

**To:** Scrutiny Committee  
**Date:** 9 September 2025  
**Report of:** Director of Law, Governance and Strategy  
**Title of Report:** Scope of Work for the Scrutiny Budget Review Group 2026/27

Summary and recommendations	
<b>Decision being taken:</b>	To agree the scope of work for the Budget Review Group 2026/27
<b>Key decision:</b>	No
<b>Lead Members:</b>	Councillor Alex Powell, Chair of the Scrutiny Committee Councillor James Fry, Chair of the Budget Review Group
<b>Corporate Priority:</b>	A Well-Run Council
<b>Policy Framework:</b>	None

<b>Recommendation(s):</b> That the Scrutiny Committee resolves to:
<ol style="list-style-type: none"> <li>1. <b>Agree</b> the scope of work for the 2026/27 Budget Review Group;</li> <li>2. <b>Agree</b> the Terms of Reference for the Budget Review Group;</li> <li>3. <b>Delegate</b> authority to the Scrutiny and Governance Advisor, in consultation with the Scrutiny Chair and Budget Review Group Chair, to amend the scope as needed.</li> </ol>

Information Exempt From Publication	
N/A	N/A

Appendix No.	Appendix Title	Exempt from Publication
<b>Appendix 1</b>	Scrutiny Budget Review 2026/27 Scoping Document	No
<b>Appendix 2</b>	Terms of Reference for the Scrutiny Budget Review Group 2026/27	No

## Introduction

1. Each year, Oxford City Council follows a statutory process to set a balanced budget within a prescribed timeline, as required by the Local Government Finance Act 1992. This process is essential for managing the Council's finances ensuring its soundness and good governance. A key part of this process is the Budget Review Group, who is tasked to examine how resources are allocated across the Council's services and consider the wider financial challenges it faces. This report outlines the proposed scope of work for the Budget Review Group and asks the Committee to agree a clear plan for their scrutiny activities.

## Budget Review Group 2026/27

2. At its meeting on 10 June 2025, the Scrutiny Committee agreed to establish the annual Budget Review Group to carry out a focused review of the draft budget proposals for the 2026-27 financial year, as well as the Medium-Term Financial Strategy for 2028-30.
3. The Budget Review Group ("the Group") will comprise the same membership as the Finance and Performance Working Group, consisting of four councillors, to ensure continuity of the work undertaken by said Working Group. They are: Cllr James Fry (Chair), Cllr Chris Smowton, Cllr Chris Jarvis and Cllr Ian Yeatman. Substitutions will be permitted for the Budget Review Group, though it is hoped that advance planning and scheduling of its meetings will help minimise the need.
4. A total of 5 meetings will be held during December 2025 and January 2026, aligning with the key stages of the Council's budget cycle, and will be thematically structured to enable an in-depth examination of directorate budgets, council-owned companies, and financial assets.
5. Areas of focus for this year to include financial mitigation strategies, the impacts of inflation and cost-of-living crisis, and sustainability of the Oxford Direct Services Limited (ODSL), Oxford Direct Services Trading Limited (ODSTL) and Oxford City Housing Limited (OCHL)<sup>1</sup> business plans. The Group will assess income stream risks, borrowing plans, contingencies, optimism bias assumptions and the Capital Programme's deliverability. Attention will also be given to the use of emerging technologies such as AI, challenges in staff recruitment and retention, and the financial implications of the local government restructure.
6. Full details of the Budget Review Group scope is set out in Appendix 1. Also included as Appendix 2 is the Terms of Reference guiding the work of the Group.
7. Cabinet Members and the Council's Corporate Leadership Team (CLT) will be invited to attend meetings where their input is required to inform the work of the Group. As well, members of the Housing and Homelessness Working Group and the Climate and Environment Working Group will be invited to contribute respectively to the review of housing-related and environmental sustainability budgetary matters, though they will not have powers to formulate or agree any recommendations.
8. At the end of the project, a report detailing the Budget Review Group's findings and final recommendations will be submitted to the Scrutiny Committee for

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<sup>1</sup> Trading under OX Place, including its subsidiaries Oxford City Housing Investment Limited and Oxford City Housing Development Limited

consideration and approval and then reported onward to Cabinet and the Budget Council in February 2026.

### **Alternative Options Considered**

9. The Committee could decide not to agree the proposed scope for the Budget Review Group however it would need to clearly define and agree its expectations. Failure to agree on the scope may risk delaying the review process and could ultimately undermine the role of scrutiny in the Council's budget-setting for the coming year.

### **Other implications**

10. Whilst the Budget Review Group is a non-decision-making body, recommendations made as an outcome to the review process could influence future operational priorities. The Committee should be mindful of potential impacts on community relations and public perception, particularly where changes to budget may affect the delivery of service.

### **Financial implications**

11. Any financial implications arising from matters considered by the Budget Review Group will be detailed in the reports presented and discussed during the scheduled meetings.

### **Legal issues**

12. Any legal implications arising from matters considered by the Budget Review Group will be detailed in the reports presented and discussed during the scheduled meetings.

### **Level of risk**

13. Risks arising from matters considered by the Budget Review Group will be detailed in the reports presented and discussed during the scheduled meetings.

### **Equalities impact**

14. Where appropriate, Equalities Impact Assessments will be linked to the reports presented to the Budget Review Group.

### **Carbon and Environmental Considerations**

15. Where appropriate, Carbon and Environmental Considerations will be linked to the reports presented to the Budget Review Group.

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**Background Papers: None**

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