

CABINET – 27 JANUARY 2026

REVENUE UPDATE AND MONITORING REPORT

Report by the Deputy Chief Executive (Section 151 Officer)

Recommendations

1. **Cabinet is RECOMMENDED to**
 - a) Note the report and annexes.
 - b) Note that £1.2m funding for investments relating to Rail and Flood planning agreed as part of the budget in February 2025 will be transferred to the Budget Priorities reserve for use in 2026/27 (paragraph 22).
 - c) Note anticipated supplementary estimate requests to be funded from General Balances relating to:
 1. c£0.5m Bicester Motion (paragraph 14)
 2. c£2.2m Woodeaton School deficit balance write off due to transfer to academy status (paragraph 34)
 - d) Approve the write off of 16 Adult Social Care contribution debts totalling £0.477m as detailed in paragraph 31.
 - e) Note the Dedicated Schools Grant (DSG) High Needs Block 2025/26 forecast and accumulated deficit position (paragraphs 35 - 39).
 - f) Approve the creation of a new Budget Reserve and the addition of £5.5m forecast additional interest on balances in 2025/26 (paragraph 40).
 - g) Note Local Government Re-organisation and Devolution update (paragraph 41 -42)

Executive Summary

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

Key Messages – Revenue, Balances and Reserves

- Nationally local government continues to work in a challenging environment but the position at the end of 2024/25 demonstrated that the council is able to take action across services to manage within the available funding. At the end of November 2025 (Financial Period Month 8), the council's services are forecasting a £11.3m overspend (deterioration of £5.4m change since last reported) as at 31 March 2026. This is offset by a forecast underspend of £13.3m within budgets held centrally (£0.8m improvement since last reported and including the full use of £7.2m contingency budget). The overall forecast as at 31 March 2026 is an underspend of £2.0m (improvement of £2.6m since last reported but the whole contingency budget has now been applied). The details are shown in Annex 1 and summarised in Table 1 (paragraph 6 below).
- In order to ensure ongoing financial resilience, the council is holding an on-going corporate contingency budget of £7.2m as well as one – off general balances based on an assessment of risk agreed as part of the budget. The underspend against the contingency budget has been included in the forecast to manage the service area overspend – the reasons for this include the lag in implementation of corporate savings (mainly organisational redesign and contract and third party) and placement volumes and pricing demands within Adult and Children's Services.
- The in - year forecast deficit against Dedicated Schools Grant funding for High Needs has increased to £70.7m (this has deteriorated by £10.1m since the last report). This means that the forecast cumulative deficit is expected to be £163.2m by 31 March 2026. In June 2025, the government extended the statutory override which requires this expenditure to be held in a negative reserve to 31 March 2028. As explained in the Budget & Business Planning Report elsewhere on the agenda, further information on how High Needs deficits will be managed is expected to be shared by the government as part of the Final Local Government Finance Settlement for 2026/27.

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

Forecast Revenue position as at 30 November 2025

6. At Month 8, the council is forecasting a £2.0m underspend against the revenue budget as at 31 March 2026. Table 1 below shows the forecast revenue budget, forecast expenditure and variation for the year by Service Area (further details are set out in Annex 1):

Table 1 - Summary revenue budget forecast variances as at 30 November 2025

Service	Net Budget	Current Forecast	Forecast Variance	August Forecast	Movement
Adult Services	£259.8m	£264.3m	£4.5m	£0.0m	-£4.5m
Children's Services	£214.4m	£215.7m	£1.3m	£0.0m	-£1.3m
Public Health & Communities	£14.0m	£14.0m	£0.0m	£0.0m	£0.0m
Environment & Highways	£55.1m	£56.0m	£0.9m	£1.1m	£0.2m
Economy & Place	£21.8m	£21.7m	-£0.2m	£0.0m	£0.2m
Fire & Rescue and Community Safety	£32.1m	£32.9m	£0.8m	£0.7m	-£0.1m
Resources and Law & Governance	£63.8m	£64.4m	£0.6m	£0.6m	£0.0m
Transformation, Digital & Customer Experience	£7.5m	£6.4m	-£1.1m	£3.5m	£4.6m
Cross Cutting savings	-£6.8m	-£2.3m	£4.5m	£0.0m	-£4.5m
Service Areas position	£661.8m	£673.1m	£11.3m	£5.9m	-£5.4m
Budgets held centrally	-£20.6m	-£26.7m	-£6.1m	-£5.3m	£0.8m
Contingency	£7.2m	£0.0m	-£7.2m	£0.0m	£7.2m
Corporate Funding	-£648.4m	-£648.4m	£0.0m	£0.0m	£0.0m
Overall	£0.0m	-£2.0m	-£2.0m	£0.6m	£2.6m

7. In 2025/26, monitoring updates are being provided on an exception basis highlighting any pressures, risks, in-year mitigations and opportunities. Where relevant, and known ahead of the budget being agreed, budgets for 2025/26 were updated to reflect on-going pressures or issues continuing from 2024/25.
8. The position for each Service Area has been agreed by the relevant director. Where there is an on-going impact of the forecast pressures these are included in the Budget & Business Planning Report elsewhere on the agenda.
9. **Adults Services – £4.5m overspend (increase of £4.5m since last reported to Cabinet).** Increased demand within the Home First/Discharge to Assess service has created a £1.6m pressure and a further £0.3m has been committed to reduce this pressure in the remaining months of the year. High-Cost complex needs supported living placements have increased creating a £2.1m pressure in 2025/26 which is expected to increase in 2026/27. The forecast also includes a £0.5m on-going pressure linked to the cost of equipment and the re-procurement of the equipment contract.
10. **Children's Services – £1.3m overspend (increase of £1.3m since last reported)** a £4.8m forecast ongoing pressure in Children social care placements. This is to be offset by one – off mitigations in 2025/26, to leave a residual £1m Social Care pressure. The on-going impact of the underlying pressure is being considered through the budget process for 2026/27. Education services forecast overspend of £0.3m is notably within SEND and education psychology services which have identified increasing numbers of Education, Health and Care Plans and needs assessments.

11. **Environment & Highways (E&H) – £0.9m overspend (improvement of £0.2m since the last report to Cabinet)** – there is a forecast pressure of £1.1m in Network Management arising from a delay in receiving Department of Transport approval to implement the lane rental scheme in Oxfordshire, plus a small forecast pressure in Highways Maintenance of £0.1m. These are offset by a forecast underspend of -£0.3m, due to an increased recharge income in Transport Infrastructure.

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

- Waste Management – there could be further pressure related to market prices and volumes remaining high for dry mixed recyclables.
- Highway Maintenance - the weather over the rest of the winter and overall condition of the roads and gullies could impact on the level of expenditure. Robust plans and programmes are in place based on the assumed condition of the gullies and roads.

12. **Fire & Rescue and Community Safety - £0.8m forecast overspend.** The budget for On-Call firefighters budget is forecasting an overspend of £0.3m as result of higher demands including the Bicester Motion fire incident. Pressures arising from full time firefighters' sickness, ill-health and cover, one-off training are contributing to other overspend.

13. There are ongoing investigation and survey costs forecast at £0.5m relating to the incident at Bicester Motion in 2025 but these may increase further due to the complexity of the case. In line with the Financial Regulations the additional costs will be met by a supplementary estimate (funded by general balances) that will need to be approved before year end. If there are further costs in 2026/27 a further supplementary estimate request would be requested.

14. **Resources - Law & Governance Services - £0.6m forecast overspend (no change since last reported).** The Legal Service continues to experience issues relating to retention & recruitment and an increase in the volumes of appeals. The issues are expected to cause a £1.0m overspend due to locum cover. This is offset by £0.4m underspend from contracts and team investments due to the Finance and Commercial Service redesign.

15. **Transformation, Digital, and Customer Experience (TDCE) - £1.1m forecast underspend (increase of £0.3m since last report).** The forecast underspend relates to temporary staffing vacancies whilst the service area redesign is in progress.

16. **Cross Cutting savings - £4.5m shortfall arising from planned delivery timelines.** Based on delivery timelines £2.0m savings relating to the organisational re-organisation and £2.5m related to contract and income optimisation savings are forecast to be undelivered in 2025/26, but will be delivered in 2026/27.

17. **Budgets held centrally - £6.1m underspend (increase of £0.8m since last report).** Additional forecast interest on balances of £2.0m is built into the forecast because interest rates have remained higher than expected (increase of £0.5m since last reported). A further £5.5m additional interest on balances is proposed to be transferred to a new Budget Reserve (see paragraph 40) to be used to support future budget processes on a one – of basis.
18. As the national pay award relating to the Green Book has been approved, £3.8m underspends from pay inflation can be released and can be used to manage the delay in the achievement of cross cutting savings relating to the redesign of services.
19. A £7.3m underspend against the contingency budget is now included in the forecast.

Savings & Investments update

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

£28.7m Savings: £7.1m undelivered. £5.7m cross cutting savings have been evaluated and £3.2m savings relating to service redesign and £2.5m related to contract and income optimisation savings are forecast to be undelivered during 2025/26. £2.1m of Children savings are expected to be unachieved due to the service capacity and demands. Offset by £0.7m from Adults and Economy & Place.

£15.7m Investments: There are investments totalling £1.9m that are not being delivered but forecasted to support the service areas overspends.

25. Some of the investments agreed in the 2025/26 budget were expected to be used across multiple years. This includes the investment in proactive flood activity where an underspend of £1.2m will be transferred to the Budget Priorities reserve for use in 2026/27.

Budget Updates

26. Annex 2 highlights where service area budgets have moved since the budget agreed by Council in February 2025. This mainly reflects the agreement of the overall 2025/26 pay negotiations, grant changes, plus service area updates and alignments. The aggregation of the organisation redesign and contract cross cutting savings in TDCE are reflected. All other virements are below £1m and have received delegated approval in accordance with the Virement Rules for 2025/26.

Debt Management

Corporate Debtors

27. The collection rate, based on invoice volumes at 30 November 2025 was 95.8%, 1.2% below the 97% target. The collection rate based on the value of invoices for the same period was 99.0%.
28. Debt requiring impairment is currently £0.956m, £0.456m above the year-end target of £0.5m. The top five debt cases account for 60% of all bad debt. Disputed developer contributions with two developers equate to £0.3m and Legal Services are seeking counsel advice. The remaining four cases are being tracked and progressed by the corporate income recovery team.

Adult Social Care Debtors

29. The collection rate, based on invoice volumes up to 30 November 2025, was 94.1%, above the 94% target.
30. Debt requiring impairment is currently £4.4m, £0.1m below the current impairment balance, but £0.1m above the 25-26 target. Wider economic factors continue to have had an effect on means tested social care contribution debt levels, as have delays with the court of protection and cases requiring probate.
31. Cabinet is recommended to write off 16 Adult Social Care contribution debts totalling £0.477m.
 - Ten cases are those where arrears were not resolved before the person passed away, and the estate was confirmed as insolvent.
 - Two cases are historic cases which are recommended by legal services as not economical to pursue further based on the facts of the case.
 - Two debtors are under a debt relief order, and arrears cannot be recovered.
 - One case is a Direct Payment where it has been determined that care was provided.

- One case is a deceased estate where the debt is statute barred and unrecoverable.

Academy Conversion Deficit Balances

32. If a maintained school is forced to convert to academy status and has a revenue deficit balance, the deficit remains with the local authority.
33. Under Section 4.3.4 of the Financial Regulations, a request may be made for one – off funding from General Balances to manage any such deficits. This Supplementary Estimate request requires Cabinet approval.
34. It is estimated that c£2.2m of general funding will be required to offset the deficit balance relating to Woodeaton Special School which converted to academy status on 1 October 2025. The finalised academy conversion statements are being completed and the final recommendation will be included in the next report (March 2025).

Dedicated Schools Grant – High Needs Block

35. The statutory reporting requirements for the 2025/26 accounts require the closing deficit balance on Dedicated Schools Grant to be held within an unusable reserve. The existing statutory override was due to end on 31 March 2026 but the Government has now extended this until 31 March 2028.
36. The forecast overspend against High Needs DSG funding is a deficit of £70.7m. This has increased by £10.1m since the last report and there is a risk this could increase further by the end of the year.

Summary of DSG Funding	2025/26	2025/26	Variance at period 8
	Budget	Projected outturn	
	£m	£m	£m
Schools block	128.8	128.8	0.0
Central block	5.5	5.5	0.0
High Needs block	96.5	167.2	70.7
Early Years block	109.4	109.4	0.0
Total	340.2	410.9	70.7

37. Independent Non-Maintained Special School (INMSS) placements continue to be the main driver for the overspend. The service is continuing to meet the 2023 SEND Ofsted recommendations to reduce waiting time for Education, Health and Care Needs assessments but this causes more demand in a market with scarcity of supply of sufficient places. Special Schools and Academy places do not have sufficient capacity to meet need so if a pupil's needs can no longer be met by their mainstream setting, this requires either an Alternative Provision or INMSS placement.
38. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit would increase the cumulative negative High Needs DSG balance held in this reserve from £92.3m as at 31 March 2025, to £163.2m at 31 March 2026.

39. Further information on how deficits will be managed in future is expected to be shared as part the Final Local Government Settlement for 2026/27 in early February 2026. A White Paper on SEND reform is also awaited. The overspend, and potential need to take action through increasing the contribution to the Demographic Risk Reserve or potential to fund borrowing if that was allowed are being considered through the budget process for 2026/27.

Budget Reserve

40. The interest on cash balances is current forecast £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. The remaining balance (£5.5m) is proposed to be held in a Budget Reserve. 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.

Local Government Reorganisation and Devolution Update

41. In January 2025 Cabinet approved the creation of a new reserve to hold one - off funding to support the development of local government 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. This funding will be used to meet the transition costs to a new authority or authorities and the associated change related activities. There is also grant funding of £95k in 2025/26 notified by the government in July 2025.
42. 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 Local Government Reorganisation are forecast to be £1.2m less the grant of £0.1m. The forecast drawdown on the reserve is £1.1m.

Next Report

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

Financial Implications

44. The council continues to demonstrate financial resilience by managing forecast service pressures in 2025/26 through the use of one – off funding, contingency and additional interest on balances.
45. However, there are some very significant risks, including demand for social care, and the impact of funding reform from 2026/27 onwards, and the impact of the High Needs DSG deficit, that need to be managed. It is vital that there is continued emphasis and promotion of the importance of financial management, the delivery of savings and reductions in expenditure through the council's transformation programme.

46. Further information on how High Needs deficits will be managed in future is expected as part of the Final Local Government Settlement for 2026/27. However, the growing deficit, and scale of the increase in 2025/26, means this is a significant risk to the council's on-going financial resilience.

Comments checked by: Kathy Wilcox, Head of Corporate Finance

Staff Implications

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

Equality & Inclusion Implications

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

Legal Implications

49. The Council's constitution at Part 3.2 (Budget and Policy Framework) sets out the obligations and responsibilities of both the Cabinet and the Council in approving, adopting and implementing the council's budget and policy framework.

50. The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The report sets out the performance and finance position for the Council as at 31 March 2026 as part of its fiduciary duty to implement budgetary controls and monitoring.

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

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

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

Background:

- Annex 1 - 2025/26 Revenue Forecast as at 30 November 2025
- Annex 2 - Summary of 2025/26 Service Area budgets from the Budget Book to current reporting
- Annex 3 - Outline of Confirmed Government Grants and Business Rates funding update.
- Annex 4 - Reserves & General Balances

Annex 1 – Service Area forecast

Service	Cabinet Member	Director	Net Budget	Forecast	Forecast Variance	Last reported (period 5)	Change
Adult Social Care	T Beard	K Fuller	£37.6m	£37.6m	£0.0m	£0.0m	£0.0m
Pooled Budgets (Adults Social Care and NHS)	T Beard	K Fuller	£222.3m	£226.8m	£4.5m	£0.0m	-£4.5m
Adult Services			£259.8m	£264.3m	£4.5m	£0.0m	-£4.5m
Education Services	S Gaul	L Lyons	£56.9m	£57.1m	£0.3m	£0.0m	-£0.3m
Children's Social Care	S Gaul	L Lyons	£139.2m	£140.8m	£1.6m	-£0.2m	-£1.8m
Safeguarding, Quality Assurance, Partnerships and Improvement	S Gaul	L Lyons	£6.2m	£5.6m	-£0.6m	-£0.5m	£0.1m
Children's Services Central Costs	S Gaul	L Lyons	£12.0m	£12.0m	£0.1m	£0.7m	£0.6m
Schools	S Gaul	L Lyons	£0.2m	£0.2m	£0.0m	£0.0m	£0.0m
Children's Services			£214.4m	£215.7m	£1.3m	£0.0m	£1.3m
Public Health	K Gregory	A Azher	£42.1m	£42.5m	£0.4m	£0.0m	-£0.4m
Public Health Grant Income & Reserves	K Gregory	A Azher	-£36.9m	-£37.3m	-£0.4m	£0.0m	£0.4m
Libraries & Heritage	N Fawcett	A Azher	£8.8m	£8.8m	£0.0m	£0.0m	£0.0m
Public Health & Communities			£14.0m	£14.0m	-£0.0m	£0.0m	£0.0m
Transport & Property Infrastructure Delivery	A Gant	P Fermer	£1.8m	£1.5m	-£0.3m	£0.3m	£0.0m
Countryside & Waste	J Roberts	P Fermer	£37.4m	£37.4m	£0.0m	£0.4m	£0.4m
Highways & Maintenance	A Gant	P Fermer	£20.2m	£20.3m	£0.1m	£0.0m	-£0.1m
Network Management	A Gant	P Fermer	-£5.2m	-£4.1m	£1.1m	£1.0m	-£0.1m
E&H Central Costs	A Gant	P Fermer	£1.0m	£1.0m	£0.0m	£1.1m	£0.0m
Environment & Highways			£55.1m	£56.0m	£0.9m	£1.1m	£0.2m
Place Shaping & Future Economy	J Roberts / B Higgins	R Rogers	£18.4m	£18.4m	£0.0m	£0.0m	£0.0m
Climate Action	J Roberts	R Rogers	£1.3m	£1.2m	-£0.0m	£0.0m	£0.0m
Innovate & Enterprise Oxfordshire	B Higgins	R Rogers	£0.5m	£0.5m	£0.0m	£0.0m	£0.0m
E&P Central Costs	J Roberts	R Rogers	£1.6m	£1.5m	-£0.1m	£0.0m	£0.1m
Economy & Place			£21.8m	£21.7m	-£0.2m	£0.0m	£0.2m
Fire & Rescue	J Hannaby	R MacDougall	£30.2m	£31.0m	£0.8m	£0.7m	-£0.1m
Emergency Planning	J Hannaby	R MacDougall	£0.3m	£0.3m	£0.0m	£0.0m	£0.0m
Trading Standards	J Hannaby	R MacDougall	£1.5m	£1.5m	£0.0m	£0.0m	£0.0m
Fire & Rescue and Community Safety			£32.1m	£32.9m	£0.8m	£0.7m	-£0.1m
HR & Cultural Change	N Fawcett	C Cuthbertson	£5.6m	£5.6m	£0.0m	£0.0m	£0.0m
Financial & Commercial Services	D Levy	I Dyson	£10.7m	£10.3m	-£0.4m	£0.0m	£0.4m
Property & Assets	D Levy	V Kurzeja	£21.7m	£21.7m	£0.0m	£0.0m	£0.0m
Public Affairs, Policy & Partnership	L Leffman	S Wintersgill	£4.7m	£4.7m	£0.0m	£0.0m	£0.0m
Law & Governance	N Fawcett	A Bradley	£10.2m	£11.2m	£1.0m	£0.7m	-£0.3m
Corporate Services	L Leffman	L Baxter	£10.9m	£10.9m	£0.0m	£0.0m	-£0.0m
Resources and Law & Governance			£63.9m	£64.4m	£0.6m	£0.7m	£0.1m
Transformation & Digital	D Levy / N Fawcett	L Tustian	£1.5m	£1.1m	-£0.4m	-£0.2m	£0.2m
Customer Experience	D Levy	L Tustian	£4.0m	£3.8m	-£0.2m	-£0.2m	£0.0m
Data	N Fawcett	L Tustian	£1.7m	£1.2m	-£0.5m	-£0.4m	£0.1m
TDCE Management	N Fawcett	L Tustian	£0.2m	£0.2m	£0.0m	£0.0m	£0.0m
Transformation, Digital & Customer Experience			£7.5m	£6.4m	-£1.1m	-£0.8m	£0.3m
Corporate Savings (part of Resources)	L Leffman	L Baxter	-£6.8m	-£2.3m	£4.5m	£4.3m	-£0.2m
Service Areas position			£661.8m	£673.1m	£11.3m	£5.9m	-£5.4m
Budgets held centrally	D Levy	L Baxter	-£13.4m	-£26.7m	-£13.3m	-£5.3m	£8.0m
Corporate Funding	D Levy	L Baxter	-£648.4m	-£648.4m	£0.0m	£0.0m	£0.0m
Overall			£0.0m	-£2.0m	-£2.0m	£0.6m	£2.6m

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

Budgeted		Original Budget (Council Feb 2025)	From Feb – May 2025	Jun – Aug	Sept - Nov	Movements	Reported Budget
Adult Services	AS	£254.6m	-£1.3m	£6.8m	-£0.3m	£5.2m	£259.8m
Children's Services	CS	£216.8m	-£6.0m	£1.7m	£1.9m	-£2.4m	£214.4m
Public Health & Communities	PH	£12.9m	£0.6m	£0.1m	£0.3m	£1.1m	£14.0m
Environment & Highways	E&H	£53.1m	-£0.3m	£1.7m	£0.5m	£2.0m	£55.1m
Economy and Place	E&P	£20.9m	£0.1m	£0.3m	£0.5m	£0.9m	£21.8m
Fire & Rescue Service and Community Safety	FRS	£31.0m	-£0.5m	£0.5m	£1.1m	£1.1m	£32.1m
Resources and Law & Governance	RLG	£64.9m	-£3.9m	-£7.5m	£3.6m	-£7.8m	£57.1m
Transformation, Digital & Customer	TDCE	£3.8m	£3.4m	£0.0m	£0.2m	£3.7m	£7.5m
Total service areas	SA	£658.0m	-£7.9m	£3.7m	£8.0m	£3.8m	£661.8m
Budgets held centrally	BC	-£11.7m	£7.9m	-£1.6m	-£8.0m	-£1.7m	-£13.4m
Corporate Funding		-£646.3m	£0.0m	-£2.2m	£0.0m	-£2.2m	-£648.4m
Overall		£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m

	AS	CS	E&H	E&P	PH	FRS	RLG	TDCE	SA	BC	Total
Pay adjustments											
Pay inflation remove initial estimate	-£0.9m	-£1.9m	-£0.3m	-£0.3m	£0.0m	-£1.0m	-£1.2m	-£0.1m	-£5.7m	£5.7m	£0.0m
Reverse NI Estimate	-£0.8m	-£1.2m	-£0.4m	£0.0m	-£0.1m	-£0.5m	-£0.8m	-£0.1m	-£3.9m	£3.9m	£0.0m
National Insurance (NI) Uplift	£0.9m	£1.1m	£0.3m	£0.2m	£0.2m	£0.1m	£0.9m	£0.1m	£3.8m	-£3.8m	£0.0m
NI uplifts Social Care	£3.5m	£0.0m	£3.5m	-£3.5m	£0.0m						
Grey Book Pay award	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.7m	£0.0m	£0.0m	£0.7m	-£0.7m	£0.0m
Soulbury Pay award	£0.0m										
Gold Book Pay Award	£0.0m	-£0.0m	£0.0m								
Green Book Pay Award	£1.4m	£1.9m	£0.5m	£0.4m	£0.3m	£0.2m	£1.8m	£0.2m	£6.8m	-£6.8m	£0.0m
Member Allowance increase due to	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.2m	£0.0m	£0.2m	-£0.2m	£0.0m
On-call Firefighters T&C changes staff	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.9m	£0.0m	£0.0m	£0.9m	-£0.9m	£0.0m
Responsibilities alignment to current structure											
Realignment of Budgetholders	£0.0m	£0.9m	-£0.1m	£0.5m	£0.0m	£0.0m	-£3.1m	£1.9m	£0.0m	-£0.0m	£0.0m
Clarification of responsibilities	-£0.1m	-£0.0m	£0.0m	-£0.6m	£0.0m	-£0.0m	-£0.0m	-£0.0m	-£0.7m	£0.7m	£0.0m
Transfer Tree budget from Property to Highways £207k	£0.0m	£0.0m	£0.2m	£0.0m	£0.0m	£0.0m	-£0.2m	£0.0m	£0.0m	£0.0m	-£0.0m
Align Savings to correct cost centres	-£0.3m	-£0.3m	£0.0m	£0.0m	£0.6m	£0.0m	£0.0m	£0.0m	-£0.0m	£0.0m	£0.0m

	AS	CS	E&H	E&P	PH	FRS	RLG	TDCE	SA	SM	Total
Saving & Investment updates											
Distribution of 2024/25 reorganisation	£-0.1m	£-0.9m	£-0.3m	£0.1m	£0.0m	£0.0m	£-0.3m	£1.5m	£-0.0m	£0.0m	£0.0m
Corp IT Savings to Transformation	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
2024/25 Investments carry forward	£0.5m	£0.0m	£0.0m	£0.5m	£0.1m	£0.0m	£0.0m	£0.0m	£1.1m	£-1.1m	£0.0m
Cross cutting saving consolidation	£1.1m	£1.3m	£2.0m	£0.1m	£0.0m	£0.5m	£-5.1m	£0.0m	£-0.0m	£0.0m	£0.0m
Saving & Investment updates											
Other adjustments											
Accumulation of small adjustments	£0.0m	£0.0m	£0.0m	£-0.0m	£0.0m	£0.0m	£-0.0m	£0.0m	£0.0m	£-0.0m	£0.0m
Funding updates											
Update Government Grant Funding	£0.1m	£0.0m	£0.0m	£0.1m	£0.0m	£0.0m	£0.0m	£0.0m	£0.2m	£-0.2m	£0.0m
Removing un-ringfenced grant treatment to align to new Children's	£0.0m	£-3.6m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£-3.6m	£3.6m	£0.0m
Removal of the Fire funding	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£-0.0m	£0.0m
Drawdown of Reserves	£0.0m	£0.4m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.4m	£-0.4m	£0.0m
Update on Corporate Funding	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Movements	£5.2m	£-2.4m	£2.0m	£0.9m	£1.1m	£1.1m	£-7.8m	£3.7m	£3.8m	£-3.8m	£0.0m

Further details of specific virements are available on request.

Annex 3 - Confirmed Government Grants and Business Rates funding update

Ringfenced	Issued By	Service Areas	Budget Book	Updates from	Transfers	In year	Latest Allocation
			2025/26	Grant letters	(unring to ring)	adjustments / Updated allocations	
			£000	£000	£000	£000	£000
R	DHSC	Improved Better Care Fund	13,207				13,207
R	DHSC	Adult Social Care Market Sustainability and Improvement Fund	10,026				10,026
R	DHSC	SE ADASS			26		26
Adult Services			23,233	0	26	0	23,259
R	DfE	Dedicated Schools Grant (DSG) - Schools Block	128,827	0			128,827
R	DfE	Dedicated Schools Grant (DSG) - Central Block	5,821	-355			5,465
R	DfE	Dedicated Schools Grant (DSG) - Early Years	108,620	775			109,395
R	DfE	Dedicated Schools Grant (DSG) - High Needs	98,158	-1,690			96,469
Subtotal DSG Grants			341,426	-1,270	0		340,156
R	DfE	Pupil Premium	8,194	94			8,288
R	DfE	Sixth Form Funding and Threshold	371	0			371
R	DfE	PE and Sport Grant	2,217	0			2,217
R	DfE	Universal Infant Free School Meals	4,047	0			4,047
R	DfE	Teacher's Pension Grant	10	0			10
Subtotal School Grants			14,839	94	0		14,933
R	AC	Music Service	844	0			844
R	YJB	Youth Justice Grant	0	0			0
R	HO	Asylum (UASC and Post 18)	713	12			725
R	YJB	Remand Framework	4,636	0			4,636
R	DWP	Reducing Parental Conflict Workforce Development Grant	71	0			71
R	DfE	Adoption Support Fund	0	1,226			1,226
R	DfE	Family Group Conferences	0	124			124
R	YJB	Turnaround Programme	0	115			115
R	HO	Child Decision Making Pilots (NRM)	0	45			45
R	MHCLG	Children's Social Care Prevention Grant	0		1,530		1,530
R	MHCLG	Children & Families Grant	0	1,216	2,108		3,324
Subtotal Other Children's Services Grants			6,264	2,737	3,638		12,639
TOTAL CHILDREN'S SERVICES			362,529	1,560	3,638		367,727
R	DHSC	Public Health Grant	34,413	2,536		149	37,098
R	DHSC	Local Stop Smoking Grant	795	0			795
R	MHCLG	Homes for Ukraine	0	0			0
TOTAL PUBLIC HEALTH & COMMUNITIES			35,208	2,536	0	149	37,893

Ringfenced	Issued By	Service Areas	Budget Book 2025/26	Updates from Grant letters	Transfers (unring to ring)	In year adjustments / Updated allocations	Latest Allocation
			£000	£000	£000	£000	£000
R	NE	LNRS Natural Environment	227				227
R	ATE	Active travel	58				58
		TOTAL ENVIRONMENT & HIGHWAYS	284	0	0		284
R	MHCLG	LEP	615				615
R	DBT	Oxford Innovation Business Support	205				205
R	ATE	Capability & Ambition Fund	125				125
R	DfT	Future Economy				100	100
R	DfT	Bus Service Improvement Grant	795				795
R	DfT	Bus Service Improvement Plan	3,785				3,785
		TOTAL ECONOMY & PLACE	5,525	0	0	100	5,625
R	MHCLG	Fire Fighter's Pension Fund Grant	1,061	-48			1,014
R	MHCLG	Fire Fighter's Pension Fund Admin Grant	75	0		-75	0
R	MHCLG	Fire Protection Uplift Grant	252	-126		126	252
R	MHCLG	Fire Fighter's New Dimensions Grant	39	0			39
		TOTAL FIRE & RESCUE and COMMUNITY SAFETY	1,427	-174	0	51	1,305
U	MHCLG	New Homes Bonus	1,127	0			1,127
U	DfE	Local Reform & Community Voices Grant	328	0			328
U	DfE	Social Care in Prisons Grant	183	0			183
U	DfE	War Pensions Disregard Grant	4	0		108	112
U	MHCLG	Social Care Support Grant (including Independent Living Fund)	48,596	52			48,648
U	HO	Firelink	44	-44			0
U	OHID	Drug & Alcohol Treatment, Recovery & Improvement Grant (note 2)	2,978	-61			2,917
U	MHCLG	Domestic Abuse Duty Grant	1,482	0			1,482
U	OHID	Individual Placement and Support in community drug and alcohol treatment	228	11			239
U	DfE	Supporting Families - previously Troubled Families	1,141		-1,119		22
U	DfE	Implementation of Supported Accommodation Reforms	990		-990		0
U	MHCLG	Children's Social Care Prevention Grant	1,530		-1,530		0
U	MHCLG	Employers National Insurance compensation	3,721		0	707	4,428
U	DfE	Rough Sleeper Grant	0		0	95	95
RSG		Extended Travel transferred to RSG	-707	707			0
		Transfer to General balance contribution					0
		Subtotal Un-ringfenced grants	61,643	666	-3,638	910	59,582

Ringfenced	Issued By	Service Areas	Budget Book 2025/26	Updates from Grant letters	Transfers (unring to ring)	In year adjustments / Updated allocations	Latest Allocation
			£000	£000	£000	£000	£000
U	MHCLG	Revenue Support Grant (RSG)	2,489	0			2,489
Business Rates							
B		Business Rates (Direct share)	39,349	705			40,054
B		Business Rates S31 Grant Top-Up	42,971	-311			42,660
B		Section 31 Grant for Business Rate Compensation	18,900	1,503			20,403
Council Tax							
C		2025/26 Council Tax	533,328				533,328
C		Prior year Collection fund & Carer Leavers discount	9,220	264			9,484
Subtotal Corporate Funding			646,257	2,161	0	0	648,418
TOTAL Budget held centrally			707,900	2,827	-3,638	910	708,000
Total All Funding			1,136,106	6,750	26	1,210	1,144,093
Comprising of:							
R		Ringfenced	428,206	3,923	3,664	300	436,093
U		Un-ringfenced	64,839	-41	-3,638	910	62,071
B		Government Grants	493,045	3,882	26	1,210	498,163
B		Business Rates	101,220	1,897	0	0	103,117
C		Council Tax	542,548	264	0	0	542,812
issued by:							
DfE		Department for Education	358,911	173	-2,108	203	357,179
MHCLG		Ministry of Housing, Communities and Local Government	60,987	1,095	2,108	758	64,947
DHSC		Department of Health & Social Care	58,441	2,536	26	149	61,152
YJB		Youth Justice Board	4,636	115	0	0	4,751
DfT		Department for Transport	4,580	0	0	100	4,680
OHID		Office for Health Improvement and Disparities	3,205	-49	0	0	3,156
AC		Arts Council	844	0	0	0	844
HO		Home Office	757	13	0	0	770
NE		Natural England	227	0	0	0	227
DBT		Department for Business and Trade	205	0	0	0	205
ATE		Active Travel England	183	0	0	0	183
DWP		Department of Work & Pensions	71	0	0	0	71
Total All Grants by issuer			493,045	3,882	26	1,210	498,163

Annex 4 – Reserves & General Balances

Reserves	Actual Balance at 31 March 2025	Movement	Forecast Balance at 31 March 2026
Revenue Grants Unapplied			
Grants and Contributions reserve	£30.3m	-£9.3m	£21.0m
COVID-19 reserve	£3.8m	-£3.8m	£0.0m
Government Initiatives reserve	£6.6m	-£2.4m	£4.1m
Subtotal	£40.7m	-£15.5m	£25.1m
Corporate Priorities			
Budget Priorities reserve	£12.5m	-£7.9m	£4.6m
Local Government Reorganisation reserve	£10.0m	-£1.2m	£8.8m
Transformation reserve	£7.5m	£3.8m	£10.3m
Commercial Pump Priming reserve	£2.0m	-£0.2m	£1.8m
Zero Emissions Zone	£1.5m	£0.1m	£1.5m
Green Financing reserve	£0.9m	£0.0m	£0.9m
Extended Producer Responsibility reserve	£0.0m	£3.4m	£3.4m
Subtotal	£34.3m	-£2.9m	£31.3m
Funding for Risk			
Demographic Risk reserve	£21.0m	£4.0m	£25.0m
Insurance reserve	£10.6m	£0.0m	£10.6m
Collection Fund Risk reserve	£8.1m	-£2.1m	£6.0m
IFRS 9 (Value of Treasury Management Pooled Funds)	£4.0m	£0.0m	£4.0m
Redundancy reserve	£4.1m	£1.2m	£5.3m
Council Elections	£0.7m	-£0.7m	£0.0m
Trading Accounts	£0.2m	-£0.0m	£0.1m
Subtotal	£48.6m	£2.3m	£50.9m
Capital & Equipment			
Capital & Prudential Borrowing reserves	£109.6m	-£0.3m	£109.3m
Vehicle and Equipment reserve	£3.2m	-£0.3m	£2.9m
Investment Pump Priming reserve	£0.1m	£0.0m	£0.1m
Subtotal	£113.0m	-£0.6m	£112.4m
Other reserves			
Partnership reserves	£1.7m	-£0.6m	£1.2m
On Street Car Parking reserve	£5.3m	-£2.0m	£3.4m
Subtotal	£7.1m	-£2.5m	£4.5m
Unusable			
Schools' reserves	£10.7m	-£0.9m	£9.8m
Total Earmarked reserves	£254.4m	-£20.2m	£234.1m

Reserves	Balance at 31 March 2025	Movement	Balance at 31 March 2026
by Service:			
Adult Services	£6.1m	-£5.8m	£0.3m
Children's Services	£20.4m	-£5.4m	£15.0m
Public Health & Communities	£14.7m	-£5.3m	£9.4m
Environment & Highways	£9.3m	£1.2m	£10.4m
Economy & Place	£8.6m	-£1.5m	£7.2m
Fire & Rescue and Community Safety	£3.6m	-£0.7m	£2.9m
Resources and Law & Governance	£2.1m	-£2.2m	£1.9m
Transformation, Digital & Customer Experience	£8.3m	£2.6m	£11.0m
Service Total	£73.1m	-£17.1m	£58.0m
Budgets held Centrally	£181.3m	-£3.2m	£176.1m
Total Earmarked reserves	£254.4m	-£20.1m	£234.1m

Note: Recommendation for new budget equalisation reserve not included.

General Balances

General Balances as at 31 March 2025 (Statement of Accounts)	£45.3m
Less budgeted use to increase funding for transformation and redundancy costs as part of the Reserve and Balances Policy Statement for 2025/26	-£10.8m
Add: Planned contributions (February 2025)	£2.7m
Less approved as part of 2024/25 Provisional Outturn Report:	
Less support for 2025/26 revenue costs - Innovate and BIPC	-£0.7m
General Balances as 31 March 2025	£36.5m

Add/less:

Add additional un-ringfenced grant	£0.8m
Less potential estimated calls on balances (Woodeaton and Bicester Motion)	-£2.7m
Add 2025/26 forecast underspend	£2.0m

General Balances forecast as at 30 November 2025	£36.6m
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Risk assessed level of balances for 2025/26	£30.2m
Surplus balances compared to risk assessed level	£6.4m