

# **CABINET – 21 OCTOBER 2025**

## **REVENUE UPDATE AND MONITORING REPORT**

### **Report by the Executive Director of Resources and Section 151 Officer**

#### **Recommendations**

1. **Cabinet is RECOMMENDED to**
  - a) Note the report and annexes.
  - b) Note that c£6.6m funding for pay inflation added to service area budgets is included in the virements relating to funding changes (paragraphs 27).
  - c) Approve the following corporate debt write offs as detailed: (paragraph 28)
    - Historic supplier account balance - £11,006 (credit)
    - Historic supplier account balance - £10,333
  - d) Approve the change to the Dedicated Schools Grant (DSG) High Needs Block 2025/26 updated budgeted deficit (paragraphs 33 - 37).

#### **Executive Summary**

2. The budget for 2025/26 and Medium-Term Financial Strategy (MTFS) to 2027/28 was agreed by Council on 11 February 2025. £53.6m new funding to meet inflationary and demand pressures in 2025/26 was included as part of the budget along with £6.9m investments and £30.3m savings.
3. This report sets out the current revenue forecast as at end of August 2025 and expected outlook for the financial year and includes updates on:
  - financial risks which are being managed in 2025/26;
  - savings and investment position; and
  - funding notified since the budget was agreed in February 2025.
4. The council's financial position underpins the delivery of its priorities.

#### **Key Messages – Revenue, Balances and Reserves**

- Nationally local government continues to work in a challenging environment but the position at the end of 2024/25 demonstrated that the council is able to take action across services to manage within the available funding. At the end of August 2025 (Financial Period Month 5), the council's services are forecasting a £6.1m overspend (£4.9m change since last reported) as at 31 March 2026. This is offset by a forecast underspend of £5.3m within budgets held centrally (£3.0m improvement since last reported). The overall forecast as at 31 March 2026 is for an overspend of £0.6m (deterioration of £1.7m since last reported). The details are shown in Annex 1 and summarised in Table 1 (paragraph 6 below).

- In order to ensure ongoing financial resilience, the council is holding an on-going corporate contingency budget of £7.3m as well as one – off general balances based on an assessment of risk agreed as part of the budget). These measures provide additional financial resilience should the service area overspend not be effectively mitigated by corrective actions before the end of the financial year. Based on current forecasts, the contingency budget is not currently expected to be required in full. Any underspend later in the year will be transferred to reserves to further improve financial resilience and provide funding for future investments.
- The revised in year forecast deficit against Dedicated Schools Grant funding for High Needs has increased £60.6m. This means that the forecast cumulative deficit is expected to be £152.9m by 31 March 2026. In June 2025, the government extended the statutory override which requires this expenditure to be held in a negative reserve to 31 March 2028. Further information on how High Needs deficits will be managed in future is expected later in the year along with a White Paper on SEND reform.

5. More detailed financial information summarising the Financial Strategy – Reserves and General Balances is included in Annex 4.

## Forecast Revenue position as at 31 August 2025

6. At Month 5, the council is forecasting a £0.6m overspend against the revenue budget as at 31 March 2026. Table 1 below shows the forecast revenue budget, forecast expenditure and variation for the year by Service Area (further details are set out in Annex 1):

Table 1 - Summary revenue budget forecast variances as at 31 August 2025

Service	Net Budget	Current Forecast	Forecast Variance	May Forecast	Movement
Adult Services	£260.0m	£260.0m	£0.0m	£0.0m	£0.0m
Children's Services	£212.7m	£212.7m	£0.0m	£0.0m	-£0.0m
Public Health & Communities	£13.6m	£13.6m	£0.0m	£0.0m	£0.0m
Environment & Highways	£54.6m	£55.7m	£1.1m	£0.0m	-£1.1m
Economy & Place	£21.4m	£21.4m	£0.0m	£0.0m	£0.0m
Fire & Rescue and Community Safety	£31.0m	£31.7m	£0.7m	£0.7m	£0.0m
Resources and Law & Governance	£62.0m	£62.7m	£0.6m	£0.5m	-£0.1m
Transformation, Digital & Customer Experience	-£1.4m	£2.1m	£3.5m	£0.0m	-£3.7m
<b>Service Areas position</b>	<b>£653.8m</b>	<b>£659.7m</b>	<b>£5.9m</b>	<b>£1.2m</b>	<b>-£4.7m</b>
Budgets held centrally	-£5.4m	-£10.7m	-£5.3m	-£0.1m	£5.2m
Corporate Funding	-£648.4m	-£648.4m	£0.0m	-£2.2m	-£2.2m
<b>Overall</b>	<b>£0.0m</b>	<b>£0.6m</b>	<b>£0.6m</b>	<b>-£1.1m</b>	<b>-£1.7m</b>

7. In 2025/26, updates are being provided on an exception basis highlighting any pressures, risks, in-year mitigations and opportunities. Where relevant, and known ahead of the budget being agreed, budgets for 2025/26 were updated to reflect on-going pressures or issues continuing from 2024/25.

8. The position for each Service Area has been approved by the relevant director.
9. **Adults Services – no forecast variation.** Adults Services currently expect to manage expenditure within current general fund resources amidst national demand and pricing challenges.
10. **Children's Services – no forecast variation** a £5.2m forecast ongoing pressure in Children social care placements is expected to be offset by one – off mitigations in 2025/26. The on-going impact will need to be considered through the budget process for 2026/27.
11. **Environment & Highways (E&H) – £1.1m overspend (increase of £1.1m since the last report to Cabinet)** – a forecast pressure of £0.4m in Waste Management market pricing due to a change of the tonnage mix plus £1.0m in Network Management from delay in lane rental decisions. These are offset by a forecast underspend of -£0.3m in Transport Infrastructure.

The following risks are being monitored and managed and if necessary, in-year mitigations will be required:

- Waste Management – there could be further pressure related to market prices and volumes remaining high for dry mixed recyclables.
  - Gullying and Highway maintenance - the weather and overall condition of the roads and gullies could impact on the level of expenditure. Robust plans and programmes are in place based on the assumed condition of the gullies and roads.
12. **Fire & Rescue and Community Safety - £0.7m forecast overspend.** Within that the On-Call firefighters budget is forecast to overspend by £0.3m as result of higher demands and the Bicester Motion fire incident. Staff sickness and cover, one-off training costs and 2023/24 allocated savings not delivered are contributing to other overspends.
  13. **Resources - Law & Governance Services - £0.6m forecast overspend (increase by £0.1m since last reported).** The Legal Service continues to experience issues relating to retention & recruitment and an increase in the volumes of appeals. The issues are expected to cause a £0.6m overspend due to locum cover.
  14. **Transformation, Digital, and Customer Experience (TDCE) - £3.5m forecast overspend (increase of £3.5m since last report).** Cross cutting savings that are being held here have been evaluated and £2.7m savings relating to the re-organisation of the Council and £1.6m related to contract and income optimisation savings are planned but will not be achieved until 2026/27. The direct services within TDCE are reporting an in year one-off staffing underspend of £0.8m.

15. **Budgets held centrally - £5.3m underspend (increase of £5.2m since last report).** Interest on balances is forecast to be £1.5m higher than budgeted because interest rates have remained higher than expected. As the national pay award relating to the Green Book has been approved, £3.8m one-off underspends from pay inflation can be released (para 21 – 25) and can be used to manage the delay in the achievement of cross cutting savings relating to the redesign of services.
16. **Corporate Funding - balanced (decrease of £2.2m since last report).** The approved transfer additional business rates funding of £2.2m to the Collection Fund Reserve has now been reflected in the forecast.

## **Savings & Investments update**

17. The presentation of savings and investments has been adjusted to focus on the savings and investments that need to be achieved in 2025/26. Any adjustments relating to savings and investments that were time bound and finished in 2024/25 have been removed from the targets and realigned into net pressures (£1.8m reversal of savings, and £7.0m investments). Children's Services budget movements include a further on-going savings risk adjustment of £4.7m in 2025/26. This is being treated as an offsetting negative saving so that the related savings can be tracked and monitored.
18. The savings target has realigned to included £1.3m prior year re-organisation savings, The revised overall target is amended to £28.7m.
19. Within the Outturn Report for 2024/25 considered by Cabinet in June 2025, one – off funding for £1.8m of investments was agreed to be carried forward to future years (currently phased as £1.6m for use in 2025/26 and £0.2m in future years). Subject to a review of the requirement for this funding, virements to adjust service area budgets for this funding will be included in the next monitoring report. After taking account of new and 2024/25 carried over funding, there is funding for investments totalling £15.8m in 2025/26.
20. Savings relating to contract and staffing have currently been recentralised within TDCE.
21. The achievement of the savings and investments will be reflected within the overall forecast. The current forecast is:

**£28.7m Savings:** £4.5m undelivered. Cross cutting savings have been evaluated and £2.7m savings relating to the re-organisation of the Council and £1.8m related to contract and income optimisation savings are forecast to be undelivered.

**£15.7m Investments:** estimated to be fully utilised.

## **Pay Inflation**

22. The agreed budget included funding for an estimated pay award equivalent to 3.5% for all staff. Further excess funding for pay inflation in 2024/25 also rolled forward to 2025/26 so this is available to meet any additional pay costs and/or will be considered through the 2026/27 Budget & Business Planning Process. Each additional 1% above that is estimated to cost around £2.0m.
23. As part of the agreed budget for 2025/26 an estimate for pay inflation was allocated to each service. During the year budgeted pay inflation will be held within Budgets held Centrally until the actual pay awards are agreed. The Grey Book Pay award relating to firefighters has been agreed at 3.2% from 1 July 2025 and the Service Area budget includes this increase. Since last reported the Green book pay award have been settled. Virements to allocated the pay award will be reflected in September.
24. In July 2025, National Employers offer of 3.2% increase for all National Joint Council for Local Government Service (NJC) Green Book employees, effective from 1 April 2025 was agreed.
25. As a result of the agreed funded Green Book pay award, the £3.8m underspend against the budget can be used to offset the delayed delivery of the cross cutting savings on a one – off basis.

## **Budget Updates**

26. Annex 2 highlights where service area budgets have moved since the budget agreed by Council in February 2025. This mainly reflects the reaggregation of the pay inflation which will be held corporately ahead of the agreement of the pay award, grant changes, plus service area updates and alignments. The aggregation of the pay and contract cross cutting savings in TDCE are reflected. All other virements are below £1m and have received delegated approval in accordance with the Virement Rules for 2025/26.
27. c£6.6m has been transferred from pay inflation to service area budgets in September 2025. This is a technical transfer as the pay inflation was already part of the approved Council Budget.

## **Debt Management**

28. Annex 5 Debt management highlights the overall position for the Corporate and Adult Social Care debtors. Cabinet has the authority to approve debt write offs over £10,000. For this period, there are two corporate historical creditor balance write offs to be approved : a credit of £11,006 and debit of £10,333, in both cases the organisations are dissolved, and amounts are statute barred from recovery.

## Academy Conversion Deficit Balances

29. Over the years, many maintained schools have converted to academies without any issues. These are usually because the school has a surplus revenue balance and will transfer that balance on conversion to the academy. Academies Act 2010 outlines the regulations and governance of conversions.
30. If the school through their governing body has applied to convert and has a revenue deficit balance, the Secretary of State most probably will reimburse the local authority through the Dedicated School Grant. However, if the school is forced to convert and has a revenue deficit balance, the deficit remains with the local authority. The deficit then needs to be funded from the general fund and not charged to the school budget.
31. Under Section 4.3.4 of the Financial Regulations, a request may be made for one – off funding from General Balances. This Supplementary Estimate request will require Cabinet approval.
32. The recommendation is indicative and an estimate, that c£2.0m of general funding will be required to offset the deficit balance relating to Woodeaton Special School which converted to academy status on 1 October 2025. The finalised academy conversion statements are being completed and the recommendation will be included in the next report.

## Dedicated Schools Grant – High Needs Block

33. The statutory reporting requirements for the 2025/26 accounts require the closing deficit balance on Dedicated Schools Grant to be held within an unusable reserve. The existing statutory override was due to end on 31 March 2026 but the Government has now extended this until 31 March 2028. While the council is continuing to take action to manage the deficit through the Deficit Management Plan, it is continuing to grow in line with demand.
34. The forecast overspend against High Needs DSG funding is a deficit of £60.6m. This has increased by £15.8m since last reported in July and is overspending against the budgeted deficit of £42.3m approved by Council in February 2025, by £18.3m.

Summary of DSG funding	2025/26 Budget £m	2025/26 Projected Outturn £m	Variance as at P5 £m
Schools block	128.8	128.8	0.0
Central Services Schools block	5.5	5.5	0.0
High Needs block	96.5	157.1	60.6
Early Years block	109.4	109.4	0.0
<b>Total</b>	<b>340.2</b>	<b>400.8</b>	<b>60.6</b>

35. Primarily Independent Non-Maintained Special School (INMSS) placements continue to be the main driver for the overspend. The service is continuing to meet the 2023 SEND Ofsted recommendations to reduce waiting time for EHC Needs assessments, this causes more demand in a market with scarcity of supply of

sufficient places. Special Schools and Academy places do not have the capacity to accommodate the pupils in the pipeline so if a pupil's needs can no longer be met at their mainstream setting, this requires either an Alternative Provision or INMSS placement.

36. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £92.3m as at 31 March 2025, to £152.9m at 31 March 2026.
37. Further information on how deficits will be managed in future is expected later in the year along with a White Paper on SEND reform and also the Provisional Local Government Settlement expected in November 2025. The overspend, and potential need to take action through borrowing, for example, will need to be considered through the budget process for 2026/27.

### **Next Report**

38. The Business Management Report to Cabinet in November 2025 will reflect the organisation's performance, risk and an overview of revenue financial position. The next detailed financial update will be shared with Cabinet in January 2026.

### **Financial Implications**

39. Most local authorities, especially those with responsibilities for education and social care, are facing significant budgetary pressures and future funding uncertainty. Despite coming from a position of strong financial resilience, the council continues to manage the impact of increasing demand and costs of service delivery. The council has a duty to ensure its expenditure does not exceed the resources available and therefore it is vital that we continue to emphasise and promote the importance of financial management, the delivery of savings and reduce expenditure through the council's transformation programme, to protect service delivery and achieve a balanced budget position.
40. Further information on how High Needs deficits will be managed in future is expected later in the year along with a White Paper on SEND reform. However, the growing deficit, and scale of the increase in 2025/26, means this is a significant risk to the council's on-going financial resilience.
41. In addition to delivering services within a balanced budget in the current financial year, the council needs to consider the medium-term financial outlook beyond 2025/26. The Fair Funding 2.0 consultation which was published on 20 June 2025 sets out the Government's proposals for changes to both assessments of need and costs as well as resource equalisation. While the outcome of the consultation is awaited in a Government Policy Statement later in the year, the council expects to see a reduction in funding as a result of these changes. This, coupled with the impact of Local Government Reorganisation, and risks around High Needs Dedicated Schools Grant means the council needs to continue to consider issues of medium-term financial sustainability as a priority.

Comments checked by: Kathy Wilcox, Head of Corporate Finance

## **Staff Implications**

42. There are no staffing implications arising directly from the report.

## **Equality & Inclusion Implications**

43. There are no equality and inclusion implications arising directly from this report.

## **Legal Implications**

44. The Council's constitution at Part 3.2 (Budget and Policy Framework) sets out the obligations and responsibilities of both the Cabinet and the Council in approving, adopting and implementing the council's budget and policy framework.
45. The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The report sets out the performance and finance position for the Council as at 31 March 2026 as part of its fiduciary duty to implement budgetary controls and monitoring.

Comments checked by: Anita Bradley, Director of Law and Governance & Monitoring Officer

## **LORNA BAXTER**

Executive Director of Resources and Section 151 Officer

Contact Officers: Kathy Wilcox, Head of Corporate Finance  
Verity Royle – Financial Planning & Reporting Manager

### **Background:**

- Annex 1 - 2025/26 Revenue Forecast as at 31 August 2025
- Annex 2 - Summary of 2025/26 Service Area budgets from the Budget Book to current reporting
- Annex 3 - Outline of Confirmed Government Grants and Business Rates funding update.
- Annex 4 - Reserves & General Balances
- Annex 5 - Debt management



## Annex 1 – Service Area forecast

Service	Cabinet Member	Director	Net Budget	Forecast	Forecast Variance	Last reported (period 2)	Change
Adult Social Care	T Beard	K Fuller	£36.4m	£36.4m	£0.0m	£0.0m	£0.0m
Pooled Budgets (Adults Social Care and NHS)	T Beard	K Fuller	£223.5m	£223.5m	£0.0m	£0.0m	£0.0m
<b>Adult Services</b>			<b>£260.0m</b>	<b>£260.0m</b>	<b>£0.0m</b>	<b>£0.0m</b>	<b>£0.0m</b>
Education Services	S Gaul	L Lyons	£55.8m	£55.8m	£0.0m	£0.0m	-£0.0m
Children's Social Care	S Gaul	L Lyons	£138.8m	£138.6m	-£0.2m	£0.0m	£0.2m
Safeguarding, Quality Assurance, Partnerships and Improvement	S Gaul	L Lyons	£6.1m	£5.6m	-£0.5m	£0.0m	£0.5m
Children's Services Central Costs	S Gaul	L Lyons	£11.8m	£12.5m	£0.7m	£0.0m	-£0.7m
Schools	S Gaul	L Lyons	£0.2m	£0.2m	£0.0m	£0.0m	£0.0m
<b>Children's Services</b>			<b>£212.7m</b>	<b>£212.7m</b>	<b>£0.0m</b>	<b>£0.0m</b>	<b>-£0.0m</b>
Public Health	K Gregory	A Azher	£42.0m	£42.0m	£0.0m	£0.0m	£0.0m
Public Health Grant Income & Reserves	K Gregory	A Azher	-£36.9m	-£36.9m	£0.0m	£0.0m	£0.0m
Libraries & Heritage	N Fawcett	A Azher	£8.6m	£8.6m	£0.0m	£0.0m	£0.0m
<b>Public Health &amp; Communities</b>			<b>£13.6m</b>	<b>£13.6m</b>	<b>£0.0m</b>	<b>£0.0m</b>	<b>£0.0m</b>
Transport & Property Infrastructure Delivery	A Gant	P Fermer	£1.7m	£1.4m	-£0.3m	£0.0m	£0.3m
Countryside & Waste	J Roberts	P Fermer	£37.3m	£37.7m	£0.4m	£0.0m	-£0.4m
Highways & Maintenance	A Gant	P Fermer	£20.0m	£20.0m	£0.0m	£0.0m	£0.0m
Network Management	A Gant	P Fermer	-£5.4m	-£4.4m	£1.0m	£0.0m	-£1.0m
E&H Central Costs	A Gant	P Fermer	£1.0m	£1.0m	£0.0m	£0.0m	£0.0m
<b>Environment &amp; Highways</b>			<b>£54.6m</b>	<b>£55.7m</b>	<b>£1.1m</b>	<b>£0.0m</b>	<b>-£1.1m</b>
Place Shaping & Future Economy	J Roberts / B Higgins	R Rogers	£18.0m	£18.0m	£0.0m	£0.0m	£0.0m
Climate Action	J Roberts	R Rogers	£1.3m	£1.3m	£0.0m	£0.0m	£0.0m
Innovate & Enterprise Oxfordshire	B Higgins	R Rogers	£0.5m	£0.5m	£0.0m	£0.0m	£0.0m
E&P Central Costs	J Roberts	R Rogers	£1.5m	£1.5m	£0.0m	£0.0m	£0.0m
<b>Economy &amp; Place</b>			<b>£21.4m</b>	<b>£21.4m</b>	<b>£0.0m</b>	<b>£0.0m</b>	<b>£0.0m</b>
Fire & Rescue	J Hannaby	R MacDougall	£29.2m	£29.9m	£0.7m	£0.7m	£0.0m
Emergency Planning	J Hannaby	R MacDougall	£0.3m	£0.3m	£0.0m	£0.0m	£0.0m
Trading Standards	J Hannaby	R MacDougall	£1.5m	£1.5m	£0.0m	£0.0m	£0.0m
<b>Fire &amp; Rescue and Community Safety</b>			<b>£31.0m</b>	<b>£31.7m</b>	<b>£0.7m</b>	<b>£0.7m</b>	<b>£0.0m</b>
HR & Cultural Change	N Fawcett	C Cuthbertson	£5.4m	£5.4m	£0.0m	£0.0m	£0.0m
Financial & Commercial Services	D Levy	I Dyson	£10.5m	£10.5m	£0.0m	£0.0m	£0.0m
Property & Assets	D Levy	V Kurzeja	£21.1m	£21.1m	£0.0m	£0.0m	£0.0m
Public Affairs, Policy & Partnership	L Leffman	S Wintersgill	£4.6m	£4.6m	£0.0m	£0.0m	£0.0m
Law & Governance	N Fawcett	A Bradley	£9.7m	£10.4m	£0.7m	£0.5m	-£0.1m
Corporate Services	L Leffman	L Baxter	£10.7m	£10.7m	£0.0m	£0.0m	£0.0m
<b>Resources and Law &amp; Governance</b>			<b>£62.0m</b>	<b>£62.7m</b>	<b>£0.7m</b>	<b>£0.5m</b>	<b>-£0.1m</b>
Transformation & Digital	D Levy / N Fawcett	L Tustian	-£7.2m	-£3.1m	£4.1m	£0.0m	-£4.1m
Customer Experience	D Levy	L Tustian	£3.9m	£3.7m	-£0.2m	£0.0m	£0.2m
Data	N Fawcett	L Tustian	£1.7m	£1.3m	-£0.4m	£0.0m	£0.4m
TDCE Management	N Fawcett	L Tustian	£0.2m	£0.2m	£0.0m	£0.0m	£0.0m
<b>Transformation, Digital &amp; Customer Experience</b>			<b>-£1.4m</b>	<b>£2.1m</b>	<b>£3.5m</b>	<b>£0.0m</b>	<b>£3.5m</b>
<b>Service Areas position</b>			<b>£653.8m</b>	<b>£659.7m</b>	<b>£5.9m</b>	<b>£1.2m</b>	<b>-£4.7m</b>
Budgets held centrally	D Levy	L Baxter	-£5.4m	-£10.7m	-£5.3m	-£0.1m	£5.1m
Corporate Funding	D Levy	L Baxter	-£648.4m	-£648.4m	£0.0m	-£2.2m	-£2.2m
<b>Overall</b>			<b>£0.0m</b>	<b>£0.6m</b>	<b>£0.6m</b>	<b>-£1.1m</b>	<b>-£1.7m</b>

## Annex 2 - Summary of 2025/26 Service Area budgets from the Budget Book to current reporting

Budgeted		Original Budget (Council Feb 2025)	From Feb – May 2025		Jun - Aug	Movements	Reported Budget
Adult Services	AS	£254.6m	-£1.4m	£6.7m		£5.4m	£260.0m
Children's Services	CS	£216.8m	-£5.9m	£1.8m		-£4.1m	£212.7m
Public Health & Communities	PH	£12.9m	£0.6m	£0.2m		£0.7m	£13.6m
Environment & Highways	E&H	£53.1m	£0.1m	£1.3m		£1.5m	£54.6m
Economy and Place	E&P	£20.9m	-£0.3m	£0.7m		£0.5m	£21.4m
Fire & Rescue Service and Community Safety	FRS	£31.0m	-£0.5m	£0.5m		£0.0m	£31.0m
Resources and Law & Governance	RLG	£64.9m	-£3.3m	£0.4m		-£2.9m	£62.0m
Transformation, Digital & Customer Experience	TDCE	£3.8m	£2.7m	-£7.9m		-£5.2m	-£1.4m
<b>Total service areas</b>	<b>SA</b>	<b>£658.0m</b>	<b>-£7.9m</b>	<b>£3.7m</b>		<b>-£4.2m</b>	<b>£653.8m</b>
Budgets held centrally	BC	-£11.7m	£7.9m	-£1.6m		£6.4m	-£5.4m
Corporate Funding		-£646.3m		-£2.2m		-£2.2m	-£648.4m
<b>Overall</b>		<b>£0.0m</b>	<b>£0.0m</b>	<b>£0.0m</b>		<b>£0.0m</b>	<b>£0.0m</b>

	AS	CS	E&H	E&P	PH	FRS	RLG	TDCE	SA	BC	Total
<b>Pay adjustments</b>											
Pay inflation remove initial estimate and await	-£0.9m	-£1.9m	-£0.3m	-£0.3m	£0.0m	-£1.0m	-£1.2m	-£0.1m	-£5.7m	£5.7m	£0.0m
Reverse NI Estimate	-£0.8m	-£1.2m	-£0.4m		-£0.1m	-£0.5m	-£0.8m	-£0.1m	-£3.9m	£3.9m	£0.0m
Grey Book 24/25 Pay award Apr-Jun 2025 at 4%						£0.2m			£0.2m	-£0.2m	£0.0m
Grey Book 25/26 Pay award Jul 2025-Mar 2026 at						£0.5m			£0.5m	-£0.5m	£0.0m
NI Uplift	£4.4m	£1.1m	£0.3m	£0.2m	£0.2m	£0.1m	£0.9m	£0.1m	£7.3m	-£7.3m	£0.0m
<b>Responsibilities alignment to current structure</b>											
Clarification of responsibilities			£0.7m	-£0.3m			-£1.6m	£1.2m	£0.0m		£0.0m
Income Budget realignment			£0.0m	-£0.0m			-£0.0m		£0.0m		£0.0m
Transfer Tree budget from Property to Highways			£0.2m				-£0.2m		£0.0m		£0.0m
Home to school transport		£0.9m					-£0.9m		£0.0m		£0.0m
Align Savings to correct cost centres	-£0.3m	-£0.3m			£0.6m				£0.0m		£0.0m
<b>Saving &amp; Investment updates</b>											
Distribution of 2024/25 reorganisation savings	-£0.1m	-£0.9m	-£0.3m	£0.1m	£0.0m	£0.0m	-£0.3m	£1.5m	-£0.0m		-£0.0m
Corp IT Savings to Transformation Reserve							£0.7m		£0.7m	-£0.7m	£0.0m
2024/25 Investments carry forward	£0.5m				£0.1m				£0.6m	-£0.5m	£0.1m
Cross cutting saving consolidation	£2.8m	£2.2m	£1.7m	£0.2m		£0.5m	£0.5m	-£8.2m	-£0.4m	£0.4m	£0.0m

	AS	CS	E&H	E&P	PH	FRS	RLG	TDCE	SA	SM	Total
<b>Other adjustments</b>											
Accumulation of small adjustments	-£0.1m	£0.4m	-£0.5m	£0.6m	£0.0m	£0.0m	£0.1m	-£0.1m	£0.5m	-£0.7m	-£0.2m
<b>Funding updates:</b>											
Transformation reserves amendment									£0.0m	£0.0m	£0.0m
Update on Funding - Extended Rights to Free Travel							£0.1m		£0.1m	-£0.1m	£0.0m
Removal of the Fire funding						£0.0m			£0.0m	-£0.0m	£0.0m
Turning Point Grants 25/26					-£0.0m				-£0.0m	£0.0m	£0.0m
Removing un-ringfenced grant treatment to align to new Children's grants		-£3.6m							-£3.6m	£3.6m	£0.0m
Reserve adjustment		-£0.7m					£0.2m		-£0.5m	£0.5m	
<b>Month 5bMovements</b>	<b>£5.4m</b>	<b>-£4.1m</b>	<b>£1.5m</b>	<b>£0.5m</b>	<b>£0.7m</b>	<b>-£0.0m</b>	<b>-£2.9m</b>	<b>-£5.2m</b>	<b>-£4.2m</b>	<b>£4.2m</b>	<b>-£0.0m</b>

Further details of specific virements are available on request.

### Annex 3 - Confirmed Government Grants and Business Rates funding update

Ringfenced	Issued By	Service Areas	Budget Book	Updates from Grant	Transfers (unring to ring)	In year adjustments / Updated allocations	Latest Allocation
			2025/26	letters			
			£000	£000	£000	£000	£000
R	DHSC	Improved Better Care Fund	13,207				13,207
R	DHSC	Adult Social Care Market Sustainability and Improvement Fund	10,026				10,026
		<b>Adult Services</b>	<b>23,233</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,233</b>
R	DfE	Dedicated Schools Grant (DSG) - Schools Block	128,827	0			128,827
R	DfE	Dedicated Schools Grant (DSG) - Central Block	5,821	-355			5,465
R	DfE	Dedicated Schools Grant (DSG) - Early Years	108,620	775			109,395
R	DfE	Dedicated Schools Grant (DSG) - High Needs	98,158	-1,690			96,469
		<b>Subtotal DSG Grants</b>	<b>341,426</b>	<b>-1,270</b>	<b>0</b>		<b>340,156</b>
R	DfE	Pupil Premium	8,194	94			8,288
R	DfE	Sixth Form Funding and Threshold	371	0			371
R	DfE	PE and Sport Grant	2,217	0			2,217
R	DfE	Universal Infant Free School Meals	4,047	0			4,047
R	DfE	Teacher's Pension Grant	10	0			10
		<b>Subtotal School Grants</b>	<b>14,839</b>	<b>94</b>	<b>0</b>		<b>14,933</b>
R	AC	Music Service	844	0			844
R	YJB	Youth Justice Grant	0	0			0
R	HO	Asylum (UASC and Post 18)	713	12			725
R	YJB	Remand Framework	4,636	0			4,636
R	DWP	Reducing Parental Conflict Workforce Development Grant	71	0			71
R	DfE	Adoption Support Fund	0	1,226			1,226
R	DfE	Family Group Conferences	0	124			124
R	YJB	Turnaround Programme	0	115			115
R	HO	Child Decision Making Pilots (NRM)	0	45			45
R	MHCLG	Children's Social Care Prevention Grant	0		1,530		1,530
R	MHCLG	Children & Families Grant	0	1,216	2,108		3,324
		<b>Subtotal Other Children's Services Grants</b>	<b>6,264</b>	<b>2,737</b>	<b>3,638</b>		<b>12,639</b>
		<b>TOTAL CHILDREN'S SERVICES</b>	<b>362,529</b>	<b>1,560</b>	<b>3,638</b>		<b>367,727</b>
R	DHSC	Public Health Grant	34,413	2,536		149	37,098
R	DHSC	Local Stop Smoking Grant	795	0			795
R	MHCLG	Homes for Ukraine	0	0			0
		<b>TOTAL PUBLIC HEALTH &amp; COMMUNITIES</b>	<b>35,208</b>	<b>2,536</b>	<b>0</b>	<b>149</b>	<b>37,893</b>

Ringfenced	Issued By	Service Areas	Budget Book 2025/26	Updates from Grant letters	Transfers (unring to ring)	In year adjustments / Updated allocations	Latest Allocation
			£000	£000	£000	£000	£000
R	NE	LNRS Natural Environment	227				227
R	ATE	Active travel	58				58
<b>TOTAL ENVIRONMENT &amp; HIGHWAYS</b>			<b>284</b>	<b>0</b>	<b>0</b>		<b>284</b>
R	MHCLG	LEP	615				615
R	DBT	Oxford Innovation Business Support	205				205
R	ATE	Capability & Ambition Fund	125				125
R		Future Economy				100	100
R	DfT	Bus Service Improvement Grant	795				795
R	DfT	Bus Service Improvement Plan	3,785				3,785
<b>TOTAL ECONOMY &amp; PLACE</b>			<b>5,525</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>5,625</b>
R	MHCLG	Fire Fighter's Pension Fund Grant	1,061	-48			1,014
R	MHCLG	Fire Fighter's Pension Fund Admin Grant	75	0		-75	0
R	MHCLG	Fire Protection Uplift Grant	252	-126		126	252
R	MHCLG	Fire Fighter's New Dimensons Grant	39	0			39
<b>TOTAL FIRE &amp; RESCUE and COMMUNITY SAFETY</b>			<b>1,427</b>	<b>-174</b>	<b>0</b>	<b>51</b>	<b>1,305</b>
U	MHCLG	New Homes Bonus	1,127	0			1,127
U	DfE	Local Reform & Community Voices Grant	328	0			328
U	DfE	Social Care in Prisons Grant	183	0			183
U	DfE	War Pensions Disregard Grant	4	0			4
U	MHCLG	Social Care Support Grant (including Independent Living Fund)	48,596	52			48,648
U	HO	Firelink	44	-44			0
U	OHID	Drug & Alcohol Treatment, Recovery & Improvement Grant (note 2)	2,978	-61			2,917
U	MHCLG	Domestic Abuse Duty Grant	1,482	0			1,482
U	OHID	Individual Placement and Support in community drug and alcohol treatment	228	11			239
U	DfE	Supporting Families - previously Troubled Families	1,141		-1,119	-22	0
U	DfE	Implementation of Supported Accommodation Reforms	990		-990		0
U	MHCLG	Children's Social Care Prevention Grant	1,530		-1,530		0
U	MHCLG	Employers National Insurance compensation	3,721		0	707	4,428
U	DfE	Rough Sleeper Grant	0		0	95	95
	RSG	Extended Travel transferred to RSG	-707	707			0
		Transfer to General balance contribution					0
<b>Subtotal Unringfenced grants</b>			<b>61,643</b>	<b>666</b>	<b>-3,638</b>	<b>780</b>	<b>59,452</b>

Ringfenced	Issued By	Service Areas	Budget Book	Updates	Transfers	In year	Latest
			2025/26	from Grant	(unring to	adjustments / Updated	
			£000	letters	ring)	allocations	Allocation
				£000	£000	£000	£000
U	MHCLG	Revenue Support Grant (RSG)	2,489	0			2,489
		<b>Business Rates</b>					
B		Business Rates (Direct share)	39,349	705			40,054
B		Business Rates S31 Grant Top-Up	42,971	-311			42,660
B		Section 31 Grant for Business Rate Compensation	18,900	1,503			20,403
		<b>Council Tax</b>					
C		2025/26 Council Tax	533,328				533,328
C		Prior year Collection fund & Carer Leavers discount	9,220	264			9,484
		<b>Subtotal Corporate Funding</b>	<b>646,257</b>	<b>2,161</b>	<b>0</b>	<b>0</b>	<b>648,418</b>
		<b>TOTAL Budget held centrally</b>	<b>707,900</b>	<b>2,827</b>	<b>-3,638</b>	<b>780</b>	<b>707,870</b>
		<b>Total All Funding</b>	<b>1,136,106</b>	<b>6,750</b>	<b>0</b>	<b>1,080</b>	<b>1,143,937</b>
<b>Comprising of:</b>							
R		Ringfenced	428,206	3,923	3,638	300	436,067
U		Unringfenced	64,839	-41	-3,638	780	61,941
		Government Grants	493,045	3,882	0	1,080	498,007
B		Business Rates	101,220	1,897	0	0	103,117
C		Council Tax	542,548	264	0	0	542,812
issued by:							
	DfE	Department for Education	358,911	173	-2,108	73	357,049
	MHCLG	Ministry of Housing, Communities and Local Government	60,987	1,095	2,108	758	64,947
	DHSC	Department of Health & Social Care	58,441	2,536	0	149	61,126
	YJB	Youth Justice Board	4,636	115	0	0	4,751
	DfT	Department for Transport	4,580	0	0	100	4,680
	OHID	Office for Health Improvement and Disparities	3,205	-49	0	0	3,156
	AC	Arts Council	844	0	0	0	844
	HO	Home Office	757	13	0	0	770
	NE	Natural England	227	0	0	0	227
	DBT	Department for Business and Trade	205	0	0	0	205
	ATE	Active Travel England	183	0	0	0	183
	DWP	Department of Work & Pensions	71	0	0	0	71
		<b>Total All Grants by issuer</b>	<b>493,045</b>	<b>3,882</b>	<b>0</b>	<b>1,080</b>	<b>498,007</b>

## Annex 4 – Reserves & General Balances

Reserves	Balance at 31 March 2025	Movement	Balance at 31 March 2026
<b>Revenue Grants Unapplied</b>			
Grants and Contributions reserve	£30.3m	-£10.9m	£19.4m
COVID-19 reserve	£3.8m	-£3.6m	£0.2m
Government Initiatives reserve	£6.6m	-£2.4m	£4.1m
<b>Subtotal</b>	<b>£40.7m</b>	<b>-£17.0m</b>	<b>£23.7m</b>
<b>Corporate Priorities</b>			
Budget Priorities reserve	£12.5m	-£7.1m	£5.3m
Local Government Reorganisation reserve	£10.0m	£0.5m	£9.5m
Transformation reserve	£7.5m	£2.5m	£9.9m
Commercial Pump Priming reserve	£2.0m	£0.0m	£2.0m
Zero Emissions Zone	£1.5m	£0.0m	£1.5m
Green Financing reserve	£0.9m	£0.0m	£0.9m
Extended Producer Responsibility reserve	£0.0m	£3.4m	£3.4m
<b>Subtotal</b>	<b>£34.3m</b>	<b>-£0.7m</b>	<b>£32.5m</b>
<b>Funding for Risk</b>			
Demographic Risk reserve	£21.0m	£4.0m	£25.0m
Insurance reserve	£10.6m	£0.0m	£10.6m
Collection Fund Risk reserve	£8.1m	-£2.1m	£6.0m
IFRS 9 (Value of Treasury Management Pooled Funds)	£4.0m	£0.0m	£4.0m
Redundancy reserve	£4.1m	£1.2m	£5.3m
Council Elections	£0.7m	-£0.7m	£0.0m
Trading Accounts	£0.2m	-£0.0m	£0.1m
<b>Subtotal</b>	<b>£48.6m</b>	<b>£2.3m</b>	<b>£50.9m</b>
<b>Capital &amp; Equipment</b>			
Capital & Prudential Borrowing reserves	£109.6m	-£0.0m	£109.6m
Vehicle and Equipment reserve	£3.2m	-£1.8m	£1.4m
Investment Pump Priming reserve	£0.1m	£0.0m	£0.1m
<b>Subtotal</b>	<b>£113.0m</b>	<b>-£1.9m</b>	<b>£111.1m</b>
<b>Other reserves</b>			
Partnership reserves	£1.7m	-£0.5m	£1.2m
On Street Car Parking reserve	£5.3m	-£1.3m	£4.0m
<b>Subtotal</b>	<b>£7.1m</b>	<b>-£1.8m</b>	<b>£5.2m</b>
<b>Unusable</b>			
Schools' reserves	£10.7m	-£0.9m	£9.8m
<b>Total Earmarked reserves</b>	<b>£254.4m</b>	<b>-£20.3m</b>	<b>£233.1m</b>

Reserves	Balance at 31 March 2025	Movement	Balance at 31 March 2026
<u>by Service Area:</u>			
Adult Services	£6.1m	-£4.9m	£1.3m
Children's Services	£20.4m	-£5.2m	£15.2m
Public Health & Communities	£14.7m	-£6.5m	£8.2m
Environment & Highways	£9.3m	£1.7m	£11.0m
Economy & Place	£8.6m	-£2.2m	£6.4m
Fire & Rescue and Community Safety	£3.6m	-£2.3m	£1.3m
Resources and Law & Governance	£2.1m	-£1.6m	£0.5m
Transformation, Digital & Customer Experience	£8.3m	£2.3m	£10.6m
<b>Service Areas Position</b>	<b>£73.1m</b>	<b>-£18.6m</b>	<b>£54.5m</b>
Budgets held Centrally	£181.3m	-£1.7m	£178.1m
<b>Total Earmarked reserves</b>	<b>£254.4m</b>	<b>-£20.3m</b>	<b>£233.1m</b>

#### General Balances

General Balances as 31 March 2025 (Statement of Accounts)	£45.3m
Less budgeted contribution as part of the reserve and balances policy statement for 2025/26	-£10.8m
Contribution to Redundancy Reserve	-£0.6m
Less approved as part of Outturn: Support 25/26 revenue costs - Innovate and BIPC	-£0.7m
<b>General Balances as 31 March 2025</b>	<b>£33.2m</b>
Add: Planned contributions	£2.6m
Proposed additional un-ringfenced grant	£0.8m
2025/26 Forecast overspend	£0.6m
<b>General Balances forecast as at 31 August 2025</b>	<b>£36.0m</b>
Risk assessed level of balances for 2025/26	£30.2m
Surplus balances compared to risk assessed level	£5.8m



## **Annex 5 – Debt management**

### **Corporate Debtors**

Annex 5 1. The 120-day invoice collection rate was 96.8% up to the end of August; 1.8% above target. The 120-day collection rate based on invoice value for the same period was 97.9%.

Annex 5 2. The target level for debt requiring impairment at the end of 2025/26 is £0.5m. The current position is £0.57m, a reduction of £0.23m since April.

Annex 5 3. c£50,000 has been written off up to the end of August.

### **Adult Social Care Debtors**

Annex 5 4. The 120-day invoice collection rate was on target at 94% up to the end of August.

Annex 5 5. The adult social care contribution debt requiring impairment at the end of 2024/25 was £4.5m. The current level of projected bad debt up to the end of August is £4.5m, £30,000 down from last period and £0.2m above the £4.3m year-end target.

Annex 5 6. Total write offs up to the end of August were £0.1m.