

## **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);
- 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)

**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
<b>Funding:</b>					
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
<b>Fair Funding Allocation:</b>					
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				
<b>Total Funding</b>	<b>753.0</b>	<b>783.8</b>	<b>816.2</b>	<b>853.9</b>	<b>893.9</b>
<b>Note:</b>					
<b>Valuation Agency Office (VOA) Backlog</b>					
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
<b>Subtotal Impact of VOA Backlog</b>	<b>-2.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

	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
<b>Net operating budget prior year</b>	<b>646.3</b>	<b>753.0</b>	<b>799.3</b>	<b>838.2</b>	<b>883.0</b>
Previously proposed changes	19.9	36.1			
New budget changes	16.3	-1.2			
Add new years to MTFS			33.3	36.1	38.7
Reduction in Pay Inflation	-3.9				
Pay Inflation (add new years to plan @ 3% per annum)			6.9	6.9	6.9
Employer's NI	-0.8				
Reduction in Employer's Superannuation Contributions	-1.7	-1.7	-1.7		
<b>Total Service Budget Changes</b>	<b>29.8<sup>1</sup></b>	<b>33.2</b>	<b>38.5</b>	<b>43.0</b>	<b>45.6</b>
<b>Budgets Held Centrally</b>					
Previously Proposed changes	13.7	1.2			
<u>New Changes</u>					
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				

<sup>1</sup> 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
<u>Use of Reserves</u>					
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			
<b>Subtotal Planned Use of Reserves</b>	<b>-9.1</b>	<b>9.1</b>			
<b>Total Changes to Budgets Held Centrally</b>	<b>0.3</b>	<b>12.8</b>	<b>0.4</b>	<b>1.8</b>	<b>2.5</b>
<b>Changes to Grant Funding (Fair Funding Review 2.0)</b>					
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				
<b>Total Changes to Grants (Fair Funding Review 2.0)</b>	<b>77.0</b>				
<b>Net Operating Budget</b>	<b>753.0</b>	<b>799.3</b>	<b>838.2</b>	<b>883.0</b>	<b>931.1</b>
<b>Total Funding</b>	<b>-753.0</b>	<b>-783.8</b>	<b>-816.2</b>	<b>-853.9</b>	<b>-893.9</b>
<b>Budget Deficit</b>	<b>0.0</b>	<b>15.5</b>	<b>22.0</b>	<b>29.1</b>	<b>37.2</b>
<b>Council Tax increase</b>	<b>4.99%</b>	<b>4.99%</b>	<b>4.99%</b>	<b>3.99%</b>	<b>3.99%</b>