Road - 1FE Primary School (ED907)	489	4,000	2,000	491	0	0	0	6,980	6,491	2,491			
North East Wantage, Crab Hill: GEMS, Wantage - 2FE Primary School (ED918).	23	100	350	227	0	0	0	700	677	577			
West Witney, Curbridge - 1.5FE Primary School (ED927)	29	50	50	400	371	0	0	900	871	821			
Bicester, Graven Hill - 2FE Primary School	4	50	50	350	300	876	0	1,630	1,626	1,576			

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme				up to 2029 / 30 £'000s				
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s						
Northfield Special School - Replacement & Expansion	15	500	5,000	6,250	985	0	0	12,750	12,735	12,235		
Wallingford - 2FE Primary School	0	0	2,800	4,400	1,520	0	0	8,720	8,720	8,720		
Faringdon - 2FE Primary School	0	0	1,000	6,000	3,880	0	0	10,880	10,880	10,880		
Project Development Budget	6	0	0	100	100	100	100	406	400	400		
New School Programme Completions	992	182	0	404	0	0	0	1,578	586	404		
Growth Portfolio Total	3,393	19,656	19,750	20,487	7,156	976	100	71,518	68,125	48,469		
<u>Annual Programmes</u>												
Schools Access Initiative	346	350	300	250	250	200	1,200	2,896	2,550	2,200		
Temporary Classrooms - Replacement & Removal	187	350	200	250	250	200	1,200	2,637	2,450	2,100		
School Structural Maintenance (inc Health & Safety)	979	4,000	1,900	1,750	1,500	1,350	6,632	18,111	17,132	13,132		
Northfield Special School - Reinstatement works & Temporary Accommodation at Iffley Academy (ED931)	660	30	20	0	0	0	0	710	50	20		
Annual Programme Total	2,172	4,730	2,420	2,250	2,000	1,750	9,032	24,354	22,182	17,452		

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								
		Firm Programme		Provisional Programme				Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
<u>Early Years Programmes</u> Capacity Building - Early Yrs Entitlement	3,034	200	250	250	250	250	1,025	5,259	2,225	2,025
Early Years Programme Total	3,034	200	250	250	250	250	1,025	5,259	2,225	2,025
<u>Retentions</u>										
Retentions Total	727	193	200	273	0	0	0	1,393	666	473
PUPIL PLACES STRATEGY CAPITAL PROGRAMME EXPENDITURE TOTAL	24,064	35,779	41,620	40,260	26,406	17,976	98,981	285,086	261,022	225,243

MAJOR INFRASTRUCTURE CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast						Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme						
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
<u>GROWTH DEAL - INFRASTRUCTURE</u>										
Infrastructure Programme	0	12,946	13,527	32,061	63,732	0	0	122,266	122,266	109,320
Oxford, Botley Rd (NPIF-funded)	562	3,621	3,080	8	1,829	0	0	9,100	8,538	4,917
Watlington Relief Rd	0	1,262	5,000	5,095	1,151	0	0	12,508	12,508	11,246
Oxford Parks Cycle Route (con'n)	19	0	0	0	0	0	0	19	0	0
Collinwood Rd, crossing and link	1	9	0	0	0	0	0	10	9	0
Knights Rd, extension	1	9	0	0	0	0	0	10	9	0
Littlemore, pedestrian and cycle bridge	0	10	0	0	0	0	0	10	10	0
Benson Relief Rd	0	120	0	0	0	0	0	120	120	0
Milton Heights Bridge	0	492	0	0	0	0	0	492	492	0
NW Bicester u'bridge realigned A4095	0	180	0	0	0	0	0	180	180	0
GROWTH DEAL PROGRAMME TOTAL	583	18,649	21,607	37,164	66,712	0	0	144,715	144,132	125,483
<u>CITY DEAL PROGRAMME</u>										
<u>Science Transit</u>										
Kennington & Hinksey Roundabouts	7,376	85	12	0	0	0	0	7,473	97	12
Hinksey Hill Northbound Slip Road	797	50	750	5,500	1,603	0	0	8,700	7,903	7,853

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast							Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme							
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s				
<u>Access to Enterprise Zone</u>											
Harwell Link Rd Section 1 B4493 to A417	10,859	222	0	0	0	0	0	11,081	222	0	
Harwell Link Rd Section 2 Hagbourne Hill	5,326	644	45	0	0	0	0	6,015	689	45	
Featherbed Lane and Steventon Lights	2,349	100	400	400	3,400	1,075	0	7,724	5,375	5,275	
Harwell, Oxford Entrance	466	1,393	141	0	0	0	0	2,000	1,534	141	
<u>Northern Gateway</u>											
Loop Farm Link Road	582	500	500	3,000	2,718	0	0	7,300	6,718	6,218	
Other City Deal Programme spend	187	0	0	0	0	0	0	187	0	0	
<u>Completed Projects</u>											
Cotteslowe Roundabout	4,976	178	23	0	0	0	0	5,177	201	23	
Wolvercote Roundabout	5,337	0	25	0	0	0	0	5,362	25	25	
CITY DEAL PROGRAMME TOTAL	38,255	3,172	1,896	8,900	7,721	1,075	0	61,019	22,764	19,592	
<u>LOCAL PINCH POINT PROGRAMME</u>											
Milton Interchange	11,994	350	162	38	0	0	0	12,544	550	200	
A34 Chilton Junction Improvements	9,694	485	346	358	0	0	0	10,883	1,189	704	
LOCAL PINCH POINT PROGRAMME TOTAL	21,688	835	508	396	0	0	0	23,427	1,739	904	

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme								
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s					
<u>LOCAL GROWTH FUND PROGRAMME</u>												
Eastern Arc Phase 1 Access to Headington	11,344	1,850	3,433	0	0	0	0	16,627	5,283	3,433		
Science Vale Cycle Network Improvements	973	307	3,175	151	0	0	0	4,606	3,633	3,326		
Oxford Science Transit Phase 2 - A40 Public Transport improvements (project development)	3,736	0	25	0	0	0	0	3,761	25	25		
Didcot Northern Perimeter Road 3 (project development)	531	210	9	0	0	0	0	750	219	9		
A34 Lodge Hill Slips	437	1,533	6,000	7,839	0	0	0	15,809	15,372	13,839		
Oxford Queen's Street Pedestrianisation	732	434	4	0	0	0	0	1,170	438	4		
Ox Pub Transport Imps Bus Stops	0	25	0	0	0	0	0	25	25	0		
RTI enhancements	0	230	0	0	0	0	0	230	230	0		
Digitisation of bus gates & lanes	0	175	0	0	0	0	0	175	175	0		
LOCAL GROWTH DEAL PROGRAMME TOTAL	17,753	4,764	12,646	7,990	0	0	0	43,153	25,400	20,636		
<u>SCIENCE VALE UK</u>												
Milton Park Employment Access Link: Backhill Tunnel	1,045	17	212	0	0	0	0	1,274	229	212		
Wantage, Crab Hill (contribution)	0	2,000	2,500	0	0	0	0	4,500	4,500	2,500		

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast							Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme							
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s				
HIF1 DGT OBC development	303	95	0	0	0	0	0	398	95	0	
HIF1 A4130 Dualing	18	0	0	0	0	0	0	18	0	0	
HIF1 Didcot Science Bridge	57	0	0	0	0	0	0	57	0	0	
HIF1 Culham river crossing	0	0	0	0	0	0	0	0	0	0	
HIF1 Clifton Hampden bypass	27	0	0	0	0	0	0	27	0	0	
SCIENCE VALE UK LOCALITY PROGRAMME TOTAL	1,450	2,112	2,712	0	0	0	0	6,274	4,824	2,712	
<u>OXFORD</u>											
Oxford, Rising Bollards	8	20	221	0	0	0	0	249	241	221	
Iffley Fields Controlled Parking Zone	56	144	0	0	0	0	0	200	144	0	
Wood Farm CPZ	0	50	0	0	0	0	0	50	50	0	
Old Greyfriars School signal change	0	10	15	0	0	0	0	25	25	15	
Woodstock Rd, ROQ	719	0	0	0	0	0	0	719	0	0	
Riverside routes to Oxford city centre	2,061	1,970	0	0	0	0	0	4,031	1,970	0	
OXFORD LOCALITY PROGRAMME TOTAL	2,844	2,194	236	0	0	0	0	5,274	2,430	236	
<u>BICESTER</u>											
Bicester Perimeter Road (Project Development)	0	750	250	0	0	0	0	1,000	1,000	250	
BICESTER LOCALITY PROGRAMME TOTAL	0	750	250	0	0	0	0	1,000	1,000	250	

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast							Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme							
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s				
<u>BANBURY</u>											
A361 Road Safety Improvements	637	3,621	111	201	0	0	0	4,570	3,933	312	
Farmfield Road / Oxford Road - Junction Improvement	0	99	0	0	0	0	0	99	99	0	
BANBURY LOCALITY PROGRAMME TOTAL	637	3,720	111	201	0	0	0	4,669	4,032	312	
<u>WITNEY AND CARTERTON</u>											
A40 N G'way (Ox N) bus lane	7	50	18	0	0	0	0	75	68	18	
HIF2 West Oxon OBC development	64	237	0	0	0	0	0	301	237	0	
HIF2 A40 Westbound bus lane	96	0	0	0	0	0	0	96	0	0	
HIF2 A40 Dualing Witney-Eynsham	17	0	0	0	0	0	0	17	0	0	
HIF2 Dukes Cut Bridge	49	0	0	0	0	0	0	49	0	0	
HIF2 B4044 cycle route	24	0	0	0	0	0	0	24	0	0	
HIF2 A40 Cycleway to NCN5	13	0	0	0	0	0	0	13	0	0	
Witney, A40 Downs Road junction (contribution)	1,250	0	0	0	0	0	0	1,250	0	0	
WITNEY AND CARTERTON LOCALITY PROGRAMME TOTAL	1,520	287	18	0	0	0	0	1,825	305	18	

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast							Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme							
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s				
<u>COUNTYWIDE AND OTHER</u>											
East-West Rail (contribution)	72	737	737	737	737	737	7,298	11,055	10,983	10,246	
Small schemes (developer and other funded)	0	552	600	600	800	800	800	4,152	4,152	3,600	
Completed schemes	275	35	133	70	0	0	0	513	238	203	
COUNTYWIDE AND OTHER INTEGRATED TRANSPORT TOTAL	347	1,324	1,470	1,407	1,537	1,537	8,098	15,720	15,373	14,049	
MAJOR INFRASTRUCTURE TOTAL	85,077	37,807	41,454	56,058	75,970	2,612	8,098	307,076	221,999	184,192	
<u>THIRD PARTY LOCAL GROWTH FUND & HOUSING DEAL</u>											
<u>Local Growth Fund</u>											
Smart Oxford Culham City	1,230	770	0	0	0	0	0	2,000	770	0	
LGF3 Prodrive	495	5	0	0	0	0	0	500	5	0	
Osney Mead Innovation	4,500	0	1,700	0	0	0	0	6,200	1,700	1,700	
<u>Housing Deal</u>											
Housing	6,715	21,500	31,785	0	0	0	0	60,000	53,285	31,785	
THIRD PARTY GROWTH & HOUSING DEAL TOTAL	12,940	22,275	33,485	0	0	0	0	68,700	55,760	33,485	
MAJOR INFRASTRUCTURE CAPITAL PROGRAMME EXPENDITURE TOTAL	98,017	60,082	74,939	56,058	75,970	2,612	8,098	375,776	277,759	217,677	

HIGHWAYS ASSET MANAGEMENT PLAN CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast						Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme						
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
STRUCTURAL MAINTENANCE PROGRAMME										
Carriageways	0	3,215	7,972	8,073	8,609	10,762	23,517	62,148	62,148	58,933
Surface Treatments	0	8,443	5,651	5,482	5,313	5,166	14,351	44,406	44,406	35,963
Structural Highway Improvements	0	0	8,731	7,450	5,828	5,766	18,443	46,218	46,218	46,218
Footways/cycleways	0	750	750	850	1,000	1,200	2,524	7,074	7,074	6,324
Drainage	0	900	1,450	1,450	1,800	2,000	4,449	12,049	12,049	11,149
Bridges	0	2,406	2,300	2,300	3,100	5,000	8,434	23,540	23,540	21,134
Public Rights of Way Foot Bridges	0	100	225	225	300	350	730	1,930	1,930	1,830
Electrical	0	965	1,512	1,308	1,327	1,427	3,701	10,240	10,240	9,275
Traffic Signals	0	322	0	0	0	0	0	322	322	0
Section 42 contributions	0	1,700	1,700	1,700	1,700	1,700	4,516	13,016	13,016	11,316
Safety Fences	0	0	0	75	75	750	598	1,498	1,498	1,498
Minor Works	0	0	430	430	430	430	1,152	2,872	2,872	2,872
Highways & Associated Infrastructure	0	10,133	0	0	0	0	0	10,133	10,133	0
STRUCTURAL MAINTENANCE ANNUAL PROGRAMMES TOTAL	0	28,934	30,721	29,343	29,482	34,551	82,415	235,446	235,446	206,512

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Section 4.9.1

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast						Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme						
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
IMPROVEMENT PROGRAMMES										
Accessibility & Road Safety Schemes	0	0	2,000	2,000	2,000	2,000	2,000	10,000	10,000	10,000
Bus Journey Time Reliability	0	0	1,000	1,000	1,000	1,000	1,000	5,000	5,000	5,000
IMPROVEMENT PROGRAMMES TOTAL	0	0	3,000	3,000	3,000	3,000	3,000	15,000	15,000	15,000
Major schemes and other programme										
Street Lighting LED replacement	31	2,000	7,800	11,400	11,400	8,182	0	40,813	40,782	38,782
Tetsworth Embankment Works	848	200	1,400	129	0	0	0	2,577	1,729	1,529
Kennington Railway Bridge	2,159	400	685	40	0	0	0	3,284	1,125	725
Kennington Railway Bridge	0	0	2,000	11,000	17,000	17,000	6,000	53,000	53,000	53,000
Oxford, Cowley Road	141	1,284	135	0	0	0	0	1,560	1,419	135
A40 London Rd	0	1,036	100	0	0	0	0	1,136	1,136	100
A478 Playhatch Road (project development)	124	0	0	0	0	0	0	124	0	0
Network Rail Electrification Bridge Betterment Programme	456	250	250	1,310	0	0	0	2,266	1,810	1,560
Completed Major Schemes	0	0	163	15	0	0	0	178	178	178
STRUCTURAL MAINTENANCE MAJOR SCHEMES TOTAL	3,759	5,170	12,533	23,894	28,400	25,182	6,000	104,938	101,179	96,009
HIGHWAYS ASSET MANAGEMENT PLAN CAPITAL PROGRAMME EXPENDITURE TOTAL	3,759	34,104	46,254	56,237	60,882	62,733	91,415	355,384	351,625	317,521

PROPERTY & ESTATES, AND INVESTMENT STRATEGY CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast							Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme							
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s				
<u>SERVICE ESTATE PROGRAMME</u>											
Carterton Fire Station	158	0	0	0	0	0	0	158	0	0	
Fire Review Development Budget	0	400	100	1,000	1,600	201	0	3,301	3,301	2,901	
Relocation of Rewley Training Facility	0	50	50	500	0	0	0	600	600	550	
Bicester Library (CS13)	710	250	250	240	0	0	0	1,450	740	490	
Westgate Library - Redevelopment	2,664	701	235	0	0	0	0	3,600	936	235	
Barton Library Access (CS20)	2	0	87	0	0	0	0	89	87	87	
Adult Social Care Programme	563	50	50	250	500	750	2,087	4,250	3,687	3,637	
Crisis Provision (ED941)	0	50	0	0	0	0	0	50	50	0	
Re-provision of Maltfield (ED932)	0	500	250	1,750	500	0	0	3,000	3,000	2,500	
CEF Transformation Programme - Children & Family Centres (ED895)	1,170	212	0	118	0	0	0	1,500	330	118	
SERVICE ESTATE PROGRAMME TOTAL	5,267	2,213	1,022	3,858	2,600	951	2,087	17,998	12,731	10,518	

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme								
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s					
<u>CORPORATE ESTATE PROGRAMME</u>												
Corporate Estate & One Public Estate	72	500	10	0	0	0	325	907	835	335		
Didcot Library & Community Hub (CS19)	28	200	100	800	472	0	0	1,600	1,572	1,372		
CORPORATE ESTATE PROGRAMME TOTAL	100	700	110	800	472	0	325	2,507	2,407	1,707		
<u>CLIAMTE ACTION PROGRAMME</u>												
SALIX Energy Programme	486	130	100	14	0	0	0	730	244	114		
Electric Vehicles Charging Infrastructure	30	60	20	0	0	0	0	110	80	20		
One-Fleet EV Charging Point	0	0	100	300	0	0	0	400	400	400		
Climate Action Recycling Fund	0	0	100	400	500	500	1,000	2,500	2,500	2,500		
CLIAMTE ACTION PROGRAMME TOTAL	516	190	320	714	500	500	1,000	3,740	3,224	3,034		

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								
		Firm Programme		Provisional Programme				Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
STRUCTURAL MAINTENANCE (Non-School) PROGRAMMES										
Minor Works Programme	31	340	500	500	250	250	1,569	3,440	3,409	3,069
F&RS - Replacement Fire Doors	0	100	100	0	0	0	0	200	200	100
Health & Safety (Non-Schools)	66	75	75	75	100	100	650	1,141	1,075	1,000
Defect Liability Programme	1,151	3,000	6,000	3,000	1,849	0	0	15,000	13,849	10,849
Corporate Structural Maintenance 2020-22	0	0	1,500	1,500	0	0	0	3,000	3,000	3,000
Asset Condition Programme	0	0	0	3,000	5,000	5,000	12,000	25,000	25,000	25,000
STRUCTURAL MAINTENANCE PROGRAMMES TOTAL	1,248	3,515	8,175	8,075	7,199	5,350	14,219	47,781	46,533	43,018
INVESTMENT STRATEGY										
Investment Startegy	0	0	250	500	2,000	2,000	5,250	10,000	10,000	10,000
Purchase of Land	49	0	0	0	0	0	5,451	5,500	5,451	5,451
INVESTMENT STRATEGY PROGRAMME TOTAL	49	0	250	500	2,000	2,000	10,701	15,500	15,451	15,451
WASTE MANAGEMENT PROGRAMME										
Waste Recycling Centre Infrastructure Programme	15	400	75	0	0	0	28	518	503	103
WASTE MANAGEMENT PROGRAMME TOTAL	15	400	75	0	0	0	28	518	503	103

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								
		Firm Programme		Provisional Programme				Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s	up to 2029 / 30 £'000s			
CORPORATE PROPERTY & PARTNERSHIP PROGRAMMES										
Cogges Manor Farm	58	762	230	0	0	0	0	1,050	992	230
New Salt Stores & Accommodation (R20)	1,858	2,500	597	0	0	0	0	4,955	3,097	597
Drayton Depot	0	0	50	750	200	0	0	1,000	1,000	1,000
CORPORATE PROPERTY & PARTNERSHIP PROGRAMMES TOTAL	1,916	3,262	877	750	200	0	0	7,005	5,089	1,827
Retentions (completed schemes)	0	0	19	0	0	0	0	19	19	19
PROPERTY & ESTATES, AND INVESTMENT STRATEGY CAPITAL PROGRAMME EXPENDITURE TOTAL	9,111	10,280	10,848	14,697	12,971	8,801	28,360	95,068	85,957	75,677

ICT STRATEGY CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme				up to 2029 / 30 £'000s				
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s						
ICT STRATEGY PROGRAMME												
Children Services - ICT (Phase 1&2)	1,430	1,350	500	1,270	0	0	0	4,550	3,120	1,770		
Better Broadband For Oxfordshire (BBFO)	17,167	2,560	25	0	0	0	0	19,752	2,585	25		
Broadband for Businesses in Rural Oxfordshire (BiRO)	0	4,525	1,789	0	0	0	0	6,314	6,314	1,789		
Digital Infrastructure	0	2,371	3,100	2,700	1,460	1,210	7,039	17,880	17,880	15,509		
ICT STRATEGY	18,597	10,806	5,414	3,970	1,460	1,210	7,039	48,496	29,899	19,093		
ICT STRATEGY CAPITAL PROGRAMME EXPENDITURE TOTAL	18,597	10,806	5,414	3,970	1,460	1,210	7,039	48,496	29,899	19,093		

PASSPORTED FUNDING CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme				up to 2029 / 30 £'000s				
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s						
<u>PASSPORTED FUNDING</u>												
<u>Disabled Facilities Grant</u> Disabled Facilities Grant	0	5,868	0	0	0	0	0	0	5,868	5,868	0	
<u>Public Health Directorate</u> PHE Alcohol Grant (SC127)	0	215	0	0	0	0	0	0	215	215	0	
<u>Schools Capital</u> Devolved Formula Capital	1,704	800	800	800	600	519	1,700	6,923	5,219	4,419		
PASSPORTED FUNDING TOTAL	1,704	6,883	800	800	600	519	1,700	13,006	11,302	4,419		
<u>SPECIALIST HOUSING & FINANCIAL ASSISTANCE</u>												
ECH - New Schemes & Adaptations to Existing Properties	22	500	0	1,000	1,000	1,000	2,419	5,941	5,919	5,419		
Deferred Interest Loans (CSDP)	0	100	50	50	50	50	109	409	409	309		
Loans to Foster/Adoptive Parents (Prudentially Funded)	0	75	50	50	50	50	105	380	380	305		
SPECIALIST HOUSING & FINANCIAL ASSISTANCE TOTAL	22	675	100	1,100	1,100	1,100	2,633	6,730	6,708	6,033		
Completed Projects	14	7	0	0	0	0	0	21	7	0		
PASSPORT FUNDING CAPITAL PROGRAMME EXPENDITURE TOTAL	1,740	7,565	900	1,900	1,700	1,619	4,333	19,757	18,017	10,452		

VEHICLES & EQUIPMENT CAPITAL PROGRAMME

Project/ Programme Name	Previous Years Actual Expenditure £'000s	Latest Forecast								Total Scheme Cost £'000s	Capital Investment Total (excluding previous years) £'000s	Future Capital Investment Total (excluding previous and current years) £'000s
		Firm Programme		Provisional Programme				up to 2029 / 30 £'000s				
		2019 / 20 £'000s	2020 / 21 £'000s	2021 / 22 £'000s	2022 / 23 £'000s	2023 / 24 £'000s						
VEHICLES & EQUIPMENT PROGRAMME TOTAL	1,371	629	303	450	0	0	0	0	2,753	1,382	753	
VEHICLES & EQUIPMENT CAPITAL PROGRAMME EXPENDITURE TOTAL	1,371	629	303	450	0	0	0	0	2,753	1,382	753	

CAPITAL INVESTMENT PLANNING 2020/21 - 2029/30
Changes to existing Capital Programme

Strategy - Capital Investment Need	Proposed Additions £'000	Proposed Reallocations £'000	Specific Funding £'000	Corporate Resource Requirement £'000
Pupil Places				
Basic Need	49,714	0	-44,886	4,828
School Structural Maintenance Programme	1,600	0	0	1,600
School Access Programme	200	0	0	200
Temporary Classrooms Programme - Replacement & Removal	100	0	0	100
Schools Accommodation Intervention & Support Programme	0	-900	0	-900
Pupil Places - Total	51,614	-900	-44,886	5,828
Highways / Structural Maintenance				
Kennington Bridge	53,000	0	-48,000	5,000
Drayton Depot	1,000	0	0	1,000
Accessibility and Road Safety Schemes	10,000	0	0	10,000
Bus Journey Time Reliability	5,000	0	0	5,000
Structural Maintenance	13,900	0	0	13,900
Integrated Transport Block (inc Incentive funding)	0	0	0	0
Small developer funded highway projects	3,200	0	-3,200	0
Highways / Structural Maintenance - Total	86,100	0	-51,200	34,900
Property & Estates				
Corporate Estate				
Urgent Structural Maintenance - Corporate Estate 2020-22	3,000	0	0	3,000
Corporate Minor Works Programme	500	0	0	500
Health & Safety Programme	116	0	0	116
Latent Defects Programme	0	-3,000	0	-3,000
Waste Strategy	0	-14,000	1,000	-13,000
Asset Utilisation Programme	0	-3,000	0	-3,000
Investment Strategy	10,000	0	0	10,000
Museum Service - Reconfiguration	0	-750	0	-750
Crisis Provision	0	-950	0	-950
Adult Social Care new build	0	-10,500	10,500	0
Climate Action	0	0	0	0
One fleet - EV Charging point	400	0	0	400
Climate Action Revolving Fund	2,500	0	-2,500	0
Property & Estates- Total	16,516	-32,200	9,000	-6,684
ICT Strategy				
End User Computing refresh	7,800	0	0	7,800
Wide Area Network replacement (Zero Trust)	1,850	0	0	1,850
Programme Delivery	3,280	0	0	3,280
ICT Strategy 6-10yrs	2,000	0	0	2,000
ICT Strategy 1-5yrs	1,000	0	0	1,000
ICT Replacement (Realign to above)	0	-9,000	0	-9,000
ICT Transformation	0	-5,000	0	-5,000
Broadband	0	0	5,000	5,000
ICT Strategy - Total	15,930	-14,000	5,000	6,930
Earmarked Reserves				
Use of earmarked reserves	0	-5,000	0	-5,000
Earmarked Reserves - Total	0	-5,000	0	-5,000
TOTAL PROPOSED STRATEGY CHANGES	170,160	-52,100	-82,086	35,974
Additional Corporate Resources (additional year of funding)				
Schools Basic Need				-5,000
Schools Annual Programmes (e.g. Maintenance)				-1,000
Highways Maintenance				-18,000
TOTAL ADDITIONAL CORPORATE RESOURCES				-24,000
Current Capital Programme Balance: Shortfall (+) Surplus (-)				6,440
TOTAL OVERALL CAPITAL PROGRAMME BALANCE: Shortfall (+) Surplus (-)				18,414

Highways Maintenance Programme 2020/21 – 2024/25

		TOTAL	£30,646,510	£29,301,191	£28,252,302	£32,552,500	£18,064,120
Programme Group	Project	Current Stage	2020/21	2021/22	2022/23	2023/24	2024/25
Carriageways	Major Resurfacing Schemes	2	£2,020,000	£1,875,000	£1,875,000	£2,955,000	
Carriageways	Resurfacing Schemes	2	£2,875,500	£2,875,500	£2,875,500	£3,875,500	£2,875,500
Carriageways	Edge Strengthening Schemes	2	£400,000	£400,000	£400,000	£400,000	£200,000
Carriageways	Overlay Schemes	2	£200,000	£200,000	£300,000	£400,000	£200,000
Carriageways	Recycling Schemes	2	£312,000	£375,000	£450,322	£500,000	£300,000
Carriageways	Combined Safety Schemes	2	£1,350,500	£1,350,000	£1,350,000	£1,350,000	£1,350,000
Carriageways	Advance Design/Site Investigation	1	£451,637	£523,455	£777,357		
Carriageways	Imaterial and method innovation	0	£300,000	£300,000	£300,000	£300,000	£300,000
Surface Treatments	Surface Dressing	2	£3,255,949	£3,005,949	£2,755,949	£2,527,620	£1,927,620
Surface Treatments	Iron work strengthening programme	2	£200,000	£200,000	£200,000	£200,000	£90,000
Surface Treatments	Preventative repair programme (dragon patching treatment)	2	£1,300,000	£1,300,000	£1,300,000	£1,300,000	£380,000
Surface Treatments	Micro Asphalt Programme	2	£757,100	£838,100	£919,100	£1,000,100	£276,100
Surface Treatments	Retexturing Programme	2	£137,900	£137,900	£137,900	£137,900	£137,900
Structural Highway Improvements	Surface Dressing Pre-Patching Schemes	2	£975,000	£900,000	£825,000	£842,540	£400,000
Structural Highway Improvements	Structural Patching	2	£3,205,849	£2,930,307	£2,360,041	£2,506,940	£1,800,000
Structural Highway Improvements	Minor Patching	2	£4,230,000	£3,097,500	£1,965,000	£1,965,000	£550,000
Footway and Cycleway Works	Footway and Cycleway Programme	2	£750,000	£750,000	£900,000	£1,000,000	£750,000
Drainage	Drainage Programme	2	£1,450,000	£1,450,000	£1,800,000	£1,800,000	£1,100,000
Bridges	Structures Programme	2	£2,300,000	£2,300,000	£3,100,000	£5,000,000	£2,300,000
Public Rights of Way Foot Bridges	PROW Programme	2	£225,000	£225,000	£300,000	£350,000	£100,000
Electrical	Street Lighting Programme	2	£979,000	£775,000	£775,000	£775,000	£775,000
Electrical	Traffic Signals Programme	2	£533,074	£533,074	£552,000	£652,000	£552,000
Safety Fences	Safety Fence Renewal	2			£75,000	£750,000	
City Contribution (Section 42 & 101)	City Contribution	2	£1,700,000	£1,700,000	£1,700,000	£1,700,000	£1,700,000
Minor Works	Parish Support Programme	2	£230,000	£230,000	£230,000	£230,000	
Major Projects	Kennington Railway Bridge (previous commitment / assumption)	1	£500,000				
Major Projects	Tetsworth	1	£8,000	£1,000,000			

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		TOTAL	£31,105,404	£18,603,008	£23,768,762	£23,408,251	£3,000,000
Programme Group	Project	Current Stage	2020/21	2021/22	2022/23	2023/24	2024/25
Major Projects	Kennington Railway Bridge (new funding)	1	£4,051,851	£12,329,008	£17,768,762	£17,408,251	£1,442,112
Major Projects	Street Lighting LED replacement	2	£9,000,000	£9,000,000	£12,000,000	£3,168,000	
Major Projects	Drayton Depot (EA permit)	0	£1,000,000				
Major Projects	Network Rail Electrification Bridge Betterment Programme	2	£250,000	£250,000	£500,000	£600,000	
Integrated Transport	Accessibility, Health & Road Safety Schemes	1	£5,051,851	£2,000,000	£2,000,000	£2,000,000	£2,000,000
Integrated Transport	Bus Journey time reliability	1	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Local Growth Fund	Oxford, Rising Bollards	2	£221,000				
Local Growth Fund	Old Greyfriars School signal change	2	£15,000				
Minor Projects	Small schemes (developer and other funded)	2	£412,000	£274,000	tbc	tbc	tbc
New Inclusions			£11,103,702	£15,329,008	£20,768,762	£20,408,251	£4,442,112

Investment Strategy 2020/21

Introduction

1. This strategy sets out a new investment framework, under which the Council can undertake investments against the following broad categories:
 - investments in property funds, bond funds, equities and multi asset classes;
 - maximising the use of and value of our own assets (land & buildings);
 - acquisitions & investments, which derive a service outcome or Council priority, and which generate a commercial return;
 - investments for policy, social, community benefits.
2. Continuing reductions in Central Government funding, at a time when Councils are facing increasing demand for services and an aging population, means that alternative sources of income and optimisation of council assets and resources need to be identified. The investment strategy is intended to enhance the financial resilience of the Council by investing to:
 - secure new sources of income,
 - increase income from existing assets, and/or
 - increase capital growth.
3. The development of an investment portfolio is considered appropriate so long as authorities have a clear and transparent strategy with suitable governance arrangements in place, having access to the necessary skills to understand and manage the commercial risk involved, and establish affordability over the long term.
4. The Council has a key leadership role to play in placemaking in Oxfordshire. The investment decisions that it makes have the potential to greatly enhance the well-being and prosperity of communities across the county. The Council will consider the community value and social value of investment opportunities when making its decisions. Similarly, investments can also support the development of new delivery models for the benefit of residents, businesses, and visitors. The Council will also prioritise opportunities that are carbon neutral, use/generate green energy, or reduce travel and waste. This is all part of our contribution to healthy place shaping and climate change.
5. The Council has existing property and land portfolios which, for a number of reasons, may be surplus to requirements. There is therefore an opportunity to review these assets and resources, and then evaluate the most suitable options in order to optimise operational efficiency, customer access, and economic and financial value.
6. Furthermore, there are opportunities to support regeneration or growth using Council assets to lever in further investment or combine with other private or public sector assets to achieve specific regeneration and growth objectives.

7. An investment strategy also offers opportunities for generating income from assets and the opportunity to deliver a long term and sustainable income. This may be achieved through the capital programme or various investment vehicles which offer a range of diverse options to generate income, particularly where there can be a margin between the net return and the funding costs. Each investment opportunity will be evaluated against stringent financial criteria to ensure each delivers gross income aspirations whilst taking consideration of the costs of operating, including lending, acquisition and operating costs where relevant.

Statutory Framework

8. The Ministry for Housing, Communities and Local Government (MHCLG) has policy responsibility for the Prudential System. This covers the responsibility for ensuring that the statutory guidance drives local authorities to make borrowing and investment decisions in a way that is commensurate with their statutory responsibilities and the best value duty. It also includes overall responsibility for the Local Government finance system, including understanding the risks to the system from changes in the types of borrowing and investment activities that local authorities are undertaking.
9. The Prudential Code requires that where authorities have commercial investments, that local authorities should disclose the contribution they make towards the service delivery objectives and/or place making role of the authority. In addition, the types of investment, due diligence processes, the proportionality of those investments and the local authority's risk appetite are also required to be set out. The Government also recognises that local authorities have a key role in local economic regeneration, and this may mean that they choose to take on projects that the private sector would not consider.

Investment Objectives

10. The Council's investment objectives are defined as follows:
- To support growth, regeneration, and help deliver the Council's strategic objectives;
 - To reinvest income in line with agreed targets to ensure growth of the portfolio and maximise long term returns/income;
 - To ensure the portfolio is governed and administered in a way that supports long term sustainability for the Council and residents of Oxfordshire.
 - To reinvest equivalent funding whenever we release key property & investment assets to ensure the portfolio size is maintained and increased over time.¹

¹ Contributions of £40m from land development and disposal are already formally committed to the Capital Programme

Investment Categories

11. Investments have been grouped into four broad categories as set out below

A	B	C	D
Investments in property funds, bond funds, equities and multi asset classes (either through treasury management activities or capital)	Maximise use of and value of our own assets (land & buildings) linked to the Council's forthcoming Property Strategy	Investments, which derive a service outcome or Council priority, and which generate a commercial return	Investments for policy, social, community benefits (which may be at a cost)

Category A

12. The Council already has a portfolio of investments as part of its Treasury Management activities. The strategic approach to these investments is reviewed on an annual basis as part of the Treasury Management Strategy Statement & Annual Investment Strategy. It is proposed that any change to investments that are classified under Category A are managed using the current Treasury Management governance framework. However, it is important to consider the portfolio of investments as a whole, especially as some investments in this category may be classified as capital expenditure rather than treasury management activity.

Category B

13. The Council already owns a sizeable property portfolio (buildings and land) comprising of operational and non-operational assets. Assets which are determined as surplus to operational requirements, via the upcoming Property Strategy, will be considered for investment purposes.² The resource to undertake effective management of our property assets already exists in-house, and investment in our own assets can be seen as a continuation and extension of work already underway. However, should the scale and nature of the work change significantly then it may be necessary to review the way in which this work is managed and delivered to ensure the organisation has the correct capacity and skills.
14. Non-operational Sites - as part of OCC's decision to release its small-holdings estates in the 1990s, the organisation purposely held onto sites that were recognised to hold long term potential for residential development. Since this time staff have worked to promote development of these sites through the local plan process seeking approval for collaboration agreements and disposals via Cabinet. There are currently a number of major development sites totalling 86 hectares, that are in progress, with anticipated receipts expected from 2024. £40m of the anticipated receipts are already included with

² Please note that on occasions assets may be released in part, with the remaining space retained for operational purposes.

the capital programme funding up to 2028/29.³ The table below shows the extent of our remaining non-operational land holdings that have development value.

Phases	Land Holdings	Indicative Timescales
In Progress	~86 hectares	Major Receipts 2024 onwards
Medium Term	~17 hectares	Receipts c.2035-40 onwards
Long Term	~29 hectares	Receipts c.2040-50 onwards

15. Operational Sites - closely linked to Transformation and the Property Strategy, the Council has the potential to make further changes to how staff work in and use buildings in order to rationalise space and better match customer requirements. Using operational space more efficiently has the ability to both reduce running costs and generate income from the commercial market. Over the last decade there has been significant work to improve the utilisation of sites leading to a 25% reduction in running costs. A number of key Council-owned sites in central Oxford were reviewed in 2018 with input from external property consultants, validating the case for releasing and redeveloping specific sites in order to generate income.⁴ With access to funding, under the investment strategy, there is potential across the estate to further optimise the use of our assets and invest in them to maximise capital values and/or rental yields.

Category C

16. This type of investment reflects the acquisition of assets, that we would then manage and/or develop for others to lease. Such investments would be undertaken for the primary purpose of achieving policy benefits or service outcomes (whether this is supporting economic growth, delivery of services, as well as making a financial return and therefore support our other Council objectives).
17. In relation to land acquisitions, where the intention of the purchase is to increase land value rather than contribute towards service delivery objectives, is considered to be a low risk commercial activity. Likewise, transfers of existing land holdings with an expected future increase in value, is also considered to be a low risk commercial activity.

Category D

18. These investments aim to deliver a wider social, service, or community benefit, and may come at a cost. They may include:
- Delivery of projects that otherwise might stall or not progress if left in private sector hands but will fulfil Council objectives;
 - Momentum where intervention by a Council can then unlock or lead to confidence in the market from third parties;

³ The majority of these receipts will not be realised until at least 2024 onwards.

⁴ Or in some case, increase a capital receipt which could then be reinvested.

- Non-financial gains where inward investment can create/maintain jobs/ training;
- Purchase of underperforming property assets which provide key strategic regeneration opportunities to generate the catalyst for economic development;
- Partnering with others to deliver broader benefits and unlock financial investments for the area that would otherwise be lost.

Reporting and Management of Investment Portfolio

19. All investment activity will be grouped and reported as a single portfolio and reflected in the Council's Capital & Investment Strategy, which requires agreement via the annual budget setting process. As part of this, a new portfolio will be created in the Capital Programme to cover dedicated funding for investments. Investments and returns will be monitored and appropriately balanced across the 4 investment categories. Decisions over the use and reinvestment of proceeds of the portfolio will be taken with a due regard for the long-term growth of the portfolio.

Governance

20. It is proposed that investments in Category C will follow the governance route set out below. Investments in Categories A, B, & D will follow existing governance routes in line with the Council's Constitution and Financial Procedure Rules (FPRs). Categories B & D will require submission of a Capital Business Case or equivalent. However, all categories will be reported annually as part of the Council's Capital & Investment Strategy as part of the governance of the Council's budget setting process.
21. The property investment market is very competitive and needs consistent and quick decisions if the Council is going to be successful in managing assets in this environment. It is therefore proposed that an Investment Advisory Panel is established to act as an advisory body for these initial decisions. They should ensure the decisions fall within the Corporate Strategy and are based upon the approved investment matrix (See Appendix A). They will then report their recommendations to Cabinet or Full Council in line with current governance, along with appropriate due diligence to support decision-making.
22. The Investment Advisory Panel will be made up of:

Members

- Leader of the Council
- Deputy Leader of the Council
- Cabinet Member with responsibility for Finance & Property
- Leader of the Opposition
- Performance Scrutiny Chair
- Leader of the secondary Opposition Group⁵

⁵ N.B. The Leader of the second largest Opposition Group will only attend, when the roles of Leader of the Opposition and the Chair of Performance Scrutiny are held by the same person.

Officers

- Chief Executive
- Senior Officer with responsibility for Finance (Section 151 Officer)
- Senior Officer with responsibility for Investment
- Senior Officer with responsibility for Property
- Monitoring Officer

23. The primary purposes of the Investment Advisory Panel would be two-fold:

- To consider recommendations from officers regarding the potential purchase of a property asset, prior to submission of a bid. This would include consideration of the yield, and the Investment Evaluation based on the criteria set out. The ultimate consideration would be whether to submit a bid or not, and at what value.
- To consider the results of the due diligence process, (following acceptance of an offer from Council to purchase an asset), with the ultimate consideration of whether to endorse the purchase and proceed to exchange of contracts.

24. Due to the pace at which this sector operates, where there is no alternative, decisions to submit bids, approve purchases and exchange of contracts would be taken as urgent decisions by the Leader and S151 Officer in consultation with the Investment Advisory Panel and reported to the next available meeting of Cabinet and any other existing governance routes as appropriate. Where a decision is not time-bound they will go via current governance arrangements and be approved by Cabinet or Full Council as required. It should be noted that a number of investment decisions are likely to be time critical, and whilst not requiring the 'urgent decision' process, may require entry onto the Cabinet forward plan at short notice or potentially an extraordinary Cabinet meeting.

25. Given the need to react quickly and take timely decisions, meetings of the Investment Advisory Panel may need to be convened on a 'virtual' basis. In order to ensure the necessary governance, the meeting should include:

Members - at least two of:

- Leader of the Council;
- Deputy Leader of the Council
- Cabinet Member with responsibility for Finance & Property.

Officers - must include:

- Senior Officer with responsibility for Finance (Section 151 Officer), or Deputy Section 151 Officer;

And at least one of:

- Chief Executive;
- Senior Officer with responsibility for Investment;
- Senior Officer with responsibility for Property;
- Monitoring Officer.

26. No substitutes may vote at the Panel or contribute to the voting quorum. However, the Section 151 Officer may send their Deputy Section 151 Officer. Meetings must be held in person or as a conference call/video call. Prior to the meeting taking place the following completed documentation should be circulated (in confidence) to all members of the panel at least 3 working days before the meeting. If any member is unable to attend they can submit questions to be considered by the panel at their meeting.
- For potential purchase: completed proforma (see Appendix B) detailing the background information and overview of the asset, completed initial scoring matrix (see Appendix A) and reasons for the scores and any other initial external views of the asset that may be relevant at that time;
 - For properties being considered for endorsement of purchase: completed due diligence as agreed at previous investment panel.
27. A proposition will not be considered if it does not meet the investment criteria i.e. it falls below the minimum score of 50% on the scoring matrix. Where a Category C investment relates to land acquisition and cannot properly be assessed via the current scoring matrix it will be assessed via a scoring matrix for land acquisitions, which will be developed in due course. Following the meeting a note of the recommendations made and the reasons for these to be completed will be recorded and circulated to all members of the group, whether in attendance or not. Appended is an Investment Matrix and Proforma, which helps in assessing the link to corporate objectives, suitability and return from any investments, and the risk profile that the Council is prepared to accept in considering any potential investments.

Implementation Plan

28. Although investment strategy will enable the Council to respond to opportunities as they arise, there is also a need to develop a programme of planned investment projects linked particularly to Type B investments. Following adoption of this strategy there will likely be a need to resource and forward fund elements of this work. There are also key interdependencies with Transformation and the Strategic Asset Management Plan that will need to be worked through in order to align activities that impact staff and operational sites.

CC8

Section 4.9.4

Scoring Criteria	Score	4	3	2	1	0	Initial Unweighted Score	Weighted Score
	Weighting Factor	EXCELLENT/ VERY GOOD	GOOD	ACCEPTABLE	MARGINAL	UNACCEPTABLE		
Location - In county /Adjacent to county and can still add value	25.0	Prime	Good	Secondary	Tertiary	Remote		0
Tenancy - Strong Covenant	15.0	Single tenant with strong financial management	Multiple tenants with strong financial covenant	Single tenant with good financial covenant	Multiple tenants with average financial covenants	Tenants with poor financial covenant strength		0
Tenure	10.0	Freehold	150+ year unexpired with no LL controls	150+ with minimal landlord controls/gearing below 5%	Lease under 150 years	Lease under 100 years		0
WALT - Weighted Average Unexpired Lease Term	20.0	20 years +	15 years +	10 years +	5 years +	Less than 5 years		0
Repairing Terms	10.0	FRI	75% + on FRI	50% + on FRI	Internal repairing Only, Cap Ex required	Short term leases with high landlord responsibilities, Cap Ex required		0
Profile	10.0	Super Core	Core	Value Add	Opportunistic			0
Management Resources	10.0	Minimum. Single tenant, FRI	Minimum. Fully let, no more than 3 tenants	Moderate. Common parts, service charge etc.	Active but well managed to date	Active and historical lack of management		0

Treasury Management Strategy Statement & Annual Investment Strategy for 2020/21

Background

1. The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
2. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act). The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
3. Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
4. The proposed strategy for 2020/21 is based upon the views of the Council's Treasury Management Strategy Team (TMST)¹, informed by market forecasts provided by the Council's treasury advisor, Arlingclose Limited.
5. It is proposed that any further changes required to the Annual Treasury Management Strategy & Annual Investment Strategy, continue to be delegated to the Director of Finance in consultation with the Leader of the Council and Cabinet Member for Finance.

Treasury Limits for 2020/21 to 2023/24

6. The Authorised Borrowing Limit requires the Council to ensure that total capital investment remains within sustainable limits and that the impact upon future council tax levels is 'acceptable'.
7. The capital investment relevant to this indicator to be considered for inclusion incorporates financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

¹Comprising the Director of Finance, Service Manager (Pensions), Head of Corporate Finance and Treasury Manager.

Forecast Treasury Portfolio Position

8. The Council's treasury forecast portfolio position for the 2020/21 financial year comprises:

	Principal £m	Average Rate %
Opening External Debt Balance		
PWLB	291.383	4.493
LOBO	45.000	3.943
Money Market Loans	5.000	3.950
TOTAL EXTERNAL DEBT	341.383	
2019/20 <u>Average Cash Balance</u>		
Average In-House Cash	294.775	
Average Externally Managed	101.006	
TOTAL INVESTMENTS	395.781	

9. The average forecast cash balance for 2020/21 is comprised of the following:

	Average Balance £m
Earmarked Reserves	68.000
Capital and Developer Contributions	174.012
General Balances	28.000
Cashflow and Working Capital Adjustments	110.188
Provisions and Deferred Income	15.581
TOTAL	395.781

Prospects for Interest Rates

Economic Background – Provided by Arlingclose

10. The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.
11. Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November.

12. In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back of the ongoing trade war with China. At its last meeting the Fed cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

Credit outlook – Provided by Arlingclose:

13. Credit conditions for larger UK banks have remained relatively benign over the past year. There remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

14. Looking forward, the potential for a “no-deal” Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast – Provided by Arlingclose:

15. Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

16. Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose’s interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

Treasury Management Strategy Team’s View

17. The Council’s TMST, taking into account the advice from Arlingclose, market implications and the current economic outlook, have determined the rates to be included in the Strategic Measures budget for 2020/21 and over the medium term. TMST forecast no change in base rate over the medium term. The Bank Rate forecasts set out below represent the average rate for the financial year:

- 2020/21 0.75%
- 2021/22 0.75%
- 2022/23 0.75%
- 2023/24 0.75%

18. The TMST team has agreed that based on the current portfolio of deposits and market rates, the target in-house rate of return as set out below. These rates have been incorporated into the strategic measures budget estimates:
- 2020/21 0.85%
 - 2021/22 0.75%
 - 2022/23 0.75%
 - 2023/24 0.75%
19. The Treasury Management Strategy Team continues to monitor the risks relating to Brexit.

Borrowing Strategy

20. It is expected that the Bank Rate will remain at 0.75% during 2020/21 and that there will continue to be a high “cost of carry²” associated with the long-term borrowing compared to temporary investment returns. The TMST will continue to monitor the Council’s debt portfolio and will consider debt repayment if it is in the Council’s interest.
21. The Council only needs to borrow to finance prudential borrowing schemes. The Council’s Capital Programme Financing Principles applies capital grants, developer contributions, capital receipts and revenue contributions to fund capital expenditure before using prudential borrowing. This means that the majority of the current capital programme is fully funded without the need to take up any new borrowing.
22. Financing the Council’s borrowing requirement internally would reduce the cost of carry in the short term but there is a risk that the internal borrowing would need to be refinanced with external borrowing at a time when PWLB (or its successor) and market rates exceed those currently available
23. The Council’s TMST have agreed that they should maintain the option to fund new or replacement borrowing up to the value of £100m of the portfolio through internal borrowing. Internal borrowing will have the effect of reducing some of the “cost of carry” of funding. Internal borrowing will also be used to finance prudential schemes.
24. If market conditions change unexpectedly during the 2020/21 financial year such that the policy to borrow internally is no longer in the short term or long-term interests of the Council, the TMST will review the borrowing strategy and report any changes to Cabinet.
25. As the Accountable Body for OxLEP Ltd, the Council will be required to prudentially borrow £41m on their behalf for project funding from 2020/21 onwards. The loans will be repaid through the retained business rates of the enterprise zone. The

² The difference between the interest payable on borrowing on debt and the interest receivable from investing surplus cash.

TMST monitor interest rates and will consider forward borrowing on behalf of OxLEP at the end of 2019/20 if it is determined to be cost-effective.

26. The Council will be able to apply for the new Local Infrastructure Rate, at a discounted interest rate of gilts + 60 basis points. The borrowing on behalf of OxLEP may be eligible as the schemes are all major infrastructure schemes.
27. The Council's chief objective when borrowing money is to strike an appropriate balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
28. The approved sources of long-term and short-term borrowing are:
 - Public Works Loan Board and any successor body
 - UK local authorities
 - any institution approved for investments (see below)
 - any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
 - UK public and private sector pension funds
 - capital market bond investors
 - special purpose companies created to enable joint local authority bond issues.

Borrowing for the Capital Financing Requirement

29. The Council's Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing. The Council's CFR is currently forecast to increase over the medium term financial plan. This is a result of the requirement to borrow on behalf of the OxLEP discussed in paragraph 26 and increased investment in the Council's Capital Programme, and the previously agreed £120m infrastructure investment.
30. The Council's external debt is also forecast to increase over the medium term financial plan as new external borrowing required for OxLEP projects and the infrastructure investment is forecast to exceed the rate at which existing long term debt is repaid upon maturity.

Borrowing Instruments

31. The main source of borrowing for the Council is the PWLB. The borrowing rate from the PWLB is directly linked to UK Government Gilt yield. There are three rates offered by the PWLB; the standard rate, the certainty rate and local infrastructure rate, which are 200, 180 and 60 basis points over gilts, respectively.
32. In October 2019, the PWLB increased the standard and certainty rates from 100 and 80 basis points to 200 and 180 basis points.
33. The Council will apply to qualify for the certainty rate and infrastructure rate each year as appropriate.

34. The TMST forecast for available rates from the PWLB over the medium term are as follows:
- 3.10 – 3.20% for the Certainty rate
 - 1.90 – 2.00% for the Infrastructure rate
35. The Council has historically set a maximum limit of 20% of the debt portfolio to be borrowed in the form of Lender's Option Borrower's Option (LOBOs). It is recommended that this remain as the limit for 2020/21. As at 30 November 2019, LOBOs represent 14.06% of the total external debt.
36. The Council has five £5m LOBO's with call options in 2020/21, three of which have two call options in year, whilst two have a single call option in year. At each call date, the lender may choose to exercise their option to change the interest rate payable on the loan. If the lender chooses to do so, the Council will evaluate alternative financing options before deciding whether or not to exercise the borrower's option to repay the loan or to accept the new rate offered. It is likely that if the rate is changed the debt will be repaid. The TMST is also exploring early repayment of LOBO's where there is a financial benefit to do so.
37. Other sources of funding be available to the Council include the money market, other Local Authorities and the Municipal Bond Fund. The TMST will consider all available funding sources when entering into any new borrowing arrangements.

Arlingclose's View on borrowing rates

38. Arlingclose have forecast gilt yields and borrowing rates over the medium term to be as follows:

Duration	Gilt Yield %	PWLB Infrastructure Rate %	PWLB Certainty Rate %
50 year	1.20 – 1.40	1.80 – 2.00	3.00 – 3.20
20 year	1.20 – 1.40	1.80 – 2.00	3.00 – 3.20
10 year	0.75 – 1.00	1.35 – 1.60	2.55 – 2.80
5 year	0.50 – 0.60	1.10 – 1.20	2.30 – 2.40

39. Arlingclose's forecasts have an upside variation range of between 30 and 45 basis points, and a downside variation range of between 40 and 60 basis points depending on the economic and political climate.

Treasury Management Prudential Indicators for Debt

Gross and Net Debt

40. This indicator is intended to identify where an authority may be borrowing in advance of need.

Upper Limit of net debt:	2019/20	2020/21	2021/22	2022/23	2023/24
Net Debt / Gross Debt	70%	70%	70%	70%	70%

Upper and lower limits to maturity structure of fixed rate borrowing

41. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
42. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
43. LOBOs are classified as maturing on the next call date, this being the earliest date that the lender can require repayment.

Maturity structure of fixed rate borrowing during 2018/19	Lower Limit %	Upper Limit %
Under 12 months	0	20
12 months and within 24 months	0	25
24 months and within 5 years	0	35
5 years and within 10 years	5	40
10 years and above	40	95

Annual Investment Strategy

44. The Council complies with all relevant treasury management regulations, codes of practice and guidance. The Council's investment priorities are: -
- The security of capital and
 - The liquidity of its investments
45. The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.
46. The Treasury Management Code of Practice requires the Council to approve a Treasury Management Policy Statement. Good practice requires that this statement is regularly reviewed and revised as appropriate. Council approved the statement in February 2019. The statement has been reviewed and there are no revisions proposed.

Investment Instruments

47. Investment instruments identified for use in the 2020/21 financial year are set out in the Specified and Non Specified instrument tables below
48. Guidance states that specified investments are those requiring "minimal procedural formalities". The placing of cash on deposit with banks and building societies 'awarded high credit ratings by a credit rating agency', the use of Money

Market Funds (MMFs) and investments with the UK Government and local authorities qualify as falling under this phrase as they form a normal part of day to day treasury management.

49. Money market funds (MMFs) will be utilised, but good treasury management practice prevails and whilst MMFs provide good diversification the council will also seek to diversify any exposure by using more than one MMF where practical. It should be noted that while exposure will be limited, the use of MMFs does give the council exposure to institutions that may not be included on the approved lending list for direct deposits. This is deemed to be an acceptable risk due to the benefits of diversification. The Treasury team use an online portal to provide details of underlying holdings in MMFs. This enables more effective and regular monitoring of full counterparty risk.
50. All specified investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the 'high' credit rating criteria where applicable.
51. Non-specified investment products are those which take on greater risk. They are subject to greater scrutiny and should therefore be subject to more rigorous justification and agreement of their use in the Annual Investment Strategy; this applies regardless of whether they are under one-year investments and have high credit ratings.
52. A maximum of 50% of internal investments, and 100% of external investments will be held in non-specified investments.

Specified Investment Instrument	Minimum Credit Criteria	Use
Term Deposits – UK Government	N/A	In-house
Term Deposits – other Local Authorities	N/A	In-house
Debt Management Agency Deposit Facility	N/A	In-house and Fund Managers
Treasury Bills	N/A	In-house and Fund Managers
UK Government Gilts	N/A	In-house on a buy and hold basis and Fund Managers
Term Deposits – Banks and Building Societies	Short-term F1, Long-term BBB+, Minimum Sovereign Rating AA+	In-house and Fund Managers
Certificates of Deposit issued by Banks and Building Societies	A1 or P1	In-house on a buy and hold basis and Fund Managers
Money Market Funds	AAA	In-house and Fund Managers
Other Money Market Funds and Collective Investment Schemes ³	Minimum equivalent credit rating of A+. These funds do not have short-term or support ratings.	In-house and Fund Managers
Reverse Repurchase Agreements - maturity under 1 year from arrangement and counterparty is of high credit quality (not collateral)	Long Term Counterparty Rating A-	In-house and Fund Managers
Covered Bonds – maturity under 1 year from arrangement	Minimum issue rating of A-	In-house and Fund Managers

³ I.e., credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Non Specified Investment Instrument	Minimum Credit Criteria	Use	Max Maturity Period	Non Specified Investment Instrument
Term Deposits – other Local Authorities (maturities in excess of 1 year)	N/A	In-house	5 years	Term Deposits – other Local Authorities (maturities in excess of 1 year)
UK Government Gilts with maturities in excess of 1 year	N/A	In-house and Fund Managers	5 years in-house, 10 years fund managers	UK Government Gilts with maturities in excess of 1 year
Collective Investment Schemes ⁴ but which are not credit rated	N/A	In-house and Fund Managers	Pooled Funds do not have a defined maturity date	Collective Investment Schemes ⁵ but which are not credit rated
Registered Providers	As agreed by TMST in consultation with the Leader and the Cabinet Member for Finance	In-house	5 years	Registered Providers
Term Deposits – Banks and Building Societies (maturities in excess of 1 year)	Short-term F1+, Long-term AA-	In-house and Fund Managers	3 years	Term Deposits – Banks and Building Societies (maturities in excess of 1 year)
Structured Products (e.g. Callable deposits, range accruals, snowballs, escalators etc.)	Short-term F1+, Long-term AA-	In-house and Fund Managers	3 years	Structured Products (e.g. Callable deposits, range accruals, snowballs, escalators etc.)
Bonds issued by Multilateral Development Banks	AAA	In-house and Fund Managers	25 years	Bonds issued by Multilateral Development Banks

⁴ Pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

⁵ Pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Non Specified Investment Instrument	Minimum Credit Criteria	Use	Max Maturity Period	Non Specified Investment Instrument
Bonds issued by a financial institution which is guaranteed by the UK Government	AA	In-house and Fund Managers	5 years in-house	Bonds issued by a financial institution which is guaranteed by the UK Government
Sovereign Bond Issues	AAA	In-house on a buy and hold basis. Fund Managers	5 year in-house, 30 years fund managers	Sovereign Bond Issues
Reverse Repurchase Agreements - maturity in excess of 1 year, or/and counterparty not of high credit quality.	Minimum long term rating of A-	In-house and Fund Managers	3 years	Reverse Repurchase Agreements - maturity in excess of 1 year, or/and counterparty not of high credit quality.
Covered Bonds	AAA	In-house and Fund Managers	20 years	Covered Bonds

Changes to Instruments

53. With the prospect of interest rate remaining low for the medium term, and with an increase in peer to peer lending rates amongst Local Authorities, it is proposed to increase the duration for deposits with other Local Authorities to 5 years (from 3 years)

Credit Quality

54. The CIPFA Code of Practice on Treasury Management (2017) recommends that Councils have regard to the ratings issued by the three major credit rating agencies (Fitch, Moody's and Standard & Poor's) and to make decisions based on all ratings. Whilst the Council will have regard to the ratings provided by all three ratings agencies, the Council uses Fitch ratings as the basis by which to set its minimum credit criteria for deposits and to derive its maximum counterparty limits. Counterparty limits and maturity limits are derived from the credit rating matrix as set out in the tables at paragraphs 64 and 65 respectively.
55. The TMST may further reduce the derived limits due to the ratings provided by Moody's and Standard & Poor's or as a result of monitoring additional indicators such as Credit Default Swap rates, share prices, Ratings Watch & Outlook notices from credit rating agencies and quality Financial Media sources.

56. Notification of any rating changes (or ratings watch and outlook notifications) by all three ratings agencies are monitored daily by a member of the Treasury Management Team. Updates are also provided by the Council's Treasury Management advisors Arlingclose and reported to TMST. Appropriate action will be taken for any change in rating.
57. Where a change in the Fitch credit rating places a counterparty on the approved lending list outside the credit matrix (as set out in tables at paragraphs 65 and 66), that counterparty will be immediately removed from the lending list.
58. The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher with the Fitch ratings agency.

Liquidity Management

59. The Council forecasts its cash flow to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast. The Council uses instant access bank deposit accounts and money market funds for balances forecast to be required at short notice to meet commitments due. The TMST will continue to monitor options available to maintain the required liquidity, and will open new accounts with approved counterparties as appropriate.

Lending Limits

60. In addition to the limits determined by the credit quality of institutions, the TMST apply further limits to mitigate risk by diversification. These include:
 - Limiting the amount lent to banks in any one country (excluding the UK) to a maximum of 20% of the investment portfolio.
 - Limiting the amount lent to any bank, or banks within the same group structure to 10% of the investment portfolio.
 - Actively seeking to reduce exposure to banks with bail in risk
61. Where the Council has deposits on instant access, this balance may temporarily exceed the 10% bank or group limit. However, the limits as set out in paragraphs 65 and 66 will still apply.
62. Counterparty limits as set out in paragraphs 65 and 66, may be temporarily exceeded by the accrual and application of interest amounts onto accounts such as call accounts, money market funds or notice accounts. Where the application of interest causes the balance with a counterparty to exceed the agreed limits, the balance will be reduced when appropriate, dependent upon the terms and conditions of the account and cashflow forecast.

63. Any changes to the approved lending list will be reported to Cabinet as part of the Financial Monitoring and Business Strategy Delivery Report.
64. The Council also manages its credit risk by setting counterparty limits. The matrix below sets out the maximum proposed limits for 2020/21. The TMST may further restrict lending limits dependent upon prevailing market conditions. BBB+ to BBB- ratings is included for overnight balances with the Council's bank, currently Lloyds Bank Plc. This is for practical purposes should the bank be downgraded.

LENDING LIMITS - Fitch Rating	Short Term Rating	
	F1+	F1
Long Term Rating	F1+	F1
AAA	£30m	£20m
AA+	£30m	£20m
AA	£25m	£15m
AA-	£25m	£15m
A+	£20m	£15m
A	£20m	£15m
A-	£15m	£10m
BBB+, BBB, BBB- (bank with which the Council has its bank account)	£20m	£20m

65. The Council also manages its counterparty risk by setting maturity limits on deposits, restricting longer term lending to the very highest rated counterparties. The table below sets out the maximum approved limits. The TMST may further restrict lending criteria in response to changing market conditions.

MATURITY LIMITS – Fitch Rating	Short Term Rating	
	F1+	F1
Long Term Rating	F1+	F1
AAA	3 years	364 days
AA+	2 years	364 days
AA	2 years	9 months
AA-	2 years	9 months
A+	364 days	9 months
A	9 months	6 months
A-	6 months	3 months
BBB+, BBB, BBB- (bank with which the Council has its bank account)	Overnight	Overnight

Structured Products

66. As at 30 November 2019, the Council had no structured products within its investment portfolio. Structured products involve varying degrees of additional risk over fixed rate deposits, with the potential for higher returns. It is recommended that the authority maintain the option to use structured products up to a maximum of 10% of the investment portfolio. The Council will continue to monitor structured products and consider restructuring opportunities as appropriate.

External Funds

67. The Council uses external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the Council's in-house investment performance over a rolling three-year period. The Council will have no more than 50% of the total portfolio invested with external fund managers and pooled funds (excluding MMFs). This allows the Council to achieve diversification while limiting the exposure to funds with a variable net asset value. And, in order to ensure appropriate diversification within externally managed and pooled funds these should be diversified between a minimum of two asset classes.
68. As at 30 November 2019, the Council had £101m invested in external funds (excluding MMFs), representing 21% of the Council's total investment portfolio.
69. The external funds have a higher targeted income return than in house deposits of 3.75% which has been incorporated into the medium term financial plan.
70. The performance of the pooled funds is monitored by the TMST throughout the year against the funds' benchmarks and the in-house investment returns. The TMST will keep the external fund investments under review and consider alternative instruments and fund structures, to manage overall portfolio risk. It is recommended that authority to withdraw, or advance additional funds to/from external fund managers, continue to be delegated to the TMST.

Investment Approach

71. The TMST will aim to maintain the balance between medium and long term deposits with local authorities and short-term secured and unsecured deposits with high credit quality financial institutions. Money Market Funds will continue to be utilised for instant access cash. This approach will maintain a degree of certainty about the investment returns for a proportion of the portfolio, while also enabling the Treasury Management team to respond to any increases in interest rates in the short-term.

Treasury Management Indicators for Investments

Upper limit to total of principal sums invested longer than 364 days

72. The purpose of this limit is to contain exposure to the risk of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.
73. During 2019/20 the limit for longer term lending was increased from £150 to £180m to reflect the higher than forecast cash balances and to take advantage of high peer to peer lending rates. Cash balances were higher than forecast due to higher levels of Developer Contributions and slippage in the capital programme. It is proposed to increase this limit to £200m for 2020/21, then reduce back down to £150m by 2023/24 as the average forecast balance reduces.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Upper limit on principal sums invested longer than 364 days	200	170	155	150

Upper limits on fixed and variable rate interest exposures

74. These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates.

Fixed interest rate exposure

75. Limits in the table below have been set to reflect the current low interest rate environment. The limits set out offer the Council protection in an uncertain interest rate environment by allowing the majority of the debt portfolio to be held at fixed interest rates, thus not subjecting the Council to rising debt interest.

Upper limit for fixed interest rate exposure	2019/20	2020/21	2021/22	2022/23	2023/24
Net principal re fixed rate borrowing / investments	£350m	£350m	£350m	£350m	£350m

76. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Variable interest rate exposure

77. The council will maintain a zero (or negative) net variable interest rate exposure. This is maintained by insuring the Council's variable rate debt is lower than variable rate investments

78. Prudential Indicators are reported to and monitored by the TMST on a regular basis and will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2019/20 and the Treasury Management Mid-Term Review 2020/21, which will be considered in July and November 2020 respectively.

Policy on Use of Financial Derivatives

79. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

80. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a

derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

81. It is the view of the TMST that the use of standalone financial derivatives will not be required for Treasury Management purposes during 2020/21. The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

Performance Monitoring

82. The Council will monitor its Treasury Management performance against other authorities through its membership of the CIPFA Treasury Management benchmarking club.
83. Arlingclose benchmark the performance of their clients against each other on a quarterly basis, looking at a variety of indicators including investment risk and returns.
84. The Council will benchmark its internal return against the 3 month London Interbank Bid Rate (LIBID) - the rate at which banks are willing to borrow from other banks.
85. Latest performance figures will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2019/20, and the Treasury Management Mid-Term Review 2020/21, which will be considered in July and November 2020 respectively.

Investment Training

86. All members of the Treasury Management Strategy Team are members of CIPFA or other professional accounting body. In addition, key Treasury Management officers receive in-house and externally provided training as deemed appropriate and training needs are regularly reviewed, including as part of the staff appraisal process.
87. The Council has opted up to 'professional client' categorisation with under the second Markets in Financial Instruments Directive (MiFID II). In order to achieve this, evidence was required that the person(s) authorised to make investment decisions on behalf of the authority have at least one year's relevant professional experience and the expertise and knowledge to make investment decisions and understand the risks involved. Members of the TMST currently meet these criteria and training needs will be regularly monitored and reviewed to ensure continued compliance.

Budget Consultation 2020/21

1. This annex sets out the key themes from Oxfordshire County Council's budget consultation exercise carried out to support its Service and Resource Planning process, including setting Council Tax levels.

Executive Summary

- We received 86 responses to the budget consultation, compared to over 500 last year. Last year the majority of proposals related to concerns about changes to mental health support.
- Responses with regards to the proposal to increase Council Tax were the dominant theme of this year's budget consultation, generating 50 unique representations.
- Of these responses, 16 were in favour of the Council Tax proposal. With comments reflecting a desire to see the Council undertaking to provide better services, protecting the most vulnerable and improving infrastructure. 44 responses were critical with regards to the proposed increase, citing issues such as an above inflation increase and value for money.
- Transport (in all forms but particularly public transport in rural areas) was also a key theme of response, with an emphasis on improving road repairs and street lighting receiving the highest number of responses.
- Further areas for comment included the growth agenda, where infrastructure following and supporting growth is a public concern, as is concern about levels of housing. Comments with regards to efficiencies were also made, reflecting the public's desire to receive good quality services.

Consultation Approach

2. Between 7 January 2020 and 29 January 2020, the Council invited comments on its budget proposals. The proposals were set out in a summary consultation document linked to full details published for the Performance Scrutiny Committee on Thursday 9 January 2020.
3. The consultation was primarily carried out online, with paper copies of the consultation document and feedback form available in all county libraries and council receptions. Residents and stakeholders were invited to share feedback using the online form, submitting an online response document, or by email or letter.
4. The proposals were promoted through the news media, key stakeholders and published on the news section of the County Council website. Communication via social media had a far greater reach than previous, as shown below:

Communication	This year	Last year
URL Clicks (to consultation response or news pages)	9,270	53
Reach on Facebook and Instagram (unique individuals who have seen the information)	64,940	4,317
Impressions on Facebook, Instagram and Twitter (total number of appearances in people's social media feeds)	209,083	15,043
Engagement (likes, shares, comments and video views)	8,173	63

Business engagement

5. In addition to publicising the overall budget proposals through news and social media, we have targeted businesses using of LinkedIn with a tailored business briefing.

- Click throughs to consultation pages 29
- Impressions (appearances in people's news feeds) 8,064
- Engagement (likes, comments, shares, video views) 9

All comments received via social media and from business contacts have been incorporated in this report.

Analysis and response

6. In total, the budget consultation received 86 responses and the consultation document was downloaded 138 times. The Council received 80 online questionnaire responses, three emailed responses and three hard copy responses. These include responses from one public sector partner and a significant Oxfordshire employer. All other responders identified themselves as Oxfordshire residents. Some of these responses include feedback from employees of local businesses, but such responses were not provided as representative views of those businesses.
7. All the responses to the budget consultation exercises have been read and coded where appropriate. The main themes are summarised in this report. Nearly all the questions were open-ended, inviting detailed comments rather than simple 'tick box' questions.
8. The full responses to the consultation (redacted where appropriate) have been placed on deposit for all County Councillors to review and take account of as they seek to set a balanced budget and agree Council Tax levels.

Main themes in response to budget proposals
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Key findings:**Council Tax**

9. Feedback regarding the proposal to raise Council Tax was more negative than positive, with approximately a third of respondents supporting the proposals. Many responses state the rate of rise is too high, not in line with local salaries or inflation and does not reflect the level or standard of services they receive. (Out of responses mentioning Council Tax, 16 are in acceptance of the increase; 44 expressing comments against)
10. Those that support the proposals have stated that the increase should be spent directly on improving services.
11. There are some critical comments about the Council's pursuit of the 'growth agenda' without sufficient infrastructure being in place first. There is a view amongst several respondents that the Council is not considering improving services for existing residents when supporting large increases in population in the county.

Transport, traffic, highways maintenance and street lighting

12. Approximately 90 individual comments relate to the Council's proposals on transport, traffic, highways, potholes, street lighting and road repairs in general. Of particular concern are reported poor standards of roads and repairs.
13. There are many comments about the perceived high cost for street lighting replacement with LED technology (spending £40 million replacing 56,000 light bulbs).
14. Imposing more traffic restrictions are mentioned frequently, as well as lack of provision for cyclists, improving cycle routes and cyclists' safety. Comments were, in a few cases, linked to climate change proposals.
15. There are a high proportion of comments about poor and infrequent bus services (mostly rural) and the high cost of public transport not encouraging less use of private cars.
16. A further theme for bus services is connected to the poor quality of roads and the effect on passengers' safety.

Climate change

17. Only one comment has been received responding directly to the climate change proposals, linked to a need for more measures to reduce diesel fuel pollution. Some respondents mentioned climate change in the context of other proposals, with most supporting the aspirations of the Council to adopt the climate change

agenda. Some people felt that climate change should not eclipse the need for vital services to be delivered.

Suggestions for savings and providing better value for money and suggestions for how the Council might improve services

- 18. Many suggestions for savings are focused on a perception that the Council's staffing levels are excessive, on streamlining services and on reducing bureaucracy within the organisation.
- 19. Themes which are consistent across all responses include transport, particularly rural transport, potholes/road maintenance, street lighting and the proposal to increase Council Tax above inflation (specifically regarding value for money).
- 20. Some responses suggested that the Council should listen more to residents.
- 21. A number of people also provided specific comments directly about one or more of the Council's budget proposals and these are summarised in the table below:

Investing in services and increasing capacity

Children's Services	
1) Fostering project	No comments
2) Family Safeguarding Model	No comments
3) Children with SEN and disabilities	No comments

Public Health	
1) Weight management	One comment linked to improving cycle paths to schools, encouraging cycling and healthy school meals

Adult Services	
	Saving levels questioned in relation to aspirations in furthering a joined-up health and social care services
1) Support to people with LD	No comments
2) Community Networks	More engagement with local communities is needed

Communities	
1) Highway maintenance	Many negative comments relating to transport, traffic, highways, potholes/road repairs and street lighting
2) School catering	Healthy eating in schools mentioned

Climate Change	One direct comment of support; several linked to the promotion of cycling and walking facilities
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Savings

Children’s Services	General comments are in the context of improving health through encouraging cycling and walking
1) Redesign	No direct comments but see below, with reference to specific budget items

Adult Services	
1) Home Care Support	No comments
2) Re-ablement	No comments
3) Improved purchasing and procurement	No comments

Communities	
1) Highway maintenance changes	Positive comments in the context of co-ordinating road repairs, but poor standard of works cited many times
2) Traffic signal expenditure	No comments

Public Health	
1) Sexual Health	No comments

Commercial Development, Assets and Investment	No comments
1) Review of Property, Investment and Facilities	
2) Review of project related workload and current delivery model	

Customers and Organisational Development	No comments
1) ICT Support and maintenance	

22. **Representation from businesses and organisations**

Two institutional responses were received in response to the budget proposals:

Public sector organisation

Whilst acknowledging the challenges of balancing budgets, the organisation sought reassurance that partnership working would not be adversely affected by the proposals.

Prevention measures linked with Public Health were of particular interest, with reference to sexual health services and weight management.

Additionally, interest was expressed about proposals for community networks and to explore opportunities for aligning networks, where appropriate.

Oxfordshire employer

Overall feedback was positive, including the aim for a zero carbon Oxfordshire, improved local road safety, accessibility and better bus stops.

However, some caveats were included in the response concerning whether funding proposals would be effective in countering traffic and congestion challenges across Oxfordshire.

Partnership working was welcomed in developing travel options for Oxfordshire residents. Further suggestions to direct funding towards transforming transport in Oxfordshire were made, although the Council's proposals were broadly supported.

23. Some people used the consultation as an opportunity to comment on other budget items, ask points of clarification about specific proposals/background information, make representations against austerity in general, raise concerns about aspects of council spending and to request further investment in services.

Comment	Number of mentions
Criticism of children's and young people's mental health and autism services, unacceptable waiting times, lack of adequately qualified staff	3
Benefits of providing a vision screening service to all children, particularly at school entry age. (21PH4)	6
Funding for Educational Health Care Plans (21CS3)	1
Funding to support care leavers (21CS17)	1

Cross-Cutting Service and Community Impact Assessment (SCIA)

Medium Term Financial Plan 2020/21-2023/23

Context

Oxfordshire County Council has delivered significant savings over the last decade, both as part of our role in bringing down the public sector deficit through reduced government funding, and in order to reinvest in meeting demand growth and funding priorities.

The County Council's budget is designed to enable us to meet our key priorities for a Thriving Oxfordshire – thriving people, thriving communities, and a thriving economy. This is achieved through priority-based budget setting and listening to residents so that we can continuously improve our services and provide value for money.

Meeting the rising demand of caring for older people, adults with disabilities and keeping children safe remain key priorities.

To meet these pressures, we need to work more efficiently, redesign our services delivery to reflect the changing needs of our communities and maximise our income and investment opportunities.

Service and Community Impact Assessments

At each annual budget, and when major changes are proposed outside of the budget setting process, Service and Community Impact Assessments (SCIAs) enable us to review the potential impact of new and updated policies and service delivery decisions on specific individuals, communities, partner organisations and providers.

A SCIA does not guarantee that a change will never have a negative impact but it is intended to ensure policies meet the diverse needs of individuals. SCIAs also ensure that the outcomes of a proposal are considered, with the potential benefits maximised and possible challenges mitigated, to the extent possible within the overall funding available.

We publish the SCIAs produced every year during the budget setting process, in addition to completing an overarching SCIA drawing together the information from across the budget into a coherent high-level assessment.

In considering the impact of budget proposals before they are formally agreed, the Council undertakes a detailed process of democratic and community engagement. This includes:

- Using the Oxfordshire Joint Strategic Needs Assessment of health and wellbeing needs, and the associated Equalities Briefing, to consider the impact of proposals as they are drawn up, as SCIAs for each proposal are developed, and as the cross-cutting SCIA is prepared. The Council's

JSNA can be found here: <http://insight.oxfordshire.gov.uk/cms/joint-strategic-needs-assessment>

- A democratic process including agreement of proposals by Cabinet, analysis and comment on those proposals by Performance Scrutiny, and adoption of a budget by Full Council, at each of which the public, and representatives of particular organisations or population groups, are entitled to request to speak, in order

Individual SCIA's are produced for each proposal to ensure the appropriate level of detailed analysis is completed and action taken where identified to mitigate any potential negative impacts and maximise potential benefits and so that all decisions are taken with full understanding of their potential implications.

Equalities

Section 149 of the Equalities Act 2010 ("the 2010 Act") imposes a duty on the Council to give due regard to three needs in exercising its functions. This proposal is such a function. The three needs are:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic, and those who do not.

Complying with section 149 may involve treating some people more favourably than others, but only to the extent that that does not amount to conduct which is otherwise unlawful under the new Act.

The need to advance equality of opportunity involves having due regard to the need to:

- remove or minimise disadvantages which are connected to a relevant protected characteristic and which are suffered by persons who share that characteristic,
- take steps to meet the needs of persons who share a relevant protected characteristic and which are different from the needs other people, and
- encourage those who share a relevant characteristic to take part in public life or in any other activity in which participation by such people is disproportionately low.
- take steps to meet the needs of disabled people which are different from the needs of people who are not disabled and include steps to take account of a person's disabilities.

The need to foster good relations between different groups involves having due regard to the need to tackle prejudice and promote understanding.

These protected characteristics are:

- age
- disability

- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – this includes lack of belief
- sex
- sexual orientation
- marriage and civil partnership

Assessing Service and Resource Planning Proposals:

Potential Impact on Individuals and Communities:

- **Age**

Oxfordshire's population during the last JSNA assessment in March 2019 was estimated to be 682,400. The 85+ population is predicted to increase by 63% (10,900) by 2032.

The proposal to reduce care home placements by 1% (approximately 7-8 placements) is more likely to impact on older people. Our overarching aim is to ensure that people are supported to live in their own homes as independently as possible for as long as possible. In order to mitigate the loss of care home placement packages, better support will be provided to enable people to stay in their own homes which is in line with the wishes of older people who were consulted as part of developing our Older People's Strategy.

For younger people, the JSNA highlights that Oxfordshire has a higher than average rate of people aged 0-4 and 20-24 but this includes students attending the universities.

The proposal to reduce floating support for people at risk of homelessness by up to 5% may result in greater pressure on adult and young people's homelessness pathway services and may have an adverse effect on families, particularly children who may need to move or miss education if at risk of homelessness. Further work will be required to fully understand the potential impact of this and develop appropriate mitigating actions, working closely with Children and Family Services, providers, and service users. A full impact assessment will be developed alongside the proposal itself.

The proposal to increase self-testing services for sexually transmitted infections (STIs) and HIV as part of the Integrated Sexual Health Service (ISHS) may impact more positively on younger people. The proposal involves users accessing self-sampling testing kits through the post rather than needed to attend a sexual health clinic for a face-to-face appointment. Intelligence gathered from service users as part of moving to the tariff-based system suggested that an online service may appeal more to those aged under 25 than those aged 35+. In order to appeal to all age groups, face-to-face appointments will still be offered alongside the promotion of the digital service.

- **Disability**

The JSNA highlights that around 16% of the South East population has a known disability which would equate to around 129,700 people in Oxfordshire.

Proposals to reduce care home placements by 1% will be offset by facilitating people to live independently in their own homes for as long as possible and this would include those living with long-term health conditions and disabilities.

The Learning Disability outreach service currently supports 51 adults with a learning disability. The proposal will see services purchased by individuals through their personal budgets when the contract comes to an end. To mitigate the effects of this change, the Council is currently developing its strength-based approach to community services which will focus on prevention and may result in lower demand for the service. For individuals affected by the change, the Council will work with providers to understand how provision can be prioritised and delivered. A full impact assessment will be developed alongside the proposal itself to consider the potential impact and mitigating actions. The Council will ensure it continues to comply with its statutory duties under the Care Act and meet the care needs of people who are eligible.

In Oxfordshire, whilst levels of smoking are generally relatively lower, it is noticeably higher for those with a serious mental illness (36.4% locally, compared to 38.5% regionally and 40.5% nationally) and 22.7% of those living with a long-term mental health condition are likely to be smokers. These groups will continue to be a priority area for advice and support.

- **Gender reassignment**

No specific issues relating to gender reassignment have been assessed as likely to be impacted as a result of this budget round. The Integrated Sexual Health Service (ISHS) already provides services for those who have undergone gender reassignment and will continue to do so.

- **Pregnancy and maternity**

Whilst smoking levels in the County are relatively low at 10.4%, the proportion of women who smoke whilst they are pregnant is 7.5% in the County compared to 9.7% regionally and 10% nationally. The proposal to move from a universal smoking cessation service towards a targeted service that focuses on tobacco control will therefore continue to have pregnant women and young mothers who smoke as a high priority area for targeted support. Further engagement will take place with smokers and non-smokers as part of a wider needs assessment for the service.

- **Race – this includes ethnic or national origins, colour or nationality**

In 2011 107,000 people in Oxfordshire were of an ethnic minority background which was an increase of 60,900 from 2001. The JSNA highlights that around 16% of the county's population is from an ethnic minority background.

The floating support service that aims to prevent people being made homeless is often used by Black and Ethnic Minority communities, particularly Asian women and non-white British people. Proposed reductions in the service may be more likely to affect these groups. To mitigate this, service providers will be encouraged to collaborate and share expertise to ensure that services are sensitive to cultural needs and individuals are able to access appropriate support. A full impact assessment will be developed alongside the proposal, including engagement with current providers and service users, to inform further mitigating actions where appropriate.

- **Religion or belief – this includes lack of belief**

No specific issues relating to religion or belief have been assessed as likely to be impacted as a result of this budget round.

- **Sex**

Asian women are a more common user of the homeless prevention floating support service, it is our intention that we encourage service providers to work together and share good practice to be aware of cultural sensitivities and to ensure that this group continues to receive the support that they need.

- **Sexual orientation**

Our sexual health screening services actively encourage men who have sex with men to get regular tests as this group is at higher risk of STIs and HIV, the proposed budget changes will not affect promotion to this group.

- **Marriage and civil partnership**

No specific issues relating to marriage and civil partnership have been assessed as likely to be impacted as a result of this budget round.

- **Rural communities**

Oxfordshire is the most rural county in the South East and the majority of residents are concentrated in Oxford city centre. Rural districts have a much higher proportion of older people. In 2017 the older population made up around 20% of people living in rural areas compared to 12% in the city centre this means that our proposal to reduce care home placements by 1% may be more likely to affect people living in rural areas if they are older.

The proposal to increase the availability of online/self-testing STI screening may be a benefit to people living in rural areas as they would otherwise need to travel to attend a face-to-face appointment.

The proposal to remove the Oxfordshire Fire and Rescue Resilience Pump may result in reduced operational cover in more rural communities which otherwise rely on on-call Firefighters to provide emergency response. In order to mitigate against this, the changes are initially being introduced on a trial basis for the first two years to assess the impact and wholtime staff will be able to provide more flexible cover including at different locations.

- **Areas of deprivation**

Oxfordshire has low overall levels of deprivation relative to England overall. However there are ten areas in Oxford City, four in Banbury and one in Abingdon which fall within the 20% most deprived areas in the country, with two of the Oxford city areas falling within the 10% most deprived. Inequalities also exist beyond these specific areas, with averages across an area not always telling the story of the individuals and families within it.

These communities and individuals are necessarily often more frequent users of many public services. The overall budget proposals have been developed with the objective of effectively targeting services so that we continue to meet our obligations to protect the most vulnerable and fulfil our statutory duties.

The proposal to increase the availability of online/self-testing STI screening may benefit people living in areas of deprivation. Online service will increase access to service which will be delivered to the choice and convenience of service users.

17% of people who work in routine and manual occupations in Oxfordshire are likely to be smokers (compared to 25% regionally and 25.4% nationally) and are also more likely to live in areas of deprivation. This group will therefore remain a priority area for support to stop smoking.

Potential Impact on Staff:

Proposals to reduce the number of hot desks available at Jubilee House will have a potential impact on Oxfordshire County Council staff that use these facilities as there will fewer places to work at this location. Consultation with staff has been undertaken prior to the proposal and has highlighted that current hot desks are not used at full capacity; staff will also be able to use Wi-Fi facilities in breakout areas if all hotdesking facilities are in use.

Potential Impact on other Council services:

Proposals to reduce community outreach facilities for adults with learning disabilities and people at risk of homelessness may increase demand on other service areas including those delivering statutory services. There may also be increased work for Customer Services, complaints and social work teams as any changes are implemented, this will be mitigated by preparing a full communications plan to ensure staff are aware of changes and how to signpost to advice.

A full needs assessment will be undertaken prior to implementing any proposed changes in order to understand the potential impact on other service areas and we will continue to work with voluntary and partner organisations to explore alternative methods of service delivery.

Potential Impact on Providers:

The proposal to remove four minor civils gangs (contractors who carry out minor highways repairs and are funded through the capital programme) may impact on our provider (SKANSKA). Mitigations are in place to redeploy individuals affected wherever possible and have been accepted by the provider.

Reducing the overall number of care placements may put additional pressure on services that provide support at home, the Council is committed to developing a range of different services that provide this care as set out in its most recent Market Position Statement.

The proposal to reduce Community Outreach service contract value may affect the financial viability of the voluntary and community sector providers that currently deliver these services. We will work with providers to stage any reductions in staffing and activity in line with reductions in income.

Social Value

If the Public Services (Social Value) Act 2012 applies to this proposal, please summarise here how you have considered how the contract might improve the economic, social, and environmental well-being of the relevant area.

How might the proposal improve the economic well-being of the relevant area?

The budget proposals are intended to maximise the economic wellbeing of the area, both by working more efficiently, redesigning our services delivery to reflect the changing needs of our communities and maximising our income and investment opportunities.

Meeting the rising demand of caring for older people, adults with disabilities and keeping children safe remain key priorities. This includes ensuring that any negative financial impact on individuals is minimised and that the sustainability of provision is maintained and improved.

How might the proposal improve the environmental well-being of the relevant area?

The Council has acknowledged the climate emergency, and made a number of commitments to address this by reducing its own use of carbon and encouraging others to do the same. All proposals have been developed within this context, and will be tested to ensure their climate and overall environmental impact is minimised.

Some proposals (such as implementation of LED streetlighting) are intended to have a direct positive impact on the environment, whereas others (such as reducing care home placements and people being supported in their own homes for longer) could have an indirect impact by reducing people's need to travel to visit family and friends.

Monitoring and review:

Person responsible for assessment: Ben Threadgold, Policy and Performance Service Manager

Version	Date	Notes (e.g. Initial draft, amended following consultation)
1	30/12/2019	Initial draft completed, missing information from Communities and requiring updated versions of SCIA's from other areas to address initial feedback
2	08/01/2019	Updated draft completed with additional information from Communities SCIA's and addressing feedback from service areas
3	10/01/2019	Minor updates following comments from the Performance Scrutiny meeting on 9/01/2019