

Introduction

1. This annex sets out the fifth financial monitoring update for the 2024/25 financial year and is based on information to the end of January 2025. Key issues are explained below.

The following information is also provided within the annex:

Annex B – 1 (a) to (e)	Detailed service areas positions
Annex B – 2a	Virements to approve
Annex B – 2b	Virements to note
Annex B – 3	Earmarked reserves
Annex B – 4	Government grants
Annex B – 5	General Balances

Overall Financial Position

2. As shown below there is a forecast service area overspend of £0.6m. This has improved by £3.7m compared to the position reported to Cabinet in January 2025. After taking account of an underspend against budgets held for contingency and inflation, additional interest receivable on balances held by the council and anticipated capital financing costs, the overall position is a forecast underspend of £10.5m.

	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Jan-25 %	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Adult Services	249.7	245.5	-4.2	-1.7%	0.0	-4.2
Children's Services	202.7	204.0	1.3	0.6%	1.3	-0.0
Environment & Highways	53.2	53.4	0.2	0.4%	0.8	-0.6
Economy & Place	16.9	17.1	0.1	0.9%	0.0	0.1
Oxfordshire Fire & Rescue Service and Community Safety	28.9	29.5	0.6	2.1%	0.7	-0.1
Public Health & Communities	12.9	13.1	0.2	1.5%	0.2	-0.0
Resources and Law & Governance	61.5	62.8	1.3	2.2%	1.3	0.0
Transformation, Digital & Customer Experience	6.6	7.6	1.0	15.0%	0.0	1.0
Service Areas Total	632.3	632.8	0.6	0.1%	4.3	-3.7
Budgets Held Centrally						
Capital Financing	21.3	17.8	-3.5	-16.5%	-3.5	-0.1
Interest on Balances	-10.7	-15.3	-4.6	43.4%	-4.6	0.0
Contingency	3.8	0.5	-3.3	-88.0%	0.0	-3.3
Pay Inflation	6.2	1.6	-4.7	-74.8%	-4.7	0.0
Un-ringfenced Specific Grants	-56.9	-56.9	0.0	0.0%	0.0	0.0
Insurance	1.7	1.7	0.0	0.0%	0.0	0.0
Contribution from COVID-19 reserve	-3.8	-3.8	0.0	0.0%	0.0	0.0
Contribution from Budget Priority Reserve	1.6	1.6	0.0	0.0%	0.0	0.0
Contributions to reserves	17.9	22.9	5.0	28.0%	0.0	5.0
Total Budgets Held Centrally	-18.8	-29.9	-11.1	59.2%	-12.8	1.6
Net Operating Budget	613.5	603.0	-10.5	-1.7%	-8.5	-2.1
Business Rates & Council Tax funding	-613.5	-613.5	0.0	0.0%	0.0	0.0
Forecast Year End Position	-0.0	-10.5	-10.5	-1.7%	-8.5	-2.1

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3. £6.3m of the £14.4m pay inflation budget has been used to meet the cost of the additional pay inflation in 2024/25 following the agreement of the Green Book pay award, £0.4m continues to be held to meet the cost of pay inflation for vacant posts when they are recruited to. £1.3m has been used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve (a further £1.7m is recommended to be applied). This leaves a one - off underspend of at least £4.7m which has been reflected in the forecast. The on-going budget that is not needed to fund pay inflation in 2024/25 will roll forward and will be available to meet the cost of pay inflation in 2025/26.
4. Based on the forecast service position, £7.0m of the contingency budget can be used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve. This is an increase of £3.7m since the report to Cabinet January 2025 and, when added to the contribution referred to in paragraph 10, takes the total contribution to the reserve during 2024/25 to £10m (see paragraph 125 for further information).
5. The 2024/25 budget includes planned service areas savings of £30.1m. 54% of these savings are assessed as delivered and 67% are forecast to be delivered by the end of March 2025.
6. The risk assessed level of one – off funding held in general balances in 2024/25 is £30.2m. A residual balance of £2.3m relating to the underspend at the end of 2023/24 was agreed to be held in balances as part of the Provisional Outturn Report for 2023/24. After taking account of the forecast underspend, balances are currently forecast to be £12.9m above the risk assessed level as at 31 March 2025. The use of £10.8m forecast funding from General Balances was agreed as part of the 2025/26 budget. Based on the forecast position and agreed use balances will be £2.1m above the risk assessed level for 2025/26 as at 1 April 2025.
7. The forecast 2024/25 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs is £31.9m, £10.6m higher than the budget approved by Council in February 2024. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit increases the cumulative negative High Needs DSG balance held in this reserve from £55.8m as at 31 March 2024 to £87.7m at 31 March 2025.

Service Areas Forecasts

Adult Services

8. Adult Services are forecasting an underspend of £4.2m against a budget of £249.7m.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Adult Social Care	29.4	29.7	0.3	0.3	0.0
Health, Education & Social Care Commissioning	7.0	6.7	-0.3	-0.3	0.0
Business Support Service	1.2	1.2	0.0	0.0	0.0
Pooled Budgets	212.1	207.9	-4.2	0.0	-4.2
Total Adult Services	249.7	245.5	-4.2	0.0	-4.2

Pooled Budgets

9. The underspend of £4.2 million is attributed to the system's diligent approach to achieve efficiencies related to market and operational management. Performance in Adult Social Care in parallel to this has shown improvement, resulting in better outcomes for residents. Assessment waiting times have decreased by 74%, and the time people wait to be seen has reduced by 64% over the last two years.

Age Well Pooled Budget

10. The Age Well pooled budget combines health and social care expenditure on care homes, activity relating to hospital avoidance and prevention and early support activities for older people. Budgets within the pool are managed on an aligned basis with the BOB ICB so each partner is responsible for the variation against their element of the funding.
11. The position assumes that all of the savings built into the 2024/25 budget are delivered. Further detail is provided in the savings section of the report.
12. The council's share of the Better Care Fund (BCF) being utilised within the pool is £31.1m in 2024/25.
13. There are risks and assumptions within the forecast including:
- Growth in placements, particularly residential, through the year. Although there is a seasonal trend, it is difficult to predict accurately how activity will move. The forecast includes an element of growth held to mitigate this risk.
 - The ICB has begun a programme of Continuing Healthcare package reviews, following which a number of packages have been assessed as no longer meeting the criteria for funding and therefore becoming a social care commitment. To date the increase in costs to the council for older people is £1.0m in 2024/25. This has potential to increase depending on the outcomes of any further assessments undertaken by the ICB.

- The reablement and discharge to assess services has seen a continued increase in numbers over recent months.

Live Well Pooled Budget

14. The Live Well pool supports a combination of health and social care needs for adults of working age with learning disabilities, acquired brain injury or mental health needs and adults with physical disabilities. Budgets within the pool are managed on an aligned basis with the Integrated Care Board (ICB) for Buckinghamshire, Oxfordshire, and Berkshire West (BOB).

15. The council elements of the Live Well pool are forecast to spend to budgets.

16. There are risks and assumptions within the forecast including:

- The ICB has begun a programme of Continuing Healthcare package reviews, following which a number of packages have been assessed as no longer meeting the criteria for funding therefore becoming a social care commitment. To date the increase in costs to the council for adults with learning and physical disabilities is £1.1m in 2024/25.
- Transport costs are forecast to overspend by £0.7m. This is due to costs associated with market conditions rather than increased demand. Work is ongoing to reduce these costs in future years via a transport working group.
- Growth in care packages, particularly for supported living and home support, through the year. It is difficult to predict accurately how activity will move throughout the remaining months of the year.

Non-Pool Services

17. A breakeven position is forecast across all other services.

Reserves

18. In January 2025, Cabinet approved a £3.0m contribution to the Budget Priorities reserve. There are some future funding uncertainties facing the sector and this will support and cover for future risks to the sector. This contribution will be added to £1.0m held in the Budget Priorities reserve for Adult Social Care at 1 April 2024.

19. £0.6m held in reserves because of additional contributions made by the ICB in previous years will be allocated in 2024/25 and 2025/26 as agreed with the Joint Commissioning Executive.

20. As the Supervisory Body the council has a statutory obligation to assess and authorise Deprivation of Liberty Safeguarding (DoLS) requests. The number of requests the council receives has increased so £0.4m has been held in the Budget Priorities reserve to help meet this obligation. This funding will be utilised in 2024/25.

21. £0.1m held in the Government Initiative Reserve relates to ongoing costs associated with charging reforms prior to implementation which is now scheduled for autumn 2025.

22. £0.3m of apprenticeship funding is held within the grants and contributions

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reserve, funding was awarded to the council late in February 2024 to increase social work capacity within adult social care, the funding will be used before March 2025. Noting the positive impact of the recruitment campaign, 300 applications were received for social work apprenticeships from which 8 were appointed.

23. £0.2m Accelerated Reform Fund funding awarded in January 2024 has been used to address barriers to adopting innovative practices and build capacity and capability within adult social care.

Ringfenced Grants

24. As set out in Annex B-4, 2024/25 ring-fenced government grants for Adult Services total £23.2m.
25. The Improved Better Care Fund Grant is £10.7m, with no change since 2023/24. The conditions attached to the grant funding require it to be used for the purposes of meeting adult social care needs, including contributing to the stabilisation of local care markets and supporting the NHS in addressing pressures such as delayed discharges.
26. The Market Sustainability and Improvement Fund is £10.0m and is being used to support the provider fee uplift in 2024/25 in line with the terms of the grant, to enhance the uplift, and to maintain uplifts from 2023/24 funded through the Market Sustainability and Fair Cost of Care grant which now forms part of this grant.
27. The Adult Social Care Discharge Fund is £2.5m. This is being used to provide interventions that improve discharge of patients from hospital to the most appropriate location for their ongoing care.

Non-ringfenced Grants

28. The Department for Work and Pensions (DWP) have allocated a non-ringfenced grant of £0.1m to support Connect To Work activity within Adult Social Care, this will be used in 2024/25 and 2025/26.

Virements

29. There are a number of virements to note. These reflect inflationary uplifts being added to the pooled budgets, and funding for the 2024/25 pay award..

Children's Services

30. Children's services are forecasting an overspend of £1.3m against a budget of £202.6m.

31. For High Needs DSG there is a forecast in year deficit of £31.9m. Forecast expenditure is £10.6m higher than the budget approved by Council in February 2024.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Education & Learning	54.4	55.4	1.0	1.0	0.0
Schools ¹	0.2	0.2	0.0	0.0	0.0
Subtotal Education	54.6	55.6	1.0	1.0	0.0
Early Help, Front Door & Social Care	86.4	85.7	-0.7	-1.5	0.8
Provider Services & Safeguarding	52.6	50.4	-2.3	-1.5	-0.7
Subtotal Children's Social Care	139.1	136.1	-3.0	-3.0	0.0
Children's Services Central Costs	9.0	12.3	3.3	3.3	0.0
Total Children's Services	202.7	204.0	1.3	1.3	0.0
Overspend on High Needs DSG that will be transferred to the unusable reserve	89.4	121.4	31.9	28.4	3.5

Education

32. Within Education & Learning, Home to School Transport continues to be high risk. Expenditure is forecast to exceed the budget by £1.0m based on the pupils and transport requirements for the current academic year.

33. There is a review of ongoing potential mitigations that might improve the outturn position.

Children's Social Care & Central Costs

34. The Children's Social Care is forecast to underspend by £3.0m as a result of a reduction in the forecast against staff budgets and underspends on investments. This is offset by a forecast overspend of £3.3m for Children's Services Central Costs.

35. There remains the risk of demand pressures in Children's Social Care including the cost of children's placements, agency social workers and the challenges delivering savings targets during the financial year.

36. Currently Children's Social Care are mitigating any overspends against in year grant funding for Unaccompanied Asylum Seeking Children through the use of prior-year funding held in the Grants & Contributions reserve. There remains a risk

¹ *Maintained Schools are funded by Dedicated Schools Grant

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that the reserve balance may be exceeded.

37. In relation to staffing, several initiatives are planned to support the reduction in the number of agency social workers. For 2024/25 costs are currently expected to be managed within the budget, however there could be risks in future financial years should the number and cost of agency social workers not reduce in line with budgeted expectations.

38. The latest activity for Children's Social Care is as below:

	Q2	Q4	Q2	Q4	Q2	Q3	January
	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2024/25
Oxfordshire born children	778	735	677	624	643	650	653
Disabled Children	61	58	51	49	43	45	48
Subtotal	839	793	728	673	686	695	701
Unaccompanied	69	108	94	95	99	100	90
Total	908	901	822	768	785	795	791

39. The number of cared for children for during 2024/25, excluding the Unaccompanied Asylum-Seeking Children, has continued to broadly stabilise at around the 700 level and is in line with the numbers forecast for the budget at this point in the year.

Dedicated Schools Grant (DSG)

40. The forecast overspend against High Needs DSG funding is a deficit of £31.9m, £10.6m higher than the £21.3m budget approved by Council in February 2024.

Summary of DSG funding	2024/25 Budget	2024/25 Projected Outturn	Variance
	£m	£m	£m
Schools block	129.1	129.1	0.0
Central Services Schools block	5.2	5.2	0.0
High Needs block	89.5	121.4	31.9
Early Years block	75.4	75.4	0.0
Total	299.1	331.0	31.9

41. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit increases the cumulative negative High Needs DSG balance held in this reserve from £55.8m as at 31 March 2024 to £87.7m at 31 March 2025.

Environment & Highways

42. Environment & Highways is forecasting an overspend of £0.2m against a budget of £53.2m.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Transport, Property & Infrastructure Delivery	1.3	1.3	0.0	0.0	0.0
Countryside & Waste	34.9	34.9	0.0	0.2	-0.2
Business Support	0.4	0.4	0.0	0.0	0.0
Highways & Maintenance	21.7	20.1	-1.6	-1.6	0.0
Network Management	-6.2	-4.4	1.8	2.2	-0.4
Senior Management	1.0	1.0	0.0	0.0	0.0
Total Environment & Highways	53.2	53.4	0.2	0.8	-0.6

Transport, Property & Infrastructure Delivery

43. The Transport, Property & Infrastructure Delivery service area is forecasting a breakeven position.

Countryside & Waste

44. The Countryside & Waste service is currently forecasting a breakeven position, an improvement of £0.2m to the previously reported position

45. Within Waste Management there is an increase in tonnages transferred to the Energy Recovery Facility and a reduction in recycling tonnages. The resulting overspend (£0.5m) will be offset through income share arrangements with the Energy Recovery Facility (ERF) and through efficiencies in countryside services. The service will continue to monitor waste data trends and report any significant changes in future reports.

46. The table below summarises budgeted and actual waste activity.

Waste Stream**	Budget			
	Annual £m	Tonnage K'Tonnes	%	Price/ Tonne £
Recycling/ Composting	£8.4m	175	60%	£47.86
ERF	£16.2m	105	36%	£154.41
Landfill	£1.6m	11	4%	£149.30
Total	£26.2m	291	100%	£90.09

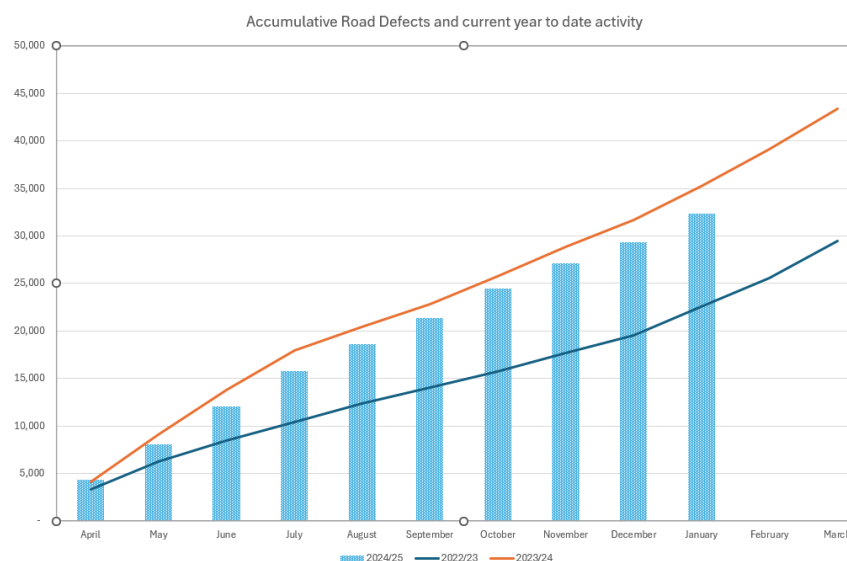
Outturn Forecast*			
Annual £m	Tonnage K'Tonnes	%	Price/ Tonne £
£8.1m	153	56%	£53.24
£17.3m	112	41%	£154.62
£1.3m	8	3%	£167.56
£26.7m	273	100%	£98.07

*December figures presented as the latest dataset.

** Please note that budget, outturn & variance figures are rounded to the nearest 1000

Highways & Maintenance

47. Highways & Maintenance are forecasting an underspend of £1.6m. This reflects a reduction in energy consumption for street lighting and the ongoing effect of a price update received late in 2023/24 setting out more favourable energy prices.
48. The service is forecasting pressures of £2.5m across maintenance predominantly in defect repairs, incident response and winter maintenance, as a result of bad weather across the county. These pressures are currently being mitigated through underspends across the service.
49. Current level of defects remains lower than last year and in line with the current budget.



Network Management

50. Network Management is forecasting an overspend of £1.8m. This is due to a delay in approval of the council's application to implement charging for Lane Rental by the Department for Transport. Although the full level of income will not be achieved actions to mitigate the impact, such as delays in other planned expenditure and additional drawdown of the parking account reserve are reflected in the forecast.

Virements

51. There are number of virements that predominantly realign and correct internal budgets as detailed in Annex B-2b.

Economy & Place

52. Economy & Place is forecasting an overspend an overspend of £0.1m against a budget of £16.9m.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Place Shaping	12.0	12.0	0.0	0.0	0.0
Future Economy	0.1	0.1	0.0	0.0	0.0
Regulatory Planning & Enforcement	2.0	2.1	0.1	0.0	0.1
Climate Action	1.2	1.2	0.0	0.0	0.0
OxLEP	0.1	0.1	0.0	0.0	0.0
Innovation	0.4	0.4	0.0	0.0	0.0
Senior Management Team	0.7	0.7	0.0	0.0	0.0
Business Performance & Services Improvement	0.5	0.5	0.0	0.0	0.0
Total Economy & Place	16.9	17.0	0.1	0.0	0.1

53. The Regulatory Planning & Enforcement service area is forecasting an overspend of £0.1m due to legal costs for damages awarded by the Planning inspector against Oxfordshire County Council in a planning appeal.

54. All other services in Economy & Place are forecasting a breakeven position.

Public Health and Communities

55. Public Health and Communities are forecasting a £0.2m overspend against a budget of £12.5m.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Public Health Functions	40.0	39.4	-0.6	-0.2	-0.4
Public Health Recharges	0.6	0.6	0.0	0.0	0.0
Other Income	-1.4	-1.4	0.0	0.0	0.0
Grant Income	-34.4	-34.4	0.0	0.0	0.0
Transfer to Public Health Reserve	0.0	0.6	0.6	0.2	0.4
Total Public Health	4.8	4.8	0.0	0.0	0.0
Total Libraries & Heritage	8.1	8.3	0.2	0.0	0.2
Total Public Health and Communities	12.9	13.1	0.2	0.0	0.2

56. A £0.6m underspend in services funded by the Public Health ringfenced grant will be transferred to the Public Health reserve at year end.

57. Sexual health services are forecasting a £0.1m underspend due to activity levels being lower than anticipated.

58. Tobacco Control is forecast to underspend by £0.1m due to an increase in the Section 31 grant to support the increase in tobacco control and stop smoking activity.

59. The budget for NHS Health Checks is forecast to underspend by £0.1m due to lower activity.

60. Other Public health services are reporting underspends of £0.3m, £0.1m relating to delayed research spend now earmarked for 2025/26 and £0.2m related to staff restructures and delays in delivering NHS partnership evaluation work.

Libraries & Heritage

61. Libraries & Heritage are forecasting an overspend of £0.2m.

62. The Home Library Service is forecast to overspend by £0.1m. Pressures within branch libraries are being managed

Ringfenced Government Grants

63. The ringfenced Public Health grant totals £35.0m in 2024/25. This includes an additional £0.6m to cover the additional in-year cost impact of the National Health Service pay awards for health services commissioned by local authorities and funded through the public health grant.

64. A ringfenced Stop Smoking Services Grant of £0.8m has been awarded to the council to increase the number of smokers engaging with effective interventions to quit smoking.

Use of Un-ringfenced Government Grant Funding

65. Un-ringfenced grants held centrally and agreed to be used to support expenditure budgets within Public Health include:

- £1.2m Domestic Abuse Duty Grant supporting the provision of accommodation-based support to victims of domestic abuse and their children.
- £0.6m Substance Misuse Treatment & Recovery Housing Grant being used to deliver the Government's aim that by 2024/25 there will be more people recovering from addiction in stable and secure housing.
- £1.7m Supplementary Substance Misuse Treatment and Recovery grant. This is the second year of a three-year scheme where the Office for Health Improvement and Disparities (OHID) is working alongside other government departments to support a process of investment in a whole system approach to tackling illicit drug use, including enforcement, diversion and treatment and recovery interventions.
- £0.2m Employment Individual Placement Support in community drug and alcohol treatment grant, to improve quality of life for people with alcohol and 'other drug' dependence.
- £1.1m Rough Sleeping Drug and Alcohol Grant is being used to provide specialist support for rough sleepers and those at risk.

Reserves

66. Public Health earmarked reserves were £4.5m at 1 April 2024. £1.4m is earmarked to be spent in 2024/25, £1.1m in 2025/26, £0.6m in 2026/27 and £0.4m in 2027/28, leaving a balance of £1.6m. The use of the reserve is continuously being reviewed and it is anticipated that there will be further commitments against this funding agreed throughout 2024/25.
67. £0.1m is being held to expand the Making Every Contact Count work programme in Oxfordshire; this will be spent in 2024/25.
68. The History Service donations reserve of £0.02m is earmarked to be spent in 2024/25
69. The Museum Service donations reserve of £0.1m is earmarked to be spent equally over the next 3 years.

Virements

70. Virements to reflect the agreed 2024/25 Pay Award have been actioned.

Oxfordshire Fire & Rescue Service and Community Safety

71. Oxfordshire Fire & Rescue Service and Community Safety are forecasting a £0.6m overspend against a budget of £28.9m. This is an improvement of £0.1m from the previously reported position.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Fire & Rescue	27.1	27.8	0.7	0.7	0.0
Emergency Planning	0.3	0.3	0.0	0.0	0.0
Trading Standards	1.4	1.4	-0.1	0.0	-0.1
Total Oxfordshire Fire & Rescue Service and Community Safety	28.9	29.5	0.6	0.7	-0.1

72. All services are forecasting a breakeven position with the exception of Fire and Rescue which is forecasting an overspend of £0.7m due to staffing savings that are not expected to be achieved. This is partially offset by in year vacancies in Trading Standards.

Use of Un-ringfenced Government Grant Funding

73. Un-ringfenced grant funding held centrally and agreed to be used to support expenditure budgets within Oxfordshire Fire & Rescue Service includes:

- £0.1m Firelink Grant - The council has been notified of a 20% reduction in this grant from the previous year and that this grant will continue to reduce by 20% in each of the next two years.

Reserves

74. £3.2m is held in reserves for the renewal of fire and rescue vehicles and breathing apparatus equipment. A fleet replacement strategy has been developed, and several vehicles have been ordered and expected to be received in 2024/25, the reserve will be fully utilised by 2025/26.
75. £0.5m was available in the Fire Uplift Grant reserve as at 1 April 2024. This is being held to fund employee costs expected to be incurred over the next three to five years.
76. £0.5m is being held to cover the cost of the replacement of Airwave for the Oxfordshire Fire and Rescue Service and the implementation of the new national Emergency Service Mobile Communications Programme.

Resources and Law & Governance

77. The services within Resources are forecasting an overspend of £1.3m against a budget of £61.5m. This is unchanged from the last report.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Corporate Services	10.9	11.8	0.9	0.9	0.0
HR & Cultural Change	5.1	4.9	-0.2	-0.2	0.0
Financial & Commercial Services	9.7	10.0	0.3	0.0	0.3
Property & Assets	22.1	22.0	-0.1	0.0	-0.1
Public Affairs, Policy & Partnership	4.4	4.4	0.0	0.0	0.0
Law, Governance, Coroner & Registration Services	9.2	9.7	0.5	0.6	-0.1
Total Resources	61.5	62.8	1.3	1.3	0.0

78. There is a forecast overspend of £0.9m within **Corporate Services** due to previously agreed savings of £0.9m which were held corporately but expected to be achieved through reductions in costs related to IT expenditure across the organisation. Since further work has identified that these are not achievable in 2024/25 there is a forecast pressure. In the longer run, action will be taken to reduce costs but some of the contingency budget will be used to manage the impact of the delivery timeline on the on-going achievement of the saving in 2025/26.

79. **Human Resources & Organisational Development** are forecasting an underspend of £0.2m due to in year savings from staff seconded to transformation projects. All savings are expected to be fully delivered.

80. **Financial & Commercial Services** are forecasting a £0.3m driven by increased agency spend to cover vacancies. The forecast also reflects under achievement of income in the procurement area, which has been addressed as part of the 2025/26 Budget. Within that all savings and investments are expected to be fully delivered.

81. **Property & Assets Services** are forecasting a £0.1m underspend. All savings are expected to be fully delivered.

82. **Public Affairs, Policy & Partnership services** are forecasting a breakeven position. All savings and investments are expected to be fully delivered.

83. **Law, Governance, Coroners & Registration Services** are forecasting an overspend of £0.5m as a result of high locum costs in the Legal service where recruitment continues to be a challenge.

Transformation, Digital & Customer Experience (TDCE)

84. The services within TDCE are forecasting a £1.0m overspend against a budget of £6.6m due to savings now expected to be delivered in 2025/26 rather than 2024/25.

Service Area	Latest Budget Jan-25 £m	Forecast Spend Jan-25 £m	Forecast Variance Jan-25 £m	Forecast Variance Nov-24 £m	Change Since Nov-24 £m
Delivery Unit	2.0	3.0	1.0	0.0	1.0
Customer Experience	3.6	3.6	0.0	0.0	0.0
Insight & Corporate Programmes	0.7	0.7	0.0	0.0	0.0
TDCE Management	0.2	0.2	0.0	0.0	0.0
Total Resources	6.6	7.6	1.0	0.0	1.0

85. The **Delivery Unit** is forecasting a £1.0m overspend due to underdelivered savings now expected to be delivered in 2025/26 rather than 2024/25.

86. **Customer Experience** service are forecasting a breakeven position and 100% of savings are expected to be delivered.

87. **Insight & Corporate Programmes** and **TDCE Management** are forecasting breakeven positions.

Overview of Medium-Term Financial Strategy Investments and Savings

88. The 2024/25 budget includes planned services savings of £30.1m. 54% of these savings are assessed as delivered and 67% are forecast to be delivered in 2024/25. Work has continued to ensure that these savings are achieved.

Service areas	2024/25 Planned Savings	Actual Delivery to Date	Actual Delivery to Date	Forecast delivery	Forecast delivery
	£m	£m	%	£m	%
Adult Services	4.3	2.9	67%	4.2	98%
Children's Services	12.3	6.4	52%	6.5	53%
Environment & Highways	8.1	3.9	48%	5.2	65%
Economy and Place	1.0	0.6	65%	1.0	100%
Public Health & Communities	0.5	0.2	53%	0.5	100%
Oxfordshire Fire & Rescue Service and Community Safety	0.5	0.1	15%	0.2	46%
Resources and Law & Governance	1.9	1.8	96%	1.9	98%
Transformation, Digital & Customer Experience	1.5	0.4	23%	0.6	36%
TOTAL	30.1	16.4	54%	20.1	67%

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89. The 2024/25 budget also includes planned service areas investments of £11.6m. Currently 51% is forecast to be delivered. £1.6m will be transferred to the Budget Priorities Reserve to support spend now expected to take place in 2025/26. £4.1m is forecast to be unspent and mostly is being used to support service pressures. The £4.1m unspent funding is included within the forecast service position.

Service Areas	2024/25 Planned Investments	Actual Delivery to Date	Forecast delivery in 24/25	Estimated transfer to 25/26	Unspent
	£m	£m	£m	£m	£m
Adult Services	1.4	0.0	0.5	0.4	0.5
Children's Services	6.7	0.3	2.3	1.1	3.3
Environment & Highways	2.5	0.9	2.3		0.2
Economy and Place	0.4	0.2	0.3		0.1
Resources and Law & Governance	0.6	0.5	0.5	0.1	0.0
TOTAL	11.6	1.8	5.9	1.6	4.1
%			51%	14%	35%

Adult Services Savings

90. The 2024/25 budget includes planned savings of £4.3m. 98% are forecast to be delivered.
91. The unconfirmed savings relate to an action to reduce the outstanding unsecured debt. This will not be confirmed until the end of the financial year but while action continues to be taken early reports indicate that this will not be achieved.
92. There were also £0.3m of savings brought forward from 2023/24 to be delivered in 2024/25. 100% of these savings are expected to be delivered.

Investments

93. Planned one – off investments of £1.4m were agreed as part of the 2024/25 budget. Commitments have been made to spend £0.5m of this funding with further work being carried out to utilise the remaining investment. Depending on progress by year end £0.2m may be required to be held in the Budget Priorities Reserve to be used in 2025/26. £0.2m of the investment linked to the Oxfordshire Way is being managed by the Partnership Delivery Service.

Children's Services Savings

94. The 2024/25 budget includes planned savings of £12.3m, 53% is forecast to be delivered. Savings at risk of delivery include the children we care for savings of £6.2m.

Investments

95. Planned investments of £6.7m agreed as part of the 2024/25 budget include the following of which 35% is forecast to be delivered. c£1.1m will be held in reserves at year end for use in 2025/26, including investments for Oxfordshire Way:

Service Areas	2024/25 Planned Investments	Forecast delivery in 24/25	Estimated transfer to 25/26	Unspent	
Additional capacity in the SEND service	£1.5m	£1.2m	£0.3m	£0.0m	
Extend the Family Safeguarding model to reduce demand	£0.9m	£0.1m		£0.8m	*
Recruitment & Retention Strategy	£1.0m	£0.2m		£0.8m	
Home to School Transport to improve data and systems and increase independent travel	£0.8m	£0.0m		£0.8m	*
Digital innovation to assist customer pathways and user experience in information finding and advice	£0.5m	£0.1m		£0.4m	*
Develop the Oxfordshire Way approach	£0.7m	£0.3m	£0.3m	£0.0m	
Other investments (Family services, Foster Care and technological improvement)	£1.3m	£0.4m	£0.5m	£0.4m	
TOTAL	£6.7m	£2.3m	£1.1m	£3.3m	

Note* £2.8m investment funding is supporting service pressures

Environment & Highways Savings

96. The 2024/25 budget includes planned savings of £8.1m. 65% are forecast to be delivered. Savings that are expected to be partially delivered or not expected to be delivered include:

- Lane rental an introduction of charges for all works on the business roads at the busiest times to minimise disruption: the service anticipates that the full £2.2m income expectation will not be achieved as a result in a delay obtaining approval from the Department for Transport. The on-going impact has been addressed through the 2025/26 Budget & Business Planning process.
- Income of £0.2m from introduction of a new Controlled Parking Zones (CPZs): Income realisation is now expected to be between December 2024 and March 2025 through a mix of permit fees and fines. An update on additional CPZ income will be reported at the end of the financial year.
- Prevention of unsorted waste at Household Waste Recycling Centres. A saving of £0.2m is now not expected to be delivered this year due to implementation delays.
- £0.5m commercial savings to be achieved through contractual negotiation is not likely to be fully delivered by the end of this financial year.

Investments

97. The 2024/25 budget includes planned investments of £2.5m. 92% are on track to be delivered. Investments that are at risk of being delivered include:

- £0.2m to introduce new Controlled Parking Zones: the Network and Co-ordination service has prioritised to identify, design and consult on four new schemes. Approval and consultation feedback is to progress with at least two schemes. The other two schemes are deferred.
- £0.1m investment in a feasibility study to introduce a new Demand Responsive transport project is currently on hold pending a decision on whether to reallocate this investment to another project.

Economy and Place

98. The 2024/25 budget includes planned savings of £1.0m. 83% are forecast to be delivered. £0.3m of planned investments are on track to be delivered with plans now progressing for the congestion and mini – Holland capital schemes. Funding for future revenue borrowing is expected to be transferred to reserves at the end of the financial year.

Public Health & Communities

99. The 2024/25 budget includes planned savings of £0.5m. 100% are forecast to be delivered.

Oxfordshire Fire & Rescue Service and Community Safety

100. The 2024/25 budget includes planned savings of £0.5m. 46% are forecast to be delivered, £0.3m staffing savings are at risk of being delivered.

Resources and Law & Governance

101. The 2024/25 budget includes planned savings of £1.9m. 96% of these savings have been delivered and 98% are forecast to be delivered. 87% of planned investments of £0.6m are expected to be achieved.

Transformation, Digital & Customer Experience

102. Delaying staffing savings of £1.5m that need to be achieved across the council are currently being held in the Transformation service. Budgets for senior managers have been adjusted to reflect the new structure. £0.6m of the £1.5m saving has been achieved following the completion of the Tiers 3 and 4 layering.

Debt Management

Corporate Debtors

103. The combined 120-day customer invoice collection rate up to January 2025 based on volumes is 97%, 2% above target. For the same period based on value the rate is 95%, a 1% increase on the previous period.

104. Debt forecast to require impairing at year end is £0.9m, £0.5m above the current impairment balance of £0.4m and £0.6m above the £0.3m target. The top five cases account for 59% of this debt and finance are working with the respective services to expedite resolution.

105. Cabinet is recommended to approve the write off of £0.1m owed to the council by a company who are in liquidation. The liquidators have paid £0.1m towards a total debt of £0.2m and have confirmed that no further dividends are due to creditors.

Adult Social Care Contribution Debtors

106. The combined 120-day invoice collection rate up to January 2025 is 92%, equaling the target. The collection rate based on value of invoices for the same period is 83%, equal with the last period.
107. The 2023/24 year-end adults care contribution impairment for bad debt was £4.5m. The current projected 2024/25 year-end bad debt position has increased this month from £5.0m to £5.1m, this is £0.55m higher than the impairment balance. Additionally, there is a savings target of £0.1m, currently forecast as unachievable. The cumulative impact is a forecast pressure of £0.66m, up from £0.5m last period. Financial services continue to work with the service to support activity to reduce the debt balance. Subject to Cabinet approval of the write off a number of high value historic or legally unenforceable debts (see paragraph 110) the impairment balance is expected to reduce by year end.
108. Cabinet is recommended to approve the writing off of seventeen Adult Social Care contribution debts totaling £0.380m. Nine cases involve deceased individuals with insolvent estates. In six cases, legal advice is there is no route to recover the arrears. One case involves the mismanagement of service user finances by other people. Although secure arrangements are now in place, the debt relates to the prior period and cannot be recovered. The final case involves an individual unable to repay accrued debt, however they are paying ongoing charges.

Budgets Held Centrally

109. After taking account of the use of contingency and additional interest on balances to support the forecast service areas overspend, there is a combined underspend of £11.1m against budgets held centrally.

Capital Financing Costs

110. The borrowing costs and minimum revenue provision (MRP) for capital projects funded by Prudential Borrowing are either recharged to service areas where savings arising from the scheme are expected to meet them or met corporately from the budget for capital financing costs. It is anticipated that after taking account of recharges to service areas costs will be in line with budget.
111. Interest payable is currently forecast to be £11.9m, £3.5m below budget. This reflects the early repayment of two LOBO loans and actual interest costs being lower than budgeted. This is expected to be one – off in 2024/25 as interest payable is expected to increase in 2025/26.

Interest on Balances

112. The forecast for interest receivable is £27.1m, £7.8m above the budget. The additional interest is a result of higher than forecast cash balances coupled with higher than forecast deposit rates. Of the £7.8m, an estimated £3.3m of this will be applied to capital balances.
113. Cash balances for the year are forecast to be £81.9m lower than they would otherwise have been as a result of negative DSG balances. The impact of this is an estimated opportunity cost of £3.4m in unearned interest during 2024/25.

Pay Inflation and Contingency

114. Ongoing funding for pay inflation in 2024/25 total £14.4m and the contingency budget for 2024/25 totals £7.5m.
115. £6.3m of the £14.4m pay inflation budget has been used to meet the cost of the additional pay inflation in 2024/25 following the agreement of the Green Book pay award, £0.4m continues to be held to meet the cost of pay inflation for vacant posts when they are recruited to. £1.3m has been used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve (a further £1.7m is recommended to be applied). This leaves a one - off underspend of at least £4.7m which has been reflected in the forecast. The on-going budget that is not needed to fund pay inflation in 2024/25 will roll forward and will be available to meet the cost of pay inflation in 2025/26.
116. The Soulbury pay award 2024/25 was agreed in February 2025 and the impact is covered within the forecast
117. Based on the forecast service position, £7.0m of the contingency budget will be used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve. This is an increase of £3.7m compared to the contribution agreed by Cabinet in January 2025. The remaining contingency budget of £0.5m will be held as a provision for bad debt impairment for debts which are proving challenging to recover.

Reserves, General Balances and Grants

Reserves (Annex B - 3 Earmarked Reserves)

118. Earmarked Reserves are forecast to be £199.5m at 31 March 2025.

Local Government Devolution and Reorganisation Reserve (further contribution of £5.0m)

119. On 16 December 2024, the government published its English Devolution White Paper and the Minister of State for Local Government and English Devolution set out a summary of plans in a Written Ministerial Statement to Parliament.
120. All two-tier areas and small/failing unitary councils are invited to submit reorganisation proposals with the government aiming for all Local Authorities to be unitary authorities with 500,000 population or more. Furthermore, all areas will need to be within Strategic Authorities (including combined authorities) covering at least 1.5 million residents.

121. In January 2025 Cabinet approved the creation of a new reserve to hold funding to support the development of reorganisation and devolution proposals for Oxfordshire and a contribution of £5.0m.
122. It is proposed to supplement further the newly created reserve with another one - off contribution of £5.0m made up of £3.3m from the contingency budget and £1.7m from the remaining unallocated budget for pay inflation that is not required to be used in 2024/25. The total held would then be £10.0m.

Budget Priorities Reserve

123. Existing funding held in the Budget Priorities reserve continues to be used to fund priorities agreed as part of the 2024/25 budget. In January 2025, Cabinet approved to transfer £3.0m from Adult Services to the reserve on a one-off basis. This funding will be used to cover future risks within Adult Services.
124. A contribution of £1.0m was made into the reserve at the end of 2023/24 to extend schemes already agreed as part of the Cabinet's priorities including Rail Studies (£0.2m) and an extension of the funding for efficiency loans to schools (£0.8m). These totals are fully committed in 2024/25.

Transformation Reserve

125. The Transformation Reserve is being used to support the costs of the implementation of the council's transformation programme, Delivering the Future Together.
126. To enable the priorities for the next phase of transformation to be delivered and to create a sustainable council for the future funding of £10.0m was agreed to be added to the reserve as part of the 2024/25 budget. £2.3m of this funding is being used to support revenue budget investments also agreed as part of the 2024/25 budget, with £1.5m supporting the 2024/25 budget and a further £0.8m in 2025/26.
127. The use of £4.5m of the reserve has been agreed during 2024/25. The remaining balance of £2.1m is expected to be committed during 2024/25.

Redundancy Reserve

128. The balance held in the Redundancy Reserve was £2.4m at 31 March 2024. Reflecting the need to reduce the size of the council to be sustainable in future £5.0m was agreed to be added to the reserve as part of the 2024/25 budget. To date the estimated redundancy costs to be funded from this reserve in 2024/25 are £2.5m. After taking account of the cost of redundancies relating to the senior management structure including the layering of Tier 3 and 4 managers in 2024/25 the remaining balance is forecast to be £4.5m.

Collection Fund Reserve

129. The Collection Fund reserve is used to manage fluctuations in Business Rate and Council Tax income that the Council receives. As part of the 2024/25 budget it was agreed to hold £4.0m to fund future volatility in the collection fund position alongside the potential impact of a business rates reset.

130. The forecast balance at 31 March 2025 is £8.4m after taking account of additional business rates funding of £1.3m notified during 2024/25 plus £0.9m income from the North Oxfordshire Business Rates pool.

COVID-19 Reserve

131. The balance held in the reserve at 31 March 2024 was £7.9m with further budgeted planned use of £3.8m in 2024/25 and £2.3m in 2025/26. £1.4m funding not required to be used to fund pressures in Children's Social Care in 2023/24 continues to be held in the reserve and will be transferred to the Transformation Reserve in 2025/26.

Impact of IFRS9

132. A reserve to manage the impact of IFRS9, which relates to the value of pooled investments, was created as part of the 2024/25 budget (Jan 2024 Cabinet Section 4.6 para 33-35). £5.0m funding is currently held in the reserve.
133. Following responses from the Local Government Settlement consultation, MHCLG has decided to implement transitional arrangements for legacy investments already in place at the end of 1 April 2024. The override will now apply to these investments until 1 April 2029. The extension from 2025 to 2029 will provide further time to manage the pooled investments.
134. Since the potential impact is now further ahead, it is recommended to reduce the reserve by £1.0m (revised balance £4.0m) and redirect the funds to support rural active travel measures with the funding initially moved to the Budget Priorities Reserve. The requirement for the remaining funding held in the IFRS9 reserve will be considered during 2025/26 or as part of the budget for 2026/27.

Dedicated Schools Grant (DSG) Unusable Reserve

135. An unusable reserve was created in 2020/21 to hold **negative High Needs DSG balances** in line with a change to the CIPFA code of practice on DSG High Needs deficits. The net deficit of £31.9m for 2024/25 will increase the total High Needs deficit held in the reserve from £55.8m to £87.7m as at 31 March 2025. The regulations which require the negative balance to be held in an unusable reserve will come to an end on 31 March 2026.

Grants (Annex B - 4 government grants)

136. 2024/25 Government grants total £532.1m are on track to be delivered. This includes £26.0m in schools' grants for additional mainstream funding, early years funding and pupil premium, plus Adult Social Care Market Sustainability and Improvement Fund (£10.0m).

Homes for Ukraine

137. Following the launch of the Homes for Ukraine (HfU) scheme by the UK government in March 2022, upper tier councils have been in receipt of a tariff fund for individual arrivals in their area of responsibility as well as funding for thank you payments for hosts. Funding for the tariff element was originally provided as a one-off payment at the level of £10,500 per guest, falling to £5,900 for all new arrivals from 1 January 2023. For eligible minors the tariff continues at £10,500.
138. Based on the position as at the end of January 2025, £27.2m of the grant funding received to date has now been allocated and £4.8m remains unallocated.

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A further £1.2m funding is expected to be received following the quarter 4 claim.

General Balances (Annex B – 5 General Balances)

139. The risk assessed level of balances for 2024/25 is £30.2m.
140. As set out in the Provisional Outturn Report for 2023/24, a one-off balance of £2.3m was held in balances pending a decision about future use.
141. After taking account of the forecast underspend and the £2.3m funding held since the end of 2023/24, balances are currently forecast to be £12.9m above the risk assessed level at 31 March 2025. The use of £10.8m forecast funding from General Balances was agreed as part of the 2025/26 budget. Based on the forecast position and agreed use balances will be £2.1m above the risk assessed level for 2025/26 as at 1 April 2025