



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE – 9 JULY 2025
Subject	FINANCIAL PERFORMANCE REPORT 2024/25 YEAR END
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, Chief Accountant Email: georgina.dyer@westoxon.gov.uk
Summary/Purpose	To report the financial performance of the Council in 2024/25
Annexes	Annex A – Revenue Outturn Annex B – Capital Outturn and Capital Slippage
Recommendation(s)	That the Executive resolves to: <ol style="list-style-type: none">1. Note the 2024/25 financial performance.2. Recommend to Council to carry forward the capital budget of £4,951,242.3. Recommend to Council to approve the transfers to and between Earmarked Reserves as detailed in the report.
Corporate priorities	Working Together for West Oxfordshire
Key Decision	Yes
Exempt	No
Consultees/ Consultation	None

I. EXECUTIVE SUMMARY

- I.1** In February 2024, the Council set a balanced budget with a contribution to general fund reserves of £5,107. The in-year quarterly reporting has consistently forecast a cost of service overspend, mitigated by an overachievement of interest on Treasury Management investment activities.
- I.2** At year end the overspend on cost of services is £247,274. This is driven by pressure on some fee generating services, the loss of Housing Benefit subsidy related to homeless clients in temporary emergency accommodation i.e. B&Bs and Hotels and longer than budgeted for timelines in Investment & Regeneration Properties to negotiate new leases. Conversely there are also significant underspends in the Publica contract, Leisure, and ICT.
- I.3** Combined with the funding elements of the revenue account i.e. Retained Business Rates, Interest on external borrowing, Minimum Revenue Provision (the charge that must be made to revenue to pay off the principal amount of borrowing taken out to fund the capital programme, similar to depreciation in the private sector) and Government Grants, the final outturn position is a contribution to general fund reserves of £6,345.
- I.4** There is an additional £625,889 of treasury management investment income where the Council has benefited from higher than expected interest rates for the full financial year in both our Money Market accounts and our Pooled funds. Predictions that interest rates would begin to fall in the Autumn of 2024 have proven to be overly optimistic, due to the need for the Bank of England to curb inflation.
- I.5** Throughout the year it has been reported that the Leisure contract would be underspent for the year due to a prudent income contingency of £200,000 included in the base budget. The contract sum increases annually by CPI inflation which has been higher than expected, increasing income and therefore the underspend by £274,337 for a total variance of £474,337.
- I.6** Publica returned a net refund to the Council of £426,000 relating to Phase 1 of the Publica Review, early delivery against savings targets and a slightly higher employee turnover position. This one off saving has been transferred to earmarked reserves to help fund the one off and enduring costs of the Publica Review. The Publica Transition Phase 2 go live date of 1st July 2025 will impact on the revenue budget in future years and this will be built into the 2026/27 budget process.
- I.7** The Capital Programme for the year was approved at £12.03m (including an in year addition of £750,000 for Investment Property repairs) and expenditure at year end is £6.4m. The first phase of the replacement of the Waste Vehicle fleet was budgeted to be funded by external borrowing with the resulting interest costs and MRP (Minimum Revenue Provision) included in the 2024/25 budget. The Waste Vehicle replacement will now be incorporated into the County wide Waste Transformation Programme, due to report on this aspect of the programme in Q2 of 2025/26.
- I.8** The lower level of capital expenditure was due to the slippage of major projects such as Waste Vehicle replacement, Investment Property repairs and Witney Leisure Centre

decarbonisation. Investment Property repairs were subject to a tender exercise and the complex technical specification of the works has delayed projects into Q1 of 2025/26. Witney Leisure Centre decarbonisation will be the subject of a report going to the Executive in July 2025.

- 1.9** The reduced capital expenditure meant that the Council did not need to take out external borrowing in the year, saving £79,100 in budgeted interest costs and correspondingly, without additional assets, the MRP is £107,427 below budget.
- 1.10** The budget for 2025/26 assumes a lower rate of interest returns for Treasury Management investments which should reduce the variance throughout the year. Capital slippage, if agreed, will increase the Capital Programme to £16.165m with a corresponding increase in MRP.

There are a number of budget variances identified in the report across a range of service areas, commentary for the most significant of these is set out below. A full list of variances by cost centre is listed in Annex A.

These figures are subject to External Audit review; however no material change is expected from what is being reported here.

WEST OXFORDSHIRE DISTRICT COUNCIL - Budget Monitoring

Revenue Budget Monitoring 2024/25 - 1st April to 31st March 2025

Service Area	Quarter 4			
	Original Budget 2024/25	Current Budget	Actual Exp	Variance (under) / over spend
	£	£	£	£
Democratic and Committee Services	1,233,712	1,420,838	1,447,795	26,957
Environmental & Regulatory Services	726,038	715,808	715,463	(345)
Environmental Services	8,760,388	8,632,936	8,744,462	111,526
Finance, Human Resources & Procurement	1,089,327	1,116,545	1,128,245	11,700
ICT, Change & Customer Services	2,309,350	1,965,523	1,810,289	(155,234)
Land, Legal & Property	396,355	494,581	718,154	223,573
Leisure & Communities	227,208	301,951	(188,219)	(490,170)
Planning & Strategic Housing	1,061,472	1,391,333	1,243,962	(147,371)
Revenues & Housing Support	1,345,917	722,552	1,254,242	531,690
Investment Property and Retained Services	(318,880)	(426,295)	(291,347)	134,948
Total cost of services	16,830,887	16,335,771	16,583,046	247,274
Plus:				
Investment income receipts	(1,156,230)	(1,156,230)	(1,782,119)	(625,889)
Cost of services before financing:	15,674,657	15,179,541	14,800,926	(378,615)
General Government Grants	(3,108,880)	(3,140,628)	(3,039,040)	101,588
Retained Business Rates	(5,106,380)	(5,136,109)	(5,339,126)	(203,017)
Interest Payable	79,100	79,100	0	(79,100)
MRP	626,616	626,616	519,189	(107,427)
Revenue Contribution to Capital	540,100	540,100	546,997	6,897
Earmarked Reserves	(871,720)	(242,119)	429,866	671,985
Disposal of fixed assets	0	0	(13,549)	(13,549)
Capital Charges	(1,731,690)	(1,804,698)	(1,804,698)	0
Council Tax	(6,106,910)	(6,106,910)	(6,106,910)	0
Budgeted Contribution to General Fund	5,107	5,107	0	(5,107)
Contribution to General Fund	0	0	(6,345)	(6,345)

2. FINANCIAL REPORTING – REVENUE

Environmental and Regulatory Services

2.1 Markets

Throughout the year it has been reported that Market income has struggled. At year end income is £29,000 below target, a worsening of the forecast made in Q3 as income has weakened. Markets have been taken over by the Economic Development team who have run a tender process to find a professional market operator to run and improve the market offering across the District. The tender process closed on 22nd May, the results of which will be reported in Q1.

ICT, Change & Customer Services

2.2 ICT

West Oxfordshire function as the procurement hub for ICT licences and maintenance agreements across the Publica partnership Councils plus Ubico. This arrangement provides buying power when negotiating software purchases and renewals. During 2024/25 the ICT team have streamlined licence requirements and have delivered significant savings across the Publica partnership Councils. West Oxfordshire has achieved an underspend of £144,464. Many of our contracts run over three years, it is therefore possible that the expenditure in 2025/26 will also be below budget. This will be reforecast from Q2.

Land, Legal and Property

2.3 Elmfield

At the time of setting the 2024/25 budget it was envisaged that Elmfield would be tenanted from Q2 2024. Unfortunately, this timeframe slipped due to discussions around the capital works required to bring the building up to a letting standard. The year end position is an overspend of £97,200. As an empty building, the Council held the liability for Business Rates and incurred an additional cost of £60,000. The remainder of the overspend relates to maintenance costs (£14,000) and utilities (£23,000), some of which was for usage before the 2024/25 financial year but not invoiced by the supplier until months after the event. The tenant started occupation of the whole building in February 2025 and has successfully rented out the space to local people wanting either individual or small scale office space and support.

2.4 Depot

The Station Lane Depot is £49,642 overspent, relating to additional repairs and maintenance costs that do not meet the criteria to be classified as capital expenditure e.g. repairing the electric security shutter, roof repairs, fire door compliance, boiler repairs and emergency lighting replacement.

2.5 Marriotts

Marriotts was purchased by the Council in January 2023 for regeneration and to support a vibrant High Street in Witney and serve the whole District. This move away from commercial investments was a departure for the Council in comparison with the portfolio of investment properties that has been built up over the last 15 years but demonstrates the Council's commitment to develop the local economy.

A commercial agent manages lettings and it has become apparent in the current market conditions that retail lettings are not achieved at speed. The budget for 2024/25 made certain assumptions about the timing of new tenants taking up occupation of vacant units, which has proven to be overly optimistic. When a unit is vacant, the Council not only suffers a loss of rental income but also takes on the liability for Business Rates and Service Charges.

Of the £159,821 overspend for the year, £58,069 relates to underachievement of income and £101,752 relates to Business Rates, Service Charges and legal work on tenancy agreements. As the purchase was funded through internal borrowing and capital receipts, the Council does not carry any borrowing costs for the acquisition.

Overall this year Marriotts made a net contribution to the Council's finances of £465,689.

2.6 Legal

In May 2024, the Council signed up to a new Legal Shared Services agreement with Cotswold District Council and Forest of Dean District Council. The shared service offers advantages in terms of shared knowledge and resilience and the new SLA arrangement fairly apportions the cost of the service across the Councils based on the amount of resource each Council consumes. For the 2024/25 financial year there is an underspend of £42,017, a variance from a vacant post that was held all year and a post that became vacant mid-way through the period.

Leisure & Communities

2.7 Leisure Contract

As reported in year, there is a contingency included in the base budget that is not now required and results in an underspend of £200,000. In addition to this, the higher level of CPI inflation across 2024/25 has created additional contract income of £116,315 and the reduction in bad debt provision has resulted in an overall underspend of £474,337. The contingency has been removed in the 2025/26 budget and it is expected that reporting will show only a modest variance in Q1.

Environmental Services

2.8 Flood Defence & Land Drainage

During the year additional de-silting and clearance work was undertaken to ameliorate the risk of flooding at four key sites in Witney and high risk sites in Bampton and Carterton. This work has resulted in an overspend of £25,334. Additional budget has been provided for 2025/26 and a review of potential flood amelioration will be undertaken to identify any potential capital improvement work the Council should consider.

2.9 Dog Warden

This is a statutory service and is not income generating, therefore 100% of the cost is borne by the Council. Stray dogs are collected and transported to kennels. The cost charged to the Council had not been increased for several years, but a substantial rise, in recognition of fuel, food, vets costs etc took effect in January 2025. The overspend for 2024/25 is £35,508 with an increase included for 2025/26 to cover inflationary increases.

2.10 Public Conveniences

Public convenience income has been reducing year on year since the Covid pandemic. In 2024/25 income stands at 43% of pre pandemic levels. During the same period, contract cleaning costs have increased by 18% and the cost of cash collection is now £7,500 per year. Both these elements have resulted in an overspend of £27,591. The net cost of providing and maintaining Public Conveniences is £226,128 per annum.

2.11 Recycling

Recycling is £11,038 underspent for 2024/25, a significant improvement from the £434,665 overspend reported for 2023/24. The most notable positive is the switch to a new supplier to process Dry Mixed Recycling on 1st September 2024. The result is an underspend of £125,000, compared with an overspend of £243,000 for 2023/24. Conversely, recycling credits are £44,000 behind target and there have been £70,000 of additional Ubico contract costs. The boxes bought in year have been transferred to capital per paragraph 2.17. The 2025/26 budget includes a reduction in recycling credits of £75,000 linked to the potential impact of regulatory changes on the use of the waste incinerator by Oxfordshire County Council.

2.12 Green Waste

Income for the year is £64,000 behind target, but there was an error in the base budget of £40,995 too much in budgeted income. This error has been corrected for 2025/26 and the licence fee has been increased by £2.50 or £82,500 for the year. The expenditure on bins and boxes reported in Q2 and Q3 has been transferred to capital per paragraph 2.16.

2.13 Trade Waste

Trade Waste performance in 2024/25 has been very positive. The Waste Team have been proactive in making sure that any trade waste bin in use in the District is correctly charged for and any bins that are no longer subject to a contract are removed. This was achieved by an officer going out on rounds with Ubico to check contracts and bins in real time. This action, combined with direct debit payments for the service has resulted in a significant amount of additional income and an underspend of £110,619.

2.14 Household Waste

The year end position is an overspend of £25,272 an improvement from the £80,240 overspend reported for 2023/24. It is made up of a £10,000 contribution to staffing costs of the Oxfordshire Resources & Waste Partnership and an overspend on replacement bins and boxes.

2.15 Bulky Waste

Income generated from the Bulky Waste service has increased by 12% compared to 2023/24, turning a modest overspend last year into a £10,116 underspend against the 2024/25 budget. Fees were increased for 2025/26 as part of the budget setting process and so far in 2025/26 income levels are consistent with 2024/25.

2.16 Bins and Boxes

In the year, expenditure on recycling, waste and green bins and boxes in the amount of £139,353 was transferred from revenue to capital and funded through available S106 monies collected to provide additional waste containers across the District.

2.17 Downs Road Depot

The Depot has an overspend of £53,569 made up of reactive maintenance which does not meet the criteria to be recognised as capital expenditure and £18,807 stamp duty and fees payable on the renewal of the underletting agreement. The Council has a headlease for the site and sublets to Ubico to operate as a Waste Depot.

Planning & Strategic Housing

2.18 Development Management

Throughout the year quarterly monitoring reported that Development Management income was significantly behind budget. Over the first 3 quarters of the year income averaged £91,940 a month against a budget of £116,150 and the end of year forecast was an overspend of £145,000. During Q4, average income increased to £194,778 per month, due to the receipt of two major applications. The service has ended the year with an overspend of £6,882 which is due to a disappointing performance for Pre Application advice.

The volatility of planning application income has always made it difficult to predict and budget for. The 2025/26 budget was set against the backdrop of significant pressure on income as reported in Q3 and was reduced by £123,000, which now looks pessimistic.

2.19 Development Management Appeals

External legal spend on Planning Appeals is £79,498 underspent. It is difficult to predict when appeals will be settled therefore the budget for 2025/26 has been set at the same level as 2024/25.

Retained Services

2.20 External Audit

External Audit fees are set by an independent third party – Public Sector Audit Appointments (PSAA). The scale fee for the 2024/25 financial year was published in November 2024 and it raised the fee by 9.5%. The Council has two external auditors – one for the Statement of Accounts and one for the Benefits system. A combination of these costs for 2024/25, as audits become more detailed due to changing Audit guidelines, has meant an overspend of £61,946. The budget for 2025/26 included an increase of £20,000, as the scale fee had not been published. Clearly this budget will be overspent in 2025/26 and will be reported in quarterly monitoring.

2.21 Bank Charges

Bank and credit card charges have been reported as underspent since Q2 due to a £54,000 refund relating to prior financial years and the start of a new contract for credit card processing bringing costs back within the original budget envelope for the year in 2024/25. As a consequence of the refund, the final position for the year is an underspend of £72,155.

2.22 Investment Property

The Investment Property portfolio has had a mixed year in 2024/25, with the overall outturn, excluding Carterton Industrial Estate, being an underspend of £29,597. Town Centre Properties and Talisman have returned an underspend due to increased rental income and service charges for the Town Centre properties and a partially unused income contingency creating a £20,000 underspend at Talisman. This contingency has been removed in 2025/26.

Conversely, Between Towns Road and Des Roches have returned an overspend. In the case of Between Towns Road, this overspend results from security costs and Business Rates liability and for Des Roches the overspend comes from utility costs and contract cleaning when landlord works were undertaken mid-year.

2.23 Carterton Industrial Estate

Units 1-3 are currently vacant and major repairs to the roof are required before the building can be tenanted. The overspend for the year is £136,572. This is made up of Business Rates liability of £76,795, £26,000 to keep the vacant units secure, £10,000 for small repairs and £24,000 for professional fees for the condition surveys and specialist consultancy on the technical specification needed before going out to tender for the roof repairs. The tender process is now complete and work is anticipated to begin in Q2, to be taken to the Executive in July, with a tenant already in place to take over Units 1 & 2 and interest shown in Unit 3.

2.24 Non Distributed Costs

There are two elements to the pension contribution the Council makes for employees. Firstly, there is the amount paid monthly through payroll which is balanced by a secondary cash element paid direct to the LGPS that keeps the payroll contribution at a steady rate and funds historic pension liability. The primary contribution of 17.6% has not changed in the last five years, but the secondary cash contribution this year is higher than the budget and is £47,951 overspent at year end, as reported in quarterly budget monitoring and the Q3 forecast of outturn. The pension scheme triennial revaluation takes place in 2025 with consideration being given to increasing the primary contribution to compensate for the removal of the secondary contribution entirely.

Revenues & Housing Support

2.24 Housing Benefits

There are currently 82 households in temporary accommodation across the District. Over the course of the year this number has averaged 80, compared to an average of 60 households during 2022/23. Capacity in Council owned properties is for 22 single people with the remaining households in Bed & Breakfast or Hotel accommodation.

The reliance on Bed & Breakfast and Hotels to house an average of 60 clients cost the Council £787,152 in lost Housing Benefit Subsidy in 2024/25, partially offset by Housing Benefit overpayment income and a small reduction in the contribution to Bad Debt to bring the outturn position to an overspend of £489,887.

For temporary accommodation not owned by the Council, we are only able to claw back around 27% of the average weekly cost we pay out. The 2025/26 Capital Programme includes £3m to buy more temporary accommodation to relieve this unsustainable pressure on revenue. Additionally purchasing property allows the Council to provide high quality accommodation in areas with good transport links and makes it easier to provide the wide ranging support necessary to support clients.

3. FUNDING

3.1 Retained Business Rates and Pooling

The accounting arrangements for Business Rates are complex and statute requires recognition of items charged in one financial year to be resolved in the following year i.e. the deficit arising in 2024/25 (the shortfall in collectable rates vs expected due to the Govt's reliefs) will be repaid to the Collection Fund in 2025/26. This deficit has therefore been budgeted for in 2025/26 and will be funded by the Business Rates deficit earmarked reserve set up specifically for this repayment.

As the Billing Authority the Council collects 100% of the 'payable' income but distributes 50% of the 'budgeted' income (regardless of whether the actual cash collected has reduced significantly due to Govt reliefs) to Central Government and 10% to the County Council on a monthly basis.

The table below shows the calculation of the budgeted Business Rate income for the Council vs the Actual.

	Budget 2024/25	Actual 2024/25	
	£m	£m	
Total BR Income	44.645	44.494	Expected vs Collectable
WODC share	17.858	17.858	WODC receive 40%. 50% goes to the Govt with 10% going to the County, fixed through NNDR 1 at Budget Setting. Uncollectable income compensated by S31 Grant.
Less Tariff	-14.339	-14.339	This is a Govt specified adjustment to reduce our collected rates to the baseline funding level they determine.
Deficit Payable	-0.724	-0.724	Fixed at Budget Setting
S31 Grant	5.494	5.562	Grant received to compensate for lost business rates income due to Central Gov policy.
Renewables	0.298	0.310	Income retained by WODC for renewable energy schemes
BR Income	8.587	8.667	
Less Levy	-2.654	-1.650	The budgeted figure is reduced by the Gain achieved from being a member of a Business Rates Pool.
Net Business Rates	5.933	7.017	
Movement to Reserves	-0.826	-1.678	S31 grant transferred to Budget Deficit Reserve to fund the 35% reduction in Business Rates income from 2026/27
Retained Income	5.107	5.339	

4. TRANSFER TO EARMARKED RESERVES

- 4.1 The table below shows the proposed movements to earmarked reserves. After the proposed movements to earmarked reserves, the final outturn position will be a £6,345 surplus which will go to the General Fund.

	Transfers		
Reserve	To	From	
	£	£	
Planning Skills Delivery	99,600		Planning Skills Delivery Grant to be spent in 2025/26
Afghan Resettlement	233,367		Afghan Resettlement Grant to be spent in 2025/26
UKSPF	202,987		UKSPF grant to be spent in 2025/26
Homelessness Projects	160,000		Surplus created due to expenditure funded through Homelessness Prevention Grant also budgeted for
Budget Deficit	426,642		Publica refund ref 2024/25 contract sum
Budget Deficit	852,130		Transfer of S31 Grant to fund loss of Business Rates income from 2026/27
Budget Deficit		62,500	Funding for Westhive
Budget Deficit		70,000	Funding for Grants with agreed Service Level Agreements
New Burdens		64,141	Funding for Finance Backfill for vacant Senior Accountant and the Waste Transformation Project
Project Contingency		46,659	Consultancy work for Waste Transformation Project
Total	1,974,726	243,300	

5. FINANCIAL REPORTING - CAPITAL

- 5.1 The capital programme approved by Council as part of the budget for 2024/25 totalled £11,281,673 with an additional £750,000 for Investment Property repairs approved in the year. At year end £6,349,405 had been spent against this budget.
- 5.2 The majority of the underspend, £4,951,242, is requested to be carried forward into 2025/26 as slippage as it concerns timing differences in the delivery of Windrush Leisure Centre PSDS, the Waste Fleet Replacement and Investment Property repairs, all of which are either underway or scheduled to be completed by Q3 of 2025/26.
- 5.3 A full breakdown of the schemes for the year and expenditure at 31st March is attached at Annex B.

6. CONCLUSIONS

- 6.1 The net cost of service outturn position for 2024/25 is in line with the forecast reported in Q3 at £247,274 overspent. Better than anticipated interest returns from Treasury Management investments, reduced payments of MRP and external interest costs linked to the slippage in the Capital Programme and achieving a higher level of retained Business Rates allowed for higher than budgeted transfers to the Budget Deficit Earmarked Reserve. This reserve was set up to mitigate the impact of the Business Rates reset which will be introduced on 1st April 2026, uncertainty around Government funding and the revenue impact of the end of the Leisure Contract in 2027.

7. FINANCIAL IMPLICATIONS

- 7.1** The Council set a balanced budget for 2025/26 with a contribution to General Fund of £91,280, in large part due to an additional £1.055m of retained Business Rates and £2.33m Extended Producer Waste grant which the Council has treated as a one off grant given the lack of certainty over any future payments.
- 7.2** The consultation on the reset of Business Rates went live in April 2025 and the details published by the Government make it apparent that this Council is estimated to lose £3.1m of income, potentially phased over a three year transition period. Combined with the estimated £2.4m loss associated with the end of the Leisure Contract in 2027, the Council will be reliant on the General Fund and Earmarked Reserve balances to set a balanced budget over the life of the existing MTFS. A budget deficit reserve was set up using general fund surpluses and transfers from existing reserves in 2023/24 to fund this income gap and has a current balance of £3,634,690.

8. LEGAL IMPLICATIONS

- 8.1** None

9. RISK ASSESSMENT

- 9.1** Not applicable

10. EQUALITIES IMPACT

- 10.1** None

11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 11.1** None

12. BACKGROUND PAPERS

None