WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	**EXECUTIVE - 9 SEPTEMBER 2026.**
Subject	**FINANCIAL PERFORMANCE REPORT 2026/27 QUARTER 1**
Wards affected	All
Accountable member	Cllr Alaric Smith Executive Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report Author	Georgina Dyer, Head of Finance Email: georgina.dyer@westoxon.gov.uk
Annexes	Annex A – Detailed Revenue Budget Comparison Annex B – Capital Spend against Budget
Purpose	To detail the Council's financial performance for Quarter One 2026-2027
Recommendation	That the Executive resolves to: 1. Note the Council's Financial Performance for Quarter One 2026-2027
Corporate Priority	Working Together for West Oxfordshire
Key Decision	No
Exempt	No
Consultees	None

1. BACKGROUND

1.1. The purpose of this report is to provide an update on the financial performance of the council's activities for the first quarter of the 2026/27 financial year from 1 April 2026 to 30th June 2026.

1.2. The report considers the significant variances in revenue income and expenditure against the approved revenue budget set by Full Council on 25th February 2026 which anticipated a balanced budget i.e. no contribution to or from General Fund.

1.3. The report also includes progress in delivering the approved Capital Programme.

1.4. At this stage of the year a year-end forecast is not included. It will be part of subsequent quarterly budget monitoring reports as data becomes easier to extrapolate.

2. MAIN POINTS

Financial Performance Revenue Budget Monitoring - Summary

2.1. At Q1, the Council is reporting a favourable revenue position of £271,344 against the profiled budget. This is primarily driven by stronger than anticipated income from Development Management and Treasury Management activities. Whilst this represents a positive start to the financial year, it remains too early to forecast the year-end position with confidence and the financial performance will continue to be closely monitored.

2.2. The performance of fee earning services has been mixed in Q1, with Garden Waste income showing signs of pressure at £169,000 behind target, Development Management achieving a £242,000 surplus and Building Control on target.

2.3. There are no significant overspends to report at Q1. Whilst this suggests budgets are currently performing broadly in line with expectations, it remains early in the financial year and cost and income pressures will continue to be monitored.

2.4. The table below sets out the summary revenue monitoring position for the 30th June 2026 against profiled budget by service area.

WEST OXFORDSHIRE DISTRICT COUNCIL - Budget Monitoring

Revenue Budget Monitoring 2026/27 - Quarter 1, 1st April to 30th June 2026

Service Area	Quarter 1 Original Budget 2026/27 £	Current Budget £	Actual Exp £	Variance (under) / over spend £
Democratic and Committee Services	1,420,632	464,558	477,795	13,237
Environmental & Regulatory Services	724,923	121,035	111,112	(9,922)
Environmental Services	8,082,989	312,592	387,108	74,516
Finance, Human Resources & Procurement	1,381,861	324,690	326,332	1,642
ICT, Change & Customer Services	1,899,003	1,459,824	1,459,357	(467)
Land, Legal & Property	733,961	298,043	278,056	(19,987)
Leisure & Communities	220,016	(600,502)	(593,620)	6,882
Planning & Strategic Housing	1,710,300	457,684	210,429	(247,255)
Revenues & Housing Support	1,830,076	774,075	782,616	8,541
Investment Property and Retained Services	365,193	686,779	713,385	26,606
Total cost of services	**18,368,954**	**4,298,779**	**4,152,571**	**(146,208)**
Plus:				
Investment income receipts	(1,156,228)	(289,057)	(414,193)	(125,136)
Cost of services before financing:	**17,212,726**	**4,009,722**	**3,738,378**	**(271,344)**

3. Significant Variances

3.1. A full list of variances by cost centre is included in Annex A. The most significant variances, listed by Service Area (as set out in the table above), are as follows:

Environmental Services

Recycling

3.2. The budget for recycling credits was reduced in 2026/27 to take account of the impact of changes in regulations for the incineration of waste but this anticipated income reduction has not yet been seen. At the end of Q1, recycling credits have returned £49,000 more than budgeted for. At the same time, there has been an increase in the recycling contract to transport & process our recycling, which is showing as £27,000 overspent. Over the course of the year it is anticipated that the inflationary cost of the recycling contract will continue to be offset by higher than anticipated recycling credit income.

Green Waste

3.3. Green Waste income at Q1 is £169,000 below profile at £1.552m. Whilst the exceptionally dry weather may have contributed to lower demand, the service has achieved 90% of the annual budget and remains forecast to make a positive net contribution to Council services of £300,000.

Bulky Waste

3.4. The Bulky Waste service is performing very well year to date, generating £12,000 of additional income compared to the budget.

Planning & Strategic Housing

Development Management

3.5. Planning application fee income is £229,000 ahead of target with pre application advice fee income providing an additional £13,000 surplus. The team is carrying vacancies throughout the quarter, with a corresponding underspend in employee costs of £32,000. Agency staff have been employed to fill this gap, with costs of £46,000. The net surplus is therefore £228,000.

Development Management Appeals

3.6. The budget for specialist external legal advice was reduced by £50,000 in 2026/27. In Q1 there has been no expenditure on planning appeals. The timing and likelihood of appeals is by its very nature unpredictable.

3.7. Housing Enabling

This service includes a Strategic Housing post and the Regeneration Lead for the Carterton Area Strategy. The Regeneration Lead is currently employed on an interim basis and is £14,000 overspent compared to the base budget in Q1. This post is responsible for developing a Carterton Area Regeneration Framework and will be sending a report to Executive in the autumn.

Investment Property

3.8. The investment property portfolio performance in Q1 is £23,636 overspent due to rental income being below budget, whilst expenditure is on track. Two properties are currently being marketed, with negotiations for one property being at an advanced stage.

4. Local Government Reorganisation Update

4.1. A number of LGR workstreams, with staff from all seven authorities and Publica in Oxfordshire & West Berkshire, have been running since November 2025 relating to Finance & Audit, Assets, Revenues & Benefits, HR & People, Technology and Contracts & Procurement. In advance of the decision of the approved 3 unitary option on 16th July these workstreams have undertaken baselining activities to understand the current position in each authority in terms of staffing, service delivery models, financial position, assets, contracts etc.

4.2. Now that the government has decided on a three unitary solution for Oxfordshire and West Berkshire a number of additional workstreams have been set up to begin the more detailed work of disaggregating the Oxfordshire County Council functions and the consideration of service design.

4.3. The Finance & Audit workstream is reviewing what has to be in place on day one to ensure that the new unitary authority is safe and legal. A critical day one requirement will be establishing robust finance staffing and governance arrangements to include appropriate finance, payroll, exchequer, audit, counter-fraud and pension administration resources, alongside knowledge retention, training, external audit arrangements and the ability to operate legacy and new councils in parallel during transition. The workstream has highlighted the importance of ensuring sufficient capacity and continuity of expertise while managing the closure of predecessor authorities and supporting the production of final accounts for 2027/28.

4.4. The workstream must also ensure that all core financial management infrastructure is in place from vesting day. This includes general ledgers, accounts payable and receivable systems, payroll, cash receipting, banking interfaces, revenues and benefits systems, asset and lease registers, budget monitoring and reporting arrangements, cashflow forecasting, grant administration and schools' financial support. Particular attention is required to manage data migration and maintaining operational continuity through legacy systems where necessary and supporting statutory financial planning and reporting requirements during 2027/28 and beyond.

4.5. Several strategic and regulatory matters remain to be addressed, including VAT registration and management, PAYE and taxation arrangements, treasury management, banking contracts, financial regulations, schemes of delegation, capital and reserves strategies, contract novation and insurance arrangements. Key risks identified include reliance on external shared service providers, especially Hampshire's Integrated Business Centre (for Oxfordshire County Council), capacity constraints within existing Councils and outsourced arrangements, and the need to minimise system and process changes ahead of Day 1 to ensure a safe and compliant transition to the new councils.

It is important to remember that the Council remains responsible for making decisions on service delivery in the best interests of the residents of West Oxfordshire until Structural Changes Orders have been made. It is likely that these will follow the precedents previously set, namely that written consent from the successor council will be required for any significant financial decision that has not yet been approved through the budget setting process i.e. land disposals worth more than £100,000, entering contracts of more than £1,000,000 for capital and entering contracts of more than £100,000 for non-capital (whole life costs).

5. Capital Programme

5.1 At the end of Q1 capital expenditure is £1.064m against an approved Capital Programme for the year of £13.46m, which includes slippage from 2025/26 of £4.4m related to Waste Vehicle replacement, repairs to our buildings and renovation of the newly acquired temporary accommodation properties.

5.2 The roof replacement at Units 1-3 Carterton Industrial Estate & Station Lane are well underway and are scheduled to complete by the end of Q2.

5.3 Four new electric food waste vehicles are on order with delivery expected at the end of Q3.

5.4 The Council acquired 8 properties to use as temporary emergency accommodation during 2025/26, two on the open market and six transferred from Cottsway Housing Association. Two of the properties only require limited refurbishment and are due to be ready for occupation in Q2. Specification work is underway for the remaining six properties, with occupation of three expected by the end of the financial year and the last three in Q2 of 2027/28.

5.5 The Leisure Centre improvement programme is underway, with works to the Windrush children's pool, roof and changing rooms all scheduled for Q2 & Q3.

6. CONCLUSIONS

6.1. The Council has made a positive start to 2026/27, with a favourable revenue position reported at Q1 and no significant service overspends identified. Strong performance in

Development Management, Treasury Management and other income-generating services has offset areas of pressure. Whilst these results are encouraging, it is early in the financial year and a number of variables, including income levels, inflationary pressures and Local Government Reorganisation activity, could affect the year-end position. Financial performance will continue to be closely monitored and reported to Members throughout the year.

7. FINANCIAL IMPLICATIONS

These are set out within section 2 and 3 of the paper.

8. LEGAL IMPLICATIONS

There are no legal implications arising from this paper.

9. RISK ASSESSMENT

Officers will continue to monitor budgets closely throughout the year to identify mitigating actions which will enable the overall budgetary position to be brought back in line with budget where possible.

10. EQUALITIES IMPACT

No direct equalities impact with regards to the content of this report.

11. CLIMATE CHANGE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None arising from this report.