

Cabinet

Tuesday, 27 January 2026

ADDENDA 1

8. Budget and Business Planning 2027/28 - 2030/31 (Pages 3 - 58)

Cabinet Member: Finance, Property and Transformation

Forward Plan Ref: 2025/017

Contact: Kathy Wilcox, Head of Corporate Finance

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Report by the Deputy Chief Executive (Section 151 Officer) **(CA8)**

The following amendments to the report and annexes are included in this addenda:-

- a) Updated recommendations (removing (n), (o) and (p) and amending (l) to reflect the removal of those schemes in Section 5.3).
- b) Updated Table 7
- c) Replacement Section 4.1
- d) Replacement Section 4.2
- e) Replacement Section 4.6
- f) Section 4.6.1 which was to follow
- g) Replacement Section 5.3 (including the changes that were recommendations (n), (o) and (p)).

UPDATED RECOMMENDATIONS

1. In relation to the Revenue Budget and Medium Term Financial Strategy (Section 4);

Cabinet is RECOMMENDED to:

- a) approve the Review of Charges for 2026/27 (Annex A, page 1 -58, 67) and in relation to the Registration Service, the charges for 2027/28 (Annex A, page 59 – 62) and 2028/29 (annex A page 63 – 66);
- b) receive any recommendations and observations from Performance and Corporate Services Overview and Scrutiny Committee;
- c) approve the Financial Strategy for 2026/27 (Section 4.5);
- d) approve the Earmarked Reserves and General Balances Policy Statement for 2026/27(Section 4.6), including the creation of a new Lane Rental reserve and the renaming of the Demographic Risk Reserve to the High Needs DSG Deficit Risk Reserve;
- e) approve the use of retained business rates from EZ1 Science Vale Growth Accelerator and EZ2 Didcot Growth Accelerator as set out in paragraph 169-172 and Annex B;
- f) note that following any funding changes as a result of the final Local Government Finance Settlement and information from the district and city councils in relation to business rates or council tax will be managed as set out in Paragraph 10; and
- g) delegate to the Deputy Chief Executive (Section 151 Officer), in consultation with the Leader of the Council and the Cabinet Member for Finance, Property and Transformation, the authority to make any appropriate changes to the proposed budget not covered by Paragraph 10.

Cabinet is RECOMMENDED to RECOMMEND Council:

- h) approve a Medium Term Financial Strategy for 2026/27 to 2030/31 as set out in Section 4.1 (which incorporates changes to the existing Medium Term Financial Strategy as set out in Section 4.2);
- i) agree the council tax and precept calculations for 2026/27 set out in Section 4.3 and in particular:
 - (i) a precept of £567,372,274;
 - (ii) a council tax for band D equivalent properties of £2,006.78.

2. In relation to the Capital and Investment Strategy and Capital Programme (Section 5);

Cabinet is RECOMMENDED to recommend Council to:

- j) approve the Capital and Investment Strategy for 2026/27 – 2036/37 (Section 4.1) including;
 - (i) the Minimum Revenue Provision Methodology Statement (Section 5.1 Annex 1);
 - (ii) the Prudential Indicators (Section 5.1 Annex 2) and
- k) approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2026/27 (Section 5.2); and
 - (i) continue to delegate the authority to withdraw or advance additional funds to/from external fund managers to the Deputy Chief Executive (Section 151 Officer);
 - (ii) approve that any further changes required to the 2026/27 Treasury Management Strategy be delegated to the Deputy

Chief Executive (Section 151 Officer) in consultation with the Leader of the Council and the Cabinet Member for Finance, Property and Transformation;

- (iii) approve the Treasury Management Prudential Indicators; and
- (iv) approve the Specified Investment and Non - Specified Investment instruments as set out in Section 5.2.
- l) approve the changes to the capital programme and new capital proposals for inclusion in the Capital Programme and proposed pipeline schemes (Section 5.3)
- m) approve the capital programme (Section 5.4)

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Agenda Item 8

CABINET - 27 JANUARY 2026

Budget and Business Planning 2027/28 – 2030/31

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATIONS

1. In relation to the Revenue Budget and Medium Term Financial Strategy (Section 4);

Cabinet is RECOMMENDED to:

- a) approve the Review of Charges for 2026/27 (Annex A, page 1 -58, 67) and in relation to the Registration Service, the charges for 2027/28 (Annex A, page 59 – 62) and 2028/29 (annex A page 63 – 66);
- b) receive any recommendations and observations from Performance and Corporate Services Overview and Scrutiny Committee;
- c) approve the Financial Strategy for 2026/27 (Section 4.5);
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- e) approve the use of retained business rates from EZ1 Science Vale Growth Accelerator and EZ2 Didcot Growth Accelerator as set out in paragraph 169-172 and Annex B;
- f) note that following any funding changes as a result of the final Local Government Finance Settlement and information from the district and city councils in relation to business rates or council tax will be managed as set out in Paragraph 10; and
- g) delegate to the Deputy Chief Executive (Section 151 Officer), in consultation with the Leader of the Council and the Cabinet Member for Finance, Property and Transformation, the authority to make any appropriate changes to the proposed budget not covered by Paragraph 10.

Cabinet is RECOMMENDED to RECOMMEND Council:

- h) approve a Medium Term Financial Strategy for 2026/27 to 2030/31 as set out in Section 4.1 (which incorporates changes to the existing Medium Term Financial Strategy as set out in Section 4.2);
- i) agree the council tax and precept calculations for 2026/27 set out in Section 4.3 and in particular:
 - (i) a precept of £567,372,274;
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2. In relation to the Capital and Investment Strategy and Capital Programme (Section 5);

Cabinet is RECOMMENDED to recommend Council to:

- j) approve the Capital and Investment Strategy for 2026/27 – 2036/37 (Section 4.1) including;
 - (i) the Minimum Revenue Provision Methodology Statement (Section 5.1 Annex 1);
 - (ii) the Prudential Indicators (Section 5.1 Annex 2) and
- k) approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2026/27 (Section 5.2); and
 - (i) continue to delegate the authority to withdraw or advance additional funds to/from external fund managers to the Deputy Chief Executive (Section 151 Officer);
 - (ii) approve that any further changes required to the 2026/27 Treasury Management Strategy be delegated to the Deputy Chief Executive (Section 151 Officer) in consultation with the Leader of the Council and the Cabinet Member for Finance, Property and Transformation;
 - (iii) approve the Treasury Management Prudential Indicators; and
 - (iv) approve the Specified Investment and Non - Specified Investment instruments as set out in Section 5.2.
- l) approve the changes to the capital programme and new capital proposals for inclusion in the Capital Programme and proposed pipeline schemes (Section 5.3)
- m) approve the capital programme (Section 5.4)

Table 7: Medium Term Financial Strategy

Updated to correct the contribution from the Transformation Reserve to include the £0.3m funding for the Housing Team.

	2026/27 Proposed Budget £m	2027/28 Indicative Budget £m	2028/29 Indicative Budget £m	2029/30 Indicative Budget £m	2030/31 Indicative Budget £m
Funding:					
Council Tax	567.5	608.6	650.2	687.9	727.9
Council Tax Collection Fund	8.3	8.0	8.0	8.0	8.0
Business Rates Collection Fund	0.0	0.0	0.0	0.0	0.0
Fair Funding Allocation:					
Revenue Support Grant	94.5	96.1	85.5	85.5	85.5
Baseline Funding Level	69.5	71.1	72.5	72.5	72.5
Local Authority Better Care Grant	13.2				
Total Funding	753.0	783.8	816.2	853.9	893.9
Note:					
Valuation Agency Office (VOA) Backlog					
Reduction in taxbase growth in 2026/27 (for VOA backlog of 2,000 houses)	-2.4	-2.5	-2.7	-2.9	-2.9
Assume taxbase growth catches up in 2027/28		2.5	2.7	2.9	2.9
Subtotal Impact of VOA Backlog	-2.4	0.0	0.0	0.0	0.0

	2026/27 Proposed Budget £m	2027/28 Indicative Budget £m	2028/29 Indicative Budget £m	2029/30 Indicative Budget £m	2030/31 Indicative Budget £m
Net operating budget prior year	646.3	753.0	799.3	838.2	883.0
Previously proposed changes	19.9	36.1			
New budget changes	16.3	-1.2			
Add new years to MTFS			33.3		
Reduction in Pay Inflation	-3.9			36.1	38.7
Pay Inflation (add new years to plan @ 3% per annum)			6.9		
Employer's NI	-0.8			6.9	6.9
Reduction in Employer's Superannuation Contributions	-1.7	-1.7	-1.7		
Total Service Budget Changes	29.8¹	33.2	38.5	43.0	45.6
Budgets Held Centrally					
Previously Proposed changes	13.7	1.2			
New Changes					
Additional £3.0m interest on cash balances	-3.0	3.0			
Release £4.9m funding used to fund one - off investments in 2025/26	-4.9				

¹ This is the sum of previously proposed and new service changes plus new ringfenced consolidated grant funding.

	2026/27 Proposed Budget £m	2027/28 Indicative Budget £m	2028/29 Indicative Budget £m	2029/30 Indicative Budget £m	2030/31 Indicative Budget £m
Additional contribution to demographic risk reserve (or for borrowing for High Needs)	4.0				
Add additional increase to Council Tax Surplus to Collection Fund Reserve	0.3	-0.3			
Reduce Contingency Budget	-1.0				
Capital Financing		0.1	0.4	1.8	2.5
Use of Reserves					
Use Collection Fund Reserve to manage impact of taxbase backlog in 2026/27	-2.4	2.4			
Contribution from Transformation Reserve (IT Redesign £1.0m, Copilot (£1.3m), E5 (£0.5m) and housing team (£0.3m))	-3.1	3.1			
Contribution from the Local Government Re-organisation and Devolution Reserve (including £0.850m towards the development of a new Spatial Development Strategy for Oxfordshire/Thames Valley)	-3.6	3.6			
Subtotal Planned Use of Reserves	-9.1	9.1			
Total Changes to Budgets Held Centrally	0.3	12.8	0.4	1.8	2.5
Changes to Grant Funding (Fair Funding Review 2.0)					
Grants moved from ringfenced grant budgets into the Fair Funding Allocation	66.7				
Adjust grants rolled in for existing planned changes to grants	-3.0				
Remove Local Authority Better Care Fund Grant from Adult Services (moved to Strategic Measures)	13.2				
Total Changes to Grants (Fair Funding Review 2.0)	77.0				
Net Operating Budget	753.0	799.3	838.2	883.0	931.1
Total Funding	-753.0	-783.8	-816.2	-853.9	-893.9
Budget Deficit	0.0	15.5	22.0	29.1	37.2
Council Tax increase	4.99%	4.99%	4.99%	3.99%	3.99%

Summary

Medium Term Financial Strategy 2025/26 - 2028/29

Financing

Previously Proposed and New Budget Changes: Summary

Service		2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Adult Services		13.279	16.084	15.967	16.421	16.594
	Previously Proposed	15.153	16.393	0.000	0.000	0.000
	New	-1.874	-0.309	15.967	16.421	16.594
Children's Services		18.127	8.423	9.483	10.670	11.534
	Previously Proposed	3.382	8.418	0.000	0.000	0.000
	New	14.745	0.005	9.483	10.670	11.534
	New expenditure funded by Children, Families and Youth Grant	3.146		-0.935		
	Children, Families and Youth Grant Increase	-3.146		0.935		
Environment & Highways		-4.124	5.383	4.352	-0.704	1.706
	Previously Proposed	1.268	3.468	0.000	0.000	0.000
	New	-5.392	1.915	4.352	-0.704	1.706
Economy & Place		-2.215	-0.544	1.455	0.626	0.378
	Previously Proposed	-3.494	-0.189	0.000	0.000	0.000
	New	1.279	-0.355	1.455	0.626	0.378
Public Health & Communities		0.500	0.128	-0.072	-0.012	-0.012
	Previously Proposed	0.760	-0.012	0.000	0.000	0.000
	New	-0.260	0.140	-0.072	-0.012	-0.012
	Increase to Public Health Grant Funded Expenditure	0.922	1.040	1.129	0.000	0.000
	Public Health Grant Increase	-0.922	-1.040	-1.129	0.000	0.000
Fire & Rescue and Community Safety		0.735	0.470	0.025	0.172	0.177
	Previously Proposed	0.477	0.162	0.000	0.000	0.000
	New	0.258	0.308	0.025	0.172	0.177
Resources and Law & Governance		5.134	-2.015	0.461	0.716	0.865
	Previously Proposed	-0.759	0.683	0.000	0.000	0.000
	New	5.893	-2.698	0.461	0.716	0.865
	New Crisis & Resilience Grant Expenditure	4.826	0.003	0.979		
	Crisis and Resilience Fund Grant Increase	-4.826	-0.003	-0.979		
Transformation, Digital & Customer Experience		0.098	-0.045	-0.045	0.008	0.008
	Previously Proposed	0.151	0.008	0.000	0.000	0.000
	New	-0.053	-0.053	-0.045	0.008	0.008

Section 4.2

Pay Inflation and Redesign Savings		-1.779	5.408	6.910	15.112	14.390
	<i>Previously Proposed Pay Inflation</i>	7.134	7.208	0.000	0.000	0.000
	<i>New Risk Assumption to be allocated</i>	0.000			8.202	7.480
	<i>New Pay Inflation</i>	-4.700	0.000	6.910	6.910	6.910
	<i>Previously Proposed Redesign Saving</i>	-4.213				
	<i>New Proposed Redesign Saving</i>		-1.800			
Service		2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Total Service Changes		29.755	33.292	38.536	43.009	45.640
	<i>Previously Proposed</i>	19.859	36.139	0.000	0.000	0.000
	<i>New</i>	9.896	-2.847	38.536	43.009	45.640

Previously Proposed and New Budget Changes: Adult Services

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
		Inflation for Care Packages						
PP Pressure	Inflation	2026ASC4 - Forecast increases to the cost of care packages due to inflation. Remove previous pressures and replace with 2026ASC02	3.847	9.964				13.811
PP Pressure	Inflation	2025ASC601 - Increases to the cost of care packages funded by the council. Remove previous pressures and replace with 2026ASC02.	5.500					5.500
New Pressure	Inflation	2027ASC02 - Forecast increases to the cost of care packages due to inflation. 2028/29 onwards are new years being added to the MTFS.	-3.755	-0.100	10.016	10.165	10.165	26.491
		Subtotal Inflation for Care Packages	5.592	9.864	10.016	10.165	10.165	45.802
		Demand Increases from Population Growth						
PP Pressure	Demand	2025ASC590 - Demand increases resulting from population growth	8.500					8.500
PP Pressure	Demand	2026ASC1 - Projected increase in demand resulting from population growth.	-2.532	6.429				3.897
New Pressure	Demand	2027ASC01 - Demand increases resulting from population growth. 2028/29 onwards are new years being added to the MTFS.	-0.596		6.429	6.429	6.429	18.691
		Subtotal Demand Increases from Population Growth	5.372	6.429	6.429	6.429	6.429	31.088
New Pressure	Contract & Third Party spend	2027ASC06 - High cost complex placements have continued to increase during 2025/26. The ongoing effect of these placements is expected to create a continuing pressure in 2026/27 and beyond.	3.600					3.600
PP Pressure	Other	2026L&CO1 - Revenue costs of borrowing to support the cost of additional complex needs accommodation for adults of working age (Links to 2026L&CO17).	0.120	0.120				0.240
PP Saving	Other	2026L&CO19 - Savings associated with additional in-house residential accommodation for adults with complex needs	-0.120	-0.120				-0.240
New Pressure	Contract & Third Party spend	2027ASC03 - Increased cost of emergency contract for telecare provision following provider failure in 2025/26	0.647					0.647
New Pressure	Contract & Third Party spend	2027ASC04 - Increased cost of emergency contract for community equipment following provider failure in 2025/26	0.270					0.270
New Pressure	Contract & Third Party spend	2027ASC05 - Increased cost of contract renewal relating to services for Adults with Learning Disabilities to match framework rates (HOWDAB2 contract)	0.474	0.237				0.711

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Saving	Use of technology	2026ASC23 - Reduction in the number of packages that include double handed care (the need to have two carers to help support the individual) thanks to the successful implementation of reablement programme and assistive technology solutions.	-0.112					-0.112
New Saving	Use of PH grant funding	2027PHC1 - Continuation of savings for ASC through reduced charges for social care assessments	-0.072					-0.072
New Saving	Use of PH grant funding	2027PHC2 - Continuation of utilisation of Public Health Grant to help fund Community Capacity Grants	-0.250					-0.250
New Saving	Contract & Third Party spend	2027ASC008 - Efficiencies in new supported living contract reduces contract costs	-0.541	-0.145	-0.177	-0.173		-1.036
New Saving	Other	2027ASC009 - Oxfordshire Employment will deliver the SEQF pathway of the Connect to Work Programme in Oxfordshire. This is a fully funded programme that encompasses some provision previously delivered from the service's core budget (so council funding can be released without impacting on service provision). At present this would be delivered annually over a 5 year period.	-0.100					-0.100
New Saving	Contract & Third Party spend	2027ASC011 - Contract reviews within Learning Disability Supported Living settings	-0.750					-0.750
PP Savings	Cross Cutting Savings	2026RLGEST10 - Several projects are being transitioned into the New Ways of Working with an amalgamation activities/contracts, with a review of both Children's and Adults Transport services.	-0.050					-0.050
New Saving	Other	2027ASCPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.301	-0.301	-0.301			-0.903
New Saving	Other	2027ASC012 The Council's Adult Social Care charging policy currently makes a standard allowance for Disability Related Expenditure (DRE) of 35 per cent. Subject to a full consultation process the Council's proposal is to consider a reduction of the DRE to 25 per cent which would produce a potential in year saving of £0.500m (2027ASC012).	-0.500					-0.500
		Total	13.279	16.084	15.967	16.421	16.594	78.345

Previously Proposed and New Budget Changes: Children's Services

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	Demand - ongoing effect of 2025/26 activity	2027CS01 - Requirement to address underlying on-going effect of the forecast overspend in 2025/26.	8.731					8.731
New Pressures	Demand - ongoing effect of 2025/26 activity	2027CS11 - Requirement to address underlying on-going effect of the forecast overspend in 2025/26 - additional cost of the full year effect of that activity in 2026/27.	2.843					2.843
								0.000
PP Pressures	Demand	2025CS787 - Financial Strategy originally built into 2024/25 budget estimated that demand would reduce by 2026/27.	-4.237					-4.237
PP Pressures	Other	2026CS11 - Financial Strategy savings risk (100% of previously proposed savings in 2026/27). Use risk adjustment to offset demand reduction assumed in Financial Strategy (2025CS787) that has not materialised.	5.000					5.000
		Children we Care For Demographic Growth						
PP Pressures	Demand	2026CS10 - Demand increases resulting from population growth	1.140	1.510				2.650
New Pressures	Demand	2027CS02 - Children's Social Care - Demographic growth	0.626	0.787	2.918	3.226	3.832	11.389
		Subtotal Children we Care For Demographic Growth	1.766	2.297	2.918	3.226	3.832	14.039
		Home to School Transport						
PP Pressures	Demand	2025CS-HN713 - Future increases in the number of Education, Health and Care Plans (EHCPs)	2.500					2.500
PP Pressures	Demand	2026CS16 - Update to Home to School demographic growth. This figure assumes the same annual growth of 7% (Post 16 SEN) and 9% (SEN) and factors in the volume cost impact of increasing Out of County provision.	0.700	3.200				3.900
New Pressures	Demand	2027CS12 - Add new years to plan for Home to School Transport Demographic Growth			3.400	3.400	3.400	10.200

Section 4.2

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Savings	Cross Cutting Savings	2026RLGEST10 - Several Home to School Transport projects are being transitioned into the New Ways of Working with an amalgamation activities/contracts, with a review of both Children's and Adults Transport services.	-0.925					-0.925
New Savings	Other	2027CS14 – Home to School Transport savings through route optimisation and contract negotiations	-0.250					-0.250
		Subtotal Home to School Transport			2.025	3.200	3.400	15.425
PP Pressures	Demand	2026CS33 - Educational Psychology- Demand for Education, Health and Care Needs Assessments (EHCNA) is expected to increase and there is a statutory requirement to provide information from an Education Psychologist for every EHCNA agreed.	1.027					1.027
New Pressures	Service Enhancement	2027CS30 - SEND Casework Team	0.800					0.800
PP Pressures	Contribution from Reserves	2026COVID - The modelling approach to COVID-19 within Oxfordshire across all services has been to compare expected, annual growth patterns to growth seen through the pandemic. The excess growth was deemed to be as a result of the pandemic. Using this method there were an extra 74 plans issued, and applying costs based on the normal pattern of provisions, this resulted in an additional cost to High Needs. One - off funding from the COVID-19 reserve will be removed as planned from 2026/27 as no further funding is available.	1.200					1.200
PP Pressures	Demand	COVID11 - The modelling approach to COVID-19 within Oxfordshire across all services has been to compare expected, annual growth patterns to growth seen through the pandemic. The excess growth is deemed to be as a result of the pandemic. Using this method there were an extra 74 plans issued, and applying costs based on the normal pattern of provisions, this results in an additional cost to High Needs. One - off expenditure funded from the COVID-19 reserve will be removed as planned from 2026/27 as no further funding is available.	-1.200					-1.200
PP Pressures	Inflation	Contract Inflation (RPIX - 4.2%; RPI - 4.1%; CPI - 2.5%)	0.780	0.836				1.616
PP Pressures	Inflation	2026CS12 - Inflation - funding for estimated inflationary increases to the cost of care.	2.628	2.890				5.518

Section 4.2

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	Inflation	2027CS03 - Children's Social Care - Adjust Contract Inflation to reflect anticipated increases	-0.241	-0.280	0.587	0.614	0.645	1.325
New Pressures	Inflation	2027CS04 - Children's Social Care - Placement Inflation	0.301	0.163	3.243	3.430	3.657	10.794
PP Pressures	Inflation	Income Inflation (2.0%)	-0.034	-0.034				-0.068
New Pressures	Demand	2027CS05 - Requirement to address 2025/26 Children We Care For saving under-delivery	1.208					1.208
New Pressures	Other	2027CS08 - Additional funding required to top up Disabled Facilities Grant funding for adaptations to homes etc	0.100					0.100
New Pressures	Other	2027CS10 - Release uncommitted funding for the Recruitment & Retention Strategy (replaced by new service investments in 2027CS20 and 2027CS30)	-1.331					-1.331
								0.000
PP Savings	Contract & Third Party spend	2025CS721 - Agency Staff In Social Care - replacement with permanent Staff	-1.200					-1.200
								0.000
PP Savings	Demand	2025CS723 - Manage Demand for Children We Care For (CWCF) - Maintain CWCF at the current number	-0.700					-0.700
PP Savings	Contract & Third Party spend	2025CS724 - Bring Children We Care For (CWCF) currently placed out of the county back into Oxfordshire	-0.300					-0.300
PP Savings	Demand	2025CS726 - Exits from Care - Ensuring children cease to be Children We Care For (CWCF) in line with their plan in a timely way	-2.800					-2.800
New Pressures	Demand	Contingency for Savings Risk	2.100					2.100
PP Savings	Demand	2025L&CO25 - Investment in Family Help Team (2025L&CO3) was expected to reduce future demand for and the cost of care.	-0.500					-0.500
								0.000
PP Savings	Demand	2026CS23 - Introduction of a no detriment policy for Special Guardianship Orders to increase local capacity to support children we care for	-0.202	-0.167				-0.369
PP Investments	Service Enhancement	2025CS790/1/3 - New Service Investments (supporting the Financial Strategy) - Recruitment & Retention Strategy	0.408					0.408
PP Investments	Service Enhancement	- New Service Investments (supporting the Financial Strategy) - Recruitment & Retention Strategy (apprentices)	0.300					0.300

Section 4.2

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Investments	Service Enhancement	2026CS19 - Social Work Apprenticeships - Additional funding to align with 2025CS793 Recruitment & Retention Strategy (apprenticeships). This investment will enable us to recruit at least 25 new social work apprentices, contributing to our long-term goal of reducing reliance on temporary social work staff.	0.137	0.183				0.320
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026L&CO2 - Investment to deliver on the outcomes of the Education Commission, with a particular focus on narrowing the gap for disadvantaged children, embedding best practice within a new legislative environment and providing support to partnership work - one - off funding falls out in 2026/27.	-0.250					-0.250
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026L&CO3 - Extend 2025L&CO3 funding for SEND early-intervention support in Early Years and primary school settings to respond to SEND needs and proactively support the transition into mainstream education. This will need a disapplication to DfE to obtain Secretary of State agreement to add this funding into Early Years and Primary School settings. One - off funding falls out in 2026/27.	-0.120					-0.120
PP Investments	Service Enhancement	2026L&CO5 - Invest in Special Educational Needs and Disabilities Information Advice and Support Service (SENDIASS) to support parents/carers accessing SEND services (2 further FTE) - full year effect of additional posts in 2026/27.	0.030					0.030
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026L&CO6 - Free Breakfast Club Delivery Strategy to identifying barriers to county-wide roll out of Government scheme (seek match funding from Multi Academy Trusts) so that every child can benefit. The strategy should also consider the role for the potential in-house County School Meals service. One - off funding falls out in 2026/27.	-0.120					-0.120
PP Investments	Service Enhancement	2026L&CO7 - Scoping work for new Youth Futures Hubs in Oxfordshire. This should use co-production methods to engage with young people alongside the deprivation work done by Public Health to develops plans for Hubs across the County aimed at meeting the needs of marginalised young people.	0.120					0.120
PP Savings	Contract & Third Party spend	2025L&CO24 - Invest to save returns resulting from reducing numbers of private placements for children we care for through increase in internal care provision (see 2025L&CO5)	-0.120	-0.120				-0.240

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Investments	Support future savings	2025L&CO5 - Revenue borrowing costs associated with adding three new children's homes from 2026/27 (including one focused on older children) to the capital programme.	0.120	0.120				0.240
New Savings	Use of PH grant funding	2027PHC3 - Continuation of utilisation of Public Health Grant to support Family Solutions Plus	-0.250					-0.250
New Savings	Other	2027CSPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.665	-0.665	-0.665			-1.995
New Investments	Other	Families First Partnership Programme: New activity funded by Children, Families and Youth Grant increase in 2026/27 - respond to new requirements set out by the Government.	3.146		-0.935			2.211
New Grant Funding	Other	Families First Partnership Ringfenced Grant Funding	-3.146		0.935			-2.211
New Pressures	Other	2027CS20 - Removal of part of prior year Cross Cutting Agency and Contract Savings (pre 2024/25)	0.873					0.873
New Savings	Other	2027CS13 – The school improvement team operates in non-academy schools to support improvement in standards. The team will continue to offer support but a move to schools fully paying for the service is planned meaning additional income of £0.1m is forecast in 2026/27.	-0.100					-0.100
Total			18.127	8.423	9.483	10.670	11.534	58.237

Previously Proposed and New Budget Changes: Environment & Highways

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
		Countryside & Waste						
		Waste Demography						
PP Pressures	Demand	2025EPDG2026E&H1 - Add new year of estimated demographic growth for Waste Management (resulting from population growth increasing waste tonnes being disposed of)	0.400					0.400
PP Pressures	Demand	2026EH102026E&H1 - Demand increases resulting from population growth increasing waste tonnes being disposed of, ranging from 2.9% to 3.2% per annum		0.400				0.400
New Pressures	Demand	2027E&H2 - Increase in volume of Dry Recycling - add new years to plan			0.047	0.053	0.054	0.154
New Pressures	Demand	2027E&H2 - Increase in volume of organic waste - add new years to plan			0.042	0.048	0.049	0.139
New Pressures	Demand	2027E&H2 - Energy Recovery - add new years to plan	0.250	-0.150	0.206	0.221	0.226	0.753
New Pressures	Demand	2027E&H2 - Increase in Landfill volumes - add new years to plan			0.020	0.021	0.021	0.062
		Subtotal Waste Demography	0.650	0.250	0.315	0.343	0.350	1.908
PP Pressures	Policy Change	2026EH12 - New carbon tax applied to fossil fuel carbon generated from waste incinerated from April 2028. Need for pre-implementation activity in the run up to the scheme starting in April 2026.	0.200	0.000				0.200
PP Pressures	Contract & Third Party spend	2026EH14 - The waste management contract was extended until October 2027, so costs associated with a new contract were moved to 2027/28.	0.000	0.625				0.625
PP Pressures	Other	2026EH15 - Dean Pit leachate management and Dix Landfill long term management and Landfill Tax increase	0.050	0.000				0.050
New Pressures	Contract & Third Party spend	2027E&H3 - Contractor passing through costs resulting from a change in law.	0.060					0.060
New Pressures	New Responsibilities	2027E&H9 - Additional costs to cover purchasing strategy of carbon allowances (hedging etc) in the run up to the beginning of the scheme in January 2028. Includes the Monitoring and external support costs.	0.160	1.000	4.000	0.000	0.000	5.160
New Pressures	New Responsibilities	2027E&H9 - Potential New Burdens grant from central government for Carbon Allowances (not yet confirmed)		-0.800	-3.328			-4.128

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	Commercialisation and Optimization of Fees & Charges	2027E&H10 - Consultancy support to evaluate options for reprocurement of the contract for the disposal of food and garden waste. Current contract expires 2029 and re-procurement options may include Joint Ventures and or construction of our own facilities which need to be evaluated and have a significant lead in period.	0.100	0.000	0.000	-0.100	0.000	0.000
New Pressures	Other	2027E&H11 - Funding required to carry out essential maintenance at the council's Household Waste Recycling Centres.	0.050	0.000	0.000	0.000	0.000	0.050
New Pressures	Contract & Third Party spend	2027E&H13 - 2026E&H25 - a short term contract for running HWRCs in Oxfordshire would be relatively more expensive in the short run but would potentially increase options for savings following Local Government Reform.	0.000	2.000	0.000	0.000	0.000	2.000
New Pressures	Contract & Third Party spend	2027E&H13 - It is anticipated that through commercial negotiation the cost of the contract can partially reduce, though it is anticipated that the council will take a greater share of the risk.		-0.300				-0.300
New Pressures	Other	2027E&H14 - Current funding for CCTV at waste management sites is set to expire this year. If no funding is agreed CCTV will need to cease, at least in short term until lane rental comes online.	0.250	0.000	-0.125	-0.125	0.000	0.000
New Pressures	Reserves funded expenditure	2027E&H14 - Fund CCTV pressure from reserves	-0.250	0.000	0.125	0.125	0.000	0.000
New Savings	Contract & Third Party spend	2027E&H15 - Savings on food and garden waste contract. Actual spend is weather dependent and mainly driven by that so may not be achievable.	-0.100	-0.050	0.000	0.000		-0.150
New Savings	Contract & Third Party spend	2027E&H16 - Improvements to contractual arrangements for bulking, haulage and disposal of Persistent Organic Pollutants.	-0.100	-0.050	0.000	0.000		-0.150
		Use of Packaging Extended Producer Responsibilities funding						
New Pressures	pEPR Funding	2027E&H1 - Waste Management contract inflation funded by packaging Extended Producer Responsibilities (pEPR) funding	-0.162		-0.985	-0.942		-2.089
New Pressures	pEPR Funding	2027E&H19 - Use pEPR funding to manage Waste Management pressures.	-0.420	-1.650	-0.987	-0.243	0.000	-3.300
New Pressures	PEPR Funding	2027E&H20 - Use of pEPR funding to meet costs of managing the disposal of waste packaging means council budget can be released.	-4.807	1.650	1.972	1.185	0.000	0.000
		Subtotal use of Packaging Extended Producer Responsibilities funding	-5.389	0.000	0.000	0.000	0.000	-5.389

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Savings	Other	2025EP693 - Various pressures associated with service areas within Environment & Circular Economy - to be managed within the existing budget allocation 2024/25 (offsets pressure EP692)	0.123					0.123
PP Pressures	Other	2025EP692 - Various pressures associated with service areas within Environment & Circular Economy (offset by saving EP693). Remaining funding in 2025/26 falls out in 2026/27.	-0.123	0.000				-0.123
New Pressures	Other	2027E&H12 - The council currently provides funding of £6,000 per annum to contribute to the management of 200+ Local Wildlife Sites in Oxfordshire. All partners have been asked to provide additional funding as part of delivery of the Local Nature Recovery Strategy and our Biodiversity Action Framework.	0.060	0.000	0.000	0.000	0.000	0.060
		Highways Maintenance						
PP Pressures	Demand	2026EH11 - Increase in maintenance of street lighting and lit signs as a result of highways asset growth.	0.145	0.000				0.145
PP Pressures	Demand	2026EH19 - Increase in maintenance of highway assets as a result of the maintainable network growing.	0.270	0.250				0.520
PP Pressures	Demand	2026EH20 - Increase in the number of traffic signals that need to be maintained as a result of asset growth.	0.120	0.000				0.120
PP Pressures	Reserves funded expenditure	2026EH28 - Use commuted sums to fund increase in maintenance as a result of network and asset growth (offsets 2026EH11, 19, 20 and 28)	-0.535	-0.250				-0.785
PP Pressures	Inflation	Contract Inflation (RPI - 2.2%; CPI - 1.6%; EPI 1.7% and other fixed rates)	2.517	2.910				5.427
New Pressures	Inflation	2027E&H2 - Contract Inflation - changes to the current assumption in the MTFS and add new years to plan 2028/29 (CPI -1.9% to 2%; RPI - 3.1% to 2.9% RPIX - 2.9% to 2.8% and other fixes rates)	0.225		1.773	1.822	1.858	5.678
New Pressures	Inflation	Contract Inflation (RPI - 2.2%; CPI - 1.6%; EPI 1.7% and other fixed rates) move home to school transport inflation to Children's Services.	-0.661	-0.790				-1.451
New Pressures	Inflation	Contract Inflation (RPI - 2.2%; CPI - 1.6%; EPI 1.7% and other fixed rates) move Concessionary Fares inflation to E&P.	-0.339	-0.350				-0.689
PP Pressures	Demand	2025EP622 - Increased highway maintenance activity (additional funding for potholes)	0.050	0.000				0.050
PP Pressures	Inflation	Income Inflation (2.0%)	-0.437	-0.437				-0.874

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressures	Policy Change	2026EH23 - the Department of Transport have now approved the Lane Rental Scheme in Oxfordshire so income is expected to start to be received in 2026/27 in line with previously proposed budget assumptions.	-1.075	0.000				-1.075
PP Savings	Commercialisation and Optimization of Fees & Charges	2026L&CO21 - Full year effect of receipts from increased enforcement of streetworks achieved through investment in increased enforcement of streetworks (2 Officers and 1 Senior Officer). See 2026L&CO9	-0.114					-0.114
PP Investments	Service Enhancement	2026L&CO9 - Full year effect of increased enforcement of streetworks (2 Officers and 1 Senior Officer) from 2026/27	0.065					0.065
New Pressures	Service Enhancement	2027E&H7 - Ongoing / increased drainage activity to extend beyond gullies - look at carrier drain and surveys etc	0.200					0.200
New Pressures	Reserves funded expenditure	2027E&H7 - Fund additional drainage activity from Commuted Sums	-0.200					-0.200
New Pressures	Demand	2027E&H5 - Increased number of network management assets across county due to sustained BSIP investment. To ensure larger asset base can be maintained and maximum operating lifespans achieved additional funding will be required.	0.320	0.017	0.018	0.019		0.374
New Pressures	Reserves funded expenditure	2027E&H5 - Funding from reserves to support increased number of network management assets	-0.320	-0.017	-0.018	-0.019		-0.374
New Saving	Other	2027E&H19 - The council will reduce the on-going £1.5m additional investment in its gully cleaning budget agreed in February 2025 by £0.3m following analysis of information collected from this year's programme to empty every highway gully in the county	-0.300					-0.300
PP Pressures	Contract & Third Party spend	2025EP588 - Increased Parking Service operational and maintenance costs	0.200	0.000				0.200
PP Pressures	Reserves funded expenditure	2025EP598 - Increased drawdown from Parking Reserve to support increased Parking Service operational and maintenance costs	-0.200	0.000				-0.200
PP Pressures	Demand	2026EH22 - Additional maintenance & management costs associated with Park and Ride car parks.	0.075	0.000				0.075
New Pressures	Demand	2027E&H8 - Pressures relating to asset routine & cyclical maintenance	0.350					0.350
New Pressures	Reserves funded expenditure	2027E&H1 - Maintenance contract inflation funded by Commuted Sums.	-0.063		-0.521	-0.535	-0.525	-1.644

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Savings	Reserves Funded Expenditure	2025EP620 - Increase the use of commuted sums held in reserves to maintain new infrastructure as a result of new developments and changes to the highway	-0.100					-0.100
New Pressures	Service Enhancement	2027E&H6 - Public realm maintenance of town centres	0.075					0.075
PP Investments	Other	2026L&CO12 - Phase five of School Streets scheme (revenue cost of implementation/maintenance)	0.047	-0.030				0.017
		Park & Rides						
PP Investments	Other	2026EH40 - Investment of £0.4m required to support holding the price of a joint ticket (parking and bus fare) at Park & Ride car parks unchanged from 2024/25 falls out in 2026/27.	-0.400	0.000				-0.400
New Pressures	Demand	2027E&H4 - Demand for joint ticketing deal has exceeded expectations, to provide service on an ongoing basis additional funding will be required.	0.400	0.062	0.065	0.068		0.595
New Pressures	Reserves funded expenditure	2027E&H4 - Funding for P&R joint ticketing deal	-0.400	-0.062	-0.065	-0.068		-0.595
PP Savings	Commercialisation and Optimization of Fees & Charges	2026L&CO22 - Introduce long stay parking charge(s) at Thornhill Park & Ride in 2026/27 for those connecting to coach-services for Heathrow and Gatwick. Nominal amount included pending actual income generated through scheme operation.	-0.010					-0.010
		Subtotal Park & Rides	-0.410	0.000	0.000	0.000	0.000	-0.410
		Ash Tree Dieback						
New Pressures	Other	2027E&H17 - Annual revenue maintenance costs associated with the council's ash tree dieback plan.	0.150					0.150
New Pressures	Reserves funded expenditure	2027E&H17 - Fund revenue maintenance cost of ash tree dieback from Commuted Sums	-0.150					-0.150
New Pressures	Other	2027E&H18 - The cost of the planned programme to assess, inspect and remove infected ash trees across the county.	0.353	1.528	2.236	-2.234	0.023	1.906
		Subtotal Ash Tree Dieback	0.353	1.528	2.236	-2.234	0.023	1.906

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Saving	Other	2027E&HPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.123	-0.123	-0.123			-0.369
		Total	-4.124	5.383	4.352	-0.704	1.706	6.613

Previously Proposed and New Budget Changes: Economy & Place

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026EP12 - £1m one – off investment to leverage investment in rail, including supporting active travel access, improvement programmes and the development of strategic cases and masterplans to prove the environmental, economic and community case for rail falls out in 2026/27. Any funding not used in 2025/26 will be held in reserves for use in 2026/27.	-1.000					-1.000
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026EP10 - Investment in proactive flooding measures and working with communities who have suffered flooding (one - off funding falls out - some of this will be held in reserves at the end of 2025/26 and used in 2026/27)	-2.000					-2.000
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026L&CO11 - Removal of one - off funding for the development of a Kerbside Strategy (including lobbying Government for powers to tackle pavement parking)	-0.040					-0.040
PP Pressures	One off funding in 2025/26 falls out in 2026/27	24EP30 - Transport Hubs (revenue funding for capital expenditure of £0.5m per year for three years (2023/24, 2024/25 and 2025/26) in locations across Oxfordshire including e-bike hire, car club promotion etc). Funding falls out in 2026/27.	-0.500					-0.500
PP Pressures	One off funding in 2025/26 falls out in 2026/27	2026EP5 - Funding for pressure in energy and retrofit staffing budget owing to gap between expenditure and grant funding falls out in 2026/27.	-0.050					-0.050
New Pressures	Inflation	Contract Inflation (RPI - 2.2%; CPI - 1.6%; EPI 1.7% and other fixed rates) move to E&P RE Concessionary Fares	0.339	0.350				0.689
New Pressures	Inflation	2027E&P1 - Contract Inflation - Add new years to plan for 2028/29 onwards (CPI -1.9% to 2%; RPI - 3.1% to 2.9% RPIX - 2.9% to 2.8% and other fixed rates)			0.360	0.371	0.378	1.109
PP Pressures	Inflation	Income Inflation (2.0%)	-0.004	-0.004				-0.008

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	Other	2027E&P2 - Highway Agreements Team income profile requires adjustment to ensure alignment with income forecast. In past 3 years there has been over-lap in fee type and timing of fees drawn in, that has artificially inflated income. 'Old' fees are now running down and as such just one style of fee is being drawn in. This will result in a net reduction each year in forecast income.	0.700	0.700				1.400
New Pressures	Reserves funded expenditure	2027E&P2 - Use of S278 Reserve to offset against Highways Agreements team income generation risk, due to the tailing off of the number of houses being developed. This is only a short term funding fix, by which time the risk of an on-going income shortfall maybe realised.	-0.700	-0.475	1.175			0.000
New Pressures	Other	2027E&P3 - One - off funding to support the delivery of a rail strategy for Oxfordshire.	0.350	-0.350				0.000
New Pressures	Reserves funded expenditure	2027E&P3 - Use Enterprise Zone retained business rates funding for the delivery of the Rail strategy (as per conditional approval by Cabinet in October 2025)	-0.350	0.350				0.000
New Pressures	Other	2027E&P4 - additional monitoring and evaluation activity needed to assess impact of place investments schemes - ensuring consistency, reducing duplicative evaluation costs in projects and improving outcomes.	0.250					0.250
		Spatial Development Plan						
New Pressures	Service Enhancement	2027E&P5 - Model renewal required to baseline the new Spatial Development Plan for Oxfordshire and/or the Thames Valley. Funded from the Local Government Reorganisation and Devolution Reserve.	0.500	-0.500				0.000
New Pressures	Other	2027E&P6 - Increase strategic planning resources to start the production of the new Spatial Development Plan for Oxfordshire and/or the Thames Valley. Funded from the Local Government Reorganisation and Devolution Reserve.	0.350	-0.350				0.000
		Subtotal Spatial Development Plan	0.850	-0.850	0.000	0.000	0.000	0.000

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	New Responsibilities	2027E&P7 - Estimated cost of purchasing Carbon credits to offset to deliver the 2030 Net Zero target				0.255		0.255
New Saving	Other	2027E&P7 - cease market making activity for local carbon credits	-0.080					-0.080
PP Savings	One off funding falls out	2025EP774 - Utilisation of Bus Service Operators Grant (BSOG) to support spend in 2024/25 and 2025/26 falls out in 2026/27	0.400	0.000				0.400
PP Savings	One off funding falls out	2025EP745 - One - off funding to manage various pressures associated with policy development under existing budget allocation (offsets pressure EP744) falls out in 2026/27	0.568	0.000				0.568
PP Pressures	One off funding in 2025/26 falls out in 2026/27	2025EP744 - Funding for pressures associated with policy development for area travel plans, HGV studies and Multi Modal transport model (offset by saving EP745) falls out in 2026/27.	-0.568					-0.568
PP Savings	One off funding falls out	2026EP7 - Temporary reduction in revenue works budget in central Oxfordshire team while activity is focussed on alternatively funded core schemes falls out in 2027/28	0.000	0.040				0.040
PP Investments	One off funding in 2025/26 falls out in 2026/27	2025L&CO13 - Implementation costs for Phase four of the school streets scheme falls out in 2026/27	-0.030					-0.030
PP Investments	One off funding in 2025/26 falls out in 2026/27	2025L&CO15 - One - off seed funding for supporting pilot Demand Responsive Transport (DRT) bus services, building on business case developed through 2025L&CO14 falls out in 2026/27	-0.250	0.000				-0.250
PP Investments	One off funding falls out in 2027/28	2026EP1 - Additional temporary resource to support the development of four nationally significant infrastructure projects in 2025/26 and 2026/27 falls out in 2027/28	0.000	-0.075				-0.075
PP Investments	One off funding falls out in 2027/28	2026L&CO8 - Resourcing to support the recommendations of the Citizens Assembly on transport in 2025/26 and 2026/27 falls out in 2027/28	0.000	-0.050				-0.050

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Investments	One off funding falls out in 2027/28	2026L&CO10 - £0.1m funding for Full Business Case development for Greenways cross-country cycle routes connecting rural villages and market towns to/from Oxford will continue in 2026/27 but then falls out in 2027/28.	0.000	-0.100				-0.100
PP Investments	One off funding in 2025/26 falls out in 2026/27	2026L&CO13 - Funding for a one - off piece of work for evidence gathering and design work for developing further area based HGV enforcement falls out in 2026/27	-0.140					-0.140
PP Investments	Other	2025L&CO17 - Revenue borrowing costs for pipeline delivery of capital projects identified as part of the East Oxford Mini-Holland Project.	0.120					0.120
New Saving	Other	2027E&PPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.080	-0.080	-0.080			-0.240
New Investment	Other	2027E&P8 Budgeted expenditure of £1.254m and the equivalent EZ Business Rates funding is proposed to initially be added to the budget for Economy & Place for additional economic strategy and delivery capacity and capability at Oxfordshire County Council and Enterprise Oxfordshire.	1.254					1.254
New Saving	Funding from reserves	2027E&P9 Utilise Retained Enterprise Zone Business Rates Funding	-1.254					-1.254
Total			-2.215	-0.544	1.455	0.626	0.378	-0.300

Previously Proposed and New Budget Changes: Public Health & Community Services

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressures	Inflation	Income Inflation (2.0%)	-0.012	-0.012				-0.024
New Pressures	Inflation	Income Inflation (2.0%)			-0.012	-0.012	-0.012	-0.036
PP Savings	One off use of Public Health grant funding falls out	2025PH1 - Utilisation of government grant to fund domestic abuse services means £0.200m of council funding can be released in 2025/26. One - off release of funding falls out in 2026/27.	0.200	0.000				0.200
New Savings	Use of PH grant funding	2027PHC4 - Utilisation of government grant to fund domestic abuse services means £0.200m of council funding can continue to be released in 2026/27.	-0.200	0.200				0.000
PP Savings	One off use of Public Health grant funding falls out	2025PH6 - Utilisation of Public Health Grant to support Family Solutions Plus (replaced in 2026/27 by 2027PHC3 in Children's Services)	0.250	0.000				0.250
PP Savings	One off use of Public Health grant funding falls out	2025PH7 - one - off utilisation of Public Health Grant to help fund Community Capacity Grants in 2025/26 falls out in 2026/27 (replaced in 2026/27 by 2027PHC2 in Adult Services)	0.250	0.000				0.250
PP Savings	One off use of Public Health grant funding falls out	2025PH8 - one - off funding for savings for ASC through reduced charges for social care assessments in 2025/26 falls out in 2026/27 (replaced in 2026/27 by 2027PHC1 in Adult Services)	0.072	0.000				0.072
New Saving	Other	2027PHPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.060	-0.060	-0.060			-0.180
New Pressures	Other	New expenditure budget for the increase to the Public Health Grant to address the latest requirements set out by the Government.	0.922	1.040	1.129			3.091
New Grant Funding	Other	Increase to public health grant funding notified in Provisional Finance Settlement	-0.922	-1.040	-1.129			-3.091
Total			0.500	0.128	-0.072	-0.012	-0.012	0.544

Previously Proposed and New Budget Changes:
Oxfordshire Fire & Rescue Service and Community Safety

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressure	Inflation	Income Inflation (2.0%)	-0.003	-0.003				-0.006
New Pressure	Inflation	Income Inflation (2.0%)			-0.003	-0.003	-0.003	-0.009
PP Pressure	Inflation	Contract Inflation	0.160	0.165				0.325
New Pressure	Inflation	2027CSS100 - Contract Inflation at 3% per OBR estimate - add new years to plan			0.170	0.175	0.180	0.525
PP Pressure	Other	2025CSafety670 - Vehicle Renewals, increase revenue contribution for replacement of Fire Vehicles	0.120	0.000				0.120
PP Pressure	Other	2026FRCs2 - Emergency Services Mobile Communication Programme (Operational Radios) There is an ongoing government led central project to replace the mobile communications platform for emergency services. It is expected to cost us an additional £200k a year once implemented.	0.200	0.000				0.200
New Pressure	Other	2027CSS101 - Grant funding shortfall for nine posts within the Fire Protection team. The Fire Protection grant for 2025/26 is £0.252m and this leaves a funding gap of £0.120m, with no remaining reserve to cover this. Whilst MHCLG have confirmed the grant for 2025/26, a risk remains that this could be reduced/removed in future years.	0.120					0.120
New Pressure	Other	2027CSS103 - Ill health and injury - ongoing pressures	0.100					0.100
New Saving	Other	2027CSS104 - Allocated staffing savings from 2023/24 that have not been achieved.	0.080					0.080
New Pressure	Other	2027CSS106 - Thames Valley Shared Fire Control System one-off set up costs		0.350	-0.350			0.000
New Pressure	Other	2027CSS107 - Thames Valley Shared Fire Control System costs (on-going increase)			0.250			0.250
New Saving	Other	2027FRCSSPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.042	-0.042	-0.042			-0.126
Total			0.735	0.470	0.025	0.172	0.177	1.579

Previously Proposed and New Budget Changes:
Resources and Law and Governance

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressures	Inflation	2025Corp973 - Revised structure and pay scales for the council's Strategic Leadership Team (approved by Council on 7 November 2023). Full year effect in 2026/27	0.028	0.000				0.028
		IT Services						
PP Pressures	Inflation	2026RLGIT1 - IT - Contract Inflation	0.070	0.090				0.160
New Pressures	Inflation - New Plan Years	2027RES100 - IT - Contract Inflation - add new years to plan			0.200	0.070	0.200	0.470
		IT Structure and Licences						
New Pressures	Contract & Third Party spend	2027RES101 - CoPilot licences costs - to be funded by Transformation Reserve in 2026/27 only	1.342					1.342
New Pressures	Other	2027RES112 - E5 licence costs - to be funded by Transformation Reserve in 2026/27 only	0.500					0.500
New Pressures	Other	2027RES111 - Additional costs arising from the IT Operations redesign, and investment needed to support the organisation be ready for Local Government Reorganisation is estimated to be up to £1.0m in 2026/27 increasing to £1.3m on-going from 2027/28. The part year cost in 2026/27 is proposed to be met from the Transformation Reserve. Further organisational redesign savings will be required to offset the on-going cost from 2027/28.		1.000	0.300			1.300
		HR and Cultural Change						
PP Pressures	Inflation	2026RLGHR1 / 2026RLGHR2 - Contract Inflation	0.010	0.010				0.020
New Pressures	Inflation - New Plan Years	2027RES100 - Contract inflation (add new years to plan)			0.010	0.010	0.010	0.030
		Coroner Service						
PP Pressures	Inflation	2026RLGL1 - Coroners - Contract Inflation	0.040	0.040				0.080
New Pressures	Inflation - New Plan Years	2027RES100 - Coroner Service - Contract Inflation (add new years to plan)			0.041	0.042	0.043	0.126

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Pressures	Inflation	2027L&G101 - Coroner Service - Agreed fee increase on current body removal contract as of 01/04/25 creating overall budget pressure of £0.060m (£0.040m previously agreed inflation for 2026/27 so additional £0.020m pressure). The current contract expires on 28.02.26 so a tender process will begin imminently for a new contract as of 01.03.26. Pressure is based on the current contract but any new contract may differ.	0.020					0.020
New Pressures	Policy Change	2027L&G103 - Senior Coroner and Area Coroner pay alignment to the judicial pay scale effective 1/4/2025 as approved by RemCom on 9/10/2025. Annual increase £0.064m plus on costs. Total £0.086m	0.086					0.086
New Pressures	Inflation	2027L&G100 - Coroner Service - The Coroner Mortuary Provision annual £0.264m contract expired on 31/03/25 after 30 years, an extension has been agreed by OCC & OUH with £0.291m increase effective 1/4/2025. Total annual cost £0.555m.	0.308	0.017	0.017	0.018	0.019	0.379
		Members' Allowances						
New Pressures	Policy Change	2027L&G104 - Adoption of Scheme of Members' Allowances as recommended by the Independent Remuneration Panel. Current budget £1.582m, required budget £1.713m. £0.131m increase (8.3%)	0.131					0.131
		Public Affairs, Policy & Partnerships						
New Pressures	Demand	2027SST634 - Public Affairs, Policy & Partnerships - 2027/28 pressure from the withdrawal of government funding for Healthwatch.						0.000
PP Investments	Service Enhancement	2026L&CO16 - Publicise the findings of the Citizens Assembly on the future of transport and undertake a follow-up public engagement exercise. One - off funding in 2025/26 falls out in 2026/27.	-0.050					-0.050
PP Investments	Other	2026PAPP05 - Funding for the continuation of the Councillor Priority Fund for 2025/26 and 2026/27 falls out in 2026/27. The fund enables councillors to support local projects in their communities and will continue to run through 2026/27.	-0.775					-0.775
		Registration Service						
PP Savings	Inflation	2026RLGR1 - Registration Service - Income Inflation - Fees & Charges	-0.060	-0.060				-0.120
New Savings	Inflation - New Plan Years	2027RES100 - Registration Service - Income Inflation - Fees & Charges - add new years to plan			-0.062	-0.064	-0.066	-0.192

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
		Property & Assets						
PP Pressures	Inflation	Multiple - Contract/Business Rates Inflation	0.388	0.403				0.791
New Pressures	Inflation - New Plan Years	2027RES100 - Contract Inflation - Facilities Management Operations (add new years to plan)			0.196	0.202	0.208	0.605
New Pressures	Inflation - New Plan Years	2027RES100 - Contract Inflation - Estates (add new years to plan)			0.219	0.226	0.233	0.678
PP Pressures	Other	2026RLGFM7a - Delay in the occupation of a new library facility in Banbury to 2025/26. Remainder of £150k saving from 2024/25 falls out in 2026/27.	-0.075	0.000				-0.075
PP Savings	Other	2025PI&FM691 - Delay in the occupation of a new library facility in the Banbury to 2025/26. £0.150m saving from 2024/25 falls out in 2025/26 and 2026/27.	0.075	0.000				0.075
New Pressures	Inflation	2027RES104 - Estates - New Banbury Library joint project with Cherwell District Council to be delivered in 2027/28		0.150				0.150
New Pressures	Demand	2027RES103 - Estates - Housing Team to support development of housing provision for social care, for example - funded by Transformation Reserve on one - off basis in 2026/27	0.278					0.278
New Savings	Contract & Third Party spend	2027RES106 - Estates/Assets, trend of energy costs currently shows a downturn vs planned budget	-0.250					-0.250
New Savings	other	2027RES107 - FM Operations, Delivery of operational efficiency processes & contract reviews.	-0.250					-0.250
PP Investments	Other	2026RLGFM8 - Funding for discretionary rent concessions currently provided to tenants in the Voluntary and Community Sector (VCS) falls out in March 2026.	-0.100	0.000				-0.100
New Investments	Service Enhancement	2027RES105 - The discretionary rent concessions currently provided to tenants in the Voluntary and Community Sector (VCS) are scheduled to end in March 2025. Plans are in place to extend this support for an additional year.	0.100					0.100
		Financial & Commercial Services						
New Investments	Service Enhancement	2027RES102 - The investment in Financial and Commercial Services is expected to deliver an at least equal saving across the organisation as a result of better management and identification of commercial and third party opportunities	0.770					0.770

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
New Savings	Contract & Third Party spend	2027RES102 - Financial and Commercial Services is expected to deliver an at least equal saving across the organisation as a result of better management and identification of commercial and third party opportunities	-0.770					-0.770
PP Pressures	Inflation	2026RLGFC1 - Contract Inflation	0.155	0.160				0.315
New Pressures	Inflation - New Plan Years	2027RES100 - IBC Contract Inflation (add new years to plan)			0.165	0.170	0.175	0.510
New Pressures	Inflation	2027RES109 - IBC Contract Inflation - 2026LRGFC1 previously agreed not required	-0.155					-0.155
New Saving	Other	2027RES110 - Capitalisation of commercial staffing costs where they are incurred in support of capital projects	-0.150					-0.150
		Legal Services						
New Investments	Other	2027L&G102 - Revised Operating structure for Legal Services.	0.500					0.500
PP Pressures	Inflation	2026RLGL1 - Legal - Contract Inflation	0.035	0.040				0.075
New Pressures	Inflation - New Plan Years	2027RES100 - Legal Services - Contract Inflation (add new years to plan)			0.041	0.042	0.043	0.126
		Other Changes						
PP Pressures	Demand	COVID18 - Local Council Tax Support Scheme: anticipation of future emergency welfare demand in 2022/23 falls out in 2026/27 (originally funded from COVID-19 Reserve)	-0.500	0.000				-0.500
New Saving	Other	2027RLGPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.366	-0.366	-0.366			-1.097
New Pressures	Other	New expenditure budget for the Household Support Fund, under the Crisis & Resilience Fund, to address the latest requirements set out by the Government (Government Grant funded)	4.826	0.003	0.979			5.808
New grant Funding	Other	New grant funding: Crisis & Resilience Fund notified in Provisional Local Government Settlement	-4.826	-0.003	-0.979			-5.808

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	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
		Local Government Reform						
New Pressures	Other	Planned expenditure on activity required to support the transition towards Local Government Reform in Oxfordshire. Funded from the Local Government Re-organisation and Devolution Reserve	2.799	-2.799				0.000
		Total	5.134	-2.015	0.461	0.716	0.865	5.161

Previously Proposed and New Budget Changes
Transformation, Digital and Customer Experience

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressures	Inflation	Income Inflation (2.0%)	-0.002	-0.002				-0.004
New Pressures	Inflation	Income Inflation (2.0%)			-0.002	-0.002	-0.002	-0.006
PP Pressures	Inflation	2026TDCE3 - Contract Inflation	0.010	0.010				0.020
New Pressures	Inflation	2027TDC100 - Customer Experience Contract inflation at 3% per OBR estimate. £10k for Blue badge and bus passes - add new years to plan			0.010	0.010	0.010	0.030
PP Pressures	One off funding falls out	24COVID4 - Funding for additional resource for the Social & Health Care Team in the council's Customer Service Centre from 2023/24 to 2025/26 (originally funded from the COVID-19 reserve) drops out in 2026/27	-0.175	0.000				-0.175
PP Investments	Service Enhancement	2026TDCE6 - Investment in Revised Data Team Structure	0.298	0.000				0.298
PP Investments	Service Enhancement	2026TDCE2 - Programme Management Office - Cohort 2 Inhouse training provision funding	0.020	0.000				0.020
New Saving	Other	2027TDCEPEN - Reduction within employer pension contribution rate reduced by 1% from 19.9% to 18.9% for 2026/27 and then a further 1% in each of 2027/28 and 2028/29	-0.053	-0.053	-0.053			-0.159
Total			0.098	-0.045	-0.045	0.008	0.008	0.023

Previously Proposed and New Budget Changes
Other Changes within Service Budgets

	Category	Description	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
PP Pressure	Inflation	CORP110 - Impact of increases in employers National Insurance contribution on Employee and services expenditure	0.185	0.259				0.444
PP Pressure	Inflation	Pay Inflation @ 3.5% in 2026/27 then 3.0% from 2027/28. (NB. There is existing funding that will roll forward from 2025/26 to add to the 2026/27 funding).	6.949	6.949				13.898
New Pressure	Inflation	Add new years for pay inflation at 3%			6.910	6.910	6.910	20.730
New Saving	Inflation	Release excess pay inflation held in 2025/26	-2.500					-2.500
New Saving	Other	Reduce Pay Inflation Contingency (on-going)	-1.400					-1.400
New Saving	Other	Release excess funding for employers NI held in 2025/26	-0.800					-0.800
PP Saving	Other	Cross Cutting Savings - Organisational Redesign	-4.213					-4.213
New Saving	Other	Cross Cutting Savings - Organisational Redesign		-1.800				-3.142
New Pressures	Other	Risk Assumption to be allocated				8.202	7.480	15.682
Total			-1.779	5.408	6.910	15.112	14.390	40.041

Earmarked Reserves and General Balances Policy Statement 2026/27

Introduction

1. This paper sets out the Council's policies underpinning the maintenance of a level of general balances and earmarked reserves within the council's accounts.

Statutory Position

2. A local authority is not permitted to allow its spending to exceed its available resources so that overall it would be in deficit. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting future estimated future expenditure when calculating the council tax requirement.
3. Balances and reserves can be held for three main purposes:
 - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, this forms part of general reserves
 - A contingency to cushion the impact of unexpected events or emergencies, this forms part of general balances;
 - A means of building up funds often referred to as earmarked reserves, to meet known or predicted liabilities

Purpose of balances and reserves

4. The Council maintains general balances in order to provide a contingency against unplanned or unexpected events.
5. Although there is no recognised official guidance on the level of general balances to be maintained, the key factor is that the level should be justifiable in the context of local circumstances. The council's external auditor comments on the level of balances and reserves as part of the annual audit of the Council's financial position. Financial regulations require Council to decide on the level of general balances it wishes to maintain before it can decide the level of council tax. This will be done as part of the annual budget setting process.
6. Whilst general balances are unallocated, earmarked reserves are held for a specific purpose and to mitigate against potential future known or predicted liabilities.

Planned use of balances and reserves

7. Any planned use of, or contribution to, earmarked reserves or balances must be included as part of the budget setting process each year.

8. In accordance with the Council's Financial Regulations, any new reserves or a change in the purpose of earmarked reserves requires Cabinet approval. Contributions to or use of earmarked reserves is reported to Cabinet as part of the monthly Business Management & Monitoring Report. Those greater than £1m require endorsement by Cabinet.

National Comparison of Level of Earmarked Reserves and Unallocated Reserves (General Balances)

9. Information is included in the Financial Strategy (see paragraphs 32 – 34 and Annex 2 of Section 4.5), noting that the CIPFA Resilience Index indicates that Oxfordshire County Council is lower risk compared to other county councils. The risk in respect of levels of reserves has also improved relative to other counties and the level of risk is moving further towards the lower end of the spectrum.

Level of General Balances

10. It is considered prudent to maintain a level of balances commensurate with risk, and a risk assessment is undertaken annually by the Deputy Chief Executive (Section 151 Officer), as part of the budget setting process.
11. The risk assessment for 2026/27 has determined that balances should be held at £32.7m, increased from £30.2m in 2025/26, reflecting an updated assessment of risks. When added to contingency of £6.3m this is equivalent to 5.2% of the proposed net operating budget of £752.6m for 2026/27 and equates to just over two weeks of net expenditure.
12. The Business Management and Monitoring Report to Cabinet in January 2026 sets out a forecast underspend of £2.0m for 2025/26. This includes the use of £2.2m balances to fund the deficit held by Woodeaton Manor Special School when it converted to academy status in October 2025. There is also a further anticipated call on balances relating to the Bicester Motion incident, estimated at £0.5m. £1.9m held in general balances will be used to support the cost of the Cowley Branch Line should it not be possible to identify other funding for this purpose.
13. The anticipated level of general balances on 1 April 2026 is currently forecast to be £34.7m after taking account of the anticipated use set out in paragraph 12. This is £2.0m higher than the 2026/27 risk assessed level of £32.7m; the additional funding will be held to support future priorities.
14. It is recognised that the outturn position for 2025/26 is likely to differ from the forecast so the actual level of balances available to allocate may vary. It is proposed that any variation to the forecast outturn position will be reflected in the level of general balances and any impact considered through the Provisional Outturn Report for 2025/26.
15. The risk assessment for 2026/27 is set out as Annex 1 to this policy statement.

Earmarked Reserves

16. Earmarked Reserves are grouped into the following six categories:

- a. Revenue Grants Unapplied – these are specific grants received by Government Departments which remain unused at the end of the financial year and are carried forward to be utilised in future years. Examples include the Public Health Grant and the remaining grant funding for the Homes for Ukraine scheme in Oxfordshire.
- b. Capital & Equipment – funding for the council's capital programme and the replacement of equipment and vehicles.
- c. Funding for Risk – funding held to mitigate future financial and service risks. Examples include the Insurance and Collection Fund reserves.
- d. Corporate Priorities – one – off funding to support and deliver the council's priorities. Examples include the Budget Priorities and Transformation reserves.
- e. Other Reserves – funding held for other specific purposes including the On – Street Parking Reserve.
- f. Unusable Reserves – surpluses and deficits held on behalf of Local Education Authority maintained schools.

17. Annex 2 sets out the actual level of earmarked reserves at 31 March 2026 and expected level at 31 March each year to 2031 as well as a description of each reserve.

18. Section 4.6.1 sets out forecast reserves over the medium term. A significant element of the balance forecast to be held relates to future funding for the capital programme.

19. This position does not take into account an estimated deficit on the Dedicated Schools Grant (DSG) Unusable Reserve in relation to High Needs. This is currently forecast to be £163.2m as at 31 March 2026. If the current level of spend continues with no solution put in place this would increase to at least £300m by 31 March 2028 when the statutory over-ride ends. Further detail on this is set out in paragraphs 51-55 below.

Demographic Risk Reserve/ High Needs DSG Deficit Risk Reserve

20. Because of the significant pressures relating to High Needs and other budgets with demographic volatility a demographic risk reserve was created in 2019/20. The existing MTFS includes an on-going annual contribution to the reserve of £4.0m. The forecast reserve will total £35.0m by the end of 2025/26, £29.0m by the end of 2026/27 and £33.0m by the end of 2027/28 when the statutory over-ride ends. This reserve will in part offset the impact of carrying the negative DSG reserve on the council's cashflow and improve the financial resilience position.

21. The Provisional Local Government Finance Settlement for 2026/27 sets an expectation that local authorities will be required to meet some of the historic deficit on High Needs DSG. Reflecting this change, and the expectation that

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the council will need to manage at least some of the deficit, it is proposed to increase the contribution to the Demographic Risk Reserve from £4m in 2025/26 to £8m per annum from 2026/27 onwards. This will increase the balance held in the reserve to £41.0m at 31 March 2028, when the statutory override ends.

22. It is also proposed to change the name of this reserve to the “High Needs DSG Deficit Risk Reserve”.

Budget Priorities Reserve

23. This reserve has been used to hold one – off funding for the council’s priorities.

24. The remaining balance from a one – off investment of £2.0m in 2025/26 for pro-active flooding measures and working with communities who have suffered flooding that will be used in 2026/27 will be held in this reserve.

25. £1.9m potential funding for the Cowley Branch Line is likely to be moved to the reserve from general balances before the end of 2025/26. If other funding is subsequently identified this will be released for other priorities.

26. £1.5m funding is available to support future priorities.

Budget Reserve

27. As set out in the Business Management & Monitoring Report to Cabinet in January 2026, and the Treasury Management quarterly updates, there is forecast additional interest on cash balances totalling £7.5m over the budgeted level in 2025/26. £2.0m of this is forecast to be used to support the revenue budget in 2025/26.

28. The remaining balance is proposed to be held in a Budget Reserve, that will be created in 2025/26 subject to approval through the Business Management & Monitoring Report elsewhere on the agenda. This funding will be held to help manage any difference in the timing of the delivery of savings and the funding reductions arising from the Local Government Finance Settlement over the three-year settlement period to 2028/29.

Collection Fund Risk Reserve

29. This reserve is held to manage fluctuations in Business Rate and Council Tax income that the Council receives, with a recommended level of at least £4.0m held. The actual balance held in the reserve is expected to be £6.7m at 31 March 2026 after taking account of additional Business Rates funding received in 2025/26 including the council’s share of the pooling gain from the North Oxfordshire Business Rates pool.

30. It is proposed that £2.4m is used in 2026/27 to manage the impact of a reduced taxbase and therefore council tax income due to a delay in council tax

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valuations of houses in South Oxfordshire and Vale of White Horse District Council areas. The remaining balance is therefore expected to be £4.3m and considered sufficient to meet any shortfall on the business rates collection funds notified by the district councils after 31 January 2026, should it be needed.

31. Council tax collection fund surpluses are expected to be £8.3m in 2026/27. The additional £0.3m above the £8.0m budgeted level is proposed to be held in the reserve and will be available to manage any variation on the Business Rates Collection Fund position that is yet to be notified by the district councils.

Transformation Reserve

32. Funding held in the Transformation Reserve is being used to support the Delivering the Future Together programme.

33. The forecast balance at 31 March 2026 is £9.4m with further commitments in 2026/27 and 2027/28 expected to utilise a further £5.5m and £0.9m respectively. This includes funding for Copilot and E5 licences totalling £1.8m and estimated one – off funding of up to £1.0m to support investment associated with the redesign of IT services ahead of savings being achieved by an increase in the organisation redesign savings from 2027/28. £3.0m remains uncommitted.

34. Because of the need for the council's services are as efficient and streamlined as possible ahead of a new organisation, £2.0m is proposed to be added to the Transformation Reserve (from the Redundancy Reserve) to support further delivery.

Redundancy Reserve

35. The balance held in the Redundancy Reserve at 31 March 2025 was £4.1m. After taking account of a budgeted contribution of £6.5m in 2025/26 and the cost of redundancies relating to the on-going organisation redesign the remaining balance as at 31 March 2026 is expected to be around £9m. The remaining balance is expected to be used to support redundancy costs in 2026/27. £2.0m of the balance held is proposed to be transferred to the Transformation Reserve. Any redundancies relating to Local Government Reorganisation in March 2028 will be met, either from the Local Government Reorganisation reserve or from future savings arising from the transition to a new authority/authorities.

Impact of IFRS9

36. The IFRS9 Statutory Override, which mandates that fluctuations in the value of pooled fund investments are taken to the balance sheet, is ending on 31 March 2029 for investments made before 1 April 2024. From 1 April 2029 fluctuations in the fund value are therefore reflected in the revenue account.

37. To mitigate against any reduction in value, a ringfenced IFRS9 reserve was created in 2024/25. If the value of the funds is below the purchase price at the

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balance sheet date, funds will be released from the reserve to ensure that there is no net impact to the revenue account. Similarly, if the fund value is above the purchase price at the balance sheet date, any unrealised gain will be transferred to the IFRS9 reserve. It would only be appropriate to release such gains to the revenue account when the funds are divested from and gains are crystallised.

38. The reserve, which was created during 2024/25, currently has a balance of £4.0m. Whilst the average loss of value (compared to the original purchase price) during times of recent financial stress was £8.3m, it is deemed that £4.0m is a reasonable level to hold at this stage. This will continue to be held ahead of Local Government Reorganisation pending future decisions about pooled funds.

Commercial Reserve

39. This reserve was created during 2024/25 to support the council's Commercial Strategy with a contribution of £2.0m agreed as part of the Outturn Report for 2023/24 approved by Cabinet in June 2024. No further contributions are proposed at this stage, and the use is being managed by the Director of Financial and Commercial Services through the Strategic Capital and Commercial Board and reported to Cabinet as part of the Business Management and Monitoring reports.

Local Government Re-organisation (LGR) & Devolution Reserve

40. In 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.
41. In January 2025 Cabinet approved the creation of a new reserve to hold one-off funding to support the development of reorganisation and devolution proposals for Oxfordshire and a contribution of £5.0m. A further contribution of £5.0m in March 2025 increased the total to £10.0m.
42. Based on the submission for the One – Oxfordshire £8.8m of this funding is expected to be used to meet the transition costs to a new authority or authorities and the associated change related activities leading up to vesting day on 1 April 2028. The remaining £1.2m would be used to support costs associated with devolution.
43. Costs that will be funded from the reserve in 2025/26 include business case development and activities related to the pre-transition stage. Current costs for 2025/26 for both Devolution and LGR are forecast to be £1.3m. After taking into account a grant from MHCLG for LGR business case development of £0.1m, the forecast drawdown on the reserve in 2025/26 is £1.2m.
44. A further £3.6m is currently forecast to be used in 2026/27. This comprises £1.2m for devolution including £0.850m to support costs associated with a new

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spatial development strategy for Oxfordshire and/or the Thames Valley, and £2.4m for re-organisation.

Extended Producer Responsibility Reserve

45. The council will receive £5.2m funding from the Extended Producer Responsibility (EPR) scheme in 2025/26. This is being used to meet additional costs and projects needed to drive up reuse and recycling of packaging waste. This will result in less residual waste and a reduction in the impact of rising costs in future years including the implementation of the Carbon Emission Trading Scheme in April 2028.
46. A new reserve was created as part of the 2025/26 budget to hold this funding to meet associated costs and projects from 1 April 2025. There is planned use of £5.1m including a £1.8m contribution towards a new site replacing the Ardley Household Waste Recycling Centre. £0.2m currently remains unallocated and is available to meet costs associated with packaging disposal.
47. A further £5.4m pEPR funding will be received in 2026/27 and will be used to fund the revenue cost of disposing of packaging waste. No further contributions to the reserve are planned. It is anticipated that the funding will continue over the medium term but gradually reduce as producers change packaging.

Lane Rental Surplus Fund Reserve (New Reserve)

48. The Lane Rental Scheme is designed to reduce congestion and improve network efficiency by charging works promoters for occupying the busiest roads at peak times. The income must be reinvested in initiatives that reduce disruption and improve network performance.
49. A new reserve is proposed to be created to hold the Lane Rental Surplus Fund ahead of the use agreed by the Lane Rental Board, an independent governance body that reviews and approves bids for surplus lane rental income.
50. 50% of the funding will be used to support Highways Maintenance in line with budget assumptions.

Dedicated Schools Grant (DSG) Unusable Reserve

51. The School and Early Years Finance (England) Regulations 2020 stipulate that a deficit on the DSG must be carried forward to be funded from future DSG income unless permission is sought from the Secretary of State for Education to fund the deficit from general resources.
52. The accounting treatment for deficit DSG balances was provided by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020. These stipulated that where a local authority has a deficit in respect of its school budget for a financial year beginning on 1st April 2020, 2021 or 2022, the authority—

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- (a) must not charge to a revenue account an amount in respect of that deficit; and
- (b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising deficits in respect of its school budget.

53. As a result of this, an unusable reserve was created on the balance sheet to hold the negative balance. Unusable reserves are usually created to hold accounting adjustments that cannot be charged to the general fund and have no cash value. The DSG unusable reserve is unique in that it the deficit balance has a real impact on the council's cash balances.

54. As at 31 March 2026, the DSG Unusable Reserve is expected to have an overall negative balance of around £150m of which a negative balance of £163.2m will relate to High Needs DSG.

55. The accumulated and on-going deficit not only has an impact on the level of risk over the medium term (as referred to in the Financial Strategy at Section 4.5), but also has an immediate impact on reducing the cash balances and interested earned (as set out in the Treasury Management Strategy at Section 5.2).

Summary of proposed movement in General Balances and Earmarked Reserves for 2026/27

56. The table below sets out the proposed movement in General Balances and Earmarked Reserves for 2026/27 as detailed in this policy statement.

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Area of risk	2026/27 £m	Explanation of risk/justification of balances	2025/26 £m
Emergencies	7.5	An allowance of 1.0% of annual net operating budget for the cost of responding to emergencies that falls outside of eligibility for the Bellwin Scheme	6.4
Service overspends	8.9	Risk that services will overspend due to unforeseen pressures, demography or demand and no mitigations are available - assumes 1.25% overspend in 2026/27.	8.2
Contingent liabilities & insurance risk	3.8	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (0.5% of net expenditure or minimum to meet quantified contingent liabilities)	3.2
Major contracts & 3rd party spend	7.5	Risk of contractors failing, mis-specification, or non-delivery plus contract costs increase by more than allowed for in the budget - calculated as 1.0% of estimated spend with suppliers.	7.4
Capital Programme risk	5.0	Risk related to capital grant funding ceasing before schemes are completed or increases in costs compared to the level of grant funding.	5.0
Total (one - off funding)	32.7		30.2
Contingency (on-going funding)	6.3		7.3
Total Balances and Contingency	39.0		37.5
Risk assessed level of balances as % of net operating budget of £753.0m	4.3%		
Risk assessed level of balances and contingency as % of net operating budget of £753.0m	5.2%		
Net operating budget - spend per week	14.5		
Weeks of spend	2.3		

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Reserves	Balance at 31 March 2025	Balance at 31 March 2026	Balance at 31 March 2027	Balance at 31 March 2028	Balance at 31 March 2029	Balance at 31 March 2030	Balance at 31 March 2031
	Movement						
Revenue Grants Unapplied							
Grants and Contributions reserve	£30.3m	-£9.3m	£21.0m	£0.0m	£21.0m	£0.0m	£21.0m
COVID-19 reserve	£3.8m	-£3.8m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Government Initiatives reserve	£6.6m	-£2.4m	£4.1m	£0.0m	£4.1m	£0.0m	£4.1m
Subtotal	£40.7m	-£15.5m	£25.1m	£0.0m	£25.1m	£0.0m	£25.1m
Corporate Priorities							
Budget Priorities reserve	£12.5m	-£6.3m	£6.2m	£1.0m	£7.1m	£0.0m	£7.1m
Local Government Reorganisation reserve	£10.0m	-£1.2m	£8.8m	-£3.6m	£5.2m	£0.0m	£5.2m
Transformation reserve	£7.5m	£1.9m	£9.4m	-£3.5m	£5.8m	-£0.9m	£4.9m
Commercial Pump Priming reserve	£2.0m	-£0.2m	£1.8m	£0.0m	£1.8m	£0.0m	£1.8m
Zero Emissions Zone	£1.4m	£0.1m	£1.5m	-£1.6m	-£0.1m	£0.0m	-£0.1m
Extended Producer Responsibility reserve	£0.0m	£3.4m	£3.4m	£5.4m	£8.8m	£0.0m	£8.8m
Budget Reserve		£5.5m	£5.5m	£0.0m	£5.5m	£0.0m	£5.5m
Green Financing reserve	£0.9m	£0.0m	£0.9m	£0.0m	£0.9m	£0.0m	£0.9m
Subtotal	£34.2m	£3.3m	£37.5m	-£2.4m	£35.1m	-£0.9m	£34.2m
Funding for Risk							
Demographic Risk reserve	£21.0m	£4.0m	£25.0m	£8.0m	£33.0m	£8.0m	£41.0m
Insurance reserve	£10.6m	£0.0m	£10.6m	£0.0m	£10.6m	£0.0m	£10.6m
Collection Fund Risk reserve	£8.1m	-£1.4m	£6.7m	-£2.1m	£4.6m	£0.0m	£4.6m
IFRS 9 (Changes in the Value of Treasury Management Pooled Funds)	£4.0m	£0.0m	£4.0m	£0.0m	£4.0m	£0.0m	£4.0m
Redundancy reserve	£4.1m	£1.2m	£5.3m	-£2.0m	£3.3m	£0.0m	£3.3m
Council Elections	£0.7m	-£0.7m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Trading Accounts	£0.2m	-£0.0m	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m
Subtotal	£48.6m	£3.0m	£51.6m	£3.9m	£55.5m	£8.0m	£63.5m

Reserves	Balance at 31 March 2025	Movement	Balance at 31 March 2026	Movement	Balance at 31 March 2027	Movement	Balance at 31 March 2028	Movement	Balance at 31 March 2029	Movement	Balance at 31 March 2030	Movement	Balance at 31 March 2031
Capital & Equipment													
Capital & Prudential Borrowing reserves	£109.6m	-£0.3m	£109.3m	£8.3m	£117.6m	£8.3m	£125.9m	£8.3m	£134.1m	£8.3m	£142.4m	£8.3m	£150.7m
Vehicle and Equipment reserve	£3.2m	-£0.3m	£2.9m	£0.0m	£2.9m								
Investment Pump Priming reserve	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m	£0.0m	£0.1m
Subtotal	£113.0m	-£0.6m	£112.3m	£8.3m	£120.6m	£8.3m	£128.9m	£8.3m	£137.2m	£8.3m	£145.5m	£8.3m	£153.8m
Other reserves													
Partnership reserves	£1.7m	-£0.6m	£1.2m	£0.0m	£1.2m								
Lane Rental Surplus fund reserve			£0.0m	£0.0m	£0.0m								
On Street Car Parking reserve	£5.3m	-£2.0m	£3.4m	-£0.6m	£2.8m	£0.0m	£2.8m	£0.0m	£2.8m	£0.0m	£2.8m	£0.0m	£2.8m
Subtotal	£7.1m	-£2.5m	£4.5m	-£0.6m	£3.9m	£0.0m	£3.9m	£0.0m	£3.9m	£0.0m	£3.9m	£0.0m	£3.9m
Unusable													
Schools' reserves	£10.7m	-£0.9m	£9.8m	£0.0m	£9.8m								
Total Earmarked reserves	£254.3m	-£14.1m	£240.2m	£9.2m	£250.1m	£15.4m	£265.5m	£16.3m	£281.8m	£16.3m	£298.1m	£16.3m	£314.4m

High priority capital schemes to which funding is proposed to be allocated

Prioritisation criteria	OCC Contribution (estimates subject to business case)
Schemes that facilitate compliance with minimum statutory duties relating to health & safety, schools, and delivery of business-critical services	£6.303m
Schemes that generate revenue, are self-funding or facilitate cost-avoidance strategies	NA
Schemes that contribute to the improvement of the highway network, including road safety measures, flood prevention work and pothole prevention measures such as surface dressings	£5.600m
Schemes that encourage and facilitate active travel and improve Oxfordshire towns	£9.150m
Schemes that enhance energy efficiency and promote the adoption of sustainable and environmentally responsible solutions	£1.032m
Schemes which are partly funded by Section 106 developer contributions, but require additional funding to progress	£2.000m
Total	£24.085m

Compliance with minimum statutory duties relating to health and safety, schools and delivery of business-critical services

Scheme	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
Woodeaton School	£2.600m	NA	Countrywide SEN funding, capital receipt and S106 developer contributions	The proposed investment, which is in addition to other funding, will fund the relocation of Woodeaton Manor Special School into a modern, purpose-built facility, providing improved learning environments and enhanced accessibility to better support pupils' educational and wellbeing needs.
Works to Fire Crew Housing	£0.250m	NA	NA	This fund will ensure timely implementation of any remedial works identified through health and safety audits.
Ash Die Back	£0.018m	NA	NA	This investment will enable a proactive approach to managing Ash Dieback and will ensure that lost trees are replaced. An increase in prevalence of the disease has been observed across Oxfordshire with trees showing significant decline. This investment will ensure continued growth in the number of highway trees, as the programme to assess and respond to infected trees is initiated.
HWRC Capital Site Maintenance	£0.075m	NA	NA	The Council plans to carry out essential repair and maintenance works across several Household Waste and Recycling Centre sites over the next two years. These improvements will ensure the facilities remain safe, functional, and fit for purpose for both Oxfordshire residents and the site operatives who manage day-to-day operations.

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IT Strategy	£3.110m	£1.930m	NA	This 2-year investment will harness innovative, scalable and secure technologies that enable Oxfordshire County Council to lead digital transformation, improve operational efficiency, and deliver greater value to residents and stakeholders.
Expansion of Museum Resource Centre	£0.250m	NA	NA	This investment will ensure that essential remedial works can take place at St Luke's to ensure the integrity of Council records are maintained ahead of a larger programme of work to review the Council's approach to Heritage
New Bicester Household Waste and Recycling Centre	NA	£1.000m	S106 Developer Contributions & Strategic Waste Reserve	The project will deliver a modern Household Waste and Recycling Centre in Bicester, replacing Ardley Fields, to improve access, increase capacity, and support sustainable waste management for the growing community.
Total	£6.303m			

Schemes that generate revenue, are self-funding or facilitate cost-avoidance strategies

Scheme	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
New Warehouse Premises for Civil Enforcement	NA	NA	Service capital contribution £0.500m	The Parking Enforcement team is currently based in a leased facility, where the agreement is approaching its expiration. Alternative accommodation has been found but requires some capital works to ensure the building is fit for purpose. This investment will enable some refurbishment work to take place to ensure it meets the needs of the team and will also deliver some cost savings to the Council.
Total	£0m			

Schemes that contribute to the improvement of the highway network, including road safety measures, flood prevention work and pothole prevention measures such as surface dressings

Scheme	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
Heavy Goods Vehicles (HGV) Pilot Interventions	£1.600m	NA	NA	This programme will deliver targeted improvements based on the findings of the 2024/25 High Goods Vehicle (HGV) studies, aiming to enhance road safety, reduce congestion, and support sustainable freight movement across Oxfordshire.
Investment into Drainage Infrastructure	£4.000m	NA	NA	This investment will deliver highway drainage system repairs to ensure that the increased gully emptying regime delivers the expected benefits. The new gully emptying programme has identified a number of new issues that were not previously known.
Total	£5.600m			

Schemes that encourage and facilitate active travel and improve Oxfordshire towns

Scheme	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
Public Rights of Way (Bridges)	£0.350m	£0.250m	NA	The Rights of Way Bridges Capital Programme ensures Oxfordshire's 2,970 footpath bridges are maintained, refurbished, or replaced to meet safety standards and accessibility principles. This investment ensures continuity of work to keep the network connected, safe, and fit for purpose. It will also ensure that there is the flexibility to respond to urgent repairs and unforeseen events.
Oxford City Centre Regeneration	£1.500m	£0.870m	£0.050m contribution from Central Oxfordshire Movement and Place Framework (COMPF)	Regeneration and public realm improvements in Oxford city centre will benefit both businesses, residents and visitors, creating vibrant streets and beautiful spaces that reflect Oxford's international reputation for quality and excellence, supporting the thriving local retail and hospitality enterprises.
Public Realm Improvements	£1.500m	NA	NA	This additional funding will enable a greater level of maintenance to take place in our Towns and City targeted at public realm assets which will sustain and strengthen their appeal as vibrant destinations for local communities, visitors, and inward investment
Quiet Lanes Programme	£0.250m	NA	NA	Quiet Lanes are part of the Council's Active Travel programme ambition. The intention is to make minor roads safer and more comfortable for walking, cycling and horse-riding. This initiative seeks to enhance local and county-wide connectivity for non-motorised users and promote sustainable travel options.

Wantage Market Place	£0.150m	£0.500m	Expected CIL contribution of £0.850m	This investment will progress design and construction for Phase 1 of the Wantage Market Place project. The scheme will create a safe, traffic-free space with step-free access and improve the public realm. The project will enhance the local environment, support businesses, and provide an attractive setting for markets, events, and community activity.
Watlington Relief Road	£3.000m	£11.100m	Combined S106 funds and Growth Deal funds totalling £8.201m	An additional £3m is required for the Watlington Relief Road scheme to cover increased costs due to design changes required to support requests through the planning permission process. The risk and contingency allowance have also been increased due to the scheme's complexity and challenges.
Didcot Central Corridor	£0.200m	£0.850m	NA	This investment will progress and develop schemes identified in the Didcot Central Corridor. The scheme will deliver transport and public realm improvements to create a more accessible environment (through walking, wheeling and cycling opportunities), supporting a more attractive central space for markets, events, local businesses and community activity.
Abbey Meadows Bridge	£0.500m	NA	£0.500m CIL funding & District Council funding	Additional investment is required due to increased budget forecast following initial design and cost estimates for the replacement of this key bridge.
Investment to deliver Local Cycling and Walking Infrastructure Plans (LCWIPs)	£1.700m	NA	NA	The investment will deliver schemes identified through the LCWIP recommendations.
Total	£9.150m			

Schemes that enhance energy efficiency and promote the adoption of sustainable and environmentally responsible solutions

	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
Refurbishment of Bicester CSS	NA	NA	£0.305m Section 106 Developer Contributions	This investment will deliver refurbishment works to enhance the functionality of Bicester Community Support Service. This will improve service delivery, accessibility, and overall user experience for the local community.
Works to Goring Library	NA	NA	£0.750m CIL contributions	Improvement works to Goring Library will enable the service to expand its offering and better meet the needs of the local community. The project will deliver a more flexible and accessible space, supporting a wider range of activities and resources. This will promote learning, engagement and inclusion, providing a modern library experience for all users.
Works to Wantage Library	NA	NA	£0.360m S106 Developer Contribution / CIL funding	The investment in Wantage Library will create a flexible, accessible space that supports a wider range of activities and resources. The improvements aim to enhance facilities and capacity, promoting learning, engagement, and inclusion while delivering a modern library experience for all users.
Additional Community Facilities in Libraries	£0.220m	NA	NA	This fund will support investment into a number of libraries enabling improved community facilities and spaces, including meeting rooms, small pods, charging spaces and study spaces. These interventions will support greater community engagement, cultural activities and access to services across the County.
Expansion of Didcot Library	£0.550m	NA	£1.700m S106 Developer Contributions £0.750m CIL funding	Investment into Didcot Library will deliver expanded capacity and will improve facilities. This will create a more accessible, modern space that supports a wider range of services and community needs.

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Works to The Forum, Kidlington	£0.150m	NA	NA	This project will deliver agile workspaces for Oxfordshire County Council Children's Services colleagues at the Forum, Kidlington. It will also provide welcoming facilities for families and children visiting social services.
Oxfordshire Tree Project	£0.112m	NA	NA	This investment will establish a sustainable tree propagation unit in central Oxfordshire to supply locally grown trees for public projects that deliver public good with the aim of becoming a hub for community-led satellite nurseries across the County. This initiative will deliver environmental, societal and educational benefits, whilst supporting long-term sustainability. It will also support the Council to replenish trees lost to Ash Dieback by utilising locally grown stock, thereby delivering cost benefits by reducing external sourcing.
Total	£1.032m			

Schemes which are partly funded by Section 106 developer contributions, but require additional funding to progress

	OCC Funding (estimates subject to business case)	Previous year allocations	Other funding sources	Description
Infrastructure Schemes	£2.000m	£4.000m	S106 developer contributions	This investment will aid the delivery of infrastructure schemes that are partly funded by S106 developer contributions but require further funding to progress.
Total	£2.000m			

Funding to be returned to the capital programme

Scheme	Current approved budget	Funding to be returned to the capital programme	Description
Mortuary	£14.200m	£7.100m	Due to the extension of the current contract and ongoing discussions with a third-party partner to develop a joint programme, the project scope is expected to change significantly. As a result, £7.1m will be returned to the capital programme to support higher priorities.
Joint Use Agreements	£4.500m	£4.500m	The investment was originally established to support the Council's exit from Joint Use Agreements. However, due to forthcoming changes associated with Local Government Reform, the funding can no longer be applied as intended.
East Oxford Neighbourhood (Phase 1)	£6.000m	£2.000m	A £2.0m reduction to the East Oxford Neighbourhood project is proposed to reflect the planned refined scope. The remaining allocation will be targeted towards the most important elements of the programme, ensuring that priority outcomes are delivered and best value for money is achieved, whilst releasing funds for higher priority programmes.
Total	£24.700m	£13.600m	

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