



**OXFORDSHIRE
COUNTY COUNCIL**

Oxfordshire County Council

Statement of Accounts

2021/2022

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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 2021/22.

Oxfordshire County Council provides services to residents, businesses and communities across the whole county. Our core services in 2021/22 included:

- Children, Education and Families (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.

To achieve its priorities the council participates in and leads key partnerships that work to deliver housing and growth, environmental benefits, safer communities and improved health and wellbeing for all Oxfordshire residents.

Our leadership and workforce

Our Constitution sets out the rules and procedures by which the council operates.

<https://www2.oxfordshire.gov.uk/cms/content/council-constitution>

The Council has 63 members (or 'councillors'), elected by the public to represent a particular local area, or 'Division'. Collectively they are responsible for the democratic structure of the council, overseeing our key policies and services and setting the Council's annual budget and capital programme. More information can be found on our website.

<https://www.oxfordshire.gov.uk/cms/public-site/about-your-council>

Until April 2021 Cllr Ian Hudspeth was the Leader of the Council. Following the elections in May 2021, a new administration was formed by the Oxfordshire Fair Deal Alliance with Cllr Liz Leffman elected Leader.

Details of current Cabinet members and their responsibilities can be found on our website.

<https://www2.oxfordshire.gov.uk/cms/content/cabinet>

Employees ('officers') support Cabinet and Council in their work and manage the Council's services and operations. The Interim Chief Executive (Stephen Chandler) leads the most senior group of officers, the Senior Leadership Team (SLT), who advise councillors on policy and implement councillors' decisions.

As at 31 March 2022 the Council's staff complement stood at 4,212.35 FTE (full-time equivalent) posts (4,126 at 31 March 2021), representing 5,116

employees (5,087 at 31 March 2021). Most staff are structured into one of several directorates, each responsible for a group of services and functions in support of the Council's Vision and Strategic Plan.

We also worked collaboratively with partners in the public, private and voluntary sector to achieve the best outcomes for our residents and to continue to respond to the COVID-19 pandemic. Further details of how the Council works, both internally and with external partners, can be found in our Annual Governance Statement.

During 2021/22 we continued to work in partnership with Cherwell District Council. For most of the year the two councils shared a Chief Executive and senior management team, and many officers worked jointly across both councils. In February 2022 we mutually agreed that it was an appropriate time to give notice of the ending of these arrangements so that both councils can explore wider partnership working with all of the local authorities and partners in Oxfordshire.

Vision for Oxfordshire

The [Strategic Plan 2022 – 2025](#) that was developed by the Oxfordshire Fair Deal Alliance during 2021/22 and agreed in February 2022 sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.



We want to make sure that everyone in Oxfordshire can take advantage of what the county has to offer. Our strategic plan explains our nine cross-cutting priorities and commitments to achieve our vision and sets out our areas of focus.

Our nine priorities are:

1. Put action to address the climate emergency at the heart of our work.
2. Tackle inequalities in Oxfordshire.
3. Prioritise the health and wellbeing of residents.
4. Support carers and the social care system.
5. Invest in an inclusive, integrated and sustainable transport network.
6. Preserve and improve access to nature and green spaces.
7. Create opportunities for children and young people to reach our full potential.
8. Play our part in a vibrant and participatory local democracy.
9. Work with local businesses and partners for environmental, economic and social benefit.

Our performance

Throughout 2021/22 we have reported on each month’s performance to internal managers, councillors and the public. The Business Management and Monitoring Reports to Cabinet bring together information on performance, finance and leadership risk, giving a balanced picture of how the Council is doing and providing audiences with greater insight into our business than in previous years.

The Outcomes Framework 2021/22 sets out the golden thread of key performance indicators and progress measures supporting the Council’s strategic priorities.

The Business Management and Monitoring reports included progress updates on 25 overarching indicators which comprised of 90 key performance indicators and progress measures.

The reports describe performance in terms of a set of 25 indicators. The Council’s performance outturn for 2021/22 has been published in detail in the Business Management Report to Cabinet in June 2022.

In our monthly reports we show the latest assessment of our 25 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. The exceptions are a small number of indicators and outcomes for which a performance target is not appropriate, but which we include in reports to provide updates on activity in these important areas. As at 31 March 2022 the 25 indicators were assessed as follows:

RAG	Number
Green	16
Amber	3
Red	6

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

Risk Management

During 2021/22 we continued to strengthen our risk management activities. This helped us to ensure that we continued to identify and address any uncertainties relating to the achievement of our priorities.

Leadership Risks – were reported to Cabinet in our monthly Business Management and Monitoring Reports. Leadership risks are those that are significant in size and duration and could impact on the performance of the Council as a whole, and in particular on its ability to deliver its strategic priorities.

Directorates 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

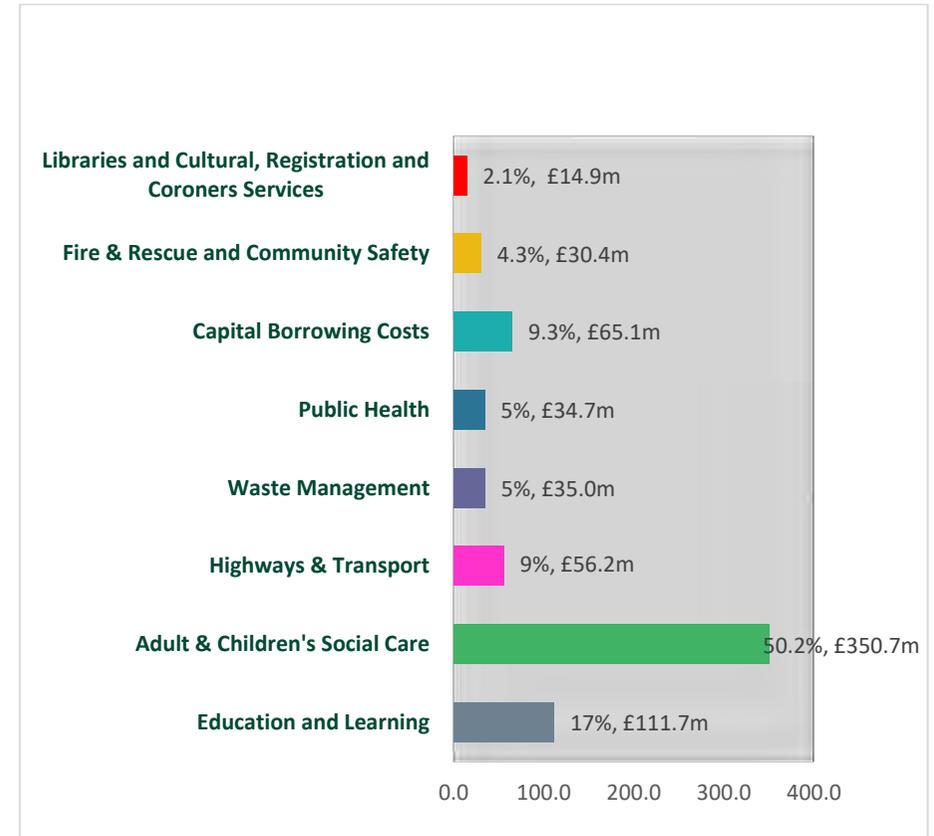
The Council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by a Financial Strategy, Capital & Investment Strategy, Treasury Management & Investment Strategy and a risk assessment of the level of general balances required. Construction of the budget and budget proposals are subject to challenge by the Council’s Leadership Team and the Director of Finance. Councillors have the

opportunity to question and challenge the proposals through engagement sessions and member presentations. The Performance & Corporate Services Overview & Scrutiny Committee scrutinises the budget proposals at its meetings in December and January before Cabinet propose the budget, MTFS and capital programme in January. Throughout the year, regular business management reports including financial monitoring are presented to Cabinet along with updates on the capital programme.

Revenue spending plans for 2021/22

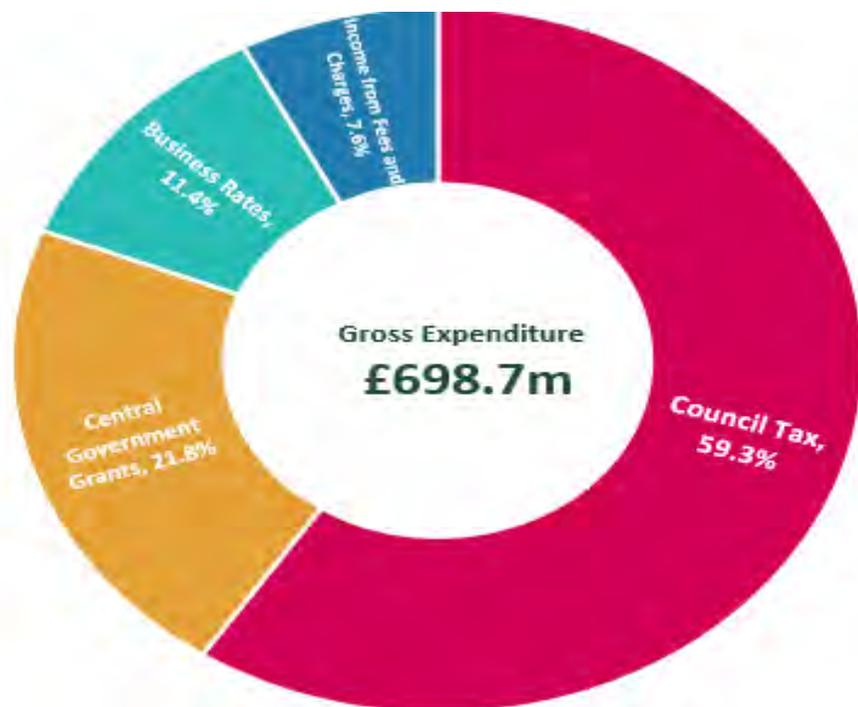
Our budget for the provision of services in 2021/22 and Medium-Term Strategy Plan (MTFS) to 2024/25 was agreed by Council on 9 February 2021 alongside the Corporate Plan for 2021 – 24. The budget included £19.1m funding for directorate pressures and new investments and savings totalling £15.5m.

We planned to spend £698.7m (excluding schools) on delivering services in 2021/22. We also planned to spend £192.4m on running schools, the funding for which comes directly from government.



We intended to finance £204.9m of our spending plan from specific and general government grants, contributions from other bodies, charging and interest income plus a contribution from reserves and balances. Therefore, our net operating budget totalled £493.7m.

The net operating budget was financed from Business Rates (£79.5m) and Council Tax (£414.2m). Council tax for a Band D property was set at £1,573.11. This was a 2.99% increase from 2020/21.



Revenue Financial year end position

Revenue

Robust financial planning, business management and reporting remains key to maintaining essential service delivery and protecting the most vulnerable.

As set out in the table that follows there was a £3.0m underspend against directorate budgets at year end and a £1.6m underspend against budgets held centrally.

Ringfenced grant funding of £87.6m was received in year. £3.9m has been carried forward for use in future years reflecting the terms and conditions of the individual grants.

Grant funding is set out in Notes 19 and 20.

The underspend of £4.6m has been added to general balances. This is set out in the Movement on General Balances table on the following page.

	Original Budget £m	Final Budget £m	Actual Net Exp £m	Variation Final Bgt £m
Directorates				
Adult Services	197.759	200.431	199.613	-0.816
Children's Services	138.959	142.912	144.627	1.715
Public Health*	0.23	1.776	1.428	-0.348
Environment and Place	61.041	61.625	61.63	0.005
Customers, Organisational Development & Resources	33.255	51.036	48.311	-2.725
Commercial Development, Assets & Investments	50.288	36.014	35.088	-0.926
	481.532	493.794	490.699	-3.095
Strategic Measures				
Capital Financing	23.705	23.705	23.385	-0.32
Interest on Balances	-10.845	-10.846	-11.281	-0.435
Unringfenced Government Grants	-38.73	-40.375	-40.59	-0.215
Contingency	5.617	2.251	0.009	-2.242
Budgeted Contribution from COVID-19 reserve funding additional directorate expenditure agreed during 2021/22	0	-7.248	-6.120	1.128
Others	0.855	0.856	1.105	0.249
	-19.398	-31.657	-33.492	-1.835
Contributions to/from Corporate Reserves				
Contributions to (+) / from (-) reserves	31.657	31.657	31.935	0.278
	31.657	31.657	31.935	0.278
Funding				
Business Rates Top-up Grant	-40.546	-40.546	-40.546	0

Business Rates	-38.997	-38.997	-38.997	0
Council Tax Requirement	-407.954	-407.954	-407.954	0
Council Tax Surpluses	-6.294	-6.294	-6.294	0
	-493.791	-493.791	-493.91	0
Overall Surplus (-) / Deficit (+)	0.00	0.00	-4.65	-4.65
Planned Contribution to balances	0.00	0.00	0.00	0
Overall Increase (-) / Decrease (+) in General Balances	0.00	0.00	-4.65	-4.65

*Public Health is funded by the Public Health Grant. Under the terms and conditions of the grant any variation should be transferred to the Public Health Reserve.

Earmarked reserves increased from £151.5m at 1 April 2021 to £183.6m at 31 March 2022. The increase of £32.1m includes planned contributions to reserves totalling £31.9m plus other net changes during the year, totalling £0.1m from both Corporate and Directorates budgets. £47.9m of the reserve held relate to funding for the council's capital programme.

An unusable reserve holding overspends relating to High Needs Dedicated Schools Grant held a deficit balance of £11.5m on 1 April 2021. The deficit held in the reserve increased to £23.6m at 31 March 2022.

£6.1m of the council's expenditure in 2021/22 related to on-going costs related to the pandemic and was met from COVID-19 grant funding held in reserves.

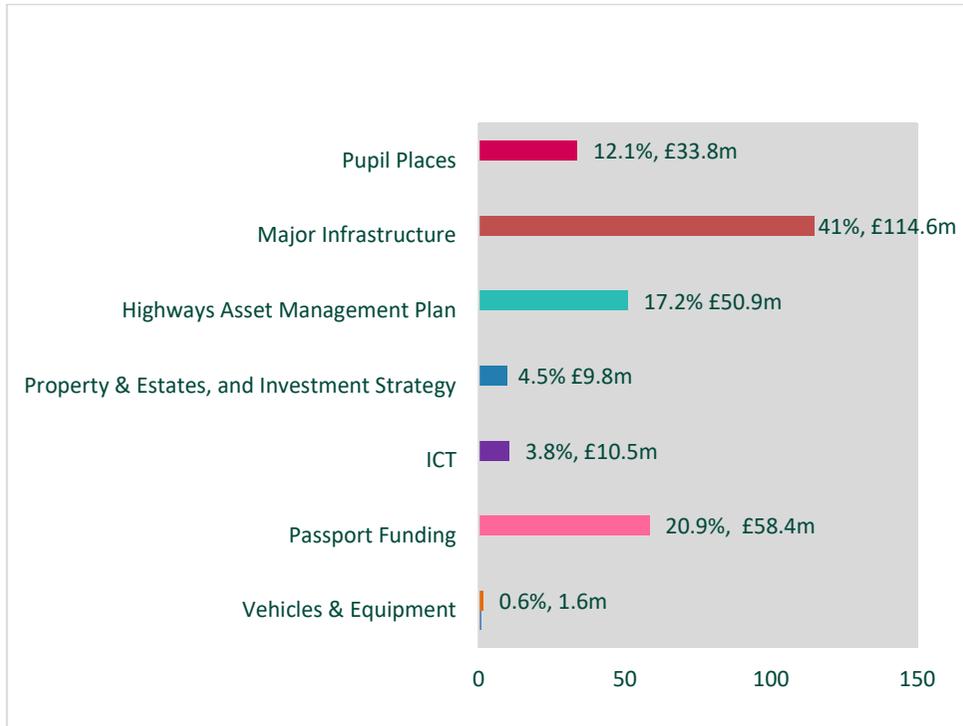
General balances were £39.344m at 31 March 2022 compared to a risk assessed level of £28.8m for 2021/22. The risk assessed level for 2022/23 is £28.9m as set out in the Medium-Term Financial Strategy (MTFS) approved by Council in February 2022.

Movement on General Balances	£m
General Balances at 1 April 2021	34.6
Underspend	4.6
General Balances at 31 March 2022	39.2
Risked Assessed Level of General Balances 2021/22	28.8
Level of surplus balances	10.4

Further detail is set out in Annex B of the [Business Management Report to Cabinet on 21 June 2022](#).

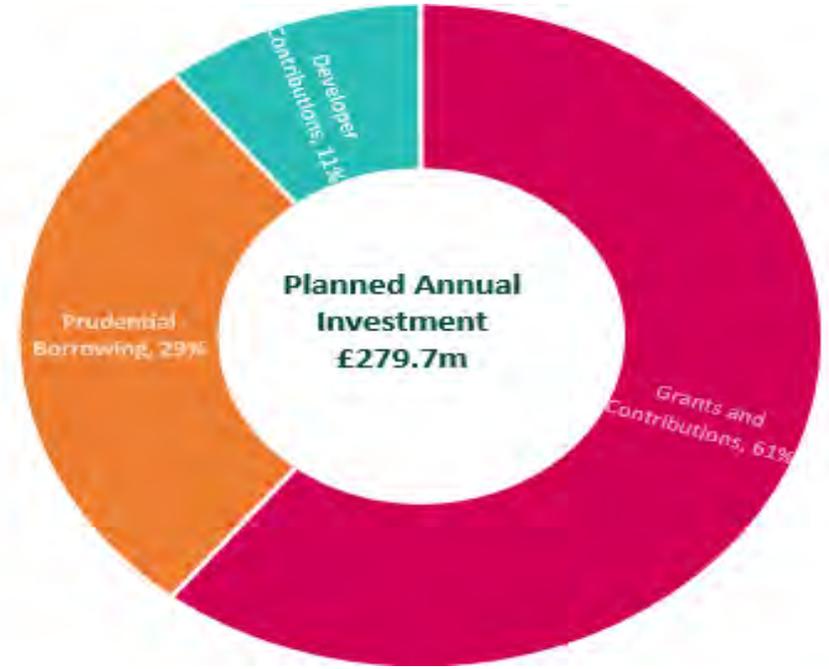
Capital investment plans for 2021/22

The original capital programme for 2021/22 was agreed by Council in February 2021. This set out an expected programme of spend of £279.6m. This included £33.8m for the provision of additional school places and new schools in housing developments and £165.5m on major infrastructure projects, including large road improvement schemes and road maintenance.



We planned to fund this from grants and contributions (£169.8m), developer contributions (£29.2m) and prudential borrowing (£80.7m).

The capital programme is updated throughout the year to reflect the latest delivery profiles and cost estimates for each programme. The capital programme for 2021/22 was last updated in January 2022. At that point in the year, expected spend to 31 March 2022 totalled £191.4m. Actual capital programme expenditure for the year 2021/22 was £173.4m. The variation between the latest programme and the final outturn is £18m (-9%). The reduction in spend in 2021/22 was due to a reprofiling of delivery timelines with planned spend moving into 2022/23.



The Capital Programme expenditure of £173.4m was funded by £100.8m of capital grants and other external contributions, £21.4m of developer contributions, £0.6m of revenue contributions and £50.6m of prudential borrowing.

Further detail is set out in the [Capital Outturn Report to Cabinet on 21 June 2022](#).

Financial Outlook

Issues and volatility in the wider economy, including inflation and workforce shortages, have increased the risk to the financial position for the Council and the overall landscape looks much more challenging than when the budget was set in February 2022. On-going budget held as contingency as part of the 2022/23 budget is likely to be needed to meet the cost of additional on-going pay inflation as well as other inflationary and demand

pressures. One-off funding in general balances was higher than the risk assessed level at the end of 2021/22 and can be used to support pressures in 2022/23. The on-going impact will need to be considered through the 2023/24 Budget & Business Planning process.

The 2022/23 Earmarked Reserves and General Balances Policy Statement increased the risk assessed level of General Balances from £28.8m to £28.9m for 2022/23. This is equivalent to 6% of the net revenue budget for 2022/23 and equates to around three weeks net expenditure.

General balances were £39.2m as at 31 March 2022 and will reduce to £37.2m after taking account of a budgeted contribution of £1.0m and the agreed use of £3.0m to fund the capital programme. The £7.8m balance over the risk assessed level is available to support additional expenditure pressures on a one-off basis.

The on-going inflation and contingency budget for 2022/23 is £12.3m. This includes £4.4m funding for pay inflation assumed at 2.5% in the budget approved in February 2022. Each additional 1% pay inflation would require on-going funding of £1.8m.

Looking ahead the Review of Relative Needs and Resource and 75% business rates retention was delayed again for 2022/23 and further information is awaited about whether, or how, this will impact on business rates funding in 2023/24. There is also increasing uncertainty and risk around inflation and supply side issues evident in the wider economy and how this will impact on pay, contracts, and other budgets and the council's capital programme.

A review of the current capital programme is being undertaken in 2022/23 prioritising the schemes and initiatives within the funding available.

The first Budget and Business Planning Report for 2023/24 will be considered by Cabinet in October 2022 and will provide an update on the current

financial position and risks and the latest funding assumptions for both 2023/24 and the MTFS period.

Further detail of the 2022/23 financial monitoring position is set out in Annex B of the [Business Management Report to Cabinet on 19 July 2022](#).

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 2021/22 and show its financial position as at 31 March 2022. 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 2022 and of its income and expenditure for the 2021/22 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.
- 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 (ie 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) at its meeting on 20 July 2022. The AGS summarises the governance framework that has been in place in the Council during 2021/22. The Statement demonstrates that we have effective arrangements for the governance of the Council and that we are satisfied that we have a robust system of internal control.

Conclusion

For 2021/22 as a whole, 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.

However, issues and volatility in the wider economy, including inflation and workforce shortages, have increased the risk to the financial position for the council and the overall landscape is looking more challenging in 2022/23.

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 Director of Finance
- 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 Chairman to approve the statement of accounts on its behalf.

Signed:

Date

ROZ SMITH

Chairman of the Audit & Governance Committee

The Responsibilities of the Director of Finance

The Director of Finance 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 2021/22 (‘the Code of Practice’).

In preparing this Statement of Accounts, the Director of Finance 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 Director of Finance 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 2022.

Signed:

Date

LORNA BAXTER

Director of Finance

Expenditure and Funding Analysis

A description of the purpose of this note is included in the Narrative Report.

2020/21			Notes	2021/22		
Expenditure chargeable to the County Fund £'000	Adjustments between funding and accounting basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Expenditure chargeable to the County Fund £'000	Adjustments between funding and accounting basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
118,259	-19,877	98,382	Environment and Place	61,630	45,189	106,819
464,725	-260,519	204,206	Children's Services	144,509	70,114	214,623
287,446	-102,459	184,987	Adult Services	199,613	11,201	210,814
33,122	-34,432	-1,310	Public Health	1,437	-1,322	115
76,070	-6,547	69,523	Commercial Development, Assets & Investment	48,311	22,940	71,251
67,565	-22,101	45,464	Customers, Organisational Development & Resources	35,204	12,237	47,441
5,072	-27,651	-22,579	Other Corporate Costs	0	4,032	4,032
1,052,259	-473,586	578,673	Service Costs	490,704	164,391	655,095
-485,489	-124,682	-610,171	Other Income and Expenditure not charged to services	-495,369	-245,062	-740,431
566,770	-598,268	-31,498	Surplus (-) or Deficit (+) on Provision of Services	-4,665	-80,671	-85,336
24,154			Opening County Fund Balance at 1 April-as restated	34,679		
10,525			Add surplus (+) or deficit (-) on the County Fund for the year	4,665		
34,679			Closing County Fund Balance at 31 March	39,344		

Comprehensive Income and Expenditure Statement
 Comprehensive Income and Expenditure Statement

2020/21				2021/22		
Gross Expenditure	Income	Net Expenditure	Notes	Gross Expenditure	Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
118,259	-19,877	98,382	Environment and Place	135,992	-29,173	106,819
464,725	-260,519	204,206	Children's Services	490,354	-275,732	214,622
287,446	-102,459	184,987	Adult Services	297,459	-86,644	210,815
33,122	-34,432	-1,310	Public Health	37,167	-37,051	116
76,070	-6,547	69,523	Commercial Development, Assets & Investment	78,930	-7,680	71,250
67,565	-22,101	45,464	Customers, Organisational Development & Resources	73,425	-25,985	47,440
5,072	-27,651	-22,579	Other Corporate Costs	7,741	-3,709	4,032
1,052,259	-473,586	578,673	Cost of Services	1,121,068	-465,974	655,094
17,416	-993	16,423	Other Operating Expenditure	1,460	-5,012	-3,552
33,606	-21,355	12,251	Financing and Investment Income and Expenditure	41,006	-15,027	25,979
0	-638,845	-638,845	Taxation and Non-Specific Grant Income	0	-762,858	-762,858
1,103,281	-1,134,779	-31,498	Surplus (-) or Deficit (+) on Provision of Services	1,163,534	-1,248,871	-85,337
			Items that will not be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services			
		10,270	Surplus or Deficit on revaluation of non-current assets			-4,028
		919	Impairment losses on non-current assets charges to the revaluation reserve			1,899
		255,985	Remeasurements of the net defined benefit liability (asset)			-302,315
		<u>267,174</u>				<u>-304,444</u>
			Items that may be reclassified to the Surplus (-) or Deficit (+) on the Provision of Services			
		0	Other gains or losses			0
		<u>0</u>				<u>0</u>
		267,174	Other Comprehensive Income and Expenditure			-304,444
		235,676	Total Comprehensive Income and Expenditure			-389,781

Movement in Reserves Statement

	Notes	County Fund Balance	Earmarked Reserves	Capital Receipts Unapplied	Capital Grants and Contbns Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020		24,154	113,709	24,144	79,863	241,870	31,474	273,344
Movement in reserves during 2020/21								
Total Comprehensive Income and Expenditure		31,498	0	0	0	31,498	-267,174	-235,676
Adjustments between accounting basis and funding basis under statutory provisions	6	8,450	0	1,051	15,696	25,197	-25,197	0
Transfers to / from earmarked reserves	44	-29,423	37,786	0	0	8,363	-8,363	0
Increase (+) or Decrease (-) In Year		10,525	37,786	1,051	15,696	65,058	-300,734	-235,676
Balance at 31 March 2021		34,679	151,495	25,195	95,559	306,928	-269,260	37,668
Movement in reserves during 2021/22								
Total Comprehensive Income and Expenditure		85,337	0	0	0	85,337	304,445	389,782
Adjustments between accounting basis and funding basis under statutory provisions	6	-60,706	0	4,908	85,551	29,753	-29,754	-1
Transfers to / from earmarked reserves	44	-19,966	32,067	0	0	12,101	-12,101	0
Increase (+) or Decrease (-) In Year		4,665	32,067	4,908	85,551	127,191	262,590	389,781
Balance at 31 March 2022		39,344	183,562	30,103	181,110	434,119	-6,670	427,449

As at 31 March 2021		Notes	As at 31 March 2022	
£'000			£'000	£'000
Long Term Assets				
1,191,214	Property, Plant and Equipment	22	1,258,808	
26,251	Investment Property	23	27,416	
1,022	Intangible Assets	25	818	
72,300	Long Term Investments	34	79,500	
7,342	Long Term Debtors	35	10,088	
1,298,129	Total Long-Term Assets			1,376,630
Current Assets				
90	Assets Held for Sale	24	1,489	
96,258	Debtors	36	126,593	
409,271	Short Term Investments	34	435,995	
48,186	Cash and Cash Equivalents	37	28,165	
553,805	Total Current Assets			592,242
Current Liabilities				
-45,675	Short Term Borrowing	34	-35,456	
-124,794	Short Term Creditors and Revenue Receipts in Advance	39	-92,341	
-7,063	Provisions due within one year	40	-6,436	
-587	Short Term Finance Liability	28,34	-662	
-35,768	Short Term Capital Grants Receipts in Advance	42	10,412	
-213,887	Total Current Liabilities			-124,483
Long Term Liabilities				
-16,170	Long Term Creditors and Revenue Receipts in Advance	39	-19,099	
-3,452	Provisions due over one year	40	-4,698	
-293,383	Long Term Borrowing	34	-281,383	
-1,119,285	Pension Liability	18	-901,096	
-16,394	Long Term Finance Liability	28,34	-15,740	
-5,276	Deferred Income	41	-4,393	
-146,420	Long Term Capital Grants Receipts in Advance	42	-190,530	
-1,600,380	Total Long-Term Liabilities			-1,416,939
37,667	Net Assets (+) / Net Liabilities (-)			427,450
Financed from:				
306,928	Usable Reserves	43-46		434,120
-269,261	Unusable Reserves	47-53		-6,669
37,667	Total Reserves			427,451

Cash Flow Statement

2020/21		Notes	2021/22
£'000			£'000
-31,498	Net (surplus) or deficit on the provision of services		-85,337
-52,102	Adjust net surplus or deficit on the provision of services for non-cash movements	54	-28,788
122,828	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	55	176,548
39,228	Net cash flows from Operating Activities		62,423
-61,041	Investing activities	56	-64,980
6,524	Financing activities	57	22,579
-15,289	Net increase (-) or decrease (+) in cash and cash equivalents		20,021
32,897	Cash and cash equivalents at the beginning of the reporting period		48,186
48,186	Cash and cash equivalents at the end of the reporting period		28,165

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1. Summary of Significant Accounting Policies General

The Statement of Accounts summarises the County Council's transactions for the 2021/22 financial year and its position at the year-end 31 March 2022. It has been compiled in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22* (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 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-ringfenced 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 are acting 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.

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 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 £20,000 is applied for land and buildings and £15,000 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 three-year rolling programme as shown below. Material changes to asset valuations are adjusted in the interim periods

		Date of Last Revaluation	Date of Next Revaluation
Year 1	Secondary and Special Schools, Other Educational Premises (Children’s, Youth and Sports Centres), Surplus Assets and	2021/22	2024/25

	properties not re-valued in other years.		
Year 2	Primary, Nursery, Junior and Infant Schools	2019/20	2022/23
Year 3	Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot	2020/21	2023/24

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.

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.

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 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 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 of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a property lease covers both land and buildings, the land and buildings elements are considered separately for lease classification.

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 for under this policy

where fulfilment of the arrangement is dependent on the use of specific assets.

Where the County Council is the lessee, property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – applied to writing down the liability, and a finance charge – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Once recognised on the Balance Sheet, assets recognised under finance leases are accounted for in the same way as other Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Rentals paid by the Council under operating leases are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period except where the contractual payment terms are considered to be a more systematic and appropriate basis.

Where the County Council leases an asset to others under a finance lease, the asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the County Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal, matched by a long-term debtor in the Balance Sheet. Finance lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the long-term debtor (together with any premiums received), and

finance income credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is required under statute to be treated as a capital receipt. Where a premium has been received, this is posted out of the County Fund Balance to the Capital Receipts Unapplied reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future years, this is posted out of the County Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the long-term debtor and the deferred capital receipts are transferred to the Capital Receipts Unapplied reserve. The written-off carrying amount of the asset on disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no impact on Council Tax.

Where the County Council leases an asset to others under an operating lease, the asset is retained on the Balance Sheet. Rental income is credited to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period (including any premiums received at the commencement of the lease).

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 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.

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.

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 2021/22 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 and the Oxfordshire Local Enterprise Partnership, OxLEP). 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 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.

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.

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 Carter Jonas) 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.
- The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP). OxLEP became a company Limited by Guarantee (Not for Profit) in April 2015 (Company Registration Number 09519056). It is a business led organisation that works for all of its stakeholders in business, academia and local authorities. The Board has 19 members from across the private and public sector and is led by a private sector Chairman. It is supported by the Future Oxfordshire Partnership; a Joint Committee which brings together local authority partners who are also members of the OxLEP Board in a collective decision-making structure. The Leader of the County Council is a member of the OxLEP Board. The Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of jobs for our communities.
- In accounting for OxLEP it has been assessed that the County Council is acting as the principal in accordance with IAS 18 Revenue and therefore transactions have been included in the County Council's accounts. OxLEP's expenditure is largely funded by government grants

for which the County Council is the accountable body, and the Council remains exposed to risks such as the repayment of grants in the event of non-compliance. In addition, the County Council plans to undertake borrowing totalling £50.7m on behalf of OxLEP to deliver planned infrastructure improvements in Oxfordshire. This will be funded through retained business rates from the Science Vale UK Enterprise Zone. £17.8m of this borrowing was taken in 2021/22. This borrowing generates a requirement to increase the Council's Capital Financing Requirement. Because of that the Council is not simply acting as an intermediary by passporting funds to OxLEP and is acting beyond the remit of an agent. In 2021/22 the Council received the final £4.2m for the Getting Building Fund on behalf of OxLEP, which was applied to capital expenditure during the year.

- In respect of revenue, the Council received £0.500m core funding from the Department of Levelling Up, Housing & Communities (DLUHC) on behalf of OxLEP in 2021/22. Further revenue grant funding of £1.604m received in 2021/22 included £0.8m Innovation Support for Business (ISfB) Grant from DLUHC plus £0.5m Core Growth Hub Funding and £0.3m Peer Network Grant from the Department for Business, Energy and Industrial Strategy (BEIS). OxLEP is preparing financial accounts for 2021/22, along with the Letter of Representation, which are expected to be considered by the OxLEP Board in due course. The Board expects to formally adopt these financial accounts at the company's Annual General Meeting in September 2022.
- Based on an assessment in accordance with IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, and taking into account materiality, the County Council has concluded that it does not have control, joint control or significant influence of any other entities. Therefore, the County Council has no subsidiaries, joint ventures or associates and there is no requirement to prepare group accounts for 2021/22.
- 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 IFRS 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 2022 for which there is significant risk of material adjustment in the forthcoming year are as follows:

Property, Plant and Equipment

The financial year 2021/22 was year three of a three-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. 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 2022 to comply with the accounting standard.

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 outcome of the two tribunals have been deemed to provide evidence that a legal obligation has been created relating to age-discrimination legislation, resulting in a liability. Furthermore, the 15 July 2019 written statement by the Chief Secretary to the Treasury that the McCloud and Sargeant judgements would apply to all public service pension schemes has also been deemed to provide evidence that there is a legal obligation. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections.

As details of the remedy for the schemes has not been drafted this creates a lot of uncertainty about the basis for valuing the impact of the Judgements on the pension schemes.

At present, it is clear that all members of the schemes who fell outside the transitional arrangements for both the LGPS and Fire-Fighters Pension Scheme at the relevant transition date will need to have their benefits brought up to the level of members in their scheme who were protected

under those arrangements. However, it is unclear about what else will be in scope of the revised schemes. Areas of uncertainty include:

- Transfers within and between schemes and funds
- Impact on survivor benefits which may have started since the transition date
- Impact on pension sharing on divorce liabilities since the transition date

The actuary made assumptions regarding the impact arising from these areas of uncertainty in the valuation for 2019/20 and this allowance continues to be included within the valuation of the County Council's net liability.

There is also uncertainty regarding the impact of Guaranteed Minimum Pension (GMP) requirements. This arises where a pension scheme was 'contracted out' of additional state pension arrangements. If the contracted out pensions benefits are less than the pensioner would have received if the contracting out had not applied the pension scheme would be required to increase the pension paid to reach the GMP.

The actuary allowed for the impact of full GMP indexation in the calculation of 31 March 2019 funding valuation results. The Employer's valuation results position is used as the starting point for the accounting rollforward calculations and therefore an allowance for full GMP indexation was included within valuation for 2019/20 and this allowance continues to be included within the valuation of the County Council's net liability.

There are three further court cases which could potentially impact on the valuation of the net pension liability:

- Goodwin
- Walker
- O'Brien

In all three cases, the actuary does not consider the judgements are likely to have a significant impact on the Council's pension obligations.

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.

2020/21				2021/22				
Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments		Adjustments for Capital Purposes (Note A)	Net Charge for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
31,602	2,659	-1,382	32,879	Environment and Place	40,677	5,835	-1,323	45,189
58,856	10,500	4,363	73,719	Children's Services	37,023	26,829	6,262	70,114
-6,144	4,710	-11,095	-12,529	Adult Services	5,442	9,997	-4,238	11,201
0	146	-2,360	-2,214	Public Health	0	383	-1,705	-1,322
				Commercial Development, Assets & Investment				
20,210	3,571	-148	23,633	Customers, Organisational Development & Resources	14,840	9,311	-1,211	22,940
14,242	3,960	-7,401	10,801	Other Corporate Costs	2,626	9,394	217	12,237
-30,006	-2,757	10,184	-22,579		1,200	1,321	1,510	4,031
88,760	22,789	-7,839	103,710	Service Costs	101,808	63,070	-488	164,390
				Other Income and expenditure not charged to services				
-130,931	15,945	-9,696	-124,682		-221,559	21,057	-44,561	-245,062
-42,171	38,734	-17,535	-20,972	Surplus (-) or Deficit (+)	-119,751	84,127	-45,049	-80,672

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.

5. Analysis of income and expenditure by nature

2020/21		2021/22
£'000	Income and Expenditure	£'000
-60,844	Fees, charges and other service income	-77,283
-640,538	Government grants and contributions	-702,247
-18,236	Interest and investment income	-13,018
-414,169	Income from council tax and non-domestic rates	-451,311
-993	Proceeds from the disposal of non-current assets	-5,012
-1,134,780	Total Income	-1,248,871
365,446	Employee benefits expenses	425,221
638,781	Other service expenses	656,453
45,324	Depreciation, amortisation, impairments and revaluations	37,198
17,528	Interest payable and similar charges	20,292
18,907	Net interest expense on the pension defined liability	22,931
17,295	Costs from the disposal of non-current assets	1,439
1,103,281	Total Expenditure	1,163,534
-31,499	Surplus (-) or Deficit (+) on the Provision of Services	-85,337

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

2020/21		2021/22
£'000	Fees and Charges by Directorate	£'000
-8,958	Environment and Place	-14,621
-5,951	Children's Services	-9,535
-40,105	Adult Services	-44,624
5	Public Health	-67
-3,117	Commercial Development, Assets & Investment	-3,149
-1,977	Customers, Organisational Development & Resources	-4,772
-741	Corporate	-516
-60,844	Total Fees and Charges	-77,284

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.

2020/21					2021/22					
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
					Adjustments to Revenue Resources					
38,734				38,734	Pension Costs transferred to (or from) the Pensions Reserve	84,126				-84,126
-2				-2	Financial instruments transferred to the Financial Instrument Adjustment Account	-2				2
-10,712				-10,712	Gain or Loss on the valuation of pooled investment funds	-4,839				4,839
21,110				21,110	Council Tax and Business Rates transferred to the Collection Fund Adjustment Account	-19,162				19,162
1,060				1,060	Holiday pay transferred to the Accumulated Balances Account	-1,055				1,055
138,472				138,472	Reversal of entries included in the Surplus of Deficit on the Provision of Services in relation to capital expenditure to the Capital Adjustment Account	103,610				-103,610
				0	Adjustments between Revenue and Capital Resources					
-957		957		0	Transfer of non-current asset sale proceeds to the Capital Receipts Unapplied Reserve	-4,908		4,908		
-10,291				-10,291	Statutory provision for the repayment of debt transferred to the Capital Adjustment Account	-10,281				10,281
-1,587				-1,587	Capital expenditure financed from revenue balances transferred to the Capital Adjustment Account	-495				495
-125,432			-26,249	-151,681	Capital grants and contributions applied	-109,307			-12,842	122,149
-41,946			41,946	0	Capital gains and contributions receivable not applied to finance capital expenditure	-98,393			98,393	
				0	Adjustments to Capital Resources					
		94		94	Repayment of loans			0		0
8,449	0	1,051	15,697	25,197	Total	-60,706	0	4,908	85,551	-29,753

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 2021. 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 2021/22 (with comparators) are as follows:

2020/21			2021/22		
Central Expenditure £'000	ISB £'000	Total £'000	Central Expenditure £'000	ISB £'000	Total £'000
		510,703			553,911
	-55,560	-294,178			-322,641
		216,525			231,270
		-1,552			0
		1,552			0
46,569	169,957	216,525	51,953	179,317	231,270
	-395	-395		507	507
	45	45		0	0
46,569	169,607	216,175	51,953	179,824	231,777
-55,560		-55,560	-65,229		-65,229
	-170,545	-170,545		-179,848	-179,848
0	0	0	1,200	0	1,200
-55,560	-170,545	-226,105	-64,029	-179,848	-243,877
-8,991	-939	-9,930	-12,076	-24	-12,100
		-1,552			-11,482
		-11,482			-23,582

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	Better Care Fund Pool		Adults with Care and Support Needs		Mental Health Provider Pool	
Partner	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	
Purpose	Commissions services for older people and adults with physical disabilities 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 or mental health assessed needs along with support for people with an acquired brain injury. Services include supported living and residential care placements. Some service users receive direct payments and organise their own care.		Provides integrated health and social care support to adults with Mental Health needs.	
Lead Partner	Oxfordshire County Council		Oxfordshire County Council		Oxford Health NHS Foundation Trust	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Total Gross Expenditure	249,008	259,668	180,020	195,208	10,357	10,466
Funded by:						
Council Contribution *	-74,614	-80,919	-96,078	-97,040	-1,802	-1,802
Partner Contribution	-79,536	-90,368	-77,370	-92,160	-8,555	-8,664
Service User Contributions	-31,568	-36,140	-4,506	-4,437		
Better Care Fund	-43,407	-44,128	0	0		
Other External Contribution	-1	0	-2,066	-1,571		
Other Income **	-19,882	-8,113	0	0		
Total Gross Income	-249,008	-259,668	-180,020	-195,208	-10,357	-10,466

*Note that the Authority's Contribution to the Adults with Care and Support Needs Pool 2021/22 includes £1,802k (the same as 2020/21) which is passported to the Mental Health Provider Pool. The Authority does not make any other contributions to the Mental Health Provider Pool.

** The Better Care Fund Pool includes £16,712k in Other Income for one-off funding to support costs arising from Hospital Discharge Schemes 1 and 2 put in place as a result of the COVID-19 pandemic.

9. Members' Allowances

	2020/21	2021/22
Members' Allowances	£'000	£'000
Allowances	992	999
Travel and Subsistence	3	6
Total	995	1,005

10. Audit Fee

The County Council's external auditors are Ernst & Young. The following fees were incurred relating to external audit and grant certification work. This expenditure is part of the Customers, Organisational Development and Resources Directorate.

	2020/21	2021/22
Audit and Inspection Fees	£'000	£'000
Code of Practice Audit Work	85	82
Other Fees for Prior Years	62	0
Certification of grant claims and Returns	13	14
Total	160	96

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. In accordance with the 2015 regulations, the figures exclude senior employees whose remuneration is disclosed separately.

Band	Number of Employees					
	£	2020/21			2021/22	
	School	Non School	Total	School	Non School	Total
50,000-54,999	51	168	219	46	200	246
55,000-59,999	32	71	103	41	84	125
60,000-64,999	27	43	70	24	47	71
65,000-69,999	26	32	58	29	36	65
70,000-74,999	15	12	27	16	9	25
75,000-79,999	10	8	18	13	7	20
80,000-84,999	4	24	28	2	24	26
85,000-89,999	4	3	7	8	9	17
90,000-94,999	1	3	4	0	6	6
95,000-99,999	0	7	7	0	4	4
100,000-104,999	0	2	2	0	3	3
105,000-109,999	1	3	4	0	3	3
110,000-114,999	0	3	3	0	5	5
115,000-119,999	0	0	0	1	0	1
120,000-124,999	0	0	0	0	1	1
125,000-129,999	0	1	1	0	0	0
130,000-134,999	0	2	2	0	2	2
135,000-139,999	0	1	1	0	0	0
140,000-169,999	0	4	4	0	1	1
Total	171	387	558	180	441	621

2021/22 Post Holder Information	Salary (Including Fees & Allowances)	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	Contribution to (+) from (-) Cherwell District Council	Cost to Oxfordshire County Council
	£	£	£	£		£
Chief Executive - Yvonne Rees *	0	0	0	0	136,069	141,805
Corporate Director Commercial Development, Assets & Investments ** - Steve Jorden	153,804	153,804	30,607	184,411	-61,520	121,423
Director of Law and Governance **	132,157	132,157	25,359	157,516	-32,631	27,367
Corporate Director Environment and Place - Bill Cotton	153,804	153,804	30,607	184,411	-61,325	91,976
Corporate Director Public Health **	134,481	134,481	19,338	153,820	-17,116	6,821
Corporate Director Adults & Housing Services **	144,532	144,532	28,762	173,294	-15,610	128,882
Corporate Director Children Services	134,481	134,481	26,762	161,243	0	144,050
Corporate Director Customers, Organisational Development & Resources *	0	0	0	0	121,342	106,924
Director of Finance **	134,481	134,481	26,696	161,177	-45,389	103,526
Chief Fire Officer	145,765	145,765	41,980	187,745	0	106,215
Total	1,133,507	1,133,507	230,111	1,363,618	23,820	978,989

Several senior officer roles at Oxfordshire County Council are joint posts under the Partnership Agreement with Cherwell District Council. The Council voted to end the partnership on 8 February 2022:

* denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs.

Chief Executive 61%, Corporate Director Customers, Organisational Development & Resources 70%

** denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs

Corporate Director Commercial Development Assets & Investments 30%, Director of Law & Governance 20%, Director of Finance 30%

Corporate Director Adults & Housing Services 10%, Corporate Director of Public Health 10%

2020/21 Post Holder Information	Salary (Including Fees & Allowances)	Total Remuneration Excluding Pension Contributions	Employers Pension Contribution	Total Remuneration Including Pension Contributions	Contribution to (+) from (-) Cherwell District Council	Cost to Oxfordshire County Council
	£	£	£	£		£
Chief Executive - Yvonne Rees *	0	0	0	0	141,805	141,805
Corporate Director Commercial Development Assets & Investments **	151,159	151,159	30,081	181,240	-59,816	121,423
Director of Law and Governance (left June 2020)	25,012	25,012	4,977	29,989	0	29,989
Director of Law and Governance (from January 2021)	29,312	29,312	5,833	35,145	-7,777	27,367
**						
Corporate Director Place and Growth (left December 2020) *	0	0	0	0	91,976	91,976
Corporate Director Environment and Place (from March 2021)	5,689	5,689	1,132	6,821	0	6,821
Corporate Director Public Health **	126,661	126,661	18,214	144,875	-15,993	128,882
Corporate Director Adults & Housing Services **	134,963	134,963	26,858	161,821	-17,771	144,050
Corporate Director Children Services (from July 2020)	89,178	89,178	17,746	106,924	0	106,924
Corporate Director Customers, Organisational Development & Resources *	0	0	0	0	103,526	103,526
Director of Finance **	132,168	132,168	26,301	158,469	-52,255	106,215
Chief Fire Officer	137,521	137,521	39,606	177,126	0	177,126
Total	831,662	831,662	170,748	1,002,410	183,695	1,186,104

Several senior officer roles at Oxfordshire County Council are joint posts under the Partnership Agreement with Cherwell District Council:

* denotes staff employed by Cherwell District Council and the County Council is charged a share of their salary costs

Chief Executive 61%, Corporate Director Place & Growth 70%, Corporate Director Customers, Organisational Development & Resources 70%

** denotes staff employed by the County Council and a charge is made to Cherwell District Council for a share of the salary costs

Corporate Director Commercial Development Assets & Investments 30%, Director of Law & Governance 20%, Director of Finance 30%

Corporate Director Adults & Housing Services 10%, Corporate Director of Public Health 10%

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 Band (£)	2019/20					2020/21							
	Compulsory		Other		Total	Compulsory		Other		Total			
	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000	No.	£'000	
0 - 19,999	20	187	24	142	44	329	33	201	11	96	44	297	
20,000 - 39,999	3	92	5	122	8	214	13	350	2	44	15	394	
40,000 - 59,999	5	243	0	0	5	243	6	270	2	92	8	362	
60,000 - 79,999	0	0	1	78	1	78	5	340	1	78	6	418	
80,000 - 99,999	0	0	1	81	1	81	1	96	1	95	2	191	
100,000 - 149,999	3	383	0	0	3	383	1	113	0	0	1	113	
150,000 - 199,999	0	0	0	0	0	0	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	0	0	0	0	0	0	
Total	31	905	31	423	62	1,328	59	1,370	17	405	76	1,775	
Add new provisions created												0	
Less amounts provided for in previous year						0						0	
Add unused amount of previous year's provision						0						0	
Adjust for differences between payments and accruals						-303						47	
Total cost of exit packages in the Comprehensive Income and Expenditure Statement												1,025	1,822

13. Operating 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 2020/21.

County Council as Lessee	2020/21			2021/22		
	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments charged in year	1,222	2,150	3,372	1,330	2,076	3,405
Contingent rents charged in year	222	93	315	204	141	345
Sublease payments received in year	0	-564	-564	0	-571	-571
Future minimum lease payments:						
Within 1 year	871	1,926	2,797	1,053	1,903	2,956
Within 2nd - 5th years	378	3,655	4,033	884	3,286	4,170
6th year and beyond	0	1,444	1,444	0	1,371	1,371
Total commitments	2,693	8,704	11,397	3,470	8,206	11,676
Total future sublease payments receivable	0	-548	-548	0	-548	-548

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	2020/21			2021/22		
	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000	Plant, vehicles & equipment £'000	Land and buildings £'000	Total £'000
Minimum lease payments receivable in year	0	2,217	2,217	0	2,235	2,235
Contingent rents receivable in year	0	927	927	0	897	897
Future minimum lease payments receivable:						
Within 1 year	0	1,852	1,852	0	1,812	1,812
Within 2nd - 5th years	0	5,503	5,503	0	5,341	5,341
6th year and beyond	0	37,142	37,142	0	35,873	35,873
Total Receivable	0	47,641	47,641	0	46,159	46,159

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 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.

	2020/21	2021/22
	£'000	£'000
Other Operating Expenditure		
Capital Receipts	-967	-4,909
Disposal costs charged against capital receipts	10	0
Net Capital Receipts	-957	-4,909
Other Receipts	-36	-104
Total Receipts	-993	-5,013
Carrying value of non-current assets derecognised	17,285	1
Disposal costs charged to the General Fund	131	0
Total Disposal costs	17,416	1
Other Operating Expenditure	16,423	-5,012
Adjustments between accounting basis and funding basis	-16,328	3,469
Net Charge to the General Fund	95	-1,542

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:

	2020/21	2021/22
	£'000	£'000
Financing and Investment Income and Expenditure		
Interest payable and similar charges	17,354	18,285
Gain or Loss on the valuation of pooled investment funds	-10,712	-4,839
Interest receivable and similar income	-7,350	-6,173
Income and Expenditure in relation to investment properties and change in their fair value	-2,985	-2,352
Net pensions interest expense	18,907	22,931
Net fire-fighters Pension Fund Top-Up Grant	-2,962	-1,874
Financing and Investment Income and Expenditure	12,251	25,978
Adjustments between accounting basis and funding basis	-2,247	-13,867
Net Charge to the General Fund	10,004	12,111

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.

2020/21 Financial Liabilities		2020/21 Financial Assets			2021/22 Financial Liabilities		2021/22 Financial Assets			
Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000		Liabilities at amortised cost £'000	Assets at amortised cost £'000	Assets at fair value through Other Comprehensive Income £'000	Assets at fair value through profit and loss £'000	Total £'000
17,287			0	17,287	Interest Expense	14,742			0	14,742
			174	174	Decreases in fair value				2,007	2,007
	67		0	67	Impairment Losses		1,313		0	1,313
		0	151	151	Fee expense			0	227	227
17,287	67	0	325	17,679	Total expense in Surplus or Deficit on the Provision of Services	14,742	1,313	0	2,234	18,289
	-3,402		-3,947	-7,350	Interest Income		-2,297		-3,876	-6,173
		0	-10,886	-10,886	Increases in fair value			0	-6,845	-6,845
0	-3,402	0	-14,834	-18,236	Total income in Surplus or Deficit on the Provision of Services	0	-2,297	0	-10,722	-13,018
				-558	Net gain (-) / loss (+) for the year					5,271

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 2014) and career average revalued salary (for benefits accrued from 1 April 2014).

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 2019 set the contribution rates for the period 1 April 2020 to 31 March 2022. 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 2022/23 are £34.431m for funded benefits (£33.252m was expected for 2021/22).

The pensions liability has decreased from March 2021 (£799m) to March 2022 (£596m). 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 2019 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 2022 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.

Curtailed 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 £0.456m for 2021/22 (£0.159m for 2020/21). 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 2021/22 is £0 (£3.587m 2020/21).

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 2015 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 2016 and set contributions for the period from 1 April 2019 to 31 March 2022.

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 2021/22 is £5.5m (£6.3m in 2020/21).

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 2020/21 is £5.721m (£5.868m 2019/20).

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.

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.

Pension Fund Comprehensive Income and Expenditure Statement	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Services						
Current Service Cost	60,322	95,681	4,200	6,500	64,522	102,181
Past Service Costs	159	456	0	0	159	456
(Gain) / Loss from settlements	-3,587	0	0	0	-3,587	0
Administration Expenses	668	865	0	0	668	865
Financing and Investment Income & Expenditure						
Net Interest Expense	13,107	16,531	5,800	6,400	18,907	22,931
Government Top-Up Grant / Surplus payable to Government	0	0	-2,962	-1,874	-2,962	-1,874
Surplus / Deficit on the Provision of Services	70,669	113,533	9,881	11,026	77,707	124,559
Other Comprehensive Income and Expenditure						
Return on plan assets	-246,927	-120,244	0	0	-246,927	-120,244
Actuarial gains (-) and losses (+) from demographic assumptions	26,639	-10,530	3,300	-3,200	29,939	-13,730
Actuarial gains (-) and losses (+) from financial assumptions	441,262	-149,092	64,700	-21,300	505,962	-170,392
Experience gains (-) and losses (+)	-16,338	3,679	-3,500	1,400	-19,838	5,079
Other actuarial gains (-) and losses (+)	-15,235	-2,939	2,084	-89	-13,151	-3,028
Total retirement benefits charged to the Comprehensive Income and Expenditure Statement	260,070	-165,593	73,622	-12,163	333,692	-177,756
Movement in Reserves Statement						
Reversal of net charges made to the Surplus/Deficit on the Provision of Services for retireemnt benefits in accordance with the code	-35,216	-76,637	-3,518	-7,489	-38,734	-84,126
Actual amount charged against the General Fund Balance for pensions in the year	35,453	36,896	3,519	3,537	38,973	40,433

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

Pension Liability	2020/21 £'000	2021/22 £'000
Present value liabilities:		
Local Government Pension Scheme funded benefits	2,163,185	2,110,929
Local Government Pension Scheme unfunded benefits	18,299	16,219
Fire Fighters' Pension Schemes	320,600	304,900
Teachers' Added Years	47,467	44,253
Total Present value liabilities	2,549,551	2,476,301
Fair value of assets in the Local Government Pension Scheme		
	1,430,266	1,575,205
Net Liabilities in the scheme:		
Local Government Pension Scheme funded	732,919	535,724
Local Government Pension Scheme unfunded	18,299	16,219
Fire Fighters' Pension Schemes	230,600	304,900
Teachers' Added Years	47,467	44,253
Total Net Liabilities	1,119,285	901,096

The total net liability is £901.096m at 31 March 2022 (£1,119.285m at 31 March 2021). 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 2019 for the Local Government Pension Scheme and 31 March 2016 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.

Liabilities	Local Government Pension Scheme & Teacher's Added Years		Fire Fighters' Pension Schemes		Total	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at 1 April	1,730,706	2,228,951	250,497	320,600	1,981,204	2,549,551
Current Service Cost	60,990	96,546	4,200	6,500	65,190	103,046
Interest Expense	39,753	45,078	5,800	6,400	45,553	51,478
Contributions by scheme participants	10,339	10,825	1,400	1,500	11,739	12,325
Actuarial gains and losses - demographic assumptions	26,639	-10,530	3,300	-3,200	29,939	-13,730
Actuarial gains and losses - financial assumptions	441,262	-149,092	64,700	-21,300	505,962	-170,392
Experience gains and losses	-16,338	3,679	-3,500	1,400	-19,838	5,079
Other actuarial gains and losses	-2,334	0	2,084	-89	-250	-89
Benefits Paid	-52,820	-54,512	-4,919	-5,037	-57,739	-59,549
Past Service Costs	159	456	0	0	159	456
(Gain) / Loss from settlements	-9,405	0	0	0	-9,405	0
Fire Fighters pension scheme top-up grant	0	0	-2,962	-1,874	-2,962	-1,874
Closing balance at 31 March	2,228,951	2,171,401	320,600	304,900	2,549,551	2,476,301

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:

Assets at Fair Value	Local Government Pension Scheme (funded)	
	2020/21 £'000	2021/22 £'000
Opening Balance at 1 April	1,156,638	1,430,266
Interest Income	26,646	28,547
Return on plan assets	246,927	120,244
Other actuarial gains and losses	12,901	2,939
Administration expenses	0	0
Employer Contributions	30,643	32,200
Contributions by scheme participants	10,339	10,825
Benefits Paid	-48,010	-49,816
Settlements received / (paid)	-5,818	0
Closing balance at 31 March	1,430,266	1,575,205

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

Assets	At 31 March 2021			At 31 March 2022		
	£'000	£'000	%	£'000	£'000	%
Equities						
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%
Debt Securities						
UK Government	116,959			32,349		
Other	36,814			8,567		
		153,773	11%		40,916	3%
Derivatives (quoted in an active market)						
Foreign exchange	1,627			-119		
		1,627	0%		-119	0%
Cash and cash equivalents						
Cash	50,668			34,233		
		50,668	4%		34,233	2%
Private Equity						
All	62,150			77,445		
		62,150	4%		77,445	5%
Investment Funds and Unit Trusts						
Equities	820,758			875,882		
Infrastructure	25,575			46,672		
Bonds	102,595			124,856		
Other	213,122			375,321		
		1,162,049	81%		1,422,731	90%
Total		1,430,266	100%		1,575,205	100%

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	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Longevity Assumptions:								
	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	Fund's Vita Curves	S2NMA/S2N FA with a 110% multiplier	S2NMA/S2N FA with a 110% multiplier	Fund's Vita Curves	Fund's Vita Curves
Base Table*								
Men:								
Rate of improvement	1.25%	1.50%	1.25%	1.50%	1.25%	1.50%	1.25%	1.50%
Longevity from 65 (currently aged 65) (yrs)	22.4	22.2	22.4	22.2	26.6	26.3	22.4	22.2
Longevity from 65 (currently aged 45) (yrs)	23.4	23.1	23.4	23.1	27.9	27.7	23.4	23.1
Women:								
Rate of improvement	1.25%	1.50%	1.25%	1.50%	1.25%	1.50%	1.25%	1.50%
Longevity from 65 (currently aged 65) (yrs)	24.7	24.5	24.7	24.5	28.9	28.7	24.7	24.5
Longevity from 65 (currently aged 45) (yrs)	26.3	26.1	26.3	26.1	30.3	30.1	26.3	26.1
Financial Assumptions:								
Retail Price Index (RPI) increases	3.25%	3.65%	3.25%	3.65%	3.30%	3.65%	3.25%	3.65%
Consumer Price Index (CPI) increases	2.85%	3.20%	2.85%	3.20%	2.85%	3.20%	2.85%	3.20%
Rate of increases in salaries	2.85%	3.20%	2.85%	3.20%	3.30%	3.65%	2.85%	3.20%
Rate of increases in pensions and deferred pensions	2.85%	2.85%	2.85%	2.85%	2.85%	3.20%	2.85%	2.85%
Rate for discounting scheme liabilities	2.00%	2.70%	2.00%	2.70%	2.00%	2.70%	2.00%	2.70%

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 (funded)		Fire-Fighters' Pension Scheme	
	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	10%	204,095	10%	31,654
0.5% increase in Pension Increase Rate	10%	189,670	8%	24,877
0.5% increase in Salary Increase Rate	1%	13,055	1%	1,991
1 year increase in member life expectancy	4%	86,856	3%	9,106

18. Pension Reserve

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

Pension Reserve	2020/21 £'000	2021/22 £'000
Balance as at 1 April	-824,566	-1,119,285
Net charge made for retirement benefits in accordance with IAS19	-38,734	-84,126
Remeasurements of the new defined liability	-255,985	302,315
Balance as at 31 March	-1,119,285	-901,096

19. 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:

Taxation & Non-Specific Grant Income	2020/21 £'000	2021/22 £'000
Council Tax Income	396,556	418,045
Non-Domestic Rates	17,612	33,265
Non Ringfenced Government Grants	88,380	103,870
Capital Grants and Contributions	136,297	207,677
Total	638,845	762,857

Under the Business rates Retention Scheme the County Council receives a 10% share of the business rates collected by Oxfordshire district councils.

20. 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	2020/21	2021/22	Credited to Services	2020/21	2021/22
		£'000	£'000		£'000	£'000
Department for Levelling Up, Housing and Communities	Business Rate Top Up Grant	40,546	40,546	Regional Growth Fund	-	-
	New Homes Bonus	4,138	3,589	Improved Better Care Fund	10,391	10,391
	Expanded Troubled Families Scheme - PBR	382	398			
	Domestic Abuse	-	1,141			
Department of Health and Social Care	Independent Living Fund Grant	3,454	3,454	Public Health Grant	31,239	31,679
	Adult Social Care Support Grant	12,031	12,604			
Department for Education				Dedicated Schools Grant	216,175	231,778
				Pupil Premium Grant	7,033	6,983
				PE and Sports Grant	2,302	2,268
				Universal Infant Free School Meals	3,972	3,867
				Teachers' Pay Grant	1,696	98
				Teachers' Pension Grant	5,429	278
				Adoption Support Fund	1,166	1,248
Department for Culture, Media and Sport				Music Grant	-	1,047
Home Office				Fire (additional pension contributions)	1,362	1,362
				Asylum Seekers	3,069	3,415
Various	Other Revenue Grants	2,569	2,455	Other Revenue Grants	7,841	12,768
Various	Capital Grants	182,673	182,673	Capital Grants	-	-
Various	Developer Contributions	24,382	24,862			
Various	Other Capital Contributions	1,115	142			
Non Covid Grants	Total	271,290	271,864	Total	291,675	307,182

Grant issuing body	Credited to Taxation and Non Specific Grant Income	2020/21	2021/22	Credited to Services	2020/21	2021/22
		£'000	£'000		£'000	£'000
Department for Levelling Up, Housing and Communities	Business Rates Relief Grant	-	5,458	Winter Support Grant	1,368	2,085
	COVID-19 Support Grant	20,386	11,896			
	Local Council Tax Support Grant	-	4,928			
	Additional Section 31 Grant	-	16,126			
	Sales Fees & Charges Grant	3,974	45			
Department of Health and Social Care				Contain Outbreak Management Fund	16,205	3,557
				Household Support Fund	-	3,241
				Infection Control Grants	13,455	11,735
				Lateral Flow Testing Grant	1,651	201
				Staffing Capacity Grant	1,145	-
				Workforce Resilience Grant	-	2,826
				Workforce Recruitment & Retention Fund	-	1,552
				Test and Trace Grant	1,199	1,660
Department for Education				Catch up Funding	1,371	971
Various	Other Revenue Grants	900	1,220	Other Revenue Grants	4,578	3,949
COVID Grants	Total	25,260	39,673	Total	40,972	31,375
All Grants	Total	177,558	311,537	Total	332,647	338,557

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 20).

Since October 2018, the County Council has been working in a partnership with Cherwell District Council through a Section 113 agreement. During 2021/22, oversight of the partnership was through an informal joint working group with elected members from both councils and a joint working committee to deal with any formal decision-making requirements. In February 2022 a decision was taken to end the partnership arrangement. Discussions remain on-going to formally separate any shared services and for any new arrangements to be put in place.

Pension Fund

The County Council administers the Oxfordshire Pension Fund and this is a related party. During the year ended 31 March 2022, the County Council made employer contributions totalling £32.404m (2020/21 £30.829m) to the Fund. The County Council charged the Fund £1.553m (2020/21 £1.414m) for expenses incurred in administering the Fund. As at 31 March 2022 £4.096 (2020/21 £3.570m) was due to the Pension Fund and £0.186m (2020/21 £0.222m) by the Pension Fund.

Elected Members

One councillor is a trustee of the charity running Vale House dementia care home which received payments totalling £1.823m from the County Council in 2020/21. The councillor receives no remuneration for the trusteeship and had no involvement in the award of the contract.

Councillor R Webber is a member of the Thames Valley Police & Crime Panel. In 2019/20 Councillor K Mallon was Chairman of the Thames Valley Police & Crime Panel.

One Councillor (2019/20 Three) is a trustee of Oxfordshire Buildings Trust. The Council paid £0.017m (2019/20 £0.014m) to the trust during 2020/21.

One Councillor is a trustee of Experience Oxfordshire. The Council paid £0.025m to the trust during 2020/21.

One Councillor is a trustee of Thame Senior Friendship Centre. The Council paid £0.011m to the trust during 2021/22.

One Councillor is a Director and Trustee of the Bernwode School Trust. The Council paid £0.210m to the trust during 2021/22.

One Councillor is a Director of Bicester Vision CIC. The Council paid £0.015m to the company during 2021/22.

One Councillor is a Shareholder of Total Pest Control. The Council paid £0.015m to the company during 2021/22.

One Councillor is a Director of Living Oxfordshire CIC. The Council paid £0.026m to the company in 2021/22.

22. Property, Plant & Equipment

2021/22	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation as at 1 April							
-As previously reported	608,353	32,736	746,468	4,010	59,957	1,451,524	43,203
Additions	8,583	3,472	59,831	0	32,315	104,201	257
Donation	0	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	-4,523	0	0	-20	0	-4,543	841
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-2,401	0	0	65	0	-2,336	-691
Derecognition - disposals	-704	-1,360	0	-91	0	-2,155	-257
Derecognition - other	-257	0	0	0	0	-257	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
Assets reclassified to / from Intangible assets	0	0	0	0	0	0	0
Transfers *	-1,935	0	0	1,385	0	-550	-900
Other movements in cost or valuation	2,148	0	0	0	0	2,148	5,262
Cost or valuation as at 31 March	609,264	34,848	806,299	5,349	92,272	1,548,032	47,715
Depreciation and Impairment as at 1 April	-15,616	-15,325	-229,355	-17	0	-260,313	-1,143
Depreciation charge	-9,773	-3,594	-23,028	-53	0	-36,448	-1,266
Depreciation and impairment written out to the Revaluation Reserve	8,572	0	0	8	0	8,580	41
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	2,019	0	0	53	0	2,072	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	-1,899	0	0	0	0	-1,899	-1,378
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	-281	0	0	0	0	-281	0
Derecognition - disposals	-12	1,301	0	0	0	1,289	0
Derecognition - other	-76	0	0	0	0	-76	-20
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	-344	344	0	0	0	0	0
Other movements in depreciation and impairment	-2,148	0	0	0	0	-2,148	0
Depreciation and impairment as at 31 March	-19,558	-17,274	-252,383	-9	0	-289,224	-3,766
Net book Value at 31 March 2021	592,737	17,411	517,113	3,993	59,957	1,191,211	42,060
Net book Value at 31 March 2022	589,706	17,574	553,916	5,340	92,272	1,258,808	43,949

Notes to the Core Financial Statements

2020/21	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Surplus Assets	Assets Under Construction	Total Property Plant & Equipment	Service Concession assets included in PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation as at 1 April	638,478	29,877	677,044	4,038	73,518	1,422,955	43,536
Additions	9,827	3,027	32,593	0	49,648	95,095	193
Donations	0	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	-18,397	0	0	-529	0	-18,926	0
Revaluation increases (decreases) recognised in the Surplus / Deficit on the Provision of Services	-10,373	0	0	-296	0	-10,669	0
Derecognition - disposals	0	-348	0	0	0	-348	0
Derecognition - other	-17,185	0	0	-96	-19,890	-37,171	0
Assets reclassified to / from Intangible assets	0	0	0	0	0	0	0
Transfers *	5,403	180	36,831	893	-43,308	-1	-526
Other movements in cost or valuation	0	0	0	0	-11	-11	0
Cost or valuation as at 31 March	608,353	32,736	746,468	4,010	59,957	1,451,524	43,203
Depreciation and Impairment as at 1 April	-12,712	-13,167	-208,036	-26	0	-233,941	-523
Depreciation charge	-10,784	-3,034	-21,319	-29	0	-35,166	-620
Depreciation and impairment written out to the Revaluation Reserve	8,093	545	0	17	0	8,655	0
Depreciation and impairment written out to the Surplus / Deficit on Provision of Services	651	0	0	65	0	716	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	-919	0	0	0	0	-919	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on Provision of Services	0	0	0	0	0	0	0
Derecognition - disposals	0	331	0	0	0	331	0
Derecognition - other	16	0	0	-5	0	11	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	39	0	0	-39	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0	0
Depreciation and impairment as at 31 March	-15,616	-15,325	-229,355	-17	0	-260,313	-1,143
Net book Value at 31 March 2020	625,766	16,710	469,008	4,012	73,518	1,189,014	43,013
Net book Value at 31 March 2021	592,737	17,411	517,113	3,993	59,957	1,191,211	42,060

23. Investment Properties

Investment Properties	2020/21		2021/22	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
Opening Balance at 1 April	23,503	0	26,251	0
Additions	3	0	2	0
Disposal/Derecognition	0	0	-150	0
Net gain (+) / losses from fair value adjustments	2,835	0	2,252	0
Assets reclassified to / from Investment Properties	-90	0	-939	0
Other changes	0	0	0	0
Closing balance at 31 March	26,251	0	27,416	0

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).

	Fair Value Level	Fair Value at 31 March 2022 £'000	Additional Information for level 3 properties Valuation technique	Unobservable inputs	Range (weighted average used)	Sensitivity
Agricultural units & other level 2 assets	2	19,490				
Office units	3	546	Income approach using an all risks discount rate to assess capital value	Discount Rate	8% - 11% (10%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
Commercial units	3	7,380	Income approach using an all risks discount rate to assess capital value	Discount Rate	5% - 6% (5%)	Significant changes in market conditions will effect the discount rate and will result in a significantly lower or higher fair value
		27,416				

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

The fair value of the County Council's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The County Council's valuations experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

Level 3	2020/21 £'000	2021/22 £'000
Balance at 1 April	7,878	7,811
Net gains (+) / losses (-) from fair value adjustments	23	1,204
Disposals/de-recognition	0	-150
Assets reclassified to / from Investment Properties	-90	-939
Additions	0	0
	7,811	7,926

24. Assets Held for Sale

	2020/21 £'000	2021/22 £'000
Balance at 1 April	600	90
Assets newly classified as held for sale:		
Property, Plant and Equipment	0	0
Investment property	0	1,489
Revaluation gains / (losses)	0	0
Impairment losses	0	0
Assets declassified as held for sale:		
Property, Plant and Equipment	-510	0
Assets derecognised	0	-90
Additions	0	0
Balance at 31 March	90	1,489

25. Intangible Assets

	2020/21 £'000	2021/22 £'000
Gross Carrying value at 1 April	2,185	2,169
Transfers from Assets Under Construction	-15	0
Derecognition	0	0
Gross Carrying value at 31 March	2,170	2,169
Amortisation and Impairment at 1 April	-943	-1,147
Amortisation for the year	-204	-204
Derecognition	0	0
Amortisation and Impairment at 31 March	-1,147	-1,351
Net Book Value at 1 April	1,242	1,022
Net Book Value at 31 March	1,023	818

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 £3.191m 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, as follows:

Year 1: Secondary and special schools, Other educational premises (including children's, youth and sports centres), surplus assets and other properties not re-valued within the past 3 years

Year 2: Primary, nursery, junior and infant schools

Year 3: Social care premises, libraries, museums and adult learning premises, Fire & Rescue Service and Community Safety premises, staff housing, central offices and highways depots

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. 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 eleven 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 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 as at 31

March 2028. After 2026/27 all services will be purchased as spot contracts and numbers will vary, so there will be no further payments under this service concession arrangement.

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:

	2020/21 £'000	2021/22 £'000
Balance at 1 April	17,483	16,970
Liability repaid in the year	-513	-580
Balance at 31 March	16,970	16,390

Details of payments due to be made under the service concession arrangement are as follows, with comparative figures for 2020/21 below.

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 At 31 March 2021 £'000	At 31 March 2022 £'000	Current At 31 March 2021 £'000	At 31 March 2022 £'000
Service Concession Arrangement	16,931	15,736	580	655
Finance Leases	7	4	7	7
Total Finance Liability	16,938	15,740	587	662

	Service Costs £'000	Principal Repayments £'000	Interest Costs £'000	Lifecycle Replacement Payments £'000	Total £'000
2021/22					
Within 1 year	19,580	655	2,155	1,001	23,391
2-5 years	80,657	15,736	7,651	4,421	108,465
Total	100,237	16,391	9,805	5,422	131,856
2020/21					
Within 1 year	18,160	580	2,230	963	21,933
2-5 years	53,531	3,174	8,062	4,251	69,018
6-10 years	32,698	13,216	1,743	1,171	48,828
Total	104,389	16,970	12,035	6,385	139,779

29. Capital Spending

Details of the expenditure are set out in the tables below.

Capital Spending by Scheme	£'000
St Blaise - Expansion to 1FE	1,583
Manor, Long Hanborough - Expansion to 1.5FE	1,326
Wallingford - Expansion by 2FE	3,837
William Morris - Impts to 1FE & Repl Temp Classrooms	1,270
Icknield - 1FE Temporary Accommodation	1,162
John Watson Secondary	1,702
BGN - 2FE Expansion	1,672
Orion (formerly Northfield) Special School	5,654
Faringdon - 2FE Primary School	3,984
School Structural Maintenance (inc Health & Safety)	2,469
Programmes & Projects Below £1m	7,127
Pupil Place Plan	31,786
HIF1 A4130 Dualing	1,476
HIF1 Didcot Science Bridge	1,725
HIF1 Culham River Crossing	3,710
HIF1 Clifton Hampden Bypass	1,572
A40 Oxford North (N G'way)	5,294
Oxford Science Transit Phase 2 - A40 Public Transit	3,086
HIF2 West Oxon A40 Smart Corridor	11,518
A40 Access to Witney - Shores Green	1,696
NW Bicester A4095 Underbridge & Under pass	5,213
NW Bicester A4095 Road Realignment	1,010
Oxford, Botley Road	4,621
A44 Corridor Improvements (Peartree & Cassington)	1,626
Active Travel Phase 2	1,907
Wantage Eastern Link Rd (Phase 1-3)	2,053
A423 Improvements Programme (inc. Kennington Bridge)	1,073
East-West Rail (Contribution)	1,160
Programmes & Projects Below £1m	7,704
Major Infrastructure	56,444

Capital Spending by Scheme (continued)	£'000
Carriageways	7,329
Surface Treatments	6,659
Structural Highway Improvements	8,849
Drainage	1,911
Bridges	2,415
Electrical	1,099
Section 42 contributions	2,004
Accessibility & Road Safety Schemes	2,060
Street Lighting LED replacement	3,083
A423 Kennington Railway Bridge	1,108
Programmes & Projects Below £1m	3,461
Highways Asset Management Plan	39,978
Green Homes Grant / Sustainable Warmth Fund	1,276
Defect Liability Programme	2,077
Resonance Fund	2,000
Programmes & Projects Below £1m	3,015
Property and Investment	8,368
Broadband for Businesses in Rural Oxfordshire (BiRO)	3,310
Programmes & Projects Below £1m	3,939
ICT Strategy	7,249
Local Growth Fund	4,359
Getting Building Fund	7,062
Housing Deal	10,110
Disabled Facilities Grant	6,658
Devolved Formula Capital (Schools)	1,129
Programmes & Projects Below £1m	92
Passport Funding	29,410
Capitalised purchase of vehicles	142
Vehicles and Equipment	142
Total Capital Spending	173,377

30. Capital Financing

The capital expenditure has been financed from the following sources:

Capital Financing	2020/21 £'000	2021/22 £'000
Prudential and other unsupported borrowing	176	50,618
Capital Receipts	0	0
Grants & Contributions Revenue	151,682	122,149
	1,597	610
Total	153,455	173,377

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:

Capital Financing	2020/21 £'000	2021/22 £'000
Capital Financing Requirement as at 1 April	358,419	349,203
New unsupported borrowing	176	50,618
Service Concession arrangements - lifecycle prepayments	926	963
Loan repayments and other adjustments	-26	53
Minimum Revenue Provision for the year	-10,292	-10,281
Increase (+) / decrease (-) in Capital Financing Requirement	-9,216	41,353
Capital Financing Requirement at 31 March	349,203	390,556

32. Capital Commitments

As at 31 March 2022 the Council was contractually committed to £47.205m (£72.874m as at 31 March 2021) on the following schemes:

Capital Commitments by Scheme	£'000
Pupil Places	
Wallingford School	2,205
Blessed George Napier School	4,816
Faringdon Primary School	3,982
Below £500k	3,152
	14,155
Major Infrastructure and Highways	
Oxford Science Transit	1,022
A34 Lodge Hill	4,245
Oxford Botley Rd	967
HIF 2 A40 Dualing	823
A40 Oxford North	697
Wantage Eastern Link Rd	500
Footway & Cycleway Annual Programme	906
Accessibility & Rd Safety Programme	818
Connecting Oxford	651
A44 Corridor Improvements	626
A423 Improvements Programme	654
Below £500k	8,297
	20,206
Property and Investments	
Resonance Fund	3,000
Woodstock Primary School	558
Below £0.5m	4,350
	7,908
ICT & Passported Funding	
ICT Children Services	761
Fire Protective Equipment	611
Below £500k	3,564
	4,936
Total Capital Commitments	47,205

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 2021 £'000	At 31 March 2022 £'000	At 31 March 2021 £'000	At 31 March 2022 £'000
Financial assets at Amortised Cost	74,608	81,808	370,934	397,386
Financial assets at fair value through profit and loss	0	0	135,075	144,815
Total Financial assets	74,608	81,808	506,009	542,201
Financial Liabilities at amortised cost	309,777	297,777	127,072	115,637
Total Financial Liabilities	309,777	297,777	127,072	115,637

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 £6.531m of financial assets at amortised cost as at 31 March 2022 secured on property (£6.697m at 31 March 2021). Of this, £2.767m was new in 2021/22 (£2.770m in 2020/21). The County Council is not permitted to sell or re-pledge this collateral.

The County Council has not pledged any collateral for liabilities or contingent liabilities and, as at 31 March 2022, 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 2022, 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.
- 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 31st 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.

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 2021 £'000	Fair Value At 31 March 2021 £'000	Balance Sheet At 31 March 2022 £'000	Fair Value At 31 March 2022 £'000
Financial liabilities held at amortised cost:					
Long-term loans from PWLB*	2	265,927	345,499	258,825	315,756
Long-term LOBO/money market loans*	2	30,428	50,942	25,279	34,562
Short-term LOBO/money market loans*	2	20,484	35,035	25,633	35,428
Finance lease payables and service concession liabilities	3	16,981	29,484	16,402	15,286
Total		333,820	460,960	326,139	401,033
Liabilities for which fair value is not disclosed **		103,029		86,696	
Total Financial Liabilities		436,849		412,835	
Recorded on balance sheet as:					
Short-term creditors		80,810		79,594	
Short-term borrowing		45,675		35,456	
Short-term finance liabilities		587		662	
Long-term borrowing		293,383		281,383	
Long-term finance liabilities		16,394		15,740	
Total Financial Liabilities		436,849		412,835	

* 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.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority'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 Value Level	Balance Sheet At 31 March 2021 £'000	Fair Value At 31 March 2021 £'000	Balance Sheet At 31 March 2021 £'000	Fair Value At 31 March 2021 £'000
Financial assets held at fair value:					
Money market funds	1	34,388	34,388	39,290	39,290
Bond, equity and property funds	1	100,687	100,687	105,525	105,525
Financial assets held at amortised cost:					
Long-term loans to local authorities*	2	72,944	74,626	79,748	77,813
Long-term debtors	3	2,308	2,308	2,308	2,308
Total		210,327	212,009	226,871	224,936
Assets for which fair value is not disclosed **		370,290		374,856	
Total Financial Assets		580,616		601,728	
Recorded on balance sheet as:					
Long-term debtors		2,308		2,308	
Long-term investments		72,300		79,500	
Short-term debtors		48,551		69,176	
Short-term investments		409,271		435,995	
Cash and cash equivalents		48,186		37,029	
Total Financial Assets		580,616		624,009	

* 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.

The fair value of financial assets held at amortised cost is higher than their balance sheet carrying amount because the interest rate on similar investments is now lower than that obtained when the investment was originally made.

35. Long Term Debtors

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

	At 31 March 2021 £'000	At 31 March 2022 £'000
Key Worker Loans	226	226
Chronically Sick and Disabled Persons Act loans	1,569	1,532
Children's Act: Loans to foster carers	456	547
Other	57	2,045
	2,308	4,349
Capital Prepayment Account	5,034	5,740
Total	7,342	10,089

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 (£0.257m was transferred in 2021/22). 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 March 2021 £'000	At 31 March 2022 £'000
Government Departments	9,484	14,223
Other Local Authorities	9,310	7,313
Health Authorities	9,307	18,297
Payments in Advance	20,548	20,780
Bodies external to general government (i.e. all other bodies)	66,028	86,019
	114,677	146,632
Less Impairment Allowance Account	-18,419	-20,038
Total	96,258	126,594

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	2020/21 £'000	2021/22 £'000
Balance at 1 April	-14,535	-18,419
Decrease in allowance	413	-529
Increase in allowance	-4,298	-1,090
Balance at 31 March	-18,419	-20,038

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 March 2021 £'000	At 31 March 2022 £'000
Cash at bank and in hand(+)/Overdrawn (-)	-1,162	-11,134
Call Accounts	14,960	15
Money Market Funds	34,388	39,290
Total	48,186	28,171

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.

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 1 April 2021		At 31 March 2022	
		Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
Corporate Debtors:					
Trade receivables under £10k after 120 days	60%	541	215	355	183
		541	215	355	183
Adult Social Care debtors:					
Debtors with an account balance under £20k after 6 months	50% of total customer balance	2,468	1,173	3,057	1,556
		2,468	1,173	3,057	1,556
Total		3,009	1,388	3,412	1,739

The following receivables are individually assessed for impairment:

The following receivables are individually assessed for impairment:	At 1 April 2021		2022	
	Gross Receivable £000	Loss allowance £000	Gross Receivable £000	Loss allowance £000
Corporate Debtors:				
all debts over £10k after 120 days	148	10	360	183
Organisations - all debts over £10k after 120 days	395	256	1,438	150
	543	266	1,798	333
Adult Social Care debtors:				
Adult social care debtors with an account balance over £20k after 6 months	2,563	1,643	3,184	2,327
	2,563	1,643	3,184	2,327
Total	3,106	1,909	4,982	2,660

The next table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2022 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 2022.

Counterparty	Balance Invested as at 31 March 2022								Total £000
	Credit Rating Criteria Met when Investment Placed? YES / NO	Credit Rating Criteria Met on 31 March 2021? YES / NO	Up to 1 month	≥ 1 month and < 3 months	≥ 3 months and < 6 months	≥ 6 months and < 12 months	≥ 12 months and < 24 months	≥ 24 months and < 36 months	
			£000	£000	£000	£000	£000	£000	
Banks									
UK	Yes	Yes		0	0				0
Banks non-UK									
Australia	Yes	Yes	10,000	0					10,000
Netherlands	Yes	Yes							0
Singapore	Yes	Yes							0
Total Banks			10,000	0	0	0	0	0	10,000
Local Authorities and Police Authorities	Yes	Yes	30,000	94,000	103,000	92,500	34,800	44,700	399,000
Notice Accounts			0						0
Bond Funds	Yes	Yes	77,002						77,002
Property Funds	Yes	Yes	28,523						28,523
Money Market Funds	Yes	Yes	39,290						39,290
Call Accounts	Yes	Yes	15						15
Total			184,831	94,000	103,000	92,500	34,800	44,700	553,831

The analysis below shows that all deposits outstanding as at 31 March 2022 met the County Council's credit rating criteria at that date.

Within the £126,594m short-term debtors included in financial assets at amortised cost, £37.990m were past due at 31 March 2022 (£34.771m at 31 March 2021). The past due amount can be analysed by age as follows:

Aged Debtors	At 31 March 2021	At 31 March 2022
	£000	£000
Less than 1 month	19,518	19,277
Between 1 and 3 months	2,412	2,942
Between 3 and 6 months	2,763	4,464
Between 6 month and 1 year	1,842	2,475
Between 1 and 3 years	5,776	5,917
Over 3 years	2,461	2,915
Total	34,771	37,990

None of these past-due short-term debtors have been individually impaired. An impairment allowance of £3.307m has been provided for past due debtors that are financial instruments based on past and current experience (£3.661m at 31 March 2020). This is the County Council's estimate of maximum exposure to uncollectable debts. £2.884m 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, CSDP 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 2021	Amount at 31 March 2022			Total
	Fixed Rate	Variable Rate	Other Finance Liabilities	
£000	£000	£000	£000	£000
60,556	21,579	26,684	658	48,921
30,465	23,374	5,465	740	29,579
68,741	69,304	15,405	14,997	99,706
144,499	114,678	0	0	114,678
231,895	206,173	0	0	206,173
536,156	435,108	47,554	16,394	499,057

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:

- 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:

2020/21	£'000	2021/22	£'000
	0		0
	0		0
	-3,046		-2,763
	-2,015		-1,487
	-5,061		-4,250
	Impact on CIES		

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

2020/21	£'000	2021/22	£'000
	0		0
	0		0
	1,670		378
	2,015		1,487
	3,685		1,865
	Impact on CIES		

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.

Price Risk

The County Council does not generally invest in equity shares but does have investments in externally managed pooled funds which may invest in instruments sensitive to price movements. The fund managers monitor price fluctuations and have strategies for limiting the impact of adverse price movements of underlying investments within the pooled funds.

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 31 March 2021 would result in a £1.2m (2020: £1.2m) 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 2021 would result in a £3.8m (2020: £3.3m) 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 2021 £'000	At 31 March 2022 £'000
Receipts in Advance		
Government Departments	6,614	4,085
Other Local Authorities	1,249	1,373
Health Authorities	47	52
Bodies external to general government (i.e. all other bodies)	4,114	9,445
	12,024	14,955
Creditors		
Government Departments	6,865	8,432
Other Local Authorities	19,132	-3,115
Health Authorities	3,391	6,983
Bodies external to general government (i.e. all other bodies)	83,382	65,084
	112,770	77,384
Short Term Creditors and RIA	124,794	92,339
Long Term Receipts in Advance	16,170	19,099
Total	140,964	111,438

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.

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 31 March 2021	Reclassification between short and long term	Additional provisions made in 2021/22	Amounts used in 2021/22	Unused amounts reversed in 2021/22	Balance at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Provision due within 1 year						
Insurance	975	1,112	688	-837	-981	956
Pooled Budgets	0	0	1,850	0	0	1,850
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	79	0	81	-30	0	129
Business Rates	6,010	0	4,456	0	-6,010	4,456
Other	0	0	0	0	0	0
	7,063	1,112	7,074	-868	-6,991	7,390
Provision due after 1 year						
Insurance	3,452	-1,112	2,075	-253	-44	4,119
	3,452	-1,112	2,075	-253	-44	4,119
Total	10,516	0	9,150	-1,120	-7,035	11,510

	Balance at 31 March 2020	Reclassification between short and long term	Additional provisions made in 2020/21	Amounts used in 2020/21	Unused amounts reversed in 2020/21	Balance at 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Provision due within 1 year						
Insurance	1,332	1,374	739	-1,010	-1,460	975
Pooled Budgets	0	0	0	0	0	0
Redundancy	0	0	0	0	0	0
MMI Scheme of Arrangement	0	0	80	-2	0	79
Business Rates	5,107	0	6,010	0	-5,107	6,010
Joint Use	500	0	0	-500	0	0
	6,939	1,374	6,829	-1,513	-6,567	7,063
Provision due after 1 year						
Insurance	3,023	-1,374	2,259	-259	-196	3,452
	3,023	-1,374	2,259	-259	-196	3,452
Total	9,961	0	9,088	-1,772	-6,762	10,516

Details of the provisions held at 31 March 2022 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 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.

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 30 September 2021 the Council has a potential liability of £3.557m remaining on previously settled claims, plus the value of any outstanding and future claims.

- 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 £5.008m at 31 March 2022 (£5.276m at 31 March 2021) 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. 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:

2020/21 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000		2021/22 Capital Grants £'000	Developer Contributions £'000	Other Contributions £'000	Total £'000
Short Term:								
26,419	1,990	74	28,483	Balance as at 1 April	25,795	9,972	0	35,767
18,914	3,467	0	22,381	Received/refunded during the year	5,633	-7,073	0	-1,440
-19,538	-26,979	-74	-46,591	Transferred to the Comprehensive Income and Expenditure Statement during the year	-16,210	-20,547	0	-36,757
0	31,494	0	31,494	Transfer between short and long term	0	-7,982	0	-7,982
25,795	9,972	0	35,767	Balance at 31 March	15,218	-25,630	0	-10,412
Long Term:								
800	131,446	65	132,311	Balance as at 1 April	800	145,555	65	146,420
0	45,603	0	45,603	Received/refunded during the year	0	36,126	0	36,126
0	0	0	0	Transferred to the Comprehensive Income and Expenditure Statement during the year	0	0	0	0
0	-31,494	0	-31,494	Transfer between short and long term	0	7,982	0	7,982
800	145,555	65	146,420	Balance at 31 March	800	189,663	65	190,528
26,595	155,527	65	182,187	Total Balance at 31 March	16,018	164,033	65	180,116

43. County Fund Balance

The balance on the County Fund at 31 March 2022 was £39.344 (£34.679m at 31 March 2021) as shown in Movement in Reserves Statement.

44. Earmarked Reserves

	Balance at 31 March 2020 £'000	In year change 2020/21 £'000	Balance at 31 March 2021 £'000	In year change 2021/22 £'000	Balance at 31 March 2022 £'000
School Reserves	14,565	-2,805	11,760	2,757	14,517
Vehicle and Equipment Reserve	2,871	-790	2,081	601	2,682
Revenue Grants and Contribution Reserve	21,414	-615	20,799	3,892	24,691
Government Initiatives	806	1,326	2,132	1,317	3,449
Trading Accounts	542	-30	512	-51	461
Council Elections	531	218	749	-560	189
Partnership Reserves	3,003	-3	3,000	-603	2,397
On Street Car Parking	2,010	1,139	3,149	821	3,970
Transformation Reserve	3,134	-2,036	1,098	1,089	2,187
Demographic Risk Reserve	3,000	3,000	6,000	3,000	9,000
Youth Provision Reserve	1,000	-281	719	-457	262
Budget Prioritisation Reserve	3,444	11,200	14,644	3,890	18,534
Insurance Reserve	11,392	1,069	12,461	-735	11,726
Business Rates Reserve	1,049	0	1,049	3,081	4,130
Capital Reserve	41,283	6,085	47,368	472	47,840
Redundancy Reserve	548	1,223	1,771	1,512	3,283
Investment Prime Pumping Reserve	0	2,000	2,000	0	2,000
Council Tax Collection Fund Reserve	0	6,000	6,000	0	6,000
Covid-19 Reserve	0	14,205	14,205	12,042	26,247
Total Earmarked Reserves	110,592	40,905	151,497	32,066	183,563

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 2021		Balance at 31 March 2022	
	No. of schools	Balance £'000	No. of schools	Balance £'000
Primary Schools				
Schools in surplus	118	12,337	118	14,598
Schools in deficit	13	-805	13	-876
Secondary Schools				
Schools in surplus	0	0	0	0
Schools in deficit	1	-1,257	1	-1,126
Special Schools				
Schools in surplus	5	1,483	5	1,920
Schools in deficit	0	0	0	0
Sub-Total Revenue	137	11,758	137	14,517
Closed schools and schools contingency		5		7
Schools Forum & miscellaneous activities		48		74
Total	137	11,811	137	14,597

Vehicle and Equipment Reserve

This reserve is to fund future replacements of vehicles and equipment.

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. At 1 April, the opening deficit balance of -£11.482m relating to the Dedicated Schools Grant was transferred to the Dedicated Schools Grant Adjustment Account which is held as an unusable reserve on the balance sheet (Note 53).

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.

Trading Accounts

This reserve holds funds relating to trading activities to help manage investment.

Council Elections Reserve

This reserve has been established to meet the cost of County Council Elections.

Partnership Reserves

This reserve holds funds relating to partnership arrangements.

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.

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.

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 2021.

The actuaries projected the standard claims arising in future years in respect of the period up to 31 March 2022 at £2.109m. 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 £2.033m. The sum of £0.545m has been included in the reserves to cover MMI clawback noted as a contingent liability.

	At 31 March 2021 £'000	At 31 March 2022 £'000
Standard claims likely to be received as at 31 March	1,926	2,109
Additional IBNR/Latent claims as assessed by Actuarial review	1,794	2,033
MMI clawback as assessed by actuarial review	535	545
Risk management	8,205	7,039
Total	12,461	11,725

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.

Capital Reserve

This reserve has been established for the purpose of financing capital expenditure in future years.

Budget Equalisation Reserve

This reserve is used to manage the cash flow implications of variations to the Medium Term Financial Plan.

Budget Prioritisation Reserve

This reserve is to help support the implementation of directorate business strategies and the Medium Term Financial Strategy.

Transformation Reserve

This reserve is to fund the Council's transformation programme.

45. Usable Capital Receipts

	2020/21 £'000	2021/22 £'000
Balance at 1 April	24,145	25,195
Net receipts from sale of assets	956	4,908
Net receipts from repayment of loans	94	0
Receipts applied to finance capital expenditure	0	0
Balance at 31 March	25,195	30,103

This reserve has been established for the purpose of financing capital expenditure in future years. Unutilised capital receipts at 31 March 2022 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:

	2020/21 £'000	2021/22 £'000
Net Capital Receipts from the sale of assets		
Other receipts from the sale of assets under £500,000	956	104
Total	956	104

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.

	2020/21 £'000	2021/22 £'000
Balance at 1 April	79,862	95,558
Applied during the year	-26,681	-12,842
Repaid during the year	-1,632	-1,392
Recognised as income but not applied during the year	44,009	99,786
Balance at 31 March	95,558	181,110

47. Unusable Reserves

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

	2020/21 £'000	2021/22 £'000
Unusable Reserves		
Pooled Fund Adjustment Account	427	5,265
Pensions Reserve	-1,119,285	-901,096
Revaluation Reserve	211,562	212,493
Capital Adjustment Account	665,351	695,872
Financial Instruments Adjustment Account	-234	-232
Collection Fund Adjustment Account	-11,765	7,398
Dedicated Schools Grant Adjustment Account	-11,480	-23,581
Accumulated Absences Account	-3,836	-2,781
Total	-269,260	-6,663

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.

2020/21		2021/22
£'000		£'000
10,286	Balance at 1 April	427
10,886	Increase in value of assets held at Fair Value through Profit and Loss	6,845
-174	Decrease in value of assets held at Fair Value through Profit and Loss	-2,007
0	Amounts transferred to the General Fund on disposal	0
427	Balance at 31 March	5,265

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

2020/21		Revaluation Reserve	2021/22	
£'000	£'000		£'000	£'000
	234,980	Balance as at 1 April		211,562
-18,924		Revaluation of assets	-4,543	
-919		Impairment of assets	-1,899	
	8,213	Write back of accumulated depreciation on revaluations	8,320	
	442	Write back of accumulated impairment on revaluations	251	
		Surplus or deficit on revaluation of non current assets not posted to the Surplus or		
	-11,188	Deficit on the Provision of Services		2,129
0		Asset Transfers		939
		Difference between fair value depreciation and historical cost depreciation	-2,806	
-5,582		Accumulated gains on assets sold or	672	
-6,648		Amounts written off to the Capital		
	-12,230	Adjustment Account		-2,134
	211,562	Total Balance at 31 March		212,496

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.

2020/21		Capital Adjustment Account	2020/21	
£'000	£'000		£'000	£'000
	628,126	Balance as at 1 April		665,351
		Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):		
-35,166		Charges for depreciation for non-current assets	-36,449	
		Charges for impairment for non-current assets	-281	
	0	Revaluation losses / subsequent gains on Property, Plant and Equipment	-264	
	-9,954	Amortisation of Intangible Assets	-204	
	-204	Revenue Expenditure funded from capital under statute	-67,224	
	-78,697	Amounts of non-current assets written off on disposal or sale as part of the gain/ loss on derecognition	-1,199	
	-17,284	Removal of finance liability on derecognition of assets held under finance leases	0	
	<u>0</u>		<u>0</u>	
	-141,305			-105,621

	Adjusting amounts written out of the Revaluation Reserve:		
5,582	Difference between fair value depreciation and historical cost depreciation	2,806	
6,647	Accumulated gains on assets sold or scrapped	-672	
0	Balance on reclassification of Investment Properties to PPE	-939	
	12,229		1,195
	Capital Financing applied in year:		
125,432	Capital grants and contributions credited to the CIES that have been applied to capital financing	90,641	
26,249	Application of grants to capital financing from the Capital Grants Unapplied account	20,021	
0	Reversal of grants and contributions applied in previous years	11,487	
10,292	Statutory provision for the financing of capital investment charged against the County Fund balance	10,281	
1,597	Capital expenditure charged against the County Fund balance	495	
-11	Reversal of revenue applied to capital financing in previous years	0	
	163,559		132,925
	Movements in the market value of Investment Properties debited or credited to the CIES		2,252
	2,835		
	Amounts of Investment Properties written off on disposal or sale as part of the gain/loss on derecognition		-150
	Accumulated gains on Assets held for Sale or scrapped		-90
	Repayment of loans treated as capital receipts		0
	-93		
	665,351 Total Balance at 31 March		695,862

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:

	2020/21 £'000	2020/21 £'000
Collection Fund Adjustment Account		
Balance as at 1 April	9,346	-11,765
Decrease in Council Tax and Business Rate surpluses/increases in deficits	-21,546	-1,321
Increases in Council Tax and Business Rate surpluses/reductions in deficits	435	20,483
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	-21,111	19,162
Balance as at 31 March	-11,765	7,397

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 2022 relates to teachers' accumulated holiday pay, no accruals have been made for non-teaching staff in 2021/22 as the amounts involved are not considered to be material to the accounts.

	2020/21	2021/22
Accumulated Absences Account	£'000	£'000
Balance as at 1 April	2,775	3,836
Settlement or cancellation of previous year's accrual	-2,775	-3,836
Amount accrued at the end of the current year	2,836	2,781
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in the year under statute	1,060	1,055
Balance as at 31 March	3,836	2,781

53. Dedicated Schools Grant Adjustment Account

The statutory reporting requirements for the 2021/22 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 3 years within statute and is intended to give Local Authorities and the government time to look at strategies to reduce the deficit. The County Council is developing an action plan to meet part of the deficit, but it is unlikely that full recovery of the deficit will be possible in the short term.

	2020/21	2021/22
DSG Adjustment Account	£'000	£'000
Balance as at 1 April	-11,480	-11,480
Contributions to / from reserve	0	-12,100
Balance as at 31 March	-11,480	-23,580

54. Cash Flow Statement – Operating 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:

	2020/21	2021/22
	£'000	£'000
Non-cash Movements		
Depreciation/amortisation of fixed assets	-35,371	-36,652
Impairment charges/revaluation losses (-) Gains (+)	-9,954	-545
Retirement benefit adjustments	-38,818	-84,126
Debt write-offs and Impairment allowances	-67	0
Other financial instrument adjustments	2	2
Movement in provisions in the year	1,619	-619
Deferred income released	772	883
Movement in value of Pooled Funds	10,712	4,839
Movement in value of investment properties	2,835	2,252
Carrying amount of non-current assets sold	-17,285	-1,439
Transfers from Capital Grants Receipts in Advance	46,591	36,758
Previous years' capitalised spend written-off	-11	0
Other non-cash adjustment	-872	4
Increase/decrease (-) in debtors	20,616	29,720
Increase (-)/decrease in creditors	-32,872	20,135
Total adjustments for non-cash movements	-52,103	-28,788

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

	2020/21	2021/22
	£'000	£'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	993	5,013
Gains on loans & receivables		
- Capital grants received	121,835	171,535
Total	122,828	176,548

56. Cash Flow Statement – Investing Activities

	2020/21	2021/22
	£'000	£'000
Investing Activities		
Purchase of property, plant and equipment, investment property and intangible assets	71,888	114,066
Purchase of short-term and long-term investments	329,300	425,700
Other payments for investing activities	1,000	3,055
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-993	-5,012
Capital grants	-189,818	-206,223
Proceeds from short-term and long-term investments	-272,300	-396,000
Other receipts from investing activities	-118	-566
Total adjustments for investing activities	-61,041	-64,980

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 2020 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2021 £'000		31 March 2021 £'000	Financing Cashflows £'000	Other Cashflows £'000	Non-Cash Transactions £'000	31 March 2022 £'000
-29,740	6,000		-21,935	-45,675	Short term borrowing	-45,675	22,000		-11,781	-35,456
-315,383			22,000	-293,383	long term borrowing	-293,383			12,000	-281,383
-524	-63			-587	Short term finance liability liabilities	-587	579	-654		-662
-16,981	587			-16,394	long-term finance liability liabilities	-16,394		654		-15,740
0				0	Short term receivables	0				0
0				0	Short term payables	0				0
-362,628	6,524	0	65	-356,039		-356,039	22,579	0	219	-333,241

Financing Activities	2020/21 £'000	2021/22 £'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet service concession arrangements	524	579
Repayments of short- and long-term borrowing	6,000	22,000
Total adjustments for financing activities	6,524	22,579

58. Contingent Liabilities

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 30 September 2021 the Council has a potential liability of £3.557m 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. A small short-term provision of £0.129m recognised at year end for the 25% levy which will be due on outstanding claims figures.

59. Events after the Reporting Period

The accounts were authorised for issue on 21 September 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

60. Accounting standards issued but not adopted

The County Council is required to disclose information relating to the impact of an accounting change on the financial statements as a result of the adoption by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Several accounting changes are being adopted by the Code in 2022/23, but none will have a material impact on the Council's financial statements. The International Accounting Standards Board (IASB) has issued International Financial Reporting Standard 16 Leases (IFRS 16) which, when adopted, will require the Council to recognise most of the assets it has secured the use of through a lease arrangement on its Balance Sheet as 'right of use' assets, together with the corresponding lease liabilities. This differs from the current practice of only recognising the assets and liabilities associated with the finance leases entered into by the Council on its Balance Sheet. The Council is required to adopt IFRS 16 no later than in 2024/25.

61. Authorisation of the Accounts

The draft Statement of Accounts was authorised for issue by Lorna Baxter, Director of Finance on 21 September 2022. 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.

		2020/21	2021/22	
Trust Funds where Oxfordshire County Council acts as sole trustee		Value of Fund £'000	No. of funds	Value of Fund £'000
Children's	Funds for the Development of Hill End Residential Centre	52	1	50
	Criminal Injuries Compensation Awards	6	1	0
	Other (under £10,000)	1	1	1
CDAI	Bequest of Property at Watlington	86	1	83
Total		146	4	134

		2020/21	2021/22	
Trust Funds where Oxfordshire County Council acts as joint trustee		Value of Fund £'000	No. of funds	Value of Fund £'000
Children's	Other (under £10,000)	1	1	1
Adults	Junior Citizens Trust	13	1	13
Total		14	2	14

Other Funds		2020/21	2021/22	
		Value of Fund £'000	No. of funds	Value of Fund £'000
Children's	City Lectureship Scholarship	18	1	18
	Other (under £10,000)	24	6	24
Adults	Other (under £10,000)	8	1	6
Total		50	8	49

Fund Account	Notes	2021 £'000	2022 £'000
Contributions and Benefits			
Contributions Receivable	6	-113,588	-104,043
Transfers from Other Schemes	7	-20,407	-9,146
Other Income	8	-87	-17
Income Sub Total		-134,082	-113,206
Benefits Payable			
Benefits Payable	9	91,709	97,394
Payments to and on Account of Leavers	10	10,022	7,738
Expenditure Sub Total		101,731	105,132
Net (Additions)/Withdrawals From Dealings With Members		-32,351	-8,074
Management Expenses			
Management Expenses	11	13,766	18,548
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses		-18,585	10,474
Returns on Investments			
Investment Income	12	-10,503	-13,924
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments			
Less Taxes on Income	12	0	5
Net returns on Investments		-600,399	-307,780
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		-618,984	-297,306
Opening Net Assets of the Scheme		2,363,352	2,982,336
Closing Net Assets of the Scheme		2,982,336	3,279,642

1.

Net Assets Statement	Notes	2021 £'000	2022 £'000
Investment Assets			
Bonds	15b	310,417	80,934
Equities	15b	128,163	164,113
Pooled Investments	15b	2,258,527	2,675,425
Pooled Property Investments	15b	211,155	272,097
Derivative Contracts	15c	4,136	403
Cash Deposits	15d	26,978	6,626
Other Investment Balances	15d	2,561	2,168
Long-Term Investment Assets	15b	840	840
Investment Liabilities			
Derivative Contracts	15c	-279	-628
Other Investment Balances	15d	-21,174	-548
Total Investments		2,921,324	3,201,430
Assets and Liabilities			
Current Assets	16	64,287	80,042
Current Liabilities	17	-3,315	-1,833
Net Current Assets		60,972	78,209
Long-Term Assets	18	40	3
Net Assets of the scheme available to fund benefits at year end		2,982,336	3,279,642

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 25.

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2021/22 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.
- 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 31 March 2021	As at 31 March 2022
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,062	8,206
Other Scheduled Bodies	12,012	12,443
Admitted Bodies	508	478
	20,582	21,127
Number of Pensioners and Dependants		
Oxfordshire County Council	9,622	9,996
Other Scheduled Bodies	6,159	6,484
Admitted Bodies	1,091	1,158
	16,872	17,638
Deferred Pensioners		
Oxfordshire County Council	16,081	16,234
Other Scheduled Bodies	11,563	12,559
Admitted Bodies	1,309	1,305
	28,953	30,098

Unprocessed leavers are included as Deferred Pensioners.

Six Resolution Bodies and sixteen Admitted Bodies joined the scheme in 2021/22, with a further twenty four Admitted Bodies having left the scheme. One Scheduled Body joined another multi-academy trust in 2021/22 and one Resolution Body transferred to re-join a Scheduled Body, with no net impact on membership numbers. Overall, the changes did not have a significant impact on the membership of the Fund. The Admitted Body employers that joined and left the Fund were mostly small school service contracts with low membership numbers.

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 2022 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 latest actuarial valuation took place in 2019 and determined the contribution rates to take effect from 01 April 2020. Employer contribution rates currently range from 14.8% to 37.3% 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 $1/49^{\text{th}}$. 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 2021/22.

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 22.

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 25.

The accounts have been prepared on a going concern basis. The Fund does not anticipate a significant impact on the Fund's cashflow or balance sheet position over the next couple of years as a result of the Covid-19 pandemic. The fund has not received any requests from employers for a contribution deferral and continues to receive contributions from all employers in line with the rates set in the 2019 actuarial valuation. 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 2019 valuation was 99%. Therefore, management are assured the pension fund remains a going concern.

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 2022.
- (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 2022.
- (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.

- (h) 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.
- (i) 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 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 financial asset. Amounts not due until future years are classed as long-term financial 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 2022.
- 6.

Investment Management and Scheme Administration

7. 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

8. Expenses are accounted for on an accruals basis.

Cash

9. 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

10. 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

11. 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 private equity investments is highly subjective in nature. Unquoted private equity 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 2022 was £303.160m (£185.606m at 31 March 2021).

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 25. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

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 £4,529m. There is a risk that this figure is under, or overstated in Note 25 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 (£84m).</p> <p>A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£6m).</p> <p>A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£90m).</p> <p>A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£181m).</p>

Unquoted Private Equity

Unquoted private equity and infrastructure 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 private equity, private debt and infrastructure investments included in the financial statements total £303.160m. 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 26.

Note 6 – Contributions

	2020/21 £'000	2021/22 £'000
Employers		
Normal	-66,907	-69,429
Augmentation	0	0
Deficit Funding	-20,410	-7,235
Costs of Early Retirement	-972	-896
	-88,289	-77,560
Members		
Normal & Additional*	-25,299	-26,483
Total	-113,588	-104,043

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 22.

Lump sum pre-payments in respect of contributions for the period 01/04/20-31/03/23 totalling £14.110m were received during 2020/21.

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 Contributions		Members Contributions	
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000
Oxfordshire County Council	-30,829	-32,404	-10,149	-10,672
Scheduled Bodies	-50,452	-38,495	-12,622	-13,344
Resolution Bodies	-4,356	-4,086	-1,651	-1,600
Community Admission Bodies	-1,122	-1,099	-370	-362
Transferee Admission Bodies	-1,530	-1,476	-507	-505
Total	-88,289	-77,560	-25,299	-26,483

Note 7 – Transfers In

	2020/21 £'000	2021/22 £'000
Individual Transfers In from other schemes	-10,936	-9,146
Group Transfers In from other schemes	-9,471	0
Total	-20,407	-9,147

Note 8 – Benefits

	2020/21 £'000	2021/22 £'000
Pensions Payable	78,221	80,268
Lump Sums – Retirement Grants	11,944	13,988

Lump Sums – Death Grants	1,544	3,138
Total	91,709	97,394

	Pensions Payable		Lump Sums	
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000
Oxfordshire County Council	38,411	39,124	7,375	7,162
Scheduled Bodies	33,924	34,771	4,264	7,608
Resolution Bodies	946	1,094	608	791
Community Admission Bodies	3,921	4,124	769	1,111
Transferee Admission Bodies	1,019	1,155	472	454
Total	78,221	80,268	13,488	17,126

Note 9 – Payment to and on account of leavers

	2020/21 £'000	2021/22 £'000
Refunds of Contributions	247	213
Payments for members joining state scheme	-4	-2
Group Transfers Out to other schemes	1,945	0
Individual Transfers Out to other schemes	7,834	7,527
Total	10,022	7,738

Note 10 – Management Expenses

	2020/21 £'000	2021/22 £'000
Administrative Costs	1,950	2,951
Investment Management Expenses	10,175	13,776
Oversight & Governance Costs	1,641	1,821
Total	13,766	18,548

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.024m (2020/21 £0.024m) for the audit of the Pension Fund's Annual Report and Accounts. Further external audit fees of £0.012m were paid in 2021/22 (2020/21 £0).

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

Note 11 – Investment Income

	2020/21 £'000	2021/22 £'000
Bonds	-3,225	-1,907
Equity Dividends	-2,361	-4,189
Pooled Property Investments	-3,942	-5,281
Pooled Investments – Unit Trusts & Other Managed Funds	-919	-2,469
Interest on cash deposits	-47	-77
Other – securities lending	-9	-1
	-10,503	-13,924
Irrecoverable withholding tax – equities	0	5
Total	-10,503	13,919

Note 12 – Investment Management Expenses

	2020/21 £'000	2021/22 £'000
Management Fees	10,083	13,703
Custody Fees	92	73
Total	10,175	13,776

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 – Securities Lending

The Fund operated a securities lending programme with its custodian State Street Bank and Trust Company for the duration of the financial year. Collateralised lending generated income of £0.001m in 2021/22 (2020/21 £0.009m). This is included within investment income in the Pension Fund Accounts. At 31 March 2022 £0m (31 March 2021 £0.335m) of stock was on loan, for which the fund held £0m (31 March 2021 £0.374m) worth of collateral. Collateral consists of acceptable securities and government and supranational debt.

Note 14 – 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 2021/22, the Committee consisted of nine County Councillors, two District Councillors and a beneficiary observer. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.119m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

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

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.

	2020/21 £'000	2021/22 £'000
Short Term Benefits*	101	102
Long Term/Post Retirement Benefits	16	17
Total	117	119

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 2022, employer contributions to the Pension Fund from the County Council were £32.404m (2020/21 £30.829m). At 31 March 2021 there were receivables in respect of contributions due from the County Council of £4.096m (2020/21 £3.570m) and payables due to the County Council of £0.186m (2020/21 £0.222m).

The County Council was reimbursed £1.553m (2020/21 £1.414m) 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:

	2020/21 £'000	2021/22 £'000
Income	0	0
Expenditure	1,063	1,098
Receivables	267	0
Payables	0	0

Note 15 – Investments

	Value at 31 March 2021 £'000	Value at 31 March 2022 £'000
Investment Assets		
Bonds	310,417	80,934
Equities	128,163	164,113
Pooled Funds:		
- Fixed Income	210,166	152,090
- Index Linked	0	202,619
- Global Equity	1,102,821	1,230,190
- UK Equity	603,731	486,075
- Private Equity	133,743	192,661
- Private Debt	0	12,204
- Infrastructure Funds	51,862	98,295
- Diversified Growth Fund	156,204	162,007
- Multi Asset Credit Fund	0	139,284
Pooled Property Investments	211,155	272,097
Derivatives:		
- Forward Currency Contracts	4,136	126
- Futures		277
Cash Deposits	26,978	6,626
Long-Term Investments	840	840
Investment Income Due	1,810	2,134
Amounts Receivable for Sales	751	34
Total Investment Assets	2,942,777	3,202,606
Investment Liabilities		
Derivatives:		
- Forward Currency Contracts	-279	-554
- Futures		-74
Management Expenses Due	-501	-158
Amounts Payable for Purchases	-20,673	-390
Total Investment Liabilities	-21,453	-1,176
Net Investment Assets	2,921,324	3,201,430

Note 15a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2021	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	310,417	712,588	-951,066	8,995			80,934
Equities	128,163	38	-236	36,148			164,113
Pooled Investments	2,258,527	2,393,511	-2,184,570	207,957			2,675,425
Pooled Property Investments	211,155	61,923	-41,446	40,465			272,097
Long-Term Investments	840						840
<u>Derivative Contracts</u>							
FX	3,857	2,228	-5,878	-635			-428
Futures	0	1,861	-2,763	1,105			203
Other Investment Balances							
Cash Deposits	26,978	50,748	-61,620	-181	-9,299		6,626
Amounts Receivable for Sales of Investments	751					-717	34
Investment Income Due	1,810			7		317	2,134
Amounts Payable for Purchases of Investments & Management Expenses	-21,174					20,626	-548
Total	2,921,324	3,222,897	(3,247,579)	293,861	-9,299	20,226	3,201,430

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.

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

Purchases and sales relating to derivative contracts consist of forward foreign exchange contracts that are used for the purpose of currency hedging. Further details are contained in note 15c.

The Local Government Pension Fund Accounts

	Value at 1 April 2020	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	300,087	623,887	-604,199	-9,538			310,417
Equities	86,211	466	-105	41,591			128,163
Pooled Investments	1,729,191	572,509	-596,578	553,405			2,258,527
Pooled Property Investments	161,843	197,222	-147,517	-393			211,155
Long-Term Investments	840						840
<u>Derivative Contracts</u>							
FX	-3,074	12,208	-11,209	5,932			3,857
Futures							
Other Investment Balances							
Cash Deposits	28,111	176,234	-177,943	-1,281	1,857		26,978
Amounts Receivable for							
Sales of Investments	9,596					-8,845	751
Investment Income Due	2,805					-995	1,810
Amounts Payable for							
Purchases of Investments & Management Expenses	-13,785					-7,389	-21,174
Total	2,301,825	1,582,526	-1,537,551	589,896	1,857	-17,229	2,921,324

Note 15b – Analysis of Investments (excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

	2020/21	2021/22
	£'000	£'000
Long-Term Investment Assets		
Brunel Pension Partnership Ltd	840	840
Total	840	840

	2020/21	2021/22
	£'000	£'000
Bonds		
UK Government	96,954	22,248
Overseas Government	53,746	18,405
UK Government Index Linked	159,717	40,281
Total	310,417	80,934

	2020/21	2021/22
	£'000	£'000
Equity Investments		
UK Equities	119,836	154,024
Overseas Listed Equities:		
North America	7,793	9,768
Europe	534	321
Total	128,163	164,113

	2020/21	2021/22
	£'000	£'000
Pooled Investment Vehicles		
UK Registered Managed Funds – Property	73,847	88,341
Non UK Registered Managed Funds – Property	14,516	18,429
UK Registered Managed Funds – Other	1,916,718	2,070,974
Non UK Registered Managed Funds – Other	341,808	604,451
UK Registered Property Unit Trusts	96,592	113,909
Non UK Registered Property Unit Trusts	26,201	51,418
Total	2,469,682	2,947,522

Total Investments (excluding Derivative Contract, Cash Deposits and Other Investment Balances)	2020/21	2021/22
	£'000	£'000
	2,909,102	3,193,409

Note 15c – Derivative Contracts

Objectives and policies

The Pension Fund Committee have authorised the use of derivatives by some of their Investment Managers as part of the investment strategy for the pension scheme.

The main objectives and policies followed during the year are summarised as follows:

Forward Foreign Exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is

invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Futures – exchange traded futures are permitted in the fixed interest portfolio to provide exposure to or hedge against movements in the underlying government bonds or interest rates.

Forward Foreign Exchange (FX)

The scheme had open FX contracts at the year-end as follows:

Contract	Settlement Date	Currency Bought	Currency Sold	Asset value at year end	Liability value at year end	Net Forward currency Contracts
		£'000	£'000	£'000	£'000	£'000
Forward OTC	One to Six Months	454 AUD	250 GBP	8	0	
Forward OTC	One to Six Months	404 EUR	340 GBP	1	0	
Forward OTC	One to Six Months	34 GBP	417 SEK	0	0	
Forward OTC	One to Six Months	2,934 GBP	5,543 AUD	0	-228	
Forward OTC	One to Six Months	311 GBP	532 CAD	0	-12	
Forward OTC	One to Six Months	6,577 GBP	7,858 EUR	0	-66	
Forward OTC	One to Six Months	5,647 GBP	7,709 USD	0	-209	
Forward OTC	One to Six Months	489 GBP	1,000 NZD	0	-39	
Forward OTC	One to Six Months	5,064 GBP	790,400 JPY	117	0	
Forward Currency Contracts at 31 March 2022				126	-554	-428
Prior Year Comparative						
Forward Currency contracts at 31 March 2021				4,136	-279	3,857

Futures

The scheme had exchange traded overseas stock index futures outstanding at the year-end relating to its bond portfolio as follows:

Type	Expires	Economic Exposure	Market Value 31 March 2022	Economic Exposure	Market Value 31 March 2021
		£'000	£'000	£'000	£'000
Assets					
Overseas Fixed Income Futures	Less than one year	-16,462	277	0	0
Total Assets			277		
Liabilities					
UK Fixed Income Futures	Less than one year	970	-7		
Overseas Fixed Income Futures	Less than one year	713	-67	0	0
Total Assets			-74		
Net Futures			203		

-£780.82 is included within cash balances in respect of initial and variation margins arising on open contracts at the year end.

Note 15d – Other Investment Balances

	2020/21 £'000	2021/22 £'000
Receivables		
Sale of Investments	751	34
Dividend & Interest Accrued	1,586	1910
Inland Revenue	224	224
	2,561	2,168
Payables		
Purchase of Investments	-20,673	-390
Management Fees	-496	-155
Custodian Fees	-5	-3
	-21,174	-548
Total	-18,613	1,620

Cash Deposits

	2020/21 £'000	2021/22 £'000
Non-Sterling Cash Deposits	26,978	6,626
Total	26,978	6,626

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

	2020/21 £'000	% of Total Fund	2021/22 £'000	% of Total Fund
FTSE PAB Developed Equity Index Fund	0	0	493,610	15.05
Brunel UK Equity Fund	447,802	15.02	486,075	14.82
Brunel HG ALP GLB EQ	352,004	11.80	334,815	10.21
Brunel GBL Sustainable Mutual Fund	291,898	9.79	315,963	9.63
Blackrock Aquila Life Fund			202,619	6.18
L&G Core Plus Bond Fund	210,165	7.05	45,363	1.38
L&G World Developed Equity Index Fund	209,845	7.04	0	0.00
Insight Broad Opportunities Fund	156,204	5.24	162,007	4.94
L&G UK FTSE All-Share Equity Index	155,929	5.23	0	0.00

Note 16 – Current Assets

	2020/21 £'000	2021/22 £'000
Receivables:		
Employer Contributions	8,377	6,902
Employee Contributions	2,127	2,368
Rechargeable Benefits	1,058	1,107
Transferred Benefits	1,932	2,202
Cost of Early Retirement	350	236
Inland Revenue	165	11
Other	863	177
Cash Balances	49,415	67,039
Total	64,287	80,042

Note 17 – Current Liabilities

	2020/21	2021/22
	£'000	£'000
Transferred Benefits	-1,163	-151
Benefits Payable	-855	-326
Inland Revenue	-1,024	-1,058
Employer Contributions	-28	0
Staff Costs	-116	-146
Consultancy	-9	-12
Other	-120	-140
Total	-3,315	-1,833

Note 18 – Long-Term Assets

	2020/21	2021/22
	£'000	£'000
Employer Contributions	6	3
Costs of Early Retirement	34	0
Total	40	3

Note 19 - Assets under External Management

The market value of assets under external fund management amounted to £3,001.136m as at 31 March 2022. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

Fund Manager	31/03/2021		31/03/2022	
	Market Value		Market Value	
	£'000	%	£'000	%
Brunel Pension Partnership	1,965,618	70.82	2,586,085	86.28
Legal & General	537,839	19.38	128,237	4.28
Wellington	1,179	0.04	0	0.00
Insight	156,204	5.63	162,007	5.41
Adams Street Partners	69,222	2.49	74,040	2.47
Partners Group	45,290	1.63	45,888	1.53
Total	2,775,352	100.00	2,997,208	100.00

Note 20 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2022	£'000	% of Fund
HG Capital Trust Plc	84,226	2.57
Aberdeen Private Equity Opportunities Trust Plc	24,799	0.76
BMO Private Equity Trust Plc	19,053	0.58
3i Group Plc	15,895	0.48
KKR + Co Inc Common Stock USD.01	9,768	0.30

Note 21 – 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 22 – Additional Voluntary Contributions

	Market Value 31 March 2021 £’000	Market Value 31 March 2022 £’000
Prudential	14,060	13,816

AVC contributions of £1.134m were paid directly to Prudential during the year (2020/21 - £1.219m).

The AVC provider to the Fund is the 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 Prudential.

Note 23 – Contingent Liabilities and Capital Commitments

As at 31 March 2022 the fund had outstanding capital commitments (investments) totalling £258.535m (31 March 2021 - £268.535m). 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.

Note 24 – 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 25 - Actuarial Present Value of Promised Retirement Benefits

	2021	2022 £m
Present Value of Funded Obligation	4,677	4,529

The movement from March 2021 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 £202m (2021 - £205m increase).

There has been a decrease in the present value of the Funded Obligation of £350m (2021 - £953m increase) 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 assumed level of CPI, and therefore pension increase, to 3.2% from 2.85% (net effect an increase in Present Value of Funded Obligation)
- An increase in the assumed level of salary increases to 3.2% from 2.85% (net effect an increase in Present Value of Funded Obligation)

- An increase in the discount rate to 2.7% from 2.0% (net effect a decrease in Present Value of Funded Obligation).

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. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. There will therefore be a retrospective increase to members’ benefits, which in turn will give rise to a past service cost for the Fund employers.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members’ future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary’s Department (GAD) has estimated that the impact

for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD’s paper, dated 10 June 2019.

The Fund’s actuary has adjusted GAD’s estimate to better reflect the Oxfordshire County Council Pension Fund’s local assumptions, particularly salary increases and withdrawal rates. The revised estimate is that total liabilities (i.e. the increase in active members’ liabilities expressed in terms of the employer’s total membership) could be 0.5% higher as at 31 March 2021, an increase of approximately £6m.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

Note 26 - Financial Instruments

Note 26a – 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.

	2020/21			2021/22		
	Fair Value through Profit & Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Fair Value through Profit & Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets						
Bonds	310,417			80,934		
Equities	128,163			164,113		
Pooled Investments	2,258,527			2,675,425		
Pooled Property Investments	211,155			272,097		
Derivatives	4,136			403		
Cash		76,394			73,665	
Long-Term Investments	840			840		
Other Investment Balances	2,337			1,944		
Receivables		722			91	
	2,915,575	77,116	0	3,195,756	73,756	0
Financial Liabilities						
Derivatives	-279			-628		
Other Investment Balances	-21,174			-548		
Payables			-371			-292
	-21,453	0	-371	-1,176	0	-292
Total	2,894,122	77,116	-371	3,194,580	73,756	-292

Note 26b – Net Gains and Losses on Financial Instruments

	31-Mar-21 £'000	31-Mar-22 £'000
Financial Assets		
Fair Value through Profit and Loss	591,177	294,035
Loans and Receivables	0	0
Financial Assets at Amortised Cost	-1,281	-174
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	589,896	293,861

Note 26c – 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.

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.

The Local Government Pension Fund Accounts

Value at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	108,541	2,614,511	472,704	3,195,756
Financial Assets at Amortised Cost	73,756	0	0	73,756
Total Financial Assets	182,297	2,614,511	472,704	3,269,512
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-548	-628	0	-1,176
Financial Liabilities at Amortised Cost	-292	0	0	-292
Total Financial Liabilities	-840	-628	0	-1,468
Net Financial Assets	181,457	2,613,883	472,704	3,268,044

Value at 31 March 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	333,756	2,366,144	215,675	2,915,575
Financial Assets at Amortised Cost	77,116	0	0	77,116
Total Financial Assets	410,872	2,366,144	215,675	2,992,691
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-21,174	-279	0	-21,453
Financial Liabilities at Amortised Cost	-371	0	0	-371
Total Financial Liabilities	-21,545	-279	0	-21,824
Net Financial Assets	389,327	2,365,865	215,675	2,970,867

The Local Government Pension Fund Accounts

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Pooled Private Debt Funds	Multi Asset Credit Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2021	758	133,739	28,472	51,862	0	0	840
Transfers In	0	0	0	0			0
Transfers Out	0	0		0			0
Purchases	0	37,949	1,450	40,162	12,141	226,930	0
Sales	0	-32,817	-7,076	-2,587	-242	-85,998	0
Unrealised Gains/(Losses)	-36	39,385	4,687	8,885	305	-1,918	0
Realised Gains/(Losses)	0	14,405	1,165	-27		270	0
Market Value 31 March 2022	722	192,661	28,698	98,295	12,204	139,284	840

	UK Equities	Pooled Private Equity Funds	Pooled Property Funds	Pooled Infrastructure Funds	Long-Term Investments
	£'000	£'000	£'000	£'000	£'000
Market Value 31 March 2020	1,150	95,782	161,843	31,298	840
Transfers In	0	0	0	0	0
Transfers Out	0	0	-132,678	0	0
Purchases	0	16,445	3,354	24,033	0
Sales	0	-14,770	-3,401	-6,097	0
Unrealised Gains/(Losses)	-392	26,841	-1,250	2,628	0
Realised Gains/(Losses)	0	9,441	604	0	0
Market Value 31 March 2021	758	133,739	28,472	51,862	840

Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2022 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	722	794	650
Pooled Private Equity Funds	10%	192,661	211,927	173,395
Pooled Property Funds	3%	28,698	29,559	27,837
Pooled Infrastructure Funds	5%	98,295	103,209	93,380
Pooled Private Debt Funds	5%	12,204	12,814	11,594
Multi Asset Credit Funds	5%	139,284	146,248	132,320
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2021 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	758	834	682
Pooled Private Equity Funds	10%	133,743	147,117	120,369
Pooled Property Funds	3%	28,472	29,326	27,618
Pooled Infrastructure Funds	5%	51,862	54,455	49,269
Long-Term Investments	0%	840	840	840

Note 27 - 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 2019 Valuation estimated that the current Funding Level is 99%.
- 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.

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 2019 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 99% down to 98% or up to 100%. A change

in the CPI assumption of 0.1% per annum would lead to a reduction in the funding level to 98% or an increase to 100%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 98% or up to 100%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following 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 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 2022 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31 March 2021 £'000	31 March 2022 £'000
UK Government Gilts	96,954	22,248
UK Corporate Bonds	210,166	152,091
UK Index Linked Gilts	159,717	242,900
Overseas Government Bonds	53,746	18,405
Multi Asset Credit Funds	0	139,284
Non-Sterling Cash Deposits	26,978	6,626
Cash Balances	49,415	67,039
Total	596,976	648,593

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 2022 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2021 £'000	Rating	Balance at 31 March 2022 £'000
Money Market Funds				
Aberdeen Standard	AAA	5,000	AAA	25,004
State Street Global Advisors	AAA	43,147	AAA	41,625
Bank Current Accounts				
Lloyds Bank Plc	A+	1,740	A+	5,941
Santander UK Plc	A+	14,955	A+	0
State Street Bank & Trust Co	AA+	11,552	AA+	1,095
Total		76,394		73,665

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 2021/22 the Pension Fund received/accrued income related to dealings with members of £113.2m (2020/21 £134.0m) and incurred expenditure related to dealings with members of £123.7m (2020/21 £115.5m). There were further receipts/accruals of £13.9m (2020/21 £10.5m) in respect of investment income, against which need to be set taxes of £0m (2020/21 £0m). The net inflow was therefore £3.4m (2020/21 £29.1m).

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 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 as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
		1% £'000	-1% £'000
	£'000		
Cash and Cash Equivalents	6,626	66	-66
Cash Balances	67,039	670	-670
Bonds	435,644	4,357	-4,357
Multi Asset Credit Funds	139,284	1,393	-1,393
Total Change in Assets Available	648,593	6,486	-6,486

Asset Type	Carrying Amount as at 31 March 2021	Change in Year in the Net Assets Available to Pay Benefits	
		1% £'000	-1% £'000
	£'000		
Cash and Cash Equivalents	26,978	270	-270
Cash Balances	49,415	494	-494
Bonds	520,583	5,206	-5,206
Total Change in Assets Available	596,976	5,970	-5,970

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). Risks around foreign currency rates are mitigated in part by allowing the Fund Managers to put in place currency hedging arrangements up to the value of the stock held in a foreign currency (also see note 15c).

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 Type	Asset Values as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
	£'000	10.00% £'000	-10.00% £'000
Overseas Equities	10,089	1,009	-1,009
Pooled Global Equities	1,230,190	123,019	-123,019
Pooled Private Equity (LLPs)	151,779	15,178	-15,178
Pooled Property	43,070	4,307	-4,307
Infrastructure	68,016	6,802	-6,802
Cash	6,626	662	-662
Total Change in Assets Available	1,509,770	150,977	-150,977

Currency Exposure - Asset Type	Asset Values as at 31 March 2021	Change in Year in the Net Assets Available to Pay Benefits	
	£'000	10.00% £'000	-10.00% £'000
Overseas Equities	8,327	833	-833
Pooled Global Equities	1,102,820	110,282	-110,282
Pooled Private Equity (LLPs)	113,308	11,331	-11,331
Pooled Property	40,716	4,072	-4,072
Infrastructure	37,121	3,712	-3,712
Cash	26,978	2,698	-2,698
Total Change in Assets Available	1,329,270	132,928	-132,928

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:

The Local Government Pension Fund Accounts

Asset Type	Value as at 31 March 2022 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	154,024	10.0	169,427	138,621
Pooled UK Equities	486,075	10.0	534,683	437,468
Global Equities	10,089	10.0	11,097	9,079
Diversified Growth Fund	162,007	3.0	166,867	157,147
Pooled Global Equities	1,230,190	10.0	1,353,209	1,107,171
UK Bonds	22,248	5.0	23,360	21,136
Overseas Bonds	18,405	5.0	19,325	17,485
UK Index Linked Bonds	40,281	5.0	42,295	38,267
Pooled Corporate Bonds	152,090	5.0	159,695	144,486
Infrastructure	98,295	5.0	103,210	93,380
Pooled Private Equity (LLPs)	192,661	10.0	211,927	173,395
Pooled Property	272,097	3.0	280,260	263,934
Multi Asset Credit Fund	139,284	5.0	146,249	132,321
Index Linked Pooled Fund	202,619	5.0	212,750	192,488
Private Debt	12,204	5.0	12,814	11,593
Long-Term Investments	840	0.0	840	840
Cash	73,665	0.0	73,665	73,665
Total Assets Available to Pay Benefits	3,267,074		3,521,673	3,012,476

Asset Type	Value as at 31 March 2021 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	119,836	10.0	131,819	107,852
Pooled UK Equities	603,731	10.0	664,104	543,358
Global Equities	8,327	10.0	9,160	7,494
Diversified Growth Fund	156,204	3.0	160,890	151,518
Pooled Global Equities	1,102,820	10.0	1,213,102	992,538
UK Bonds	96,954	5.0	101,802	92,106
Overseas Bonds	53,746	5.0	56,433	51,059
UK Index Linked Bonds	159,717	5.0	167,703	151,731
Pooled Corporate Bonds	210,166	5.0	220,674	199,658
Infrastructure	51,862	5.0	54,455	49,269
Pooled Private Equity (LLPs)	133,743	10.0	147,117	120,369
Pooled Property	211,155	3.0	217,490	204,820
Long-Term Investments	840	0.0	840	840
Cash	76,393	0.0	76,393	76,393
Total Assets Available to Pay Benefits	2,985,494		3,221,982	2,749,005

Note 28 - Actuarial Valuation

The contribution rates within the 2020/22 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2019.

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 2021 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 Amounts £'000
South Oxfordshire District Council	22.9	-
West Oxfordshire District Council	17.6	605
Cherwell District Council	15.9	-
Oxford City Council	16.2	-
Vale of White Horse District Council	31.8	-
Oxford Brookes University	14.8	-

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 valuation date was £2,515m representing 99% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2020 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 main financial assumptions were as follows:

Assumptions for the 2019 Valuation	Annual Rate
	%
Pension Increases	2.3
Salary Increases	2.3
Discount Rate	4.3

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.

Fund Account	2020/21 £'000	2021/22 £'000
Contributions Receivable		
From Employer:		
Normal	-3,158	-3,226
Early Retirements	0	0
Other (ill health retirement contribution)	-76	-40
From members	-1,438	-1,466
	-4,671	-4,733
Transfers In	-24	-93
Benefits Payable		
Pensions	5,943	6,025
Commutations and lump sum retirement benefits	1,703	576
Lump sum death benefits	0	0
Other (ill health lump sums)	12	12
	7,658	6,614
Payments to and on account of leavers		
Individual transfers out to other schemes	0	0
Miscellaneous		
Annual Allowance Charge	0	73
Taxable Refunds	0	7
Adjustment from 2019/20	-19	6
	-19	86
Net amount payable/receivable for the year before top-up grant receivable / payable to sponsoring department	2,943	1,874
Top-up grant receivable	0	-1,874
Net amount payable / receivable for the year	0	0

Net Assets Statement	2020/21 £'000	2021/22 £'000
Net Current Assets and Liabilities		
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	670	460
Other current liabilities (other than liabilities to pay pensions and other benefits in the future)	-65	-9
Cash balance	-605	-451
Total	0	0

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 Fire-fighters, 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 2022.

Membership numbers	1992 Scheme	2006 Scheme	2015 Scheme
Contributors	7	10	527
Preserved Pensions	34	449	296
Pensioners	330	59	3
Total	371	518	826

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.

INTRODUCTION

1. This is Oxfordshire County Council’s Annual Governance Statement for 2020/21. It provides:
 - An *opinion* on the Council’s governance arrangements from the Council’s senior managers and the leader of the Council
 - A review of the *effectiveness* of the Council’s governance arrangements during 2020/21;
 - A *conclusion* in relation to the effectiveness
 - A review of the *action plan* completed in 2020/21
 - An *action plan* for 2021/22
 - An *annex* summarising our governance framework

The Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting (CIPFA). This year, as in the previous year, the Statement also highlights the governance issues posed by the continuing COVID-19 pandemic.

STATEMENT OF OPINION

2. It is our opinion that the Council’s governance arrangements in 2020/21 were sound and provide a robust platform for achieving the Council’s priorities and challenges in 2021/22. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, the Council’s governance in dealing with the pandemic and our ability to maintain sound governance during the outbreak, has been effective.

SIGNATURES

Signed on behalf of Oxfordshire County Council:

..... Date

Stephen Chandler
Interim Chief Executive

..... Date

Cllr Liz Leffman
Leader of the Council

This review looks at:

- Effectiveness of the Council's governance – generally and in relation to COVID-19
- Conclusion about this effectiveness
- Internal Audit function during 2021/22
- Our statutory governance roles
- Review of actions 2021/22
- Actions for 2022/23
- Outline of our governance

Overview

3. The Council has reviewed its overall effectiveness both in general and with regard to the COVID-19 pandemic challenges faced and those which it continues to face during recovery.
4. The decision to terminate the S113 partnership agreement with Cherwell District Council was taken at the Council meeting on 8 February 2022. The Joint Officer Transition Working Group reporting to the Joint Shared Services and Personnel Committee (JSSP) will oversee the decoupling project to ensure a smooth transition for each authority. Both Councils have agreed to a 6-month termination period, concluding on 31 August 2022. Since the Council decision on 8 February 2022, significant progress has been made in decoupling the services.

Generally:

5. Two of the action points for 2021/22 were completed as outlined in Annex 1, with a third action relating to the Constitution Review being extended to 31 July 2022, as agreed by the Audit & Governance Committee. The progress of these actions was reported to the Audit and Governance Committee throughout the year.
6. Specific action points for 2022/23 are set out in Annex 2. The Council believes these actions will help to establish some improved practices arising out of our experience in 2021/22.
7. Here are just some ways in which the Council's governance has proved effective during 2021/22
 - ❖ All new members elected to the Council in May 2021 were invited to induction sessions which included:
 - Chairing Skills
 - Local Government Finance
 - Member Code of Conduct
 - Bite size Service Sessions with Corporate Directors
 - IT Tips and tricks
 - Information Governance for Members

- The Constitution
 - Equality, diversity and inclusion
- ❖ Following the ending of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 on 6 May 2021, physical meetings were reintroduced from 7 May 2021. Whilst all decision making must be in person, the Council has implemented a hybrid facility to allow for virtual attendance of officers, members of the public, and non-decision making Councillors.
 - ❖ To enable a greater range and depth of scrutiny activity inclusive of a wider range of members of the Council, a broader set of overview and scrutiny committees was introduced unanimously at Council on 13 July 2021
 - ❖ Two out of three actions from last year's governance statement were tracked to completion, with periodic reports to the council's Audit & Governance Committee, as set out in paragraph 5.
 - ❖ Review of the Audit Working Group Terms of Reference on 16 March 2022. This is subject to annual review. The March 2022 review identified improvements to Audit Working Group operational arrangements, including a move from standing agenda items, to ensuring a more coordinated work programme which is directed by the Audit and Governance Committee to review specific areas of governance, risk and control.
 - ❖ New Oxfordshire Code of Conduct, based on LGA model, recommended for adoption by Council, and adopted with effect from 1 May 2022.
 - ❖ Whistleblowing policy reviewed and implemented, with contact channels updated.
 - ❖ Positive assurance on Financial Management Code of Practice compliance (see annex 5)
 - ❖ The Monitoring Officer provided her [annual report to the Audit & Governance Committee](#) on her view on the Council's governance arrangements. This review was formally reported to and endorsed by the Audit & Governance Committee on 15 September 2021. This report confirmed the progress in maintaining democratic accountability and transparency with members continuing to undertake their role as community leaders

During COVID-19

8. The ongoing impact and management of COVID-19 remained a dominant feature of 2021/22. The Council remained a key local partner in managing the system-wide response to the pandemic and in ensuring the on-going delivery of critical services, impacted by both increased service demand and COVID related staff absence.

COVID Governance

9. Following the direction of the Re-start, Recovery and Renewal strategy published in June 2020 and updated in June 2021, COVID-19 as an issue was increasingly integrated into mainstream council business alongside other new and emerging priorities. As such, the performance, financial and strategic risk impacts of COVID-19 have been incorporated into the mainstream corporate

business management reporting framework providing opportunities for member oversight and challenge.

10. Management governance at the system level has been overseen through the ongoing role of the Oxfordshire System CEO Coordination Group, made up of the Chief Executives from Oxfordshire's key public services. This group has ensured the join up and oversight of the local authority and health gold level pandemic response and is responsible for co-ordinating overall strategy and direction, and for deploying resources across the county. The System Wide CEO Coordination Group links to the Oxfordshire System Leaders Group made up of the non-executive leaders of participating organisations including Council Leaders, the Police and Crime Commissioner and the Board Chairs of OxLEP and NHS organisations. The System Leaders Group ensures accountability and challenge at the political level.
11. The System CEO Coordination Group received updates and reports from the Health Protection Board (HPB), led by the Director of Public Health. HPB is responsible for the delivery of the for the delivery of the Local Outbreak Management Plan which aims to prevent, contain, and manage outbreaks of COVID-19. It is supported by Systems Silver which coordinates the system-wide response to wider issues relating to COVID including resource allocation and community support.
12. At the organisational level, the Chief Executive's Direct Reports (CEDR) and its successor, the Senior Leadership Team (SLT), is responsible for operational delivery of the pandemic response within the Council. CEDR received regular briefings on the COVID-19 Programme throughout 2021/22 and ensured that the Cabinet members, opposition leaders and all members were briefed and informed on all aspects of the pandemic response. During periods of high staff impact and high staffing impact in December 2021 and January 2022, CEDR reconvened as CEDR Gold to deliver enhanced urgent response capacity.
13. A joint Oxfordshire County Council/Cherwell District Council Silver at Director and Deputy-Director level was comprised of those responsible for implementing the strategic direction set by CEDR/SLT, in support of the overall systems response.
14. In February 2022, Cabinet adopted an Oxfordshire Wide COVID-19 Recovery and Renewal framework sought to learn the key lessons from COVID and to set out shared ambitions for future joint working to inform new strategic planning at the partnership level.

Impact on Democratic Function

15. In May 2021, the provision to hold formally convened democratic meetings remotely was ended and face to face meetings returned. COVID-secure measures including enhanced cleaning, ventilation and the wearing of masks were put in place. While in some cases the number of individuals able to be present in meeting rooms was limited, the new facility to hold meetings in a

hybrid environment allowed non-voting Councillors and members of the public to participate even if not able to be present. On a very small number of occasions, the Council operated 'quorum-only' voting where the majority of members participated remotely and were represented in votes by those present.

Partnership Decoupling

16. In February 2022, Oxfordshire County Council and Cherwell District Council agreed to the required six months' notice for the termination of the s113 agreement dated 31 August 2018, governing joint working between the two councils.
17. In order to ensure appropriate separation of decision making and to fully serve the interests of each council through the termination process, the councils also agreed to separate the statutory roles of Head of Paid Service (Chief Executive), Monitoring Officer and s151 Officer, with immediate effect. As such, for each of these roles, each council has either made an interim appointment or the substantive post holder has returned to serving only their employing authority.
18. In the decision agreeing to terminate the agreement, both councils agreed an ongoing role of the Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement.
19. A Joint Officer Transition Working Group has been established and a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making.
20. Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.
21. Full details of the termination are set out in Council Papers for 7 and 8 February 2022 for Cherwell District Council and Oxfordshire County Council respectively and progress on the ongoing programme of work to terminate the agreement is reported monthly meetings of the JSSP.

Corporate Programmes

22. The Council is currently reviewing its programme management resource in the Corporate Programmes team in light of the forthcoming separation of Oxfordshire and Cherwell resources.
23. Going forwards, the Corporate Programmes team will be focusing on providing support to large corporate projects with a cross-organisation impact. However, the team can bring in interim project managers for service-specific projects as and when required.

24. The aim is to provide a consistent and professional approach to project and programme management across the organisation. To help with this, the Corporate Programmes team have set up a project management network to bring together Project Managers across the Council in order to share learning and best practice.

Risk Management

25. An Annual Review of the Council's Risk Management Strategy was completed. For 2022/2023 the focus will be on Risk Management training across the organisation to support strategy for the Senior and Extended Leadership Teams (SLT/ELT). Training will be completed by September 2022.

Internal audit in 2021/22

26. The 2019 CIPFA Statement on the "Role of the Head of Internal Audit in public service organisations" outlines the principles that define the core activities and behaviours that belong to the role of the 'Head of Internal Audit' and the governance requirements needed to support them. The Council's arrangements conform with the governance requirements of the CIPFA statement with our Chief Internal Auditor carrying out the following:

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
- championing best practice in governance and commenting on responses to emerging risks and proposed developments.
- being a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee
- leading and directing an internal audit service that is resourced appropriately, sufficiently, and effectively
- being professionally qualified and suitably experienced.

27. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The self-assessment against the standards is completed on an annual basis. It is a requirement of the PSIAS for an external assessment of internal audit to be completed at least every five years. This took place in November 2017 and the results were reported to the Audit & Governance Committee in January 2018. This confirmed that the "service is highly regarded within the Council and provides useful assurance on its underlying systems and processes". This is next due in 2022.

28. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2022, 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.

29. 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 Assurance Standards Board –which provides a framework for reporting on the design and compliance with control objectives related to financial reporting). The report for 2021/22 concludes that the key financial system controls were suitably designed and operated effectively, with no exceptions noted.
30. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by the Internal Audit team and the Audit Working Group. 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.

Financial Management Code ('FM Code')

31. 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. Inevitably, the impact of COVID-19 has continued to test that financial resilience in 2021/22 and will do so in coming years. Following the formal adoption of the CIPFA Financial Management (FM) Code in 2021/22 local authorities should now disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.
32. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As set out in Annex 5, an assessment has been made of the Council's current compliance with the Code for 2021/22. The assessment identified the Council's compliance for the year, and all 19 Standards have been assessed as Green meaning that compliance can be evidenced. Where relevant, proposed further actions that can be taken to enhance compliance have been included in the assessment.

Our statutory governance roles

33. The Council is required to appoint to three specific posts, each of which oversees a key aspect of the Council's governance:
- **Head of the Paid Service (HOPS)** role – Yvonne Rees, Chief Executive, remained in post until the decoupling of the Councils was announced. From 9 February 2022 Stephen Chandler was appointed as the Council's Interim Chief Executive: responsible for how the Council's functions are delivered, and the appointment and proper management of staff

- **Monitoring Officer** – and the Council’s Director of Law and Governance, throughout 2021/22 has been and remains Anita Bradley.
- **‘Section 151 Officer’** – the Chief Finance Officer, throughout 2021/22 has been and remains Lorna Baxter: responsible for the financial management of the authority.

34. Each of the postholders is an integral member of the Council’s most senior leadership team (SLT). As such, they are fully sighted on all of the Council’s objectives, workstreams and emerging plans; and their perspectives and voices continue to be heard in, and to influence, this senior forum. In line with best practice, from February 2022, the Chief Finance Officer reports directly to the Interim Chief Executive.

35. The Chief Finance Officer and the Monitoring Officer both have open access to the Chief Executive at all times. They carry a statutory responsibility to report issues to Full Council, if needed. As such, the posts remain pivotal to the Council’s good governance.

Governance Actions – Review of 2021/22 and priorities for 2022/23

36. The following two annexes summarise:

Annex 1: updates on the priority actions for 2021/22

Annex 2: actions for 2022/23

37. The Actions for 2021/22 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 2022/23 in Annex 2 will be monitored by the Corporate Governance Assurance Group (CGAG), and the Audit & Governance Committee.

38. Other governance and audit activity across the Council will continue to be reported to [Audit & Governance Committee](#) through its normal work programmes

Governance in Outline

39. Annex 4 sets out the Council’s governance framework in outline. This was updated in March 2022, following a review by the Corporate Governance Assurance Group and Extended Leadership Team (ELT).

Conclusion

40. The Council’s governance arrangements are regarded as fit for purpose will be monitored throughout 2022/23.

ANNEX 1 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2021/22 - Update

41. This is a review of the progress during 2020/22 on the priorities for that year. The actions identified were completed in-year

Actions that were planned for 2021/22	Original Timescale	Outcome
<ul style="list-style-type: none"> • To develop an OCC/CDC Procurement Strategy and OCC/CDC Social Value Policy and seek formal approval from CEDR (i.e. the Council’s senior management team – Chief Executive’s Direct Reports) for both documents. Ensure all staff are fully briefed and trained on the content and their respective obligations. • The new Provision Cycle Hub and Spoke functional model will fully define contract management accountability across the Councils. To help fulfil this accountability the council will enhance its contract management systems and processes and provide a training programme to support contract management skills improvement. • The electronic Contract and Supplier Management System (eCMS) functionality has been enhanced and will continue to be reviewed as part of the Provision Cycle transformation programme. • This will include an improvement plan with the expectation to develop and implement improvements that will provide management and controls across the full cycle of Commissioning, Procurement and Contract Management. • This will enable a consistent, council-wide approach enabling 100% visibility of requirements 	<p>A new joint procurement strategy will be presented to CEDR by end July 2021.</p> <p>The new Social Value Policy, including Climate Change elements, will be presented to CEDR by July 2021. It will be implemented as appropriate across all tenders from July 2021.</p> <p>All contracts will be stored in the eCMS to demonstrate a complete Forward Plan in terms of current active contracts and renewal timescales. It will be a live document driving procurement engagement across all service areas.</p>	<p>A Social Value Policy has been drafted and was reviewed at a meeting of the Chief Executive’s Direct Reports (CEDR, now SLT), the Council’s senior management team. It was adopted on 15 February 2022.</p> <p>This will apply to all tenders above a threshold of £100,000 across Oxfordshire County Council and will involve the use of the third-party supplier Social Value Portal, who have provided this service for many other Councils across the UK. There is a degree of flexibility to ensure that the selected topics for Social Value are relevant to that particular tender and will include elements relating to Carbon Net Zero: for example, reductions in carbon emissions and air pollution, ensuring that the natural environment is safeguarded, and that resource efficiency and circular economy solutions are promoted.</p> <p>The creation of the Procurement Handbook has ensured a consistent approach to procurement and contract management across both OCC and CDC, with all Procurement officers using this document as a standard way of working. This includes definitions as to which area is accountable for which processes throughout the procurement cycle. This was implemented in March 2021. The Handbook was reviewed and refreshed in March 2022 to ensure that it was still</p>

<p>throughout the provision cycle, ensuring all contracts are effectively managed.</p>		<p>relevant and contained appropriate templates and processes, following the first year of usage.</p> <p>The procurement strategy is in draft format and will be presented to SLT in Autumn 2022. The Atamis system continues to act as the central document repository for Procurement. All tenders, contracts, and extensions are stored within it, enabling a Forward Plan to be created to identify which contracts will be up for renewal at what point.</p> <p>A detailed Procurement update was presented to Audit & Governance Committee on 5 January 2022.</p>
<p>Review of post-COVID governance arrangements:</p> <ul style="list-style-type: none"> • The Corporate Governance Assurance Group will continue to monitor, support and engage with Corporate Lead areas; and governance will be reviewed in a more integrated way with ELT (i.e. the Extended Leadership Team of senior managers) and CEDR (the council's senior leadership team – Chief Executive's Direct Reports) to ensure issues are effectively identified and tracked. This integration will be reflected in the engagements and reports to the Audit & Governance Committee. • The Corporate Governance Assurance Group will continue to review the Council's governance, including its internal controls, policies and transparency arrangements. 	<p>Monthly review by Corporate Governance Assurance Group</p> <p>Paper to ELT and CEDR in Q.2 and each Quarter thereafter to update on progress Local Code of Corporate Governance reviewed by ELT in Q2 for consideration by Audit & Governance Committee in September or November.</p> <p>Report to Audit & Governance Committee at September, November, January and March meetings on any emerging</p>	<p>The Council's Corporate Governance Assurance Group has continued to meet monthly to oversee governance arrangements.</p> <p>. A Local Code of Corporate Governance has been drafted with the oversight of CGAG and with input from ELT representatives. SLT have reviewed the Code ahead of Committee being invited to comment on the draft on May 2022.</p> <p>Unlike the Annual Governance Statement, there is no statutory requirement for a Local Code of Corporate Governance. Rather, the Code complements and underpins the Annual Governance Statement by demonstrating, with evidence, how the Council meets the good governance principles set out in the Good Governance Framework published by the Chartered Institute of Finance and Accountancy.</p>

	governance issues	
<p>Constitution Review</p> <ul style="list-style-type: none"> • Undertake a cross-party review of the whole Constitution with the Audit & Governance Committee making recommendations to Full Council for the adoption of a revised and inclusive Constitution. To include a review of the visibility/accountability of the underlying Officer Schemes of Delegation (Powers and Finance). 	31 March 2022	<p>The Constitution Working Group advised Audit & Governance Committee that the timescale in which to produce a revised Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022.</p> <p>The Audit & Governance Committee agreed to extend the deadline for the review until July 2022.</p> <p>.</p>

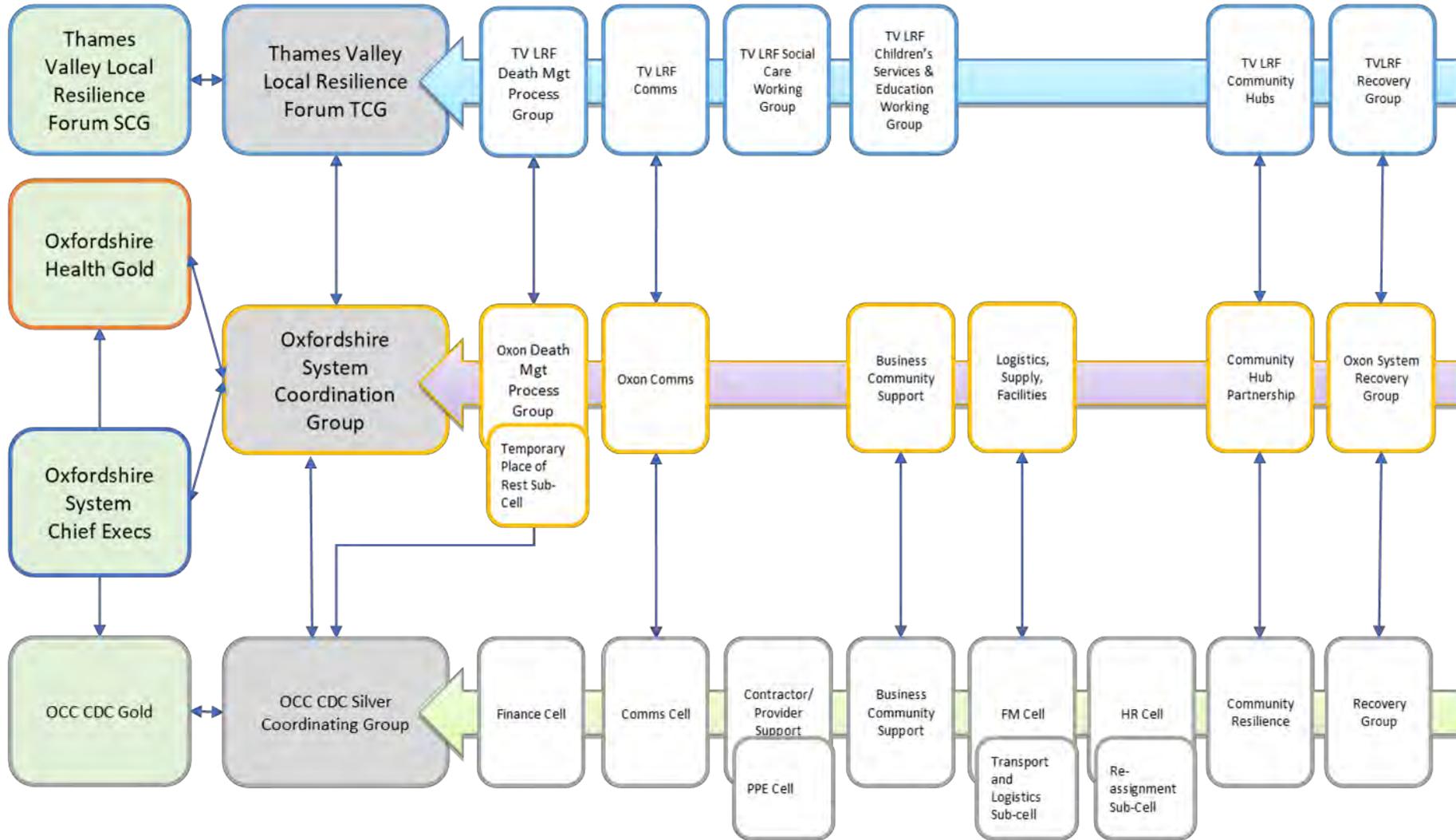
ANNEX 2 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2022/23

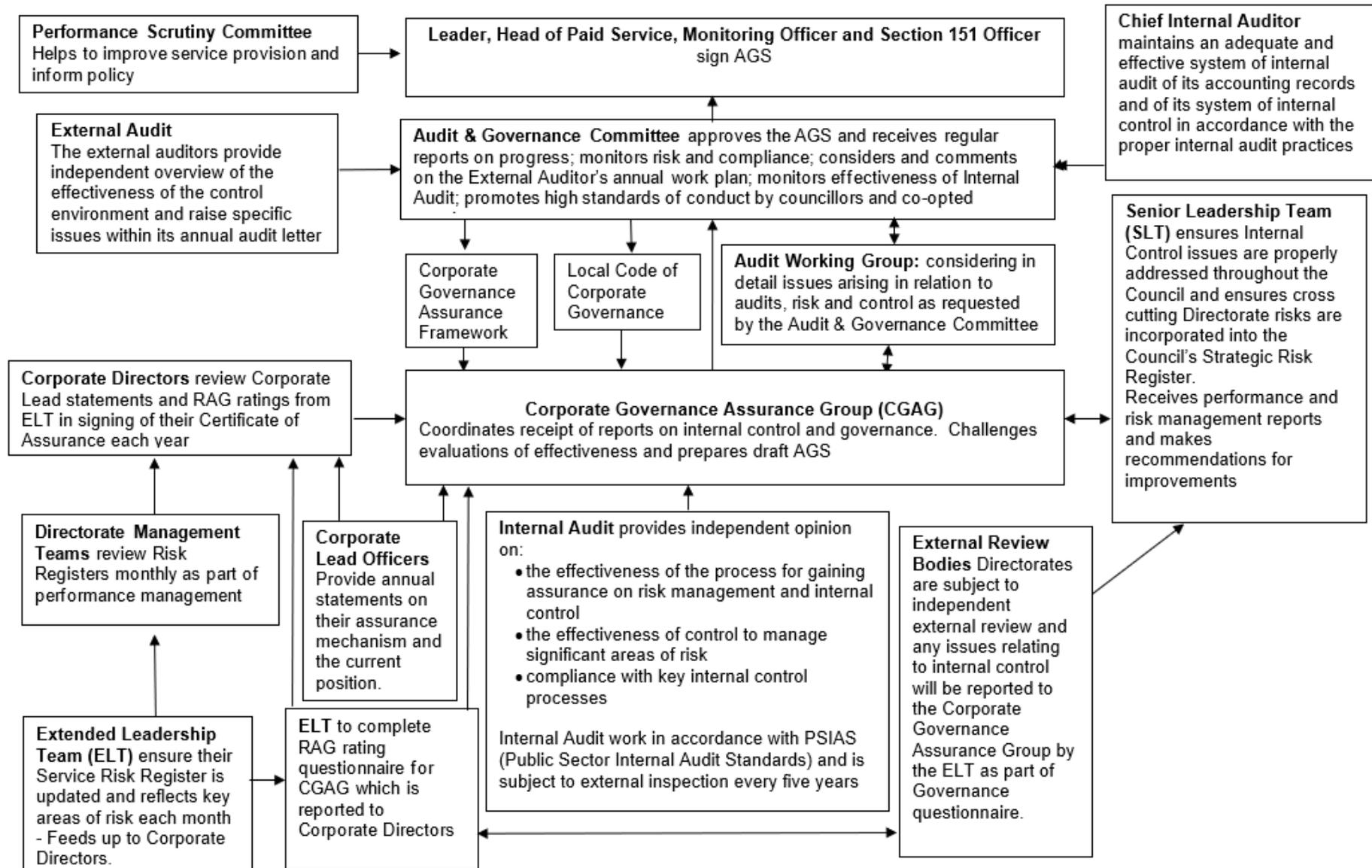
	Action now planned for 2022/23	Timescale for Completion	Responsible Officer	Monitoring Body
1	<p>Directorate Scheme of Delegation: Powers and Financial Powers</p> <ul style="list-style-type: none"> To review and update all outwardly facing documentation, as well as review the location of information. 	31 July 2022	Anita Bradley, Director of Law & Governance, and Ian Dyson, Assistant Director for Finance	Senior Leadership Team (SLT)
2	<p>Cherwell-Oxfordshire Decoupling Programme</p> <ul style="list-style-type: none"> Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement. A Joint Officer Transition Working Group will oversee a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making. Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements. 	31 August 2022	Robin Rogers, Programme Director – Covid Response	Senior Leadership Team (SLT) and Audit & Governance Committee
3.	<p>Constitution Review</p> <ul style="list-style-type: none"> The Constitution Working Group advised Committee that the timescale in which to produce an updated Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022. Committee agreed to extend the deadline for the review until July 2022. Update to be provided to Committee in due course. 	31 July 2022	Anita Bradley, Director of Law & Governance	Audit & Governance Committee
4.	<p>Capital Programme</p>	31 March 2023	Lorna Baxter, Chief Finance	SLT

	<ul style="list-style-type: none"> Governance has been reviewed for implementation throughout 2022/23 		Officer and Belinda Dimmock-Smith, Capital Programme Manager	
5.	Data Subject Access Requests <ul style="list-style-type: none"> Review resource to deal with data subject access requests in view of an increase in the numbers of requests being received. 	25 April 2022	Anita Bradley, Director for Law & Governance	SLT
6.	Member Code of Conduct Training	May 2022	Anita Bradley, Director of Law & Governance	Audit & Governance Committee
7.	Information Governance Group/Board <ul style="list-style-type: none"> To review the reporting framework for the Information Governance Group (IGG), and Information Governance Board. Work on this is due to commence on 25 April 2022. 	16 May 2022	Anita Bradley, Director of Law & Governance	SLT
8.	Risk Management Training	September 2022	Ian Dyson, Assistant Director of Finance and Louise Tustian, Head of Insight and Corporate Programmes	SLT

Annex 3 – COVID-19 Command and Control Structure



Overview of Corporate Governance Assurance Framework



Annex 5

Financial Management Code of Practice – Summary Compliance Assessment 2021/22

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1.	Responsibilities of the Chief Finance Officer (CFO) and Leadership Team			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM. This is evidenced by the use of benchmarking to inform the changes agreed through the Property Services Transformation, for example. Procurement decisions consider VfM by considering the quality of service and not just price.	Consider the development of processes for evidencing benchmarking across services in a more systematic way.	GREEN
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is qualified accountant with significant experience working as an active member of the council’s leadership team. The CFO is a member of CEDR (Chief Executive Direct Reports) and has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		GREEN
2.	Governance and Financial Management Style			
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Governance and Assurance Group (CGAG) exists to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.		GREEN
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement (AGS) includes internal audit opinion on effectiveness of internal control environment and systems of internal control. The updated Local Code of Governance is included as part of the agenda for Audit & Governance Committee in January 2022.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation.	Further develop the Business Management & Monitoring Report to improve visibility and links between performance, risk and finance reporting and highlight key issues that need to be considered.	GREEN
3.	Long to Medium-Term Financial Management			
F	The authority has carried out a credible and transparent financial resilience assessment	Financial resilience is considered as part of the Leadership Risk Register. The forecast level of General Balances is reported against the minimum risk assessed level for balances monthly taking into account the latest monitoring position in the current year.		GREEN
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFs outline the financial challenges and opportunities facing the Council over the medium term. Business and Budget Planning Reports to Cabinet clearly set out the financial planning environment, risks and any assumptions made.		GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	An annual Capital and Investment Strategy is set by Council alongside a ten-year Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for CEDR and Cabinet. Mid-term and Outturn Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year MTFS linked to service plans and performance reporting through the Business Management & Monitoring Report.	Continue to build the link between service plans and budgets and further improve the linkages between service performance and financial outcomes through enhancements to the Business Management & Monitoring Report.	GREEN
4.	The Annual Budget			
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.		GREEN
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 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.		GREEN
5.	Stakeholder Engagement and Business Plans			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<p>The Council undertakes an annual public consultation on the budget proposals.</p> <p>Engagement on the Oxfordshire Fair Deal Alliance's priorities took place in autumn 2021 with consultation on detailed budget proposals running from early December 2021 to January 2022.</p> <p>The Performance & Corporate Services Overview & Scrutiny Committee considers and comments upon the budget proposals ahead of the budget being agreed by Council.</p>	Engagement & Consultation feedback will be used to inform the development of the council's strategic plan.	GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented.	Planned improvements to capital governance processes will strengthen capacity for scrutiny of business cases and plans for capital schemes.	GREEN
6.	Monitoring Financial Performance			
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The monthly Business Management and Monitoring Report to Cabinet enables the council's leadership team and Cabinet to respond to emerging risks and to take action to manage those.	As part of planned improvements to capital governance and reporting, the quarterly Capital Programme monitoring report requires enhancement to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.	GREEN
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The monthly Business Management and Monitoring Report to Cabinet includes monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).	Increase visibility of relevant balance sheet items for directorate leadership teams as part of process to sign off the Business Management & Monitoring Report.	GREEN
7.	External Financial Reporting			
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)	The annual accounts are produced in compliance with The Code and have received an unqualified audit opinion. Statutory deadlines for publication of the accounts are consistently met. The audit of the 2020/21 accounts is ongoing as at January 2022 following a requirement to restate fixed asset valuations.		GREEN

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 council's leadership team and Cabinet consider outturn report and year end variances in a timely manner enabling strategic financial decisions to be made as necessary.		GREEN

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.

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.

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 the 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).

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.

Curtailement

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 unfavourable 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.

Hedge Fund

A hedge fund is a form of investment partnership.

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.

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.

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.

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.

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.

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.

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.