

## **Divisions Affected – All**

### **CABINET 27 January 2026**

## **Scrutiny of Budget Proposals 2026/27 to 2030/31 Report of Performance and Corporate Services Overview & Scrutiny Committee**

### **RECOMMENDATION**

1. The Cabinet is **RECOMMENDED** to —
  - a) Note the recommendations contained in the body of this report and to consider and agree its response to them, for inclusion within the Council budget papers, and
  - b) Agree that, once Cabinet has responded, relevant officers will continue to provide each meeting of the Performance and Corporate Services Overview & Scrutiny Committee with a brief written update on progress made against actions committed to in response to the recommendations for 12 months, or until they are completed (if earlier).

### **REQUIREMENT TO RESPOND**

2. In accordance with section 9FE of the Local Government Act 2000, the Performance and Corporate Services Overview & Scrutiny Committee requires that, within two months of the consideration of this report, the Cabinet publish a response to this report and any recommendations. However, it is advised that in order to fulfil its duty to report to Council on how it has taken any recommendations from the Scrutiny Committee into account under Part 3.2 2(e) of the Constitution (Budget and Policy Framework and Procedure Rules), that it formally responds to the recommendations on receipt and issues these responses to Council.

### **INTRODUCTION AND OVERVIEW**

3. The Performance Overview and Scrutiny Committee holds constitutional responsibility for providing Scrutiny of the Cabinet's budget proposals. This year, all members were invited to participate in the budget scrutiny process, in

addition to the standard all-member briefings to introduce the budget proposals.

4. The purpose of this report is threefold: i) to provide to Cabinet the Performance and Corporate Services Overview and Scrutiny Committee's response to the budget proposals prior to deciding the details of the budget to be proposed at Council for ratification, ii) to inform members of Council of the issues identified by the Scrutiny Committee, and iii) to provide assurance to the public that the proposed budget has been subject to robust scrutiny and challenge.
5. The Committee would like to put its thanks on record to all Cabinet members and Directors attending the meeting. Whilst it is convention to recognise the immense work undertaken to develop the proposed budget, the scale of uncertainty and late announcement by government of the funding settlement means that the delivery of a proposed budget this year has been much more pressured than usual, and the Committee wishes to express its gratitude to all those involved in turning it around for consideration.

## SUMMARY

6. With the budget scrutiny item requiring an all-day meeting, only a brief summary to provide members of the public a flavour of the issues explored is detailed in the table below. The minutes for the meeting, as well as a recording, can be found at:  
<https://mycouncil.oxfordshire.gov.uk/ieListDocuments.aspx?CId=1172&MId=7847&Ver=4>

Budget Context and cross-cutting issues	<ul style="list-style-type: none"><li>- Current levels of borrowing in relation to prudential borrowing limits</li><li>- The causes of lower council tax base growth relative to government projections</li><li>- Alternatives to the 4.99% rise in Council tax predicated within the Fairer Funding Review</li><li>- The latest guidance from government about the Dedicated Schools Grant and managing negative reserves, and its expected impacts on the Council's financial position</li><li>- The interdependencies of capital expenditure and s.106 monies</li></ul>
Resources (including Law and Governance)	<ul style="list-style-type: none"><li>- Reductions to the mortuary budget and the sufficiency of the current capacity</li><li>- Plans for the Crisis and Resilience funding</li><li>- The level of consultant input to deliver the Council's IT Strategy</li></ul>
Public Health and Communities	<ul style="list-style-type: none"><li>- The challenges in accounting for savings within Public Health where savings are both long-term and often accrue to the NHS</li></ul>

	<ul style="list-style-type: none"> <li>- The use of s.106 monies to support Public Health work</li> <li>- The relationship between grant-funded Public Health work and the Council's broader Marmot County ambitions</li> </ul>
Environment and Highways	<ul style="list-style-type: none"> <li>- How detailed plans for capital expenditure on Public Realm Improvements would be consulted on</li> <li>- Uses of Extended Producer Responsibility funding</li> <li>- The efficacy of subsidising park and rides in relation to the Council's strategic objectives</li> <li>- The impacts of implementing a charge for non-Oxfordshire residents at Household Waste and Recycling Centres and the potential for cross-county collaboration</li> <li>- How congestion charge, zero emission zone and traffic filter income was accounted for within the Council's wider budget</li> <li>- The increase in cost of the Watlington Relief Road project and whether viable alternative options existed</li> </ul>
Economy and Place	<ul style="list-style-type: none"> <li>- The options for tackling flooding where the drainage infrastructure was not the responsibility of the Council.</li> <li>- The value of investments in strategic planning before the shape of Local Government Reorganisation and Devolution had taken place</li> </ul>
Fire and Community Safety	<ul style="list-style-type: none"> <li>- Opportunities for greater fee income</li> <li>- Potential implications of Local Government Reorganisation for the Fire &amp; Rescue Service and the sufficiency of funding</li> </ul>
Adult Social Care	<ul style="list-style-type: none"> <li>- Fee levels agreed with social care providers within the wider context of market stability and financial sustainability</li> <li>- The financial aspects of partnership working, particularly in relation to investments to prevent 'bed blocking' and where returns accrue</li> <li>- The workings and oversight of budgets pooled between the Council and NHS partners</li> </ul>
Children, Education and Families	<ul style="list-style-type: none"> <li>- Whether capital receipts from the sale of Woodeaton School might lower the necessary level of capital expenditure associated with the project</li> <li>- Agency spend levels and plans to reduce them</li> <li>- The negative reserve related to SEND expenditure and the likely impacts of recent</li> </ul>

	government statements on ceasing the ability to run a negative reserve
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7. The Committee makes six formal recommendations. The budget proposals put to the Committee included a £5.4m gap for the forthcoming financial year, and growing pressures beyond that. Given the inherently political nature of such suggestions and scrutiny's apolitical role, it is more appropriate that discussions as to how the Council will deliver a balanced budget are heard at its Budget Council meeting. The main thrust of the Committee's recommendations, therefore, is to seek that members are provided with relevant information when making their decisions. Further recommendations are made to allow members to be assured of the school meal quality, unblocking a source of Council tax income, and ensuring that there is sufficient oversight of key areas of capital expenditure at the delivery stage.
8. The Committee also makes a number of observations, which do not require any formal response but exist to make general comments and advice from the Committee to Cabinet.

## RECOMMENDATIONS & OBSERVATIONS

### Additions to the Council Budget Report

9. A very significant policy development over the last year within the Council over the last year has been its decision to pursue becoming a Marmot County. In doing so, the Council recognises the close interrelationship between inequalities and health outcomes and pledges to tackle health inequalities and improving health fairness in Oxfordshire by working with local partners across local authorities, communities, public services, businesses, and voluntary sector organisations. The reason for addressing committing to address health inequalities through partnership is the recognition that the causes of inequality and poor health outcomes are complex and multi-layered and require a response which calls on the capacity, skills and resources of all parts of civic society. When looking at the Council itself, responsibility for addressing inequalities similarly extends beyond the narrow boundaries of Public Health, and is a holistic, corporate responsibility.
10. The funding structure of the Council's Public Health work obscures this cross-Council responsibility. Public Health has a number of services it is statutorily required to provide, and is given a ring-fenced grant by central government to deliver them. This focuses greater attention on these areas within the budget, because they have specific resource allocations next to them with measurable expected outputs, whereas the Council's wider Marmot agenda does not in the same way. Yet the preventative impact of addressing Marmot-inequalities on health outcomes is potentially far more significant.

11. The Committee referenced very positively the Director of Public Health's 2025 Annual Report, which addressed issues around tackling the negative health impacts of climate change. The Committee's view is that members, particularly given the size of the new intake of members since the election, should be provided with greater detail as to the cross-Council nature of addressing health inequalities when finalising the budget, and that the topic of climate change may be useful in illustrating this.

**Recommendation 1: That greater detail of the contribution non-Public Health areas make to the Council's Marmot agenda is provided within the Council's budget report, particularly in relation to mitigating the negative health impacts of climate change**

12. Following on from the above in light of the structure of Public Health's funding and responsibilities, the Committee wishes to make point that, whilst Public Health money cannot be spent on other areas of the Council owing to its ring-fence, the opposite is not true: the Council is not precluded from using monies from other budgets to support Public Health activity. Whilst it does not make suggestions as to which other budgets might be used for this purpose, the Committee suggests that it is important Cabinet and Council remain cognisant of the possibility.

**Observation 1: Noting Public Health funding comes from a ringfenced grant, that this does not preclude other budgets within the Council from contributing to Public Health activities**

13. The following recommendation is very straightforward; fees for 2 hour parking within Oxford City Zone 2 were agreed in last year's budget but omitted from the draft schedule of fees and charges for the current budget. This was confirmed at the budget scrutiny meeting to be an oversight, and the Committee simply asks that it be corrected.

**Recommendation 2: That 2 hour parking in Oxford City in Zone 2 is included within the list of fees and charges in the Council's budget report.**

14. The Committee discussed at some length proposals to make available £3m to cover planning-related design changes and an increased risk and contingency owing to the scheme's complexity. The deliverability and suitability of other options, particularly the use of Automatic Number Plate Recognition cameras to prevent Heavy Goods Vehicle traffic travelling through Watlington, was debated at some length. However, no clear consensus position was reached.
15. It is the view of the Committee that member understanding would be greatly enhanced by knowing how the decision to proceed with the Watlington Relief Road was reached, the alternative options which were considered, and the reasons the current proposal was chosen over the available alternatives. The Committee's view is that the options appraisal undertaken when deciding to proceed with the Watlington Relief Road scheme would be a straightforward

way to share this information, and it asks that members are availed of this information as part of the budget report at Council.

**Recommendation 3: That Council is provided with the options appraisal used when assessing to progress with the Watlington Relief Road as part of the budget report.**

16. Concerning the Watlington Relief Road, the need for an additional £3m to address cover price rises owing to delays in obtaining planning consent, and the costs of measures to secure that consent, was criticised by the Committee. The presence of a valuable natural asset – a chalk stream – was known from the outset, and could and should have been incorporated into plans and costings from an earlier stage. Some of those additional costs would still have accrued: the need to purchase additional land, for instance. However, not all would, and members would have been in possession of more accurate costings when deciding whether to agree to make budgetary provision for it.
17. Whilst the increase in cost is unwelcome, the main point of concern is a broader one. The Council is able to make good these cost-increases on a project of this size. However, it is also undertaking projects such as HIF1 and HIF2, which are considerably more complex and expensive. Increases in costs on a similar scale on those projects would pose a far more pressing challenge. The Committee seeks to highlight to Cabinet the imperative to improve project management and monitoring of costs now in order to avoid significant problems in the future.

**Observation 2: With HIF1 and HIF2 upcoming, similar levels of overspend to the Watlington Relief Road would not be sustainable, and the Council's project management and monitoring of costs will need to improve**

18. A further area of discussion by the Committee concerned the Council's proposals to charge non-residents for use of Household Waste and Recycling Centres. The Committee noted that there are areas, particularly in the north of the county, where non-residents are much closer to Oxfordshire Waste and Recycling Centres than ones hosted by their own authorities. Application of a fee could either encourage those residents to drive further and use the amenities provided by their own authorities, or worse, could encourage fly-tipping.
19. The Committee appreciates the points made in response to these issues about the proposed charge being set lower than in neighbouring authorities, and the need for review of the impacts of the new charge. However, it remains of the view that this is sub-optimal, and that reciprocal agreements with neighbouring authorities for cross-border access are a far superior solution. Requiring partnership working, the Committee recognises that delivering this solution is not within the exclusive gift of the Cabinet to deliver, but it wishes nonetheless to highlight its significant desirability and to encourage the Cabinet to continue to pursue it as far as possible.

**Observation 3: Recognising the limits to the Council's power when working with partners, reciprocal agreements with neighbouring councils to enable cross-border access to recycling centres should remain a clear priority**

### **Oversight of the Details of Capital Expenditure**

20. One area of proposed capital expenditure strongly supported by committee members was the provision of £1.5m in Public Realm Improvement funding. The purpose of that funding is 'to increase maintenance and enhance public-realm assets, strengthening towns and the city as attractive, vibrant destinations.'
21. Whilst the Committee is strongly behind making such resource available, it also recognises that to maximise the impact of such resources requires a high level of local knowledge to ensure that delivery plans truly address local priority needs. It is important, therefore, that delivery plans are consulted on with local members, and the Committee suggests that this best be done through Locality meetings.

**Recommendation 4: That plans for Public Realm Improvement expenditure are brought to members at Localities meetings.**

### **Tax Base Expansion and Other Cross-Cutting Advice**

22. There exists a gap between the anticipated increases to the Council tax base next year as estimated by the billing councils (district and city) and the figure used by central government when estimating Core Spending Power, a key determinant of the level of grant provided. Next year, the council tax base is expected to grow by 1.33%, as opposed to a central government assumption of 1.85%. The main contributor to this discrepancy is a delay in the Valuation Office Agency in issuing council tax bands for approximately 2000 homes in the South Oxfordshire and the Vale of the White Horse areas. Whilst it is expected that the annual lost income of £2.4m can be recouped in the future, and the Council has a reserve to cover such incidents, this delay is sub-optimal in that it introduces increased risks of non-payment as well as lost income on balances. The Committee is sure that the Cabinet is also keen to secure this income as soon as possible, and recommends that the Council writes to the Valuation Office Agency seeking to expedite the issuing of council tax bands to these 2000 homes.

**Recommendation 5: That the Council writes to the Valuation Office Agency to raise the issue of 2000 homes without council tax bands**

23. In its discussion of the proposal to invest £3.1m of capital expenditure in a new IT strategy, one of the queries raised was the amount of money which would be spent on external consultant resource. In response, it was explained

to the Committee that the primary elements of the strategy concerned new hardware for Council staff, and the migration of systems to the cloud. The implementation of these would fall primarily to existing staff with little use of consultants.

24. The Committee welcomes confirmation that the IT Strategy will be implemented primarily through in-house staff, but wishes to reiterate to the Cabinet the importance in addressing the Council's upcoming financial challenges in maximising the use of existing staff, and growing the number employed staff in place of temporary staff. The Council is addressing this through its People and Culture Strategy, but performance on this metric requires constant vigilance, particularly as Local Government Reorganisation progresses.

**Observation 4: The Council must be vigilant and remember the importance of making use of in-house capacity over consultants in the implementation of the IT strategy, and elsewhere**

### **School Meal Quality**

25. Having recommended to Cabinet in last year's budget scrutiny that school meal price increases be stepped more gradually due to concerns over the impact of price increases for parents and carers, the decision to hold the price of school meals is welcomed. However, it is recognised that in December food price inflation was running at 5.4%, and employer national insurance costs have increased since the last budget was agreed. The Committee supports the proactive action taken by the Council to find efficiencies to enable price freezes in the face of rising costs to provide the service. However, one area it is keen to ensure is not compromised is the quality of food itself. Members were assured that the efficiencies found had not had a deleterious effect on the quality of the food provided, though an example of one of the efficiencies found was the move from using fresh food to frozen. This is a change to what is put on the plate, and could therefore have an impact on quality.
26. The Committee seeks that the Council assures itself that the quality of the food it is serving is good enough, not by making its own assumptions but by asking the end users of the school meal service, i.e., the children. It is not intended that this exercise be an onerous task, and the Committee has been informed that a number of schools have undertaken surveys of children's views on school meal quality. The Committee requests that the feedback from those surveys be weighed before ultimately setting school meal fees.

**Recommendation 6: That the Council collates and reviews direct feedback from children, where available, from schools, concerning the quality of current school meals**



## FURTHER CONSIDERATION

27. The Committee is expected to return to its formal budget scrutiny process towards the end of 2026, once there are new proposals to scrutinise. In the meantime it will continue to monitor key aspects of the budget through its work programme.

## LEGAL IMPLICATIONS

28. Under Part 6.2 (13) (a) of the Constitution Scrutiny has the following power: 'Once a Scrutiny Committee has completed its deliberations on any matter a formal report may be prepared on behalf of the Committee and when agreed by them the Proper Officer will normally refer it to the Cabinet for consideration.
29. Under Part 4.2 of the Constitution, the Cabinet Procedure Rules, s 2 (3) iv) the Cabinet will consider any reports from Overview and Scrutiny Committees.
30. Under Part 3.2 2 (e) of the Constitution (Budget and Policy Framework and Procedure Rules), the Cabinet shall take into account any recommendations from the Scrutiny Committee in finalising its [budget] proposals for submission to the Council for consideration. In submitting the proposals the Cabinet will report to the Council on how it has taken into account any recommendations from the Scrutiny Committee.

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Annex:	Pro-forma Response Template
Background papers:	None
Other Documents:	None
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