

## Introduction

1. This annex sets out the fourth financial monitoring update for the 2024/25 financial year and is based on information to the end of November 2024. Key issues, as well as risks relating to inflation, demand and other factors, plus areas of emerging pressure are explained below.

The following information is also provided within the annex:

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

## Overall Financial Position

2. As shown below there is a forecast service area overspend of £4.3m. This has reduced by £1.8m compared to the position reported to Cabinet in November 2024. After taking account of an underspend against budgets held for contingency and inflation, additional interest receivable on balances held by the council and anticipated capital financing costs, the overall position is a forecast underspend of £8.5m.

	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Nov-24 %	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
Adult Services	250.1	250.1	0.0	0.0%	0.0	0.0
Children's Services	200.6	201.9	1.3	0.7%	3.5	-2.2
Environment & Highways	69.4	70.2	0.8	1.2%	0.6	0.2
Economy & Place	1.6	1.6	0.0	0.0%	0.0	0.0
Oxfordshire Fire & Rescue Service and Community Safety	28.7	29.4	0.7	2.3%	0.7	0.0
Public Health & Communities	12.6	12.8	0.2	1.6%	0.0	0.2
Resources and Law & Governance	57.8	59.1	1.3	2.3%	1.3	0.0
Transformation, Digital & Customer Experience	8.1	8.1	0.0	0.0%	0.0	0.0
<b>Service Areas Total</b>	<b>628.8</b>	<b>633.1</b>	<b>4.3</b>	<b>7.9%</b>	<b>6.1</b>	<b>-1.8</b>
<b>Budgets Held Centrally</b>						
Capital Financing	21.3	17.9	-3.5	-16.2%	-3.5	0.0
Interest on Balances	-10.7	-15.3	-4.6	43.5%	-3.9	-0.7
Contingency	7.5	7.5	0.0	0.0%	0.0	0.0
Pay Inflation	14.4	9.7	-4.7	-32.8%	0.0	-4.7
Un-ringfenced Specific Grants	-55.5	-55.5	0.0	0.0%	0.0	0.0
Insurance	1.7	1.7	0.0	0.0%	0.0	0.0
Contribution from COVID-19 reserve	-3.8	-3.8	0.0	0.0%	0.0	0.0
Contribution from Budget Priority Reserve	-1.4	-1.4	0.0	0.0%	0.0	0.0
Contributions to reserves	11.1	11.1	0.0	0.0%	0.0	0.0
<b>Total Budgets Held Centrally</b>	<b>-15.4</b>	<b>-28.2</b>	<b>-12.8</b>	<b>83.3%</b>	<b>-7.4</b>	<b>-5.4</b>
<b>Net Operating Budget</b>	<b>613.5</b>	<b>605.0</b>	<b>-8.5</b>	<b>-1.4%</b>	<b>-1.3</b>	<b>-7.2</b>
Business Rates & Council Tax funding	-613.5	-613.5	0.0	0.0%	0.0	0.0
<b>Forecast Year End Position</b>	<b>0.0</b>	<b>-8.5</b>	<b>-8.5</b>	<b>-1.4%</b>	<b>-1.3</b>	<b>-7.2</b>

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3. The breakeven position for Adult Services reported to the November Cabinet remains unchanged. Due to the Integrated Care Board (ICB) now funding their share of the section 117 aftercare support costs for older mental health service users, this is after taking account of a proposed contribution of £3.0m to the Budget Priorities Reserve. This will be used to support future risks within social care.
4. The forecast overspend of £3.5m for Children's Services has reduced by £2.2m since the position reported in November 2024 due to a reduction in the staffing budgets forecast overspend and underspends noted in investments. There are still risks in the delivery of previously agreed savings built into the 2024/25 budget.
5. The forecast overspend for Environment & Highways has increased by £0.2m compared to the position in November because of increased waste tonnages. There is still a £2.2m pressure in Network Management relating to the underachievement of lane rental income savings, offset by a £1.6m underspend in Highways maintenance from a reduction in energy costs from lower energy activity.
6. The forecast breakeven position for Economy and Place remains unchanged.
7. Public Health & Communities are forecasting an overspend of £0.2m due to pressures in the Library Service. Within that a forecast £0.6m underspend against the Public Health grant funding is assumed to be transferred to reserves at year end.
8. The forecast overspend of £0.7m for Oxfordshire Fire & Rescue Service and Community Safety has remains unchanged and is due to risks in the delivery of previously agreed savings built into the 2024/25 budget.
9. The forecast overspend of £1.3m for Resources and Law & Governance remains unchanged from the position reported to Cabinet in November and is mainly driven by high locum costs in the Legal service.
10. Transformation, Digital & Customer Experience are forecasting a breakeven position.
11. £6.5m of the £14.4m pay inflation budget has been used to meet the cost of the additional pay inflation in 2024/25 following the agreement of the Green Book pay award. £1.9m will be held to meet the cost of pay inflation for vacant posts when they are recruited to, £1.3m is proposed to be used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve. This leaves a one - off underspend of at least £4.7m which has been reflected in the forecast. The on-going budget that is not needed to fund pay inflation in 2024/25 will roll forward. £3.5m is assumed to be used to fund the anticipated pay award in 2025/26.

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12. £7.3m on-going budget was agreed to be held in contingency as part of the 2024/25 budget, this has now increased to £7.5m after taking into account the receipt of unringfenced grants funding. £3.7m will be used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve. The rest of this funding has not been factored into the forecast at this stage on the basis that it may be needed to meet potential service pressures in the remainder of the financial year.
13. The 2024/25 budget includes planned service areas savings of £30.1m. 54% of these savings are assessed as delivered and 75% are forecast to be delivered.
14. The risk assessed level of one – off funding held in general balances in 2024/25 is £30.2m. A residual balance of £2.3m relating to the underspend at the end of 2023/24 was agreed to be held in balances as part of the Provisional Outturn Report for 2023/24. After taking account of the forecast underspend, balances are currently forecast to be £10.8m above the risk assessed level as at 31 March 2024.
15. The forecast 2024/25 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs is £28.4m, £7.1m higher than the budget approved by Council in February 2024. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £55.8m as at 31 March 2024 to £84.2m at 31 March 2025.

## Service Areas Forecasts

### Adult Services

16. Adult Services are forecasting a breakeven position against a budget of £250.1m.

Service Area	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
Adult Social Care	27.2	27.5	0.3	0.3	0.0
Health, Education & Social Care Commissioning	5.4	5.1	-0.3	-0.3	0.0
Housing & Social Care Commissioning	1.4	1.4	0.0	0.0	0.0
Business Support Service	1.1	1.1	0.0	0.0	0.0
Pooled Budgets	214.9	214.9	0.0	0.0	0.0
<b>Total Adult Services</b>	<b>250.1</b>	<b>250.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Pooled Budgets

#### Age Well Pooled Budget

17. The Age Well pool combines health and social care expenditure on care homes, activity relating to hospital avoidance and prevention and early support activities for older people.

18. Budgets within the pool are managed on an aligned basis with the Integrated Care Board (ICB) for Buckinghamshire, Oxfordshire, and Berkshire West (BOB) so each partner is responsible for the variation against their element of the funding.
19. The council elements of the Age Well pool as at the end of November are forecast to breakeven.
20. The position assumes that majority of the savings are delivered. Further detail is provided in the savings section of the report.
21. The council's share of the Better Care Fund (BCF) being utilised within the pool is £31.1m in 2024/25, an increase of 5.7% from 2023/24.
22. There are significant risks and assumptions within the forecast where certainty is not possible at this stage. These include:
  - Growth in placements, particularly residential, through the year. Although there is a seasonal trend, it is difficult to predict accurately how activity will move. The forecast includes an element of growth held to mitigate this risk.
  - Requests for fee uplifts for unit costs over and above ceiling rates are still being requested and this is being managed through a fee uplift panel.
  - The ICB have begun a programme of Continuing Healthcare package reviews, resulting in a number of packages being assessed as no longer having a health need and therefore becoming a social care commitment. To date the increase in costs to the council within older people is £1.0m in 2024/25. This has potential to increase depending on the outcomes of any further assessments taking place by the ICB.
  - The reablement and discharge to assess services has seen a continued increase in numbers over recent months.

#### Live Well Pooled Budget

23. The Live Well pool supports a combination of health and social care needs for adults of working age with learning disabilities, acquired brain injury or mental health needs and adults with physical disabilities.
24. Budgets within the pool are managed on an aligned basis with the Integrated Care Board (ICB) for Buckinghamshire, Oxfordshire, and Berkshire West (BOB).
25. The council elements of the Live Well pool are forecast to spend to budgets.
26. Risks or uncertainties in both service groups relate to:
  - The ICB have begun a programme of package reviews, resulting in a number of packages being assessed as no longer having a health need and therefore becoming a social care commitment. To date the increase in costs to the

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council within learning and physical disabilities is £1.1m in 2024/25.

- Transport costs are forecast to overspend by £0.7m. This is due to market conditions rather than increased demand. Work is ongoing to reduce these costs in future years via a transport working group.
- Growth in care packages, particularly for supported living and home support, through the year. It is difficult to predict accurately how activity will move throughout the remaining months of the year.

#### **Non-Pool Services**

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

#### **Reserves**

28. £1.0m held in the Budget Priorities reserve for Adult Social Care at 1 April 2024 will be used to fund known pressures in 2024/25.

29. A contribution to budget prioritisation reserve of £3.0m will be made in 2024/25. The council has previously been funding the health element of S117 aftercare support for older people mental health service users. Approval has been received that the ICB will now fund their share of these costs releasing the council funding into a reserve to cover future risk within social care.

30. £0.6m held in reserves because of additional contributions made by the ICB in previous years will be allocated in 2024/25 and 2025/26 as agreed with the Joint Commissioning Executive.

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

32. £0.1m held in the Government Initiative Reserve relates to ongoing costs associated with charging reforms prior to implementation which is now scheduled for autumn 2025.

33. £0.3m of Apprenticeship funding is held within the grants and contributions reserve, funding was awarded to the council late in February 2024 to increase social work capacity within adult social care, the funding will be used before March 2025. Noting the positive impact of the recruitment campaign, 300 applications were received for social work apprenticeships from which 30 were appointed.

34. £0.2m Accelerated Reform Fund funding awarded in January 2024 will be used to address barriers to adopting innovative practices and build capacity and capability within adult social care.

#### **Ringfenced Grants**

35. As set out in Annex 4, ring-fenced government grants expected to be received by Adult Services in 2024/25 total £23.2m.

36. The Improved Better Care Fund Grant is £10.7m, with no change since 2023/24.

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The conditions attached to the grant funding require it to be used for the purposes of meeting adult social care needs, including contributing to the stabilisation of local care markets and supporting the NHS in addressing pressures such as delayed discharges.

37. The Market Sustainability and Improvement Fund is £10.0m and is being used to support the provider fee uplift in 2024/25 in line with the terms of the grant, to enhance the uplift, and to maintain uplifts from 2023/24 funded through the Market Sustainability and Fair Cost of Care grant which now forms part of this grant.
38. The Adult Social Care Discharge Fund is £2.5m. This will be used to provide interventions that improve discharge of patients from hospital to the most appropriate location for their ongoing care.

#### **Non-ringfenced Grants**

39. The council will receive £0.5m from the Accelerated Reform Fund to be used to address barriers by adopting innovative practices and build capacity and capability in the adult social care market. An element of this funding will be moved into a reserve to be used in 2025/26.

#### **Virements**

40. There are a number of virements to note reflecting budget movements within the pools linked to inflationary uplifts, an increased contribution from the ICB towards the Quality and Improvement team within the Health, Education and Social Care Commissioning Team; budget realignments reflecting Oxfordshire's role in managing the South East Association of Directors of Adult Social Services administration; and the moving of a one off investment into the Economy and Place service.

#### **Savings**

41. The 2024/25 budget includes planned savings of £4.3m. 98% of these savings are expected to be delivered and 2% is not expected to be achieved.
42. The unconfirmed savings relate to an action to reduce the outstanding unsecured debt. This will not be confirmed until the end of the financial year but while action continues to be taken early reports indicate that this will not be achieved. Updates will continue to be provided in future reports.
43. There are also £0.3m of savings brought forward from 2023/24 to be delivered in 2024/25. 100% of these savings are expected to be delivered.

#### **Investments**

44. Planned one – off investments of £1.4m were agreed as part of the 2024/25 budget. Commitments have been made to spend £0.6m of this funding with further work being carried out to utilise the remaining investment. To maximise the effect of this funding an element may be required to be carried forward into the following year, an update will be provided within the next report. £0.2m of the investment linked to the Oxfordshire Way is to be managed by the Partnership Delivery Service. £0.1m has been moved across to the Economy and Place service who are leading on establishing a care Co-operative employment hub.

## **Children's Services**

45. Children's services are forecasting an overspend of £1.3m against a budget of £200.6m.

46. For High Needs DSG there is a forecast in year deficit of £28.4m. Forecast expenditure is £7.1m higher than the budget approved by Council in February 2024.

<b>Service Area</b>	<b>Latest Budget Nov-24 £m</b>	<b>Forecast Spend Nov-24 £m</b>	<b>Forecast Variance Nov-24 £m</b>	<b>Forecast Variance Sept-24 £m</b>	<b>Change Since Sept-24 £m</b>
Education & Learning	54.2	55.2	1.0	1.0	0.0
Schools <sup>1</sup>	0.2	0.2	0.0	0.0	0.0
<b>Subtotal Education</b>	<b>54.4</b>	<b>55.4</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>
Early Help, Front Door & Social Care	85.5	84.0	-1.5	-2.1	0.6
Provider Services & Safeguarding	51.9	50.4	-1.5	0.1	-1.6
<b>Subtotal Childrens' Social Care</b>	<b>137.5</b>	<b>134.5</b>	<b>-3.0</b>	<b>-2.0</b>	<b>-1.0</b>
Children's Services Central Costs	8.8	12.1	3.3	4.5	-1.2
<b>Total Childrens' Services</b>	<b>200.6</b>	<b>201.9</b>	<b>1.3</b>	<b>3.5</b>	<b>-2.2</b>
<b>Overspend on High Needs DSG that will be transferred to the unusable reserve</b>	<b>88.4</b>	<b>116.9</b>	<b>28.4</b>	<b>26.1</b>	<b>2.3</b>

### **Education**

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

### **Children's Social Care & Central Costs**

48. There is a forecast underspend of £3.0m for Children's Social Care as a result of a reduction in the forecast against staff budgets and underspends noted in investments.

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

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

<sup>1</sup> \*Maintained Schools are funded by Dedicated Schools Grant

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

	Q2 2022/23	Q4 2022/23	Q2 2023/24	Q4 2023/24	Q2 2024/25	October 2024/25	November 2024/25
Oxfordshire born children	778	735	677	624	643	640	650
Disabled Children	61	58	51	49	43	44	44
<b>Subtotal</b>	<b>839</b>	<b>793</b>	<b>728</b>	<b>673</b>	<b>686</b>	<b>684</b>	<b>694</b>
Unaccompanied	69	108	94	95	99	100	101
<b>Total</b>	<b>908</b>	<b>901</b>	<b>822</b>	<b>768</b>	<b>785</b>	<b>784</b>	<b>795</b>

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

### Dedicated Schools Grant (DSG)

53. The forecast overspend against High Needs DSG funding is a deficit of £28.4m, £7.1m higher than the budget approved by Council in February 2024.

Summary of DSG funding	2024/25 Budget £m	2024/25 Projected Outturn £m	Variance £m
Schools block	129.1	129.1	0.0
Central Services Schools block	5.2	5.2	0.0
High Needs block	88.4	116.9	28.4
Early Years block	74.8	74.8	0.0
<b>Total</b>	<b>297.5</b>	<b>325.9</b>	<b>28.4</b>

54. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £55.8m as at 31 March 2024 to £84.2m at 31 March 2025.

### Savings

55. The 2024/25 budget includes planned savings of £12.3m, 65% is forecast to be delivered. Savings at risk of delivery include the children we care for savings of £6.2m.

### Investments

56. Planned investments of £6.7m agreed as part of the 2024/25 budget include:

- £1.5m investment for additional capacity in the SEND service.
- £1.0m investment to extend the Family Safeguarding model to reduce demand.
- £1.0m investment on Recruitment & Retention Strategy.



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- £0.8m investment on Home to School Transport to improve data and systems and increase independent travel.
- £0.5m investment in Digital innovation to assist customer pathways and user experience in information finding and advice.
- £0.7m to develop the Oxfordshire Way approach.

## Environment & Highways

57. Environment & Highways is forecasting an overspend of £0.8m against a budget of £69.4m.

Service Area	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
Infrastructure Delivery	1.2	1.2	0.0	0.0	0.0
Environment	36.9	37.1	0.2	0.0	0.2
Transport Policy	13.2	13.2	0.0	0.0	0.0
Highways & Maintenance	20.3	18.7	-1.6	-1.6	0.0
Network Management	-6.4	-4.2	2.2	2.2	0.0
Supported Transport	1.9	1.9	0.0	0.0	0.0
Senior Management Team	0.6	0.6	0.0	0.0	0.0
Data Intelligence & Business Support	1.7	1.7	0.0	0.0	0.0
<b>Total Environment &amp; Highways</b>	<b>69.4</b>	<b>70.2</b>	<b>0.8</b>	<b>0.6</b>	<b>0.2</b>

### Infrastructure Delivery

58. The Infrastructure Delivery service area is forecasting a breakeven position.

### Environment

59. The Environment service area is forecasting an overspend of £0.2m.

60. Waste Management are forecasting an overspend due to increases in tonnages transferred to the Energy Recovery Facility, this is offset by a reduction in recycling tonnages. The service will continue to monitor the waste data trends and report any significant changes in future reports.

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

**	Budget				Outturn Forecast*			
Waste Stream	Annual	Tonnage		Price/ Tonne	Annual	Tonnage		Price/ Tonne
	£m	K'Tonnes	%	£	£m	K'Tonnes	%	£
Recycling/ Composting	8.362	175	60%	47.86	8.158	153	56%	53.24
ERF	16.167	105	36%	154.41	17.302	112	41%	154.62

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Landfill	1.624	11	4%	149.30	1.307	7	3%	167.56
<b>Total</b>	<b>26.153</b>	<b>291</b>	<b>100%</b>	<b>90.09</b>	<b>26.767</b>	<b>272</b>	<b>100%</b>	<b>98.07</b>

\*October figures presented as the latest dataset.  
  
\*\* Please note that budget, outturn & variance figures are rounded to the nearest 1000

62. Other services within Environment & Circular economy are forecasting a break-even position. All investments in flood management activity agreed as part of the 2024/25 budget are currently on track to spend to budget at the year end.

**Transport Policy**

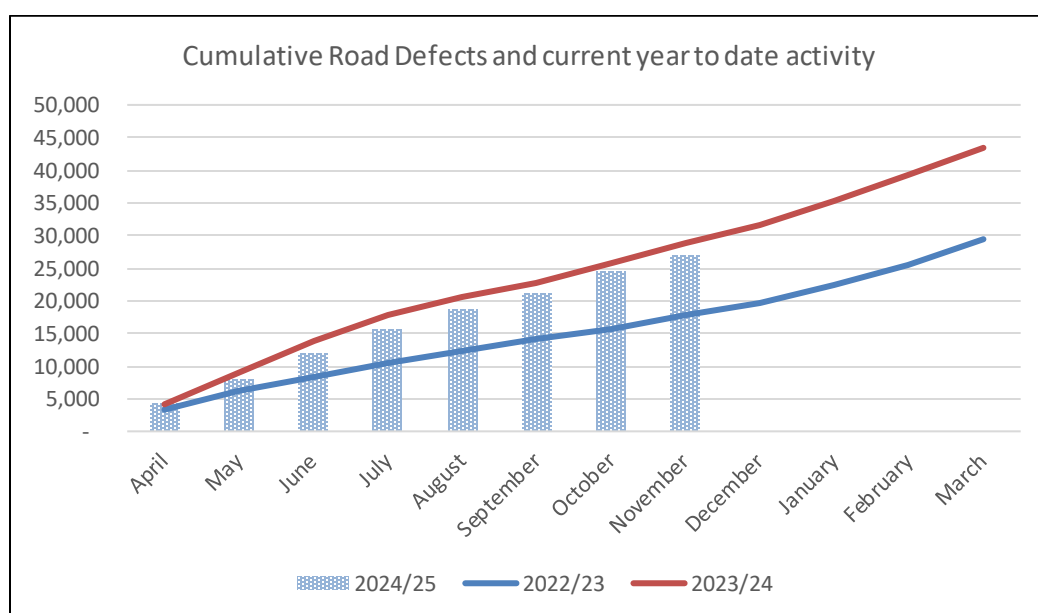
63. The Transport policy service area is forecasting a breakeven position. The Demand Response Transport feasibility study is likely not to be delivered due to a requirement to change the scope of the project which is yet to be agreed.

**Highways & Maintenance**

64. Highways & Maintenance are forecasting an underspend of £1.6m. This reflects a reduction in energy consumption for street lighting and the ongoing effect of a price update received during 2023/24 setting out more favourable energy prices.

65. There are pressures across maintenance predominantly in defect repairs, incident response and winter maintenance, as a result of bad weather across the county. These pressures are currently being mitigated through underspends across the service.

66. Current level of defects remains lower than last year and in line with the current budget.



### **Network Management**

67. Network Management is forecasting an overspend of £2.2m. This is due to a delay in approval of the council's application to implement charging for Lane Rental by the Department for Transport. Although the full level of income will not be achieved options and risks are being assessed to mitigate the impact, such as delays in other planned expenditure, income trends and additional drawdown of the parking account reserve.

### **Supported transport**

68. The Supported transport service area is forecasting a breakeven position. The service have reported a minor slip on the Demand Response Transport project due to a delay in reaching a decision on rescoping of the initial project.

### **Senior Management Team**

69. £0.6m costs associated with early retirement and redundancy costs from the Organisation Redesign Programme be funded through the Redundancy reserve.

70. There is a risk of not fully achieving savings of £0.3m relating to staffing and commercial allocated to the service in 2024/25.

### **Data Intelligence & Business Support**

71. The Data Intelligence & Business Support service area is forecasting a breakeven position.

### **Virements**

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

### **Savings**

73. The 2024/25 budget includes planned savings of £8.1m. 57% are forecast to be delivered. Savings at risk of delivery include:

- Lane rental an introduction of charges for all works on the business roads at the busiest times to minimise disruption: the service anticipates that the full £2.2m income expectation will not be achieved.
- Income of £0.2m from introduction of a new Controlled Parking Zones (CPZs): Income realisation is likely to be between December 2024 and March 2025 through a mix of permit fees and fines. An update on additional CPZ income will be reported later in the monitoring cycle.
- Prevention of unsorted waste at Household Waste Recycling Centres. A saving of £0.2m is now unlikely to be delivered this year due to implementation delays.
- £0.5m commercial savings to be achieved through contractual negotiation is not likely to be fully delivered by the end of this financial year.

### **Investments**

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74. The 2024/25 budget includes planned investments of £2.5m. 94% are on track to be delivered and include:

- £0.2m to improve the collection of fees, charges, and penalties.
- £0.5m for gully and ditch clearing and repairs in areas recently flooded.
- £0.5m to reclaim footpaths and cycleways and manage vegetation.
- £0.1m investment in improved enforcement of Controlled Parking Zones.

75. Investments that are at risk of being delivered include:

- £0.2m to introduce new Controlled Parking Zones: the Network and Co-ordination service is currently working on CPZ programme prioritisation to identify, design and consult four new schemes. New CPZs could go live by December 2024 at the earliest depending on the complexity/consultation response.
- £0.1m investment in a feasibility study to introduce a new Demand Responsive transport project is currently on hold pending a decision on whether to reallocate this investment to another project.

### **Economy & Place**

76. Economy & Place is forecasting an overspend a breakeven position against a budget of £1.6m.

Service Area	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
OXLEP	0.1	0.1	0.0	0.0	0.0
Economy	0.1	0.1	0.0	0.0	0.0
Strategic Planning	0.7	0.7	0.0	0.0	0.0
Climate Action	1.2	1.2	0.0	0.0	0.0
Place Making	-2.2	-2.2	0.0	0.0	0.0
Innovation	0.3	0.3	0.0	0.0	0.0
Senior Management Team	0.9	0.9	0.0	0.0	0.0
Business Performance & Services Improvement	0.5	0.5	0.0	0.0	0.0
<b>Total Environment &amp; Place</b>	<b>1.6</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

77. £0.6m early retirement and redundancy costs from the layering of the Tiers 1 and 2 management structure will be funded through the Redundancy reserve.

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

### **Savings**

79. The 2024/25 budget includes planned savings of £1.0m. 100% are forecast to

## **Public Health and Communities**

80. Public Health and Communities are forecasting a £0.2m overspend against a budget of £12.6m.

<b>Service Area</b>	<b>Latest Budget Nov-24 £m</b>	<b>Forecast Spend Nov-24 £m</b>	<b>Forecast Variance Nov-24 £m</b>	<b>Forecast Variance Sept-24 £m</b>	<b>Change Since Sept-24 £m</b>
Public Health Functions	40.1	39.5	-0.6	-0.2	-0.4
Public Health Recharges	0.6	0.6	0.0	0.0	0.0
Other Income	-1.4	-1.4	0.0	0.0	0.0
Grant Income	-34.4	-34.4	0.0	0.0	0.0
Transfer to Public Health Reserve	0.0	0.6	0.6	0.2	0.4
<b>Total Public Health</b>	<b>4.8</b>	<b>4.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Libraries &amp; Heritage</b>	<b>7.8</b>	<b>8.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
<b>Total Public Health and Communities</b>	<b>12.6</b>	<b>12.8</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>

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

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

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

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

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

### **Libraries & Heritage**

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

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

### **Ringfenced Government Grants**

88. The ringfenced Public Health grant totals £35.0m, an increase of £0.6m from the previous report to Cabinet. The increase should cover the additional in-year cost impact of the National Health Service pay awards for health services

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commissioned by local authorities and funded through the public health grant.

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

#### **Use of Un-ringfenced Government Grant Funding**

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

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

#### **Reserves**

91. Public Health earmarked reserves were £4.5m at 1 April 2024. £1.4m is earmarked to be spent in 2024/25, £1.1m in 2025/26, £0.6m in 2026/27 and £0.4m in 2027/28, leaving a balance of £1.6m. The use of the reserve is continuously being reviewed and it is anticipated that there will be further commitments against this funding agreed throughout 2024/25.

92. £0.1m is being held to expand the Making Every Contact Count work programme in Oxfordshire; this will be spent in 2024/25.

93. The History Service donations reserve of £0.02m is earmarked to be spent in 2024/25

94. The Museum Service donations reserve of £0.1m is earmarked to be spent equally over the next 3 years.

#### **Virements**

95. There is one virement to note relating to funding for the Marmot Place proposal.

#### **Savings**

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

## **Oxfordshire Fire & Rescue Service and Community Safety (OFRSC)**

97. Oxfordshire Fire & Rescue Service and Community Safety are forecasting a £0.7m overspend against a budget of £28.1m. This is unchanged from the position reported previously.

<b>Service Area</b>	<b>Latest Budget Nov-24 £m</b>	<b>Forecast Spend Nov-24 £m</b>	<b>Forecast Variance Nov-24 £m</b>	<b>Forecast Variance Sept-24 £m</b>	<b>Change Since Sept-24 £m</b>
Community Safety Management	0.0	0.0	0.0	0.0	0.0
Fire & Rescue	27.0	27.7	0.7	0.7	0.0
Emergency Planning	0.3	0.3	0.0	0.0	0.0
Trading Standards	1.4	1.4	0.0	0.0	0.0
<b>Total Oxfordshire Fire &amp; Rescue Service and Community Safety</b>	<b>28.7</b>	<b>29.4</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>

98. All services are forecasting a breakeven position with the exception of Fire and Rescue which is forecasting an overspend of £0.7m due to staffing savings that are not expected to be achieved.

### **Use of Un-ringfenced Government Grant Funding**

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

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

### **Reserves**

100. £3.2m is held in reserves for the renewal of fire and rescue vehicles and breathing apparatus equipment. A fleet replacement strategy has been developed and several vehicles have been ordered and expected to be received in 2024/25, the reserve will be fully utilised by 2025/26.

101. £0.5m was available in the Fire Uplift Grant reserve as at 1 April 2024. This is being held to fund employee costs expected to be incurred over the next three to five years.

102. £0.5m is being held to cover the cost of the replacement of Airwave for Oxfordshire Fire and Rescue Service and the implementation of the new national Emergency Service Mobile Communications Programme.

## **Resources and Law & Governance**

103. The services within Resources are forecasting an overspend of £1.3m against a budget of £57.8m. This is unchanged from the last report.

Service Area	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
Corporate Services	10.7	11.6	0.9	0.9	0.0
HR & Cultural Change	5.1	4.9	-0.2	-0.2	0.0
Financial & Commercial Services	9.5	9.5	0.0	0.0	0.0
Property & Assets	19.3	19.3	0.0	0.0	0.0
Public Affairs, Policy & Partnership	4.3	4.3	0.0	0.0	0.0
Law, Governance, Coroner & Registration Services	8.9	9.5	0.6	0.6	0.0
<b>Total Resources</b>	<b>57.8</b>	<b>59.1</b>	<b>1.3</b>	<b>1.3</b>	<b>0.0</b>

104. There is a forecast overspend of £0.9m within **Corporate Services** due to previously agreed savings of £0.9m which were held corporately but expected to be achieved through reductions in costs related to IT expenditure across the organisation. Since further work has identified that these are not achievable there is a forecast pressure in 2024/25 and the on-going impact is being considered as part of the 2025/26 budget process.

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

106. **Financial & Commercial Services** are forecasting a breakeven position. Within that all savings and investments are expected to be fully delivered.

107. **Property & Assets Services** are forecasting a breakeven position, however some risks identified by the service will require mitigation. All savings are expected to be fully delivered.

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

109. **Law, Governance, Coroners & Registration Services** are forecasting an overspend of £0.6m as a result of high locum costs in the Legal service where recruitment continues to be a challenge.

### Savings

110. The 2024/25 budget includes planned savings of £1.9m. 98% are forecast to be achieved.

## Transformation, Digital & Customer Experience (TDCE)



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111. The services within TDCE are forecasting a breakeven position against a budget of £8.1m.

Service Area	Latest Budget Nov-24 £m	Forecast Spend Nov-24 £m	Forecast Variance Nov-24 £m	Forecast Variance Sept-24 £m	Change Since Sept-24 £m
Delivery Unit	3.8	3.8	0.0	0.0	0.0
Customer Experience	3.4	3.4	0.0	0.0	0.0
Insight & Corporate Programmes	0.7	0.7	0.0	0.0	0.0
TDCE Management	0.2	0.2	0.0	0.0	0.0
<b>Total Resources</b>	<b>8.1</b>	<b>8.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

112. The **Delivery Unit** is forecasting a breakeven position.

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

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

### Overview of Medium Term Financial Strategy Investments and Savings

115. The 2024/25 budget includes planned services savings of £30.1m. 54% of these savings are assessed as delivered and 75% is forecast to be delivered. Work is continuing to ensure that these savings are achieved.

Service areas	2024/25 Planned Savings	Actual Delivery to Date	Actual Delivery to Date	Forecast delivery	Forecast delivery
	£m	£m	%	£m	%
Adult Services	4.3	2.9	67%	4.2	98%
Children's Services	12.3	6.4	52%	7.9	65%
Environment & Highways	8.1	3.9	48%	5.3	66%
Economy and Place	1.0	0.6	65%	1.0	100%
Public Health & Communities	0.5	0.2	53%	0.5	100%
Oxfordshire Fire & Rescue Service and Community Safety	0.5	0.1	15%	0.2	46%
Resources and Law & Governance	1.9	1.8	95%	1.9	98%
Transformation, Digital & Customer Experience	1.5	0.4	23%	1.5	100%
<b>TOTAL</b>	<b>30.1</b>	<b>16.3</b>	<b>54%</b>	<b>22.5</b>	<b>75%</b>

116. The 2024/25 budget also includes planned service areas investments of £111.6m. 9% of these is assessed as delivered and 68% is forecast to be delivered.

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Service Areas	2024/25 Planned Investments	Actual Delivery to Date	Actual Delivery to Date	Forecast delivery	Forecast delivery
	£m	£m	%	£m	%
Adult Services	1.4	0.0	0%	0.7	53%
Children's Services	6.7	0.2	3%	3.9	57%
Environment & Highways	2.5	0.3	12%	2.4	94%
Economy and Place	0.4	0.2	63%	0.3	85%
Resources and Law & Governance	0.6	0.4	62%	0.6	92%
<b>TOTAL</b>	<b>11.6</b>	<b>1.1</b>	<b>9%</b>	<b>7.8</b>	<b>68%</b>

Adult Services

117. The 2024/25 budget includes planned savings of £4.3m. 98% are forecast to be delivered. The £0.1m saving relating to a reduction in outstanding unsecured debt by year end is at risk of being delivered.

Children's Services

118. The 2024/25 budget includes planned savings of £12.3m. Savings at risk of delivery include the Children we care for savings of £6.2m.

Environment & Highways

119. The 2024/25 budget includes planned savings of £8.1m. 66% are forecast to be delivered. The savings at risk of being delivered include the £2.2m lane rental income underachievement, £0.2m to reduce the amount of waste that is sent to the Energy Recovery Facility, and £0.1m reduction in fleet management costs. 94% of planned investments of £2.5m are on track to be delivered.

Economy and Place

120. The 2024/25 budget includes planned savings of £1.0m. 100% are forecast to be delivered. 85% of planned investments of £0.3m are on track to be delivered.

Public Health & Communities

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

Oxfordshire Fire & Rescue Service and Community Safety

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

Resources and Law & Governance

123. The 2024/25 budget includes planned savings of £1.9m. 95% of these savings have been delivered and 98% are forecast to be delivered. 92% of planned investments of £0.6m are expected to be achieved.

Transformation, Digital & Customer Experience

124. The delayering staffing savings of £1.5m has been reallocated from service areas to the Transformation service. Budgets for senior managers have been adjusted to reflect the new structure. £0.4m of the £1.5m saving has been achieved so far and it is anticipated that this will increase later in the year as the next layer is completed.

## **Debt Management**

### **Corporate Debtors**

125. The combined collection rate, based on invoice volumes up to November 2024 is 95%, in line with the 95% target. The collection rate based on value of invoices for the same period is also 95%, down 4% on the previous period.

126. Debt requiring impairment at the end of the November 2024 is £0.8m, £0.5m above the year-end target of £0.3m. The top five debt cases account for 56% of all bad debt; these cases are being actively managed by the relevant service with support from the Financial Services team.

### **Adult Social Care Debtors**

127. The combined 120-day invoice collection rate up to November 2024 is 93%, 1% above the target collection. The collection rate based on value of invoices for the same period is 85%.

128. The 2023/24 year-end adults care contribution impairment for bad debt was £4.5m. The current projected 2024/25 year-end bad debt position is £5.1m, a reduction of £0.1m since the last report to cabinet but £0.6m higher than the impairment. In addition, there is a 2024/25 £0.1m saving linked to reducing social care debt not expected to be delivered. The cumulative impact creates a pressure of £0.7m. Financial Services continue to work with the service to support activity to reduce the debt.

## **Budgets Held Centrally**

129. After taking account of the use of contingency and additional interest on balances to support the forecast service areas overspend, there is a combined underspend of £12.8m against budgets held centrally.

### **Capital Financing Costs**

130. The borrowing costs and minimum revenue provision (MRP) for capital projects funded by Prudential Borrowing are either recharged to service areas where savings arising from the scheme are expected to meet them or met corporately from the budget for capital financing costs. It is anticipated that after taking account of recharges to service areas costs will be in line with budget.

131. Interest payable is currently forecast to be £11.9m, £3.5m below budget. This reflects the early repayment of two LOBO loans and actual interest costs being lower than budgeted. This is expected to be one – off in 2024/25 as interest payable is expected to increase in 2025/26.

### **Interest on Balances**

132. The forecast for interest receivable is £27.1m, £7.8m above the budget. The additional interest is a result of higher than forecast cash balances coupled with

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higher than forecast deposit rates. Of the £7.8m, an estimated £3.3m of this will be applied to developer contribution balances.

133. Cash balances for the year are forecast to be £81.9m lower than they would otherwise have been as a result of negative DSG balances. The impact of this is an estimated opportunity cost of £3.4m in unearned interest during 2024/25.

#### Pay Inflation and Contingency

134. Ongoing funding for pay inflation in 2024/25 total £14.4m and the contingency budget for 2024/25 totals £7.5m.

135. £6.5m of the £14.4m pay inflation budget has been used to meet the cost of the additional pay inflation in 2024/25 following the agreement of the Green Book pay award. £1.9m will be held to meet the cost of pay inflation for vacant posts when they are recruited to. £1.3m is proposed to be used to fund a one-off contribution to a new Local Government Devolution and Reorganisation reserve. This leaves a one - off underspend of at least £4.7m which has been reflected in the forecast. The on-going budget that is not needed to fund pay inflation in 2024/25 will roll forward. £3.5m is assumed to be used to fund the anticipated pay award in 2025/26.

136. £3.7m of the £7.4m on-going funding held in the contingency budget will be used to fund a one-off contribution to the Local Government Devolution and Reorganisation reserve. The remaining balance is being held to meet potential risks around demand increases in Adults and Children's Services in the remainder of the financial year. If these do not materialise there would be a further underspend of £3.7m by year end.

137. Further virements will be transacted to add funding for the pay award to vacant posts which have been recruited to at the end of the financial year.

### **Reserves**

138. As set out in Annex B - 3 Earmarked Reserves are forecast to be £194.9m at 31 March 2025.

#### **Local Government Reorganisation Reserve**

139. On 16 December 2024, the government published its English Devolution White Paper and the Minister of State for Local Government and English Devolution set out a summary of plans in a Written Ministerial Statement to Parliament.

140. All two-tier areas and small/failing unitary councils are invited to submit reorganisation proposals with the government aiming for all Local Authorities to be unitary authorities with 500,000 population or more. Furthermore, all areas will need to be within Strategic Authorities (including combined authorities) covering at least 1.5 million residents.

141. It is proposed to create a new reserve to support the development of

devolution and reorganisation proposals for Oxfordshire and to make an initial one - off contribution of £5.0m made up of £3.7m from the contingency budget and £1.3m from the remaining unallocated budget for pay inflation that is not required to be used in 2024/25.

### **Budget Priorities Reserve**

142. Existing funding held in the Budget Priorities reserve continues to be used to fund priorities agreed as part of the 2024/25 budget. Following agreement that the ICB will fund their share of the S117 aftercare support costs, Cabinet is recommended to approve the transfer of £3.0m from Adult Services to the reserve on a one-off basis. This funding will be used to cover future risks within Adult Services.

143. A contribution of £1.0m was made into the reserve at the end of 2023/24 to extend schemes already agreed as part of the Cabinet's priorities including Rail Studies (£0.2m) and an extension of the funding for efficiency loans to schools (£0.8m).

### **Transformation Reserve**

144. The Transformation Reserve is being used to support the costs of the implementation of the council's transformation programme, Delivering the Future Together.

145. To enable the priorities for the next phase of transformation to be delivered and to create a sustainable council for the future funding of £10.0m was agreed to be added to the reserve as part of the 2024/25 budget. £2.3m of this funding is being used to support revenue budget investments also agreed as part of the 2024/25 budget, with £1.5m supporting the 2024/25 budget and a further £0.8m in 2025/26.

146. The use of £4.5m of the reserve has been agreed during 2024/25. The remaining balance of £2.1m is expected to be committed during 2024/25.

### **Redundancy Reserve**

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

### **Collection Fund Reserve**

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

149. The forecast balance at 31 March 2025 is £8.4m after taking account of additional business rates funding of £1.3m notified during 2024/25 plus £0.9m

income from the North Oxfordshire Business Rates pool.

### **COVID-19 Reserve**

150. The balance held in the reserve at 31 March 2024 was £7.9m with further budgeted planned use of £3.8m in 2024/25 and £2.3m in 2025/26. £1.4m funding not required to be used to fund pressures in Children's Social Care in 2023/24 based on the position at year end is available to support future pressures or initiatives.

### **Dedicated Schools Grant (DSG) Unusable Reserve**

151. An unusable reserve was created in 2020/21 to hold **negative High Needs DSG balances** in line with a change to the CIPFA code of practice on DSG High Needs deficits. The net deficit of £28.4m for 2024/25 will increase the total High Needs deficit held in the reserve from £55.8m to £84.2m as at 31 March 2025. The regulations which require the negative balance to be held in an unusable reserve will come to an end on 31 March 2026. The impact of the unusable reserve on the council's ability to set a balanced budget over the medium term will need to be considered through the Budget & Business Planning Process for 2025/26.

## **Grants**

152. As set out in Annex B - 4 government grants totalling £535.9m are expected to be received by the Council during 2024/25. This includes £26.0m in schools' grants for additional mainstream funding, early years funding and pupil premium, plus Adult Social Care Market Sustainability and Improvement Fund (£10.0m).

### Household Support Fund

153. In September 2024, the Government announced that it would extend the Household Support Fund for a further six months, from October 2024 to March 2025, with a further £421m of funding. Oxfordshire's will receive a further £3.4m increasing the total grant expected for 2024/25 to £6.7m.

### Homes for Ukraine

154. Following the launch of the Homes for Ukraine (HfU) scheme by the UK government in March 2022, upper tier councils have been in receipt of a tariff fund for individual arrivals in their area of responsibility as well as funding for thank you payments for hosts. Funding for the tariff element was originally provided as a one-off payment at the level of £10,500 per guest, falling to £5,900 for all new arrivals from 1 January 2023. For eligible minors the tariff continues at £10,500.

155. Based on the position as at the end of November 2024, £27.8m of the grant funding received to date has now been allocated and £4.0m remains unallocated. A further £1.5m funding is expected to be received following the quarter 2 claim.

## **General Balances**

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156. The risk assessed level of balances for 2024/25 is £30.2m.

157. As set out in the Provisional Outturn Report for 2023/24, a one-off balance of £2.3m has been held in balances pending a decision about future use.

158. After taking account of the forecast underspend and the £2.3m funding held since the end of 2023/24, balances are currently forecast to be £10.8m above the risk assessed level at 31 March 2025.