



Supplement for

COUNCIL - WEDNESDAY, 25TH FEBRUARY, 2026

Agenda No	Item
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| 8. | <u>Budget 2026/27 & medium term financial strategy (Pages 3 - 12)</u> |
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Included is the Conservative Group's budget amendment and a paper from Financial Services on that amendment.

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Council 25 February 2025

Item 8: Budget 2026/27 and Medium Term Financial Strategy

Conservative Group amendment

The Conservative Group is proposing a responsible and community-focused amendment to the 2026/27 budget. Our approach prioritises residents, frontline services, and cost discipline, while ensuring value for money.

We propose removing the following allocations:

- **£411,726** currently allocated to reserves.
- **£100,000** for the Guildford Car Park lighting project. We believe this project should be reconsidered through proper scrutiny due to concerns regarding overall costs and scope, with a view to potentially delivering it from next year's budget if justified.
- **£14,009** increase to member allowances*.

This reflects our belief that residents should come first, and that discretionary spending and internal increases should be carefully controlled during financially challenging times.

We propose reinvesting these funds into the following priorities:

- **£353, 803 – Council Tax Freeze (2026/27)**
Delivering a council tax freeze to support households facing ongoing cost-of-living pressures.
- **£48,433 – Strengthening Fly-Tipping Enforcement**
Increasing the proposal from one to two enforcement officers, increasing capacity further to tackle environmental crime and protect our rural communities.
- **£50,000 – Station Parking Feasibility Study**
Supporting commuters, reducing inappropriate parking in residential areas, and strengthening sustainable transport links. Funding towards a feasibility study into expanding parking at:
 - Charlbury Station
 - Kingham Station
 - Hanborough Station
- **£70,000 – Youth Sport Grant Scheme**
Launching a new grant programme, administered by the Community Funding Officer, to support grassroots youth sport across West Oxfordshire to promote better health, opportunities, and community engagement.

**Officer comment – this assumes a 0% increase to members allowances for 2026/27, which would require a separate decision following consultation with the Council's Independent Remuneration Panel.*

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2026/27 Budget Amendments Proposed by the Conservative Group

This 2026/27 budget, submitted, by the Executive, for approval by the Council today, delivers a contribution to general fund reserves of £683,814 before growth requests and a balanced budget after growth requests.

The proposed amendments, submitted on 18th February 2026, are presented in the table below and a detailed narrative provided thereafter.

2026/27 PROPOSED BUDGET inc Growth	0
Proposed Budget Amendments	
Reverse movement to Earmarked Reserves	(411,726)
Remove funding for Guildenford Car Park Lighting	(100,000)
Freeze Members Allowances	(14,009)
	<u>(525,735)</u>
Freeze District Council Tax at £129.38	353,803
Additional Environmental Crime Officer	48,433
Feasibility study into increasing car parking provision at Charlbury, Kingham and Hanborough stations	50,000
Launch a Youth Sport Grant Scheme	70,000
	<u>522,236</u>
2026/27 DRAFT BUDGET inc Proposed Amendments	(3,499)

A revised Medium Term Financial Strategy (MTFS) detailing the impact of these proposed changes is attached at Appendix A.

Amendment One - Reverse the proposed movement to earmarked reserves in the amount of £411,726.

The Council can make contributions to earmarked reserves either because there is a revenue surplus or funding has been confirmed but will not be spent in the same financial year. e.g Extended Producer Responsibility grant.

The £411,726 movement to earmarked reserves represents the additional movement to reserves between the budget presented to Executive in January 2026 and the final budget proposed in February 2026. It is the surplus in the revenue budget for 2026/27 which has been earmarked to help fund the revenue deficits from 2027/28 as shown in the MTFS (Annex B of the budget papers).

Impact

If this amendment was accepted, this would reduce earmarked reserves by £411,726 and increase revenue funding available by the same amount. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Two - Remove the revenue funding for new lighting in Guildenford car park. Propose that the project be reconsidered after going through Overview and Scrutiny Committee due to concerns about costs.

An estimated cost of £100,000 has been included in the proposed Capital Programme (Annex C of the budget papers) for 2026/27 for new lighting in Guildenford car park as the existing lighting has been assessed by our Health & Safety Officers and their findings conclude that it needs to be replaced.

This capital expenditure is proposed to be funded through a revenue contribution rather than other ways of funding it e.g capital receipts, internal or external borrowing. The Council has always used revenue to fund parts of the Capital Programme e.g. ICT equipment and infrastructure, Council buildings maintenance and other smaller projects

As noted in the budget report, before the Council today:

Inclusion in the Capital Programme does not mean that the expenditure is authorised. a business case would still need to be prepared and brought forward for review.

The actual costs of this lighting would be scrutinised through this process.

Impact

If this amendment was accepted, this capital expenditure could be funded through another capital financing source. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Three - Remove the increase in Members Allowances for 2026/27 i.e “freeze” the allowance for 2026/27.

The Members’ Allowances Scheme 2023-27 was adopted by Council on [22 March 2023 \(minute item CL.70\)](#) and is included at Part 7 of the Constitution. It states:

“2.3 The basic allowance will increase annually from 1 April at the same rate as the percentage cost of living uplift in the national pay settlement for local government employees for that year (or for 2023/24, 6% if that is a higher increase than the national pay settlement). If the pay settlement is not known until after 1 April, then a backdated uplift will be applied.”

The 2026/27 budget includes a figure of £14,009, an increase of 3%, in line with the cost-of-living increase applied to employee salaries. Any change would be subject to consultation with the Council’s Independent Remuneration Panel.

Impact

If this amendment was accepted, this would increase revenue funding available by £14,009. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Four - Freeze District Council Tax at the 2025/26 rate of £129.38.

The Council is permitted to increase Council Tax by either 2.99% or £5, whichever is higher. The budget for 2026/27 proposes an increase in the District Council Tax for a Band D property from £129.38 in 2025/26 to £134.38 in 2026/27, an increase of £5.

The £5 increase provides the Council with an additional £353,803 of funding for revenue expenditure in 2026/27. It equates to less than 10 pence a week for residents.

It should be noted that for 2025/26 West Oxfordshire District Council had the third lowest Band D council tax for local authorities.

The total Council Tax charge from the precepting authorities for a Band D property for 2026/27 (and corresponding figures for 2025/26) are shown in the table.

	Band D 2026/27 £	Band D 2025/26 £	Increase £
County Council	2,006.78	1,911.40	95.38
Thames Valley Police	298.28	283.28	15.00
West Oxfordshire District Council	134.38	129.38	5.00
Average Parish Precept	127.51	119.82	7.69
	2,566.95	2,443.88	123.07

Impact

If this amendment was accepted, funding for revenue expenditure would be reduced by £353,803 with a compounded impact in future years. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Five - Include an additional Environmental Crime Officer post at a cost of £48,433.

During the budget setting process a lack of resources to tackle environmental crime was identified by the Environmental & Regulatory service area, to deal with fly tipping, illegal

waste disposal, and abandoned vehicles and therefore a growth request was submitted for an additional permanent Environmental Crime Officer post.

All growth requests were considered and approved by the Senior Leadership Team (SLT) before inclusion in the draft budget with the request to create one additional permanent Environmental Crime Officer post at a cost of £48,433 being approved and included in the 2026/27 budget.

If the service area identifies an additional need during the year, there is a process in place to bring this request forward to the Executive for approval.

Impact

If this amendment was accepted, revenue expenditure would be increased by £48,433. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Six - Fund a feasibility study into increasing car parking provision at Charlbury, Kingham and Hanborough stations at a cost of £50,000.

Work started during 2025/26, together with key stakeholders, to look at options for car parking at Hanborough station.

If a service area identifies an additional need for further feasibility studies during the year, there is a process in place to bring forward fully costed requests to the Executive for approval.

Impact

If this amendment was accepted, revenue expenditure would be increased by £50,000. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Amendment Seven - Launch a Youth Sport Grant scheme (to be managed by the Community Funding Officer) at a cost of £70,000

As mentioned above, and in the budget papers, in depth conversations took place with each service area during the budget setting process. The SLT, including the Directors in each area, review the budget at a strategic level to ensure it reflects the resource need in their area. No request for such a scheme was identified during this process for the 2026/27 budget setting process.

If the service area identifies a need for this scheme during the year, there is a process in place to bring this request forward to the Executive for approval.

Impact

If this amendment was accepted, revenue expenditure would be increased by £70,000. (See Appendix A for the impact on the MTFS i.e the general fund balance in 2030/31 would be reduced to £794,823 compared to £2,045,711 in the proposed budget MTFS).

Impact on the Report of the Chief Financial Officer (CFO)

The report of the CFO gives a view on the adequacy of Council's reserves and the level of risk in the 2026/27 budget. The revised MTFS (see Appendix A) shows the negative impact these proposed amendments would have on the level of reserves over the life of the MTFS.

These amendments would also increase the risk level given the fact that a significant unknown at present is the transformation costs of Local Government Reorganisation (LGR). Whilst costs are unknown, it would be prudent to assume that they will have a significant impact on General Fund reserves before 2028. As these amendments would reduce the level of reserves, this in turn would increase the level of risk within the budget.

In addition, if LGR were to be delayed for any reason, the Council may need to find greater savings in order to continue to produce a balanced budget past the life of the current MTFS.

APPENDIX A

Medium Term Financial Strategy Updated February 2026					Annex B
	2026/27	2027/28	2028/29	2029/30	2030/31
Inflation		2.0%	2.0%	2.0%	2.0%
Taxbase	1.0168	1.013	1.012	1.0125	1.012
Base Budget	18,231,214	18,117,679	21,401,056	21,542,318	22,229,368
Inflation - Generic		362,354	428,021	430,846	444,587
Inflation - Publica	(1,914,311)	195,669	201,539	207,585	213,813
External Audit Fees	49,828				
Inflation - Retained Staff	1,377,950	197,616	203,544	209,651	215,940
Secondary Pension contribution saving	(635,039)				
Closure of some Public Conveniences	(100,000)				
Waste & Environmental Services Project	124,706	277,000	(30,000)	(143,000)	(177,000)
Members Allowances	0	15,000	15,000		
Ubico contract	185,380	200,000			
New Temporary Accommodation	(28,212)				
Community Governance Review	50,000				
Leisure Contract Income		1,390,578			
Disposal of Between Towns Road	(157,826)				
MRP/RCCO movement	192,960	282,048	(76,430)	0	(121,187)
Investment Property Rent	(140,765)				
External Borrowing	0	63,113	49,588	(18,032)	(18,032)
Local Government Re-Organisation	350,000	300,000	(650,000)		
One-off growth - reversal of prior year	(335,900)				
Service Area Review	455,447				
Fees & Charges	(440,000)				
Growth Requests	683,814				
Budget Amendments	168,433				
Target Budget (NOE)	18,117,679	21,401,056	21,542,318	22,229,368	22,787,489

Financed by:					
Revenue Support Grant	(6,769,325)	(4,837,844)	(2,849,655)	(2,907,718)	(2,967,889)
Adjustment Support Grant - One Year	(1,053,102)	0	0	0	0
Business Rates Share	(2,429,163)	(2,547,518)	(2,598,911)	(2,728,856)	(2,865,299)
Renewables	(393,831)	(393,831)	(393,831)	(393,831)	(393,831)
Income Protection Floor	(476,754)	(1,959,266)	(3,490,893)	(350,000)	(675,000)
Extended Producer Responsibility (Waste)	(2,990,216)	0	0	0	0
Government Grants & Business Rates	(14,112,391)	(9,738,459)	(9,333,290)	(6,380,405)	(6,902,019)
Investment Income - Pooled Funds	(1,156,227)	(924,982)	(832,483)	(749,235)	(711,773)
Contribution to/(from) earmarked reserves	3,740,771	(2,176,243)	(2,000,000)	(3,000,000)	(4,000,000)
Collection Fund	(180,988)	(110,000)	(110,000)	(110,000)	(100,000)
Council Tax	(6,412,344)	(6,743,338)	(7,078,174)	(7,423,742)	(7,773,002)
Total Funding	(18,121,179)	(19,693,021)	(19,353,947)	(17,663,382)	(19,486,794)
Use of GF reserves	(3,499)	1,708,034	2,188,370	4,565,986	3,300,695
TaxBase	49,561.59	50,181.11	50,783.28	51,418.07	52,035.09
Band D	129.38	134.38	139.38	144.38	149.38
Tax increase	0.00%	3.86%	3.72%	3.59%	3.46%
General fund balance	12,557,909	10,849,875	8,661,504	4,095,518	794,823

GENERAL FUND BALANCE FROM PROPOSED BUDGET

General fund balance	12,557,909	11,156,293	9,278,461	5,027,321	2,045,711
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