



**Draft**  
**Oxfordshire County Council**  
**Statement of Accounts**  
**2025/26**



**OXFORDSHIRE  
COUNTY COUNCIL**

# Contents

---

|   |            |
|---|------------|
| <b>Narrative Report by the Deputy Chief Executive (Section 151 Officer).....</b>  | <b>2</b>   |
| <b>Statement of Responsibilities for the Statement of Accounts.....</b>           | <b>13</b>  |
| <b>Independent Auditor’s Report to Members of Oxfordshire County Council.....</b> | <b>14</b>  |
| <b>Expenditure and Funding Analysis .....</b>                                     | <b>15</b>  |
| <b>Comprehensive Income and Expenditure Statement.....</b>                        | <b>16</b>  |
| <b>Movement in Reserves Statement .....</b>                                       | <b>17</b>  |
| <b>Balance Sheet .....</b>  | <b>18</b>  |
| <b>Cash Flow Statement.....</b>   | <b>19</b>  |
| <b>Notes to the Core Financial Statements.....</b>                                | <b>20</b>  |
| <b>Trust Funds .....</b>  | <b>108</b> |
| <b>The Local Government Pension Fund Accounts .....</b>                           | <b>109</b> |
| <b>Fire Fighter’s Pension Fund Accounts .....</b>                                 | <b>147</b> |
| <b>Annual Governance Statement.....</b>   | <b>149</b> |
| <b>Glossary .....</b>   | <b>197</b> |

## Introduction

The purpose of this narrative report is to provide information on the council, its main objectives and strategies and the principal risks it faces. It sets out information to help readers understand the Council's performance and financial position during 2025/26.

Oxfordshire County Council provides services to residents, businesses and communities across the whole county. In 2025/26 our core services included:

- Children's Social Care and Education (including the safeguarding of children, looked after children, services to vulnerable children and young people and their families, adoption and fostering services and some education services).
- Adult Social Care (commissioning and providing services which keep adults safe and provide the support our residents need for independent living).
- Services for public health including mental well-being.
- Highways maintenance and transport planning.
- Strategic spatial planning including major infrastructure, inward investment and housing growth.
- Strategic environmental management including carbon emissions reduction, energy efficiency and waste disposal.
- Community safety including Fire and Rescue and Trading Standards.
- Cultural Services including libraries, museums and the Music Service.
- Coroners' and Registration services.

These services are either provided directly by the council or are commissioned from and delivered by other organisations. Most of these services are mandatory, meaning that the council must provide them because it is under a statutory duty to do so.

## Our leadership and workforce

The Constitution sets out the rules and procedures by which the council operates. This can be found on our website - [Council Constitution | Oxfordshire County Council](#). Since the County Council elections on 1 May 2025 the council has had 69 members (or 'councillors'), elected by the public to represent a particular local area, or 'Division'.<sup>1</sup> Collectively they are responsible for the democratic structure of the council, overseeing key policies and services and setting the Council's annual budget for revenue and the capital programme. More information about the democratic structure of the Council and the current Cabinet can be found on our website.

[Oxfordshire councillors | Oxfordshire County Council](#)  
[Oxfordshire's Cabinet | Oxfordshire County Council](#)

Following the County Council election in May 2021, a new administration, the Oxfordshire Fair Deal Alliance, was formed from a coalition of the Liberal Democrats, the Labour & Co-operative Group and the Green Party with Cllr Liz Leffman elected Leader. In September 2023 Labour withdrew from the Alliance so throughout 2024/25,

---

<sup>1</sup> Previously there were 63 councillors.

a Liberal Democrat Green Alliance ran the council as a minority administration. The 2025/26 budget agreed by Council in February 2025 was a combination of the Administration's proposed budget plus amendments from the Labour & Co-operative Group and further amendments agreed on the day. The Liberal Democrats gained overall control of the council in the County Council elections in May 2025 with 36 councillors. Changes to the Liberal Democrat group in May/June 2026 mean they retain control of the council with 35 councillors.

Employees ('officers') support Cabinet and Council in their work and manage the Council's services and operations. The Chief Executive (Martin Reeves) leads the most senior group of officers, the Statutory Officers Group, who advise councillors on policy and work with directors to implement councillors' decisions.

As at 31 March 2026 the Council's staff complement stood at 4,653 FTE (full-time equivalent) posts (4,606 at 31 March 2025), representing 5,500 employees (5,454 at 31 March 2025). Staff are structured into service areas responsible for a group of services and functions in support of the Council's Vision and Strategic Plan.

The council also continues to work collaboratively with partners in the public, private and voluntary sector to achieve the best outcomes for our residents. Further details of how the Council works, both internally and with external partners, can be found in the Annual Governance Statement.

### **Vision for Oxfordshire**

Our vision is to make Oxfordshire a greener, fairer and healthier county.

The [Strategic Plan 2025-2028 \(pdf format, 5.6 MB\)](#) sets out our ambition for shaping strong and connected communities, healthy places to live, and a thriving local economy that benefits everyone. It describes how we will work together to achieve these goals, building on the county's strengths while tackling the challenges we face. The plan builds on the previous 2022-2025 strategic plan, taking forward the council's vision for a greener, fairer and healthier county. But with local government reorganisation now in train, the focus is on delivering meaningful change in the next two years.

### **Our Priorities**

The plan details nine headline projects with specific goals in areas that residents have said are important to them, from a more responsive approach to road repairs to greater provision for children with special educational needs and disabilities (SEND).

Of the nine headline projects, three are focused on a greener Oxfordshire – creating better spaces for residents and visitors in town centres; working with transport partners towards a countywide integrated bus and rail offer; and creating two dedicated highways response teams to tackle issues in priority areas.

Three projects focus on a fairer Oxfordshire – rolling out a network of family hubs; helping people overcome barriers to employment through initiatives like Connect to Work; and supporting young people leaving care into employment.

## Narrative Report

The final three focus on a healthier Oxfordshire – increasing the number of children who reach a good level of development at age five; delivering more specialist school places for children with special educational needs and disabilities (SEND); and supporting an expanded and coordinated programme of youth provision.

### Our performance

Throughout 2025/26 the council has reported regularly on performance to internal managers, councillors and the public. Business Management and Monitoring Reports to Cabinet brought together information on performance, finance and leadership risk, giving a balanced picture of the council's performance.

In these reports we showed the latest assessment of our performance indicators. Most are given a Red, Amber or Green (RAG) rating, signifying whether or not progress is on track. In deciding RAG ratings we consider data on current performance and an assessment of progress. As at 31 March 2026 the indicators were assessed as follows:

| Green      | Amber      | Red        | Monitoring Only<br>(no target) |                     |
|------------|------------|------------|--------------------------------|---------------------|
| 43 (53.1%) | 19 (23.5%) | 13 (16.0%) | 6 (7.4%)                       |                     |
| Green      | Amber      | Red        | Monitoring / No<br>Data        | Total<br>Indicators |
| 50 (62%)   | 6 (8%)     | 11 (14%)   | 13 (16%)                       | 80                  |

### Risk Management

During 2025/26 our risk management activities helped us to ensure that we continued to identify and address any uncertainties relating to the achievement of our priorities. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level. Updates on eight strategic risks, including Financial Resilience, Delivering the Future Together (focussing on the delivery of organisation wide transformation), Local Government Reform and Special Educational Needs and Disabilities (SEND) were reported to Cabinet as part of the Business Management and Monitoring Reports.

### Services

Services and teams within the Council also maintained operational risk registers to ensure that individual services, projects or areas of business remained on course. Operational risks which become more severe can be escalated to the Leadership level for management.

### Our financial operating model

The Council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by:

- Financial Strategy,

## Narrative Report

---

- Capital & Investment Strategy,
- Treasury Management & Investment Strategy, and
- A risk assessment of the level of general balances required.

The Council's Financial Strategy sets out that financial sustainability and resilience requires successful and sustained focus on the delivery of the following critical elements and financial planning principles. These underpin the revenue budget and medium-term financial strategy by:

- Managing the impact of rising need through demand management.
- Delivering agreed savings as well as planned outcomes from investments.
- Ensuring the level of earmarked reserves and general balances is adequate based on the level of risk and financial uncertainty and only using one-off resources for temporary purposes.
- Effective financial management across the council in line with the requirements of the CIPFA Financial Management Code.

The budget proposals for 2025/26, and the overall construction of the budget, were subject to review, overview and challenge by the council's directors and through the Strategic Leadership Team. Councillors reviewed and challenged the proposals through engagement sessions and member presentations and also took account of feedback from stakeholder engagement and consultation. The Performance & Corporate Services Overview & Scrutiny Committee scrutinised the budget proposals at its meetings in December 2024 and January 2025 before Cabinet proposed the budget, MTFs and capital programme in January 2025.

### **Revenue Spending Plans for 2025/26**

Our budget for the provision of services in 2025/26 and Medium-Term Financial Strategy (MTFS) to 2027/28 was agreed by Council on 11 February 2025. This included a £17.7m increase in funding to meet inflationary pressures, £13.0m for demand and other pressures, £23.3m for demographic changes in adults and children's social care and waste tonnages along with £6.9m funding for investments. These increases were offset by savings totalling £30.3m.

In total we planned to spend £954.8m (excluding schools) on delivering services in 2025/26. We also planned to spend £267.0m on running schools, the funding for which comes directly from government through Dedicated Schools Grant.

We expected to finance £310.3m of the council's spending plan from specific and general government grants, contributions from other bodies, charging and interest income plus contributions from reserves. After taking account of this funding, our net operating budget agreed by Council in February 2025 totalled £646.3m.

The net operating budget was financed from Business Rates (£101.9m), the Council Tax Requirement (£533.3m), council tax surpluses (£9.2m) and Revenue Support Grant (£2.5m). Council tax for a Band D property was set at £1,911.40. This was a 4.99% increase from 2024/25.

## Narrative Report

The report to Council noted that some information on funding was still outstanding and that updates would be made through the Business Management & Monitoring Reports to Cabinet. Subsequent updates to business rates funding notified during the year increased the Net Operating Budget to £648.4m by 31 March 2026.

### Revenue Year End Position 2025/26

Services overspent by £9.7m in 2025/26. There were overspends in Adult Services, Environment & Highways and Economy & Place as well as unachieved cross cutting savings. Part of the overspend has been managed using the contingency budget of £7.3m that was built into the budget for demand and other risks. The rest has been offset by pay inflation that was not needed in 2025/26.

Due to interest rates and cash balances during the year being higher than modelled in February 2025, interest on cash balances was £9.6m above the budgeted level.

During the year £5.5m has been transferred to the Budget Reserve and £8.0m to the High Needs DSG risk reserve. After these transfers there is a council overspend of £0.1m against a budget of £648.4m.

|   | Final Budget   | Total Spend    | Year End Variance |
|---|----------------|----------------|-------------------|
| Adult Services                                  | £259.9m        | £262.8m        | £2.9m             |
| Children's Services                             | £216.6m        | £216.6m        | £0.0m             |
| Environment & Highways                          | £55.3m         | £55.9m         | £0.6m             |
| Economy & Place                                 | £21.8m         | £22.7m         | £0.9m             |
| Oxfordshire Fire & Rescue Service and Community | £32.6m         | £33.1m         | £0.5m             |
| Public Health & Communities                     | £14.1m         | £14.1m         | £0.0m             |
| Resources and Law & Governance & Corporate      | £72.0m         | £71.1m         | -£0.9m            |
| Corporate Savings                               | -£6.4m         | -£0.7m         | £5.7m             |
| <b>Service Area Total</b>                       | <b>£665.9m</b> | <b>£675.6m</b> | <b>£9.7m</b>      |
| Strategic Measures                              |                |                |                   |
| Capital Financing                               | £31.2m         | £30.5m         | -£0.7m            |
| Interest on Balances                            | -£13.7m        | -£23.4m        | -£9.7m            |
| Contingency                                     | £7.3m          | £0.0m          | -£7.3m            |
| Pay Inflation and Strategic Measures            | £5.3m          | £0.0m          | -£5.3m            |
| Insurance                                       | £1.8m          | £1.8m          | £0.0m             |
| Contributions to reserves                       | £10.2m         | £24.8m         | £14.6m            |
| Un-ringfenced Specific Grants                   | -£59.6m        | -£59.7m        | -£0.1m            |
| Total Strategic Measures                        | -£17.5m        | -£26.0m        | -£8.5m            |
| <b>Net Operating Budget</b>                     | <b>£648.4m</b> | <b>£648.5m</b> | <b>£1.3m</b>      |
| Business Rates & Council Tax funding            | -£648.4m       | -£649.4m       | -£1.2m            |
| <b>Year End Position</b>                        | <b>£0.0m</b>   | <b>£0.1m</b>   | <b>£0.1m</b>      |

### County Fund & Earmarked reserves

After taking account of contributions to the Transformation and Redundancy Reserves agreed as part of the 2025/26 budget as well as supplementary estimates agreed during the year, balances are £34.2m at 31 March 2026, £1.5m above the 2026/27 risk assessed level of £32.7m. The additional funding will be held in balances pending a decision about future use.

On 1 April 2025, one – off funding held for specific purposes in earmarked reserves totalled £254.4m. Movements in year increased this to £289.0m as at 31 March 2026. £129.4m (45%) of this total is funding for future capital expenditure and equipment, £69.5m is funding for risk (24%) including £9.9m funding for redundancy costs. £30.4m is ringfenced grant funding and contributions that will be spent in future years. £42.1m for Corporate Priorities includes £12.0m to meet costs associated with transformation and £9.2m funding to support costs relating to Local Government Reform and Devolution in Oxfordshire.

### DSG Deficit Reserve:

The 2025/26 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs was £56.8m. This was £14.5m higher than the £42.3m forecast deficit for 2025/26 approved by Cabinet in July 2025 and compares to an in – year deficit of £36.5m in 2024/25.

Since 2020/21 the CIPFA code of practice has required negative High Needs DSG balances to be held in an unusable reserve. The cumulative negative High Needs DSG balance held in this reserve increased from £92.5m as at 31 March 2025 to £149.3m at 31 March 2026. The overall DSG deficit was £135.3m (Note 7).

As part of the Final Local Government Finance Settlement for 2026/27, published on 9 February 2026, the Government set out that they will: “resolve 90% of local authorities’ DSG High Needs deficits accrued to the end of 2025/26”.

All local authorities with a SEND deficit will be eligible to receive High Needs Stability Grant subject to submitting and securing the Department for Education’s (DfE) approval of a local SEND reform plan. Phase one of the support will address historic deficits up to the end of 2025/26. In 2026/27 all local authorities with a SEND Deficit will be eligible to receive a High Needs Stability Grant (HNSG) covering 90% of their DSG deficit accrued up until March 2026.

There are currently no further details provided on the second or third phases of the scheme to deal with deficits which accumulate in 2026/27 and 2027/28, other than to say that the Government will confirm the detail on further support before the end of the statutory override in March 2028.

As at 31 March 2026, £33.0m was held in the high needs DSG risk reserve. This is available to meet the element that the council will need to fund. Further budget contribution of £8.0m are included in the budget for 2026/27 and 2027/28.

From 2028/29, SEND spending will be covered by the overall government DEL budget, meaning local authorities will not be expected to fund future SEND costs from general funds, once the Statutory Override ends at the end of March 2028. At this stage there is no information about how this will operate in practice.

### **Notable achievements in 2025/26**

The annual report reflects the highlights and achievements over the last 12 months against the priorities of the council. There were three strategic priorities, to make a Greener, a Fairer and a Healthier Oxfordshire and there were achievements in all three areas.

The council's work towards a greener county was recognised on a national level as we were ranked the UK's best performing county council, topping Climate Emergency UK's 2025 scorecard for climate action for the second consecutive year.

The council has simultaneously continued to push to improve infrastructure, developing OxRail 2040, which involved helping to secure £120m to reopen the Cowley Branch Line, launching a £7.4m surface treatment which treated over 930,000 square metres of carriageway and awarding £1.4m to bus companies and community transport groups to deliver new and converted electric buses programme.

During 2025/26 the council planted 1,011 trees, inspected more than 11,000 individual or groups of trees, and arranged and completed more than 5,000 tree care operations.

As part of the Fairer Oxfordshire strategic priority, the council has delivered over 219,000 individual interventions as part of our £6.72m cost of living programme, introduced a low income family tracker which has generated £1.5 million in additional income for households through improved take-up of benefits and spending £3.49m to ensure families of children entitled to free school meals received support during the school holidays.

The council also launched the Connect to Work programme to support residents facing health, disability or social barriers into employment. This went alongside the council's commitment to SEND education, with over £1m per year approved to expand SEND enhanced pathways in mainstream schools, supporting nearly 300 children.

Our efforts to achieve a Healthier Oxfordshire saw successes, as public health evidence showed progress in reducing health inequalities. Most significantly, the number of Oxfordshire communities in the most deprived national deciles has fallen from 10 to 8 since 2019.

We also completed our first Local Policy Lab fellowship programme with Oxford University and Oxford Brookes University, translating academic research into practical policy action on health inequalities.

## Narrative Report

---

£20m investment over a four year period was made accessible for a substantial network for walking, wheeling and cycling in the county and three new school street trials were approved for Carterton, Banbury and Didcot to improve safety for families.

Oxford's electric bus programme, in which we are a partner, won Best Public Transport Decarbonisation at the Decarbonising Transport Awards 2026.

### Capital investment plans and expenditure in 2025/26

The Capital and Investment Strategy outlines the council's approach to capital investment over the next ten years and incorporates the requirements of the CIPFA Prudential Code for Local Authorities. A ten-year Capital Programme sets out how the Council will use capital expenditure to deliver its priorities.

The original capital programme for 2025/26 was agreed by Council in February 2025. This set out an expected programme of spend of £323.7m during the year plus a further £19.9m from earmarked reserves. This included £54.5m planned expenditure on the provision of additional school places and new schools in housing developments, £152.5m on major infrastructure projects, including large road improvement schemes, £63.6m on the Highways Asset Management Plan and £37.9m expenditure relating to the council's Property Strategy. The ten-year capital programme totalled £1,564.3m. Planned funding was made up of grants and contributions (£838.1m), developer contributions, Community Infrastructure Levy and other external contributions (£203.7m), revenue funding (£20.4m), prudential borrowing (£280.3m), capital receipts (£128.8m) and contributions from capital reserves (£78.9m). The programme was over – programmed by £14.1m over the ten-year period.

The capital programme is updated throughout the year to reflect the latest delivery profiles and cost estimates for each programme. The last update was based on the January 2026 monitoring position, and this was agreed by Cabinet in March 2026. Planned capital spend for 2025/26 totalled £267.5m. Actual capital programme expenditure by 31 March 2026 was £231.3m. The variation between the latest programme and the actual expenditure was -£36.2m (-14%). This spend is now expected to take place in 2026/27. The expenditure in 2025/26 was funded by £143.5m of capital grants and other external contributions, £46.2m of developer contributions and Community Infrastructure Levy, £2.9m of revenue contributions, and £38.7m of prudential borrowing.

Further detail is set out in the [Capital Outturn Report to Cabinet on 16 June 2026](#).

### Financial Outlook

While it was possible to manage the service overspend with contingency measures in 2025/26, and action continues to be taken to manage expenditure, there is less flexibility in 2026/27.

## Narrative Report

---

The contingency budget was reduced to £6.2m as one of the changes to balance the 2026/27 budget agreed in February 2026. Pay inflation not used in 2025/26 will be needed to fund pay awards in 2026/27. In addition, interest on cash balances is less likely to be significantly higher than budgeted because of the increasing impact of the High Needs DSG deficit on the cash that the council is holding. Relatively higher interest rates and returns than in 2025/26 were already assumed when the 2026/27 budget was set.

The Financial Strategy for 2026/27 agreed by Council in February 2026 explained that the medium-term funding context is challenging due to:

- The impact of the **Fair Funding Review 2.0** from 2026/27 onwards which will reduce funding for the council's services by close to £30m by 2028/29. The MTFS sets out that there is a deficit of £15.5m in 2027/28 and then £22.0m in 2028/29. The council will need to assess where it is providing services above the statutory minimum or at a level above statistical neighbours and will undertake benchmarking to inform that. Action to reduce spend or increase income, to help meet the legal requirement to balance the budget overall, will have to be taken where that is the case.
- **Local government reorganisation and devolution with new councils expected to be operating from 1 April 2028:** the council needs to continue to plan on a 'going concern basis.' In other words, the council should not take short terms decisions which will impact on the financial sustainability to a new unitary council/s. However, it is recognised that planning for risks/issues beyond 1 April 2028 is challenging in an environment of reduced funding.
- **Continued pressures on demand for social care and the sufficiency of market provision, particularly for Children's Social Care.** Demand for children's social care continues to rise along with the cost of placements, driven by a lack of capacity in the market. While the government have indicated that they will take action to manage excessive profits by children's social care providers it is unclear how this will be implemented and what effect it will have locally.
- **Potential changes to the Better Care Fund from 2027/28:** The 10 Year Health Plan for England announced reform to the Better Care Fund to focus on integrated services. DHSC and MHCLG will shortly set out further detail on the approach to reform. Where this involves any change to the NHS and local authority minimum contributions to pooled funding these will not be introduced before 2027/28. The council's share of the Better Care Fund within the Pooled Budgets is £32m in 2026/27 so any change to the level of funding or the required use within that total in future years could have a significant impact on financial sustainability.

- **On-going uncertainty about the future arrangements for the management of past and future overspends relating to High Needs Dedicated Schools Grant.**

The 2026/27 Earmarked Reserves and General Balances Policy Statement maintained the risk assessed level of General Balances at £32.7m in 2026/27. This is equivalent to 4.3% of the net revenue budget for the year.

### **Basis of Preparation and Presentation**

The Council produces a Statement of Accounts to provide transparency about the Council's finances, to give assurance to stakeholders that public money has been properly accounted for and that the financial standing of the Council is on a secure basis.

The accounts bring together all the Council's financial statements for the year 2025/26 and show its financial position as at 31 March 2026. The statements reflect both revenue and capital elements for the General Fund, including transactions relating to joint operations with other local authorities and health bodies. The County Council is the administering authority for the Oxfordshire Local Government Pension Fund. As such, the Fund accounts are included as a disclosure within the Council's accounts.

The Statement of Accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2026 and of its income and expenditure for the 2025/26 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of general balances, combined with Earmarked Reserves (Note 44) and action being taken to ensure we can manage the capital programme within the available resources, are sufficient to ensure that the County Council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going concern' basis.

### **Notes to the accounts**

The Notes to the Accounts explain and provide further detail behind the key items and entries within the Financial Statements. They consist of:

- Expenditure and Funding Analysis – Compares the net expenditure as funded by taxation with the accounting cost of providing services as presented in the Comprehensive Income and Expenditure Statement.
- Notes to the Accounts – Which explain some of the key items and disclosures in the accounts.
- Pension Fund Accounts – These are the accounts of the Pension Fund, which is operated for employees of the County Council, district councils and other bodies.

## Narrative Report

---

- Statement of Responsibilities for the Statement of Accounts – Outlines the key responsibilities in respect of the accounts, together with statements from the Chief Finance Officer and Chairman of the Audit & Governance Committee.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### **Annual Governance Statement**

The Audit & Governance Committee approved the Annual Governance Statement (AGS) for 2025/26 at its meeting on 20 May 2026. The AGS summarises the governance framework that has been in place in the Council during 2025/26 and sets out where action is being taken to strengthen governance processes.

### **Conclusion**

Through careful planning and management, Oxfordshire County Council has ensured that we achieved or made good progress with our priorities for the year. We have delivered vital services to the residents and communities of Oxfordshire and have reached the end of the business year in a robust financial position. This means the council is in a strong position to manage financial risks and reductions in funding over the medium term. However, it is vital that strong financial management is maintained to ensure future financial resilience.

# Statement of Responsibilities for the Statement of Accounts

---

## The County Council's Responsibilities

The County Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For Oxfordshire County Council, that officer is the Deputy Chief Executive (Section 151 Officer)
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets

The Audit & Governance Committee has examined these accounts and authorised the Chair to approve the statement of accounts on its behalf.

Signed: .....

Date: .....

ROZ SMITH

Chair of the Audit & Governance Committee

## The Responsibilities of the Deputy Chief Executive (Section 151 Officer)

The Deputy Chief Executive (Section 151 Officer) is responsible for the preparation of the County Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the Code of Practice').

In preparing this Statement of Accounts, the Head of Corporate Finance (Deputy Section 151 Officer) <sup>2</sup> has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Head of Corporate Finance (Deputy Section 151 Officer) has also

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

## Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the County Council and its income and expenditure for the year ended 31 March 2026.

Signed: .....

Date: .....

KATHY WILCOX

Head of Corporate Finance (Deputy Section 151 Officer)

---

<sup>2</sup> Acting as Section 151 officer for the purpose of the authorisation of the statement of accounts for 2025/26

## **Independent Auditor's Report to Members of Oxfordshire County Council**

---

Once the accounts have been audited the Independent Auditor's Report to Members of Oxfordshire County Council will be added here.

## Expenditure and Funding

A description of the purpose of this note is included in the Narrative Report. Please note that this is not a Primary Financial Statement.

| 2024/25  |   |  |  | 2025/26  |   |  |
|--|---|--|--|--|---|--|
| Expenditure chargeable to the County Fund<br>£'000 | Adjustments between funding and accounting basis<br>£'000 | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£'000 | Notes  | Expenditure chargeable to the County Fund<br>£'000 | Adjustments between funding and accounting basis<br>£'000 | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£'000 |
| 245,057  | 3,160   | 248,217  | Adult Services   | 262,809  | 6,547   | 269,356  |
| 202,273  | 61,292  | 263,565  | Children's Services  | 216,528  | 89,736  | 306,264  |
| 54,491   | 56,151  | 110,642  | Environment & Highways   | 55,930   | 37,950  | 93,880   |
| 16,670   | 1,335   | 18,005   | Economy and Place  | 22,695   | -1,313  | 21,382   |
| 29,520   | 1,228   | 30,748   | Fire & Rescue Service and Community Safety                     | 33,108   | -4,385  | 28,723   |
| 12,985   | 5,014   | 17,999   | Public Health & Communities                                    | 14,075   | -596  | 13,479   |
| 70,282   | 8,685   | 78,967   | Resources and Law & Governance & Corporate Savings             | 70,408   | 9,893   | 80,301   |
| 0  | 1,192   | 1,192  | Other Corporate Costs  | 0  | 5,024   | 5,024  |
| <b>631,278</b>                                     | <b>138,057</b>  | <b>769,335</b>   | <b>Service Costs</b>   | <b>675,553</b>                                     | <b>142,856</b>  | <b>818,409</b>   |
| -634,584   | -171,844  | -806,428   | Other Income and Expenditure not charged to services           | -664,511   | -235,884  | -900,395   |
| <b>-3,306</b>                                      | <b>-33,787</b>  | <b>-37,093</b>   | <b>Surplus (-) or Deficit (+) on Provision of Services</b>     | <b>11,042</b>                                      | <b>-93,028</b>  | <b>-81,986</b>   |
| 41,950   |   |  | Opening County Fund Balance at 1 April                         | 45,256   |   |  |
| 3,306  |   |  | Add surplus (+) or deficit (-) on the County Fund for the year | -11,042  |   |  |
| <b>45,256</b>                                      |   |  | <b>Closing County Fund Balance at 31 March</b>                 | <b>34,214</b>                                      |   |  |

\*Transformation, Digital & Customer Experience was merged into Resources and Law & Governance & Corporate Savings in 2025/26. Prior-year figures have been merged in line with the organisational structure as at 31 March 2026.

## Comprehensive Income and Expenditure Statement

| 2024/25                    |                   |                          |   | 2025/26                    |                   |                          |
|----------------------------|-------------------|--------------------------|---|----------------------------|-------------------|--------------------------|
| Gross Expenditure<br>£'000 | Income<br>£'000   | Net Expenditure<br>£'000 | Notes   | Gross Expenditure<br>£'000 | Income<br>£'000   | Net Expenditure<br>£'000 |
| 346,480                    | -98,263           | 248,217                  | Adult Services  | 372,292                    | -102,936          | 269,356                  |
| 632,435                    | -368,870          | 263,565                  | Children's Services   | 722,661                    | -416,397          | 306,264                  |
| 133,332                    | -22,690           | 110,642                  | Environment & Highways  | 128,965                    | -35,085           | 93,880                   |
| 41,969                     | -23,964           | 18,005                   | Economy and Place   | 47,040                     | -25,658           | 21,382                   |
| 34,196                     | -3,448            | 30,748                   | Fire & Rescue Service and Community Safety  | 31,871                     | -3,148            | 28,723                   |
| 58,647                     | -40,647           | 18,000                   | Public Health & Communities   | 54,871                     | -41,392           | 13,479                   |
| 96,593                     | -17,626           | 78,967                   | Resources and Law & Governance  | 97,920                     | -17,619           | 80,301                   |
| 4,404                      | -3,212            | 1,192                    | Other Corporate Costs   | 8,641                      | -3,617            | 5,024                    |
| <b>1,348,056</b>           | <b>-578,720</b>   | <b>769,336</b>           | <b>Cost of Services</b>   | <b>1,464,261</b>           | <b>-645,852</b>   | <b>818,409</b>           |
| 20,866                     | -4,266            | 16,600                   | Other Operating Expenditure   | 17,219                     | -3,086            | 14,133                   |
| 22,682                     | -33,065           | -10,383                  | Financing and Investment Income and Expenditure   | 8,033                      | -22,516           | -14,483                  |
| 0                          | -804,365          | -804,365                 | Taxation and Non-Specific Grant Income  | 0                          | -900,045          | -900,045                 |
| <b>1,391,604</b>           | <b>-1,420,416</b> | <b>-28,812</b>           | <b>Surplus (-) or Deficit (+) on Provision of Services</b>  | <b>1,489,513</b>           | <b>-1,571,499</b> | <b>-81,986</b>           |
|                            |                   |                          | <b>Items that will not be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services</b> |                            |                   |                          |
|                            |                   | -8,071                   | Surplus or Deficit on revaluation of non-current assets   | 49                         |                   | -28,117                  |
|                            |                   | 497                      | Impairment losses on non-current assets charges to the revaluation reserve                                | 49                         |                   | -333                     |
|                            |                   | 135,010                  | Remeasurements of the net defined benefit liability (asset)   | 18                         |                   | -24,830                  |
|                            |                   | 127,436                  |   |                            |                   | -53,280                  |
|                            |                   |                          | <b>Items that may be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services</b>      |                            |                   |                          |
|                            |                   | 0                        | Other gains or losses   |                            |                   | 0                        |
|                            |                   | <b>127,436</b>           | <b>Other Comprehensive Income and Expenditure</b>   |                            |                   | <b>-53,280</b>           |
|                            |                   | <b>98,624</b>            | <b>Total Comprehensive Income and Expenditure</b>   |                            |                   | <b>-135,266</b>          |

\*Transformation, Digital & Customer Experience was merged into Resources and Law & Governance in 2025/26. Prior-year figures have been merged in line with the organisational structure as at 31 March 2026.

## Movement in Reserves Statement

| Notes   | County<br>Fund<br>Balance<br><br>£'000 | Earmarked<br>Reserves<br><br>£'000 | Capital<br>Receipts<br>Unapplied<br><br>£'000 | Capital<br>Grants and<br>Contributions<br>Unapplied<br><br>£'000 | Total<br>Usable<br>Reserves<br><br>£'000 | Total<br>Unusable<br>Reserves<br><br>£'000 | Total<br>Reserves<br><br>£'000 |
|---|--|------------------------------------|---|--|--|--|--------------------------------|
| <b>Balance at 31 March 2024</b>   | 41,950                                 | 210,203                            | 33,074  | 221,934  | 507,161                                  | 745,790                                    | 1,252,951                      |
| <b>Adjustment for recognition of IFRS 16 assets</b>                               | 8,280                                  |                                    |   |  | 8,280                                    | -13,179                                    | -4,899                         |
| <b>Movement in reserves during 2024/25</b>  |  |                                    |   |  |  |  |                                |
| Total Comprehensive Income and Expenditure  | 28,812                                 | 0                                  | 0   | 0  | 28,812                                   | -114,257                                   | -85,445                        |
| Adjustments between accounting basis and funding basis under statutory provisions | 6                                      | -23,979                            | 0   | 4,254  | -57,824                                  | 57,824                                     | 0                              |
| Transfers to / from earmarked reserves  | 44                                     | -9,807                             | 44,267  | 0  | 34,460                                   | -34,460                                    | 0                              |
| <b>Increase (+) or Decrease (-) In Year</b>                                       | 3,306                                  | 44,267                             | 4,254   | -38,099  | 13,728                                   | -104,072                                   | -90,344                        |
| <b>Balance at 31 March 2025</b>   | 45,256                                 | 254,470                            | 37,328  | 183,835  | 520,889                                  | 641,718                                    | 1,162,607                      |
| <b>Movement in reserves during 2025/26</b>  |  |                                    |   |  |  |  |                                |
| Total Comprehensive Income and Expenditure  | 81,986                                 | 0                                  | 0   | 0  | 81,986                                   | 53,280                                     | 135,266                        |
| Adjustments between accounting basis and funding basis under statutory provisions | 6                                      | -114,307                           | 0   | 3,042  | -112,347                                 | 112,347                                    | 0                              |
| Transfers to / from earmarked reserves  | 44                                     | 21,279                             | 33,747  | 0  | 55,026                                   | -55,026                                    | 0                              |
| <b>Increase (+) or Decrease (-) In Year</b>                                       | -11,042                                | 33,747                             | 3,042   | -1,082   | 24,665                                   | 110,601                                    | 135,266                        |
| <b>Balance at 31 March 2026</b>   | 34,214                                 | 288,217                            | 40,370  | 182,753  | 545,554                                  | 752,319                                    | 1,297,873                      |

## Balance Sheet

| As at 31<br>March<br>2025<br>£'000 |  | Notes    | As at 31<br>March<br>2026<br>£'000 | £'000            |
|------------------------------------|--|----------|------------------------------------|------------------|
| <b>Long Term Assets</b>            |  |          |                                    |                  |
| 1,455,845                          | Property, Plant and Equipment                        | 22       | 1,589,529                          |                  |
| 23,895                             | Investment Property                                  | 23       | 22,478                             |                  |
| 1,199                              | Intangible Assets                                    | 25       | 1,697                              |                  |
| 35,000                             | Long Term Investments                                | 34       | 15,000                             |                  |
| 9,266                              | Long Term Debtors                                    | 35       | 8,359                              |                  |
| <b>1,525,205</b>                   | <b>Total Long Term Assets</b>                        |          |                                    | <b>1,637,063</b> |
| <b>Current Assets</b>              |  |          |                                    |                  |
| 560                                | Assets Held for Sale                                 | 24       | 4,570                              |                  |
| 137,984                            | Debtors  | 36       | 140,030                            |                  |
| 406,279                            | Short Term Investments                               | 34       | 337,462                            |                  |
| 46,806                             | Cash and Cash Equivalents                            | 37       | 75,451                             |                  |
| <b>591,629</b>                     | <b>Total Current Assets</b>                          |          |                                    | <b>557,513</b>   |
| <b>Current Liabilities</b>         |  |          |                                    |                  |
| -14,811                            | Short Term Borrowing                                 | 34       | -44,708                            |                  |
| -144,320                           | Short Term Creditors and Revenue Receipts in Advance | 39       | -146,681                           |                  |
| -4,816                             | Provisions due within one year                       | 40       | -4,095                             |                  |
| -1,627                             | Short Term Finance Lease Liability                   | 28       | -13,920                            |                  |
| -39,931                            | Short Term Capital Grants Receipts in Advance        | 42       | -50,808                            |                  |
| <b>-205,505</b>                    | <b>Total Current Liabilities</b>                     |          |                                    | <b>-260,212</b>  |
| <b>Long Term Liabilities</b>       |  |          |                                    |                  |
| -26,172                            | Long Term Creditors and Revenue Receipts in Advance  | 39       | -22,017                            |                  |
| -3,498                             | Provisions due over one year                         | 40       | -3,935                             |                  |
| -259,883                           | Long Term Borrowing                                  | 34       | -222,791                           |                  |
| -266,529                           | Pension Liability                                    | 18       | -217,513                           |                  |
| -16,943                            | Long Term Finance Lease Liability                    | 28       | -6,048                             |                  |
| -1,687                             | Deferred Income                                      | 41       | -856                               |                  |
| -174,009                           | Long Term Capital Grants Receipts in Advance         | 42       | -163,331                           |                  |
| <b>-748,721</b>                    | <b>Total Long Term Liabilities</b>                   |          |                                    | <b>-636,491</b>  |
| <b>1,162,608</b>                   | <b>Net Assets (+) / Net Liabilities (-)</b>          |          |                                    | <b>1,297,873</b> |
|                                    | Financed from:                                       |          |                                    |                  |
| <b>520,889</b>                     | <b>Usable Reserves</b>                               | 42,44-46 |                                    | <b>545,554</b>   |
| <b>641,719</b>                     | <b>Unusable Reserves</b>                             | 47-53    |                                    | <b>752,319</b>   |
| <b>1,162,608</b>                   | <b>Total Reserves</b>                                |          |                                    | <b>1,297,873</b> |

**I certify that the statement of accounts gives a true and fair view of the financial position of the Council at 31 March 2026 and its income and expenditure for the year ended 31 March 2026.**

**Kathy Wilcox**

**Head of Corporate Finance (Deputy Section 151 Officer) Date:**

## Cash Flow

| 2024/25<br>£'000 |  | Notes | 2025/26<br>£'000 |
|------------------|--|-------|------------------|
| -28,812          | <b>Net (surplus) or deficit on the provision of services</b>   |       | -81,986          |
| -38,893          | Adjust net surplus or deficit on the provision of services for non-cash movements  | 54    | -10,732          |
| 111,469          | Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 55    | 188,115          |
| <b>43,764</b>    | <b>Net cash flows from Operating Activities</b>  |       | <b>95,397</b>    |
| -62,120          | Investing activities   | 56    | -132,721         |
| 13,337           | Financing activities   | 57    | 8,679            |
| <b>-5,019</b>    | <b>Net increase (-) or decrease (+) in cash and cash equivalents</b>   |       | <b>-28,645</b>   |
| 41,787           | Cash and cash equivalents at the beginning of the reporting period   |       | 46,806           |
| <b>46,806</b>    | <b>Cash and cash equivalents at the end of the reporting period</b>  |       | <b>75,451</b>    |



# Notes to the Statement of Accounts



**OXFORDSHIRE  
COUNTY COUNCIL**

### Contents for Notes to the Core Financial Statements

|           |   |           |
|-----------|---|-----------|
| <b>1.</b> | <b>Summary of Significant Accounting Policies General .....</b>   | <b>25</b> |
|           | <i>Going Concern .....</i>  | <i>25</i> |
|           | <i>Accruals of Income and Expenditure .....</i>   | <i>25</i> |
|           | <i>Government Grants and Contributions .....</i>  | <i>25</i> |
|           | <i>Council tax and business rates income .....</i>  | <i>26</i> |
|           | <i>Employee Benefits .....</i>  | <i>26</i> |
|           | <i>Property, Plant and Equipment .....</i>  | <i>28</i> |
|           | <i>Depreciation of Property, Plant and Equipment .....</i>  | <i>29</i> |
|           | <i>Infrastructure Assets .....</i>  | <i>30</i> |
|           | <i>Charges to Revenue for Property, Plant and Equipment.....</i>  | <i>30</i> |
|           | <i>Disposals and Non-current Assets Held for Sale .....</i>   | <i>30</i> |
|           | <i>Investment Property.....</i>   | <i>31</i> |
|           | <i>Revenue Expenditure Funded from Capital Under Statute.....</i>   | <i>31</i> |
|           | <i>Private Finance Initiative (PFI) and similar contracts (service<br/>    concession arrangements) .....</i>                                       | <i>32</i> |
|           | <i>Leases .....</i>   | <i>32</i> |
|           | <i>Cash and Cash Equivalents.....</i>   | <i>34</i> |
|           | <i>Financial Assets.....</i>  | <i>34</i> |
|           | <i>Financial Liabilities .....</i>  | <i>36</i> |
|           | <i>Debt Redemption .....</i>  | <i>36</i> |
|           | <i>Provisions .....</i>   | <i>36</i> |
|           | <i>Insurance.....</i>   | <i>36</i> |
|           | <i>Contingent liabilities .....</i>   | <i>36</i> |
|           | <i>Reserves .....</i>   | <i>37</i> |
|           | <i>Group Accounts .....</i>   | <i>37</i> |
|           | <i>Schools .....</i>  | <i>38</i> |
|           | <i>Taxation .....</i>   | <i>38</i> |
|           | <i>Rounding.....</i>  | <i>38</i> |
| <b>2.</b> | <b>Critical judgements in applying accounting policies .....</b>  | <b>39</b> |
| <b>3.</b> | <b>Assumptions made about the future and other major sources of estimation<br/>uncertainty .....</b>  | <b>40</b> |
|           | <i>Property, Plant and Equipment .....</i>  | <i>41</i> |
|           | <i>Pensions Liability .....</i>   | <i>41</i> |
| <b>4.</b> | <b>Adjustments in the Expenditure and Funding Analysis.....</b>   | <b>43</b> |
|           | <i>Note A - Adjustments for Capital Funding and Expenditure Purposes ..</i>   | <i>44</i> |
|           | <i>Note B - Net change for the removal of pension contributions and the<br/>    addition of pension (IAS19) related expenditure and income.....</i> | <i>44</i> |
|           | <i>Note C - Other Differences .....</i>   | <i>44</i> |
| <b>5.</b> | <b>Analysis of income and expenditure by nature .....</b>   | <b>45</b> |

## Notes to the Statement of Accounts

---

|     |   |    |
|-----|---|----|
| 6.  | Adjustments between accounting basis and funding basis under regulations .....        | 46 |
| 7.  | Dedicated Schools Grant (DSG) .....   | 47 |
| 8.  | Partnership schemes under section 75 of the National Health Service Act 2006 .....    | 48 |
| 9.  | Members' Allowances .....   | 49 |
| 10. | Audit Fee .....   | 49 |
| 11. | Senior Officers' Remuneration .....   | 49 |
| 12. | Exit Packages .....   | 53 |
| 13. | Operating Leases .....  | 54 |
|     | <i>Right of Use Assets</i> .....  | 55 |
| 14. | Other Operating Expenditure .....   | 56 |
| 15. | Financing and Investment Income and Expenditure .....                                 | 56 |
| 16. | Financial Instruments - Income, Expenses, Gains or Losses .....                       | 57 |
| 17. | Retirement Benefits .....   | 58 |
|     | <i>The Local Government Pension Scheme (LGPS)</i> .....                               | 58 |
|     | <i>The Fire-Fighters Pension Schemes</i> .....  | 59 |
|     | <i>The Teachers' Pension Scheme</i> .....   | 59 |
|     | <i>Risk</i> .....   | 60 |
| 18. | Pension Reserve .....   | 67 |
| 19. | Grant Income .....  | 68 |
| 20. | Taxation and Non - Specific Grant Income .....  | 69 |
| 21. | Related Party Transactions .....  | 70 |
| 22. | Movement in Property, Plant & Equipment .....   | 72 |
| 23. | Investment Properties .....   | 74 |
| 24. | Assets Held for Sale .....  | 76 |
| 25. | Intangible Assets .....   | 76 |
| 26. | Heritage Assets .....   | 76 |
| 27. | Valuation of non-current assets .....   | 77 |
| 28. | Private Finance Initiative (PFI and similar contracts – Homes for Older People) ..... | 77 |
| 29. | Capital Spending .....  | 79 |
| 30. | Capital Financing .....   | 80 |
| 31. | Capital Financing Requirement .....   | 80 |

## Notes to the Statement of Accounts

---

|     |  |     |
|-----|--|-----|
| 32. | Capital Commitments.....   | 81  |
| 33. | Financial Instrument Carrying Values.....  | 82  |
| 34. | Financial Instrument Fair Values.....  | 82  |
| 35. | Long Term Debtors.....   | 86  |
| 36. | Debtors .....  | 86  |
| 37. | Cash and Cash Equivalents .....  | 87  |
| 38. | Risks arising from financial instruments.....  | 87  |
|     | <i>Credit Risk</i> .....   | 88  |
|     | <i>Liquidity Risk</i> .....  | 90  |
|     | <i>Market Risk</i> .....   | 90  |
|     | <i>Price Risk</i> .....  | 92  |
|     | <i>Foreign Exchange Risk</i> .....   | 92  |
| 39. | Creditors .....  | 92  |
| 40. | Provisions.....  | 93  |
| 41. | Deferred Income .....  | 94  |
| 42. | County Fund Balance.....   | 94  |
| 43. | Capital Grants Receipts in Advance.....  | 94  |
| 44. | Earmarked Reserves.....  | 96  |
|     | <i>School Reserves</i> .....   | 97  |
|     | <i>Insurance Reserve</i> .....   | 97  |
| 45. | Usable Capital Receipts .....  | 98  |
| 46. | Capital Grants and Contributions Unapplied.....  | 98  |
| 47. | Unusable Reserves .....  | 98  |
| 48. | Pooled Funds Adjustment Account .....  | 99  |
| 49. | Revaluation Reserve.....   | 99  |
| 50. | Capital Adjustment Account.....  | 100 |
| 51. | Collection Fund Adjustment Account .....   | 101 |
| 52. | Accumulated Absences Account .....   | 101 |
| 53. | Dedicated Schools Grant Adjustment Account .....   | 102 |
| 54. | Cash Flow Statement – Non-Cash Movements.....  | 102 |
| 55. | Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities ..... | 103 |
| 56. | Cash Flow Statement – Investing Activities.....  | 103 |
| 57. | Cash Flow Statement – Reconciliation of Liabilities Arising from   |     |

## Notes to the Statement of Accounts

---

|  |            |
|--|------------|
| <b>Financing Activities.....</b>                             | <b>104</b> |
| <b>58. Contingent Liabilities.....</b>                       | <b>105</b> |
| <b>59. Events after the Reporting Period .....</b>           | <b>105</b> |
| <b>60. Accounting standards issued but not adopted .....</b> | <b>106</b> |
| <b>61. Authorisation of the Accounts .....</b>               | <b>106</b> |

### 1. Summary of Significant Accounting Policies General

The Statement of Accounts summarises the County Council's transactions for the 2025/26 financial year and its position at the year-end 31 March 2026. It has been compiled in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

#### Going Concern

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the County Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when the cash payments are made or received.

Where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is reduced, and a charge is made to revenue for the income that might not be recoverable.

#### Government Grants and Contributions

Government grants and third-party contributions are accounted for on an accrual basis and are recognised in the Statement of Accounts when there is reasonable assurance that the County Council will comply with the conditions attached to their payment and that the grants or contributions will be received.

Grants and contributions relating to capital and revenue expenditure are recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the County Council has not satisfied. Conditions are stipulations that require the grant or contribution to be returned to the provider if the terms of the grant or contribution are not met.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (capital monies within Capital Grants Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant directorate line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income line (un-ringfenced revenue grants and all capital grants and contributions) in the Comprehensive Income and Expenditure Statement.

Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement are reversed out of the County Fund Balance in the Movement in Reserves Statement - where the grant/contribution has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve; where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with any conditions

## Notes to the Statement of Accounts

---

that would require repayment of the grant or contribution if not met, and the grants and contributions will be received.

Grants and contributions are credited to the Comprehensive Income and Expenditure Statement when recognised as due to the Council (i.e., specific revenue grants and contributions are credited to the relevant service line in the Cost of Services, and capital grants and contributions and non-ring-fenced grants are credited to Taxation and Non- Specific Grant Income and Expenditure).

Where specific revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement, but the associated expenditure has not yet been incurred, the grant is set aside in an Earmarked Revenue Reserve so that it can be matched with the expenditure in a subsequent year.

Capital grants and contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and are transferred to the Capital Adjustment Account (if the grant eligible expenditure has been incurred) or to the Capital Grants Unapplied Account.

Revenue grants and contributions that have been credited to the relevant directorate line in the Comprehensive Income and Expenditure Statement that remain unapplied as at the Balance Sheet Date and are required to meet committed expenditure in future years are transferred to an earmarked reserve through the Movement in Reserves Statement.

### **Council tax and business rates income**

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) for the year is the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the County Fund is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement.

The district councils in Oxfordshire act as agents of the County Council in collecting council tax and business rates. The cash collected from council tax payers and business rates payers belongs proportionately to the district councils and the major preceptors. There is, therefore, a debtor/creditor position between each district council and the County Council to recognise that the net cash paid to the County Council in the year is not the same as its share of cash collected. The County Council recognises its share of Council Tax and business rates debtor and creditor balances, impairment allowances for doubtful debts and provisions for losses on appeal in its Balance Sheet. The Cash Flow Statement of the County Council includes the net council tax and business rates cash received from the Collection Fund in the year.

### **Employee Benefits**

#### Benefits Payable during Employment

Short-term employee benefits are recognised as an expense in the year in which employees render service to the Council.

#### Termination Benefits

Termination benefits are charged, on an accrual basis, to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

## Notes to the Statement of Accounts

---

### Post-Employment Benefits

The County Council participates in four pension schemes:

- The Local Government Pension Scheme
- The Fire-fighters' Pension Scheme
- The Teachers' Pension Scheme and
- The NHS Pension Scheme

These schemes provide defined benefits to members, however, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the County Council. These schemes are, therefore, accounted for as if they are defined contribution schemes – no liability for future payment of benefits is recognised in the Balance Sheet and the relevant service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable in the year.

The County Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award are accounted for on the same basis as defined benefit schemes.

For the schemes treated as defined benefit schemes the Cost of Services includes:

- Current service cost – the increase in the present value of a scheme's liabilities resulting from employee service in the current period. This is included in the relevant directorate line within the Cost of Services.
- Past service cost – the increase in the present value of the scheme liabilities for employee service in prior periods, resulting from a scheme amendment or curtailment. This is included in Other Corporate Costs within the Cost of Services.
- Gain/loss on settlement – changes in liabilities relating to actions that relieve the County Council of primary responsibility for a pension obligation. This is included in Other Corporate Costs within the Cost of Services.

The net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - is included in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Remeasurements comprising actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuary has updated their assumptions and the return on scheme assets, excluding amounts included in net interest on the net defined liability (asset), are recognised in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.

Scheme assets attributable to the County Council are measured at fair value as at the Balance Sheet date. Scheme liabilities attributable to the County Council are measured on an actuarial basis using the projected unit method. The net pensions liability is recognised in the Balance Sheet.

The amount chargeable to the County Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each particular pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

Fire-Fighters injury awards are disability benefits paid by the County Council that do not form

## Notes to the Statement of Accounts

---

part of the Fire-Fighters Pension Scheme. However, the measurement of these long-term benefits is subject to the same degree of uncertainty as the measurement of fire-fighters post-employment benefits and therefore they are accounted for in the same way as Fire-Fighters post-employment benefits.

### Property, Plant and Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These include operational land and buildings, vehicles, plant and equipment, surplus assets, assets under construction and infrastructure.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the County Council and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance, which is charged directly to service revenue accounts as an expense when incurred.

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (this only applies when the County Council has an obligation to carry out such activities when the item is acquired, constructed or installed)

The County Council does not capitalise borrowing costs incurred whilst assets are under construction.

Property, Plant and Equipment is subsequently carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Other Property, Plant and Equipment assets (excluding surplus assets) – current value, determined as the amount that would be paid for the asset in its existing use

Surplus assets – fair value (at highest and best use), determined as the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value. A *de minimis* level of £30,000 is applied for land and buildings and £20,000 for vehicles and plant, other than for schools local capital spend where a *de minimis* of £2,000 is applied.

Revaluations of property assets are undertaken on a five-year rolling programme as shown below. Asset valuations are adjusted by indexation within the interim periods.

## Notes to the Statement of Accounts

|        |  | Date of Last<br>Revaluation | Date of Next<br>Revaluation |
|--------|--|-----------------------------|-----------------------------|
| Year 1 | Secondary and Special Schools, Other Educational Premises (Children’s, Youth and Sports Centres), Surplus Assets and properties not re-valued in other years.    | 2024/25                     | 2029/30                     |
| Year 2 | Primary, Nursery, Junior and Infant Schools  | 2025/26                     | 2030/31                     |
| Year 3 | Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot | 2023/24                     | 2028/29                     |

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a directorate.

Decreases in valuations are accounted for as follows:

Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant directorate in the Comprehensive Income and Expenditure Statement

Assets are assessed each year as to whether there is an indication of impairment. Where indications exist and the recoverable amount of the asset is materially lower than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified they are accounted for in the same way as decreases in valuations.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant directorate, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation of Property, Plant and Equipment

Depreciation is provided for on all Property, Plant and Equipment with a finite life, which is determined at acquisition or revaluation. Assets under construction are not depreciated until they are brought into use. Depreciation is an estimation technique that is calculated using the straight-line method with the following asset lives:

- Buildings: 60 years (or less if specified by the valuer)
- Vehicles, plant and equipment: between 5 and 30 years
- IT equipment and infrastructure: between 3 and 5 years
- Infrastructure (roads and bridges): 35 years

Land is determined to have an infinite life and is not depreciated.

## Notes to the Statement of Accounts

---

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Infrastructure Assets

Infrastructure assets are recognised in the Balance Sheet under Property, Plant and Equipment and include carriageways, structures (e.g. bridges), footways and cycle tracks, street lighting and street furniture which together form a single integrated network.

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Infrastructure assets are generally measured at depreciated historical cost.

Where impairment losses are identified they are accounted for by writing down the carrying amount of the asset to the recoverable amount.

Depreciation is charged on a straight-line basis on parts of the infrastructure network assets that are subject to deterioration or depletion.

When a component of the infrastructure network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals, if any, are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

The written off value of disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

### Charges to Revenue for Property, Plant and Equipment

Services, support services and trading accounts are charged with a capital charge for all Property, Plant and Equipment used in the provision of services. The charge covers the annual provision for depreciation and revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off. The County Council is not required to raise council tax to fund depreciation or revaluation/impairment losses. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (referred to as Minimum Revenue Provision (MRP)). Depreciation and revaluation/impairment losses are therefore replaced by the MRP contribution in the County Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

### Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset

## Notes to the Statement of Accounts

---

Held for Sale. To be classified as an Asset Held for Sale the asset must meet the following criteria:

- Available for immediate sale in its present condition
- The sale must be highly probable
- Actively marketed at a reasonable sale price
- The sale should be expected to be completed within 1 year

Assets Held for Sale are measured at the lower of their carrying value and fair value less costs to sell at initial reclassification. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Decreases in fair value less costs to sell are recognised in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Property, Plant and Equipment and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Receipts from the disposal of assets in excess of £10,000 are categorised as capital receipts. Capital receipts are appropriated to the Capital Receipts Unapplied reserve from the County Fund Balance in the Movement in Reserves Statement.

The written off value of assets disposed of is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

### Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value (at highest and best use), being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains and losses on disposal are posted to Other Operating Expenditure. The gains and losses are reversed out of the County Fund Balance to the Capital Adjustment Account (or Capital Receipts Unapplied for disposal receipts over £10,000) in the Movement in Reserves Statement so that they do not impact on Council Tax.

### Revenue Expenditure Funded from Capital Under Statute

Capital expenditure on non-current assets not owned by the County Council and grants given by

## Notes to the Statement of Accounts

---

the County Council for capital purposes are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement. In accordance with statutory provisions this expenditure is transferred from the County Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement, such that there is no impact on Council Tax.

### **Private Finance Initiative (PFI) and similar contracts (service concession arrangements)**

PFI type contracts involve a private sector entity (the operator) constructing or enhancing property used in the provision of a public service and operating and maintaining that property for a specified period of time. The operator is paid for its services over the period of the arrangement. Where the County Council controls or regulates the services provided by the operator and controls the residual interest in the property at the end of the term of the arrangement the contract meets the tests for accounting as a service concession arrangement.

Properties used in service concession arrangements are recognised as Property, Plant and Equipment of the County Council. The original recognition of the assets at fair value (based on the cost to purchase the assets) is matched by the recognition of liabilities for amounts due to the operators to pay for the assets and deferred income where the operator part funds the assets from income from third parties. Once recognised on the Balance Sheet these assets are revalued and depreciated in the same way as other Property, Plant and Equipment owned by the County Council.

The amounts payable to the service concession arrangement operators each year are analysed into five elements:

- The value of services received during the year – charged to the relevant directorate in the Comprehensive Income and Expenditure Statement
- Finance costs – an interest charge on the outstanding finance liability – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payments towards the finance liability – applied to write down the Balance Sheet liability towards the operator
- Contingent rents – inflationary increases in the amounts to be paid for the property arising during the contract – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Note for the County Council's current service concession arrangement there is no inflation applied to the elements of the contract payments relating to the property build costs and, therefore, there are no contingent rents.
- Lifecycle replacement costs – recognised as a capital prepayment in the Balance Sheet and transferred to Property, Plant and Equipment when capital works are undertaken.

Deferred income is released to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the service concession period.

### **Leases**

Leases are classified as finance leases where the terms transfer substantially all the risks and rewards incidental to ownership of the asset from the lessor to the lessee. All other leases are classified as operating leases. Where a property lease covers both land and buildings, the elements are considered separately for classification purposes. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted

## Notes to the Statement of Accounts

---

for under this policy where fulfilment of the arrangement depends on the use of specific assets.

Leased assets are recognised as a right-of-use asset at the date from which the asset is available for use or, from 1 April 2024, if later. At the same time, the Council recognises a corresponding lease liability. The liability is measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or, if not available, the Council's incremental borrowing rate based on the expected term of the lease. Lease payments include fixed payments, variable payments based on an index or rate, amounts under residual value guarantees, payments for purchase or renewal options where reasonably certain, and penalties for early termination where applicable.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for any prepayments, direct costs incurred, and obligations to dismantle or restore the underlying asset, less any incentives received. For leases with nil or peppercorn consideration, the asset is measured at fair value, and any excess over cost is credited to the Comprehensive Income and Expenditure Statement, with a corresponding transfer through the Movement in Reserves Statement to mitigate the impact on the General Fund Balance. This treatment reflects the economic substance of the arrangement rather than its legal form.

After initial recognition, right-of-use assets are carried at cost unless fair value measurement is required for longer-term leases without regular rent reviews or where market conditions are expected to fluctuate significantly. In such cases, the revalued amount reflects only the rights acquired under the lease, not the full value of the underlying asset. Lease liabilities are subsequently measured at amortised cost using the effective interest method and are remeasured when there are changes in lease terms, indices, or options. Any adjustment to the liability is reflected in the carrying amount of the right-of-use asset.

Right-of-use assets are depreciated over the shorter of the lease term or the asset's useful life, and interest on lease liabilities is charged to Financing and Investment Income and Expenditure. Depreciation begins from the commencement date of the lease and continues until the earlier of the end of the lease term or the end of the asset's useful life. This ensures that the cost of using the asset is recognised systematically over the period of benefit.

Leases for assets costing less than £10,000 when new, or with terms under 12 months, are treated as low-value or short-term leases and are expensed directly to the Comprehensive Income and Expenditure Statement. This practical expedient avoids unnecessary complexity for immaterial arrangements.

Where substantially all risks and rewards are transferred to the lessee under a finance lease, the asset is removed from the Balance Sheet and a debtor is recognised for the lease receivable. The gain on disposal is credited to Other Operating Expenditure and treated as a capital receipt where required by statute. Rentals received under finance leases are apportioned between repayment of the debtor and finance income, ensuring that income is recognised over the term of the lease in line with the pattern of economic benefits.

Assets leased under operating leases remain on the Balance Sheet. Rental income is credited to the relevant service line in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease term, even where this does not match the pattern of cash receipts. Initial direct costs of the lease are added to the carrying amount of the asset and expensed over the lease period. This approach ensures that income and costs are recognised consistently and transparently.

### Cash and Cash Equivalents

Cash is represented by cash in hand and bank deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The County Council treats the following as cash equivalents:

- Instant Access Call Accounts
- Instant Access Short Term Funds
- Deposits with one working day to maturity from date of deposit

### Financial Assets

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as at amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial assets are classified into three types:

- Amortised cost
- Financial assets at fair value through Other Comprehensive Income
- Financial assets at fair value through profit or loss

Financial Assets at Amortised cost are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Credits to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for external interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate for the instrument. For the majority of the County Council's investments, the effective interest rate is the same as the actual interest receivable in accordance with the loan agreement. Short duration receivables with no stated interest rates (e.g. debtors) are measured at original invoice amount.

The Council recognises expected credit losses on all its financial assets held at amortised cost.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis.

Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The expected credit loss model also applies to lease receivables. Lifetime losses are recognised for trade receivables (debtors) held by the Council.

The County Council has made a number of loans to clients and other organisations at less than market interest rates or zero rate (referred to in the Code as soft loans). For the County Council there are no material differences between the fair value and the nominal value of such loans and no adjustments are made on initial recognition of these loans.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the carrying value of the asset is reduced through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing

## Notes to the Statement of Accounts

---

and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial assets at fair value through Other Comprehensive Income are initially measured and carried in the Balance Sheet at fair value. Where the asset has fixed or determinable payments, credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable.

Assets are maintained in the Balance Sheet at fair value. Values are based on:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets that the County Council can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset

Changes in fair value are balanced by an entry in the Financial Instruments Adjustment Account and the gain/loss recognised in Other Comprehensive Income and Expenditure (except for impairment losses).

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses recognised in the Financial Instruments Revaluation Reserve.

Financial assets at fair value through profit or loss are initially measured and carried in the Balance Sheet at fair value. Movements in fair value are balanced by posting gains and losses to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement as they arise. Any residual gains and losses arising on derecognition are also credited/debited to the Comprehensive Income and Expenditure Statement. The basis of fair value and the inputs to the measurement techniques is the same as for Financial assets at fair value through Other Comprehensive Income.

The carrying amounts of individual financial assets are separated into their current (short-term) and non-current (long-term) elements for presentation within the Balance Sheet.

### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the County Council becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and are carried at their amortised cost.

Interest is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the liabilities, multiplied by the effective rate of interest for the instruments. This means that:

- The amount included in the Balance Sheet is the outstanding principal repayable, plus accrued interest; and
- Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### Debt Redemption

The County Council complies with legislation to charge a Minimum Revenue Provision (MRP) to the County Fund revenue account for the repayment of debt by making a straight-line charge of the outstanding pre-2008 capital expenditure as at 1 April 2017 calculated over a 50-year period and making provision for repayment of prudential borrowing in equal instalments over the estimated life of the asset for which the borrowing is undertaken. In addition, the provision for repayment of debt includes an amount equal to the amount that is taken to the Balance Sheet to reduce the liabilities in respect of PFI and similar contracts and for the prepayment of lifecycle costs relating to these contracts, and an amount equal to the amount that is taken to the Balance Sheet to reduce liabilities in respect of finance leases.

### Provisions

Provisions are made where the County Council has a present obligation (legal or constructive) as a result of a past event that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and are adjusted to reflect the current best estimate against the appropriate directorate in the Comprehensive Income and Expenditure Statement. When payments are eventually made they are charged directly to the provision.

### Insurance

The County Council has a policy of self-insurance of claims across its main insurance categories. In accordance with the Code the insurance provision is set aside to cover insurance claims actually received and awaiting resolution that have been advised to the County Council and which it has been decided to be insured internally rather than externally. Subject to identified contingent liabilities there are no significant unfunded risks.

### Contingent liabilities

Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed by one or more uncertain events occurring in the future and are not wholly under the County Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that there will be a transfer of economic benefits or where the obligation cannot be measured with sufficient reliability.

## Notes to the Statement of Accounts

---

Financial guarantee contracts come under the definition of financial instruments and are initially recognised in the accounts at fair value. This only applies to guarantees entered into after 1 April 2006. Any entered into before that date continue to be recognised as contingent liabilities. If payment under the guarantee becomes probable the liability would be determined in accordance with the requirement for provisions.

### Reserves

A reserve, whether capital or revenue, results from events that have allowed monies to be set aside, surpluses, or decisions causing anticipated expenditure to have been postponed or cancelled. These can be spent or earmarked at the discretion of the County Council. Earmarked revenue reserves can be used to set aside available monies for major anticipated capital schemes, for projects or service arrangements that the County Council may wish to carry out, business unit surpluses, service efficiency savings and contingent liabilities where a provision is not required.

Reserves are established and used for different reasons. These include:

- Usable reserves - reserves that can be used at the County Council's discretion to Fund either revenue or capital spend.
- Unusable reserves - reserves relating to unrealised gains, such as the Revaluation Reserve, that are not "cash backed" and cannot be used to fund future capital or revenue spending and reserves relating to differences between accounting policy and statutory requirements, such as the Capital Adjustment Account.

Earmarked reserves are created by appropriating amounts from the County Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to the appropriate directorate. The reserve is then appropriated back into the County Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212) require DSG deficits to be held in a separate reserve in local authorities' accounts. These regulations, which require the negative balance to be held in an unusable reserve were extended to 31 March 2028. As part of the Final Local Government Finance Settlement for 2026/27, published on 9 February 2026, the Government set out that they will: "resolve 90% of local authorities' DSG High Needs deficits accrued to the end of 2025/26". All local authorities with a SEND deficit will be eligible to receive grant funding subject to submitting and securing the Department for Education's (DfE) approval of a local SEND reform plan. These accounts are prepared on the basis that 90% of the deficit at the end of 2025/26 is eligible to be grant funded.

### Group Accounts

The County Council is required to prepare group accounts where it has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality. For 2025/26 the County Council did not have any such interests that are considered material and therefore prepared these accounts only as a single entity rather than as group accounts.

The County Council participates in a number of joint operations e.g. pooled budget arrangements with the health sector. The County Council accounts directly, in its single entity accounts, for its part of the assets, liabilities, income, expenditure and cash flows held within or arising from such

## Notes to the Statement of Accounts

---

an arrangement.

There are a number of circumstances where the County Council exercises limited influence, and these are disclosed as related parties. Under these circumstances, transactions with these bodies are charged against the appropriate service in the Comprehensive Income and Expenditure Statement, and balances owed by them or to them are included in debtors and creditors.

From 31 March 2024, Local Enterprise Partnerships (LEPs) ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities, where they exist. Effective from 1 April 2024, Oxfordshire County Council acquired a controlling interest in Enterprise Oxfordshire (previously OxLEP) — and became its sole member. This controlling interest potentially qualifies the Council to prepare group accounts in accordance with relevant accounting standards.

For the financial year 2025/26, however, the activities of Enterprise Oxfordshire were not material in the context of Oxfordshire County Council's overall financial statements. Consequently, group accounts have not been prepared. Instead, transactions with Enterprise Oxfordshire are disclosed within Related Parties.

### Schools

Under the Code, local authority-maintained schools are considered to be separate entities with the balance of control lying with the Council. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for in the single entity accounts of the Council rather than requiring consolidation in the Group Accounts.

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These are held as usable earmarked reserves and are committed to be spent on schools.

### Taxation

The County Council is exempt from income tax, corporation tax and from capital gains tax.

Value Added Tax is excluded from both revenue and capital in terms of both income and expenditure except where the County Council is not able to recover VAT on expenditure.

The County Council incurs landfill tax, which is charged on a tonnage basis to the County Council by its waste disposal contractors.

In addition, the County Council incurs stamp duty land tax on the acquisition of property freeholds and leaseholds, climate change levy on its energy bills and insurance premium tax on its insurance costs. Also, the County Council incurs employer's National Insurance contributions based on a percentage of staff salaries.

Where the County Council incurs tax, this cost is charged to directorates in the Comprehensive Income and Expenditure Statement.

### Rounding

In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast. Also, Sometime the notes will have opposite signs to the numbers on the balance sheet, because they show the opposite accounting entry of the transaction.

### 2. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the County Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The County Council has made an assessment of the balance sheet treatment of schools' non-current assets in accordance with IAS 16 Property, Plant and Equipment and IAS 17 Leases. Where assets are owned by the Council and used by maintained schools, the economic benefits and service potential of the asset is considered to be within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore, the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations). The property valuers (an MRICS qualified County Council employee and Sanderson Weatherall) are informed of changes to the ownership of County Council assets by the County Council's Legal Services department, and any adjustments to the value of assets as a consequence are reflected in the County Council's balance sheet.
- School land and buildings that have transferred to academy trusts under 125 year leases (or where the freehold has transferred) have been written out of the County Council's Balance Sheet based on an assessment in accordance with IAS 17 Leases and IAS 16 Property, Plant and Equipment. Newly constructed School land and buildings that are the subject of short-term lease/license agreements with academy trusts but are expected to transfer under 125 year leases have also been written out of the County Council's Balance Sheet based on this assessment.
- An assessment under IFRIC 12 Service Concession Arrangements concluded that the County Council controls the residential care services provided under the agreement with Oxfordshire Care Partnership (OCP) and the residual value of all but one of the homes at the end of the agreement. This includes Chilterns Court Care Centre which came into operation during 2016/17. Except for the home where the residual value at the end of the contract rests with OCP, the accounting policies for PFI and similar contracts have been applied to the arrangement and the homes are recognised as Property, Plant and Equipment on the Balance Sheet, see note 22. A finance liability has been recognised on the Balance Sheet for the amounts due to be paid under the contract for the new homes built by OCP.
- OXLEP Ltd, trading as Enterprise Oxfordshire operates as a Teckal company, wholly owned by Oxfordshire County Council. On 1 April 2024, the County

## Notes to the Statement of Accounts

---

Council became the sole member of OXLEP Ltd, trading as Enterprise Oxfordshire, a company limited by guarantee (Company Registration Number 09519056). The company oversees the delivery of a comprehensive set of business, skills, investment and trade support services, as well as supporting a variety of strategies backing Oxfordshire's economic potential to be delivered in a sustainable and inclusive manner. Governance is overseen by Oxfordshire County Council's Shareholder Committee, with the Enterprise Oxfordshire Board reporting directly into it. The Oxfordshire Economic Partnership Board, an advisory business board, supports the Cabinet and Shareholder Committee groups with economic strategy and county's business voice engagement.

- The County Council has two pooled budgets with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), the successor body to the Oxfordshire Clinical Commissioning Group (OCCG) and one with Oxford Health NHS Foundation Trust. These pooled budgets operate to deliver better outcomes for people supported by Adult Social Care. Based on an assessment in accordance with IFRS 11.
- Joint Arrangements and FRS 15 Revenue (in relation to principal and agent transactions), the Pooled Budgets are considered to be joint operations. This means that only expenditure and income attributable to the County Council (and equal to the authority's contribution as set out in Note 8) is included in the Council's accounts.
- The BOB ICB is the Accountable Body for Oxfordshire's allocation of the Better Care Fund and will be held to account by NHS England for the appropriate use of the resources locally. The Better Care Fund allocation received by BOB ICB forms part of its contribution to the Better Care Fund Pooled Budget and as such is reported within their accounts.
- In accordance with IAS 32 Financial Instruments: Presentation, the County Council determines the short term/long term categorisation of borrowing by reference to the earliest date on which the lender can require payment. The right to increase the interest rate payable without limit, as in a 'Lender Option, Borrower Option' (LOBO) loan, is treated as a right to require repayment. Consequently, LOBOs are classified as short-term where option dates are due within 12 months of the balance sheet date.

### **3. Assumptions made about the future and other major sources of estimation uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the County Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates made.

The items in the County Council's Balance Sheet at 31 March 2026 for which there is significant risk of material adjustment in the forthcoming year are as follows:

### Property, Plant and Equipment

The financial year 2025/26 was year three of a five-year revaluation cycle. The County Council's Property, Plant and Equipment assets have been valued on one of the following three bases under IFRS: Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets. Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature. Fair Value (Market Value) – method used to value property assets held as investments, surplus or for sale. Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings. Valuer assumptions are reviewed and incorporated as required. Reductions in the budget for repairs and maintenance spending brings into doubt the useful lives assigned to buildings. If the useful life of buildings is reduced, depreciation increases and the carrying amount of the building falls.

### Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase and mortality rates. The assumptions used are set out in the Retirement Benefits Note 17. The County Council uses a firm of actuaries, Hymans Robertson LLP, to provide expert advice about the assumptions to be applied. The discount rate used is based on corporate bond yields that reflect the duration of the employer's liabilities.

The effects on the net pension liability of changes in the discount rate or mortality rates are provided in the sensitivity analysis table in the Retirement Benefits Note 17. The IAS 19 balance sheet is based on financial market values and future market expectation indicators as at 31 March 2025 to comply with the accounting standard.

In accordance with IAS 19, the asset ceiling restricts the amount of a defined benefit pension surplus that can be recognised on the balance sheet. It is defined as the present value of the economic benefits available to the authority, either through refunds from the pension plan or reductions in future contributions. Where applicable, the net defined benefit asset must be limited to this ceiling to ensure that only accessible and realisable surpluses are reported. Oxfordshire County Council has applied the asset ceiling for the first time in the 2024/25 reporting period.

The actuary made assumptions regarding the impact arising from Legal and regulatory uncertainty. No additional allowance has been made within the accounting balance sheet for the June 2023 legal judgement. This approach has been taken because, at the time of writing, the ruling applies only to the named private sector pension scheme. Although the judgement was subject to appeal, the Court of Appeal dismissed it in July 2024, meaning the original ruling stands. It remains unknown whether Section 37 certificates exist for prior LGPS scheme amendments or whether any remedy would be required for public service schemes, including the LGPS. Furthermore, the potential impact of any such remedy is also unclear. Pension bodies have asked the Department for Work and Pensions (DWP) to consider pragmatic solutions for schemes unable to evidence historic Section 37 confirmation, such as introducing legislation to allow retrospective certification to validate historic changes.

## Notes to the Statement of Accounts

---

The impact of full GMP indexation has already been included in the calculation of the latest funding valuation results. These results form the basis for the accounting roll-forward calculations, and therefore, the accounting disclosure already reflects this allowance.

The further Lloyds ruling concerning historical transfers is unlikely to significantly affect the pension obligations of a typical employer. Additionally, the individual member data required to assess any potential impact is not readily available. As a result, no allowance has been made for this within the calculations at the Accounting Date. In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II Limited*) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Oxfordshire County Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

The McCloud judgement has been accounted for in the latest funding valuation results. Since these results are used as the starting point for the accounting roll-forward calculations, the accounting disclosure includes an allowance for this judgement.

An approximate analysis has previously been carried out across LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. Although the remedy remains uncertain, the estimated impact is very small—around 0.1% of obligations for a typical fund. Given the low materiality, the complexity of applying an unknown remedy, and the additional work and fees involved, it is not considered necessary or appropriate to make an adjustment at this time.

There are other court cases, such as *Walker and O'Brien*, which may impact LGPS benefits in the future. However, these are currently understood to be unlikely to result in significant changes to the pension obligations of a typical employer. Therefore, no allowance has been made for potential remedies related to these judgements until further guidance is issued by the relevant LGPS governing bodies.

In December 2024, the UK Government published the English Devolution White Paper, which outlines significant proposals to expand the powers of regional mayors, reorganise local government structures, and provide financial incentives to support local economies. No allowance has been made for the potential impact of these proposals on the Employer within this Results Schedule. Any implications will be assessed and incorporated into future valuations and financial statements as more details become available.

## Notes to the Statement of Accounts

### 4. Adjustments in the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to the net expenditure chargeable to the County Fund to arrive at the amounts reported in the Comprehensive Income and Expenditure Statement.

| 2024/25  |   |                                     |                            | 2025/26   |   |                                     |                            |                |
|--|---|-------------------------------------|----------------------------|---|---|-------------------------------------|----------------------------|----------------|
| Adjustments for Capital Purposes (Note A)<br>£'000 | Net Charge for the Pensions Adjustments (Note B)<br>£'000 | Other Differences (Note C)<br>£'000 | Total Adjustments<br>£'000 | Adjustments for Capital Purposes (Note A)<br>£'000          | Net Charge for the Pensions Adjustments (Note B)<br>£'000 | Other Differences (Note C)<br>£'000 | Total Adjustments<br>£'000 |                |
| 8,244  | -925  | -4,159                              | 3,160                      | Adult Services  | 7,274   | -2,557                              | 1,830                      | 6,547          |
| 36,940   | -6,110  | 30,462                              | 61,292                     | Children's Services   | 47,904  | -10,600                             | 52,432                     | 89,736         |
| 55,574   | -406  | 984                                 | 56,152                     | Environment & Highways                                      | 43,118  | -1,015                              | -4,153                     | 37,950         |
| -947   | -422  | 2,704                               | 1,335                      | Economy and Place   | -500  | -681                                | -132                       | -1,313         |
| 3,586  | -3,488  | 1,131                               | 1,229                      | Fire & Rescue   | -25   | -4,460                              | 100                        | -4,385         |
| 2,136  | -240  | 3,119                               | 5,015                      | Service and Community Safety                                | -1,601  | -648                                | 1,653                      | -596           |
| 9,333  | -1,293  | 645                                 | 8,685                      | Public Health & Communities                                 | 7,943   | -3,183                              | 5,133                      | 9,893          |
| 16   | 2,855   | -1,678                              | 1,193                      | Resources and Law & Governance                              | 3,658   | 2,345                               | -979                       | 5,024          |
| <b>114,882</b>                                     | <b>-10,029</b>  | <b>33,208</b>                       | <b>138,061</b>             | Other Corporate Costs                                       | <b>107,771</b>  | <b>-20,799</b>                      | <b>55,884</b>              | <b>142,856</b> |
| -142,426   | 11,906  | -41,326                             | -171,846                   | <b>Service Costs</b>  | -192,623  | -3,407                              | -39,854                    | -235,884       |
| <b>-27,544</b>                                     | <b>1,877</b>  | <b>-8,118</b>                       | <b>-33,785</b>             | <b>Other Income and expenditure not charged to services</b> | <b>-84,852</b>  | <b>-24,206</b>                      | <b>16,030</b>              | <b>-93,028</b> |
|  |   |                                     |                            | <b>Surplus (-) or Deficit (+)</b>                           |   |                                     |                            |                |

\*Transformation, Digital & Customer Experience was merged into Resources and Law & Governance in 2025/26. Prior-year figures have been merged in line with the organisational structure as at 31 March 2026.

## Notes to the Statement of Accounts

---

### Note A - Adjustments for Capital Funding and Expenditure Purposes

Service lines have been adjusted to:

- Add in depreciation, amortisation, impairment and revaluation gains/losses and capital expenditure on third party assets which is not recognised on the County Council's balance sheet.
- Remove capital expenditure funded from revenue and finance lease/service concession principal repayments which are not chargeable to service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for the disposal of assets to 'Other income and expenditure not charged to services'.

Other income and expenditure not charged to services has been adjusted to:

- Add in income on disposal of assets and the amounts written off those assets, the movement in the fair value of investment property and capital grants and contributions receivable in the year without conditions or for which conditions were satisfied during the year.
- Remove the statutory charge for capital financing i.e. Minimum Revenue Provision which is not chargeable under generally accepted accounting practices

### Note B - Net change for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income

Service lines have been adjusted to remove employer pension contributions made by the County Council in accordance with statute and replace with current service costs, past service costs/curtailments and settlements.

Other income and expenditure not charged to services has been adjusted to add in the net interest on the defined benefit liability and adjust for the fire-fighters pension fund top-up grant.

### Note C - Other Differences

Service lines have been adjusted to:

- Add in expenditure for staff holiday entitlement.
- Remove transfers to/from earmarked reserves which did not form part of service expenditure under generally accepted accounting practice.
- Transfer expenditure and income for trading operations and financing costs to, and other corporate service costs/income from, the 'Other income and expenditure not charged to services' line.
- Remove expenditure recharged from one service to another within the County Council

Other income and expenditure not charged to services has been adjusted to:

- Add in the difference between the amount received under statutory regulations for Council Tax and Business Rates notified when the budget was set and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.  
Remove corporate transfers to/from earmarked reserves which are not recognised as expenditure under generally accepted accounting practice.

## Notes to the Statement of Accounts

### 5. Analysis of income and expenditure by nature

| 2024/25<br>£'000  | Income and Expenditure   | 2025/26<br>£'000  |
|-------------------|--|-------------------|
| -103,981          | Fees, charges and other service income                         | -114,072          |
| -726,610          | Government grants and contributions                            | -842,069          |
| -38,869           | Interest and investment income                                 | -27,481           |
| -546,690          | Income from council tax and non-domestic rates                 | -584,792          |
| -4,266            | Proceeds from the disposal of non-current assets               | -3,086            |
| <b>-1,420,416</b> | <b>Total Income</b>  | <b>-1,571,499</b> |
| 435,029           | Employee benefits expenses                                     | 440,965           |
| 853,712           | Other service expenses   | 968,718           |
| 59,199            | Depreciation, amortisation, impairments and revaluations       | 54,841            |
| 16,824            | Interest payable and similar charges                           | 16,253            |
| 5,975             | Net interest expense on the pension defined liability          | -8,483            |
| 20,866            | Costs from the disposal of non-current assets                  | 17,219            |
| <b>1,391,605</b>  | <b>Total Expenditure</b>                                       | <b>1,489,513</b>  |
| <b>-28,811</b>    | <b>Surplus (-) or Deficit (+) on the Provision of Services</b> | <b>-81,986</b>    |

A segmental analysis of fees, charges and other service income is shown in the following table.

| 2024/25<br>£'000 | Fees and Charges by Directorate                    | 2025/26<br>£'000 |
|------------------|--|------------------|
| -61,912          | Adult Services                                     | -65,541          |
| -13,344          | Children's Services                                | -13,501          |
| -19,027          | Environment & Highways                             | -25,517          |
| -1,558           | Economy and Place                                  | -1,719           |
| -158             | Fire & Rescue Service and Community Safety         | -272             |
| -786             | Public Health & Communities                        | -961             |
| -6,498           | Resources and Law & Governance & Corporate Savings | -6,553           |
| -698             | Corporate  | -8               |
| <b>-103,981</b>  | <b>Total Fees and Charges</b>                      | <b>-114,072</b>  |

\*Transformation, Digital & Customer Experience was merged into Resources and Law & Governance & Corporate Savings in 2025/26. Prior-year figures have been merged in line with the organisational structure as at 31 March 2026.

## Notes to the Statement of Accounts

### 6. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the County Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the County Council to meet future capital and revenue expenditure.

| 2024/25             |                     |                            |                                    |                   |  | 2025/26             |                     |                            |                                    |                   |
|---------------------|---------------------|----------------------------|------------------------------------|-------------------|--|---------------------|---------------------|----------------------------|------------------------------------|-------------------|
| County Fund Balance | Ear-marked Reserves | Capital Receipts Unapplied | Capital Grants & Contbns Unapplied | Unusable Reserves |  | County Fund Balance | Ear-marked Reserves | Capital Receipts Unapplied | Capital Grants & Contbns Unapplied | Unusable Reserves |
| £'000               | £'000               | £'000                      | £'000                              | £'000             |  | £'000               | £'000               | £'000                      | £'000                              | £'000             |
|                     |                     |                            |                                    |                   | <b>Adjustments to Revenue Resources</b>  |                     |                     |                            |                                    |                   |
| 1,877               |                     |                            |                                    | -1,877            | Pension Costs transferred to (or from) the Pensions Reserve  | -24,192             |                     |                            |                                    | 24,192            |
| -2                  |                     |                            |                                    | 2                 | Financial instruments transferred to the Financial Instrument Adjustment Account   | -2                  |                     |                            |                                    | 2                 |
| -113                |                     |                            |                                    | 113               | Gain or Loss on the valuation of pooled investment funds   | -3,682              |                     |                            |                                    | 3,682             |
| 1,795               |                     |                            |                                    | -1,795            | Council Tax and Business Rates transferred to the Collection Fund Adjustment Account   | -1,249              |                     |                            |                                    | 1,249             |
| 9                   |                     |                            |                                    | -9                | Holiday pay transferred to the Accumulated Balances Account  | -544                |                     |                            |                                    | 544               |
| 141,467             |                     |                            |                                    | -141,467          | Reversal of entries included in the Surplus of Deficit on the Provision of Services in relation to capital expenditure to the Capital Adjustment Account | 130,736             |                     |                            |                                    | -130,736          |
|                     |                     |                            |                                    |                   | <b>Adjustments between Revenue and Capital Resources</b>   |                     |                     |                            |                                    |                   |
| -4,254              |                     | 4,254                      |                                    |                   | Transfer of non-current asset sale proceeds to the Capital Receipts Unapplied Reserve  | -3,042              |                     | 3,042                      |                                    |                   |
| -16,758             |                     |                            |                                    | 16,758            | Statutory provision for the repayment of debt transferred to the Capital Adjustment Account  | -19,851             |                     |                            |                                    | 19,851            |
| -3,334              |                     |                            |                                    | 3,334             | Capital expenditure financed from revenue balances transferred to the Capital Adjustment Account   | -2,865              |                     |                            |                                    | 2,865             |
| -119,594            |                     |                            | -63,170                            | 182,764           | Capital grants and contributions applied   | -152,933            |                     |                            | -37,765                            | 190,698           |
| -25,071             |                     |                            | 25,071                             |                   | Capital gains and contributions receivable not applied to finance capital expenditure  | -36,683             |                     |                            | 36,683                             |                   |
|                     |                     |                            |                                    |                   | <b>Adjustments to Capital Resources</b>  |                     |                     |                            |                                    |                   |
|                     |                     | 0                          |                                    | 0                 | Repayment of loans   |                     |                     | 0                          |                                    | 0                 |
| <b>-23,978</b>      | <b>0</b>            | <b>4,254</b>               | <b>-38,099</b>                     | <b>57,823</b>     | <b>Total</b>   | <b>-114,307</b>     | <b>0</b>            | <b>3,042</b>               | <b>-1,082</b>                      | <b>112,347</b>    |

## Notes to the Statement of Accounts

### 7. Dedicated Schools Grant (DSG)

The County Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education. An element of DSG is recouped by the Department to fund academy schools in the County Council's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the schools Budget, as defined in the School and Early Years Finance (England) Regulations 2023. The school Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. DSG income and expenditure is part of the Children's Services Directorate. Details of the deployment of DSG receivable for 2025/26 (with comparators) are as follows:

| 2024/25                      |                 |                 | 2025/26                      |                 |                 |
|------------------------------|-----------------|-----------------|------------------------------|-----------------|-----------------|
| Central Expenditure<br>£'000 | ISB<br>£'000    | Total<br>£'000  | Central Expenditure<br>£'000 | ISB<br>£'000    | Total<br>£'000  |
|                              |                 | 703,724         |                              |                 | 790,654         |
|                              |                 | -399,530        |                              |                 | -440,363        |
|                              |                 | 304,194         |                              |                 | 350,290         |
|                              |                 | 0               |                              |                 | 0               |
|                              |                 | 0               |                              |                 | 0               |
| <b>102,973</b>               | <b>201,221</b>  | <b>304,194</b>  | <b>110,087</b>               | <b>240,204</b>  | <b>350,290</b>  |
| 0                            | -866            | -866            | 0                            | -430            | -430            |
| <b>102,973</b>               | <b>200,355</b>  | <b>303,328</b>  | <b>110,087</b>               | <b>239,774</b>  | <b>349,861</b>  |
| -139,673                     |                 | -139,673        | -167,117                     |                 | -167,117        |
|                              | -199,314        | -199,314        |                              | -237,769        | -237,769        |
| 1,200                        | 0               | 1,200           | 0                            | 0               | 0               |
| <b>-138,473</b>              | <b>-199,314</b> | <b>-337,787</b> | <b>-167,117</b>              | <b>-237,769</b> | <b>-404,886</b> |
| -35,500                      | 1,041           | -34,459         | -57,030                      | 2,005           | -55,025         |
|                              |                 | -45,824         |                              |                 | -80,284         |
|                              |                 | <b>-80,284</b>  |                              |                 | <b>-135,309</b> |

The statutory reporting requirements for the 2025/26 accounts require the closing deficit balance on Dedicated Schools Grant to be held within unusable reserves in a Dedicated Schools Grant Adjustment Account. The unusable reserve exists for 5 years within statute until 31 March 2028. As part of the Local government finance settlement for 2026/27 the government announced they would fund up to 90% of deficits up to 31 March 2026, subject to approval of a SEND reform Plan. The council submitted this to the Department for Education in June 2026 and feedback is awaited.

## Notes to the Statement of Accounts

### 8. Partnership schemes under section 75 of the National Health Service Act 2006

Oxfordshire County Council, Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (formerly Oxfordshire Clinical Commissioning Group) and Oxford Health NHS Foundation Trust are working together to improve services and support for the people of Oxfordshire. Under Section 75 of the National Health Services Act 2006, the Council has existing and long-standing agreements to pool resources and deliver shared objectives. The overarching intention is that working together across service areas will lead to better outcomes for service users, more effective decision making, and better use of pooled resources.

| Pooled Budget                  | Age Well Pool   |                 | Live Well Pool   |                 | Mental Health Provider Pool  |                |
|--------------------------------|---|-----------------|--|-----------------|--|----------------|
| <b>Partner</b>                 | Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)   |                 | Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)  |                 | Oxford Health NHS Foundation Trust   |                |
| <b>Purpose</b>                 | Commissions services for older people including care home placements, services supporting community resilience and hospital avoidance (eg. care at home and day time services), prevention and carer support. |                 | Commissions services for adults of working age with a learning disability, physical disability or mental health assessed needs along with support for people with an acquired brain injury. Services include supported living, residential care placements and hospital avoidance. Some service users receive direct payments and organise their own care. |                 | Provides integrated health and social care support to adults with Mental Health needs. |                |
| <b>Lead Partner</b>            | Oxfordshire County Council  |                 | Oxfordshire County Council   |                 | Oxford Health NHS Foundation Trust   |                |
|                                | <b>2024/25</b>  | <b>2025/26</b>  | <b>2024/25</b>   | <b>2025/26</b>  | <b>2024/25</b>   | <b>2025/26</b> |
|                                | <b>£'000</b>  | <b>£'000</b>    | <b>£'000</b>   | <b>£'000</b>    | <b>£'000</b>   | <b>£'000</b>   |
| <b>Total Gross Expenditure</b> | <b>295,127</b>  | <b>307,245</b>  | <b>335,725</b>   | <b>355,158</b>  | <b>12,190</b>  | <b>12,374</b>  |
| <b>Funded by:</b>              |   |                 |  |                 |  |                |
| Council Contribution *         | -92,554   | -101,158        | -140,002   | -151,538        | -1,802   | -1,802         |
| Partner Contribution           | -98,090   | -90,826         | -186,860   | -193,722        | -10,388  | -10,572        |
| Service User Contributions     | -49,566   | -52,334         | -6,803   | -7,467          |  |                |
| Better Care Fund               | -52,132   | -59,135         | 0  | 0               |  |                |
| Other External Contribution    | 0   | 0               | -2,060   | -2,431          |  |                |
| Other Income **                | -2,785  | -3,792          | 0  | 0               |  |                |
| <b>Total Gross Income</b>      | <b>-295,127</b>   | <b>-307,245</b> | <b>-335,725</b>  | <b>-355,158</b> | <b>-12,190</b>   | <b>-12,374</b> |

\*Note that the Authority's Contribution to the Live Well Pooled Budget 2025/26 includes £1,802k (the same as 2024/25) which is passported to the Mental Health Provider Pool. The Authority does not make any other contributions to the Mental Health Provider Pool.

### 9. Members' Allowances

Under the Council's constitution, councillors are entitled to receive annual allowances for their role. These include basic allowance payable to all councillors and special responsibility allowances where councillors undertake specific roles such as chair of a committee.

|                            | 2024/25      | 2025/26      |
|----------------------------|--------------|--------------|
| <b>Members' Allowances</b> | <b>£'000</b> | <b>£'000</b> |
| Allowances                 | 1,253        | 1,362        |
| Travel and Subsistence     | 20           | 9            |
| <b>Total</b>               | <b>1,273</b> | <b>1,371</b> |

### 10. Audit Fee

The County Council's external auditors are Ernst & Young LLP. The following fees were incurred relating to external audit and grant certification work.

|   | 2024/25      | 2025/26      |
|---|--------------|--------------|
| <b>Audit and Inspection Fees</b>          | <b>£'000</b> | <b>£'000</b> |
| Code of Practice Audit Work               | 318          | 327          |
| Other Fees for Prior Years                | 93           | 1            |
| Certification of grant claims and returns | 4            | 9            |
| <b>Total</b>                              | <b>415</b>   | <b>337</b>   |

### 11. Senior Officers' Remuneration

The Accounts and Audit Regulations 2015 require disclosure of remuneration for senior staff. Remuneration for these purposes includes all sums paid to or receivable by an employee including expense allowances chargeable to tax and non-taxable termination payments including enhancement, redundancy and pay in lieu of notice.

Two sets of disclosures are required. Firstly, the number of employees whose total remuneration (excluding employer pension contributions) exceeded £50,000. Secondly, individual remuneration details (including employer pension contributions) for each senior employee, as defined by the regulations, whose salary is more than £50,000 per year (pro-rata for part-time staff). Senior employees whose salary is over £150,000 are disclosed by name, the remaining senior employees are disclosed by post title.

The number of employees whose remuneration (excluding employer pension contributions) exceeded £50,000 is set out in the following table.

Senior employees for these purposes are the statutory roles plus senior officer reporting directly to the chief executive.

## Notes to the Statement of Accounts

| Band<br>£       | Number of Employees |               |              |            |               |              |
|-----------------|---------------------|---------------|--------------|------------|---------------|--------------|
|                 | 2024/25             |               |              | 2025/26    |               |              |
|                 | School              | Non<br>School | Total        | School     | Non<br>School | Total        |
| 50,000-54,999   | 116                 | 275           | <b>391</b>   | 166        | 325           | 491          |
| 55,000-59,999   | 51                  | 198           | <b>249</b>   | 82         | 211           | 293          |
| 60,000-64,999   | 29                  | 146           | <b>175</b>   | 32         | 191           | 223          |
| 65,000-69,999   | 28                  | 66            | <b>94</b>    | 23         | 94            | 117          |
| 70,000-74,999   | 23                  | 35            | <b>58</b>    | 24         | 55            | 79           |
| 75,000-79,999   | 22                  | 34            | <b>56</b>    | 21         | 43            | 64           |
| 80,000-84,999   | 14                  | 12            | <b>26</b>    | 18         | 15            | 33           |
| 85,000-89,999   | 7                   | 9             | <b>16</b>    | 12         | 16            | 28           |
| 90,000-94,999   | 6                   | 15            | <b>21</b>    | 3          | 11            | 14           |
| 95,000-99,999   | 3                   | 5             | <b>8</b>     | 8          | 9             | 17           |
| 100,000-104,999 | 4                   | 1             | <b>5</b>     | 3          | 9             | 12           |
| 105,000-109,999 | 1                   | 4             | <b>5</b>     | 2          | 5             | 7            |
| 110,000-114,999 | 0                   | 2             | <b>2</b>     | 0          | 5             | 5            |
| 115,000-119,999 | 0                   | 6             | <b>6</b>     | 0          | 3             | 3            |
| 120,000-124,999 | 0                   | 4             | <b>4</b>     | 0          | 5             | 5            |
| 125,000-129,999 | 0                   | 5             | <b>5</b>     | 0          | 3             | 3            |
| 130,000-134,999 | 0                   | 2             | <b>2</b>     | 0          | 2             | 2            |
| 135,000-139,999 | 0                   | 1             | <b>1</b>     | 0          | 1             | 1            |
| 140,000-144,999 | 0                   | 2             | <b>2</b>     | 0          | 1             | 1            |
| 145,000-149,999 | 0                   | 4             | <b>4</b>     | 0          | 1             | 1            |
| 150,000-154,999 | 0                   | 2             | <b>2</b>     | 0          | 1             | 1            |
| 155,000-159,999 | 0                   | 0             | <b>0</b>     | 0          | 2             | 2            |
| 160,000-164,999 | 0                   | 1             | <b>1</b>     | 0          | 1             | 1            |
| 165,000-169,999 | 0                   | 0             | <b>0</b>     | 0          | 2             | 2            |
| 170,000-174,999 | 0                   | 0             | <b>0</b>     | 0          | 1             | 1            |
| 175,000-179,999 | 0                   | 2             | <b>2</b>     | 0          | 0             | 0            |
| 180,000-184,999 | 0                   | 1             | <b>1</b>     | 0          | 0             | 0            |
| 185,000-189,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 190,000-194,999 | 0                   | 0             | <b>0</b>     | 0          | 1             | 1            |
| 195,000-199,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 200,000-204,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 205,000-209,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 210,000-214,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 215,000-219,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 220,000-224,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 225,000-229,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 230,000-234,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 235,000-239,999 | 0                   | 1             | <b>1</b>     | 0          | 0             | 0            |
| 240,000-244,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| 250,000-249,999 | 0                   | 0             | <b>0</b>     | 0          | 0             | 0            |
| <b>Total</b>    | <b>304</b>          | <b>833</b>    | <b>1,137</b> | <b>394</b> | <b>1,013</b>  | <b>1,407</b> |

## Notes to the Statement of Accounts

| 2025/26  |   |  |   |  |                                      |  |
|--|---|--|---|--|--------------------------------------|--|
| Post Holder Information  | Salary<br>(Including<br>Fees &<br>Allowances) | Expense<br>Allowances<br>and Other<br>Emoluments | Compensation<br>for Loss of<br>Employment | Total<br>Remuneration<br>Excluding<br>Pension<br>Contributions | Employers<br>Pension<br>Contribution | Total<br>Remuneration<br>Including<br>Pension<br>Contributions |
|  | £   | £  | £   | £  | £                                    | £  |
| Chief Executive - Martin Reeves*   | 246,336                                       | 8,142  | 0   | 254,478  | 50,641                               | 305,119  |
| Executive Director of People and Transformation (Deputy Chief Executive) - Stephen Chandler* | 143,050                                       | 0  | 0   | 143,050  | 28,467                               | 171,517  |
| Deputy Chief Executive (Section 151 Officer) - Lorna Baxter                                  | 190,651                                       | 0  | 0   | 190,651  | 37,940                               | 228,591  |
| Director of Adult Social Care – Karen Fuller   | 155,100                                       | 0  | 0   | 155,100  | 30,865                               | 185,965  |
| Director of Children's Services - Lisa Lyons   | 155,100                                       | 0  | 0   | 155,100  | 30,856                               | 185,965  |
| Director of Public Health and Communities - Ansaf Azhar                                      | 166,469                                       | 0  | 0   | 166,469  | 20,669                               | 187,137  |
| Director of Environment and Highways - Paul Fermer   | 149,811                                       | 0  | 0   | 149,811  | 29,812                               | 179,623  |
| Director of Economy and Place - Robin Rogers   | 150,058                                       | 0  | 0   | 150,058  | 29,862                               | 179,920  |
| Director of Law and Governance and Monitoring Officer – Anita Bradley                        | 162,725                                       | 0  | 0   | 162,725  | 30,865                               | 193,589  |
| Chief Fire Officer and Director of Community Safety – Rob MacDougall                         | 166,817                                       | 0  | 0   | 166,817  | 62,723                               | 229,540  |
| Programme Director Devolution – Kim Sawyer*  | 89,551  | 0  | 0   | 89,551   | 17,821                               | 107,372  |
| <b>Total</b>   | <b>1,949,522</b>                              | <b>8,142</b>                                     | <b>0</b>                                  | <b>1,957,664</b>   | <b>405,125</b>                       | <b>2,362,789</b>   |

\*Martin Reeves' other emoluments relate to his role as Acting Returning Officer.

\*Stephen Chandler retired on 31 December 2025.

\*Kim Sawyer was appointed to this role on 11 July 2025.

## Notes to the Statement of Accounts

| 2024/25   |   |  |   |  |                                      |  |
|---|---|--|---|--|--------------------------------------|--|
| Post Holder Information   | Salary<br>(Including<br>Fees &<br>Allowances) | Expense<br>Allowances<br>and Other<br>Emoluments | Compensation<br>for Loss of<br>Employment | Total<br>Remuneration<br>Excluding<br>Pension<br>Contributions | Employers<br>Pension<br>Contribution | Total<br>Remuneration<br>Including<br>Pension<br>Contributions |
|   | £   | £  | £   | £  | £                                    | £  |
| Chief Executive - Martin Reeves   | 238,697                                       | 0  | 0   | 238,697  | 47,501                               | 286,198  |
| Executive Director of People and Transformation (Deputy Chief Executive) - Stephen Chandler     | 177,325                                       | 0  | 0   | 177,325  | 35,288                               | 212,613  |
| Executive Director of Resources and Section 151 Officer (Deputy Chief Executive) - Lorna Baxter | 177,325                                       | 0  | 0   | 177,325  | 35,288                               | 212,613  |
| Director of Adult Social Care – Karen Fuller*   | 147,729                                       | 0  | 0   | 147,729  | 29,398                               | 177,127  |
| Director of Children's Services - Lisa Lyons*   | 147,729                                       | 0  | 0   | 147,729  | 29,398                               | 177,127  |
| Director of Public Health and Communities - Ansaf Azhar*  | 141,774                                       | 0  | 0   | 141,774  | 19,648                               | 161,422  |
| Director of Environment and Highways - Paul Fermer*   | 136,005                                       | 0  | 0   | 136,005  | 27,065                               | 163,069  |
| Director of Economy and Place - Robin Rogers*   | 130,546                                       | 0  | 0   | 130,546  | 25,979                               | 156,525  |
| Director of Law and Governance and Monitoring Officer – Anita Bradley*                          | 147,400                                       | 0  | 0   | 147,400  | 29,333                               | 176,733  |
| Chief Fire Officer and Director of Community Safety – Rob MacDougall*                           | 161,041                                       | 0  | 0   | 161,041  | 60,551                               | 221,592  |
| Corporate Director for Environment and Place - Bill Cotton**                                    | 43,523  | 0  | 103,369                                   | 146,892  | 8,661                                | 155,554  |
| <b>Total</b>  | <b>1,649,094</b>                              | <b>0</b>   | <b>103,369</b>                            | <b>1,752,463</b>   | <b>348,108</b>                       | <b>2,100,571</b>   |

\*Karen started this post on 1 June 2025, previously Corporate Director of Adult and Housing. Reported salary and pension for the entire 2024/2025.

\*Lisa started this post on 1 June 2025, previously Director of Children's Services. Reported salary and pension for the entire 2024/2025.

\*Ansaf started this post on 1 June 2025, previously Director for Public Health. Reported salary and pension for the entire 2024/2025.

\*Paul started this post on 1 July 2025, previously Director of Highways and Operations. Reported salary and pension for the entire 2024/2025.

\*Robin started this post on 1 August 2024, previously Programme Director - Partnerships and Delivery. Reported salary and pension for the entire 2024/2025

\*Anita started this post on 1 June 2025, previously Director of Law and Governance. Reported salary and pension for the entire 2024/2025

\*Rob started this post on 1 June 2025, previously Chief Fire Officer. Reported salary and pension for the entire 2024/2025.

\*\*Bill Cotton left Oxfordshire County Council on 06 July 2024

## Notes to the Statement of Accounts

### 12. Exit Packages

The number of exit packages agreed in the year and the cost of those packages is given in the tables below. Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years and costs of early retirements without actuarial reduction in benefits, ex-gratia payments and other departure costs. Ill-health retirements are excluded because they do not meet the Code's definition of termination benefits. The bandings in the tables include exit packages in the year they were individually agreed. The bandings are based on HR records for leavers in the year adjusted for accruals. Where there is a difference between the accrued amount and the actual payment in the following year this is shown as a reconciling adjustment at the foot of the table – in some instances the actual payment was higher than the accrued amount and in other instances the actual payment was lower. The bandings exclude exit packages provided for as part of redundancy provision in the year the provision was created – the individual exit packages charged against redundancy provisions are included in the bandings in the year of departure.

| Exit packages<br>Band (£)  | 2024/25           |                |              |                | 2025/26           |                |              |                |                   |                |              |                |
|--|-------------------|----------------|--------------|----------------|-------------------|----------------|--------------|----------------|-------------------|----------------|--------------|----------------|
|  | Compulsory<br>No. | Other<br>£'000 | Other<br>No. | Total<br>£'000 | Compulsory<br>No. | Other<br>£'000 | Other<br>No. | Total<br>£'000 | Compulsory<br>No. | Other<br>£'000 | Other<br>No. | Total<br>£'000 |
| 0 - 19,999   | 21                | 158            | 16           | 146            | 37                | 304            | 13           | 79             | 13                | 111            | 26           | 190            |
| 20,000 - 39,999  | 6                 | 196            | 5            | 126            | 11                | 322            | 8            | 220            | 4                 | 122            | 12           | 342            |
| 40,000 - 59,999  | 3                 | 143            | 3            | 162            | 6                 | 305            | 1            | 41             | 1                 | 40             | 2            | 81             |
| 60,000 - 79,999  | 3                 | 205            | 0            | 0              | 3                 | 205            | 2            | 133            | 1                 | 66             | 3            | 199            |
| 80,000 - 99,999  | 2                 | 171            | 0            | 0              | 2                 | 171            | 0            | 0              | 0                 | 0              | 0            | 0              |
| 100,000 - 149,999  | 3                 | 357            | 0            | 0              | 3                 | 357            | 0            | 0              | 0                 | 0              | 0            | 0              |
| 150,000 - 199,999  | 2                 | 357            | 0            | 0              | 2                 | 357            | 0            | 0              | 0                 | 0              | 0            | 0              |
| 200,000 - 249,999  | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              |
| 250,000 - 299,999  | 0                 | 0              | 0            | 0              | 0                 | 0              | 1            | 273            | 0                 | 0              | 1            | 273            |
| 300,000 - 349,999  | 2                 | 692            | 0            | 0              | 2                 | 692            | 0            | 0              | 0                 | 0              | 0            | 0              |
| 350,000 - 399,999  | 1                 | 388            | 0            | 0              | 1                 | 388            | 1            | 365            | 0                 | 0              | 1            | 365            |
| 400,000 - 449,999  | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              |
| 450,000 - 499,999  | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              |
| 500,000 - 549,999  | 1                 | 531            | 0            | 0              | 1                 | 531            | 0            | 0              | 0                 | 0              | 0            | 0              |
| 550,000 - 599,999  | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              | 0                 | 0              | 0            | 0              |
| 600,000 - 649,999  | 1                 | 613            | 0            | 0              | 1                 | 613            | 0            | 0              | 0                 | 0              | 0            | 0              |
| <b>Total</b>   | <b>45</b>         | <b>3,811</b>   | <b>24</b>    | <b>434</b>     | <b>69</b>         | <b>4,245</b>   | <b>26</b>    | <b>1,111</b>   | <b>19</b>         | <b>339</b>     | <b>45</b>    | <b>1,450</b>   |
| Add new provisions created   |                   |                |              |                |                   | 0              |              |                |                   |                |              | 0              |
| Less amounts provided for in previous year   |                   |                |              |                |                   | 0              |              |                |                   |                |              | 0              |
| Add unused amount of previous year's provision   |                   |                |              |                |                   | 0              |              |                |                   |                |              | 0              |
| Other termination benefits   |                   |                |              |                |                   | 103            |              |                |                   |                |              | 53             |
| Adjust for differences between payments and accruals                                     |                   |                |              |                |                   | 2              |              |                |                   |                |              | 0              |
| <b>Total cost of exit packages in the Comprehensive Income and Expenditure Statement</b> |                   |                |              |                |                   | <b>4,350</b>   |              |                |                   |                |              | <b>1,503</b>   |

## Notes to the Statement of Accounts

### 13. Leases

From time to time, the County Council acquires assets under operating leases. The minimum lease payments and contingent rents charged, and sublease payments received for the year, together with future commitments and future sublease payments receivable are set out below, together with comparative figures for 2025/26.

| County Council as Lessee                  | 2024/25                     |                    |              | 2025/26                     |                    |              |
|---|-----------------------------|--------------------|--------------|-----------------------------|--------------------|--------------|
|   | Plant, vehicles & equipment | Land and buildings | Total        | Plant, vehicles & equipment | Land and buildings | Total        |
|   | £'000                       | £'000              | £'000        | £'000                       | £'000              | £'000        |
| Minimum lease payments charged in year    | 2,801                       | 679                | 3,479        | 2,433                       | 802                | 3,235        |
| Contingent rents charged in year          | 278                         | 55                 | 333          | 0                           | 41                 | 41           |
| Sublease payments received in year        | 0                           | -532               | -532         | 0                           | -1,148             | -1,148       |
| Future minimum lease payments:            |                             |                    |              |                             |                    |              |
| Within 1 year                             | 1,074                       | 789                | 1,864        | 829                         | 330                | 1,160        |
| Within 2nd - 5th years                    | 1,696                       | 1,241              | 2,937        | 681                         | 419                | 1,100        |
| 6th year and beyond                       | 215                         | 559                | 774          | 160                         | 1,650              | 1,810        |
| <b>Total commitments</b>                  | <b>2,985</b>                | <b>2,591</b>       | <b>5,576</b> | <b>1,670</b>                | <b>2,400</b>       | <b>4,071</b> |
| Total future sublease payments receivable | 0                           | -8                 | -8           | 0                           | 0                  | 0            |

The County Council leases out property under operating leases for the provision of accommodation for services, such as Homes for Older People, pre-schools and waste re-cycling centres. Contingent rents include backdated rent increases.

| County Council as Lessor                  | 2024/25                     |                    |               | 2025/26                     |                    |               |
|---|-----------------------------|--------------------|---------------|-----------------------------|--------------------|---------------|
|   | Plant, vehicles & equipment | Land and buildings | Total         | Plant, vehicles & equipment | Land and buildings | Total         |
|   | £'000                       | £'000              | £'000         | £'000                       | £'000              | £'000         |
| Minimum lease payments receivable in year | 0                           | 1,575              | 1,575         | 0                           | 1,827              | 1,827         |
| Contingent rents receivable in year       | 0                           | 1,236              | 1,236         | 0                           | 1,193              | 1,193         |
| Future minimum lease payments receivable: |                             |                    |               | 0                           | 0                  |               |
| Within 1 year                             | 0                           | 1,329              | 1,329         | 0                           | 333                | 333           |
| Within 2nd - 5th years                    | 0                           | 4,470              | 4,470         | 0                           | 4,777              | 4,777         |
| 6th year and beyond                       | 0                           | 30,459             | 30,459        | 0                           | 32,516             | 32,516        |
| <b>Total Receivable</b>                   | <b>0</b>                    | <b>36,258</b>      | <b>36,258</b> | <b>0</b>                    | <b>37,626</b>      | <b>37,626</b> |

## Notes to the Statement of Accounts

### Right of Use Assets

This table shows the change in the value of right-of-use assets held under leases by the authority.

| 2025/26  | Other Land<br>& Buildings | Vehicles, Plant,<br>Furniture &<br>Equipment | Total         |
|--|---------------------------|--|---------------|
| Right of Use Assets  | £'000                     | £'000  | £'000         |
| <b>Cost or valuation as at 31 March 2025</b>                       | <b>14,544</b>             | <b>0</b>                                     | <b>14,544</b> |
| Additions  | 3,617                     | 0  | 3,617         |
| Revaluations   | -659                      | 0  | -659          |
| <b>Cost or valuation as at 31 March</b>                            | <b>17,501</b>             | <b>0</b>                                     | <b>17,501</b> |
| <b>Depreciation and Impairment as at 1 April</b>                   | <b>0</b>                  | <b>0</b>                                     | <b>0</b>      |
| Depreciation charge  | 118                       | 0  | 118           |
| Depreciation and impairment written out to the Revaluation Reserve | -944                      | 0  | -944          |
| <b>Depreciation and impairment as at 31 March</b>                  | <b>-827</b>               | <b>0</b>                                     | <b>-827</b>   |
| <b>Net book Value at 31 March 2026</b>                             | <b>18,328</b>             | <b>0</b>                                     | <b>18,328</b> |

This table shows the change in lease liabilities for the value of right-of-use assets held under leases by the County Council:

| Lease Liabilities          | 2024/25<br>£000 | 2025/26<br>£000 |
|----------------------------|-----------------|-----------------|
| Balance at 1 April         | 4,898           | 4,409           |
| Additions                  | 0               | 2,404           |
| Principal repaid in year   | -683            | -703            |
| Interest charge            | 194             | 642             |
| <b>Balance at 31 March</b> | <b>4,409</b>    | <b>6,751</b>    |

The Property, Plant & Equipment lease liabilities are due to be settled over the following time bands (measured at the discounted and undiscounted amounts of expected cash payments):

|                       | Amount at 1 April 2025          |                                   |                                 |                                   |
|-----------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
|                       | Lease Liabilities<br>Discounted | Lease Liabilities<br>Undiscounted | Lease Liabilities<br>Discounted | Lease Liabilities<br>Undiscounted |
|                       | £000                            | £000                              | £000                            | £000                              |
| Less than 1 year      | 683                             | 683                               | 703                             | 703                               |
| Between 1 and 5 years | 2,234                           | 2,686                             | 2,448                           | 2,661                             |
| More than 5 years     | 1,981                           | 3,555                             | 3,600                           | 5,469                             |
| <b>Total</b>          | <b>4,899</b>                    | <b>6,924</b>                      | <b>6,751</b>                    | <b>8,833</b>                      |

## Notes to the Statement of Accounts

### 14. Other Operating Expenditure

Other Operating Expenditure comprises the gain or loss on the derecognition of non-current assets. The gain or loss is the amount by which the disposal proceeds (if any) are more (gain) or less (loss) than the amount by which the non-current asset is held on the balance sheet together with the costs of disposal. To comply with statutory/proper practices, the entry is reversed in the Movement in Reserves Statement leaving the cost of disposals chargeable to revenue net of other receipts as a charge against the County Fund. Regulations permit disposal costs of up to 4% of the sale proceeds to be charged against the capital receipt.

|  | 2024/25       | 2025/26       |
|--|---------------|---------------|
| <b>Other Operating Expenditure</b>                     | <b>£'000</b>  | <b>£'000</b>  |
| Capital Receipts                                       | -4,266        | -3,042        |
| Disposal costs charged against capital receipts        | 12            | 0             |
| <b>Net Capital Receipts</b>                            | <b>-4,254</b> | <b>-3,042</b> |
| Other Receipts   | -12           | -44           |
| <b>Total Receipts</b>                                  | <b>-4,266</b> | <b>-3,086</b> |
| Carrying value of non-current assets derecognised      | 20,866        | 17,219        |
| Disposal costs charged to the General Fund             | 0             | 0             |
| <b>Total Disposal costs</b>                            | <b>20,866</b> | <b>17,219</b> |
| <b>Other Operating Expenditure</b>                     | <b>16,600</b> | <b>14,133</b> |
| Adjustments between accounting basis and funding basis | -16,613       | -14,178       |
| <b>Net Charge to the General Fund</b>                  | <b>-13</b>    | <b>-45</b>    |

### 15. Financing and Investment Income and Expenditure

A breakdown of the items within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is as follows:

|  | 2024/25        | 2025/26        |
|--|----------------|----------------|
| <b>Financing and Investment Income and Expenditure</b>                                     | <b>£'000</b>   | <b>£'000</b>   |
| Interest payable and similar charges   | 15,693         | 15,860         |
| Gain or Loss on the valuation of pooled investment funds                                   | -113           | -4,144         |
| Interest receivable and similar income   | -37,626        | -22,945        |
| Income and Expenditure in relation to investment properties and change in their fair value | -244           | 152            |
| Net pensions interest expense  | 5,975          | -8,483         |
| Net fire-fighters Pension Fund Top-Up Grant  | 5,931          | 5,077          |
| <b>Financing and Investment Income and Expenditure</b>                                     | <b>-10,384</b> | <b>-14,483</b> |
| Adjustments between accounting basis and funding basis                                     | -11,550        | 7,398          |
| <b>Net Charge to the General Fund</b>  | <b>-21,934</b> | <b>-7,084</b>  |

## Notes to the Statement of Accounts

### 16. Financial Instruments - Income, Expenses, Gains or Losses

Financial instruments include bank deposits, investments, debtors (excluding statutory debtors and prepayments), long-term debtors (excluding lifecycle prepayments), creditors (excluding statutory creditors), borrowings, finance leases and the finance liability element of service concession arrangements. The Code requires financial instruments to be classified into defined categories of assets and liabilities. These are explained in the Summary of Significant Accounting Policies in Note 1. The income, expenses, gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are as follows.

| 2024/25<br>Financial Liabilities                |   | 2024/25<br>Financial Assets   |   |                | 2025/26<br>Financial Liabilities  |   | 2025/26<br>Financial Assets             |  |   |                |
|---|---|---|---|----------------|---|---|---|--|---|----------------|
| Liabilities<br>at<br>amortised<br>cost<br>£'000 | Assets at<br>amortised<br>cost<br>£'000 | Assets at fair value<br>through Other<br>Comprehensive<br>Income<br>£'000 | Assets at fair<br>value through<br>profit and loss<br>£'000 | Total<br>£'000 |   | Liabilities<br>at<br>amortised<br>cost<br>£'000 | Assets at<br>amortised<br>cost<br>£'000 | Assets at fair<br>value through<br>Other<br>Comprehensive<br>Income<br>£'000 | Assets at<br>fair value<br>through<br>profit and<br>loss<br>£'000 | Total<br>£'000 |
| 14,199  |   |   | 0   | <b>14,199</b>  | Interest Expense  | 14,345  |   |  | 0   | <b>14,345</b>  |
|   |   |   | 1,131   | <b>1,131</b>   | Decreases in fair value   |   |   |  | 392   | <b>392</b>     |
|   | 1,495                                   |   | 0   | <b>1,495</b>   | Impairment Losses   |   | 1,515                                   |  | 0   | <b>1,515</b>   |
|   |   | 0   | 0   | <b>0</b>       | Fee expense   |   |   | 0  | 67,905  | <b>67,905</b>  |
| <b>14,199</b>                                   | <b>1,495</b>                            | <b>0</b>  | <b>1,131</b>  | <b>16,825</b>  | <b>Total expense in Surplus or Deficit<br/>on the Provision of Services</b>   | <b>14,345</b>                                   | <b>1,515</b>                            | <b>0</b>   | <b>68,297</b>   | <b>84,158</b>  |
|   |   |   | 0   | <b>0</b>       |   |   |   |  |   | <b>0</b>       |
|   | -32,863                                 |   | -4,763  | <b>-37,626</b> | Interest Income   |   | -18,603                                 |  | -4,342  | <b>-22,945</b> |
|   |   |   | 0   | <b>0</b>       | Interest income accrued on<br>impaired financial assets   |   |   |  |   | <b>0</b>       |
|   |   | 0   | -1,244  | <b>-1,244</b>  | Increases in fair value   |   |   | 0  | -4,536  | <b>-4,536</b>  |
|   |   | 0   | 0   | <b>0</b>       | Gain/losses on derecognition  |   |   | 0  | 0   | <b>0</b>       |
|   |   |   | 0   | <b>0</b>       | Fee income  |   |   |  |   | <b>0</b>       |
| <b>0</b>  | <b>-32,863</b>                          | <b>0</b>  | <b>-6,007</b>   | <b>-38,870</b> | <b>Total income in Surplus or Deficit<br/>on the Provision of Services</b>  | <b>0</b>  | <b>-18,603</b>                          | <b>0</b>   | <b>-8,878</b>   | <b>-27,481</b> |
|   |   |   | 0   | <b>0</b>       | Gain/losses on revaluation  |   |   | 0  |   | <b>0</b>       |
|   |   |   | 0   | <b>0</b>       | Amounts recycled to the Surplus or<br>Deficit on the Provision of Services  |   |   |  |   | <b>0</b>       |
| <b>0</b>  | <b>0</b>                                | <b>0</b>  | <b>0</b>  | <b>0</b>       | <b>Surplus / deficit arising on<br/>revaluation of financial assets in<br/>Other Comprehensive Income and<br/>Expenditure</b> | <b>0</b>  | <b>0</b>                                | <b>0</b>   | <b>0</b>  | <b>0</b>       |
|   |   |   |   |                |   |   |   |  |   |                |
|   |   |   |   | <b>-22,045</b> | <b>Net gain (-) / loss (+) for the year</b>   |   |   |  |   | <b>56,676</b>  |

### 17. Retirement Benefits

As part of the terms and conditions of employment of its employees, the County Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the County Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The County Council participates in four pension schemes. Only a small number of Public Health staff that transferred from the NHS when the service became a County Council function in April 2013 participate in the NHS Pension Scheme and this is therefore excluded from the disclosures below.

#### **The Local Government Pension Scheme (LGPS)**

This is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (as amended) and provides benefits based on final salary and length of service on retirement (for benefits accrued up to 31 March 2025) and career average revalued salary (for benefits accrued from 1 April 2025).

The County Council is the Administering Authority for the Fund. The Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the Fund's professional advisers. The accounts of the Oxfordshire Local Government Pension Fund are included after the Notes to Accounts.

As Administering Authority to the Fund, the County Council, after consultation with the Fund Actuary (Hymans Robertson LLP) and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These are amended when appropriate based on the Fund's performance and funding.

The LGPS is a funded scheme, meaning that the County Council and employees pay contributions into a Fund, calculated at a level intended to balance the pension liabilities with investment assets. The County Council may also grant additional benefits to LGPS members on retirement under the Discretionary Payment Regulations which are not paid from the Fund – these are referred to as LGPS unfunded benefits below.

Employer contributions are set every 3 years as a result of the actuarial valuation of the Fund required by regulations. The actuarial valuation at 31 March 2025 set the contribution rates for the period 1 April 2024 to 31 March 2027. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The total contributions expected to be made by the County Council to the Local Government Pension Scheme (LGPS) in 2025/26 are £47.754m for funded benefits (£40.983m was expected for 2024/25).

The pension liability has decreased from March 2025 (£266.529m) to March 2026 (£217.513m). This is partly due to the difference between the accrual of new benefits and benefits paid out during the year for scheme participants.

The County Council currently participates in the Oxfordshire County Council pool with various other employers with admissions agreements in order to share experience of risks they are exposed to in the Fund. At the 2026 valuation, the deficit on the whole pool was calculated and allocated to each employer, along with the costs of future benefits of the combined membership of the pool, such that all employers within the pool shared the same overall contribution rate. The next re-allocation will be carried out at the 2028 valuation, should the employer remain in the pool.

Should the County Council withdraw from the Fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination contribution due by the County Council on a set of assumptions deemed appropriate by the Fund Actuary.

Curtailment costs arise as a result of the payment of unreduced pensions on early retirement. The capitalised cost of the additional benefits relative to those reserved for under IAS 19 is £0.734m for 2025/26 (£0.302m for 2024/25). As a result of some members of the Oxfordshire Pension Fund transferring to/from another employer over the year, liabilities have been settled at a cost different to the amount reserved for under IAS19. The capitalised gain of this settlement for 2025/26 is £1.060m (£1.060m 2024/25).

### **The Fire-Fighters Pension Schemes**

There are five separate schemes relating to Fire-Fighters pensions – the 1992 scheme, the 2006 scheme, the 2015 scheme, the Retained Modified scheme and the fire-fighters compensation scheme for injury benefits and ill health retirements. Each of these are defined benefit statutory schemes administered in accordance with the Fire-Fighters' Pension Scheme Regulations 2014 and Fire Pension Orders 1992 and 2006 and provide benefits based on final salary and length of service on retirement, other than the 2015 scheme which provides benefits accrued from 1 April 2024 based on career average revalued salaries.

The County Council is the Administering Authority for each of the schemes. The day-to-day administration is undertaken by teams within the County Council. Where appropriate some functions are delegated to the schemes' professional advisers.

The 1992, 2006, 2015 and the Retained Modified schemes are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pension payments as they fall due. The County Council and employees pay contributions into a fund account and where these are not sufficient to meet pension payments for the year, the deficit is met by a Central Government top-up grant. Any surplus in the pension fund in the year is paid back to Central Government. Employer contributions are set every four years as a result of the combined actuarial valuation of the fire-fighters' pension schemes required by the Home Office on behalf of the Secretary of State. The last completed actuarial valuation was at 31 March 2025 and set contributions for the period from 1 April 2025 to 31 March 2028.

The fire-fighters' compensation scheme injury benefits and ill health retirements are paid on a pay as you go basis. There are no assets held to back the liabilities of the scheme.

For ease of presentation the figures for all the fire-fighters schemes have been combined within the tables in this note. Most of the firefighters defined benefits liabilities relate to the 2015 scheme.

The total of contributions (including government top-up grant) and injury/ill health retirement benefit payments expected to be made by the County Council in 2025/26 is £11.4m (£12.7m in 2024/25).

### **The Teachers' Pension Scheme**

This is a defined benefit scheme administered in accordance with the Teachers' Pensions Regulations 2014 and provides benefits based on final salary and length of service (for benefits accrued up to 31 March 2015) and career average revalued salary (for benefits accrued from 1 April 2015). The Scheme is administered by Capita on behalf of the Department for Education. The Scheme is an unfunded pension scheme, in which payments from the Scheme are funded by contributions from current employees and employers with the difference between these

contributions and Scheme expenditure financed by the Exchequer. The County Council contributes towards the costs of the scheme by making contributions based on a percentage of members' pensionable salaries as set by the Secretary of State for Education, taking advice from the Scheme's actuary. The total expected payments to beneficiaries for 2025/26 are £6.404m (£6.168m 2024/25).

The Teachers' Pension Scheme is a defined benefit scheme, but because of the way the scheme is centrally managed the County Council is unable to identify its share of the underlying assets and liabilities of the scheme and it is therefore classified as a defined contribution scheme for accounting purposes. Charges are included in the Surplus or Deficit in the Provision of Services but there are no liabilities to disclose in the Balance Sheet with the exception of all pension payments relating to added years which the County Council has awarded to teachers under the Discretionary Payment Regulations. As the County Council is responsible for funding these added years payments on a pay as you go basis they are treated as a defined benefit scheme.

### **Risk**

The County Council is exposed to a number of risks from participating in the pension schemes accounted for as defined benefit schemes outlined above. Risks common to all of the schemes are:

**Interest rate risk** – the liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. Given the volatile nature of market yields the yield on high quality corporate bonds could fall leading to an increase in the liabilities.

**Inflation risk** – the benefits are linked to inflation and so increased costs may emerge if inflation is higher than expected.

**Longevity risk** – in the event that the members live longer than assumed more benefits will be paid out than expected. There are also other demographic risks.

As a funded scheme, the LGPS gives exposure to other additional risks:

**Investment risk** – The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

**Interest rate risk** – The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of assets and liabilities may not move in the same way.

**Inflation risk** – deficits may emerge to the extent that the assets are not linked to inflation.

In addition, as many unrelated employers participate in the Oxfordshire County Council Pension Fund, there is an 'orphan liability risk' where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the County Council, for example higher than expected investment returns or employers leaving the funds with excess assets which would eventually get inherited by the remaining employers, market yields may rise or inflation be less than expected reducing the value of the liabilities and ongoing cost of benefit accrual. The cost of retirement benefits arising from defined benefit schemes are recognised in the Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the County Council is required to make against the County Fund (and hence Council Tax) is based on cash payable in the year so the real cost of pension benefits is reversed out in the Movement in Reserves Statement. The following table sets out the transactions that have been made in the accounts.

## Notes to the Statement of Accounts

| Pension Fund Comprehensive Income and Expenditure Statement  | Local Government Pension Scheme & Teacher's Added Years |               | Fire Fighters' Pension Schemes |               | Total          |               |
|--|---|---------------|--------------------------------|---------------|----------------|---------------|
|  | 2024/25   | 2025/26       | 2024/25                        | 2025/26       | 2024/25        | 2025/26       |
|  | £'000   | £'000         | £'000                          | £'000         | £'000          | £'000         |
| <b>Cost of Services</b>  |   |               |                                |               |                |               |
| Current Service Cost   | 38,305  | 28,735        | 1,700                          | 1,500         | 40,005         | 30,235        |
| Past Service Costs   | 2,473   | 734           | 0                              | 100           | 2,473          | 834           |
| (Gain) / Loss from settlements   | -1,060  | 0             | 0                              | 0             | -1,060         | 0             |
| Administration Expenses  | 1,442   | 1,512         | 0                              | 0             | 1,442          | 1,512         |
| <b>Financing and Investment Income &amp; Expenditure</b>   |   |               |                                |               |                |               |
| Net Interest Expense   | -4,125  | -18,783       | 10,100                         | 10,300        | 5,975          | -8,483        |
| Interest on the effect of the asset ceiling  | 0   | 23,107        | 0                              | 0             | 0              | 23,107        |
| Government Top-Up Grant / Surplus payable to Government  | 0   | 0             | 5,931                          | 5,077         | 5,931          | 5,077         |
| <b>Surplus / Deficit on the Provision of Services</b>  | <b>37,035</b>   | <b>35,305</b> | <b>17,731</b>                  | <b>16,977</b> | <b>54,766</b>  | <b>52,282</b> |
| <b>Other Comprehensive Income and Expenditure</b>  |   |               |                                |               |                |               |
| Return on plan assets  | 37,084  | -46,077       | 0                              | 0             | 37,084         | -46,077       |
| Actuarial gains (-) and losses (+) from demographic assumptions  | -2,798  | -12,574       | -3,200                         | 1,600         | -5,998         | -10,974       |
| Actuarial gains (-) and losses (+) from financial assumptions  | -241,253  | -33,022       | -32,400                        | -5,700        | -273,653       | -38,722       |
| Experience gains (-) and losses (+)  | -15,812   | 134,476       | 2,200                          | 1,400         | -13,612        | 135,876       |
| Asset Ceiling  | 417   | -458          | -7,902                         | -11,255       | -7,485         | -11,714       |
| Other actuarial gains (-) and losses (+)   | 398,674   | -76,312       | 0                              | 0             | 398,674        | -76,312       |
| Asset Ceiling  | 37,084  | -46,077       | 0                              | 0             | 37,084         | -46,077       |
| <b>Total retirement benefits charged to the Comprehensive Income and Expenditure Statement</b>                                       | <b>213,347</b>  | <b>1,338</b>  | <b>-23,571</b>                 | <b>3,022</b>  | <b>189,776</b> | <b>4,359</b>  |
| <b>Movement in Reserves Statement</b>  |   |               |                                |               |                |               |
| Reversal of net charges made to the Surplus/Deficit on the Provision of Services for retirement benefits in accordance with the code | 10,825  | 12,449        | -12,702                        | -11,355       | -1,877         | 1,093         |
| <b>Actual amount charged against the General Fund Balance for pensions in the year</b>   | <b>47,860</b>   | <b>47,754</b> | <b>5,030</b>                   | <b>5,622</b>  | <b>52,889</b>  | <b>53,375</b> |

## Notes to the Statement of Accounts

The net liabilities set out in the following table show the underlying long-term commitments that the County Council has to pay retirement benefits.

| <b>Pension Liability</b>   | <b>2024/25</b><br><b>£'000</b> | <b>2025/26</b><br><b>£'000</b> |
|--|--------------------------------|--------------------------------|
| <b>Present value liabilities:</b>                                  |                                |                                |
| Local Government Pension Scheme funded benefits                    | 1,754,397                      | 1,825,718                      |
| Local Government Pension Scheme unfunded benefits                  | 29,095                         | 26,747                         |
| Fire Fighters' Pension Schemes                                     | 183,200                        | 180,600                        |
| Teachers' Added Years  | 10,986                         | 10,166                         |
| <b>Total Present value liabilities</b>                             | <b>1,977,678</b>               | <b>2,043,231</b>               |
| <b>Fair value of assets in the Local Government Pension Scheme</b> | <b>1,673,797</b>               | <b>1,825,718</b>               |
| <b>Net Liabilities in the scheme:</b>                              |                                |                                |
| Local Government Pension Scheme funded                             | 43,248                         | 0                              |
| Local Government Pension Scheme unfunded                           | 29,095                         | 26,747                         |
| Fire Fighters' Pension Schemes                                     | 183,200                        | 180,600                        |
| Teachers' Added Years  | 10,986                         | 10,166                         |
| <b>Total Net Liabilities</b>                                       | <b>266,529</b>                 | <b>217,513</b>                 |

It should be noted however that the pension liability valuation in accordance with accounting requirements is only a snapshot in time and will likely fluctuate year on year. The statutory arrangements for funding the deficit ensure that:

- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary
- The rates of employee and employer contributions for the Fire-fighters' Pension Schemes will be reviewed regularly by actuaries acting on behalf of the government to ensure that they reflect the true cost of accruing pensions
- Finance is only required to be raised to cover teachers added years benefits and fire- fighters injury pensions and unfunded ill health retirements when they are actually paid

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The schemes have been assessed by Hymans Robertson LLP, an independent firm of actuaries using estimates based on the latest full valuation of the scheme - at 31 March 2025 for the Local Government Pension Scheme and 31 March 2024 for the Fire-fighters Pension Schemes.

A reconciliation of the opening and closing balances of the present value of scheme liabilities is shown on the following table.

## Notes to the Statement of Accounts

| Liabilities  | Local Government Pension Scheme & Teacher's Added Years |                  | Fire Fighters' Pension Schemes |                | Total            |                  |
|--|---|------------------|--------------------------------|----------------|------------------|------------------|
|  | 2024/25   | 2025/26          | 2024/25                        | 2025/26        | 2024/25          | 2025/26          |
|  | £'000   | £'000            | £'000                          | £'000          | £'000            | £'000            |
| <b>Opening Balance at 1 April</b>                    | <b>1,591,640</b>  | <b>1,794,478</b> | <b>211,800</b>                 | <b>183,200</b> | <b>1,803,440</b> | <b>1,977,678</b> |
| Current Service Cost                                 | 39,747  | 30,247           | 1,700                          | 1,500          | 41,447           | 31,747           |
| Interest Expense                                     | 76,811  | 80,360           | 10,100                         | 10,300         | 86,911           | 90,660           |
| Contributions by scheme participants                 | 13,561  | 14,369           | 1,700                          | 1,900          | 15,261           | 16,269           |
| Actuarial gains and losses - demographic assumptions | -2,798  | -12,574          | -3,200                         | 1,600          | -5,998           | -10,974          |
| Actuarial gains and losses - financial assumptions   | -241,253  | -33,022          | -32,400                        | -5,700         | -273,653         | -38,722          |
| Experience gains and losses                          | -15,812   | 107,432          | 2,200                          | 1,400          | -13,612          | 108,832          |
| Actuarial gains and losses - Asset Ceiling           | 398,674   | -53,205          | 0                              | 0              | 398,674          | -53,205          |
| Other actuarial gains and losses                     | 0   | 0                | -7,902                         | -11,255        | -7,902           | -11,255          |
| Benefits Paid  | -65,751   | -66,188          | -6,730                         | -7,522         | -72,481          | -73,710          |
| Past Service Costs                                   | 2,473   | 734              | 0                              | 100            | 2,473            | 834              |
| (Gain) / Loss from settlements                       | -2,814  | 0                | 0                              | 0              | -2,814           | 0                |
| Fire Fighters pension scheme top-up grant            | 0   | 0                | 5,931                          | 5,077          | 5,931            | 5,077            |
| <b>Closing balance at 31 March</b>                   | <b>1,794,478</b>  | <b>1,862,631</b> | <b>183,199</b>                 | <b>180,600</b> | <b>1,977,677</b> | <b>2,043,231</b> |

## Notes to the Statement of Accounts

The Fire-fighters' Pension Schemes and Teachers Added Years have no assets to cover liabilities. Assets in the Local Government Pension Scheme are valued at fair value, principally market value of investments. Cash contributions from other partners in the Pension Pool mean that the asset values in the County Council's accounts differ to those in the actuarial report. A reconciliation of the fair value of assets in the Local Government Pension Scheme is shown on the following table:

| <b>Assets at Fair Value</b>          | <b>Local Government Pension Scheme (funded)</b> |                  |
|--------------------------------------|---|------------------|
|                                      | 2024/25<br>£'000                                | 2025/26<br>£'000 |
| <b>Opening Balance at 1 April</b>    | <b>1,673,798</b>                                | <b>1,711,149</b> |
| Interest Income                      | 80,936  | 99,143           |
| Return on plan assets                | -37,084   | 46,077           |
| Other actuarial gains and losses     | -417  | 49,726           |
| Administration expenses              | 0   | -76,312          |
| Employer Contributions               | 0   | 0                |
| Contributions by scheme participants | 43,122  | 43,243           |
| Benefits Paid                        | 13,561  | 14,369           |
| Settlements received / (paid)        | -61,013   | -61,677          |
| <b>Closing balance at 31 March</b>   | <b>1,711,149</b>                                | <b>1,825,718</b> |

## Notes to the Statement of Accounts

The assets in the Local Government Pension Scheme consist of the following categories:

| Assets  | At 31 March 2024 |                  |             | At 31 March 2025 |                  |             |
|---|------------------|------------------|-------------|------------------|------------------|-------------|
|   | £'000            | £'000            | %           | £'000            | £'000            | %           |
| <b>Equities</b>                                 |                  |                  |             |                  |                  |             |
| Consumer  | 0                |                  |             | 0                |                  |             |
| Manufacturing                                   | 0                |                  |             | 0                |                  |             |
| Energy and Utilities                            | 0                |                  |             | 0                |                  |             |
| Financial Institutions                          | 0                |                  |             | 0                |                  |             |
| Health and Care                                 | 0                |                  |             | 0                |                  |             |
| Information and Technology                      | 0                |                  |             | 0                |                  |             |
|   |                  | 0                | 0%          |                  | 0                | 0%          |
| <b>Debt Securities</b>                          |                  |                  |             |                  |                  |             |
| UK Government                                   | 0                |                  |             | 0                |                  |             |
| Other   | 0                |                  |             | 0                |                  |             |
|   |                  | 0                | 0%          |                  | 0                | 0%          |
| <b>Derivatives (quoted in an active market)</b> |                  |                  |             |                  |                  |             |
| Foreign exchange                                | 0                |                  |             | 0                |                  |             |
|   |                  | 0                | 0%          |                  | 0                | 0%          |
| <b>Cash and cash equivalents</b>                |                  |                  |             |                  |                  |             |
| Cash  | 35,544           |                  |             | 112,663          |                  |             |
|   |                  | 35,544           | 2%          |                  | 112,663          | 6.2%        |
| <b>Private Equity</b>                           |                  |                  |             |                  |                  |             |
| All   | 93,768           |                  |             | 77,289           |                  |             |
|   |                  | 93,768           | 5%          |                  | 77,289           | 4.2%        |
| <b>Investment Funds and Unit Trusts</b>         |                  |                  |             |                  |                  |             |
| Equities  | 947,313          |                  |             | 967,626          |                  |             |
| Infrastructure                                  | 0                |                  |             | 93,584           |                  |             |
| Bonds   | 161,044          |                  |             | 168,712          |                  |             |
| Other   | 473,480          |                  |             | 405,844          |                  |             |
|   |                  | 1,581,837        | 92%         |                  | 1,635,766        | 89.6%       |
| <b>Total</b>                                    |                  | <b>1,711,149</b> | <b>100%</b> |                  | <b>1,825,718</b> | <b>100%</b> |

## Notes to the Statement of Accounts

The main assumptions used in the retirement benefit calculations are as follows:

|   | Local Government Pension Scheme (funded) |                    | Local Government Pension Scheme (unfunded) |                    | Fire-fighters' Pension Schemes     |                                    | Teachers Added Years |                    |
|---|--|--------------------|--|--------------------|------------------------------------|------------------------------------|----------------------|--------------------|
|   | 2024/25                                  | 2025/26            | 2024/25                                    | 2025/26            | 2024/25                            | 2025/26                            | 2024/25              | 2025/26            |
| <b>Longevity Assumptions:</b>                       |  |                    |  |                    |                                    |                                    |                      |                    |
| Base Table  | Fund's Vita Curves                       | Fund's Vita Curves | Fund's Vita Curves                         | Fund's Vita Curves | S2NMA/S2NFA with a 110% multiplier | S2NMA/S2NFA with a 110% multiplier | Fund's Vita Curves   | Fund's Vita Curves |
| <b>Men:</b>   |  |                    |  |                    |                                    |                                    |                      |                    |
| Rate of improvement                                 | 1.50%                                    | 1.50%              | 1.50%                                      | 1.50%              | 1.50%                              | 1.50%                              | 1.50%                | 1.50%              |
| Longevity from 65 (currently aged 65) (yrs)         | 21.8                                     | 22.5               | 21.8                                       | 22.5               | 25.6                               | 25.6                               | 21.8                 | 21.8               |
| Longevity from 65 (currently aged 45) (yrs)         | 22.5                                     | 23.2               | 22.5                                       | 23.2               | 27.7                               | 27.7                               | 22.5                 | 22.5               |
| <b>Women:</b>                                       |  |                    |  |                    |                                    |                                    |                      |                    |
| Rate of improvement                                 | 1.50%                                    | 1.50%              | 1.50%                                      | 1.50%              | 1.50%                              | 1.50%                              | 1.50%                | 1.50%              |
| Longevity from 65 (currently aged 65) (yrs)         | 24.4                                     | 25.1               | 24.4                                       | 25.1               | 28.5                               | 28.5                               | 24.4                 | 24.4               |
| Longevity from 65 (currently aged 45) (yrs)         | 25.8                                     | 26.3               | 25.8                                       | 26.3               | 30.5                               | 30.5                               | 25.8                 | 25.8               |
| <b>Financial Assumptions:</b>                       |  |                    |  |                    |                                    |                                    |                      |                    |
| Retail Price Index (RPI) increases                  | 3.05%                                    | 3.25%              | 3.05%                                      | 3.25%              | 3.15%                              | 3.30%                              | 3.05%                | 3.25%              |
| Consumer Price Index (CPI) increases                | 2.75%                                    | 3.00%              | 2.75%                                      | 3.00%              | 2.80%                              | 3.00%                              | 2.75%                | 3.00%              |
| Rate of increases in salaries                       | 2.75%                                    | 3.00%              | 2.75%                                      | 3.00%              | 3.15%                              | 3.30%                              | 2.75%                | 3.00%              |
| Rate of increases in pensions and deferred pensions | 2.75%                                    | 3.00%              | 2.75%                                      | 3.00%              | 2.80%                              | 3.00%                              | 2.75%                | 3.00%              |
| Rate for discounting scheme liabilities             | 5.80%                                    | 6.20%              | 5.80%                                      | 6.20%              | 5.80%                              | 6.20%                              | 5.80%                | 6.20%              |

## Notes to the Statement of Accounts

In addition, the following assumptions have been made for the Local Government Pension Scheme:

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the option to pay 50% of contributions for 50% of benefits at the previous valuation date will remain the same.

For the Fire-Fighters Scheme:

- Members will exchange 90% of the maximum tax-free cash up to HMRC limits of their commutable pension for cash at retirement.
- Members will retire at the earliest age they are able to do so without reduction.
- The effect of an increase or decrease in the assumptions used to calculate the pension liability is set out below.

|   | Local Government Pension Scheme<br>(funded)        |   | Fire-Fighters' Pension Scheme                      |   |
|---|--|---|--|---|
|   | Approximate %<br>increase to<br>Employer Liability | Approximate<br>monetary<br>amount (£'000) | Approximate %<br>increase to<br>Employer Liability | Approximate<br>monetary<br>amount (£'000) |
| 0.5% decrease in Real Discount Rate       | 10%  | 114,255                                   | 9%   | 15,910                                    |
| 0.5% increase in Pension Increase Rate    | 5%   | 110,635                                   | 7%   | 13,300                                    |
| 0.5% increase in Salary Increase Rate     | <1%  | 3,585                                     | <1%  | 380                                       |
| 1 year increase in member life expectancy | 4%   | 60,686                                    | 3%   | 5,420                                     |

### 18. Pension Reserve

The movements on the Pension Reserve are set out in the following table:

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Pension Reserve</b>   |                  |                  |
| <b>Balance as at 1 April</b>                                     | <b>-129,642</b>  | <b>-266,529</b>  |
| Net charge made for retirement benefits in accordance with IAS19 | -1,877           | 1,093            |
| Asset Ceiling Adjustment   | 0                | 72,753           |
| Remeasurements of the new defined liability                      | -135,010         | -24,830          |
| <b>Balance as at 31 March</b>                                    | <b>-266,529</b>  | <b>-217,513</b>  |

## Notes to the Statement of Accounts

### 19. Grant Income

The County Council recognised the following grants in the Comprehensive Income and Expenditure Statement.

| Grant issuing body                                    | Credited to Taxation and Non-Specific Grant Income             | 2024/25<br>£'000 | 2025/26<br>£'000            | Credited to Services                                   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|--|------------------|-----------------------------|--|------------------|------------------|
| Ministry of Housing, Communities and Local Government | Business Rate Top Up Grant                                     | 42,128           | 42,660                      | Adult Social Care Discharge Fund                       | 2,501            | -                |
|   | Business Rates Retention Levy Surplus / Retention Scheme       | 1,535            | 2,489                       | Better Care Grant                                      | 10,705           | 13,207           |
|   | Section 31 Grant for Business Rate Compensation                | 21,201           | 20,707                      |  |                  |                  |
|   | New Homes Bonus  | 1,674            | 1,127                       | Homes for Ukraine Tarrif Grant                         | 1,119            | 515              |
|   | Supporting Families Grant - previously Troubled Families       | 1,732            | 0                           | Homes for Ukraine Sponsor Grant                        | 1,986            | 1,045            |
|   | Domestic Abuse   | 1,189            | 1,482                       |  |                  |                  |
|   | Adult Social Care Support Grant (inc. Independent Living Fund) | 42,538           | 48,648                      |  |                  |                  |
|   | Employers National Insurance Compensation                      | -                | 4,428                       |  |                  |                  |
|   | Services Grant   | 502              | -                           |  |                  |                  |
| Department of Health and Social Care                  | Rough Sleeping Drug and Alcohol Grant                          | 1,220            | 2,977                       | Public Health Grant                                    | 35,030           | 37,117           |
|   | Supplementary Substance Misuse Treatment & Recovery Grant      | 1,136            | 239                         | Market Sustainability and Improvement Fund             | 10,026           | 10,026           |
|   |  |                  |                             | Household Support Fund                                 | 6,723            | 5,924            |
|   |  |                  |                             | International Recruitment Fund                         | 2,833            | 2,087            |
| Department for Education                              | Wraparound Childcare Programme                                 | 2,109            | -                           | Dedicated Schools Grant                                | 300,694          | 347,311          |
|   |  |                  |                             | Pupil Premium Grant                                    | 7,961            | 7,641            |
|   |  |                  |                             | PE and Sports Grant                                    | 2,081            | 1,813            |
|   |  |                  |                             | Universal Infant Free School Meals                     | 3,929            | 3,777            |
|   |  |                  |                             | Adoption Support Fund                                  | 1,288            | 1,940            |
|   |  |                  |                             | Holidays & Activities Grant                            | 1,481            | 1,558            |
|   |  |                  |                             | Multiply   | 1,112            | -212             |
|   |  |                  |                             | Teachers' Pay Additional Grant                         | 2,908            | 1,325            |
|   |  |                  |                             | Supplementary Funding (MSAG/Core Schools Budget Grant) | 4,068            | 6,259            |
|   |  |                  |                             | Children & Families Grant-Supporting Families          | -                | 1,722            |
|   |  |                  |                             | Children & Families Grant-Main                         | -                | 1,592            |
|   |  |                  |                             | Children's Social Care Prevention Grant                | -                | 1,657            |
|   |  |                  |                             | National Insurance contributions (NICs) Grant          | -                | 2,666            |
|   |  |                  | Early Years Expansion Grant | -  | 1,002            |                  |
|   |  |                  | Teachers' Pension Grant     | 4,066  | 25               |                  |
| Department for Transport                              |  |                  | Bus Reform                  | 2,363  | 6,028            |                  |

## Notes to the Statement of Accounts

| Grant issuing body                                 | Credited to Taxation and Non-Specific Grant Income | 2024/25<br>£'000 | 2025/26<br>£'000 | Credited to Services                              | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|--|------------------|------------------|---|------------------|------------------|
| Department for Culture, Media and Sport            |  |                  |                  | Music Grant                                       | 816              | 914              |
| Home Office  |  |                  |                  | Fire (additional pension contributions)           | 1,061            | 1,013            |
|  |  |                  |                  | Asylum Seekers                                    | 7,092            | 6,321            |
| Department for Environment, Food and Rural Affairs |  |                  |                  | Packaging Extended Producer Responsibility (pEPR) | -                | 4,828            |
| Various  | Other Revenue Grants                               | 4,325            | 764              | Other Revenue Grants                              | 11,662           | 9,417            |
| Various  | Capital Grants                                     | 113,973          | 147,084          | Capital Grants                                    | -                | -                |
| Various  | Developer Contributions                            | 21,887           | 33,689           |   |                  |                  |
| Various  | Other Capital Contributions                        | 526              | 8,934            |   |                  |                  |
| <b>All Grants</b>                                  | <b>Total</b>                                       | <b>257,675</b>   | <b>315,228</b>   | <b>Total</b>                                      | <b>423,505</b>   | <b>478,518</b>   |

### 20. Taxation and Non - Specific Grant Income

A breakdown of the items in the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement is:

|                                  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|----------------------------------|------------------|------------------|
| Council Tax Income               | 507,547          | 541,547          |
| Non Domestic Rates               | 39,143           | 43,245           |
| Non Ringfenced Government Grants | 121,289          | 125,546          |
| Capital Grants and Contributions | 136,386          | 189,707          |
| <b>Total</b>                     | <b>804,365</b>   | <b>900,045</b>   |

### 21. Related Party Transactions

The County Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the County Council or to be controlled or influenced by the County Council. Disclosure of these transactions allows the reader of the accounts to assess the extent to which the County Council might have been constrained in its ability to operate independently or might have limited another party’s ability to pursue its interests independently.

Central government is responsible for the statutory framework within which all local authorities operate and provides the majority of the Council’s funding in the form of general and specific grants (as set out in Note 19 & 20).

#### Pension Fund

The County Council administers the Oxfordshire Pension Fund and this is regarded as a related party. During the year ended 31 March 2026, the County Council made employer contributions totalling £43.218m to the Fund and charged the Fund £2.102m for administering expenses. At 31 March 2026, £7.221m was due to the Pension Fund and £0.677m was due from the Pension Fund.

#### Officers

One Officer is a trustee of Homeless Oxfordshire Ltd. The Council paid the trust £1,215k in 2025/26.

A close family member of one Officer is a trustee of The River Learning Trust. The Council paid the trust £4,862k in 2025/26.

#### Elected Members

Councillor Gareth Epps is a member of the Thames Valley Police & Crime Panel.

One Councillor received Disabled Facilities Grants of £88k between 2009/10 and 2012/13.

Oxfordshire County Council has a legal charge on the property.

One Councillor received a Disabled Facilities Grant of £20k in 2007/08. Oxfordshire County Council has a legal charge on the property.

Three Councillors are trustees of Oxfordshire Buildings Trust. The Council paid £14k to the trust during 2025/26.

One Councillor is a trustee of Experience Oxfordshire. The Council paid £74k to the trust during 2025/26.

One Councillor is a trustee of The Ark-T Centre. The Council paid £12k to the trust during 2024/25.

One Councillor is a trustee of Headington Action. The Council paid £1k to the trust during 2025/26.

One Councillor is Chairman Oxford Community Action. The Council paid £6k to the trust during 2025/26.

One Councillor is a trustee and one Councillor is a director of Oxford Preservation Trust. The Council paid £0.3k to the trust during 2025/26.

One Councillor is a director and shareholder of Total Pest Control UK Ltd. The Council paid £1k to the company during 2025/26 while Cllr was a member.

Two Councillors and a close family member are Local Councillors on Kidlington Parish Council. The Council paid £3k to the Parish Council during 2025/26.

## Notes to the Statement of Accounts

### Cont. Elected Members

One Councillor is a Local Councillor on Didcot Town Council. The Council paid £14k to the Town Council during 2025/26.

One Councillor is a Local Councillor on Bicester Town Council. The Council paid £0.2k to the Town Council during 2025/26.

Two Councillors are Local Councillors on Witney Town Council. The Council paid £4k to the Town Council during 2025/26.

Five Councillors are Local Councillors on Banbury Town Council. The Council paid £21k to the Town Council during 2025/26.

Two Councillors are Local Councillors on Abingdon Town Council. The Council paid £33k to the Town Council during 2025/26.

One Councillor is a Local Councillor on Watchfield Parish Council. The Council paid £0.3k to the Town Council during 2025/26.

One Councillor is a trustee of Vale Community Impact. The Council paid £29k to the trust during 2025/26.

One Councillor is a director of Bicester Vision CIC. The Council paid £5k to the company during 2025/26.

Fourty-one Councillors are also district councillors during 2025/26.

### Entities controlled or significantly influenced by the authority

Oxfordshire County Council exercises control over OXLEP Ltd, trading as Enterprise Oxfordshire, a company limited by guarantee, by virtue of its position as the sole guarantor. Following the withdrawal of official recognition for Local Enterprise Partnerships (LEPs) on 31 March 2024, their functions were transferred to upper-tier or combined local authorities. Accordingly, with effect from 1 April 2024, Oxfordshire County Council acquired a controlling interest in Enterprise Oxfordshire Ltd.

In the financial year 2025/26, Enterprise Oxfordshire Ltd reported income of £3.3m, expenditure of £3.3m, and year-end reserves of £2.2m. As these figures fall below the Council's materiality threshold, the preparation of group accounts was not required.

During the year, net transactions between the County Council and Enterprise Oxfordshire Ltd totalled £2.5m (net outflow), comprising £2.5m in expenditure and £0.1m in income. At 31 March 2026, the County Council held earmarked reserves of £0.019m in respect of Enterprise Oxfordshire Ltd.

## Notes to the Statement of Accounts

### 22. Movement in Property, Plant & Equipment (PPE)

| 2025/26  | Other Land<br>& Buildings | Vehicles,<br>Plant,<br>Furniture &<br>Equipment | Right Of Use<br>Assets | Surplus<br>Assets | Assets Under<br>Construction | Total<br>Property<br>Plant &<br>Equipment | Service<br>Concession<br>assets<br>included in<br>PPE |
|--|---------------------------|---|------------------------|-------------------|------------------------------|---|---|
|  | £'000                     | £'000   | £'000                  | £'000             | £'000                        | £'000                                     | £'000   |
| <b>Cost or valuation as at 1 April</b>   | <b>521,839</b>            | <b>40,578</b>                                   | <b>14,544</b>          | <b>7,714</b>      | <b>168,840</b>               | <b>753,514</b>                            | <b>63,152</b>   |
| Additions  | 12,966                    | 5,993   | 3,617                  | 0                 | 94,900                       | 117,479                                   | 1,754   |
| Donation   | 1,754                     | 0   | 0                      | 0                 | 0                            | 1,754                                     | 0   |
| Revaluation increases (decreases) recognised in the Revaluation Reserve                            | -5,514                    | 0   | -659                   | -514              | 0                            | -6,687                                    | 0   |
| Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services | -2,623                    | 0   | 0                      | 5                 | 0                            | -2,618                                    | 0   |
| Derecognition - disposals  | 0                         | -1,320  | 0                      | 0                 | 0                            | -1,320                                    | 0   |
| Derecognition - other  | -17,578                   | 0   | 0                      | 0                 | -516                         | -18,094                                   | 0   |
| Assets reclassified to / from Held for Sale  | 0                         | 0   | 0                      | -2,821            | 0                            | -2,821                                    | 0   |
| Assets reclassified to / from Investment Property  | 340                       | 0   | 0                      | 0                 | 0                            | 340                                       | 0   |
| Assets reclassified to / from Surplus assets and vehicles, plant and equipment                     | 0                         | 0   | 0                      | 0                 | -1,035                       | -1,035                                    | 0   |
| Transfers *  | 10,959                    | 1,162   | -1                     | 0                 | -28,652                      | -16,532                                   | 0   |
| Other movements in cost or valuation   | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| <b>Cost or valuation as at 31 March</b>  | <b>522,143</b>            | <b>46,413</b>                                   | <b>17,501</b>          | <b>4,384</b>      | <b>233,537</b>               | <b>823,980</b>                            | <b>64,906</b>   |
| <b>Depreciation and Impairment as at 1 April</b>   | <b>-24,755</b>            | <b>-28,153</b>                                  | <b>-0</b>              | <b>-66</b>        | <b>0</b>                     | <b>-52,974</b>                            | <b>-2,232</b>   |
| Depreciation charge  | -14,747                   | -4,803  | -1,207                 | -37               | 0                            | -20,794                                   | 0   |
| Depreciation and impairment written out to the Revaluation Reserve                                 | 31,892                    | 0   | 2,034                  | 0                 | 0                            | 33,926                                    | 0   |
| Depreciation and impairment written out to the Surplus / Deficit on Provision of Services          | 2,544                     | 0   | 0                      | 0                 | 0                            | 2,544                                     | 0   |
| Impairment losses / (reversals) recognised in the Revaluation Reserve                              | 333                       | 0   | 0                      | 0                 | 0                            | 333                                       | 0   |
| Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services       | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Derecognition - disposals  | 0                         | 1,320   | 0                      | 0                 | 0                            | 1,320                                     | 0   |
| Derecognition - other  | 918                       | 0   | 0                      | 0                 | 0                            | 918                                       | 0   |
| Assets reclassified to / from Held for Sale  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Assets reclassified to / from Investment Properties  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Transfers  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Other movements in depreciation and impairment   | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| <b>Depreciation and impairment as at 31 March</b>  | <b>-3,815</b>             | <b>-31,636</b>                                  | <b>827</b>             | <b>-103</b>       | <b>0</b>                     | <b>-34,727</b>                            | <b>-2,232</b>   |
| <b>Net book Value at 31 March 2025</b>   | <b>497,084</b>            | <b>12,425</b>                                   | <b>14,543</b>          | <b>7,648</b>      | <b>168,840</b>               | <b>700,540</b>                            | <b>60,920</b>   |
| <b>Net book Value at 31 March 2026</b>   | <b>518,328</b>            | <b>14,777</b>                                   | <b>18,327</b>          | <b>4,281</b>      | <b>233,537</b>               | <b>789,250</b>                            | <b>62,674</b>   |

## Notes to the Statement of Accounts

| 2024/25  | Other Land<br>& Buildings | Vehicles,<br>Plant,<br>Furniture &<br>Equipment | Right Of Use<br>Assets | Surplus<br>Assets | Assets Under<br>Construction | Total<br>Property<br>Plant &<br>Equipment | Service<br>Concession<br>assets<br>included in<br>PPE |
|--|---------------------------|---|------------------------|-------------------|------------------------------|---|---|
|  | £'000                     | £'000   | £'000                  | £'000             | £'000                        | £'000                                     | £'000   |
| <b>Cost or valuation as at 1 April</b>   | <b>531,710</b>            | <b>38,680</b>                                   | <b>0</b>               | <b>7,636</b>      | <b>135,659</b>               | <b>713,684</b>                            | <b>62,749</b>   |
| Recognition of right of use asset liability  |                           | 0   | 12,710                 | 0                 | 0                            | 12,710                                    | 0   |
| <b>Restatement Cost or valuation as at 1 April 2024</b>  | <b>531,710</b>            | <b>38,680</b>                                   | <b>12,710</b>          | <b>7,636</b>      | <b>135,659</b>               | <b>726,394</b>                            | <b>62,750</b>   |
| Additions  | 8,040                     | 4,543   | 0                      | 146               | 76,964                       | 89,692                                    | 5,078   |
| Donation   | 0                         | 467   | 0                      | 0                 | 0                            | 467                                       | 0   |
| Revaluation increases (decreases) recognised in the Revaluation Reserve                            | 89                        | 0   | 1,834                  | 726               | 0                            | 2,649                                     | 350   |
| Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services | -6,659                    | 0   | 0                      | 0                 | 0                            | -6,659                                    | 0   |
| Derecognition - disposals  | 0                         | -237  | 0                      | 0                 | 0                            | -237                                      | 0   |
| Derecognition - other  | -20,088                   | 0   | 0                      | 0                 | -8                           | -20,096                                   | -5,078  |
| Assets reclassified to / from Held for Sale  | 0                         | 0   | 0                      | -560              | 0                            | -560                                      | 0   |
| Assets reclassified to / from Investment Property  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Assets reclassified to / from Surplus assets and vehicles, plant and equipment                     | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Transfers *  | 5,216                     | -2,874  | 0                      | -235              | -43,774                      | -41,666                                   | 52  |
| Other movements in cost or valuation   | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| <b>Cost or valuation as at 31 March</b>  | <b>518,309</b>            | <b>40,578</b>                                   | <b>14,544</b>          | <b>7,714</b>      | <b>168,840</b>               | <b>749,985</b>                            | <b>63,152</b>   |
| <b>Depreciation and Impairment as at 1 April</b>   | <b>-14,052</b>            | <b>-24,527</b>                                  | <b>0</b>               | <b>-29</b>        | <b>0</b>                     | <b>-38,608</b>                            | <b>-517</b>   |
| Depreciation charge  | -16,990                   | -4,262  | -1,127                 | -48               | 0                            | -22,427                                   | -1,715  |
| Depreciation and impairment written out to the Revaluation Reserve                                 | 4,295                     | 0   | 1,127                  | 0                 | 0                            | 5,422                                     | 0   |
| Depreciation and impairment written out to the Surplus / Deficit on Provision of Services          | 2,179                     | 0   | 0                      | 0                 | 0                            | 2,179                                     | 0   |
| Impairment losses / (reversals) recognised in the Revaluation Reserve                              | -497                      | 0   | 0                      | 0                 | 0                            | -497                                      | 0   |
| Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services       | -551                      | 0   | 0                      | 0                 | 0                            | -551                                      | 0   |
| Derecognition - disposals  | 0                         | 228   | 0                      | 0                 | 0                            | 228                                       | 0   |
| Derecognition - other  | 1,280                     | 0   | 0                      | 1                 | 0                            | 1,280                                     | 0   |
| Assets reclassified to / from Held for Sale  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Assets reclassified to / from Investment Properties  | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| Transfers  | -419                      | 409   | 0                      | 10                | 0                            | 0   | 0   |
| Other movements in depreciation and impairment   | 0                         | 0   | 0                      | 0                 | 0                            | 0   | 0   |
| <b>Depreciation and impairment as at 31 March</b>  | <b>-24,755</b>            | <b>-28,153</b>                                  | <b>0</b>               | <b>-66</b>        | <b>0</b>                     | <b>-52,974</b>                            | <b>-2,232</b>   |
| <b>Net book Value at 31 March 2024</b>   | <b>517,658</b>            | <b>14,153</b>                                   | <b>0</b>               | <b>7,607</b>      | <b>135,659</b>               | <b>675,076</b>                            | <b>62,232</b>   |
| <b>Net book Value at 31 March 2025</b>   | <b>493,554</b>            | <b>12,425</b>                                   | <b>14,543</b>          | <b>7,648</b>      | <b>168,840</b>               | <b>697,011</b>                            | <b>60,920</b>   |

## Notes to the Statement of Accounts

Oxfordshire County Council has applied a temporary relief for infrastructure assets under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

|   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| <b>Infrastructure Assets</b>                        |                  |                  |
| Net Book Value(modified historical cost) at 1 April | 669,338          | 758,854          |
| Additions   | 78,978           | 58,304           |
| Transfers   | 41,832           | 16,554           |
| Depreciation charge                                 | -31,294          | -33,433          |
| <b>Net Book Value at 31 March</b>                   | <b>758,854</b>   | <b>800,279</b>   |

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Reconciliation to Balance Sheet</b>                       |                  |                  |
| Infrastructure Assets  | 758,854          | 800,279          |
| Other Property, Plant and Equipment                          | 696,991          | 789,253          |
| <b>Total Property, Plant and Equipment-per Balance Sheet</b> | <b>1,455,845</b> | <b>1,589,529</b> |

### 23. Investment Properties

|   | 2024/25              |                  | 2025/26              |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | Non-current<br>£'000 | Current<br>£'000 | Non-current<br>£'000 | Current<br>£'000 |
| <b>Investment Properties</b>                        |                      |                  |                      |                  |
| <b>Opening Balance at 1 April</b>                   | <b>25,685</b>        | <b>0</b>         | <b>23,895</b>        | <b>0</b>         |
| Additions   | 0                    | 0                | 3                    | 0                |
| Disposal/Derecognition                              | -1,925               | 0                | 0                    | 0                |
| Net gain (+) / losses from fair value adjustments   | 135                  | 0                | -210                 | 0                |
| Assets reclassified to / from Investment Properties | 0                    | 0                | -1,210               | 0                |
| Other changes                                       | 0                    | 0                | 0                    | 0                |
| <b>Closing balance at 31 March</b>                  | <b>23,895</b>        | <b>0</b>         | <b>22,478</b>        | <b>0</b>         |

None of the investment properties are held under operating leases. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. Classification in the fair value hierarchy, together with additional information for property classified as level 3 within the hierarchy is provided in the table overleaf.

The fair value for the agricultural properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy. The office and commercial units located in the local authority area are measured using the income approach where the expected cash flows from the properties are discounted (using a market-derived all risks discount rate) to establish the present value of the net income stream. The Council's office and commercial units are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique used significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

## Notes to the Statement of Accounts

|   | Fair Value Level | Fair Value at 31 March 2026<br>£'000 | Additional Information for level 3 properties<br>Valuation technique     | Unobservable inputs | Range (weighted average used) | Sensitivity  |
|---|------------------|--------------------------------------|--|---------------------|-------------------------------|--|
| Agricultural units & other level 2 assets | 2                | 20,872                               |  |                     |                               |  |
| Office units                              | 3                | 230                                  | Income approach using an all risks discount rate to assess capital value | Discount Rate       | 8% - 11% (10%)                | Significant changes in market conditions will affect the discount rate and will result in a significantly lower or higher fair value |
| Commercial units                          | 3                | 1,376                                | Income approach using an all risks discount rate to assess capital value | Discount Rate       | 5% - 6% (5%)                  | Significant changes in market conditions will affect the discount rate and will result in a significantly lower or higher fair value |
|   |                  | <b>22,478</b>                        |  |                     |                               |  |

The movement for investment properties categorised at level 3 in the hierarchy as follows:

| Level 3  | 2024/25      | 2025/26      |
|--|--------------|--------------|
|  | £'000        | £'000        |
| Balance at 1 April                                     | 2,857        | 1,908        |
| Net gains (+) / losses (-) from fair value adjustments | 29           | 38           |
| Transfers to/from Level 3                              | -978         | 0            |
| Disposals/de-recognition                               | 0            | 0            |
| Assets reclassified to / from Investment Properties    | 0            | 0            |
| Additions  | 0            | -340         |
|  | <b>1,908</b> | <b>1,606</b> |

The fair value of the County Council's investment property is measured annually at each reporting date. Valuations are carried out by external valuers (Sanderson Weatherall) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

## Notes to the Statement of Accounts

### 24. Assets Held for Sale

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Balance at 1 April</b>                        | <b>124</b>       | <b>560</b>       |
| <b>Assets newly classified as held for sale:</b> |                  |                  |
| Property, Plant and Equipment                    | 560              | 3,691            |
| Investment property                              | 0                | 0                |
| Revaluation gains / (losses)                     | 0                | 879              |
| Impairment losses                                | 0                | 0                |
| <b>Assets declassified as held for sale:</b>     |                  |                  |
| Property, Plant and Equipment                    | 0                | 0                |
| Assets derecognised                              | -124             | -560             |
| Additions  | 0                | 0                |
| <b>Balance at 31 March</b>                       | <b>560</b>       | <b>4,570</b>     |

### 25. Intangible Assets

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Gross Carrying value at 1 April</b>         | <b>3,479</b>     | <b>3,686</b>     |
| Additions                                      | 207              | 108              |
| Transfers from Assets Under Construction       | 0                | 927              |
| Derecognition                                  | 0                | 0                |
| <b>Gross Carrying value at 31 March</b>        | <b>3,686</b>     | <b>4,721</b>     |
| <b>Amortisation and Impairment at 1 April</b>  | <b>-2,020</b>    | <b>-2,487</b>    |
| Amortisation for the year                      | -467             | -537             |
| Impairment losses                              | 0                | 0                |
| Derecognition                                  | 0                | 0                |
| <b>Amortisation and Impairment at 31 March</b> | <b>-2,487</b>    | <b>-3,024</b>    |
| <b>Net Book Value at 1 April</b>               | <b>1,459</b>     | <b>1,199</b>     |
| <b>Net Book Value at 31 March</b>              | <b>1,199</b>     | <b>1,697</b>     |

### 26. Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations. This category of assets excludes assets with heritage characteristics that are used by the County Council in the provision of services - these are accounted for as operational assets within Property, Plant and Equipment. The main heritage assets held by the County Council comprise museum collections, history centre collections and archaeological sites.

Information is not available on the cost of the heritage assets held by the County Council, other than for a very small number of items, as the majority have been donated or acquired by excavation. The County Council considers that obtaining valuations for the museum and history centre collections would involve a disproportionate cost in comparison to the benefits to the users of the accounts and therefore does not recognise these assets on the Balance Sheet. The County Council does not consider that reliable valuation information can be obtained for the archaeological sites because of the diverse nature of the sites and lack of comparable market values, and therefore does not recognise these assets on the Balance Sheet.

Although current valuation information is not available to recognise the heritage assets on the Balance Sheet, contents insurance of £3.94m for the Museum Service and the Oxfordshire History Centre (based on historic valuations) provides an indication of the value

of these items not recognised on the Balance Sheet.

### **27. Valuation of non-current assets**

It is the policy of the County Council to revalue land, buildings and component assets within Property, Plant and Equipment on a three-year rolling programme set out in Note 1. In addition, material changes in asset valuations are adjusted for in the interim periods.

Investment properties valuations are reviewed annually. Assets held for sale are revalued at the point of reclassification to that category.

Property valuations are conducted by the County Council's internal and external property valuers (Sanderson Weatherall). They provide an annual valuation report and valuation certificate which give details of their opinion of the value of specific assets, basis of valuation, assumptions made and details of the rolling programme, additional and ad-hoc valuations. Valuations have been undertaken in accordance with the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors. The basis of valuations is set out in Note 1.

### **28. Private Finance Initiative (PFI and similar contracts – Homes for Older People)**

The County Council has one PFI type contract (service concession arrangement) with an external operator, The Oxfordshire Care Partnership, relating to the provision of residential care homes and care services. The Cabinet Member for Adult Social Care represents the Council's interests as a director of the Partnership.

Provision of residential care services was originally in 19 homes across Oxfordshire under a 25-year contract with The Oxfordshire Care Partnership which came into operation in 2001. The County Council had an average of 70% of the beds in these homes. Under this arrangement, nine of the homes are subject to long term leases and these assets had previously been excluded from the County Council's Balance Sheet. A further ten homes were transferred to the contractor but with short term leases as the homes did not meet required property standards. These have now all been re-provided through a redevelopment programme.

The operator has built nine new homes and four extra care housing schemes through the redevelopment programme, whilst thirteen homes have been closed. The Oxfordshire Care Partnership also operate the new Chilterns Court Care Centre built by the County Council, which was completed in 2016/17 and replaces the former care home in Henley. Under the Code, the County Council is required to recognise homes that meet tests in respect of control of services and control of the residual interest in property on its Balance Sheet. All homes under the contract are included on the County Council's Balance Sheet, with the exception of one home that does not meet the control tests specified in the Code. At the end of the contract, all properties currently on the Balance Sheet revert to County Council ownership.

The council's original 25-year agreement with Oxfordshire Care Partnership will end in 2026/27, however, The Oxfordshire Care Partnership will continue to operate the homes until the end of 2031/32. There is no requirement for the County Council to purchase a set number or value of beds during the years 2027/28 to 2031/32 other than the obligation of both parties to maintain existing placements at 31 March 2028. It has not yet been agreed on what basis any beds will be purchased after 31 March 2027.

## Notes to the Statement of Accounts

The value of assets recognised under service concession arrangements at each Balance Sheet date and the movements in value during the year are provided as a memorandum to the movement in Property Plant and Equipment (Note 22).

The financial liabilities arising from the service concession arrangement and an analysis of movements in the year are set out below:

|                                   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|-----------------------------------|------------------|------------------|
| <b>Balance at 1 April</b>         | <b>14,997</b>    | <b>14,161</b>    |
| Increase in liability in the year | 0                | 0                |
| Transfer to Deferred Income       | -836             | 0                |
| Liability repaid in the year      | -836             | -944             |
| <b>Balance at 31 March</b>        | <b>14,161</b>    | <b>13,217</b>    |

Details of payments due to be made under the service concession arrangement are as follows, with comparative figures for 2024/25 below.

|                | Service Costs<br>£'000 | Principal<br>Repayments<br>£'000 | Interest Costs<br>£'000 | Lifecycle Replacement<br>Payments<br>£'000 | Total<br>£'000 |
|----------------|------------------------|----------------------------------|-------------------------|--|----------------|
| <b>2025/26</b> |                        |                                  |                         |  |                |
| Within 1 year  | 12,477                 | 13,217                           | 1,743                   | 1,171                                      | 28,608         |
| 2-5 years      | 126,342                | 0                                | 0                       | 0  | 126,342        |
| <b>Total</b>   | <b>138,819</b>         | <b>13,217</b>                    | <b>1,743</b>            | <b>1,171</b>                               | <b>154,950</b> |
| <b>2024/25</b> |                        |                                  |                         |  |                |
| Within 1 year  | 23,168                 | 944                              | 1,865                   | 1,126                                      | 27,103         |
| 2-5 years      | 109,548                | 13,217                           | 1,743                   | 1,171                                      | 125,679        |
| <b>Total</b>   | <b>132,716</b>         | <b>14,161</b>                    | <b>3,608</b>            | <b>2,297</b>                               | <b>152,782</b> |

The service concession arrangement forms part of the finance liability recorded on the Balance Sheet, together with finance leases and forward deals on investments. A reconciliation of the service concession liability to the total finance liability is as follows:

|                                | Long-Term                 |                           | Current                   |                           |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                | At 31 March 2025<br>£'000 | At 31 March 2026<br>£'000 | At 31 March 2025<br>£'000 | At 31 March 2026<br>£'000 |
| Service Concession Arrangement | 13,217                    | 0                         | 944                       | 13,217                    |
| Finance Leases                 | 4,215                     | 6,048                     | 683                       | 703                       |
| <b>Total Finance Liability</b> | <b>17,432</b>             | <b>6,048</b>              | <b>1,627</b>              | <b>13,920</b>             |

## Notes to the Statement of Accounts

### 29. Capital Spending

Details of the expenditure by scheme and asset class are set out in the tables below.

| <b>Capital Spending by Scheme</b>                                   | <b>£'000</b>   |
|---|----------------|
| ED965 Grove Airfield - New Secondary School                         | 14,086         |
| ED930 Wallingford New Primary School (relocate)                     | 9,264          |
| ED973 Witney Wood Green Expansion                                   | 3,115          |
| ED982 Woodstock, Marlborough 1 Form Entry                           | 2,114          |
| Programmes & Projects <£1m  | 13,717         |
| <b>Pupil Place Plan</b>   | <b>42,296</b>  |
| Highways Infrastructure 1 Culham River Crossing                     | 17,865         |
| Access to Witney (Shore Green)                                      | 10,419         |
| A34 Lodge Hill Slip Road  | 10,313         |
| Highways Infrastructure 2 - A40 Eynsham to Wolvercote               | 7,981          |
| Highways Infrastructure 1 Clifton Hampden bypass                    | 7,551          |
| Banbury Tramway Road accessibility imp                              | 7,308          |
| Highways Infrastructure 1 Didcot Science Bridge                     | 6,562          |
| Oxford Station (Contribution)                                       | 6,500          |
| Zero Emission Bus Regional Areas - Zero Emission Bus Regional Areas | 2,881          |
| Upper Heyford Phase 2 M40 J10 (Growth Deal)                         | 2,178          |
| A4130 Steventon Lights (Relief to Rowstock)                         | 1,851          |
| Oxford Traffic Filters (OTF)  | 1,614          |
| (Bus Service Improvement Plan) Cherwell Street, Banbury             | 1,409          |
| Programmes & Projects <£1m  | 10,070         |
| <b>Major Infrastructure</b>   | <b>94,502</b>  |
| Surface Treatments Programme Budget                                 | 13,117         |
| Structural Highway Improvements Programme Budget                    | 8,654          |
| Carriageways Programme Budget                                       | 7,953          |
| Street Light LED replacement  | 3,845          |
| Bridges Packaged Structural Maintenance                             | 3,526          |
| Operations: Scheduled Main Programme Budget                         | 3,427          |
| Footway and Cycleway Works Programme Budget                         | 3,081          |
| Drainage Improvements Programme Budget                              | 1,709          |
| Bus Service Improvement Plan Real-Time Information Upgrades         | 1,004          |
| Programmes & Projects <£1m  | 9,606          |
| <b>Highways Asset Management Plan</b>                               | <b>55,922</b>  |
| Great Mead, East Hagbourne Children's Home                          | 1,533          |
| Programmes & Projects <£1m  | 18,701         |
| <b>Property and Investment</b>                                      | <b>20,234</b>  |
| ICT - Data Centre Refresh   | 2,335          |
| End User Computing Refresh  | 1,311          |
| Programmes & Projects <£1m  | 1,747          |
| <b>ICT Strategy</b>   | <b>5,393</b>   |
| Better Care Fund - Disabled Facilities Grant                        | 8,843          |
| Programmes & Projects <£1m  | 1,393          |
| <b>Passport Funding</b>   | <b>10,236</b>  |
| Capitalised Purchase of Vehicles:                                   |                |
| Fleet Team  | 1,349          |
| Fire Service  | 277            |
| Capitalised purchase of Equipment                                   | 1,072          |
| <b>Vehicles and Equipment</b>                                       | <b>2,698</b>   |
| <b>Total Capital Spending</b>                                       | <b>231,282</b> |

## Notes to the Statement of Accounts

| <b>Capital Spending by Asset Class</b>                | <b>2025/26<br/>£'000</b> |
|---|--------------------------|
| Property, Plant and Equipment                         | 172,769                  |
| Intangible Assets                                     | 108                      |
| Investment Property                                   | 3                        |
| Revenue Expenditure Funded from Capital under Statute | 58,396                   |
| Capital Loans   | 6                        |
| Repayment of capital grants and contributions         | 0                        |
| <b>Total Capital Spending</b>                         | <b>231,282</b>           |

### 30. Capital Financing

The capital expenditure has been financed from the following sources:

| <b>Capital Financing</b>                   | <b>2024/25<br/>£'000</b> | <b>2025/26<br/>£'000</b> |
|--|--------------------------|--------------------------|
| Prudential and other unsupported borrowing | 53,701                   | 38,687                   |
| Capital Receipts                           | 0                        | 0                        |
| Grants & Contributions                     | 174,017                  | 189,731                  |
| Revenue                                    | 3,335                    | 2,865                    |
| <b>Total</b>                               | <b>231,052</b>           | <b>231,282</b>           |

### 31. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the County Council that has yet to be financed (including assets acquired under finance leases and service concession arrangements). The movements on the CFR for the year are as follows:

| <b>Capital Financing</b>  | <b>2024/25<br/>£'000</b> | <b>2025/26<br/>£'000</b> |
|---|--------------------------|--------------------------|
| <b>Capital Financing Requirement as at 1 April</b>                  | <b>467,426</b>           | <b>505,520</b>           |
| <b>Adjustment for recognition of IFRS 16 assets</b>                 | <b>3,844</b>             | <b>1,776</b>             |
| <b>Adjusted Capital Financing Requirement as at 1 April</b>         | <b>471,270</b>           | <b>507,296</b>           |
| New unsupported borrowing   | 53,701                   | 38,687                   |
| Finance Lease Arrangements  | 0                        | 1,852                    |
| Service Concession arrangements - lifecycle prepayments             | 1,126                    | 1,126                    |
| Loan repayments and other adjustments                               | 25                       | -251                     |
| Minimum Revenue Provision for the year                              | -16,758                  | -19,851                  |
| <b>Increase (+) / decrease (-) in Capital Financing Requirement</b> | <b>38,094</b>            | <b>21,563</b>            |
| <b>Capital Financing Requirement at 31 March</b>                    | <b>505,520</b>           | <b>528,859</b>           |

## Notes to the Statement of Accounts

### 32. Capital Commitments

As at 31 March 2026 the Council was contractually committed to £81.370m (£69.253m as at 31 March 2025 & £66.444m as at 31 March 2024) on the following schemes:

| <b>Capital Commitments by Scheme</b>                           | <b>£'000</b>  |
|--|---------------|
| <b>Pupil Places</b>  |               |
| Heyford Park 1 Form of Entry Secondary Expantaion (ED987)      | 5,629         |
| St Nicholas CE Primary Wallingford (ED930)                     | 3,113         |
| Woodstock, Marlborough 1 Form of Entry (ED982)                 | 1,802         |
| Grove Airfield - New Secondary (ED965)                         | 1,419         |
| SEND Free School - Faringdon (ED985)                           | 717           |
| Wood Green Expansion (ED973)                                   | 565           |
| North East Didcot Sires Hill - New Primary (ED929)             | 518           |
| Below £500k - Pupil Places Capital Programme                   | 2,779         |
|  | <b>16,543</b> |
| <b>Major Infrastructure and Highways</b>                       |               |
| Highways Infrastructure 1 Culham River Crossing                | 15,725        |
| A4130 Steventon Lights (Relief to Rowstock)                    | 7,484         |
| A34 Lodge Hill Interchange                                     | 7,000         |
| Access to Witney Shore Green                                   | 4,066         |
| Oxford Station (Contribution)                                  | 3,500         |
| Highways Infrastructure 1 Didcot Science Bridge                | 1,995         |
| Highways Infrastructure 1 Clifton Hampden bypass               | 1,867         |
| (Bus Service Improvement Plan) Cherwell Street, Banbury        | 1,528         |
| Banbury Tramway Road, Accessibility Improvements               | 1,491         |
| Bus Service Improvement Plan Vehicles Improvement Fund         | 1,205         |
| Vision Zero Speed Management Programme                         | 953           |
| Traffic Signals Programme                                      | 662           |
| Highways Infrastructure 2 - A40 Eynsham to Wolvercote          | 519           |
| Below £500k - Major Infrastructure Capital Programme           | 1,530         |
| Below £500k - Highway Asset Management Plans Capital Programme | 5,031         |
|  | <b>54,558</b> |
| <b>Property and Investments</b>                                |               |
| Thames Towpath   | 971           |
| Kidlington HQ (Decarbonation)                                  | 562           |
| Warm Homes: Local Grant  | 533           |
| Speedwell House - Oxford Accommodation Strategy                | 508           |
| Below £500k - Property & Estates Capital Programme             | 5,581         |
|  | <b>8,155</b>  |
| <b>ICT, Passported Funding &amp; Equipment</b>                 |               |
| 5G Innovation Region Connected Heartland                       | 1,422         |
| Below £500k - ICT Capital Programme                            | 391           |
| Below £500k - Vehicles & Equipment Capital Programme           | 206           |
| Below £500k - Passported Funding Capital Programme             | 95            |
|  | <b>2,114</b>  |
| <b>Total Capital Commitments</b>                               | <b>81,370</b> |

**33. Financial Instrument Carrying Values**

Financial assets comprise long-term and short-term investments, long-term and short-term debtors (excluding statutory debtors and prepayments) and cash & cash equivalents. Financial liabilities comprise long-term and short-term borrowing, creditors (excluding statutory creditors), finance leases, the finance liability element of service concession arrangements and forward deals on investments. The Code specifies the categorisation of these assets (see Note 1 Summary of Significant Accounting Policies). For each category, the financial instruments disclosed in the Balance Sheet are carried at the following values:

|  | Long-Term           |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | At 31 March<br>2025 | At 31<br>March 2026 | At 31 March<br>2025 | At 31 March<br>2026 |
|  | £'000               | £'000               | £'000               | £'000               |
| Financial assets at Amortised Cost                     | 42,117              | 21,838              | 363,714             | 316,582             |
| Financial assets at fair value through profit and loss | 0                   | 0                   | 149,917             | 167,457             |
| <b>Total Financial assets</b>                          | <b>42,117</b>       | <b>21,838</b>       | <b>513,631</b>      | <b>484,039</b>      |
| Financial Liabilities at amortised cost                | 273,099             | 222,791             | 89,226              | 126,694             |
| <b>Total Financial Liabilities</b>                     | <b>273,099</b>      | <b>222,791</b>      | <b>89,226</b>       | <b>126,694</b>      |

Statutory debtors and creditors, receipts in advance and the capital prepayment account are not considered to be financial instruments and are therefore excluded from the above carrying values. The County Council has not pledged any collateral for liabilities or contingent liabilities and, at 31 March 2026, there were no defaults or breaches relating to loans payable.

**34. Financial Instrument Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets classified as assets at fair value through profit and loss and all derivative assets and liabilities are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. Financial assets at amortised cost and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.

## Notes to the Statement of Accounts

---

- The value of “Lender’s Option Borrower’s Option” (LOBO) loans have been increased by the value of the embedded options. Lenders’ options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of finance lease liabilities and of service concession liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the rate for new PWLB borrowing.
- No early repayment or impairment is recognised for any financial instrument, other than short-term debtors.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

## Notes to the Statement of Accounts

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- **Level 1** – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- **Level 2** – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- **Level 3** – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

| Financial Liabilities                                     | Fair Value Level | Balance Sheet At 31 March 2025<br>£'000 | Fair Value At 31 March 2025<br>£'000 | Balance Sheet At 31 March 2026<br>£'000 | Fair Value At 31 March 2026<br>£'000 |
|---|------------------|---|--------------------------------------|---|--------------------------------------|
| Financial liabilities held at amortised cost:             |                  |   |                                      |   |                                      |
| Long-term loans from PWLB*                                | 2                | 241,492                                 | 223,138                              | 209,234                                 | 189,999                              |
| Long-term LOBO/money market loans*                        | 2                | 20,779                                  | 28,252                               | 15,656                                  | 25,793                               |
| Short-term LOBO/money market loans*                       | 2                | 10,387                                  | 5,529                                | 10,352                                  | 16,405                               |
| Finance lease payables and service concession liabilities | 3                | 14,161                                  | 17,273                               | 13,217                                  | 17,273                               |
| <b>Total</b>  |                  | <b>286,819</b>                          | <b>274,192</b>                       | <b>248,459</b>                          | <b>249,470</b>                       |
| Liabilities for which fair value is not disclosed **      |                  |   | 75,507                               |   | 101,027                              |
| <b>Total Financial Liabilities</b>                        |                  | <b>362,326</b>                          |                                      | <b>349,486</b>                          |                                      |
| Recorded on balance sheet as:                             |                  |   |                                      |   |                                      |
| Short-term creditors                                      |                  | 73,471                                  |                                      | 68,768                                  |                                      |
| Short-term borrowing                                      |                  | 14,811                                  |                                      | 44,708                                  |                                      |
| Short-term finance lease liabilities                      |                  | 944                                     |                                      | 13,217                                  |                                      |
| Long-term borrowing                                       |                  | 259,883                                 |                                      | 222,791                                 |                                      |
| Long-term finance lease liabilities                       |                  | 13,217                                  |                                      | 0                                       |                                      |
| <b>Total Financial Liabilities</b>                        |                  | <b>362,326</b>                          |                                      | <b>349,484</b>                          |                                      |

\* For the purpose of fair value comparison accrued interest in relation to long term PWLB & LOBO/money market loans has been included in the long-term balance sheet total.

\*\*The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount.

## Notes to the Statement of Accounts

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date. Similarly the discount rate implied in the service concession arrangement and finance leases is higher than the rates available for new borrowing at the Balance Sheet date.

| Financial Assets                                | Fair<br>Value<br>Level | Balance Sheet<br>At 31 March<br>2025<br>£'000 | Fair Value<br>At 31 March<br>2025<br>£'000 | Balance Sheet<br>At 31 March<br>2026<br>£'000 | Fair Value<br>At 31<br>March<br>2026<br>£'000 |
|---|------------------------|---|--|---|---|
| <b>Financial assets held at fair value:</b>     |                        |   |  |   |   |
| Money market funds                              | 1                      | 51,998  | 51,998                                     | 78,356  | 78,356  |
| Bond, equity and property funds                 | 1                      | 97,919  | 97,919                                     | 89,101  | 89,101  |
| <b>Financial assets held at amortised cost:</b> |                        |   |  |   |   |
| Long-term loans to local authorities*           | 2                      | 35,819  | 35,804                                     | 15,166  | 15,440  |
| Long-term debtors                               | 3                      | 7,117   | 7,117                                      | 6,838   | 6,838   |
| <b>Total</b>                                    |                        | <b>192,853</b>                                | <b>192,838</b>                             | <b>189,461</b>                                | <b>189,735</b>                                |
| Assets for which fair value is not disclosed ** |                        | 366,445                                       |  | 316,416                                       |   |
| <b>Total Financial Assets</b>                   |                        | <b>559,298</b>                                |  | <b>505,877</b>                                |   |
| <b>Recorded on balance sheet as:</b>            |                        |   |  |   |   |
| Long-term debtors                               |                        | 7,117   |  | 6,838   |   |
| Long-term investments                           |                        | 35,000  |  | 15,000  |   |
| Short-term debtors                              |                        | 64,096  |  | 71,126  |   |
| Short-term investments                          |                        | 406,279                                       |  | 337,462                                       |   |
| Cash and cash equivalents                       |                        | 46,806  |  | 75,451  |   |
| <b>Total Financial Assets</b>                   |                        | <b>559,298</b>                                |  | <b>505,877</b>                                |   |

\* For the purpose of fair value comparison accrued interest on long term investments has been classified as long term in the balance sheet total.

\*\*The fair value of short-term financial assets including trade receivables is assumed to approximate to the carrying amount.

## Notes to the Statement of Accounts

### 35. Long Term Debtors

An analysis of long-term debtors is set out as follows:

|   | At 31<br>March<br>2025<br>£'000 | At 31<br>March<br>2026<br>£'000 |
|---|---------------------------------|---------------------------------|
| Key Worker Loans                                | 226                             | 226                             |
| Chronically Sick and Disabled Persons Act loans | 1,263                           | 1,263                           |
| Children's Act: Loans to foster carers          | 584                             | 562                             |
| Other   | 5,044                           | 4,787                           |
|   | 7,117                           | 6,838                           |
| Capital Prepayment Account                      | 2,149                           | 1,521                           |
| <b>Total</b>                                    | <b>9,266</b>                    | <b>8,359</b>                    |

Key Worker loans, Chronically Sick & Disabled Persons Act loans and Children's Act loans to foster carers are soft loans in that they are contracted at interest rates below market rates (zero in most cases).

The Capital Prepayment Account holds prepayments for lifecycle replacement costs relating to the service concession arrangement. As lifecycle replacements actually take place the value of the works is transferred to Property, Plant and Equipment. In 2025/26 £0.944m was transferred (2024/25: £0.944m). For one property that the County Council has control over the residual interest but not control over the services (and therefore does not meet the tests of a service concession arrangement), the account also holds an amount for the excess of the expected fair value of the property at the end of the arrangement over the amount the County Council is required to pay upon reversion. This is built up from payments made by the County Council over the life of the arrangement.

### 36. Debtors

Amounts falling due to the County Council in less than a year are set out as follows:

|   | At 31<br>March<br>2025<br>£'000 | At 31<br>March<br>2026<br>£'000 |
|---|---------------------------------|---------------------------------|
| Government Departments  | 19,281                          | 18,055                          |
| Other Local Authorities                                       | 17,933                          | 11,747                          |
| Health Authorities  | 19,014                          | 11,526                          |
| Payments in Advance   | 20,089                          | 11,223                          |
| Bodies external to general government (i.e. all other bodies) | 85,911                          | 114,707                         |
|   | 162,228                         | 167,258                         |
| Less Impairment Allowance Account                             | -24,244                         | -27,228                         |
| <b>Total</b>  | <b>137,984</b>                  | <b>140,030</b>                  |

## Notes to the Statement of Accounts

Under the arrangements for accounting for financial instruments, all financial assets are assessed for impairment. The Code permits the reduction in the carrying amount of financial assets to be held within an allowance account rather than adjusting the value of the financial asset directly. The movement in the debtor impairment allowance account is as follows:

| Impairment Allowance       | 2024/25        | 2025/26        |
|----------------------------|----------------|----------------|
|                            | £'000          | £'000          |
| <b>Balance at 1 April</b>  | -24,066        | -24,244        |
| Decrease in allowance      | 837            | 971            |
| Increase in allowance      | -1,015         | -3,956         |
| <b>Balance at 31 March</b> | <b>-24,244</b> | <b>-27,228</b> |

### 37. Cash and Cash Equivalents

Cash and cash equivalents comprise the amount of cash balances held at the bank and in County Council establishments (excluding monies held on behalf of third parties), balances held in call accounts and monies held in Money Market Funds.

An analysis of cash and cash equivalents held by the County Council shows:

|   | At 31<br>March<br>2025 | At 31<br>March<br>2026 |
|---|------------------------|------------------------|
|   | £'000                  | £'000                  |
| Cash at bank and in hand(+)/Overdrawn (-) | -5,195                 | 23,451                 |
| Call Accounts                             | 3                      | 2                      |
| Money Market Funds                        | 51,998                 | 51,998                 |
| <b>Total</b>                              | <b>46,806</b>          | <b>75,451</b>          |

### 38. Risks arising from financial instruments

The County Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the County Council
- Liquidity risk – the possibility that the County Council might not have funds available to meet its commitments to make payments when they fall due.
- Market risk – the possibility that the County Council may suffer a financial loss as a result of changes in such measures as interest rates and movements in financial markets.

The County Council's risk management of financial instruments is carried out by the Treasury Management Team, under policies approved by full Council in the Treasury Management Strategy and Annual Investment Strategy.

The Treasury Management Strategy sets out the approach to managing any borrowings the County Council may be required to undertake to meet the needs of the capital programme. The Annual Investment Strategy sets out the County Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, including the treasury limits in force to limit the treasury risk and activities of the County Council.

## Notes to the Statement of Accounts

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the County Council's debtors. Deposits are restricted to institutions that meet the County Council's minimum credit rating criteria. Deposits are not made to banks or building societies with a FITCH short-term credit rating below F1, long-term rating below BBB-, unless there are other exceptional circumstances including Government ownership or Government guarantee.

Longer-term deposits of 1 year or more are restricted to the higher rated institutions with a minimum short-term FITCH rating of F1+, long-term rating AA-, or other Government bodies (e.g. other Local Authorities).

Receivables are collectively assessed for credit risk in the following groupings:

|   | Allowance set aside based on historic rate | At 31 March 2025      |                     | At 31 March 2026      |                     |
|---|--|-----------------------|---------------------|-----------------------|---------------------|
|   |  | Gross Receivable £000 | Loss allowance £000 | Gross Receivable £000 | Loss allowance £000 |
| <b>Corporate Debtors:</b>                                 |  |                       |                     |                       |                     |
| Trade receivables under £10k after 120 days               | 60%  | 2,066                 | 591                 | 428                   | 211                 |
|   |  | 2,066                 | 591                 | 428                   | 211                 |
| <b>Adult Social Care debtors:</b>                         |  |                       |                     |                       |                     |
| Debtors with an account balance under £20k after 6 months | 50% of total customer balance              | 8,623                 | 4,512               | 8,096                 | 4,044               |
|   |  | 8,623                 | 4,512               | 8,096                 | 4,044               |
| <b>Total</b>  |  | <b>10,689</b>         | <b>5,103</b>        | <b>8,524</b>          | <b>4,255</b>        |

The following receivables are individually assessed for impairment:

| The following receivables are individually assessed for impairment:        | At 31 March 2025      |                     | At 31 March 2026      |                     |
|--|-----------------------|---------------------|-----------------------|---------------------|
|  | Gross Receivable £000 | Loss allowance £000 | Gross Receivable £000 | Loss allowance £000 |
| <b>Corporate Debtors:</b>  |                       |                     |                       |                     |
| Individuals and sole traders - all debts over £10k after 120 days          | 1,265                 | 169                 | 612                   | 156                 |
| Organisations - all debts over £10k after 120 days                         | 801                   | 422                 | 1,236                 | 1,334               |
|  | 2,066                 | 591                 | 1,848                 | 1,490               |
| <b>Adult Social Care debtors:</b>  |                       |                     |                       |                     |
| Adult social care debtors with an account balance over £20k after 6 months | 8,623                 | 4,512               | 8,096                 | 4,044               |
| <b>Total</b>   | <b>8,623</b>          | <b>4,512</b>        | <b>8,096</b>          | <b>4,044</b>        |

## Notes to the Statement of Accounts

The next table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2026 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment. The table includes money market funds and call accounts classed as cash and cash equivalents at 31 March 2026.

| Aged Debtors               | At 31 March 2025<br>£000 | At 31 March 2026<br>£000 |
|----------------------------|--------------------------|--------------------------|
| Less than 1 month          | 9,082                    | 12,060                   |
| Between 1 and 3 months     | 8,298                    | 4,847                    |
| Between 3 and 6 months     | 6,876                    | 7,588                    |
| Between 6 month and 1 year | 5,654                    | 5,158                    |
| Between 1 and 3 years      | 11,408                   | 11,499                   |
| Over 3 years               | 4,655                    | 5,037                    |
| <b>Total</b>               | <b>45,973</b>            | <b>46,188</b>            |

| Counterparty                                | Credit Rating<br>Criteria Met when<br>Investment Placed?<br>YES / NO | Credit Rating<br>Criteria Met on<br>31 March 2024?<br>YES / NO | Balance Invested as at 31 March 2026 |  |   |  |   |   | Total<br>£000  |
|---|--|--|--------------------------------------|--|---|--|---|---|----------------|
|   |  |  | Up to 1<br>month<br>£000             | ≥ 1 month<br>and < 3<br>months<br>£000 | ≥ 3 months<br>and < 6<br>months<br>£000 | ≥ 6 months<br>and < 12<br>months<br>£000 | ≥ 12 months<br>and < 24<br>months<br>£000 | ≥ 24 months<br>and < 36<br>months<br>£000 |                |
|   |  |  | £000                                 | £000                                   | £000                                    | £000                                     | £000                                      | £000                                      |                |
| <b>Banks</b>                                |  |  |                                      |  |   |  |   |   |                |
| UK  | Yes  | Yes  |                                      |  |   |  |   |   | 0              |
| <b>Banks non-UK</b>                         |  |  |                                      |  |   |  |   |   |                |
| Australia                                   | Yes  | Yes  |                                      |  |   |  |   |   | 0              |
| Netherlands                                 | Yes  | Yes  |                                      |  |   |  |   |   | 0              |
| Singapore                                   | Yes  | Yes  |                                      |  |   |  |   |   | 0              |
| <b>Total Banks</b>                          |  |  | 0                                    | 0                                      | 0                                       | 0  | 0   | 0   | 0              |
| Local Authorities and<br>Police Authorities | Yes  | Yes  | 28,500                               | 105,000                                | 45,000                                  | 63,000                                   | 15,000                                    | 0   | 256,500        |
| Notice Accounts                             |  |  | 0                                    |  |   |  |   |   | 0              |
| Bond Funds                                  | Yes  | Yes  | 65,771                               |  |   |  |   |   | 65,771         |
| Property Funds                              | Yes  | Yes  | 23,331                               |  |   |  |   |   | 23,331         |
| Money Market Funds                          | Yes  | Yes  | 78,356                               |  |   |  |   |   | 78,356         |
| Call Accounts                               | Yes  | Yes  | 2                                    |  |   |  |   |   | 2              |
| <b>Total</b>                                |  |  | <b>195,960</b>                       | <b>105,000</b>                         | <b>45,000</b>                           | <b>63,000</b>                            | <b>15,000</b>                             | <b>0</b>                                  | <b>423,960</b> |

## Notes to the Statement of Accounts

The analysis in the risk sections below shows that all deposits outstanding as at 31 March 2026 met the County Council's credit rating criteria at that date.

Within the £71.126m short-term debtors included in financial assets at amortised cost, £21.239m were past due at 31 March 2026 (£26.994m at 31 March 2025). The past due amount can be analysed by age as follows:

None of these past-due short-term debtors have been individually impaired. An impairment allowance of £2.985m has been provided for past due debtors that are financial instruments based on past and current experience (£1.634m at 31 March 2025). This is the County Council's estimate of maximum exposure to uncollectable debts. £27.228m of the debtor impairment allowance is based on collective assessments of debtors with similar characteristics. Individual impairment allowances have been provided for monies owed from a home support provider that went into liquidation (£0.288m) and for overdue library fines (£0.135m). The past due debtors analysis and impairment allowance quoted above exclude those for statutory debtors as these are not considered to be financial instruments.

The key worker, Chronically Sick and Disabled Persons Act and Children's Act loans are long term debtors and are secured on property.

### Liquidity Risk

As the County Council has access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the County Council may be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to spread the maturity dates of fixed debt so that a significant proportion of the portfolio does not mature in any one year.

The maturity analysis of borrowing and financial liabilities is as follows:

| Amount at 31 March 2025 |                        | Amount at 31 March 2026 |                  |                              | Total<br>£000  |
|-------------------------|------------------------|-------------------------|------------------|------------------------------|----------------|
|                         |                        | Fixed Rate              | Variable<br>Rate | Other Finance<br>Liabilities |                |
| £000                    |                        | £000                    | £000             | £000                         |                |
| 27,353                  | Less than 1 year       | 44,435                  | 11,041           | 13,217                       | 68,693         |
| 66,984                  | Between 1 and 2 years  | 40,513                  | 10,198           | -                            | 50,711         |
| 80,579                  | Between 2 and 5 years  | 44,852                  | 0                | 0                            | 44,852         |
| 97,858                  | Between 5 and 10 years | 88,849                  | 0                | 0                            | 88,849         |
| 147,111                 | More than 10 years     | 147,045                 | 0                | 0                            | 147,045        |
| <b>419,885</b>          |                        | <b>365,694</b>          | <b>21,239</b>    | <b>13,217</b>                | <b>400,150</b> |

All trade and other payables are due to be paid in less than one year.

### Market Risk

The County Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the County Council. For instance, a rise in interest rates would have the following effects:

## Notes to the Statement of Accounts

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the long-term borrowings will fall
- Investments at variable rates – the variation in the interest income credited to the Surplus or Deficit on the Provision of Services will be dependent upon the nature and proportion of structured products
- Investments at fixed rates – the fair value of the long-term assets will fall

The County Council has a number of strategies for managing interest rate risk. For example, use of Lender's Option Borrowers Option (LOBO) loans is restricted to 20% of the debt portfolio.

In response to the environment of increasing interest rates, the Council sets fixed and variable rate interest rate exposure limits through its Treasury Management Strategy. These are designed to ensure that the County Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Treasury Management Strategy Team regularly review the debt and investment portfolios and the impact of interest rate changes on the annual budget.

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

If the return on investments had been 1% higher, with all other variables held constant, the financial effect would be as follows:

| 2024/25<br>£'000 |  | 2025/26<br>£'000 |
|------------------|--|------------------|
| 0                | Increase in interest payable on new borrowings                                 | 0                |
| 0                | Increase in interest receivable on variable and structured investments         | 0                |
| -2,053           | Increase in interest receivable on new fixed rate investments                  | -1,650           |
| -1,927           | Increase in the gain arising from the revaluation of available for sale assets | -738             |
| <b>-3,980</b>    | <b>Impact on CIES</b>  | <b>-2,388</b>    |

If the return on investments had been 1% lower, with all other variables held constant, the financial effect would be as follows:

| 2024/25<br>£'000 |  | 2025/26<br>£'000 |
|------------------|--|------------------|
| 0                | Decrease in interest payable on new borrowings                                 | 0                |
| 0                | Decrease in interest receivable on variable and structured investments         | 0                |
| 2,053            | Decrease in interest receivable on new fixed rate investments                  | 1,650            |
| 1,927            | Decrease in the gain arising from the revaluation of available for sale assets | 738              |
| <b>3,980</b>     | <b>Impact on CIES</b>  | <b>2,388</b>     |

Where prevailing rates were below 1% for new debt or investments, zero return has been assumed where a reduction in interest rates by 1% would imply a negative return. Negative return is applicable to available for sale assets.

## Notes to the Statement of Accounts

### Price Risk

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31st March 2026 would result in a £1.1m (2025: £1.6m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. A 5% fall in share prices at 31 March 2026 would result in a £3.3m (2025: £3.9m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. A 5% fall in share prices at 31 March 2026 would result in a £3.3m (31 March 2025: £3.9m) charge to the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

This risk is limited by the Council's maximum exposure to pooled funds of 50% of the total investment portfolio.

### Foreign Exchange Risk

The council's deposits and debt instruments are denominated in sterling.

### 39. Creditors

A breakdown of the items within the creditors category on the Balance Sheet is given in the following table:

|  | At 31 March<br>2025<br>£'000 | At 31 March<br>2026<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Receipts in Advance</b>                                       |                              |                              |
| Government Departments   | 6,703                        | 5,267                        |
| Other Local Authorities  | 1,416                        | 1,716                        |
| Health Authorities   | 1                            | 0                            |
| Bodies external to general government<br>(i.e. all other bodies) | 26,143                       | 33,518                       |
|  | <b>34,263</b>                | <b>40,501</b>                |
| <b>Creditors</b>   |                              |                              |
| Government Departments   | 9,475                        | 8,274                        |
| Other Local Authorities  | 6,887                        | 10,965                       |
| Health Authorities   | 2,241                        | -2,462                       |
| Bodies external to general government<br>(i.e. all other bodies) | 91,454                       | 89,402                       |
|  | <b>110,057</b>               | <b>106,179</b>               |
| <b>Short Term Creditors and RIA</b>                              | <b>144,320</b>               | <b>146,681</b>               |
| <b>Long Term Receipts in Advance</b>                             | <b>26,172</b>                | <b>22,017</b>                |
| <b>Total</b>   | <b>170,492</b>               | <b>168,698</b>               |

Long Term Receipts in Advance relate to contributions received which have conditions attached to them that are not expected to be satisfied within the next 12 months.

## Notes to the Statement of Accounts

### 40. Provisions

A breakdown of the items within the Provisions category on the Balance Sheet is set out below, analysed between those due within 1 year and those due after 1 year, together with the movements for the year is as follows:

|                                    | Balance at<br>31 March 2025 | Reclassification<br>between short and<br>long term | Additional provisions<br>made in 2025/26 | Amounts used in<br>2025/26 | Unused amounts<br>reversed in 2025/26 | Balance at<br>31 March 2026 |
|------------------------------------|-----------------------------|--|--|----------------------------|---------------------------------------|-----------------------------|
|                                    | £'000                       | £'000  | £'000                                    | £'000                      | £'000                                 | £'000                       |
| <b>Provision due within 1 year</b> |                             |  |  |                            |                                       |                             |
| Insurance                          | 677                         | 2,093  | -1,220                                   | -1,960                     | 1,132                                 | 722                         |
| Pooled Budgets                     | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
| Redundancy                         | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
| MMI Scheme of Arrangement          | 142                         | 0  | 40                                       | -70                        | 0                                     | 112                         |
| Business Rates                     | 3,997                       | 0  | 3,261                                    | 0                          | -3,997                                | 3,261                       |
| Other                              | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
|                                    | <b>4,816</b>                | <b>2,093</b>                                       | <b>2,081</b>                             | <b>-2,030</b>              | <b>-2,865</b>                         | <b>4,095</b>                |
| <b>Provision due after 1 year</b>  |                             |  |  |                            |                                       |                             |
| Insurance                          | 3,498                       | -2,093   | 3,008                                    | -473                       | -5                                    | 3,935                       |
|                                    | <b>3,498</b>                | <b>-2,093</b>                                      | <b>3,008</b>                             | <b>-473</b>                | <b>-5</b>                             | <b>3,935</b>                |
| <b>Total</b>                       | <b>8,314</b>                | <b>0</b>   | <b>5,089</b>                             | <b>-2,503</b>              | <b>-2,870</b>                         | <b>8,030</b>                |

|                                    | Balance at<br>31 March 2024 | Reclassification<br>between short and<br>long term | Additional provisions<br>made in 2024/25 | Amounts used in<br>2024/25 | Unused amounts<br>reversed in 2024/25 | Balance at<br>31 March 2025 |
|------------------------------------|-----------------------------|--|--|----------------------------|---------------------------------------|-----------------------------|
|                                    | £'000                       | £'000  | £'000                                    | £'000                      | £'000                                 | £'000                       |
| <b>Provision due within 1 year</b> |                             |  |  |                            |                                       |                             |
| Insurance                          | 705                         | 1,388  | -859                                     | -1,521                     | 963                                   | 677                         |
| Pooled Budgets                     | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
| Redundancy                         | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
| MMI Scheme of Arrangement          | 202                         | 0  | -65                                      | 5                          | 0                                     | 142                         |
| Business Rates                     | 4,280                       | 0  | 3,997                                    | 0                          | -4,280                                | 3,997                       |
| Joint Use                          | 0                           | 0  | 0  | 0                          | 0                                     | 0                           |
|                                    | <b>5,187</b>                | <b>1,388</b>                                       | <b>3,073</b>                             | <b>-1,516</b>              | <b>-3,317</b>                         | <b>4,816</b>                |
| <b>Provision due after 1 year</b>  |                             |  |  |                            |                                       |                             |
| Insurance                          | 4,389                       | -1,388   | 2,160                                    | -567                       | -1,096                                | 3,498                       |
|                                    | <b>4,389</b>                | <b>-1,388</b>                                      | <b>2,160</b>                             | <b>-567</b>                | <b>-1,096</b>                         | <b>3,498</b>                |
| <b>Total</b>                       | <b>9,576</b>                | <b>0</b>   | <b>5,233</b>                             | <b>-2,083</b>              | <b>-4,413</b>                         | <b>8,314</b>                |

Details of the provisions held at 31 March 2026 are as follows:

- Insurance claims are managed by the County Council's Insurance Team, working with external insurers and legal advisors to achieve a satisfactory outcome. The time required to settle these claims will depend upon the complexity of each case and the approach adopted by each claimant, but the expectation is that the majority of these cases will be settled within 18 months to two years. In a small number of cases where the final liability is dependent on a long-term medical prognosis, the claim may take longer to settle to ensure all the medical facts are known.
- Under the Business Rates Retention Scheme the County Council is required to account for its share of the billing authorities' provision for appeals on business rates valuations.

### **41. Deferred Income**

The deferred income balance of £0.856m at 31 March 2026 (£1.687m at 31 March 2025) relates to lease premiums received under the service concession arrangement with Oxfordshire Care Partnership and in relation to two other leases, which are being released to the Comprehensive Income and Expenditure Statement over the lives of the arrangements.

### **42. County Fund Balance**

The balance on the County Fund at 31 March 2026 was £34.214m (£45.256m at 31 March 2025) as shown in Movement in Reserves Statement.

### **43. Capital Grants Receipts in Advance**

The balance on this account represents capital grants and contributions which have been received but not yet recognised as income as they have conditions attached to them that require the monies to be returned to the provider if not used for the purposes specified. The movement on the account, split between short term and long term is as follows:

## Notes to the Statement of Accounts

| 2024/25            |                         |                     |               | 2025/26        |                         |                     |                |
|--------------------|-------------------------|---------------------|---------------|----------------|-------------------------|---------------------|----------------|
| Capital Grants     | Developer Contributions | Other Contributions | Total         | Capital Grants | Developer Contributions | Other Contributions | Total          |
| £'000              | £'000                   | £'000               | £'000         | £'000          | £'000                   | £'000               | £'000          |
| <b>Short Term:</b> |                         |                     |               |                |                         |                     |                |
| <b>15,189</b>      | <b>16,566</b>           | <b>0</b>            | <b>15,189</b> | <b>10,399</b>  | <b>29,532</b>           | <b>0</b>            | <b>39,931</b>  |
| 11,080             | 2,283                   | 0                   | 11,080        | 5,640          | 4,297                   | 0                   | 9,938          |
|                    |                         |                     |               |                |                         |                     |                |
|                    |                         |                     |               |                |                         |                     |                |
| -6,970             | -23,395                 | 0                   | -6,970        | -5,822         | 1,145                   | 0                   | -4,677         |
| -8,900             | 34,078                  | 0                   | -8,900        | -2,400         | 7,951                   | 65                  | 5,616          |
| <b>10,399</b>      | <b>29,532</b>           | <b>0</b>            | <b>10,399</b> | <b>7,817</b>   | <b>42,925</b>           | <b>65</b>           | <b>50,808</b>  |
| <b>Long Term:</b>  |                         |                     |               |                |                         |                     |                |
| <b>500</b>         | <b>178,566</b>          | <b>65</b>           | <b>500</b>    | <b>9,400</b>   | <b>164,544</b>          | <b>65</b>           | <b>174,009</b> |
| 0                  | 29,099                  | 0                   | 0             | 0              | 30,867                  | 0                   | 30,867         |
|                    |                         |                     |               |                |                         |                     |                |
| 0                  | -12                     | 0                   | 0             | 0              | -35,929                 | 0                   | -35,929        |
| 0                  | -9,031                  | 0                   | 0             | 0              | 0                       | 0                   | 0              |
| 8,900              | -34,078                 | 0                   | 8,900         | 2,400          | -7,951                  | -65                 | -5,616         |
| <b>9,400</b>       | <b>164,544</b>          | <b>65</b>           | <b>9,400</b>  | <b>11,800</b>  | <b>151,531</b>          | <b>0</b>            | <b>163,331</b> |
| <b>19,799</b>      | <b>194,076</b>          | <b>65</b>           | <b>19,799</b> | <b>19,617</b>  | <b>194,456</b>          | <b>65</b>           | <b>214,138</b> |

## Notes to the Statement of Accounts

### 44. Earmarked Reserves

|  | Balance<br>at 31<br>March<br>2024<br>£'000 | Restated<br>In year<br>movement<br>2024/25<br>£'000 | Restated<br>Balance<br>at 31<br>March<br>2025<br>£'000 | In year<br>movement<br>2025/26<br>£'000 | Balance<br>at 31<br>March<br>2026<br>£'000 |
|--|--|---|--|---|--|
| Schools' Reserves                                    | 13,142                                     | -2,394  | 10,748   | 1,405                                   | 12,153                                     |
| Vehicle and Equipment Reserve                        | 4,111                                      | -892  | 3,219  | 231                                     | 3,450                                      |
| Grants and Contributions Reserve*                    | 33,558                                     | -3,271  | 30,287   | -4,095                                  | 26,192                                     |
| Government Initiatives Reserve                       | 3,153                                      | 3,403   | 6,556  | -1,953                                  | 4,604                                      |
| Trading Accounts                                     | 79   | 85  | 164  | 22                                      | 185  |
| Council Elections                                    | 571  | 157   | 728  | -728                                    | 0  |
| Partnership Reserves                                 | 2,053                                      | -312  | 1,741  | -495                                    | 1,247                                      |
| On Street Car Parking Reserve                        | 6,506                                      | -1,173  | 5,333  | -2,592                                  | 2,741                                      |
| Zero Emissions Zone                                  | 1,037                                      | 533   | 1,570  | 220                                     | 1,790                                      |
| Transformation Reserve                               | 1,835                                      | 5,618   | 7,453  | 4,544                                   | 11,998                                     |
| Demographic Risk reserve/High Needs DSG Risk Reserve | 17,000                                     | 4,000   | 21,000   | 12,000                                  | 33,000                                     |
| Youth Provision Reserve                              | 22   | -22   | 0  | 0                                       | 0  |
| Budget Priorities Reserve*                           | 10,747                                     | 1,713   | 12,460   | -877                                    | 11,583                                     |
| Insurance Reserve                                    | 10,287                                     | 277   | 10,564   | -1,543                                  | 9,021                                      |
| Business Rates Reserve                               | 11,664                                     | -11,664   | 0  | 0                                       | 0  |
| Capital & Prudential Borrowing Reserves              | 81,060                                     | 28,565  | 109,625  | 16,457                                  | 126,082                                    |
| Redundancy Reserve                                   | 2,358                                      | 1,723   | 4,081  | 5,806                                   | 9,887                                      |
| Investment Pump Priming Reserve                      | 120  | 0   | 120  | 0                                       | 120  |
| Council Tax Collection Fund Reserve                  | 3,000                                      | -3,000  | 0  | 0                                       | 0  |
| Covid-19 Reserve                                     | 7,900                                      | -4,067  | 3,833  | -3,833                                  | 0  |
| Green Financing Reserve                              | 0  | 894   | 894  | 0                                       | 894  |
| Commercial Pump Priming Reserve                      | 0  | 1,993   | 1,993  | -75                                     | 1,918                                      |
| Collection Fund Risk Reserve                         | 0  | 8,101   | 8,101  | -1,711                                  | 6,390                                      |
| Local Government Reorganisation Reserve              | 0  | 10,000  | 10,000   | -754                                    | 9,246                                      |
| IFRS9 Transition Reserve*                            | 0  | 4,000   | 4,000  | 0                                       | 4,000                                      |
| Strategic Waste Reserve (pEPR Funding from 2025/26)  | 0  | 0   | 0  | 4,828                                   | 4,828                                      |
| Congestion Charge Reserve                            | 0  | 0   | 0  | 1,388                                   | 1,388                                      |
| Budget Reserve (Interest on Balances)                | 0  | 0   | 0  | 5,500                                   | 5,500                                      |
| <b>Total Earmarked Reserves</b>                      | <b>210,203</b>                             | <b>44,267</b>                                       | <b>254,470</b>   | <b>33,747</b>                           | <b>288,217</b>                             |

\*Restatement of £1.000m from IFRS9 Transition Reserve and £0.432m from Grants and Contributions Reserve to Budget Priorities Reserve

## Notes to the Statement of Accounts

### School Reserves

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These reserves are committed to be spent on schools. The following table provides an analysis of school surplus and deficits:

|  | Balance at 31 March 2025 |               | Balance at 31 March 2026 |               |
|--|--------------------------|---------------|--------------------------|---------------|
|  | No. of schools           | Balance £'000 | No. of schools           | Balance £'000 |
| <b>Primary Schools</b>                   |                          |               |                          |               |
| Schools in surplus                       | 102                      | 13,357        | 93                       | 13,570        |
| Schools in deficit                       | 19                       | -1,739        | 23                       | -1,938        |
| <b>Secondary Schools</b>                 |                          |               |                          |               |
| Schools in surplus                       | 0                        | 0             | 0                        | 0             |
| Schools in deficit                       | 1                        | -989          | 1                        | -777          |
| <b>Special Schools</b>                   |                          |               |                          |               |
| Schools in surplus                       | 3                        | 1,663         | 3                        | 1,298         |
| Schools in deficit                       | 1                        | -1,544        | 0                        | 0             |
| <b>Sub-Total Revenue</b>                 | <b>126</b>               | <b>10,748</b> | <b>120</b>               | <b>12,153</b> |
| Closed schools and schools contingency   |                          | 0             |                          | 0             |
| Schools Forum & miscellaneous activities |                          | 0             |                          | 0             |
| <b>Total</b>                             | <b>126</b>               | <b>10,748</b> | <b>120</b>               | <b>12,153</b> |

### Insurance Reserve

An independent actuary, Arthur J Gallagher, carries out a full valuation of the County Council's employers and public liability, motor, property and personal accident liability every three years using generally accepted actuarial methods. Interim valuations take place annually in between. The last full valuation was completed as at 31 March 2024.

The actuaries projected the standard claims arising in future years in respect of the period up to 31 March 2026 at £2.418m. In addition to these claims the actuaries have also highlighted an amount in respect of Municipal Mutual Insurance Plc (MMI) clawback and non-standard claims (for example exceptional and latent claims) which in total has been assessed at £1.837m. The sum of £0.568m has been included in the reserves to cover MMI clawback noted as a contingent liability.

|   | At 31 March 2025 | At 31 March 2026 |
|---|------------------|------------------|
|   | £'000            | £'000            |
| Standard claims likely to be received as at 31 March          | 1,649            | 2,418            |
| Additional IBNR/Latent claims as assessed by Actuarial review | 1,729            | 1,837            |
| MMI clawback as assessed by actuarial review                  | 558              | 568              |
| Risk management   | 6,628            | 4,198            |
| <b>Total</b>  | <b>10,564</b>    | <b>9,021</b>     |

## Notes to the Statement of Accounts

### 45. Usable Capital Receipts

|   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| Balance at 1 April                              | 33,076           | 37,328           |
| Net receipts from sale of assets                | 4,266            | 3,042            |
| Net receipts from repayment of loans            | 0                | 0                |
| Receipts applied to finance capital expenditure | -13              | 0                |
| <b>Balance at 31 March</b>                      | <b>37,328</b>    | <b>40,370</b>    |

This reserve has been established for the purpose of financing capital expenditure in future years. Unutilised capital receipts at 31 March 2026 have been earmarked for future schemes. An analysis of the net capital receipts from the sale of assets is set out in the following table:

|   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| <b>Net Capital Receipts from the sale of assets</b>   | <b>£'000</b>     | <b>£'000</b>     |
| Other receipts from the sale of assets under £500,000 | 12               | 12               |
| <b>Total</b>  | <b>12</b>        | <b>12</b>        |

### 46. Capital Grants and Contributions Unapplied

The balance on this account represents grants and contributions which have been recognised as income in the Comprehensive Income and Expenditure Statement but not yet applied to finance capital expenditure.

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Balance at 1 April</b>                            | <b>221,935</b>   | <b>183,837</b>   |
| Applied during the year                              | -63,170          | -37,767          |
| Repaid during the year                               | -7               | 1,336            |
| Interest   | -969             | 0                |
| Recognised as income but not applied during the year | 28,753           | 39,709           |
| Transfers from Capital grants received in advance    | -2,705           | -4,362           |
| <b>Balance at 31 March</b>                           | <b>183,837</b>   | <b>182,753</b>   |

### 47. Unusable Reserves

A breakdown of reserves within the unusable reserves category on the Balance Sheet is set out in the following table.

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| <b>Unusable Reserves</b>                   |                  |                  |
| Pooled Fund Adjustment Account             | -2,341           | 1,341            |
| Pensions Reserve                           | -266,529         | -217,513         |
| Revaluation Reserve                        | 176,080          | 198,658          |
| Capital Adjustment Account                 | 808,916          | 897,470          |
| Financial Instruments Adjustment Account   | -226             | -224             |
| Collection Fund Adjustment Account         | 9,571            | 10,820           |
| Dedicated Schools Grant Adjustment Account | -80,283          | -135,309         |
| Accumulated Absences Account               | -3,468           | -2,924           |
| <b>Total</b>                               | <b>641,720</b>   | <b>752,319</b>   |

## Notes to the Statement of Accounts

### 48. Pooled Funds Adjustment Account

The Financial Instruments Revaluation Reserve holds gains /losses arising from the movement in fair value of assets held within the Fair Value through Other Comprehensive Income assets category.

| 2024/25<br>£'000 |  | 2025/26<br>£'000 |
|------------------|--|------------------|
| -2,454           | <b>Balance at 1 April</b>  | -2,341           |
| 1,244            | Increase in value of assets held at Fair Value through Profit and Loss | 4,536            |
| -1,131           | Decrease in value of assets held at Fair Value through Profit and Loss | -392             |
| 0                | Amounts transferred to the General Fund on disposal                    | -462             |
| <b>-2,341</b>    | <b>Balance at 31 March</b>   | <b>1,341</b>     |

### 49. Revaluation Reserve

The Revaluation Reserve contains the gains made by the County Council arising from increases in the value of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, consumed through depreciation or disposed. The Reserve contains only revaluation gains accumulated since 1 April 2007, when the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

| 2024/25 |                | Revaluation Reserve   | 2025/26 |                |
|---------|----------------|---|---------|----------------|
| £'000   | £'000          |   | £'000   | £'000          |
|         | <b>177,234</b> | <b>Balance as at 1 April</b>  |         | <b>176,080</b> |
| 2,647   |                | Revaluation of assets   | -5,809  |                |
| -497    |                | Impairment of assets  | 333     |                |
| 5,297   |                | Write back of accumulated depreciation on revaluations  | 30,833  |                |
| 125     |                | Write back of accumulated impairment on revaluations  | 3,093   |                |
|         | <b>7,572</b>   | Surplus or deficit on revaluation of non current assets not posted to the Surplus or Deficit on the Provision of Services |         | <b>28,450</b>  |
|         | <b>0</b>       | Asset Transfers   |         | <b>1,210</b>   |
| -6,153  |                | Difference between fair value depreciation and historical cost depreciation   | -6,242  |                |
| -2,573  |                | Accumulated gains on assets sold or scrapped  | -840    |                |
|         | <b>-8,726</b>  | Amounts written off to the Capital Adjustment Account   |         | <b>-7,082</b>  |
|         | <b>176,080</b> | <b>Total Balance at 31 March</b>  |         | <b>198,658</b> |

## Notes to the Statement of Accounts

### 50. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences between accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the County Council as finance for the costs of acquisition, construction, or enhancement. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

| 2024/25<br>£'000 | Capital Adjustment Account   | 2025/26<br>£'000 | £'000           |
|------------------|--|------------------|-----------------|
| 738,797          | <b>Balance as at 1 April</b>   |                  | 808,914         |
| -13,179          | <b>Adjustment for recognition of IFRS 16 assets</b>  |                  | 0               |
| 725,618          | <b>Balance as at 1 April</b>   |                  | 808,914         |
|                  | <b>Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):</b> |                  |                 |
| -53,721          | Charges for depreciation for non-current assets  | -54,228          |                 |
| -551             | Charges for impairment for non-current assets  | 0                |                 |
| 420              | Revaluation losses / subsequent gains on Property, Plant and Equipment   | -76              |                 |
| -467             | Amortisation of Intangible Assets  | -537             |                 |
| -61,536          | Revenue Expenditure funded from capital under statute  | -58,396          |                 |
| -18,816          | Amounts of non-current assets written off on disposal or sale as part of the gain/loss on derecognition                                    | -17,176          |                 |
| 0                | Removal of finance liability on derecognition of assets held under finance leases  | 0                |                 |
| <b>-134,671</b>  |  |                  | <b>-130,413</b> |
|                  | <b>Adjusting amounts written out of the Revaluation Reserve:</b>   |                  |                 |
| 6,153            | Difference between fair value depreciation and historical cost depreciation  | 6,247            |                 |
| 2,548            | Accumulated gains on assets sold or scrapped   | 840              |                 |
| 0                | Balance on reclassification of Investment Properties to PPE  | 0                |                 |
| <b>8,701</b>     |  |                  | <b>7,087</b>    |
|                  | <b>Capital Financing applied in year:</b>  |                  |                 |
| 127,894          | Capital grants and contributions credited to the CIES that have been applied to capital financing  | 153,048          |                 |
| 63,169           | Application of grants to capital financing from the Capital Grants Unapplied account   | 37,768           |                 |
| 0                | Reversal of grants and contributions applied in previous years   | 0                |                 |
| 16,758           | Statutory provision for the financing of capital investment charged against the County Fund balance  | 19,851           |                 |
| 3,334            | Capital expenditure charged against the County Fund balance  | 2,865            |                 |
| <b>211,155</b>   |  |                  | <b>213,532</b>  |
| <b>135</b>       | <b>Movements in the market value of Investment Properties debited or credited to the CIES</b>  |                  | <b>-210</b>     |
| <b>-1,925</b>    | <b>Amounts of Investment Properties written off on disposal or sale as part of the gain/loss on derecognition</b>                          |                  | <b>0</b>        |
| <b>25</b>        | <b>Accumulated gains on Assets held for Sale or scrapped</b>   |                  | <b>-879</b>     |
| <b>-124</b>      | <b>Amounts of Assets held for Sale written off on disposal or sale as part of the gain/loss on derecognition</b>                           |                  | <b>-560</b>     |
| <b>0</b>         | <b>Repayment of loans treated as capital receipts</b>  |                  | <b>0</b>        |
| <b>808,914</b>   | <b>Total Balance at 31 March</b>   |                  | <b>897,470</b>  |

**51. Collection Fund Adjustment Account**

The account holds the difference between the accrued Council Tax income and accrued Business Rates income included in the Comprehensive Income and Expenditure Statement (CIES) and the amount required by regulations to be credited to the County Fund.

The movement on the account is as follows:

| <b>Collection Fund Adjustment Account</b>   | <b>2024/25</b> | <b>2025/26</b> |
|---|----------------|----------------|
|   | <b>£'000</b>   | <b>£'000</b>   |
| <b>Balance as at 1 April</b>  | <b>11,366</b>  | <b>9,571</b>   |
| Decrease in Council Tax and Business Rate surpluses/increases in deficits   | -457           | 1,664          |
| Increases in Council Tax and Business Rate surpluses/reductions in deficits   | -1,338         | -415           |
| <b>Amount by which Council Tax and Business Rate income credited to the CIES is different from the income for the year calculated in accordance with statutory requirements</b> | <b>-1,795</b>  | <b>1,249</b>   |
| <b>Balance as at 31 March</b>   | <b>9,571</b>   | <b>10,820</b>  |

**52. Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the County Fund balance from accruing for compensated absences earned but not taken in the year. Statutory provisions require that the impact on the County Fund balance is neutralised by transfers to or from the account.

The balance at 31 March 2026 relates to teachers' accumulated holiday pay. No accruals have been made for non-teaching staff in 2025/26 as the amounts involved are not considered to be material to the accounts.

| <b>Accumulated Absences Account</b>  | <b>2024/25</b> | <b>2025/26</b> |
|--|----------------|----------------|
|  | <b>£'000</b>   | <b>£'000</b>   |
| <b>Balance as at 1 April</b>   | <b>-3,459</b>  | <b>-3,468</b>  |
| Settlement or cancellation of previous year's accrual  | 3,459          | 3,468          |
| Amount accrued at the end of the current year  | -3,468         | -2,924         |
| <b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in the year under statute</b> | <b>-9</b>      | <b>544</b>     |
| <b>Balance as at 31 March</b>  | <b>-3,468</b>  | <b>-2,924</b>  |

**53. Dedicated Schools Grant Adjustment Account**

The statutory reporting requirements for the 2024/25 accounts require the closing deficit balance on High Needs Dedicated Schools Grant to be held within the Dedicated Schools Grant Adjustment Account. The existing statutory override relating to High Needs that supports this accounting treatment was due to end on 31 March 2026 but the Government has now extended this until 31 March 2028. While the council is continuing to take action to manage the deficit through the Deficit Management Plan, it is continuing to grow. Further information on how High Needs deficits will be managed in future is expected later in the year along with a White Paper on SEND reform.

|                                 | 2024/25        | 2025/26         |
|---------------------------------|----------------|-----------------|
| <b>DSG Adjustment Account</b>   | <b>£'000</b>   | <b>£'000</b>    |
| <b>Balance as at 1 April</b>    | <b>-45,824</b> | <b>-80,284</b>  |
| Contributions to / from reserve | -34,459        | -55,025         |
| <b>Balance as at 31 March</b>   | <b>-80,283</b> | <b>-135,309</b> |

**54. Cash Flow Statement – Non-Cash Movements**

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

|   | 2024/25       | 2025/26        |
|---|---------------|----------------|
| <b>Non-cash Movements</b>                           | <b>£'000</b>  | <b>£'000</b>   |
| Depreciation/amortisation of fixed assets           | -54,188       | -54,764        |
| Impairment charges/revaluation losses (-) Gains (+) | -5,031        | -74            |
| Retirement benefit adjustments                      | 135,010       | 24,186         |
| Debt write-offs and Impairment allowances           | -790          | 631            |
| Donated assets                                      | 467           | 1,754          |
| Other financial instrument adjustments              | 2             | 2              |
| Movement in provisions in the year                  | 0             | 284            |
| Deferred income released                            | 0             | 831            |
| Movement in value of Pooled Funds                   | 113           | 4,144          |
| Movement in value of investment properties          | 135           | -210           |
| Interest on S106 Contributions                      | 9,031         | 0              |
| Carrying amount of non-current assets sold          | -18,948       | -17,736        |
| Transfers from Capital Grants Receipts in Advance   | 30,377        | 40,606         |
| Other non cash adjustment                           | -110,406      | 39             |
| Increase/decrease(-) in debtors                     | 1,062         | 762            |
| Increase(-)/decrease in creditors                   | 4,911         | -11,187        |
| <b>Total adjustments for non-cash movements</b>     | <b>-8,255</b> | <b>-10,732</b> |

**55. Cash Flow - Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities.**

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 1,427            | 3,086            |
| Gains on loans & receivables   | 0                | 0                |
| - Capital grants received  | 88,277           | 185,029          |
| -Cash adjustment   | 0                | 0                |
| <b>Total</b>   | <b>89,704</b>    | <b>188,115</b>   |

**56. Cash Flow Statement – Investing Activities**

| <b>Investing Activities</b>  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| Purchase of property, plant and equipment, investment property and intangible assets               | 165,449          | 192,410          |
| Purchase of short-term and long-term investments   | 308,366          | 263,360          |
| Other payments for investing activities  | -1,083           | -1,126           |
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | -6,191           | -3,086           |
| Capital grants   | -149,666         | -225,835         |
| Proceeds from short-term and long-term investments   | -373,726         | -355,669         |
| Other receipts from investing activities   | -5,269           | -2,775           |
| <b>Total adjustments for investing activities</b>  | <b>-62,120</b>   | <b>-132,721</b>  |

## Notes to the Statement of Accounts

### 57. Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

The table below provides a reconciliation between the movements on the Balance Sheet during the year and net cash flows from financing activities in the Cash Flow Statement:

| 31 March<br>2024 | Financing<br>Cashflows | Other<br>Cashflows | Non-Cash<br>Transactions | 31 March<br>2025 |   | 31 March<br>2025 | Financing<br>Cashflows | Other<br>Cashflows | Non-Cash<br>Transactions | 31 March<br>2026 |
|------------------|------------------------|--------------------|--------------------------|------------------|---|------------------|------------------------|--------------------|--------------------------|------------------|
| £'000            | £'000                  | £'000              | £'000                    | £'000            |   | £'000            | £'000                  | £'000              | £'000                    | £'000            |
| -22,296          | 7,483                  |                    | 1,485                    | -14,811          | Short term borrowing                              | -14,811          | -30,000                |                    | 102                      | -44,708          |
| -266,383         | 6,500                  |                    | 0                        | -259,883         | long term borrowing                               | -259,883         | 37,091                 |                    | 0                        | -222,791         |
| -1,519           | 1,519                  |                    | -1,627                   | -1,627           | Short term finance/lease<br>liability liabilities | -1,627           | 944                    |                    | -13,920                  | -13,920          |
| -14,161          | -3,533                 |                    | -2,781                   | -16,943          | long-term finance/lease<br>liability liabilities  | -16,943          | 0                      |                    | 7,169                    | -6,048           |
| 0                |                        |                    |                          | 0                | Short term receivables                            | 0                |                        |                    |                          | 0                |
| 0                |                        |                    |                          | 0                | Short term payables                               | 0                |                        |                    |                          | 0                |
| <b>-304,359</b>  | <b>11,969</b>          | <b>0</b>           | <b>-2,923</b>            | <b>-293,264</b>  |   | <b>-293,264</b>  | <b>8,037</b>           | <b>0</b>           | <b>-6,649</b>            | <b>-287,467</b>  |

\* The position as at 31 March 2024 has been adjusted to reflect the transitional arrangements for the recognition of IFRS 16 assets.

| Financing Activities   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet service concession arrangements | 836              | 1,586            |
| Short and long-term borrowings raised  | 500              | 0                |
| Repayments of short- and long-term borrowing   | 12,000           | 7,093            |
| <b>Total adjustments for financing activities</b>  | <b>13,336</b>    | <b>8,679</b>     |

### 58. **Contingent Liabilities/Assets**

The County Council has claims outstanding with Municipal Mutual Insurance (MMI) Plc. In November 2012 the directors of MMI triggered a process to wind up the business. This means the County Council may have to repay all or part of the insurance claims settled since the company ceased to trade, as well as fund any outstanding claims. The current levy of 25% has been paid against settled claims, therefore, as at 31 March 2026 the County Council has a potential liability of £3.789m (2025: £3.621m) remaining on previously settled claims, plus the value of any outstanding and future claims. On actuarial advice a further 15% of the total known liability has been secured against future clawback over the longer term.

Thurrock Council has raised a claim against the 256 member authorities of the Association for Public Service Excellence (APSE) in respect of advice about an investment in a solar farm. The total value of the claim is between £17.6m and £46.0m. If successful, the claim would likely be payable equally by all members of APSE. There is, therefore, a contingent liability of between £0.067m and £0.180m representing Oxfordshire County Council's share of the potential claim.

In February 2026, the Government announced its approach to supporting local authorities with Dedicated Schools Grant (DSG) High Needs deficits through the introduction of a new High Needs Stability Grant. This would provide funding of up to 90% of a local authority's DSG deficit as at 31 March 2026. To access this funding, local authorities are required to develop and deliver a local SEND reform plan, meeting specified conditions. The council submitted this on 19 June 2026. A contingent asset of £121.8m has been recognised, representing 90% of the DSG deficit at 31 March 2026 (see Note 53). This reflects the anticipated receipt of the High Needs Stability Grant which would mean that the council would not be required to fund this element of the DSG deficit through borrowing or other funding. Updates on this are expect later in 2026.

### 59. **Events after the Reporting Period**

The draft accounts were authorised for issue on 30 June 2026. Where events taking place before this date provided information about conditions existing at 31 March 2025, the amounts in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On 15 May 2025 there was a major fire in Bicester that tragically led to the deaths of two firefighters and a member of the public. Two firefighters sustained serious injuries and have since been released from hospital. An investigation is ongoing and coroner's inquests have been opened.

### 60. **Accounting standards issued but not adopted**

The County Council is required to disclose information relating to the impact on the financial statements of any accounting changes resulting from the adoption by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

### **61. Authorisation of the Accounts**

The draft Statement of Accounts was authorised for issue by Kathy Wilcox, Head of Corporate Finance (Deputy Section 151 Officer) on 30 June 2026. These statements may be subject to amendment following the conclusion of the audit.

## Trust Funds

The County Council acts as a trustee for the various funds below. The funds are invested in the Stock Market and with the County Council. They do not form part of the Balance Sheet.

| <b>Trust Funds where Oxfordshire County Council acts as sole trustee</b> |   | <b>2024/25<br/>Value of<br/>Fund<br/>£'000</b> | <b>2025/26<br/>No. of<br/>funds</b> | <b>Value of<br/>Fund<br/>£'000</b> |
|--|---|--|-------------------------------------|------------------------------------|
| Children's   | Funds for the Development of Hill End Residential Centre* | 66   | 1                                   | 91                                 |
|  | Criminal Injuries Compensation Awards                     | 0  | 1                                   | 0                                  |
|  | Other (under £10,000)                                     | 1  | 1                                   | 1                                  |
| Resources  | Bequest of Property at Watlington                         | 80   | 1                                   | 82                                 |
| <b>Total</b>   |   | <b>147</b>                                     | <b>4</b>                            | <b>174</b>                         |

| <b>Trust Funds where Oxfordshire County Council acts as joint trustee</b> |                       | <b>2024/25<br/>Value of<br/>Fund<br/>£'000</b> | <b>2025/26<br/>No. of<br/>funds</b> | <b>Value of<br/>Fund<br/>£'000</b> |
|---|-----------------------|--|-------------------------------------|------------------------------------|
| Children's  | Other (under £10,000) | 1  | 1                                   | 1                                  |
| Adults  | Junior Citizens Trust | 5  | 1                                   | 5                                  |
| <b>Total</b>  |                       | <b>6</b>                                       | <b>2</b>                            | <b>6</b>                           |

| <b>Other Funds</b> |                              | <b>2024/25<br/>Value of<br/>Fund<br/>£'000</b> | <b>2025/26<br/>No. of<br/>funds</b> | <b>Value of<br/>Fund<br/>£'000</b> |
|--------------------|------------------------------|--|-------------------------------------|------------------------------------|
| Children's         | City Lectureship Scholarship | 20   | 1                                   | 21                                 |
|                    | Other (under £10,000)        | 27   | 6                                   | 28                                 |
| Adults             | Other (under £10,000)        | 5  | 1                                   | 5                                  |
| <b>Total</b>       |                              | <b>52</b>                                      | <b>8</b>                            | <b>54</b>                          |

\* Expected to be absorbed into the Hill End Charitable Trust in 2026/27



# The Local Government Pension Fund Accounts



**OXFORDSHIRE  
COUNTY COUNCIL**

# The Local Government Pension Fund Accounts

---

## Contents:

|   |            |
|---|------------|
| <b>Note 1 – Description of the fund</b> .....   | <b>112</b> |
| <i>General</i> .....  | <i>112</i> |
| <i>Membership</i> .....   | <i>112</i> |
| <i>Funding</i> .....  | <i>113</i> |
| <i>Benefits</i> .....   | <i>114</i> |
| <b>Note 2 – Basis of Preparation</b> .....  | <b>114</b> |
| <b>Note 3 – Summary of Significant Accounting Policies</b> .....  | <b>115</b> |
| <i>Investments</i> .....  | <i>115</i> |
| <i>Foreign Currencies</i> .....   | <i>115</i> |
| <i>Contributions</i> .....  | <i>115</i> |
| <i>Benefits, Refunds of Contributions and Transfer Values</i> .....   | <i>116</i> |
| <i>Investment Income</i> .....  | <i>116</i> |
| <i>Investment Management and Scheme Administration</i> .....  | <i>116</i> |
| <i>Expenses</i> .....   | <i>117</i> |
| <i>Cash</i> .....   | <i>117</i> |
| <i>Listed Private Equity</i> .....  | <i>117</i> |
| <i>Management Fees</i> .....  | <i>117</i> |
| <b>Note 4 – Critical Judgements in Applying Accounting Policies</b> .....                                     | <b>117</b> |
| <i>Unquoted Private Equity Investments</i> .....  | <i>117</i> |
| <i>Pension Fund Liability</i> .....   | <i>117</i> |
| <b>Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation<br/>Uncertainty</b> ..... | <b>118</b> |
| <b>Note 6 – Contributions</b> .....   | <b>119</b> |
| <b>Note 7 – Transfers In</b> .....  | <b>119</b> |
| <b>Note 8 – Benefits</b> .....  | <b>120</b> |
| <b>Note 9 – Payment to and on account of leavers</b> .....  | <b>120</b> |
| <b>Note 10 – Management Expenses</b> .....  | <b>120</b> |
| <b>Note 11 – Investment Income</b> .....  | <b>121</b> |
| <b>Note 12 – Investment Management Expenses</b> .....   | <b>121</b> |
| <b>Note 13 – Related Party Transactions</b> .....   | <b>121</b> |
| <i>Brunel Pension Partnership Ltd (Company Number 10429110)</i> .....   | <i>122</i> |

## The Local Government Pension Fund Accounts

---

|   |            |
|---|------------|
| <b>Note 14 – Investments</b> .....  | <b>123</b> |
| <i>Note 14a – Reconciliation of Movements in Investments and Derivatives</i> .....  | <i>124</i> |
| <i>Note 14b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)</i> ..... | <i>126</i> |
| <i>Note 14c – Other Investment Balances</i> .....   | <i>126</i> |
| <b>Note 15 – Current Assets</b> .....   | <b>127</b> |
| <b>Note 16 – Current Liabilities</b> .....  | <b>128</b> |
| <b>Note 17 – Long-Term Assets</b> .....   | <b>128</b> |
| <b>Note 18 - Assets under External Management</b> .....   | <b>128</b> |
| <b>Note 19 – Top 5 Holdings</b> .....   | <b>129</b> |
| <b>Note 20 – Taxation</b> .....   | <b>129</b> |
| <b>Note 21 – Additional Voluntary Contributions</b> .....   | <b>129</b> |
| <b>Note 22 – Contingent Liabilities and Capital Commitments</b> .....   | <b>129</b> |
| <b>Note 23 – Investment Strategy Statement</b> .....  | <b>130</b> |
| <b>Note 24 - Actuarial Present Value of Promised Retirement Benefits</b> .....  | <b>130</b> |
| <b>Note 25 - Financial Instruments</b> .....  | <b>132</b> |
| <i>Note 25a – Classification of Financial Instruments</i> .....   | <i>132</i> |
| <i>Note 25b – Net Gains and Losses on Financial Instruments</i> .....   | <i>133</i> |
| <i>Note 25c – Valuation of Financial Instruments Carried at Fair Value</i> .....  | <i>133</i> |
| <i>Reconciliation of Movement in Level 3 Financial Instruments</i> .....  | <i>135</i> |
| <i>Level 3 Sensitivities</i> .....  | <i>136</i> |
| <b>Note 26 - Risk</b> .....   | <b>136</b> |
| <i>Credit Risk</i> .....  | <i>138</i> |
| <i>Liquidity Risk</i> .....   | <i>139</i> |
| <i>Market Risk</i> .....  | <i>140</i> |
| <i>Interest Rate Risk</i> .....   | <i>140</i> |
| <i>Currency Risk</i> .....  | <i>141</i> |
| <i>Other Price Risk</i> .....   | <i>142</i> |
| <b>Note 27 - Actuarial Valuation</b> .....  | <b>143</b> |

## The Local Government Pension Fund Accounts

| Fund Account  | Notes | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|-------|------------------|------------------|
| <b>Contributions and Benefits</b>   |       |                  |                  |
| Contributions Receivable  | 6     | -139,412         | -144,725         |
| Transfers from Other Schemes  | 7     | -27,574          | -28,388          |
| Other Income  |       | -19              | -47              |
| <b>Income Sub Total</b>   |       | <b>-167,005</b>  | <b>-173,160</b>  |
| Benefits Payable  | 8     | 129,652          | 136,408          |
| Payments to and on Account of Leavers   | 9     | 17,658           | 20,885           |
| <b>Expenditure Sub Total</b>  |       | <b>147,310</b>   | <b>157,293</b>   |
| <b>Net (Additions)/Withdrawals From Dealings With Members</b>                               |       | <b>-19,695</b>   | <b>-15,867</b>   |
| Management Expenses   | 10    | 23,989           | 25,735           |
| <b>Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses</b> |       | <b>4,294</b>     | <b>9,868</b>     |
| <b>Returns on Investments</b>   |       |                  |                  |
| Investment Income   | 11    | -29,462          | -35,551          |
| Profits and Losses on Disposal of Investments and Changes in Market Value of Investments    | 14a   | -88,354          | -276,183         |
| Less Taxes on Income  | 11    | 8                | 0                |
| <b>Net returns on Investments</b>   |       | <b>-117,808</b>  | <b>-311,734</b>  |
| <b>Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year</b>     |       | <b>-113,514</b>  | <b>-301,866</b>  |
| <b>Opening Net Assets of the Scheme</b>   |       | <b>3,541,434</b> | <b>3,654,948</b> |
| <b>Closing Net Assets of the Scheme</b>   |       | <b>3,654,948</b> | <b>3,956,814</b> |
| <b>Net Assets Statement</b>   |       |                  |                  |
|   | Notes | 2024/25<br>£'000 | 2025/26<br>£'000 |
| <b>Investment Assets</b>  |       |                  |                  |
| Equities  | 14b   | 197,361          | 166,469          |
| Pooled Investments  | 14b   | 3,029,121        | 3,179,951        |
| Pooled Property Investments   | 14b   | 325,897          | 342,396          |
| Derivative Contracts  |       | 0                | 0                |
| Loans   | 14c   | 15,000           | 181,000          |
| Cash Deposits   | 14c   | 7,557            | 11,968           |
| Other Investment Balances   | 14c   | 1,977            | 2,183            |
| Long-Term Investment Assets   | 14b   | 840              | 840              |
| <b>Investment Liabilities</b>   |       |                  |                  |
| Other Investment Balances   | 14c   | -3               | 0                |
| <b>Total Investments</b>  |       | <b>3,577,750</b> | <b>3,884,807</b> |
| <b>Assets and Liabilities</b>   |       |                  |                  |
| Current Assets  | 15    | 80,385           | 76,006           |
| Current Liabilities   | 16    | -3,596           | -4,000           |
| <b>Net Current Assets</b>   |       | <b>76,789</b>    | <b>72,006</b>    |
| Long-Term Assets  | 17    | 409              | 0                |
| <b>Net Assets of the scheme available to fund benefits at year end</b>                      |       | <b>3,654,948</b> | <b>3,956,814</b> |

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 24.

### Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2025/26 Annual Report and in the underlying statutes.

#### General

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

#### Membership

The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government's auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

- Organisations participating in the Oxfordshire County Council Pension Fund include:
- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.

## The Local Government Pension Fund Accounts

- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.
- Admitted Bodies can be split in to two groups:
  - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.
  - Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008.

The table below details the composition of the Fund’s membership:

|   | As at<br>31 March 2025 | As at<br>31 March 2026 |
|---|------------------------|------------------------|
| <b>Number of Contributory Employees in Scheme</b> |                        |                        |
| Oxfordshire County Council                        | 8,217                  | 8,124                  |
| Other Scheduled Bodies                            | 13,799                 | 13,915                 |
| Admitted Bodies                                   | 446                    | 402                    |
|   | <b>22,462</b>          | <b>22,441</b>          |
| <b>Number of Pensioners and Dependants</b>        |                        |                        |
| Oxfordshire County Council                        | 11,343                 | 11,820                 |
| Other Scheduled Bodies                            | 7,769                  | 8,270                  |
| Admitted Bodies                                   | 1,336                  | 1,408                  |
|   | <b>20,448</b>          | <b>21,498</b>          |
| <b>Deferred Pensioners</b>                        |                        |                        |
| Oxfordshire County Council                        | 16,129                 | 15,914                 |
| Other Scheduled Bodies                            | 14,819                 | 14,985                 |
| Admitted Bodies                                   | 1,191                  | 1,175                  |
|   | <b>32,139</b>          | <b>32,074</b>          |

Unprocessed leavers are included as Deferred Pensioners.

### Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2026 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers’ contribution rates are set following the actuarial valuation, which takes place every three years. The 2022 actuarial valuation determined the contribution rates to take

## The Local Government Pension Fund Accounts

effect from 01 April 2023 to 31 March 2026. Employer contribution rates for 2025/26 ranged from 13.4% to 24.8% of pensionable pay.

### Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

|          | Service Pre 1 April 2008   | Service Post 31 March 2008   |
|----------|--|--|
| Pension  | Each full-time year worked is worth $1/80 \times$ final pensionable salary.  | Each full-time year worked is worth $1/60 \times$ final pensionable salary.  |
| Lump Sum | Automatic lump sum of $3 \times$ pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up. | No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up. |

From 1 April 2014 the scheme became a career average scheme, where members accrue benefits based on their pensionable pay in any given year at an accrual rate of  $1/49$ th. Accrued pension is indexed annually in line with the Consumer Prices Index. The normal retirement age is linked to each individual member's State Pension Age.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. Scheme members are now also able to opt to pay 50% of the standard contributions in return for 50% of the pension benefit.

### Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 21.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 24.

The accounts have been prepared on a going concern basis. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover

pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2025 valuation was 129%. Therefore, management are assured the Pension Fund remains a going concern for at least 12 months from the date the accounts are authorised for issue.

### **Note 3 – Summary of Significant Accounting Policies**

#### **Investments**

1. Investments are shown in the accounts at market value, which has been determined as follows:
  - (a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last listed traded price, as at 31 March 2026.
  - (b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information;
  - (c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.
  - (d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2026.
  - (e) Fixed Interest stocks are valued on a 'clean' basis (i.e. the value of interest accruing from the previous interest payment date to the valuation date has been included within the amount receivable for accrued income).
  - (f) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.
  - (g) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
  - (h) All gains and losses arising on derivative contracts are reported within 'Changes in Market Value of Investments'.

#### **Foreign Currencies**

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year

#### **Contributions**

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the

## The Local Government Pension Fund Accounts

---

period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date

Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current asset. Amounts not due until future years are classed as long-term assets.

The Actuary determines the contribution rate for each employer during the triennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

### Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

### Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases, investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled

Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2026.

### Investment Management and Scheme Administration

6. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

### Expenses

7. Expenses are accounted for on an accruals basis.

### Cash

8. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

### Listed Private Equity

9. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

### Management Fees

10. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included, only those the pension fund pays to the fund of funds manager.

## Note 4 – Critical Judgements in Applying Accounting Policies

### Unquoted Private Equity Investments

Determining the fair value of unquoted investments is highly subjective in nature. Unquoted investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2026 was £726.491m (£553.298m at 31 March 2025).

### Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 27. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

## The Local Government Pension Fund Accounts

### Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

| Item  | Uncertainties   | Potential Impact  |
|---|---|---|
| Actuarial Present Value of Promised Retirement Benefits | Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied | <p>The actuarial present value of promised retirement benefits included in the financial statements is £3,224m. There is a risk that this figure is under, or overstated in Note 24 to the accounts.</p> <p>Sensitivities to the key assumptions are as follows:</p> <p>A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£52m).</p> <p>A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£2m).</p> <p>A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£54m).</p> <p>A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£129m).</p> |
| Unquoted Investments                                    | Unquoted investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process there is a degree of estimation involved in the valuation.   | Unquoted investments, classified as level 3 in the fair value hierarchy, included in the financial statements total £1,075.864m. There is a risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 25.  |

## The Local Government Pension Fund Accounts

### Note 6 – Contributions

|                           | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---------------------------|------------------|------------------|
| <b>Employers</b>          |                  |                  |
| Normal                    | -96,191          | -100,568         |
| Augmentation              | 0                | 0                |
| Deficit Funding           | -5,634           | -5,720           |
| Costs of Early Retirement | -3,604           | -2,093           |
|                           | <b>-105,429</b>  | <b>-108,381</b>  |
| <b>Members</b>            |                  |                  |
| Normal & Additional*      | <b>-33,983</b>   | <b>-36,344</b>   |
| <b>Total</b>              | <b>-139,412</b>  | <b>-144,725</b>  |

\*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 21.

There were no lump sum pre-payments in 2025/26 received during 2025/26.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

|                                | Employer<br>Contributions |                  | Members<br>Contributions |                  |
|--------------------------------|---------------------------|------------------|--------------------------|------------------|
|                                | 2024/25<br>£'000          | 2025/26<br>£'000 | 2024/25<br>£'000         | 2025/26<br>£'000 |
| Oxfordshire<br>County Council  | -42,935                   | -43,218          | -13,409                  | -14,225          |
| Scheduled Bodies               | -54,055                   | -56,442          | -17,834                  | -19,441          |
| Resolution Bodies              | -5,709                    | -6,089           | -1,829                   | -1,832           |
| Community<br>Admission Bodies  | -1,242                    | -799             | -437                     | -436             |
| Transferee<br>Admission Bodies | -1,488                    | -1,833           | -474                     | -410             |
| <b>Total</b>                   | <b>-105,429</b>           | <b>-108,381</b>  | <b>-33,983</b>           | <b>-36,344</b>   |

### Note 7 – Transfers In

|  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--|------------------|------------------|
| Individual Transfers In from other schemes | -27,574          | -28,388          |
| Group Transfers In from other schemes      | 0                | 0                |
| <b>Total</b>                               | <b>-27,574</b>   | <b>-28,388</b>   |

## The Local Government Pension Fund Accounts

### Note 8 – Benefits

|                               | 2024/25        | 2025/26        |
|-------------------------------|----------------|----------------|
|                               | £'000          | £'000          |
| Pensions Payable              | 106,189        | 111,979        |
| Lump Sums – Retirement Grants | 20,494         | 19,878         |
| Lump Sums – Death Grants      | 2,971          | 4,551          |
| <b>Total</b>                  | <b>129,652</b> | <b>136,408</b> |

|                             | Pensions Payable |                | Lump Sums     |               |
|-----------------------------|------------------|----------------|---------------|---------------|
|                             | 2024/25          | 2025/26        | 2024/25       | 2025/26       |
|                             | £'000            | £'000          | £'000         | £'000         |
| Oxfordshire County Council  | 50,658           | 52,878         | 10,140        | 8,657         |
| Scheduled Bodies            | 46,032           | 48,809         | 10,289        | 11,831        |
| Resolution Bodies           | 2,104            | 2,330          | 1,274         | 1,802         |
| Community Admission Bodies  | 5,608            | 5,919          | 1,230         | 1,020         |
| Transferee Admission Bodies | 1,187            | 2,033          | 530           | 1,119         |
| <b>Total</b>                | <b>106,189</b>   | <b>111,969</b> | <b>23,463</b> | <b>24,429</b> |

### Note 9 – Payment to and on account of leavers

|   | 2024/25       | 2025/26       |
|---|---------------|---------------|
|   | £'000         | £'000         |
| Refunds of Contributions                  | 634           | 731           |
| Payments for members joining state scheme | -3            | -2            |
| Group Transfers Out to other schemes      | 0             | 0             |
| Individual Transfers Out to other schemes | 17,027        | 20,156        |
| <b>Total</b>                              | <b>17,658</b> | <b>20,885</b> |

### Note 10 – Management Expenses

|                                | 2024/25       | 2025/26       |
|--------------------------------|---------------|---------------|
|                                | £'000         | £'000         |
| Administrative Costs           | 3,320         | 3,252         |
| Investment Management Expenses | 18,606        | 17,847        |
| Oversight & Governance Costs   | 2,063         | 4,636         |
| <b>Total</b>                   | <b>23,989</b> | <b>25,735</b> |

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.179m (2024/25 £0.115m) for the audit of the Pension Fund's Annual Report and Accounts.

A further breakdown of Investment Management Expenses is in Note 12.

## The Local Government Pension Fund Accounts

### Note 11 – Investment Income

|   | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| Equity Dividends  | -4,222           | -4,430           |
| Pooled Property Investments                               | -8,105           | -9,278           |
| Pooled Investments – Unit Trusts & Other<br>Managed Funds | -13,635          | -19,750          |
| Interest on cash deposits                                 | -3,500           | -2,093           |
|   | <b>-29,462</b>   | <b>-35,551</b>   |
| Irrecoverable withholding tax – equities                  | -8               | 0                |
| <b>Total</b>  | <b>-29,454</b>   | <b>-35,551</b>   |

### Note 12 – Investment Management Expenses

|                 | 2024/25<br>£'000 | 2025/26<br>£'000 |
|-----------------|------------------|------------------|
| Management Fees | 18,580           | 17,837           |
| Custody Fees    | 26               | 10               |
| <b>Total</b>    | <b>18,606</b>    | <b>17,847</b>    |

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

### Note 13 – Related Party Transactions

The Pension Fund is required to disclose material transactions with related parties, and bodies or individuals that have the potential to control or influence the Pension Fund, or to be controlled or influenced by the Pension Fund. Disclosure of these transactions allows readers to assess the extent to which the Pension Fund might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Pension Fund.

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2024/25, the Committee consisted of five County Councillors (voting members), four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.145m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

|                                    | 2024/25<br>£'000 | 2025/26<br>£'000 |
|------------------------------------|------------------|------------------|
| Short Term Benefits*               | 111              | 125              |
| Long Term/Post Retirement Benefits | 18               | 20               |
| <b>Total</b>                       | <b>129</b>       | <b>145</b>       |

\*Includes allowances paid to the Chairman of the Pension Fund Committee

## The Local Government Pension Fund Accounts

---

These figures represent the relevant proportion of the salary and employer pension contributions for the key Council staff, reflecting their work for the Pension Fund.

As the County Council is the designated statutory body responsible for administering the Oxfordshire Pension Fund, it is a related party.

For the 12 months ended 31 March 2026, employer contributions to the Pension Fund from the County Council were £43.218m (2024/25 £42.935m). At 31 March 2026 there were receivables of in respect of contributions due from the County Council of £7.221m (2024/25 £4.778m) and payables due to the County Council of £0.677m (2024/25 £0.214m).

The County Council was reimbursed £2.102m (2024/25 £1.983m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

### **Brunel Pension Partnership Ltd (Company Number 10429110)**

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14 October 2016 and oversees the investment of pension fund assets for the following LGPS funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

Each of the nine Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

|             | 2024/25<br>£'000 | 2025/26<br>£'000 |
|-------------|------------------|------------------|
| Income      | 0                | 0                |
| Expenditure | 1,499            | 3,146            |
| Receivables | 0                | 0                |
| Payables    | 0                | 0                |

## The Local Government Pension Fund Accounts

### Note 14 – Investments

|                                     | Value at 31 March 2025<br>£'000 | Value at 31 March 2026<br>£'000 |
|-------------------------------------|---------------------------------|---------------------------------|
| <b>Investment Assets</b>            |                                 |                                 |
| Equities                            | 197,361                         | 166,469                         |
| Pooled Funds:                       |                                 |                                 |
| - Fixed Income                      | 141,217                         | 149,294                         |
| - Index Linked                      | 206,005                         | 214,086                         |
| - Global Equity                     | 1,572,791                       | 1,618,166                       |
| - UK Equity                         | 392,830                         | 465,950                         |
| - Private Equity                    | 261,347                         | 254,286                         |
| - Private Debt                      | 90,846                          | 104,171                         |
| - Infrastructure Funds              | 201,105                         | 201,565                         |
| - Multi Asset Credit Fund           | 162,980                         | 172,432                         |
| Pooled Property Investments         | 325,897                         | 342,397                         |
| Cash Deposits                       | 7,557                           | 11,968                          |
| Loans                               | 15,000                          | 181,000                         |
| Long-Term Investments               | 840                             | 840                             |
| Investment Income Due               | 1,977                           | 2,183                           |
| Amounts Receivable for Sales        | 0                               | 0                               |
| <b>Total Investment Assets</b>      | <b>3,577,753</b>                | <b>3,884,807</b>                |
| <b>Investment Liabilities</b>       |                                 |                                 |
| Management Expenses Due             | -3                              | 0                               |
| Amounts Payable for Purchases       | 0                               | 0                               |
| <b>Total Investment Liabilities</b> | <b>-3</b>                       | <b>0</b>                        |
| <b>Net Investment Assets</b>        | <b>3,577,750</b>                | <b>3,884,807</b>                |

## The Local Government Pension Fund Accounts

### Note 14a – Reconciliation of Movements in Investments and Derivatives

|  | Value at<br>1 April 2025 | Purchases at<br>Cost &<br>Derivative<br>Payments | Sales Proceeds &<br>Derivative<br>Receipts | Change in<br>Market Value | Cash<br>Movement | Increase in<br>Receivables /<br>(Payables) | Value at<br>31 March 2026 |
|--|--------------------------|--|--|---------------------------|------------------|--|---------------------------|
|  | £'000                    | £'000  | £'000                                      | £'000                     | £'000            | £'000                                      | £'000                     |
| Equities   | 197,361                  | 2,353  | -247                                       | -32,999                   |                  |  | 166,469                   |
| Pooled Investments   | 3,029,121                | 85,946   | -235,671                                   | 300,555                   |                  |  | 3,179,951                 |
| Pooled Property Investments  | 325,897                  | 123,300  | -115,234                                   | 8,435                     |                  |  | 342,397                   |
| Long-Term Investments  | 840                      | 0  | 0  | 0                         |                  |  | 840                       |
| <u>Derivative Contracts</u>  |                          |  |  |                           |                  |  |                           |
| FX   | 0                        | 0  | 0  | 0                         |                  |  | 0                         |
| Futures  | 0                        | 0  | 0  | 0                         |                  |  | 0                         |
| <u>Other Investment Balances</u>   |                          |  |  |                           |                  |  |                           |
| Loans  | 15,000                   | 0  | 0  | 0                         | 166,000          |  | 181,000                   |
| Cash Deposits  | 7,557                    | 11,233   | -7,560                                     | 192                       | 545              |  | 11,967                    |
| Amounts Receivable for<br>Sales of Investments                           | 0                        | 0  | 0  | 0                         |                  |  | 0                         |
| Investment Income Due  | 1,977                    | 0  | 0  | 0                         |                  | 206  | 2,183                     |
| Amounts Payable for<br>Purchases of Investments &<br>Management Expenses | -3                       | 0  | 0  | 0                         |                  | 3  | 0                         |
| <b>Total</b>   | <b>3,577,750</b>         | <b>222,832</b>                                   | <b>-358,712</b>                            | <b>276,183</b>            | <b>166,545</b>   | <b>209</b>                                 | <b>3,884,807</b>          |

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

Where management fees are not paid directly by the Fund and are deducted from the unit value of the Fund's investment an adjustment has been made to the sales figure to reflect the payment of the management fee.

There have been no employer-related investments at any time during the year.

## The Local Government Pension Fund Accounts

|  | Value at<br>1 April 2024 | Purchases at<br>Cost &<br>Derivative<br>Payments | Sales Proceeds &<br>Derivative<br>Receipts | Change in<br>Market<br>Value | Cash<br>Movement | Increase in<br>Receivables /<br>(Payables) | Value at<br>31 March 2025 |
|--|--------------------------|--|--|------------------------------|------------------|--|---------------------------|
|  | £'000                    | £'000  | £'000                                      | £'000                        | £'000            | £'000                                      | £'000                     |
| Equities   | 177,643                  | 2,205  | 0  | 17,513                       |                  |  | 197,361                   |
| Pooled Investments   | 2,967,703                | 68,196   | -75,666                                    | 68,888                       |                  |  | 3,029,121                 |
| Pooled Property Investments  | 315,717                  | 17,591   | -9,568                                     | 2,157                        |                  |  | 325,897                   |
| Long-Term Investments  | 840                      | 0  | 0  | 0                            |                  |  | 840                       |
| <u>Derivative Contracts</u>  |                          |  |  |                              |                  |  |                           |
| FX   | 0                        | 6  | -1   | -5                           |                  |  | 0                         |
| Futures  | 0                        | 0  | 0  | 0                            |                  |  | 0                         |
| <u>Other Investment Balances</u>   |                          |  |  |                              |                  |  |                           |
| Loans  | 0                        | 0  | 0  | 0                            | 15,000           |  | 15,000                    |
| Cash Deposits  | 5,753                    | 15,721   | -13,912                                    | -199                         | 194              |  | 7,557                     |
| Amounts Receivable for<br>Sales of Investments                           | 114                      | 0  | 0  | 0                            |                  | -114                                       | 0                         |
| Investment Income Due  | 1,979                    | 0  | 0  | 0                            |                  | -2   | 1,977                     |
| Amounts Payable for<br>Purchases of Investments &<br>Management Expenses | -4                       | 0  | 0  | 0                            |                  | 1  | -3                        |
| <b>Total</b>   | <b>3,469,745</b>         | <b>103,719</b>                                   | <b>-99,147</b>                             | <b>88,354</b>                | <b>15,194</b>    | <b>-115</b>                                | <b>3,577,750</b>          |

## The Local Government Pension Fund Accounts

### Note 14b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

|                                    | 2024/25    | 2025/26    |
|------------------------------------|------------|------------|
|                                    | £'000      | £'000      |
| <b>Long-Term Investment Assets</b> |            |            |
| Brunel Pension Partnership Ltd     | 840        | 840        |
| <b>Total</b>                       | <b>840</b> | <b>840</b> |

|                           | 2024/25        | 2025/26        |
|---------------------------|----------------|----------------|
|                           | £'000          | £'000          |
| <b>Equity Investments</b> |                |                |
| UK Equities               | 197,044        | 166,408        |
| European Equities         | 317            | 61             |
| <b>Total</b>              | <b>197,361</b> | <b>166,469</b> |

|  | 2024/25          | 2025/26          |
|--|------------------|------------------|
|  | £'000            | £'000            |
| <b>Pooled Investment Vehicles</b>          |                  |                  |
| UK Registered Managed Funds – Property     | 115,745          | 136,744          |
| Non UK Registered Managed Funds – Property | 46,987           | 51,049           |
| UK Registered Managed Funds – Other        | 2,339,636        | 2,476,470        |
| Non UK Registered Managed Funds – Other    | 689,484          | 703,481          |
| UK Registered Property Unit Trusts         | 102,416          | 89,232           |
| Non UK Registered Property Unit Trusts     | 60,750           | 65,372           |
| <b>Total</b>                               | <b>3,355,018</b> | <b>3,522,348</b> |

| <b>Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)</b> | <b>2024/25</b>   | <b>2025/26</b>   |
|---|------------------|------------------|
|   | £'000            | £'000            |
|   | <b>3,553,219</b> | <b>3,689,657</b> |

### Note 14c – Other Investment Balances

|                             | 2024/25      | 2025/26      |
|-----------------------------|--------------|--------------|
|                             | £'000        | £'000        |
| <b>Receivables</b>          |              |              |
| Sale of Investments         | 0            | 48           |
| Dividend & Interest Accrued | 1,735        | 1,478        |
| Inland Revenue              | 242          | 657          |
|                             | <b>1,977</b> | <b>2,183</b> |
| <b>Payables</b>             |              |              |
| Management Fees             | 0            | 0            |
| Custodian Fees              | -3           | 0            |
|                             | <b>-3</b>    | <b>0</b>     |
| <b>Total</b>                | <b>1,974</b> | <b>2,183</b> |

## The Local Government Pension Fund Accounts

### Loans

|                   | 2024/25       | 2025/26        |
|-------------------|---------------|----------------|
|                   | £'000         | £'000          |
| Short- Term Loans | 15,000        | 181,000        |
| <b>Total</b>      | <b>15,000</b> | <b>181,000</b> |

### Cash Deposits

|                            | 2024/25      | 2025/26       |
|----------------------------|--------------|---------------|
|                            | £'000        | £'000         |
| Non-Sterling Cash Deposits | 7,557        | 11,968        |
| <b>Total</b>               | <b>7,557</b> | <b>11,968</b> |

The following investments represent more than 5% of the net assets of the scheme

|                                      | 2024/25 | % of Total | 2025/26 | % of Total |
|--------------------------------------|---------|------------|---------|------------|
|                                      | £'000   | Fund       | £'000   | Fund       |
| FTSE PAB Developed Equity Index Fund | 618,659 | 16.95      | 592,280 | 14.97      |
| Brunel GBL Sustainable Mutual Fund   | 599,223 | 16.39      | 644,838 | 16.30      |
| Brunel UK Equity Fund                | 392,830 | 10.77      | 465,950 | 11.78      |
| Brunel HG ALP GLB EQ                 | 354,909 | 9.72       | 381,048 | 9.63       |
| Blackrock Aquila Life Fund           | 206,005 | 5.64       | 214,086 | 5.41       |

### Note 15 – Current Assets

|                          | 2024/25       | 2025/26       |
|--------------------------|---------------|---------------|
|                          | £'000         | £'000         |
| Receivables:             |               |               |
| Employer Contributions   | 7,882         | 8,247         |
| Employee Contributions   | 2,678         | 2,889         |
| Rechargeable Benefits    | 1,512         | 4,740         |
| Transferred Benefits     | 5,429         | 5,260         |
| Cost of Early Retirement | 131           | 9             |
| Inland Revenue           | 31            | 125           |
| Other                    | 179           | 15            |
| Cash Balances            | 62,543        | 54,721        |
| <b>Total</b>             | <b>80,385</b> | <b>76,006</b> |

## The Local Government Pension Fund Accounts

### Note 16 – Current Liabilities

|                        | 2024/25       | 2025/26       |
|------------------------|---------------|---------------|
|                        | £'000         | £'000         |
| Transferred Benefits   | -808          | -602          |
| Benefits Payable       | -618          | -395          |
| Inland Revenue         | -1,883        | -2,177        |
| Employer Contributions | -3            | 0             |
| Staff Costs            | -166          | -514          |
| Consultancy            | -48           | -116          |
| Other                  | -70           | -196          |
| <b>Total</b>           | <b>-3,596</b> | <b>-4,000</b> |

### Note 17 – Long-Term Assets

|                        | 2024/25    | 2025/26  |
|------------------------|------------|----------|
|                        | £'000      | £'000    |
| Employer Contributions | 409        | 0        |
| <b>Total</b>           | <b>410</b> | <b>0</b> |

### Note 18 - Assets under External Management

The market value of assets under external fund management amounted to £3,471.630m as at 31 March 2026. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

| Fund Manager               | 31/03/2025       |               | 31/03/2026       |               |
|----------------------------|------------------|---------------|------------------|---------------|
|                            | Market Value     |               | Market Value     |               |
|                            | £'000            | %             | £'000            | %             |
| Brunel Pension Partnership | 3,217,623        | 97.89         | 3,410,850        | 98.25         |
| Adams Street Partners      | 44,584           | 1.36          | 40,825           | 1.18          |
| Partners Group             | 24,728           | 0.75          | 19,955           | 0.57          |
| <b>Total</b>               | <b>3,286,935</b> | <b>100.00</b> | <b>3,471,630</b> | <b>100.00</b> |

## The Local Government Pension Fund Accounts

### Note 19 – Top 5 Holdings

| Value of the Fund's Top Five Holdings at 31 March 2026 | £'000  | % of Fund |
|--|--------|-----------|
| HG Capital Trust Plc                                   | 76,828 | 1.9       |
| Patria Private Equity Trust Plc                        | 31,367 | 0.8       |
| CT Private Equity Trust Plc                            | 23,691 | 0.6       |
| 3i Group Plc   | 23,122 | 0.6       |
| ICG Enterprise Trust Plc                               | 11,287 | 0.3       |

### Note 20 – Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

### Note 21 – Additional Voluntary Contributions

|  | Market Value 31 March 2025 | Market Value 31 March 2026 |
|--|----------------------------|----------------------------|
|  | £'000                      | £'000                      |
|  | 12,512                     | 13,599                     |

AVC contributions of £1.603m were paid directly to the Fund's AVC providers during the year (2024/25 - £1.265m).

The AVC provider to the Fund is Legal & General (previously Prudential). The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Legal & General.

### Note 22 – Contingent Liabilities and Capital Commitments

As at 31 March 2026 the fund had outstanding capital commitments (investments) totalling £189.275m (31 March 2025 - £182.686m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

## The Local Government Pension Fund Accounts

### Note 23 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council’s webpage

### Note 24 - Actuarial Present Value of Promised Retirement Benefits

|                                    | 2024/25 | 2025/26 |
|------------------------------------|---------|---------|
|                                    | £m      | £m      |
| Present Value of Funded Obligation | 2,871   | 3,224   |

The net increase of £353m from March 2025 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £426m (2025 - £109m increase). There has been a decrease in the present value of the Funded Obligation of £73m (2025 - £528m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- An increase in the discount rate to 6.20% from 5.80% (net effect a decrease in Present Value of Funded Obligation).
- An increase in the assumed level of CPI, and therefore pension increase, from 2.75% to 3.0% (net effect an increase in Present Value of Funded Obligation)
- An increase in the assumed level of salary increases from 2.75% to 3.0% (net effect an increase in Present Value of Funded Obligation)

Assumed average life expectancies at age 65 for current members were 22.5 and 25.1 years for males and females respectively and for future pensioners were 23.2 and 26.3 years for males and females respectively.

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an ‘underpin’ which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling (“McCloud/Sargeant”) that similar transitional protections in the Judges’ and Firefighters’ Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. The Fund’s actuary has allowed for the impact of the McCloud/Sargeant ruling in the 2022 funding

## The Local Government Pension Fund Accounts

---

valuation for the Fund, and therefore within the actuarial present value of promised retirement benefits disclosed in this note.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not yet complete. Until this analysis is complete, we are unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS26, or if it can be reliably estimated. As a result, Oxfordshire County Council Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

## The Local Government Pension Fund Accounts

### Note 25 - Financial Instruments

#### Note 25a – Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

|                              | 2024/25<br>Fair Value<br>through Profit &<br>Loss<br>£'000 | Financial<br>Assets at<br>Amortised Cost<br>£'000 | Financial<br>Liabilities at<br>Amortised Cost<br>£'000 | 2025/26<br>Fair Value<br>through Profit &<br>Loss<br>£'000 | Financial<br>Assets at<br>Amortised Cost<br>£'000 | Financial<br>Liabilities at<br>Amortised Cost<br>£'000 |
|------------------------------|--|---|--|--|---|--|
| <b>Financial Assets</b>      |  |   |  |  |   |  |
| Equities                     | 197,631  |   |  | 166,469  |   |  |
| Pooled Investments           | 3,029,121  |   |  | 3,179,951  |   |  |
| Pooled Property Investments  | 325,897  |   |  | 342,396  |   |  |
| Derivatives                  | 0  |   |  | 0  |   |  |
| Loan                         |  | 15,000  |  |  | 181,000   |  |
| Cash                         |  | 70,100  |  |  | 66,689  |  |
| Long-Term Investments        | 840  |   |  | 840  |   |  |
| Other Investment Balances    | 1,465  |   |  | 1,526  |   |  |
| Receivables                  |  | 90  |  |  | 0   |  |
|                              | <b>3,554,954</b>   | <b>85,190</b>                                     | <b>0</b>   | <b>3,691,182</b>   | <b>247,689</b>                                    | <b>0</b>   |
| <b>Financial Liabilities</b> |  |   |  |  |   |  |
| Derivatives                  | 0  |   |  | 0  |   |  |
| Other Investment Balances    | -3   |   |  | 0  |   |  |
| Payables                     |  |   | -277   |  |   | -796   |
|                              | <b>-3</b>  | <b>0</b>  | <b>-277</b>  | <b>0</b>   | <b>0</b>  | <b>-796</b>  |
| <b>Total</b>                 | <b>3,554,951</b>   | <b>85,190</b>                                     | <b>-277</b>  | <b>3,691,182</b>   | <b>247,689</b>                                    | <b>-796</b>  |

## The Local Government Pension Fund Accounts

### Note 25b – Net Gains and Losses on Financial Instruments

|  | 31 March 2025<br>£'000 | 31 March 2026<br>£'000 |
|--|------------------------|------------------------|
| <b>Financial Assets</b>                          |                        |                        |
| Fair Value through Profit and Loss               | 88,553                 | 275,991                |
| Loans and Receivables                            | 0                      | 0                      |
| Financial Assets at Amortised Cost               | -199                   | 192                    |
| <b>Financial Liabilities</b>                     |                        |                        |
| Fair Value through Profit and Loss               | 0                      | 0                      |
| Financial Liabilities Measured at Amortised Cost | 0                      | 0                      |
| <b>Total</b>                                     | <b>88,354</b>          | <b>276,183</b>         |

### Note 25c – Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

#### Level 1

Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### Level 2

Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).

#### Level 3

Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

## The Local Government Pension Fund Accounts

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Fund's financial assets and liabilities within the fair value hierarchy.

| Value at 31 March 2026                                    | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000   |
|---|------------------|------------------|------------------|------------------|
| <b>Financial Assets</b>                                   |                  |                  |                  |                  |
| Financial Assets at Fair Value through Profit & Loss      | 24,648           | 2,590,671        | 1,075,864        | 3,691,183        |
| Financial Assets at Amortised Cost                        | 247,689          | 0                | 0                | 247,689          |
| <b>Total Financial Assets</b>                             | <b>272,337</b>   | <b>2,590,671</b> | <b>1,075,864</b> | <b>3,938,872</b> |
| <b>Financial Liabilities</b>                              |                  |                  |                  |                  |
| Financial Liabilities at Fair Value through Profit & Loss | 0                | 0                | 0                | 0                |
| Financial Liabilities at Amortised Cost                   | -796             | 0                | 0                | -796             |
| <b>Total Financial Liabilities</b>                        | <b>-796</b>      | <b>0</b>         | <b>0</b>         | <b>-796</b>      |
| <b>Net Financial Assets</b>                               | <b>271,541</b>   | <b>2,590,671</b> | <b>1,075,864</b> | <b>3,938,076</b> |

| Value at 31 March 2025                                    | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000   |
|---|------------------|------------------|------------------|------------------|
| <b>Financial Assets</b>                                   |                  |                  |                  |                  |
| Financial Assets at Fair Value through Profit & Loss      | 36,029           | 2,475,494        | 1,043,431        | 3,554,954        |
| Financial Assets at Amortised Cost                        | 85,190           | 0                | 0                | 85,190           |
| <b>Total Financial Assets</b>                             | <b>121,219</b>   | <b>2,475,494</b> | <b>1,043,431</b> | <b>3,640,144</b> |
| <b>Financial Liabilities</b>                              |                  |                  |                  |                  |
| Financial Liabilities at Fair Value through Profit & Loss | -3               | 0                | 0                | -3               |
| Financial Liabilities at Amortised Cost                   | -277             | 0                | 0                | -277             |
| <b>Total Financial Liabilities</b>                        | <b>-280</b>      | <b>0</b>         | <b>0</b>         | <b>-280</b>      |
| <b>Net Financial Assets</b>                               | <b>120,939</b>   | <b>2,475,494</b> | <b>1,043,431</b> | <b>3,639,864</b> |

## The Local Government Pension Fund Accounts

### Reconciliation of Movement in Level 3 financial Instruments

|                                   | UK<br>Equities | Pooled<br>Private<br>Equity Funds | Pooled<br>Property<br>Funds | Pooled<br>Infrastructure<br>Funds | Pooled<br>Private<br>Debt<br>Funds | Multi Asset<br>Credit<br>Funds | Long-Term<br>Investments |
|-----------------------------------|----------------|-----------------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|--------------------------|
|                                   | £'000          | £'000                             | £'000                       | £'000                             | £'000                              | £'000                          | £'000                    |
| <b>Market Value 31 March 2025</b> | <b>415</b>     | <b>261,347</b>                    | <b>325,897</b>              | <b>201,105</b>                    | <b>90,846</b>                      | <b>162,332</b>                 | <b>840</b>               |
| Transfers In                      | 0              | 0                                 | 0                           | 0                                 | 0                                  | 0                              | 0                        |
| Transfers Out                     | 0              | 0                                 | 0                           | 0                                 | 0                                  | 0                              | 0                        |
| Purchases                         | 0              | 6,447                             | 123,300                     | 55,079                            | 24,420                             | 0                              | 0                        |
| Sales                             | -238           | -36,629                           | -115,235                    | -56,147                           | -7,838                             | 0                              | 0                        |
| Unrealised Gains/(Losses)         | -175           | 2,925                             | 27,216                      | 1,071                             | -3,257                             | 10,100                         | 0                        |
| Realised Gains/(Losses)           | 170            | 20,197                            | -18,782                     | 458                               | 0                                  | 0                              | 0                        |
| <b>Market Value 31 March 2026</b> | <b>172</b>     | <b>254,287</b>                    | <b>342,396</b>              | <b>201,566</b>                    | <b>104,171</b>                     | <b>172,432</b>                 | <b>840</b>               |

|                                   | UK<br>Equities | Pooled<br>Private<br>Equity Funds | Pooled<br>Property<br>Funds | Pooled<br>Infrastructure<br>Funds | Pooled Private<br>Debt<br>Funds | Multi Asset<br>Credit<br>Funds | Long-Term<br>Investments |
|-----------------------------------|----------------|-----------------------------------|-----------------------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------|
|                                   | £'000          | £'000                             | £'000                       | £'000                             | £'000                           | £'000                          | £'000                    |
| <b>Market Value 31 March 2024</b> | <b>504</b>     | <b>246,528</b>                    | <b>315,717</b>              | <b>181,224</b>                    | <b>68,410</b>                   | <b>150,332</b>                 | <b>840</b>               |
| Transfers In                      | 0              | 0                                 | 0                           | 0                                 | 0                               | 0                              | 0                        |
| Transfers Out                     | 0              | 0                                 | 0                           | 0                                 | 0                               | 0                              | 0                        |
| Purchases                         | 0              | 123,680                           | 14,259                      | 26,137                            | 22,508                          | 0                              | 0                        |
| Sales                             | 0              | -29,347                           | -6,169                      | 8,608                             | -1,572                          | 0                              | 0                        |
| Unrealised Gains/(Losses)         | -89            | -89,405                           | 1,497                       | 2,498                             | -1,500                          | 12,648                         | 0                        |
| Realised Gains/(Losses)           | 0              | 9,891                             | 593                         | -146                              | 0                               | 0                              | 0                        |
| <b>Market Value 31 March 2025</b> | <b>415</b>     | <b>261,347</b>                    | <b>325,897</b>              | <b>201,105</b>                    | <b>90,846</b>                   | <b>162,332</b>                 | <b>840</b>               |

## The Local Government Pension Fund Accounts

### Level 3 Sensitivities

| Level 3 Investments         | Valuation Range +/- | Value at 31 March 2026<br>£'000 | Valuation on Increase<br>£'000 | Valuation on Decrease<br>£'000 |
|-----------------------------|---------------------|---------------------------------|--------------------------------|--------------------------------|
| Equities                    | 10%                 | 172                             | 189                            | 155                            |
| Pooled Private Equity Funds | 10%                 | 254,287                         | 279,716                        | 228,858                        |
| Pooled Property Funds       | 3%                  | 342,396                         | 352,668                        | 332,124                        |
| Pooled Infrastructure Funds | 5%                  | 201,566                         | 211,644                        | 191,488                        |
| Pooled Private Debt Funds   | 5%                  | 104,171                         | 109,380                        | 98,962                         |
| Multi Asset Credit Funds    | 5%                  | 172,432                         | 181,054                        | 163,810                        |
| Long-Term Investments       | 0%                  | 840                             | 840                            | 840                            |

| Level 3 Investments         | Valuation Range +/- | Value at 31 March 2025<br>£'000 | Valuation on Increase<br>£'000 | Valuation on Decrease<br>£'000 |
|-----------------------------|---------------------|---------------------------------|--------------------------------|--------------------------------|
| UK Equities                 | 10%                 | 415                             | 457                            | 374                            |
| Pooled Private Equity Funds | 10%                 | 261,347                         | 287,482                        | 235,213                        |
| Pooled Property Funds       | 3%                  | 325,897                         | 335,675                        | 316,121                        |
| Pooled Infrastructure Funds | 5%                  | 201,105                         | 211,161                        | 191,050                        |
| Pooled Private Debt Funds   | 5%                  | 90,846                          | 95,388                         | 86,304                         |
| Multi Asset Credit Funds    | 5%                  | 162,980                         | 171,129                        | 154,831                        |
| Long-Term Investments       | 0%                  | 840                             | 840                            | 840                            |

### Note 26 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2025 Valuation estimated that the current Funding Level is 129%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

## The Local Government Pension Fund Accounts

---

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.
- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2025 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A change in the CPI assumption of 0.1% per annum would lead to a reduction in the funding level to 127% or an increase to 131%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 128% or up to 130%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

## The Local Government Pension Fund Accounts

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

### Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2026 the Fund's exposure to credit risk predominantly related to the following investments:

| Investment Category        | 31 March 2025<br>£'000 | 31 March 2026<br>£'000 |
|----------------------------|------------------------|------------------------|
| UK Corporate Bonds         | 141,217                | 149,294                |
| UK Index Linked Gilts      | 206,005                | 214,086                |
| Multi Asset Credit Funds   | 162,980                | 172,432                |
| Non-Sterling Cash Deposits | 7,557                  | 11,968                 |
| Cash Balances              | 62,543                 | 54,721                 |
| Loans                      | 15,000                 | 181,000                |
| <b>Total</b>               | <b>595,302</b>         | <b>783,501</b>         |

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2026 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

|                                 | Rating | Balance at 31<br>March 2025<br>£'000 | Rating | Balance at 31 March<br>2026<br>£'000 |
|---------------------------------|--------|--------------------------------------|--------|--------------------------------------|
| <b>Money Market Funds</b>       |        |                                      |        |                                      |
| Aberdeen Standard               | AAA    | 25,000                               | AAA    | 2,006                                |
| State Street Global<br>Advisors | AAA    | 42,712                               | AAA    | 43,149                               |
| Federated<br>Insight            |        |                                      | AAA    | 16,060                               |
| Morgan Stanely                  |        |                                      | AAA    | 3,041                                |
|                                 |        |                                      | AAA    | 107                                  |
| <b>Bank Current Accounts</b>    |        |                                      |        |                                      |
| Lloyds Bank Plc                 | A+     | 1,446                                | AA-    | 881                                  |
| State Street Bank & Trust<br>Co | AA     | 942                                  | AA     | 1,445                                |
| <b>Total</b>                    |        | <b>70,100</b>                        |        | <b>66,689</b>                        |

## The Local Government Pension Fund Accounts

---

The Pension fund has no experience of default against which to quantify the credit risk against the current investments.

### Liquidity Risk

Liquidity risk represents the risk that the Fund will be unable to meet its financial obligations as they fall due. At the present time, the liquidity risk is seen, relatively, as the greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2025/26 the Pension Fund received/accrued income related to dealings with members of £173.2m (2024/25 £167.0m) and incurred expenditure related to dealings with members of £183.0m (2024/25 £172.5m). There were further receipts/accruals of £35.6m (2024/25 £29.5m) in respect of investment income, against which need to be set taxes of £0m (2024/25 £0m). The net inflow was therefore £25.8m (2024/25 £24.0m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.

However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going

## The Local Government Pension Fund Accounts

benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

### Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.

Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

### Interest Rate Risk

The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

| Asset Type                              | Carrying Amount<br>as at 31 March<br>2026<br>£'000 | Change in Year in the<br>Net Assets Available to<br>Pay Benefits |               |
|---|--|--|---------------|
|   |  | 1%<br>£'000  | -1%<br>£'000  |
| Cash and Cash Equivalents               | 11,968   | 120  | -120          |
| Cash Balances                           | 54,721   | 547  | -547          |
| Bonds                                   | 363,380  | 3,634  | -3,634        |
| Multi Asset Credit Funds                | 172,432  | 1,724  | -1,724        |
| Loans                                   | 181,000  | 1,810  | -1,810        |
| <b>Total Change in Assets Available</b> | <b>783,501</b>                                     | <b>7,835</b>   | <b>-7,835</b> |

| Asset Type                              | Carrying Amount<br>as at 31 March<br>2025<br>£'000 | Change in Year in the<br>Net Assets Available to<br>Pay Benefits |               |
|---|--|--|---------------|
|   |  | 1%<br>£'000  | -1%<br>£'000  |
| Cash and Cash Equivalents               | 7,557  | 76   | -76           |
| Cash Balances                           | 62,543   | 625  | -625          |
| Bonds                                   | 347,221  | 3,472  | -3,472        |
| Multi Asset Credit Funds                | 162,980  | 1,630  | -1,630        |
| Loans                                   | 15,000   | 150  | -150          |
| <b>Total Change in Assets Available</b> | <b>595,301</b>                                     | <b>5,953</b>   | <b>-5,953</b> |

## The Local Government Pension Fund Accounts

In the short term, interest rate risk is difficult to quantify in that it impacts directly on both the price of fixed interest and index linked securities as well as the discount factor used to value liabilities. Increases in interest rates which will drive down security prices and asset values will also reduce the future pension liabilities and therefore improve funding levels rather than worsen them.

### Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant.

| Currency Exposure -                     | Asset Values as  | Change in Year in the   |                 |
|---|------------------|-------------------------|-----------------|
| Asset Type                              | at 31 March      | Net Assets Available to |                 |
|   | 2026             | Pay Benefits            |                 |
|   | £'000            | 10.00%                  | -10.00%         |
|   |                  | £'000                   | £'000-          |
| Overseas Equities                       | 61               | 6                       | -6              |
| Pooled Global Equities                  | 1,618,166        | 161,817                 | -161,817        |
| Pooled Private Equity (LLPs)            | 203,822          | 20,382                  | -20,382         |
| Pooled Property                         | 45,561           | 4,556                   | -4,556          |
| Infrastructure                          | 28,442           | 2,844                   | -2,844          |
| Cash                                    | 10,552           | 1,055                   | -1,055          |
| <b>Total Change in Assets Available</b> | <b>1,906,604</b> | <b>190,660</b>          | <b>-190,660</b> |

| Currency Exposure -                     | Asset Values as  | Change in Year in the   |                 |
|---|------------------|-------------------------|-----------------|
| Asset Type                              | at 31 March      | Net Assets Available to |                 |
|   | 2025             | Pay Benefits            |                 |
|   | £'000            | 10.00%                  | -10.00%         |
|   |                  | £'000                   | £'000-          |
| Overseas Equities                       | 317              | 32                      | -32             |
| Pooled Global Equities                  | 1,572,791        | 152,279                 | -152,279        |
| Pooled Private Equity (LLPs)            | 200,497          | 20,049                  | -20,049         |
| Pooled Property                         | 58,281           | 5,828                   | -5,828          |
| Infrastructure                          | 28,659           | 2,866                   | -2,866          |
| Cash                                    | 6,628            | 663                     | --663           |
| <b>Total Change in Assets Available</b> | <b>1,867,173</b> | <b>186,717</b>          | <b>-186,717</b> |

## The Local Government Pension Fund Accounts

### Other Price Risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or foreign exchange risk.

All investments in securities present a risk of loss of capital. The maximum risk is the fair value of the financial instrument.

The effect of various movements in market price are presented in the table below along with the effect on total assets available to pay benefits assuming all other factors remain constant

| <b>Asset Type</b>                             | <b>Value as at<br/>31 March<br/>2026<br/>£'000</b> | <b>Percentage<br/>Change<br/>%</b> | <b>Value on<br/>Increase<br/>£'000</b> | <b>Value on<br/>Decrease<br/>£'000</b> |
|---|--|------------------------------------|--|--|
| UK Equities                                   | 166,408  | 10.0                               | 183,048                                | 149,767                                |
| Pooled UK Equities                            | 465,950  | 10.0                               | 512,545                                | 419,355                                |
| Global Equities                               | 61   | 10.0                               | 67                                     | 55                                     |
| Pooled Global Equities                        | 1,618,166  | 10.0                               | 1,779,983                              | 1,456,350                              |
| Pooled Corporate Bonds                        | 149,294  | 5.0                                | 156,758                                | 141,829                                |
| Infrastructure                                | 201,565  | 5.0                                | 211,643                                | 191,487                                |
| Pooled Private Equity (LLPs)                  | 254,286  | 10.0                               | 279,715                                | 228,858                                |
| Pooled Property                               | 342,397  | 3.0                                | 352,668                                | 332,125                                |
| Multi Asset Credit Fund                       | 172,432  | 5.0                                | 181,054                                | 163,810                                |
| Index Linked Pooled Fund                      | 214,086  | 5.0                                | 224,791                                | 203,382                                |
| Private Debt                                  | 104,171  | 5.0                                | 109,380                                | 98,963                                 |
| Long-Term Investments                         | 840  | 0.00                               | 840                                    | 840                                    |
| Cash  | 66,689   | 0.00                               | 66,689                                 | 66,689                                 |
| <b>Loans</b>                                  | <b>181,000</b>                                     | <b>0.00</b>                        | <b>181,000</b>                         | <b>181,000</b>                         |
| <b>Total Assets Available to Pay Benefits</b> | <b>3,937,345</b>                                   |                                    | <b>4,240,181</b>                       | <b>3,634,510</b>                       |

| <b>Asset Type</b>                             | <b>Value as at<br/>31 March<br/>2025<br/>£'000</b> | <b>Percentage<br/>Change<br/>%</b> | <b>Value on<br/>Increase<br/>£'000</b> | <b>Value on<br/>Decrease<br/>£'000</b> |
|---|--|------------------------------------|--|--|
| UK Equities                                   | 197,044  | 10.0                               | 216,749                                | 177,340                                |
| Pooled UK Equities                            | 392,830  | 10.0                               | 432,113                                | 353,547                                |
| Global Equities                               | 317  | 10.0                               | 349                                    | 285                                    |
| Pooled Global Equities                        | 1,572,791  | 10.0                               | 1,730,070                              | 1,415,512                              |
| Pooled Corporate Bonds                        | 141,217  | 5.0                                | 148,277                                | 134,156                                |
| Infrastructure                                | 201,105  | 5.0                                | 211,161                                | 191,050                                |
| Pooled Private Equity (LLPs)                  | 261,347  | 10.0                               | 287,482                                | 235,213                                |
| Pooled Property                               | 325,897  | 3.0                                | 335,674                                | 316,120                                |
| Multi Asset Credit Fund                       | 162,980  | 5.0                                | 171,129                                | 154,831                                |
| Index Linked Pooled Fund                      | 206,005  | 5.0                                | 216,305                                | 195,704                                |
| Private Debt                                  | 90,846   | 5.0                                | 95,388                                 | 86,304                                 |
| Long-Term Investments                         | 840  | 0.00                               | 840                                    | 840                                    |
| Cash  | 70,100   | 0.00                               | 70,100                                 | 70,100                                 |
| <b>Loans</b>                                  | <b>15,000</b>                                      |                                    | <b>15,000</b>                          | <b>15,000</b>                          |
| <b>Total Assets Available to Pay Benefits</b> | <b>3,526,576</b>                                   |                                    | <b>3,930,637</b>                       | <b>3,346,002</b>                       |

## The Local Government Pension Fund Accounts

### Note 27 - Actuarial Valuation

The contribution rates within the 2025/26 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2022.

This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2026 was 19.9% of Pensionable Pay. The corresponding rates of contribution that are required from the major participating employers for this period are:

|                                      | % Pay | Additional Monetary<br>Amounts £'000 |
|--------------------------------------|-------|--------------------------------------|
| South Oxfordshire District Council   | 17.8  | 411                                  |
| West Oxfordshire District Council    | 17.6  | 766                                  |
| Cherwell District Council            | 15.9  | -                                    |
| Oxford City Council                  | 13.4  | -                                    |
| Vale of White Horse District Council | 17.8  | 767                                  |
| Oxford Brookes University            | 19.2  | -                                    |

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the 2022 valuation date was £3,280m representing 111% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2023 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.

## The Local Government Pension Fund Accounts

---

The main financial assumptions were as follows:

| <b>Assumptions for the 2022 Valuation</b> | <b>Annual Rate</b> |
|---|--------------------|
| Pension Increases                         | 2.7                |
| Salary Increases                          | 2.7                |
| Discount Rate                             | 4.6                |

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience of the Oxfordshire County Council Pension Fund and make allowance for an expectation of further improvements in mortality rates in the future



# Fire Fighters' Pension Fund Accounts



**OXFORDSHIRE  
COUNTY COUNCIL**

## Fire Fighters' Pension Fund

| Fund Account  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| <b>Contributions Receivable</b>   |                  |                  |
| From Employer:  |                  |                  |
| Normal  | -4,762           | -5,880           |
| Early Retirements   | 0                | 0                |
| Other (ill health retirement contribution)  | -111             | -50              |
| Other (Refund of employee contributions)  | -53              | 0                |
| From members  | -1,690           | -1,862           |
|   | <u>-6,616</u>    | <u>-7,792</u>    |
| <b>Transfers In</b>   |                  |                  |
| Other (Interest on contribution adjustment)   | -4               | -26              |
| Other (Remedy compensation payments)  | -131             | -23              |
|   | <u>-135</u>      | <u>-49</u>       |
| <b>Benefits Payable</b>   |                  |                  |
| Pensions  | 7,423            | 9,711            |
| Commutations and lump sum retirement benefits   | 1,015            | 513              |
| Lump sum death benefits   | 550              | 2,948            |
| Other (ill health lump sums)  | 15               | 15               |
|   | <u>9,003</u>     | <u>13,187</u>    |
| <b>Payments to and on account of leavers</b>  |                  |                  |
| Refunds of contributions  | 5                | -7               |
| Interest on contributions   | 1                | 0                |
| Compensation for tax relief   | 13               | 2                |
| Individual transfers out to other schemes   | 0                | 0                |
| Other (Statutory Death Gratuities)  | 120              | 87               |
|   | <u>139</u>       | <u>82</u>        |
| <b>Miscellaneous</b>  |                  |                  |
| Annual Allowance Charge   | 0                | 0                |
| Unauthorised Payment Charge   | 0                | 0                |
| Taxable Refunds   | 0                | 0                |
| Transfers values payable to other bodies  | 0                | 0                |
|   | <u>0</u>         | <u>0</u>         |
| <b>Net amount payable/receivable for the year before top-up grant receivable / payable to sponsoring department</b> | <b>2,392</b>     | <b>5,428</b>     |
| <b>Top-up grant receivable</b>  | <b>-2,392</b>    | <b>-5,428</b>    |
| <b>Net amount payable / receivable for the year</b>   | <b>0</b>         | <b>0</b>         |

| Net Assets Statement  | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|
| <b>Net Current Assets and Liabilities</b>   |                  |                  |
| Contributions due from employer   | 0                | 0                |
| Pension top-up grant receivable from sponsoring department  | 0                | 0                |
| Other current Assets  | 0                | 0                |
| Pension top-up grant payable to sponsoring department   | 5,931            | 5,077            |
| Other current liabilities (other than liabilities to pay pensions and other benefits in the future) | 13               | 33               |
| Cash balance  | -5,944           | -5,110           |
| <b>Total</b>  | <b>0</b>         | <b>0</b>         |

## Fire Fighters' Pension Fund

---

### Basis of Preparation

The fund reflects the financial arrangements relating to the 1992, 2006, 2015 and Retained Modified Firefighters Pension Schemes and the redress payments arising from the employee contribution holiday provision.

The financial arrangements for the Firefighters Pension Scheme 1992 were made in exercise of the power conferred by section 26 of the Fire Services Act 1947, for the Firefighters Pension Scheme 2006 and the Firefighters Pension Scheme 2015 by the power conferred by section 34 of the Fire Services Act 2004. The accounts have been prepared in accordance with the requirements of the above powers.

### Payment of the employers and employees' contributions towards pension liabilities

Fire & Rescue Authorities are required to make a payment into their pension fund of 4x average pensionable pay in respect of all higher tier ill health retirements and 2x average pensionable pay in respect of all lower tier ill-health retirements. As the number of firefighters who retire on grounds of ill health varies from year to year and will cause financial volatility authorities are required to spread the charges over a period of 3 years.

### Central government top-up grant

The fund is operated on the principle that employer and employee contributions together meet the full cost of pension liabilities accrued from future employment and central government (Home Office) meet the costs of paying pensions to retired Firefighters, net of the employee and employer contributions, by means of a top-up grant.

There are no investment assets held by the fund and where employer and employee contributions paid into the pension fund are not sufficient to meet pension payments for that year, the deficit will be met by central government top-up grant. Any surplus in the pension fund is paid back to central government.

### Administration and Management

The fund is administered and managed by Oxfordshire County Council staff whose time is not rechargeable to the fund.

### Benefits

The funds accounts do not take account of liabilities to pay pensions and other benefits after the year end.

### Membership

The following summarises the membership of the fund as at 31 March 2026.

| Membership numbers | 1992<br>Scheme | 2006<br>Scheme | 2015<br>Scheme |
|--------------------|----------------|----------------|----------------|
| Contributors       | 0              | 0              | 537            |
| Preserved Pensions | 31             | 503            | 397            |
| Pensioners         | 345            | 136            | 33             |
| <b>Total</b>       | <b>376</b>     | <b>639</b>     | <b>967</b>     |

### Long-term pension obligations

Details of the County Council's long-term pension obligations in respect of fire-fighters can be found in the Retirement Benefits Note 17 to the core financial statements



*Cover Photo: County Library, Oxford*

# **Oxfordshire County Council**

## **Annual Governance Statement**

### **2025/2026**



**OXFORDSHIRE  
COUNTY COUNCIL**

# Contents

---

## Contents

|  |     |
|--|-----|
| Introduction.....  | 150 |
| <i>Governance Framework</i> .....  | 151 |
| Assurance Statement.....   | 153 |
| Reviewing Our Effectiveness During 2025/26.....  | 154 |
| <i>Overview and review of overall effectiveness</i> .....                                      | 154 |
| <i>Our Ambitions and People</i> .....  | 156 |
| <i>Our statutory governance roles</i> .....  | 159 |
| <i>Deputy Chief Executives</i> .....   | 159 |
| <i>Strategic Leadership Team</i> .....   | 160 |
| <i>Risk Management</i> .....   | 162 |
| <i>Escalation and risk mitigation arrangements: engagement with Cabinet Members</i><br>.....   | 163 |
| <i>Internal Audit in 2025/26</i> .....   | 164 |
| <i>Financial Management Code ('FM Code')</i> .....   | 165 |
| <i>Procurement and Contract Management</i> .....   | 165 |
| <i>Customer Experience</i> .....   | 166 |
| <i>Devolution</i> .....  | 167 |
| <i>Local Government Reorganisation</i> .....   | 168 |
| <i>Service Issues</i> .....  | 168 |
| Conclusion.....  | 176 |
| Annex 1 - Significant Governance Issues – 2025/26 Actions Update.....                          | 177 |
| Annex 2 - Significant Governance Issues - 2026/27.....   | 178 |
| Annex 3: Overview of Corporate Governance Assurance Framework to 31<br>March 2026.....         | 185 |
| Annex 4: Financial Management Code of Practice – Summary Compliance<br>Assessment 2025/26..... | 186 |

## Introduction

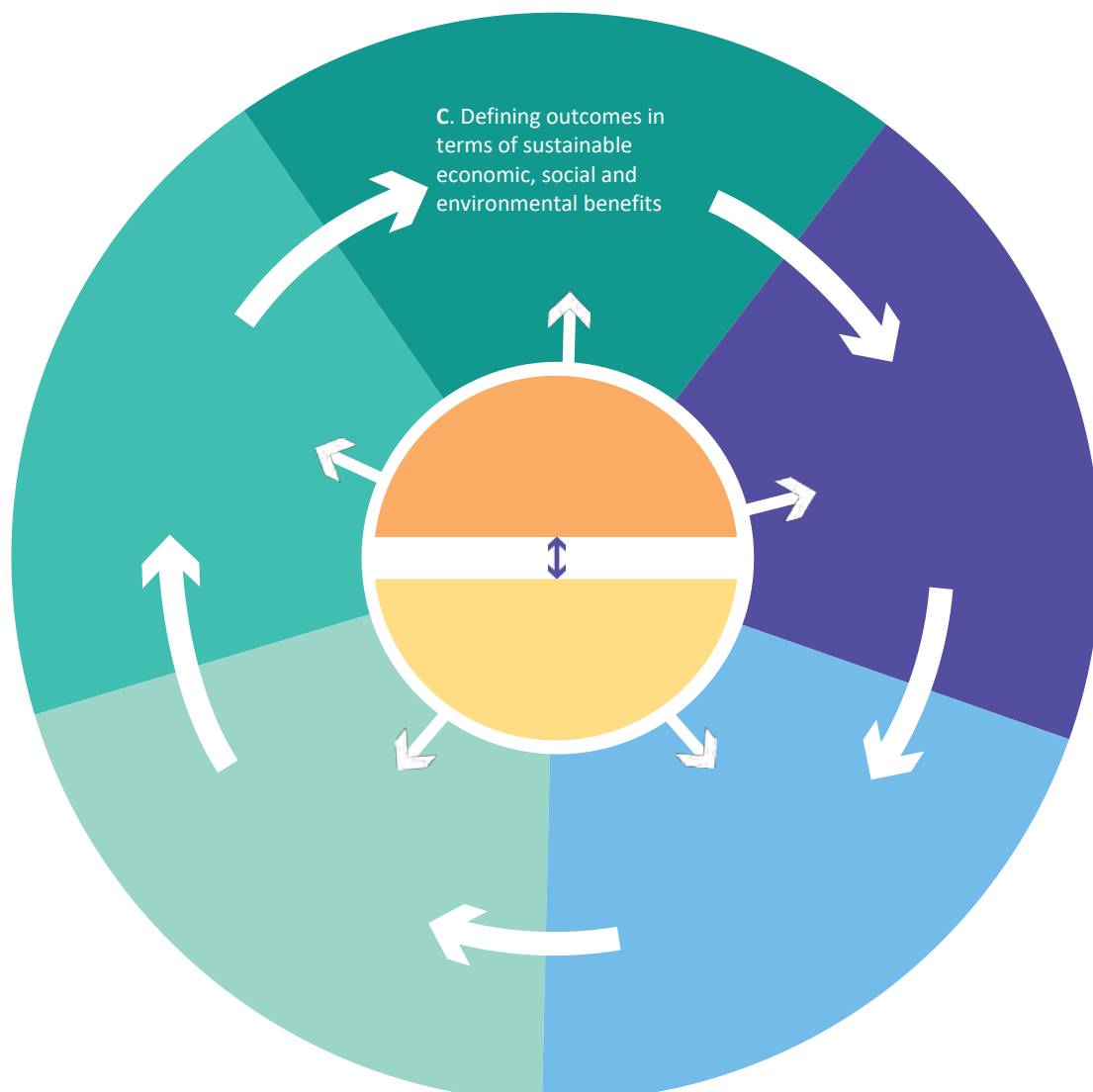
---

### Introduction

1. Oxfordshire County Council is obliged to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensure that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
2. The purpose of the 2025/26 annual governance statement is to offer a comprehensive overview of the organisational frameworks and practices that ensure adherence to the principles of good governance as outlined by CIPFA Solace. The statement should provide transparency and accountability in decision-making processes, demonstrate robust internal controls, and promote ethical behaviour across all levels of the organisation. Additionally, the statement should provide insights into risk management strategies designed to mitigate potential challenges, outline the effectiveness of stakeholder engagement, and describe how the organisation fosters a culture of continuous improvement. The statement should also reflect on the mechanisms in place for monitoring and reviewing governance performance and highlight any significant changes or developments in the governance structure during the year.
3. In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, the council has conducted a review of the effectiveness of its system of internal control in accordance with proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016) and addendum (May 2025).
4. Whilst supporting the council's arrangements for risk management, the governance framework cannot eliminate all risk to the achievement of policies, aims and objectives and this review can therefore only provide reasonable and not absolute assurance of effectiveness.
5. Similarly, this review provides assurance that the council has in place appropriate processes to ensure transparency and democratic oversight in decision making.
6. This statement is guided by CIPFA Advisory Note One, "Understanding the Challenge to Local Authority Governance" (March 2022) and describes the council's governance framework, the steps that have been taken to ensure that it is effective and establishes key actions that will be put in place to ensure the ongoing effectiveness of the council's arrangements.
7. The review reflects enquiries made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the council's Head of Paid Service, the Monitoring Officer, and the Deputy Chief Executive (Section 151 Officer).

### Governance Framework

8. The governance framework at Oxfordshire County Council comprises the systems and processes, culture, and values which the council has adopted in order to deliver on the principles in the below diagram, (as taken from the [International Framework: Good Governance in the Public Sector](#) (CIPFA/IFAC, 2014) (the 'International Framework')). This illustrates the various principles of good governance in the public sector and how they relate to each other).
9. The council has a separate code of governance, "[the Oxfordshire Code of Corporate Governance](#)" which is consistent with the principles of the CIPFA/SoLACE; *Delivering good governance in local government: framework* (2016) and addendum (May 2025). This is updated each year, approved by the Audit & Governance Committee and evidence actively collated and assessed for compliance. Compliance with the code was reported to the Audit and Governance Committee on 11 March 2026.



## Governance Framework

---

10. This Statement provides:

- a) An *opinion* on the council's governance arrangements from the council's Senior Officers, and signed by the Chief Executive and Leader of the council
- b) A review of the *effectiveness* of the council's governance arrangements during 2025/26
- c) A *conclusion* in relation to the effectiveness of the council's governance arrangements
- d) A review of the *action plan* completed in 2025/26
- e) An *action plan* for activity in 2026/27
- f) An *annex* summarising the council's governance framework.

11. As previously stated, the Annual Governance Statement is required by Regulation 6 of the Accounts and Audit Regulations 2015 and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting.



## Assurance Statement

---

### Assurance Statement

12. It is our opinion that the council's governance arrangements in 2025/26 were adequate and provide a platform for achieving the council's priorities and challenges in 2026/27.

### Signatures

Signed on behalf of Oxfordshire County Council:



Martin Reeves  
Chief Executive



Councillor Tim Bearder  
Leader of the Council

## Reviewing Our Effectiveness During 2025/26

---

### Reviewing Our Effectiveness During 2025/26 Overview and review of overall effectiveness

13. The council reviewed its overall effectiveness through an assessment of governance in all Services in late 2025 / early 2026. This required Directors to each work with their Leadership Teams to assess the level of assurance that they had in their service area regarding colleagues' awareness and compliance in the following areas:
  - a) General Corporate Governance
  - b) Business Continuity
  - c) Commercial & Procurement
  - d) Customer Focus
  - e) Finance and Financial Management
  - f) Health and Safety
  - g) Human resources & Cultural Change
  - h) Information, Technology, Innovation and Digital
  - i) Information Services
  - j) Legislation
  - k) Performance Management
  - l) Property and security
  - m) Risk Management
14. In addition to these director assurance statements, corporate lead statements were produced by service leads describing the governance in place during the 2025/26 year and highlighting areas of focus for 2026/27. Statements were produced for areas as noted above at paragraph 13.
15. The council's Corporate Governance Assurance Group (CGAG), an officer working group, chaired by the Director of Law & Governance and Monitoring Officer, monitors any areas of focus throughout the year.
16. Any areas where issues were identified for development or improvement have been considered and will form part of the action plan for 2026/27.
17. In relation to the completion of the action plan for 2025/26, seven of the eight action points were completed, with one requiring further work to be undertaken during 2026/27. The status of these actions is outlined in **Annex 1**. The progress on these actions was reported to the Audit and Governance Committee throughout the year 2025/26.
18. Specific action points for 2026/27 are set out in **Annex 2**. The council believes these actions will help to establish some improved practices arising out of its active learning and experience in 2025/26.
19. Details of how the council's governance proved effective during 2025/26 can be found under the Service Issues section below (paragraph 84 onwards).

## Reviewing Our Effectiveness During 2025/26

---

### Governance Actions – Review of 2025/26 and priorities for 2026/27

20. The two annexes to this Annual Governance Statement summarise:

**Annex 1:** updates on the priority actions for 2025/26

**Annex 2:** actions for 2026/27

21. The Actions for 2025/26 in **Annex 1** highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the council's Audit & Governance Committee. As such, progress reports on these actions are reported to the Committee through the year. The Actions for 2026/27 in **Annex 2** will be monitored by the Corporate Governance Assurance Group (CGAG), and the Audit & Governance Committee.

22. Other governance and audit activity across the council will continue to be reported to the [Audit & Governance Committee](#) through its normal work programmes

### Governance in Outline

23. **Annex 3** sets out the council's governance framework in outline. This framework was reviewed and updated in March 2026, by the Corporate Governance Assurance Group (CGAG).



### Our Ambitions and People



#### Our strategic plan 2025 – 2028

24. The council's [\*\*Strategic Plan 2025-28\*\*](#) sets out a vision for shaping strong and connected communities, healthy places to live, and a thriving local economy that benefits everyone.
25. The strategic plan details nine headline projects with specific goals in areas that residents have said are important to them, from a more responsive approach to road repairs to greater provision for children with special educational needs and disabilities (SEND). The plan was approved at the 4 November 2025 meeting of Council.
26. Of the nine headline projects, three are focused on a **greener Oxfordshire** – creating better spaces for residents and visitors in town centres; working with transport partners towards a countywide integrated bus and rail offer; and creating two dedicated highways response teams to tackle issues in priority areas.
27. Three projects focus on a **fairer Oxfordshire** – rolling out a network of family hubs; helping people overcome barriers to employment through initiatives like Connect to Work; and supporting young people leaving care into employment.
28. The final three focus on a **healthier Oxfordshire** – increasing the number of children who reach a good level of development at age five; delivering more specialist school places for children with special educational needs and disabilities (SEND); and supporting an expanded and coordinated programme of youth provision.
29. Each headline project is supported by a delivery plan, which details the timeline, targets and milestones for delivery.

### Monitoring and measuring progress towards the nine priorities

30. Performance in delivering the overall strategy, including progress towards targets, is reviewed communicated every two months through the county council's business management and monitoring reports.
31. The reports are then reviewed by the council's Directors, the Performance and Corporate Services Overview and Scrutiny Committee before being considered by the Cabinet.



# DELIVERING

the Future Together

## Delivering the Future Together 2025/26

32. Over the past year, Delivering the Future Together has continued to evolve from a standalone programme to underpin everything we do as an organisation.
33. During 2025 and into 2026, we remain firmly on our journey to become an employer, partner and place-shaper of choice and are united in our commitment to help make Oxfordshire a greener, fairer and healthier county for everyone.
34. Our network of more than 200 Delivering the Future Together Champions represents every service area. They are ambassadors for our values and help champion new ways of working.
35. Delivering the Future Together champions help embed daily our five values that are the foundation of how we work with one another, with our partners and our residents:
  - a. Always Learning.
  - b. Daring to do it differently.
  - c. Be kind and care.
  - d. Equality and Integrity in all we do.
  - e. Taking Responsibility.
36. To see the progress the council has made and the impact it's having, you can read our [latest annual report](#). Highlights from 2024/25 include:
  - a. Rolling out the innovative Energy Saver App, which has enabled 8,000 residents to save money and install home retrofit measures.
  - b. Supporting 117 community action groups to hold 8,000 events to encourage and inspire environmental and sustainable behaviours.
  - c. Securing £3.6 million to improve public Electric Vehicle (EV) charging, making driving electric vehicles more accessible for all.
  - d. Implementing two natural flood management schemes in Sunningwell and Littleworth, with input from local communities and partners.
  - e. Provided free access to period products on a trial basis in libraries and children and family centres for people facing period poverty.
  - f. Spending £3.3 million ensuring families of children entitled to free school meals received support with food costs during the school holidays.

## Reviewing Our Effectiveness During 2025/26

---

- g. Delivering 17,237 NHS health checks across the county to those aged between 40 and 74.

### Our statutory governance roles

37. The council is required to appoint to three specific posts, each of which oversees a key aspect of the council's governance.
- i. **Head of the Paid Service** (HOPS) role; responsible for how the council's functions are delivered, and the appointment and proper management of staff. - Throughout 2025/26 this has been and remains **Martin Reeves, Chief Executive**.
  - ii. **Monitoring Officer** - the council's Director of Law and Governance and Monitoring Officer role; responsible for ensuring the council acts lawfully, dealing with Code of Conduct complaints against elected members and keeping the council's constitution under review. - Throughout 2025/26 this has been and remains **Anita Bradley**.
  - iii. **Section 151 Officer** - the council's Chief Finance Officer, and Deputy Chief Executive (Section 151 Officer) role; responsible for the financial management of the authority. Throughout 2025/26 has been and remains **Lorna Baxter**.

### Deputy Chief Executives

38. From 1 April 2025 until 31 December 2025 there were two Executive Director roles identified as Deputy Chief Executives; the Executive Director of People & Transformation, and the Executive Director of Resources (Section 151 Officer) providing direct support to the Chief Executive.
39. The Executive Director of People & Transformation left the council on 31 December 2025 at which point the remaining role was updated to **Deputy Chief Executive (Section 151 Officer)**.
40. The Deputy Chief Executives were integral members of the council's Strategic Leadership Team (SLT). As such, they were fully sighted on the council's objectives, workstreams and emerging plans; and their perspectives and voices continued to be heard in, and to influence, this senior forum. In line with best practice, the Chief Finance Officer and the Monitoring Officer reported directly to the Chief Executive.
41. The Deputy Chief Executive (Section 151 Officer) and the Monitoring Officer both have open access to the Chief Executive at all times and meet regularly as statutory officers. The Deputy Chief Executive (Section 151 Officer) and the Monitoring Officer carry a statutory responsibility to report issues to the

## Reviewing Our Effectiveness During 2025/26

---

council, if needed. As such, these posts remain pivotal to the council's good governance.

42. In July 2024 Lawyers in Local Government (LLG), CIPFA and SOLACE launched a new Code of Practice on Good Governance for Local Authority Statutory Officers following an extensive consultation process with the sector. The Code of Practice for Good Governance sets out expectations for the Chief Executive, Chief Financial Officer, and the Monitoring Officer in local authorities. The Code aims to support these roles to work effectively together and deliver good governance. They must recognise their responsibilities, understand the separation of powers, and display good governance. As there are higher expectations from individuals in these roles, the Code considers the seven Nolan Principles in conjunction with the "Golden Triangle"<sup>3</sup> to advise and guide them. The Seven Principles of the Golden Triangle are as follows:

- a) Respect Roles and Responsibilities
- b) Act Wisely: A duty of enquiry and the exercise of statutory functions
- c) Be Robust in working arrangements
- d) Resource up: Get the tools to do the job
- e) Build resilience: Appointing Deputies
- f) Champion good decision making
- g) Effective Oversight: External companies and entities of the authority

43. In March 2026, the Director of Law & Governance and Monitoring Officer conducted a self-assessment of the council against the Code of Practice on Good Governance for Local Authority Statutory Officers. This was reviewed in April 2026 once the revised governance arrangements and Statutory Officer meeting Terms of Reference had been agreed. The Monitoring Officer concluded that there is strong alignment with the Code of Practice for Statutory Officers, supported by an established governance framework and a strong focus on ethical leadership.

44. The council considers that it meets all the Principles and Best Practice set out in the Code and will continue to undertake a regular self-assessment against the Code.

### Strategic Leadership Team

45. During 2025/26 the Strategic Leadership Team (SLT) comprised the thirteen most senior leaders in the council. The Strategic Leadership Board (SLB) provided overall vision, leadership and direction for the council, ensuring robust governance, effective partnerships, and continuous improvement. Throughout 2025/26 SLB was responsible for oversight of council performance, finance, and risk, as well as supporting political leadership by advising on the council's strategic plan and medium-term financial strategy. SLB's core duties included shaping and reviewing strategic policy

---

<sup>3</sup> The Golden triangle is the trio of statutory officers at the top of a local authority – the Head of Paid Service (typically the CEO), The s151 officer (typically the CFO or Director of Finance), and the Monitoring Officer. These roles are crucial for the governance and decision-making processes within a local authority – LLG.

## Reviewing Our Effectiveness During 2025/26

---

development, monitoring key performance indicators, guiding major partnerships, steering transformation and reorganisation processes, and prioritising leadership development.

### **Delivering the Future Together (DTFT) Transformation Portfolio Board / Senior Leadership Board: DTFT at The Senior Leadership Board**

46. Until 31 March 2026, the Transformation Portfolio Board provided strategic officer leadership and held ultimate accountability for setting the direction of the council. It exercised cross-council oversight, delegating the day-to-day delivery of strategy to Senior Responsible Officers and Programme Managers while retaining authority for key decisions.
47. The Transformation Portfolio Board's duties included making prioritisation decisions when resources were limited, approving resource allocations, managing risks and issues to ensure successful delivery, and agreeing overall funding and benefits requirements for the transformation programme. This structured approach ensured the organisation's transformation efforts were well-governed, properly resourced, and aligned with strategic objectives during that period.

### **New officer governance arrangements (from 1 April 2026)**

48. As the council prepares for local government reorganisation, and in the spirit of continuous improvement, the council's officer governance will be reorganised from April 2026, so the right decisions are made in the right place, with clear legal and financial assurance. This replaces the previous structure that was effective until 31 March 2026.

### **How the new officer governance works:**

- a) **Futures Forum:** a strategic forum for SLT. It focuses on strategic direction, priorities, policy development, horizon scanning, leadership and culture (not day-to-day operational decisions).
- b) **Directorate Leadership Teams (DLTs):** where directorates take most operational decisions, manage performance and plan work.
- c) **Statutory Officers Group:** (Chief Executive, Deputy Chief Executive & Section 151 Officer, and Monitoring Officer): provides assurance on high-impact legal, financial and governance issues, and signs off key statutory papers and major corporate submissions.
- d) **Approvals Board and Strategic Capital and Commercial Board:** The Approvals Board reviews and approves new ideas and business cases before they enter the organisation's portfolio, while the Strategic Capital and Commercial Board (SCCB)

## Reviewing Our Effectiveness During 2025/26

---

provide oversight and assurance for major capital and commercial decisions, including high value or high-risk procurement.

- e) The council has set up a **Corporate Portfolio Management Office** which is the central hub for collecting information from programmes and reports into the Portfolio Board with updates, recommendations, risks, progress etc we can see what stage our delivery is at and whether any remedial actions are required.
- f) Whilst SLT will not play a role in the governance directly it will receive updates and, in some cases, identify initiatives to go to the Approvals Board.

### Risk Management

49. Throughout 2025/26 the Deputy Chief Executive (Section 151 Officer) had overarching responsibility for risk management. This function is led by the Head of Strategic Performance and Programme Management and managed on a day-to-day basis by the Performance and Insight Team Leader.

50. The Audit and Governance Committee approved the Risk and Opportunities policy on 26 November 2025, ensuring that the council's approach is robust, transparent, and aligned with best practice. The strategy itself is shaped with input from the Strategic Leadership Team (SLT) and wider council colleagues across the Services and is subject to an annual review, underpinning the commitment to continual improvement and accountability.

51. This strategy outlines the process of Identification, Assessment, Managing and Controlling and Review and Reporting of risks across the council. The following systems/mechanisms to ensure internal control have been in place throughout 2025/26 and are captured within the Strategy.



52. Strategic risks are assigned ownership to individual Directors, who are responsible for their oversight. These risks are reported quarterly within the Business Management and

## Reviewing Our Effectiveness During 2025/26

---

Monitoring Reports (BMMR), ensuring that senior leaders and members are kept informed and engaged with key risk matters. Member oversight is reinforced by the Audit and Governance Committee, which not only approves the risk policy but also supports the council in effective risk escalation and operational register management.

53. At an operational level, Director Leadership Teams regularly review and manage risks, supported by the Head of Strategic Performance and Programme Management and the Performance and Insight Team. These groups ensure that risks are identified with clarity and escalated appropriately, maintaining strong governance at every tier of the organisation.
54. The objectives of the risk management policy place strong emphasis on promoting consistent understanding, raising awareness, ensuring compliance with governance best practices, and assigning clear accountability. By providing senior leadership and councillors with high-quality risk information, the council strengthens its ability to oversee and govern risk effectively.
55. Regular review at Director Leadership Teams, challenge by risk leads, and the integration of a risk-based audit plan all serve to reinforce governance mechanisms. Strategic risks were frequently reviewed by the Strategic Leadership Board, including through detailed workshops, and are tracked via an enhanced performance management system, ensuring sustained oversight and informed decision-making.

### **Escalation and risk mitigation arrangements: engagement with Cabinet Members**

56. The council's arrangements for escalation and risk mitigation operate through linked officer and member routes. Risks are managed through established service and programme controls, with escalation where issues become strategic and may impact delivery, financial resilience, reputation or statutory duties, ensuring that senior officers and relevant Cabinet Members have timely visibility and oversight.
57. Informal escalation is supported through engagement with the relevant Cabinet Member (portfolio holder) and, where appropriate, discussion at Informal Cabinet to support early sight of emerging issues, cross-portfolio alignment and a coordinated approach to managing the issue, including communications and stakeholder engagement. Where wider cross-group awareness is helpful, particularly for high-profile or cross-cutting matters, issues may also be discussed through PGL (Political Group Leaders). Matters are then progressed, as required, through the council's constitutional decision routes, including Cabinet decisions and Cabinet Member delegated decisions, supported by reports setting out the risk context, options and relevant financial, legal and equality considerations. Delivery of agreed mitigations is monitored through routine performance, risk and financial reporting, with scrutiny oversight applied where appropriate.

## Reviewing Our Effectiveness During 2025/26

---

### Internal Audit in 2025/26

58. The Council's Internal Audit Service operates within its mandate and in conformance with the Global Internal Audit Standards in the UK Public Sector (implemented from April 2025). It is governed by the CIPFA Code of Practice for the Governance of Internal Audit in Local Government.
59. The Internal Audit Service is structured and delivered in alignment with the five domains of the Global Standards:
- a) Purpose of Internal Auditing – providing independent, objective assurance and advisory services to improve operations;
  - b) Ethics and Professionalism – upholding integrity, objectivity, and confidentiality, and applying the Seven Principles of Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
  - c) Governing the Internal Audit Function – ensuring appropriate oversight, independence, and support from the Audit and Governance Committee;
  - d) Managing the Internal Audit Function – maintaining adequate resources, quality assurance, and strategic alignment with organisational goals;
  - e) Performing Internal Audit Services – delivering risk-based audit work that informs the annual opinion and supports continuous improvement.
60. The council's internal audit plan is developed using a structured assessment of risks to the achievement of organisational objectives. This ensures that audit resources are focused on areas of highest priority and emerging risk. Internal audit provides assurance and advisory services that support continuous improvement, value for money, and effective governance, risk management, and control.
61. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2026, there is satisfactory assurance regarding Oxfordshire County Council's overall control environment and the arrangements for governance, risk management and control. Where issues have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.
62. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by Internal Audit. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.
63. As part of governance arrangements between Oxfordshire County Council and the Hampshire Partnership/Integrated Business Centre (IBC), Hampshire provide annual assurance on the adequacy and effectiveness of governance, risk management and control from the work carried out via the IBC. This is provided through a commissioned Service Organisation Controls review under ISAE 3402. (International Auditing and

## Reviewing Our Effectiveness During 2025/26

---

Assurance Standards Board –which provides a framework for reporting on the design and compliance with control objectives related to financial reporting). The report for 2025/26 concludes that the key financial system controls were suitably designed and operated effectively, whilst exceptions were noted there was no notification of any material concerns.

64. The council’s Audit and Governance Committee provide oversight and assurance on the independence, resourcing, any limitations placed, and performance of the Internal Audit Service.
65. Internal audit is required to undertake an annual self-assessment against professional standards and to undergo an external assessment at least once every five years. The most recent external assessment, conducted in November 2023 under the previous Public Sector Internal Audit Standards, confirmed full conformance with the standards, with no areas of partial or non-conformance and no recommendations. From April 2025, these standards were replaced by the Global Internal Audit Standards for the UK Public Sector. A self-assessment against the new standards has been completed, and the results have been reported to the Audit & Governance Committee.

### Financial Management Code (‘FM Code’)

66. A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. In accordance with the CIPFA Financial Management (FM) Code, local authorities should disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.
67. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As set out in the council’s Financial Strategy for 2026/27, an assessment has been made of the council’s current compliance with the Code for 2025/26 (See Annex 4).
68. The assessment identified that 15 of the 17 standards were assessed as green and two as amber meaning that compliance can be evidenced.
69. Improvements that are needed to support the two standards assessed as amber (see references A and E in the assessment at annex 4) are expected to be supported by the redesign of the Financial & Commercial Services Team, the implementation of a new Financial Management Strategy and through the further development and actions to implement the Commercial Strategy.

### Procurement and Contract Management

70. Through Financial Year 2025/26 the service completed its redesign and now forms the new Commercial & Procurement Service for the council. This has been an intentional

## Reviewing Our Effectiveness During 2025/26

---

move away from a transactional, process driven, function towards a more dynamic, outcome-focused and engaged service with the capability to explore new opportunities, support initiatives from cradle to grave, and drive commercial thinking across the council.

71. The team have continued to embed the new Procurement Act 2023 which came into force on 24 February 2025. This has been a challenging learning curve for all procurement professionals in the public sector, but through collaboration with colleagues internally, and through external peer networks, the team have begun to harness the opportunities and flexibilities that the new rules enable.
72. The Commercial Board has been refreshed to clarify its role as a quality assurance board, focused on ensuring business cases are to the highest possible standard. This includes setting a RAG status for each project that presents to the Board and providing conditions (items that must be addressed before the case progresses) and / or recommendations (opportunities to improve the case but the project team can overrule if they think appropriate). Since the new terms of reference launched at the end of August 2025, 10 projects have come through the board. 9 have been held in abeyance and collectively had 26 conditions applied. Of those 6 projects have now addressed their conditions and are progressing into delivery.

### Customer Experience

73. The governance of Customer Experience is structured across three primary areas:
  - a) Customer Service Centre (CSC): Operates an omnichannel platform via Zoom, ensuring all customer contacts are recorded and monitored. The CSC maintains defined processes for safeguarding vulnerable customers and has established business continuity plans. Additionally, the CSC is advancing self-service and automation initiatives, aligning with the organisation's broader transformation agenda.
  - b) Customer Feedback Team: Responsible for managing all forms of customer feedback, including statutory and corporate complaints, Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests, as well as Members of Parliament (MP) enquiries. The team works closely with the Governance team to ensure consistent responses to Local Government & Social Care Ombudsman enquiries. To improve efficiency, the team is moving from spreadsheet-based tracking to a dedicated case management system, especially for FOI/EIR requests. Performance in these areas is monitored and reported monthly through the Business Monitoring and Management Report.
  - c) Strategic Improvement Team: Focuses on driving ongoing improvements in customer experience, supporting the digital transformation agenda, and ensuring that service enhancements are strategically aligned.

## Reviewing Our Effectiveness During 2025/26

---

74. Overall responsibility for the Customer Experience function lies with the Head of Customer Experience and the Director of Technology and Customer Experience, ensuring strong leadership and clear accountability.

### Digital Transformation and Service Improvement Governance

75. The Customer Experience service is currently undergoing a digital transformation to optimise customer journeys and manage capacity more efficiently. This includes process reviews utilising Zoom AI and virtual agent capabilities, in partnership with the Improving Customer Experience programme. The target for completion of these enhancements was Q4 2025/26, with governance provided through regular oversight and programme management.

### Backlog and Capacity Management Oversight

76. During 2025 the Social and Healthcare Team within the Customer Service Centre, placed a dedicated focus on improving the timeliness and experience of people when partner agencies contact the council to report a concern or incident. The team have successfully recruited to ensure that staffing resource meets key pressures across the week and reduced any delays in information being shared across teams. They have been pioneering the use of AI and automation in administration to ensure that our social and healthcare advisors have more time for effective decision making and direct contact with people. Improvements to the service have been shared with the Oxfordshire Safeguarding Adults Board and work continues to support partner agencies in providing the right information at the right time to the council with the support of the board.

### Devolution

77. Since the announcement of the Devolution White Paper and the Devolution and Communities Empowerment Bill, Oxfordshire County Council has made sustained and structured progress in advancing the devolution agenda. Following the submission of the Expression of Interest in December 2025, the council has continued to coordinate closely with neighbouring authorities and partners across the Thames Valley to prepare for forthcoming discussions with Government.

78. Work has focused on strengthening governance arrangements, with exploratory work on a joint committee improving the clarity and alignment of shared strategic priorities and ensuring readiness for the requirements arising from the Planning and Infrastructure Bill and the development of a future Spatial Development Strategy. Regular engagement with chief executives, leaders, and wider stakeholders has supported a more collaborative regional approach to growth, infrastructure, and strategic planning.

79. At the same time, the council has enhanced internal oversight of devolution workstreams, strengthened programme management disciplines, and ensured that key risks, dependencies, and resource requirements are monitored and reported through

## Reviewing Our Effectiveness During 2025/26

---

its established governance mechanisms. This approach has helped maintain transparency, accountability, and preparedness as the council positions itself to respond to ministerial guidance and to realise the potential benefits of a future devolution deal.

### Local Government Reorganisation

80. The council is addressing significant opportunities and challenges related to local government reorganisation (LGR).
81. In November 2025, the council submitted proposals for Local Government Reorganisation to create a single unitary authority for Oxfordshire. Two further proposals were submitted by districts and the city council in which to create two or three unitary authorities incorporating West Berkshire into both proposals
82. The timetable for local government reorganisation is tight. A Minded To decision by the Secretary of State is expected Summer, 2026 with new councils going live in April 2028 preceded by elections in 2027.
83. Oxfordshire County Council is undertaking efforts in which to build the capacity and capability to drive the delivery and governance of LGR internally and in concert with its district partners.

### Service Issues

#### Human Resources and Cultural Change

84. The People and Culture Strategy is undergoing a significant review to align with the forthcoming Local Government Reorganisation (LGR), with a targeted relaunch in March 2026. This strategy is designed to cultivate high-performing, innovative, and inclusive teams that reflect the diversity of the communities served. It prioritises employee wellbeing, engagement, and the creation of an environment where all staff can contribute fully to the organisation's success.
85. Key initiatives include the implementation of a new HR operating model, launched in June 2025, featuring a Strategic People Partner approach, and introducing a centre of excellence and an enhanced HR Service desk. These changes reinforce support for employees, foster engagement, and advance Equality, Diversity and Inclusion (EDI) across the workforce. The strategy's core priorities centre on attracting and retaining top talent, enabling staff to excel in an inclusive setting, promoting growth through targeted development opportunities, and empowering leadership to drive transformation.
86. Performance management is guided by the Managing for Performance framework, which emphasises quality one-to-one conversations and ongoing development planning. Regular reviews and updated HR policies ensure legal compliance and clarify the roles and responsibilities of both managers and employees. Workforce data is

## Reviewing Our Effectiveness During 2025/26

---

monitored and reported quarterly, with real-time access provided to managers and statutory oversight by the Remuneration Committee.

87. Recruitment processes are robustly managed through the Tribepad system, incorporating comprehensive compliance checks and agency worker monitoring to adhere to relevant legislation. Pay determination is underpinned by objective job evaluation, with all salaries subject to rigorous review and approval. Regular independent reviews of payroll systems safeguard accuracy and compliance.
88. Learning and Development takes a continually evolving approach to ensuring statutory and mandatory training, prioritising organisational capabilities, and readiness for Local Government Reorganisation (LGR) remain at the forefront of delivery. This enables learning investment to be targeted where it has the greatest impact, strengthening occupational capability and organisational readiness for change.

### Capital Governance

89. Since the introduction of new governance measures in 2022, there has been a commitment to continuously improve upon what is already in place. An ongoing programme of work is aiming to build upon these foundations, enabling efficiency, transparency, and effectiveness across all areas of Capital Programme governance. Since the last report, a new reporting tool has been implemented across the capital programme, providing enhanced visibility of projects and programmes in delivery. Comprehensive reporting now enables programme boards to exercise better control over delivery of projects and programmes. Additionally, a new centralised repository has been established for all pre-pipeline capital schemes. This provides an organisation-wide view of all pre-pipeline capital schemes, enabling senior leaders to take proactive decisions to expedite priority schemes into delivery and to take early action to address barriers to delivery. A comprehensive review has taken place to redefine workflows, gateways and governance with a particular focus on pre-pipeline activity, which is to be overseen by the newly established Strategic Place Shaping and Investment Board, chaired by the Head of Place Shaping. The purpose of the Board is to ensure early, strategic oversight of Oxfordshire County Council's infrastructure and investment pipeline.
90. There are Capital Programme Boards established for Major Infrastructure, Highways, Property, IT & Digital and Environment & Climate which report into the Strategic Capital & Commercial Board (SCCB), chaired by the Deputy Chief Executive and Section 151 Officer. The SCCB meets monthly and provides a collective officer oversight of capital projects within the Capital Programme. The Board functions as an internal governance requirement, complementary to the council's democratic process and makes recommendations to an executive decision-maker to an Officer, Cabinet Member or Cabinet.
91. The Board oversees the performance of the council's Capital Programme and addresses risks and / or issues through reporting with a focus on variations in time, scope, and

## Reviewing Our Effectiveness During 2025/26

---

cost, ensuring the programme delivers value for money and reflects the strategic priorities of the council. It also reviews the drafted annual Capital Programme ahead of consideration and approval by the council as part of the business planning process. The Board may also recommend to executive decision-makers, any new in-year additions to the Capital Programme that are greater than £500,000 that have not been considered through the annual business planning process.

### Adult Social Care

92. The Health and Care Act 2022 introduced a new duty for the Care Quality Commission (CQC) to independently review and assess how local authorities are delivering their Care Act functions. In January 2025, the CQC conducted an on-site Local Authority Assessment in Oxfordshire. A total of 179 individuals were interviewed, including leadership, officers, residents, local partners and service providers. In September 2025 the CQC issued its assessment that Oxfordshire County Council is GOOD. Adult Social Care (ASC) was found to have strengths in Safeguarding, Partnerships and Communities, Governance and Learning, Improvement and Innovation. The CQC identified opportunities to improve the practice and performance in relation to Assessing Needs, Supporting People to live healthier lives, Equity in Access and Outcomes and Care Provision, Integration and Continuity. The council welcomes this feedback, which supports ASC's culture of continuous improvement and learning. An Improvement Plan has been developed to build on existing strengths, sharpen our focus on priority areas, and support continued improvement across Adult Social Care during 2026/27.
93. Adult Social Care (ASC) continues to make a positive impact on people's lives, by delivering its vision 'The Oxfordshire Way' which focuses on supporting people to live well in their community, remaining independent for as long as possible. In 2026/27 ASC have focussed on improving lives for some of our most vulnerable residents. We have co-produced a Learning Disability 10 Year Plan with service users and their families and in January the council signed a Deal with My Life My Choice pledging to improve social care support and workforce awareness, to strengthen routes into education, training, volunteering and employment, and ensuring access to well-connected, inclusive communities. ASC has led on the council's development of the national Connect to Work, building on the success of the Oxfordshire Employment Service. ASC has also worked with users, families and carers to co-produce an all-Age Autism Strategy which will be published in 2026.
94. In 2025/26 ASC has continued to work as a system partner, increasing the number of older, frailer people who receive support in their own home, and helping more people return home after a stay in hospital. The Discharge to Assess approach continues to support a high proportion of people to return directly to their own homes and access reablement following a hospital stay, with 25% more people discharged home from hospital this year compared to last and 85.5% of people achieving independence or a reduction in the amount of care support they require.

## Reviewing Our Effectiveness During 2025/26

---

95. In July and August 2025, ASC led on the response with NHS partners to the failure of a national equipment provider, ensuring support continued to be available to vulnerable people to keep them safe at home and mobilising a replacement service. The council retained staff in the provider, mobilised its excellent local partnerships and safeguarded its population through a time of high risk.
96. ASC has continued to invest in community alternatives to long-term care and has worked with the local community, local GPs and colleagues in the District Councils to open a new extra care housing development in Faringdon in October 2025. This new facility has developed spaces that can be used by local groups and as potential outreach surgery by the NHS, for the use of residents and the wider community.

### Children and Young Peoples Services

97. The performance, quality, and management of outcomes for the Children's Education and Families service (CEF) continues to be statutorily compliant. The service performance has been inspected through Ofsted and other inspectorates twice in 2025/26 with the Local Area Partnership (LAP) SEND monitoring visit, and a Joint Targeted Area Inspection (JTAI)- child Sexual Abuse in the Family. The former found 'effective action' was taken by the LAP to address priority actions and quality as outlined in the 2023 SEND Area inspection. For the JTAI, formal publication will occur in May 2026 and whilst it is not a graded judgement or solely an inspection of the Local Authority, the outcome confirms that services remain consistent and maintained in quality.
98. The service's ongoing progress is sense checked against a range of performance data and quality assurance mechanisms, including external peer reviews.
99. Despite increasing demand for services and changes being brought about through a raft of new policy and white paper initiatives, key performance indicators across CEF continue to benchmark well with statistical neighbours and transformation plans to comply with the reforms are in place or are being developed.
100. The SEND Improvement and Assurance Board continues to report to the Department for Education and NHS England. A refreshed improvement plan and priority action plan was signed off by the DfE in January 2026. Following the LAP SEND monitoring visit, the improvement notice was lifted.
101. Internal governance and leadership at all levels remains impactful with a four-year business plan and continuous improvement plans.

### Economy and Place

#### Monitoring and Evaluation

102. During 2025/26, the council continued to develop its approach to monitoring and evaluation, focussing on Place schemes, recognising the importance of robust evidence in supporting effective governance, value for money and informed decision making. The plans to establish a dedicated Monitoring and Evaluation Centre, led by Innovate Oxfordshire, represents a significant step towards strengthening the council's ability to assess the impact of policy interventions, infrastructure investment and service delivery. Funding has been made available through the 2026/27 budget. A more consistent approach to monitoring and evaluation will support the systematic tracking of outcomes, enable learning to be embedded across the organisation, and provide clearer assurance that resources are being deployed effectively in line with the council's strategic objectives.

#### Climate Action

103. During 2025/26, the council continued to strengthen its approach to climate governance and reporting, both within the organisation and through partnership arrangements. Progress against the council's climate commitments is reported through established corporate governance and performance management routes, providing regular oversight of delivery and associated risks. At a partnership level, reporting through the Oxfordshire Leaders Joint Committee supports collective oversight of countywide climate adaptation and mitigation activity, while the Zero Carbon Oxfordshire Partnership provides a framework for tracking emissions reduction and coordinating collaborative action towards net zero. Together, these arrangements enhance transparency, accountability and alignment between organisational and partnership level activity, ensuring climate action is embedded within the council's wider governance framework.

#### Enterprise Oxfordshire

104. Enterprise Oxfordshire is coming to the end of its first year of operation following its full integration into the council. The transition has been managed effectively, with delivery performance exceeding targets across core areas of activity, including the mobilisation of a new Government funded Connect to Work programme, alongside prudent financial management as the organisation moves into 2026/27. Governance arrangements have continued to mature, with two senior council officers appointed to the Board as Non-Executive Directors and further work underway to appoint an independent private sector Chair to support the recruitment of a permanent Managing Director. As the council develops refreshed economic plans for Oxfordshire, Enterprise Oxfordshire will review its business plan to ensure continued alignment with emerging priorities, while officers from both organisations continue to explore opportunities to further strengthen governance and shareholder arrangements to support effective oversight and decision making.

## Reviewing Our Effectiveness During 2025/26

---

### Environment and Highways

105. During 2025/26 the service successfully introduced a temporary Congestion Charging scheme for Oxford as well as making good progress with a number of significant transport infrastructure projects, including commencement of A34 lodge Hill and completion of Banbury Road Roundabout in Bicester and Tramway in Banbury.
106. At the council's Household Waste Recycling Centres, the service successfully implemented a booking system for visitors and have commenced work on a new operating model for management of these centres as the existing contract is coming to an end soon.
107. The service had been waiting for a while to see if its application for Lane Rental (to better manage roadworks on our network) would be successful and were eventually given approval by central government which will see the scheme commence in May 2026.
108. The service has successfully adopted five Local Walking and Cycling Infrastructure Plans (LCWIP) this year and commenced work on developing Movement and Place plans for all the main communities, with 'Science Vale' and 'Bicester and surrounding villages' having been adopted.

### Public Health

109. Aligned to the Joint Health and Wellbeing Strategy, Oxfordshire is moving forward with its work as a Marmot Place to address the wider determinants of health and tackle inequalities. This involves working with stakeholders from across health, care, academia, and communities to address three key Marmot principles (give every child the best start in life, create fair employment and good work for all, and ensure a healthy standard of living for all) and to tackle rural inequalities. A deep dive report into inequalities affecting young people has generated recommendations, which the stakeholders are working together to take forward. The work is led through a Marmot Steering Group with oversight from the Marmot Advisory Board, and reports to the Health and Wellbeing Board.
110. The council is strengthening its strategic research partnership with the University of Oxford and Oxford Brookes University through its Local Policy Lab. The Local Policy Lab provides fellowship opportunities for graduate students to tackle local policy relevant research questions with academic leadership provided by three Chief Scientific Advisors appointed in 2025, each focusing on one of the three Marmot priorities. The Lab is led by the Local Policy Lab Steering Group and supported by a new multi-stakeholder advisory group, appointed in 2026.

## Reviewing Our Effectiveness During 2025/26

---

### Law & Governance

111. The Monitoring Officer provided her [annual report to the Audit & Governance Committee](#) on the council's governance arrangements. This review was formally reported to and endorsed by the Audit & Governance Committee on [17 September 2025](#). This report confirmed the progress in maintaining democratic accountability and transparency, with members continuing to undertake their role as community leaders.
112. The Constitution Member Working Group reconvened in January 2026, after receiving approval from the Audit & Governance Committee on 26 November 2025, to review and update the council's constitution. The group is expected to meet four times for this task, with plans to report to council by 30 June 2026.
113. Schemes of Delegation are set out in the Constitution as standing delegations. Services operate their business by way of sub-delegations. These sub-delegations are required to be recorded by the Directors and a public document held by the Director of Law and Governance and Monitoring Officer. The Director of Law and Governance and Monitoring Officer is assisting Directors to record their sub-delegations following changes to the council's structure.
114. The county council elections took place on 1 May 2025 and are held every four years. These elections determine the political composition of the county council, thereby shaping policy priorities and resource allocation for the benefit of local residents. Newly elected councillors assumed office on 6 May 2025, with the council leader appointed on 20 May 2025. Their strategic direction and mandates guide the county's future development.
115. The council's Governance Team has developed in-house Whistleblowing online training, which was published on the Learning Zone in October 2025 and is accessible to all employees. Completion of this eLearning course is mandatory for managers, and new employees as part of the induction process, while all employees are encouraged to undertake the training annually. Details of the course have been shared through internal channels including Hive, Viva Engage, and the November Managers' Briefing.
116. A review and update of the following policies and procedures has been completed during 2025-2026:
  - a) Anti-Bribery Policy
  - b) Officer Code of Conduct
  - c) Whistleblowing Model Guidance for Oxfordshire Schools
117. The Information Governance Board chaired by the Director of Law and Governance and Monitoring Officer meets on a monthly basis to ensure that the council has adequate arrangements for data protection and information security. The Board comprises the Senior Information Risk Owner (SIRO), Caldicot Guardian and Data Protection Officer along with the Information Services Manager, and reports to the Strategic Leadership

## Reviewing Our Effectiveness During 2025/26

---

Team (SLT). The Board receives updates and awareness on key projects involving information, including transformation activities, high-risk processing and storage and retention of data, as well as monitoring information security incident trends and data sharing partnerships.

118. The Information Governance Group has an operational role in looking at information governance and security incidents in more detail and highlighting risk areas that need to be addressed through council-wide training. The Group comprises representatives from across the council and refers matters to the Board as appropriate and receives actions from the Board to engage colleagues in data protection and privacy improvements. The Group is also being developed to provide best practice and working group facility to key governance areas and council programmes, such as collaboration with the Data Office and data governance, development of AI governance and ethics and research approaches.
119. A 10-week project to review the council's information governance maturity against the Information Commissioner's accountability framework is being undertaken by Information Governance Officers as part of their apprenticeship. This includes assessing of the framework against current guidance, and recent audits undertaken by the council.
120. The Coroners Service is a locally administered branch of the national judiciary. The Coroners Service is responsible for investigating deaths that are unnatural, of unknown cause, violent, suspicious or occur in any form of state detention. The service also manages any reported finds of potential Treasure.
121. The service is legislated by the Coroners and Justice Act 2009 and the Treasure Act 1996. The service has nationally set performance indicators which are monitored by the Ministry of Justice and Chief Coroner's Office. Coroners are independent judicial office holders (Judges) so are appointed by but not employees of the Local Authority. The Coroners and Justice Act sets out the Local Authority's statutory responsibility to ensure the Coroners Service is adequately, staffed, funded, and resourced.
122. The Registration Service register all births, deaths, still-births, marriages, and civil partnerships which take place in Oxfordshire. In October 2025, the service took the first step towards the digitalisation of records with the introduction of a new national Digital Registration System (DRS), which is being piloted for death registrations in the Oxford Register Office. Between 1 October 2025 to 31 March 2026 more than 900 deaths were registered using DRS. The system is due to be rolled out for all death registrations from Autumn 2026, when the service will move away from paper registration records and all deaths will be recorded in a digital register.
123. Registration Services have a key statutory role in registering deaths and supporting the reformed death certification process introduced in September 2024. All deaths are now subject to independent scrutiny by a Medical Examiner or a coroner, and the service

works with health and coronial partners to ensure lawful, timely registration, and strong safeguards.

### **Fire & Community Safety**

124. During 2025/26, Oxfordshire County Council's Fire and Community Services faced significant operational pressures and major incident activity yet continued to maintain high standards of safety and service delivery. The Service has strengthened its commitment to improvement, with the Fire Improvement Board making demonstrable progress against actions identified in the previous His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection carried out over a three-month period in early 2024 (HMICFRS report was published on 25 July 2024). Through a strong governance framework, supported by HMICFRS representation, the Board has rigorously monitored progress across key areas, ensuring improvements remain on track and in several cases exceed expectations.
125. The Service continues to fulfil its statutory duties under the Fire and Rescue Services Act 2004 and the Civil Contingencies Act 2004 through robust prevention, protection, and response arrangements. Our work directly aligns with the council's Strategic Plan, supporting priorities such as community resilience, safeguarding, reducing health inequalities, and responding to climate challenges.
126. The service has advanced the development of a sustainable, risk-based Fire and Rescue Cover Model, aligned with the Oxfordshire Fire and Rescue Community Safety Plan and wider corporate objectives. As part of this, the Improving the Fire and Rescue Service public consultation ensured transparency, strong community engagement, and evidence base to support decision making. Feedback from residents, staff, partners, and stakeholders has helped shape revised proposals that will ensure resources align with community risk, operational demand, and statutory responsibilities. These revised proposals were agreed via the County Council Cabinet in April 2026. Governance of this programme will continue to be carefully managed through established oversight arrangements, with clear actions, scrutiny, and risk control to maintain public confidence and ensure that any future changes continue to support a safe, effective, and resilient service for Oxfordshire.

### **Conclusion**

127. The council's governance arrangements are regarded as fit for purpose and will be monitored throughout 2026/27.

## Annex 1 - Significant Governance Issues – 2025/26 Actions Update

---

### ***Actions identified for 2025/26 - Update***

This is a review of the progress during 2025/26 on the priorities for that year. The actions identified were completed in-year

| <b>Actions that were planned for 2025/26</b>  | <b>Original Timescale</b> | <b>Outcome</b>   |
|---|---------------------------|--|
| <p><b>Schemes of Delegation</b></p> <p>Work is still being undertaken with the new services formed as a result of the Tier 3/ 4 restructure, implemented on 16 December 2024.</p> <p>To complete schemes of delegation for each service area.</p>   | <p>31 March 2026</p>      | <p><b>Completed.</b></p> <p>All schemes of delegation are completed or in a final draft version for Director sign off.</p>   |
| <p><b>Review of Members’ and Officers’ fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.</b></p> <p>It is important that the legal status of and responsibilities and accountabilities of Members are clearly understood in relation to outside bodies they are appointed to by the council.</p> <p>To review and update.</p> | <p>31 March 2026</p>      | <p><b>Completed.</b></p> <p>Audit &amp; Governance Committee considered a report on 16 July 2025 on the “Review of Appointments to Outside Bodies”</p> <p>The review incorporated the newly developed document, “Guidance for Members who are appointed to Outside Bodies.” Both the review and guidance were submitted to Council on 9 September 2025, where the guidance received formal approval. The document has since been distributed to all Members.</p> |

## Annex 2 - Significant Governance Issues - 2026/27

| Actions that were planned for 2025/26   | Original Timescale   | Outcome   |
|---|----------------------|---|
| <p><b>Contract Management</b></p> <p>A Contract and Supplier Management project has been mobilised with the following five workstreams:</p> <ul style="list-style-type: none"> <li>• The Contract Management Framework</li> <li>• Ways of Working</li> <li>• Governance and Oversight</li> <li>• Systems, processes and data</li> <li>• Skills, capability and knowledge</li> </ul> <p>The introduction of the contract management framework will define the corporate approach to the segmentation of contracts and commercial relationships by value, risk and opportunity; it will also define the system, processes and reporting to provide the oversight of the performance of our contracts and the effectiveness of contract management in achieving best value.</p> <p>Contract management training will be in place to ensure that our contract management have the skills and knowledge needed to manage contracts effectively, proportionate to value and risk.</p> | <p>31 March 2026</p> | <p><b>Completed.</b></p> <p>The redesign of the Commercial &amp; Procurement Service was completed in Q3 with the new structure becoming operational from 15 December 2025. There is now a designated lead for contract and supplier management within the council, who is currently building the team, with recruitment for existing vacancies underway. Internal recruitment has been positive with half of the service’s vacancies being met by exciting talent from within OCC. External recruitment will continue through Q4 and into Q1 FY26-27.</p> <p>With further communications planned to raise awareness across the Council, the new Contract &amp; Supplier Management Team are already having positive impact. Numerous contract issues have already been escalated to the team, testing the advisory services for Bronze, Silver, and Gold contracts, and the hands-on support for Platinum contracts. The service is due back at the Audit Working Group in March '26 to share a progress update and a forward plan for the implementation of the Contract &amp; Supplier Management Framework. Activities will include:</p> <ul style="list-style-type: none"> <li>• Establishing a community of practice to connect the c.320 contract managers across the council to share best practice.</li> </ul> |

## Annex 2 - Significant Governance Issues - 2026/27

| Actions that were planned for 2025/26   | Original Timescale   | Outcome   |
|---|----------------------|---|
|   |                      | <ul style="list-style-type: none"> <li>• Establishing a training and development package for contract managers to support their upskilling and the development of contract management as a profession.</li> <li>• Implementing the contract &amp; supplier management framework, including a new risk assessment tool to ensure contract management activity matches the relative risk and complexity of the contract.</li> <li>• Implementing a contract management system to enable a single view of supplier performance across the council, and for support to be deployed to areas of underperformance.</li> </ul> |
| <p><b>Executive Officer Decisions</b></p> <p>provide guidance to officers on the procedure for making officer executive decisions, in particular the process that applies to key decisions</p> <p>Changes to the Constitution have highlighted a need to refresh training and templates on officer decision making. An internal group to develop guidance, manage changes to process and templates and to develop training for officers has been set up. Training will follow in 2025/26.</p> | <p>31 March 2026</p> | <p><b>Completed.</b></p> <p>The making of key decisions is covered in the Memorandum of Understanding for the Legal &amp; Governance Service (effective from 1 April 2026) agreed at the Strategic Leadership Board and supported by Directors. In the interim support will be provided by the Governance Team plus further training via Association of Democratic Services Officers once the constitution has been updated (Council, 30 June 2026).</p>  |

## Annex 2 - Significant Governance Issues - 2026/27

| Actions that were planned for 2025/26  | Original Timescale | Outcome  |
|--|--------------------|--|
| <p><b>Code of Practice on Good Governance for Local Authority Statutory Officers</b></p> <p>To undertake a self-assessment against the Code of Practice on Good Governance for Local Authority Statutory Officers.</p> | 31 March 2026      | <p><b>Completed.</b></p> <p>In March 2026, the Director of Law &amp; Governance and Monitoring Officer conducted a self-assessment of the council against the Code of Practice on Good Governance for Local Authority Statutory Officers. This was reviewed in April 2026 once the revised governance arrangements and Statutory Officer meeting Terms of Reference had been agreed. The Monitoring Officer concluded that there is strong alignment with the Code of Practice for Statutory Officers, supported by an established governance framework and a strong focus on ethical leadership.</p> <p>All the Principles and Best Practice set out in the Code are met by the council, and the Director of Law &amp; Governance and Monitoring Officer will continue to undertake a regular self-assessment against the Code.</p> |
| <p><b>Appointment of Independent Member of the Audit &amp; Governance Committee</b></p> <p>To undertake a recruitment campaign and appoint to this position.</p>   | 31 December 2025   | <p><b>Completed.</b></p> <p>On 8 July 2025 Council approved the appointment of Kate Cartwright and Paul McGinn as Independent Members of the Audit and Governance Committee for a term of four years.</p>  |
| <p><b>To commission an Independent Remuneration Panel</b> this</p>   | 31 December        | <p><b>Completed.</b></p>   |

## Annex 2 - Significant Governance Issues - 2026/27

| Actions that were planned for 2025/26  | Original Timescale | Outcome   |
|--|--------------------|---|
| <p>year to consider member allowances.</p> <p>An Independent Remuneration Panel must be commissioned to consider member allowances to set a new scheme of allowances from 1 April 2026.</p>  | 2025               | <p>On 8 July Council approved:</p> <ul style="list-style-type: none"> <li>• the appointment of Benjamin Anim-Antwi, Martyn Hocking, Stephen McKechnie and Dave Shelmerdine as Members of the Independent Remuneration Panel (IRP); and,</li> <li>• to formation of the Independent Remuneration Panel for a period of two years.</li> </ul> <p>The IRP undertook its full review of the scheme of allowances and made recommendations to Council on 9 December 2025.</p>  |
| <p><b>Inspections Review: Readiness and Sharing Learning</b></p> <p>To facilitate opportunities for assurance colleagues to share experiences and learning: Raise awareness through internal communications and cultural change: Leverage technology for data efficiencies.</p> <p>To improve collaboration, sharing of inspection insights, and overall inspection readiness within Oxfordshire County Council.</p> | 31 March 2026      | <p>The Terms of Reference for the working group have been circulated for review; the cohort needs to extend to ensure representatives across all key services are included. Recent inspections have reprioritised colleagues away from this group.</p> <p>The Head of Strategic Performance and Programme Management will work with the coordinator of the working group to establish a clear membership, frequency of meetings and sharing of findings/lessons learned.</p> <p>A report with shared findings/learnings will be collated in early 2026/27 with review and implementation later in the year.</p> <p>Action to be carried forward into 2026/27.</p> |

## Annex 2 - Significant Governance Issues - 2026/27

---

### Actions identified for 2026/27

|    | Action now planned for 2026/27  | Timescale for Completion   | Outcome   | Senior Responsible Officer  |
|----|---|--|---|---|
| 1. | <b>Capital Governance</b><br>Transformation of end-to-end capital governance and reporting. | 31 March 2027<br><br>With actions continuing as necessary ahead of 31/03/28. | This programme aims to improve how the council plans, governs and manages its capital programme, strengthening oversight, financial control and decision-making while improving confidence in delivery.   | Director of Financial & Commercial Services / Capital Programme Manager |
| 2. | <b>Politically Restricted Posts Guidance</b>  | 31 December 2026   | Review and refresh of current guidance  | Director of HR & Cultural Change / Head of Legal & Governance Services  |
| 3. | <b>Implementation of the new Contract Management and Supplier Management Framework.</b>     | 31 March 2027  | The Contract and Supplier Management Framework will be embedded consistently across all services.<br><br>This will include establishing a clear corporate approach to the segmentation of contracts and commercial relationships by value, risk and | Head of Commercial & Procurement Service                                |

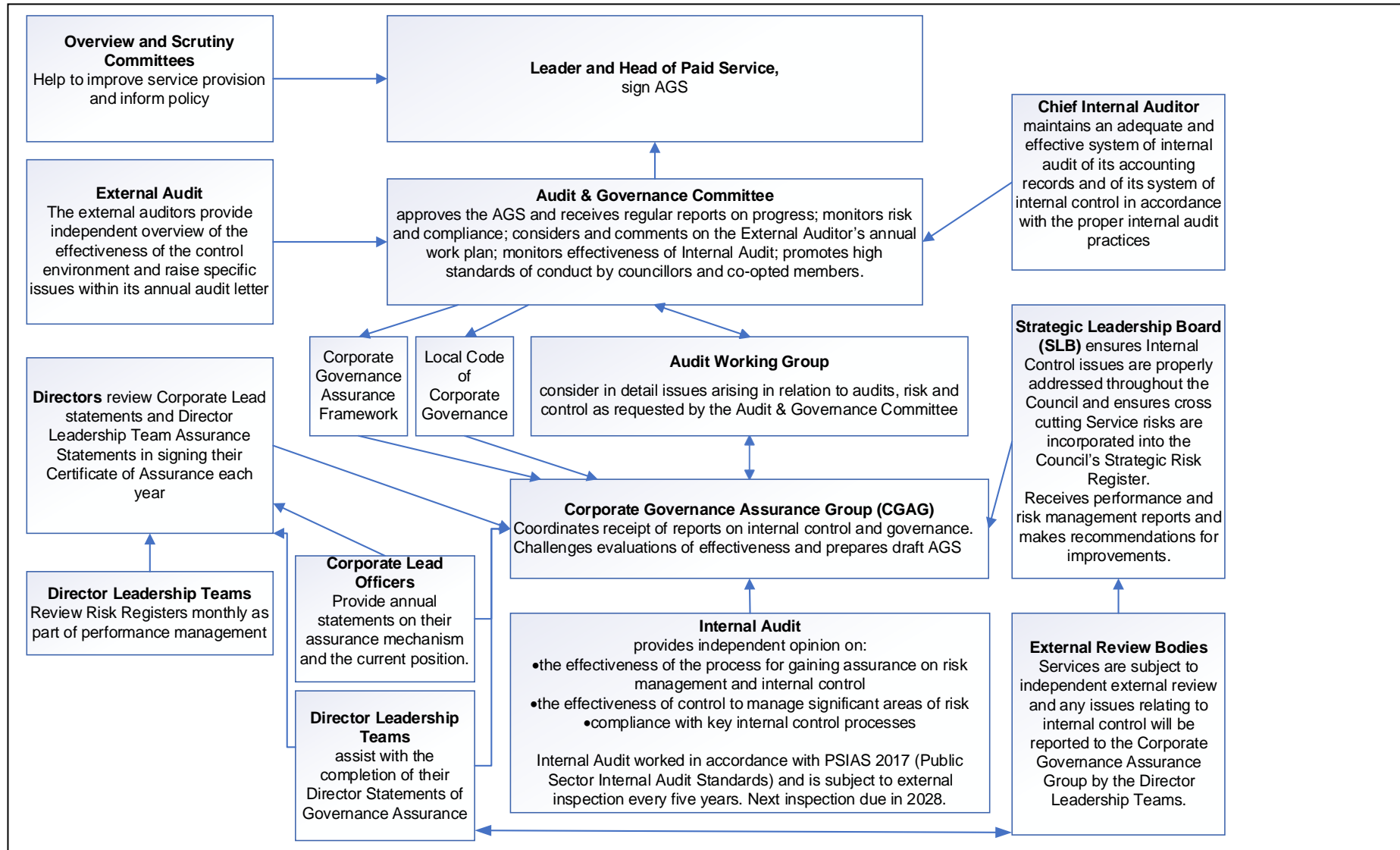
## Annex 2 - Significant Governance Issues - 2026/27

|    | Action now planned for 2026/27   | Timescale for Completion | Outcome   | Senior Responsible Officer                             |
|----|--|--------------------------|---|--|
|    |  |                          | opportunity. The framework will define the systems, processes, reporting and performance oversight required to strengthen accountability, manage risk effectively, and ensure contracts deliver best value. Targeted contract management training will support this approach, ensuring officers have the skills and knowledge required to manage contracts proportionately and consistently, leading to improved value for money and service delivery across the council. |  |
| 4. | <b>Implementation of the agreed management action plan resulting from the Internal Audit of Safeguarding Transport 2025/26 which had the overall conclusion graded as Red.</b>   | 31 December 2026         | To establish a robust governance structure within Fleet and Transport Services, ensuring that all processes are transparent, well-managed, and regularly assessed for quality.  | Head of Fleet & Transport Services                     |
| 5. | <b>Inspections Review: Readiness and Sharing Learning</b><br><br>To facilitate opportunities for assurance colleagues to share experiences and learning: Raise awareness through internal communications and cultural change: Leverage technology for data efficiencies. | 31 December 2026         | The Head of Strategic Performance and Programme Management will work together with the coordinator of the working group to establish membership, arrange meeting dates, and share outcomes. A report outlining findings and lessons learned will be prepared during 2026/27, with subsequent review and implementation.   | Head of Strategic Performance and Programme Management |

## Annex 2 - Significant Governance Issues - 2026/27

|           | <b>Action now planned for 2026/27</b>  | <b>Timescale for Completion</b> | <b>Outcome</b>  | <b>Senior Responsible Officer</b>   |
|-----------|--|---------------------------------|---|---|
|           | <p>To improve collaboration, sharing of inspection insights, and overall inspection readiness within Oxfordshire County Council.</p> <p>As reported during 2025/26 the Terms of Reference for the working group have been circulated for review; the cohort needs to extend to ensure representatives across all key services are included. Recent inspections have reprioritised colleagues away from this group.</p> |                                 |   |   |
| <b>6.</b> | <p><b>Annual Promotion of Gifts &amp; Hospitality / Conflicts of Interest Policies</b></p> <p>To supplement the Manager Briefing and The Hive articles – further promotion of these policies and the expectations to be undertaken.</p>  | 31 March 2027                   | Further raise awareness through additional communication and follow-ups to briefings via the council’s Director Leadership Teams. | Director of Law & Governance and Monitoring Officer / Head of Legal & Governance Services |
| <b>7.</b> | <p><b>Financial Management Strategy</b></p> <p>A new Financial Management Strategy will be agreed and implemented from 2026/27 onwards.</p>  | 31 March 2027                   | Improve awareness and accountability for financial management responsibilities.   | Head of Financial Services and Head of Corporate Finance                                  |

## Annex 3: Overview of Corporate Governance Assurance Framework to 31 March 2026



## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref   | CIPFA Financial Management Standards   | Current Status  | Further Work   | RAG Status   |
|---|--|---|--|--------------|
| <b>1. Responsibilities of the Chief Finance Officer (CFO) and Leadership Team</b> |  |   |  |              |
| A   | The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM) | <p>Working as part of the Strategic Leadership Board (SLB), the Director for Financial &amp; Commercial Services is responsible for the leading on the delivery of the council's <a href="#">Commercial Strategy</a> which was agreed by Cabinet in March 2024. This seeks to promote a wide and more integrated approach to commercial management combining strategic and operational tasks distributed across the council. The Strategic Capital and Commercial Board considers commercial opportunities as part of its remit.</p> <p>The Commercial Transformation Programme has been in place during 2025, reviewing systems, processes, data, management information, roles and responsibilities. This resulted in a full redesign of a new Commercial and Procurement Service that went live in December 2025 with an implementation plan that will continue in 2026.</p> <p>The Strategic Leadership Board considered benchmarking and performance information by way of the IMPOWER index in November 2025. This provided an opportunity to consider areas where improvements could be made to outcomes which cost less. Further work is planned in early 2026 to consider ambitions and opportunities which will help in ensuring a balanced budget can be achieved for 2027/28 and 2028/29.</p> <p>Procurement decisions consider VfM by considering the quality of service and not just price.</p> | <p>More systematic business intelligence information and insight needed to underpin the Commercial Strategy and enable the council to demonstrate that all revenue and capital expenditure provides VfM is being developed.</p> <p>The redesign of Financial &amp; Commercial Services went live in December 2025 with an implementation plan into 2026. This will improve capacity and capability to track and report VfM data and introduce a more commercial approach in line with the council's Commercial Strategy.</p> <p>The Commercial Strategy will be updated in 2026.</p> <p>A new Financial Management Strategy has been drafted and the Financial Management Operating Model is being updated. These will be reviewed by SLB during Q4 ready for roll out and implementation, including training in 2026.</p> | <b>AMBER</b> |
| B   | The authority complies with the CIPFA "Statement of the Role of the Chief Finance Officer (CFO) in Local Government" | The CFO is qualified accountant with significant experience working as an active member of the council's leadership team.   |  | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref   | CIPFA Financial Management Standards  | Current Status   | Further Work  | RAG Status   |
|---|---|--|---|--------------|
|   |   | <p>In carrying out their role as Executive Director of Resources and Section 151 Officer, the CFO is a member of SLB (Strategic Leadership Board) and reports directly to the Chief Executive. The CFO has an influential role with members of the Cabinet, Audit &amp; Governance Committee and lead opposition members.</p> <p>The redesign of Financial &amp; Commercial Services in 2025 has considered the resource required to support financial management and the commercialisation of the council's activities with additional funding for the Commercial Team expected to be met from savings generated through a more commercial approach.</p> <p>Reflecting the need to ensure financial literacy across the council new job roles agreed as part the organisational redesign of the council's senior leadership structure in 2024 clearly set out the financial management responsibilities of each of the council's directors and their direct reports. These responsibilities are being followed up through on-going performance management in 2025/26.</p> |   |              |
| <b>2. Governance and Financial Management Style</b> |   |  |   |              |
| C   | The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control | <p>The Strategic Leadership Board (SLB) understands its responsibilities in relation to Financial Management and considers the assessment against the Code and actions or further work required in order to continuously improve.</p> <p>The Strategic Leadership Board (SLB) receive and review on a quarterly basis a report from the Chief Internal Auditor on progress against the Internal Audit Plan, implementation of agreed management actions and delivery of the Counter Fraud Plan. The Annual Governance Statement (AGS) and Action Plan are also considered.</p> <p>In addition, the Audit &amp; Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.</p> <p>While there are some forecast overspends in 2025/26 ongoing focus on managing pressures over the short and medium term to maintain financial resilience is evidenced in</p>   | <p>Following the Fair Funding Review 2.0 the Provisional Finance Settlement for 2026/27 and the following two years indicates that significant budget reductions will be required to balance the council's budget over the medium term. From early 2026 onwards the new Financial Management Strategy and Financial Management Operating Model will be implemented to manage this. There will also need to be renewed and sustained focus on managing demand and other pressures throughout the financial year.</p> | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref | CIPFA Financial Management Standards  | Current Status   | Further Work  | RAG Status   |
|-----|---|--|---|--------------|
|     |   | <p>the forecast reported through the Business Management &amp; Monitoring Reports to Cabinet.</p> <p>Work to establish a meaningful and effective approach to updating and maintaining schemes of financial delegation across services has been completed in 2025/26.</p>  |   |              |
| D   | The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)” | <p>The Local Code of Corporate Governance sets out how the council complies with the requirements of the Framework and identifies key documents, which provide detailed information as to how the council ensures the Corporate Governance principles are adhered to. The annual update of the Oxfordshire Code of Corporate Governance was last approved by Audit &amp; Governance Committee in <u>March 2025</u>. <u>Appendix B</u> of the report identifies evidence that demonstrates that the council is delivering good governance.</p>  |   | <b>GREEN</b> |
| E   | The Financial Management style of the authority supports financial sustainability                         | <p>Control over expenditure and prudent use of contingency and other funding was demonstrated in the year end underspend of £12.8m in 2024/25 and the forecast use of contingency (£7.3m) to manage service pressures in 2025/26. Directors are expected to manage within the budget available to them and take action where necessary to do that. However, the use of data and improved reporting to inform service management and needs further development. For example, implementation of a new dashboard to predict expenditure for Children’s Services.</p> <p>The cumulative High Needs DSG deficit has grown significantly from £92.3m at 31 March 2025 to a forecast of around £160m in 2025/26 despite on-going action taken through the Deficit Management Plan. Continued increases in demand and inflationary pressures are proving to be considerably more significant than reductions in expenditure that can be achieved through efficiencies and demand management. There is therefore a significant risk that deficits will continue to increase. Based on national guidance funding responsibility for High Needs SEND was expected to transfer to Central Government from 1 April 2028 when the statutory over-ride ends. An update from the government on</p> | <p>A draft Financial Management Strategy has been developed alongside the redesign of Financial &amp; Commercial Services. The strategy will be finalised and agreed by SLB and following that an implementation plan will be developed and implemented from early 2026.</p> <p>A new data team has been established through the redesign of Financial &amp; Commercial Services which went live in December 2025. This has created capacity to focus on improving data and reporting. The Financial &amp; Commercial Services redesign has created the role of Commercial Partners from December 2025 onwards. People Partners are in place following the redesign of HR and Cultural Change. The intention is to work</p> | <b>AMBER</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref  | CIPFA Financial Management Standards   | Current Status   | Further Work  | RAG Status   |
|--|--|--|---|--------------|
|  |  | the future management of both cumulative and future deficits is expected in the Final Local Government Finance Settlement.   | more closely together as a group of business partners to provide more strategic and aligned advice and support to services.   |              |
| <b>3. Long to Medium-Term Financial Management</b> |  |  |   |              |
| F  | The authority has carried out a credible and transparent financial resilience assessment | <p>A review of the 2025/26 CIPFA Financial Resilience index has been undertaken and the assessment will be included in the Financial Strategy (section 4.5 of the Budget &amp; Business Planning Report to Cabinet in January 2026).</p> <p>The Financial Strategy also includes a suite of performance indicators against which financial performance is measured during the year and reported through the Business Management &amp; Monitoring Reports to Cabinet. These measures include the forecast level of General Balances against the minimum risk assessed level for balances taking into account the latest monitoring position in the current year and the forecast achievement of savings built into the budget. The Provisional Local Government Settlement for 2026/27 indicates that funding reductions of over £30m will be required by 2028/29.</p> <p>The forecast cumulative deficit for High Needs DSG will be around £160m by the end of 2025/26 and continues to increase. There is a deficit management plan in place to manage the increase. Measures include new special school places, implementation of a new banding system, savings through contract management and a review of internal services and the use of agency staff. Further guidance from the government on the treatment of cumulative and future deficits is expected as part of the Local Government Finance Settlement for 2026/27.</p> | <p>While further updates from the Government are awaited sustained action will need to be taken to manage and mitigate the impact of High Needs DSG deficits on the council's financial resilience.</p> <p>The leadership team will need to identify options to manage a significant reduction in funding over the next three years and focus on managing demand and expenditure and achieving savings.</p> | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref | CIPFA Financial Management Standards   | Current Status   | Further Work  | RAG Status   |
|-----|--|--|---|--------------|
| G   | The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members | <p>The Financial Strategy and MTFs outline the financial challenges and opportunities facing the council over the medium term and set out how action is being taken to manage expenditure within the available funding. They also explain where further action is required.</p> <p>The Capital &amp; Investment Strategy and the Capital Programme both cover a 10-year period. The Capital &amp; Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the council's capital investment will help achieve the council's vision and priorities as well as respond to demographic change.</p> <p>While different budget scenarios have been discussed with SLB and Cabinet uncertainty about the impact of Funding Reform / High Needs DSG deficits and Local Government Reform has made future modelling challenging leading up to the publication of the Local Government Finance Settlement for 2026/27 in late December 2025.</p> <p>Updates on High Needs DSG are reported through the Business Management &amp; Monitoring Reports and as part of the Financial Strategy. Based on national guidance funding responsibility for High Needs SEND was expected to transfer to Central Government from 1 April 2028 when the statutory over-ride ends. An update from the government on the future management of both cumulative and future deficits is expected in the Final Local Government Finance Settlement. Updates on this have been shared as part of the 2026/27 budget process.</p> <p>All councillor briefings on funding reform and the implications for the council are provided as part of the budget process providing opportunity for questions and other feedback.</p> | <p>Options to manage the impact of funding reductions over the medium term will be developed and discussed with members from early 2026 onwards so that decisions and actions can be taken in advance of setting the budget for 2027/28</p> <p>MHCLG will set out the plans for managing the historic High Needs deficits as part of the Final Local Government Finance Settlement in February 2026. Further action to manage the deficit may be required once this position becomes clear.</p> | <b>GREEN</b> |
| H   | The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”                                 | The Capital & Investment Strategy is updated annually and agreed by Council alongside the Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy.  |   | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref   | CIPFA Financial Management Standards   | Current Status  | Further Work   | RAG Status   |
|---|--|---|--|--------------|
|   |  | <p>The Capital Programme is monitored monthly with reports produced quarterly for the Strategic Capital Board and Cabinet. Quarterly Treasury Management reports are taken to Audit &amp; Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.</p> <p>The ratio of financing costs to the net revenue stream is forecast to remain within at around 5% over the medium term with a recommended limit of 5.5%. The future affordability of any proposed new borrowing is a key consideration within the Budget &amp; Business Planning process.</p>   |  |              |
| I   | The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans  | <p>The council has an integrated Business and Budget Planning Process with a multi-year Medium Term Financial Strategy linked to service plans. This is reviewed and updated each year with new future years added to ensure that the strategy covers at least three years. The MTFS for 2026/27 will cover the period 2026/27 – 2030/31 to enable a high level view of budgets that will be available following local government reform expected to be implemented from April 2028.</p> <p>Following the county council elections in May 2025 service plans have been reviewed to align with the priorities in the Strategic Plan for 2025 – 2028.</p> | Service plans are being reviewed in 2026 to align with the new Strategic Plan, and to with the reduced level of funding available to the council from 2027/28 onwards. | <b>GREEN</b> |
| <b>4. The Annual Budget</b>                         |  |   |  |              |
| J   | The authority complies with its statutory obligations in respect of the budget setting process   | The council produces an annual balanced budget and supporting documentation within the necessary timeframe.   |  | <b>GREEN</b> |
| K   | The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves        | The CFO's comprehensive Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.  |  | <b>GREEN</b> |
| <b>5. Stakeholder Engagement and Business Plans</b> |  |   |  |              |
| L   | The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget | Following the county council election in May 2025, the county council engaged on a new <u>Strategic Plan</u> . This was part of a number of engagement activities that ran over the summer with residents, focused on their priorities and seeking their views on local government reorganisation. Activities included  | Future proposals to manage expenditure in line with the available funding are likely to require formal consultation. This will either be undertaking during            | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref  | CIPFA Financial Management Standards  | Current Status   | Further Work  | RAG Status   |
|--|---|--|---|--------------|
|  |   | <p>nine focus groups, four schools' sounding boards and a representative residents' survey.</p> <p>The strategic plan was agreed by Cabinet in October 2025 following consideration of this <a href="#">feedback</a>. This feedback is also being used to inform the budget and business planning process. The strategic plan was approved by Council in November 2025.</p> <p>Additional engagement outputs from the 2025 annual representative residents' survey will also be considered by Cabinet as part of the budget process.</p>   | 2026/27 or as part of the budget process for 2027/28.   | <b>GREEN</b> |
| M  | The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions                        | <p>Key decisions requiring investment to deliver service improvements, deliver savings or invest or save opportunities require business case to aid decision making via the appropriate governance process (e.g., Strategic Capital &amp; Commercial Board).</p> <p>More systematic business intelligence information and insight needed to underpin the Commercial Strategy and enable the council to demonstrate that all revenue and capital expenditure provides VfM is being developed.</p> <p>The requirements, system, standards and guidance for the development and approval of business cases is being considered as part of the implementation of the Commercial Strategy.</p> <p>The Commercial Transformation Programme includes a workstream which is developing a digitised business case process</p> | <p>The redesign of Financial &amp; Commercial Services which went live in December 2025 will improve capacity and capability to track and report VfM data and introduce a more commercial approach in line with the council's Commercial Strategy.</p> <p>New tools are in development to support the standardised and structured assessment of service delivery models. This will be coupled with the digitised business case process (due early 2026) and an enhanced decision-support tool to improve consistency and depth of climate and equalities impact assessments (due early 2026).</p> | <b>GREEN</b> |
| <b>6. Monitoring Financial Performance</b> |   |  |   |              |
| N  | The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability | The regular Business Management and Monitoring Reports to Cabinet include performance, finance and risk so enable the council's leadership team and Cabinet to respond to emerging issues and to take action to manage those. The  |   | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref | CIPFA Financial Management Standards | Current Status   | Further Work | RAG Status |
|-----|--------------------------------------|--|--------------|------------|
|     |                                      | <p>report format has been updated to focus on key issues and exceptions to ensure that challenge and action is focussed on the more significant issues</p> <p>The regular Capital Programme monitoring report includes updates on scheme activity, performance and risks.</p> <p>A data warehouse covering finance, purchasing and HR. has been developed and the majority of the data extraction from our hosted SAP System has been completed With the new team in Finance formally established in December 2025this is continuing to improve reporting and supporting data driven intelligence and decision-making.</p> <p>Stages 1-4 have been completed in 2025 and stage 5 is scheduled for delivery by end of the year and will continue into 2025/26.</p> <p>A Purchasing Improvement Workstream is automating purchasing tasks across feeder systems and streamlining the options available to buyers so that the correct shopping channel is clear and directs buyers to the right approach. This will reduce invoice and payment disputes and errors and maximise commercial opportunities with new purchasing routes. Phase 1 will be delivered by April 2026.</p> <p>Key enhancements to strengthen capital programme delivery include the introduction of a Pre-Delivery Portal, providing a centralised view of all capital projects prior to delivery and enabling early identification and resolution of barriers. A Strategic Pipeline Board will scrutinise new and developing projects, ensuring cross-service input and better alignment with organisational priorities. In addition, early funding for project development will allow small-scale allocations to make schemes "shovel-ready", ensuring timely progression when full resources become available. The recent development of a prototype prioritisation tool, a data-driven system designed to rank projects against strategic criteria, will be embedded within our governance framework and will ensure funding is directed towards the highest priorities. This is still in the early stages of development, but teams are</p> |              |            |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

| Ref       | CIPFA Financial Management Standards  | Current Status   | Further Work | RAG Status   |
|-----------|---|--|--------------|--------------|
|           |   | <p>working to ensure new ways of working are in place by April 2026</p> <p>Capital Monitoring will be developed further using outputs from the Project Portfolio Management (PPM) system</p> <p>A Strategic Risk Manager has been added to the structure as part of the Financial &amp; Commercial Services redesign and is expected to be in post from early 2026.</p>  |              |              |
| O         | The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability   | The Business Management and Monitoring Reports to Cabinet include monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).  |              | <b>GREEN</b> |
| <b>7.</b> | <b>External Financial Reporting</b>   |  |              |              |
| P         | The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom” (The Code) | <p>The annual accounts are produced in compliance with The Code and always received an unqualified audit opinion up to 2020/21.</p> <p>The statement of accounts for 2022/23 was published on 23 January 2024 following the resolution of the issues with the valuation of infrastructure assets. As a result of the delay, together with the wider requirements of the local audit reset the council’s external auditors were not able to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report. Therefore, the council has received a disclaimed opinion on the 2022/23 financial statements.</p> <p>The 2023/24 accounts were published on 28 June 2024 and the audit opinion was received in February 2025. Since it was not possible to have assurance over the brought forward balances from 2022/23 these accounts were also disclaimed.</p> <p>The 2024/25 accounts were published on 30 June 2025. Feedback on the accounts from external audit has been positive and they are expected to be signed off in early 2026.</p> |              | <b>GREEN</b> |

## Annex 4: Financial Management Code of Practice – Summary Compliance Assessment 2025/26

---

| Ref | CIPFA Financial Management Standards  | Current Status   | Further Work | RAG Status   |
|-----|---|--|--------------|--------------|
| Q   | The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions | The Strategic Leadership Board and Cabinet consider the outturn and year end variances in a Provisional Outturn Report to Cabinet each June. Where relevant this enables strategic financial decisions to be made early in the following financial year. |              | <b>GREEN</b> |



# Glossary

### **Actuarial gains and losses**

These are changes in deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.

### **Amortised**

Written off over a period of time.

### **Bond Fund**

A fund primarily invested in government and corporate bonds. The value of the investment changes as the market value of assets held by the fund changes.

### **Budget Reserve**

This reserve will be used to help manage any delays in delivering savings and any funding reductions from the Local Government Finance Settlement over the three-year period to 2028/29.

### **Budget Prioritisation Reserve**

This reserve is to help support the implementation of directorate business strategies and the Medium Term Financial Strategy.

### **Business Rates Reserve**

This reserve is being used to smooth out any volatility in the business rates collected by the District Councils on behalf of the County Council.

### **Call Account**

A call account is a deposit account with a financial institution without a fixed maturity date.

### **Capital Receipts**

Receipts from the sale of capital assets.

### **Capital Reserve**

This reserve has been established for the purpose of financing capital expenditure in future years.

### **Cash Equivalent**

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Cash Flow**

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

### **Collection Fund**

A fund maintained by each District Council to receive all income raised through Council Tax and Business Rates. The County Council precepts the District Councils to receive its share of Council Tax receipts.

### **Commutation Factor**

Factor used to determine the amount of lump sum payable from the amount of annual pension commuted.

### **Contingent Asset**

A possible asset arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the County Council's control.

### **Contingent Liability**

A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the County Council's control, or where it is not probable that an outflow of resources will be required to settle the obligation.

### **Contingent Rent**

The portion of a lease payment that is not fixed at the start of the lease but is based on the future amount of a factor that changes other than with the passage of time (e.g. amount of future use, future price indices).

### **Council Elections Reserve**

This reserve has been established to meet the cost of County Council Elections.

### **County Fund**

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

### **Creditors**

Amounts owed by the County Council for work done, goods received, or services rendered within the financial year for which payment has not yet been made.

### **Current Asset**

An asset which will be used up during the next accounting period e.g. cash.

### **Curtailment**

Early retirement costs calculated in accordance with accounting standard IAS19.

### **Debtors**

Amounts owed to the County Council for services carried out during the financial year but not yet received.

### **Deferred Income**

Prepaid income credited to the Balance Sheet and amortised to the Comprehensive Income and Expenditure Statement to match the benefit of the receipts over the term of the contractual arrangement.

### **Depreciation**

The systematic write-off of the reduction in value of a tangible fixed asset due to wear and tear, passing of time and technological changes over its economic useful life.

### **Derecognition**

Removal of an asset or liability from the Balance Sheet.

### **Equity instrument**

A contract such as an equity share in a company.

### **Fair value**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

### **Financial asset**

A right to future economic benefits controlled by the County Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash (or another financial asset) from another entity or a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the County Council.

### **Financial liability**

An obligation to transfer economic benefits controlled by the County Council that is represented by a contractual obligation to deliver cash (or another financial asset) to another entity, or a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavorable to the County Council.

### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Financial instruments include bank deposits, investments, debtors, long-term debtors, creditors, temporary loans and borrowings.

### **Financial Year**

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

### **Fixed Asset**

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

### **General Government Grants**

These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.

### **Government Initiatives Reserve**

This reserve is used to hold underspends on budgets funded by un-ringfenced grants held that relate to specific agreed outcomes or the implementation of Government initiatives.

### **Grants and Contributions Reserve**

This reserve has been set up to hold the net overspent or underspent grants and contributions committed to be spent or recovered in future years.

### **Hedge Fund**

A hedge fund is a form of investment partnership.

## Glossary

---

### **IFRS9 Transition Reserve**

The IFRS9 Statutory Override, which mandates that fluctuations in the value of pooled fund investments are taken to the balance sheet, is ending on 31 March 2029 for investments made before 1 April 2024. From 1 April 2029 fluctuations in the fund value will therefore be reflected in the revenue account. This reserve will be used to manage the impact.

### **Impairment**

A reduction in the carrying value of an asset arising from physical damage, obsolescence or a significant decline in market value.

### **Inventories**

Raw materials and stores which the County Council has bought and holds in stock for use as required.

### **Intangible Asset**

An asset that does not have physical substance but is identifiable and controlled by the organisation through custody or legal rights e.g. software licenses.

### **International Financial Reporting Standards (IFRS)**

These are issued by the International Accounting Standards Board and provide standards for the preparation of financial statements.

### **Lease**

A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.

### **Lessee**

A party to a lease agreement who makes payment to use an asset.

### **Insurance Reserve**

This reserve covers the County Council for insurance claims that, based on the previous experience of the County Council, are likely to be received, as well as a number of insurance related issues.

### **Lessor**

A party to a lease agreement who receives payment for the use of an asset.

### **Liabilities**

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

### **Limited Liability Partnership**

A partnership in which some or all partners have limited liabilities.

### **Long Term Investments**

Investments that are not due to mature within the next 12 months.

### **Money Market Fund**

Funds are invested in short-dated assets including certificates of deposits, government securities and commercial papers making them highly liquid. Money Market Funds must be AAAMf rated, invest in high credit quality assets and maintain a weighted average maturity of 60 days or fewer. Investments have a stable net asset value and dividends are paid to investors on their investment.

## Glossary

---

### **Mortality Assumptions – Abbreviations**

S1NA, S1PA and S2PA - mortality tables issued as part of the "S1" and "S2" series of mortality tables produced by the Continuous Mortality Investigation. The "S1" mortality tables are based on mortality experience from UK self-administered pension schemes between 2000 and 2006. The "S2" mortality tables are based on mortality experience from UK self-administered pension schemes between 2004 and 2011.

### **Net Debt**

The County Council's borrowings and finance liabilities less cash and liquid resources.

### **Net Operating Expenditure**

The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.

### **Non-current Asset**

A long-term asset that is not expected to be used up or realised within the next 12 months e.g. Property, Plant and Equipment.

### **Non-Domestic Rate**

A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.

### **Non-Derivative Financial Asset/Liability**

Asset/Liability whose value does not depend on the value of another asset/liability such as a currency. Examples of non-derivative financial asset/liability consist of trade and other receivables, cash and cash equivalents, and long-term debt.

### **Partnership Reserves**

This reserve holds funds relating to partnership arrangements.

### **Pooled Fund**

Funds from individual investors are aggregated for the purposes of investment and returns are apportioned between investors according to the size of the investment.

### **Pooling**

Where services benefit larger areas than the local authorities which provide them, the expenditure is sometimes pooled according to a formula which reflects usage of the service.

### **Precept**

The levy made by the precepting authority (the County Council) on billing authorities (the district councils in Oxfordshire) requiring the latter to collect income from council taxpayers on their behalf.

### **Private Finance Initiative (PFI)**

A scheme to encourage private sector investment in the public sector. Typically these involve a private sector operator building or enhancing property and operating services on behalf of a public sector organisation.

## Glossary

---

### **Professional Fees**

The fees paid by the County Council for professional services such as those of architects and quantity surveyors.

### **Provision**

An amount of money put aside in the accounts for anticipated liabilities which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.

### **Observable Inputs**

Inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability

### **On-Street Car Parking Reserve**

This surplus has arisen under the operation of the Road Traffic Regulation Act 1984 (Section 55). The purposes for which these monies can be used are defined by statute.

### **Public Works Loan Board (PWLB)**

A central government agency which provides long and shorter term loans to local authorities at interest rates slightly higher than those at which the government itself can borrow. Local authorities are able to borrow a proportion of their requirement to finance capital spending from this source.

### **Reserves**

Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.

### **Revenue Expenditure**

The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.

### **Revenue Expenditure Funded from Capital Under Statute**

Capital expenditure as defined by statute that does not result in the acquisition, creation or enhancement of fixed assets and is charged to the Comprehensive Income & Expenditure Statement in accordance with the accounting policy.

### **RIA**

Receipts received in advance.

### **School Reserves**

In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits

### **Segregated Mandate Fund**

Funds from individual investors are invested on a segregated basis so that the holdings can be directly attributed to investors.

### **Settlement (Retirement Benefits)**

Settlement relates to a bulk transfer out of the Fund as a result of functions transferring to another organisation. It reflects the difference between the liability transferred (calculated in accordance with accounting standard IAS19) and the assets transferred to

settle the liability.

### **Specific Grants**

Grants paid by the Government in respect of specific services.

### **Strategic Measures**

This comprises interest on balances and capital financing charges. The former involves surplus cash from the County Fund which is either invested or used to reduce the need to borrow externally. The interest received is credited to the County Fund. Capital financing charges include the minimum revenue provision required and interest on outstanding debt, together with a general revenue contribution to finance capital spending.

### **Trading Accounts Reserve**

This reserve holds funds relating to trading activities to help manage investment.

### **Transformation Reserve**

This reserve is to fund the Council's transformation programme.

### **Vehicle and Equipment Reserve**

This reserve is to fund future replacements of vehicles and equipment.

### **Zero Emission Zone Reserve**

This reserve holds net surpluses for the Zero Emission Zone (ZEZ) within Oxford. The funding is ringfenced in accordance with the Transport Act 2000. This requires that revenue generated by the scheme be used to cover the cost of the scheme's operation with the net proceeds to be applied to facilitate the achievement of the Council's local transport policies contained in its Local Transport Plan.