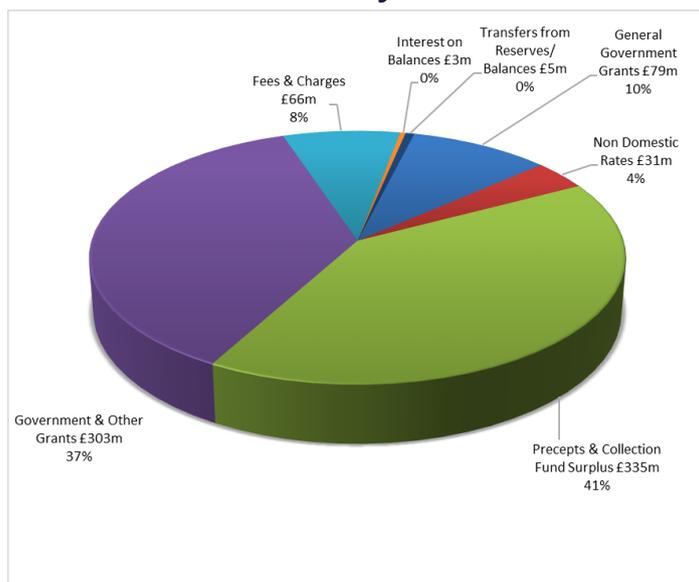


The County Council's accounts set out how much money we have spent on services, what we have invested in capital projects, how we have funded the expenditure and what assets we own.

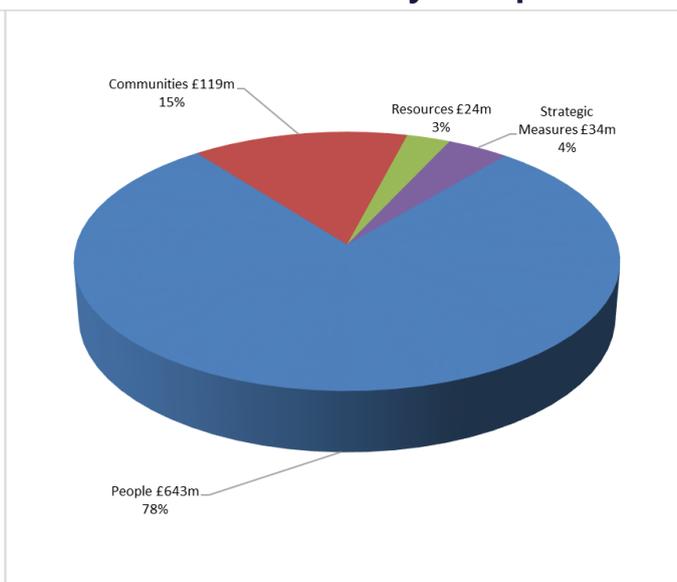
Review of 2017/18

Total Gross Expenditure: £822m

Where the money came from



What services the money was spent on



The Council set a net revenue budget for the year of £422.5m to finance day to day service provision. Actual net revenue spending for the year after transfers to earmarked reserves was £421.5m, £1.0m lower than had been budgeted. This underspend, alongside a £4.7m planned contribution to balances, means that the County Fund balance has increased by £5.7m from £20.0m at the beginning of the financial year to £25.7m at 31 March 2018. The Provisional Outturn Report contains detailed explanations of the Directorate Outturn and will be presented to Cabinet on 19 June.

Summarised Revenue Account

| | Gross Expenditure £m | Income £m | Net Expenditure £m |
|---|-------------------------|---------------|-----------------------|
| Cost of services | 898.1 | -367.0 | 531.1 |
| Other operating expenditure | 32.4 | -2.6 | 29.8 |
| Financing and investment income and expenditure | 41.5 | -8.4 | 33.1 |
| Taxation and non-specific grant income | | -540.0 | -540.0 |
| Deficit on provision of services | 972.0 | -917.0 | 54.0 |
| Adjustments between accounting & funding basis | -175.1 | 124.5 | -50.6 |
| Transfers from earmarked reserves | -9.1 | | -9.1 |
| Total adjustments and transfers | -184.2 | 124.5 | -59.7 |
| Increase in County Fund balance for the year | 787.8 | -792.5 | -5.7 |

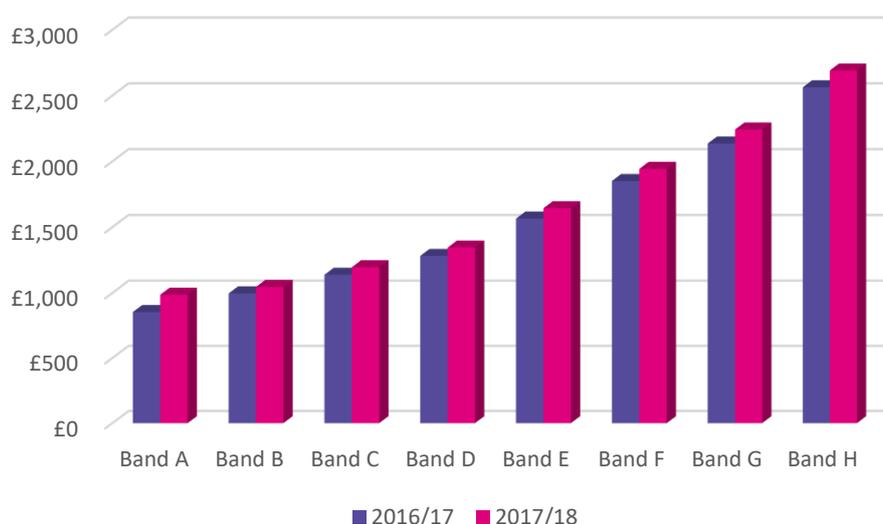
The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (i.e. to Council Tax).

County Fund Balance

| | |
|---|--------------------|
| | £m |
| Balance at start of year (1 April 2016) | 20.0 |
| Increase in year | <u>5.7</u> |
| Balance at end of year (31 March 2017) | <u>25.7</u> |

Our Council Tax Funding

The graph below shows how much Council Tax for County Council services was charged for each property band in 2016/17 and 2017/18. Band D Council Tax increased by 4.99% compared to 2016/17. 3% of the increase related to the new Adult Social Care precept.



| | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2017/18 | £987 | £1,047 | £1,196 | £1,346 | £1,645 | £1,944 | £2,243 | £2,691 |
| 2016/17 | £854 | £997 | £1,139 | £1,282 | £1,566 | £1,851 | £2,136 | £2,563 |

Capital Investment

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

| Spending... | £m | Paid for by... | £m |
|--------------------------------------|--------------------|------------------------|--------------------|
| Children's and education services | 30.0 | Borrowing | 3.1 |
| Environment, roads and transport | 40.8 | Grants & contributions | 88.7 |
| Social, community and other services | 5.7 | Revenue | 2.4 |
| Properties, offices and technology | 18.2 | Capital Receipts | 0.5 |
| | <u>94.7</u> | | <u>94.7</u> |

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

| | |
|--|-------|
| Great Western Park (Primary School) | £5.0m |
| Christopher Rawlins (Primary) | £1.9m |
| Faringdon Community College | £2.7m |
| Eastern Arch Phase 1 Access Headington | £3.1m |
| Better Care Fund – Disabled Facilities Grant | £5.0m |
| A34 Chilton Interchange | £5.5m |
| Harwell Link Road | £6.9m |

Summarised Balance Sheet as at 31 March 2018

The balance sheet shows the Council's financial position at 31 March 2018, the end of the 2017/18 financial year. It is a snapshot of what we own, what we owe and how this is funded. The balance sheet includes the council's estimated pensions' liabilities as at 31 March 2018. This is a snapshot position and is likely to fluctuate year on year.

| | £m | | £m |
|--|------------|-----------------------|------------|
| Net Assets | | Financed by | |
| Long-term assets | 1,221.1 | Earmarked Reserves | 96.6 |
| Cash and short-term investments | 321.0 | Other usable reserves | 96.4 |
| Money owed to the Council | 54.0 | Unusable reserves | -184.9 |
| Other short-term assets | 0.0 | | |
| Money owed by the Council | -95.4 | | |
| Borrowing | -372.7 | | |
| Pensions and other liabilities | -1,016.3 | | |
| Capital grants and contributions | -103.6 | | |
| Total assets less total liabilities | 8.1 | Net Assets | 8.1 |

Earmarked Reserves

The Council's earmarked reserves that have been set aside for agreed purposes and are available to be spent in future years as at 31 March 2018 are as follows:

| | £m | | £m |
|--------------------------|-------------|-----------------------------|-------------|
| Schools | 15.2 | County Fund balance | 25.7 |
| Capital investment | 31.3 | Capital investment balances | 70.7 |
| Insurance | 8.5 | | 96.4 |
| Budget Prioritisation | 17.0 | | |
| Grants and Contributions | 13.5 | | |
| Other reserves | 11.1 | | |
| | 96.6 | | |

Other Usable Reserves

The Council's other usable reserves as at 31 March 2018 are as follows:

Cash Flow

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

| | £m |
|-------------------------------|-------------|
| Cash in hand at 1 April 2017 | 47.6 |
| Cash in | 1,185.6 |
| Cash out | -1,208.5 |
| Cash in hand at 31 March 2018 | 24.7 |

The Outlook

The 2018/19 budget and Medium Term Financial Plan to 2021/22 agreed by Council on 13 February 2018 addresses the demand pressures on the Council that are expected to continue into the medium term. The budget also includes reductions in funding to 2019/20 and sets out a plan to ensure that the Council can deliver the 2018/19 budget within estimated available resources. Savings of £15m from the Fit for the

Future Programme need to be delivered over the period 2019/20 to 2021/22, as well as £2.4m relating to ICT. The risks in the budget largely in relate to the demand led budgets in particular children’s social care. There is also a range of pressures and uncertainties in adult social care, particularly in relation to growing demand and the potential consequences of pressures on the health system. To help mitigate these risks, a contingency budget of £6.0m (0.6% of the gross budget excluding schools), has been built into 2018/19, which will provide some degree of a safety net.

Oxfordshire County Council Pension Fund

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

Fund Summary at 31 March 2018

Net Assets Statement at 31 March 2018

| | £m | | £m |
|--|----------------|--|----------------|
| Opening net assets at 1 April | 2,257.1 | Net value of investments | 2,241.8 |
| Net income from fund members | 1.6 | Net money owed to the pension fund | 106.8 |
| Net returns on investments | 96.6 | Long Term Assets | 6.7 |
| Closing net assets at 31 March 2018 | 2,355.3 | Net assets of the pension fund at 31 March 2018 | 2,355.3 |

There were 20,010 contributing members to the fund at 31 March 2018, and 15,154 pensions were paid. Contribution rates for 2017/18 were based on the valuation of the Scheme’s financial position as at 31 March 2016.

Pension Fund Annual Report

The Pension Fund annual report can be downloaded from the County Council’s website at: www.oxfordshire.gov.uk.

Fire-fighters Pension Fund

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

Status of Accounts

The County Council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting. This summary is taken from the draft Statement of Accounts authorised for issue on 31 May 2018, which are subject to audit.

What do you think?

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

Glossary of Terms

| | |
|--|---|
| Asset | Something the County Council owns and can be either long term or current. |
| Balance | The accumulated surplus of income over expenditure. Such a surplus is available to meet unexpected expenditure or a shortfall in income, to allow flexibility in borrowing from the money market, to finance expenditure pending the receipt of income or to reduce the Council Tax requirement. |
| Balance Sheet | A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities. |
| Capital Asset | A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year. |
| Capital Expenditure | Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers. |
| Capital Investment | Investment in assets that will be used for more than one year, e.g. buildings or roads. |
| Capital Investment Balances | Capital grants and contributions and capital receipts reserves that will be used to fund capital expenditure in future years. |
| Capital Receipts | Receipts from the sale of capital assets. |
| Cash Flow | The movement of money into or out of the County Council during the year. |
| County Fund | The main revenue fund of the County Council into which Council Tax income and Government grants are paid and from which day-to-day payments are made. |
| Financial Year | The County Council's accounts cover the period from 1 April in one year to 31 March in the next year. |
| Financing and Investment Income and Expenditure | This mainly comprises interest charges, for example on borrowing, and interest earned on investments. |
| General Revenue Government Grants | These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant. |
| Liabilities | Amounts owed by the County Council which will be paid some time in the future. |
| Long Term Assets | Capital assets, long-term investments and money owed to the Council over the long-term. |
| Non- Domestic Rate | A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy. |
| Net Operating Expenditure | The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation. |
| Non-specific Grant Income | Grant income from general revenue government grants and capital grants and contributions. |
| Provision | An amount of money put aside in the accounts for anticipated liabilities, which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution. |
| Reserves | Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund. |
| Revenue Expenditure | The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges. |
| Specific Grants | Grants paid by the government towards either revenue or capital to support the cost of specific services. |
| Unusable Reserves | Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it must be funded. |