

Oxford and Shires | Ridgeway

Detailed Financial Case
October 2025

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Contents

This document presents the detailed financial case for the two unitary authority option for Oxfordshire and West Berkshire, with the proposed Oxford & Shires and Ridgeway UAs. It builds on the comparative options appraisal undertaken, which used consistent assumptions and publicly available data to model benefits and costs across all three options as a starting point. **The more detailed analysis in this Financial Case further refines the logic and assumptions for the Oxford and Shires and Ridgeway proposal, resulting in more refined and prudent totals compared with the initial Options Appraisal.**

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1.0 Executive Summary

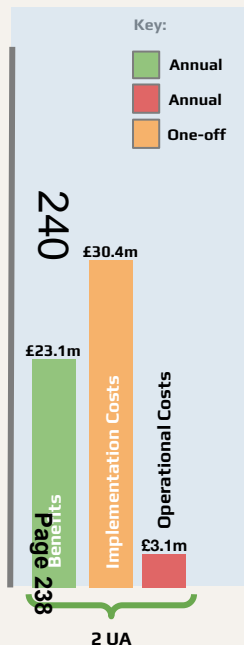
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Overview of Outputs

The analysis considers the detailed financial implications of LGR for Oxfordshire, **building off of the high-level Financial Options Appraisal to focus specifically on the configuration of the 2 UA model**. It is important to note in the period leading to vesting day there are a number of changes which could occur to funding, priorities and policy - the modelling completed is therefore based on the **data available at this point in time**.



The Financial Case has taken a prudent approach to assessing the impacts of local government reorganisation for Oxfordshire, drawing from similar data sources and applying consistent methodology to support wider comparisons. **Oxford and Shires and Ridgeway** are not an exact comparator to the **1UA option**. This is due to the inclusion of West Berkshire to the income and expenditure baseline as well as the nuances of its current financial circumstances. Through reorganisation, **Oxford and Shires** is set to realise approximately **£13.5m** recurring savings against its 27/28 baseline expenditure, while Ridgeway is set to realise some **£9.6m**. With additional recurring disaggregation costs of £3.1m, the 2UA option results in a total net recurring saving of **£20.0m**.

Implementation Cost Drivers:

1. **Combining existing services:** the cost associated with merging services of seven councils, as well as the commissioning and procurement of new systems to cover the Oxfordshire footprint.
2. **Dissolving delivery of upper tier services:** the costs associated with dissolving existing partnerships and service provision for upper tier services against new geographies.

Benefit Drivers:

1. **Economies of scale:** larger authorities are able to deliver services more efficiently through shared infrastructure, procurement advantages, and consolidated back-office functions.
2. **Reduced management structures:** simplifying the governance model results in recurring savings from fewer senior posts and decision-making layers.
3. **Transformation following reorganisation:** reorganisation would primarily look to amalgamate services, but would not involve the detailed service improvement that may realise benefits from optimised operations, digitisation and automation. It is noted that there is significant benefits in addition to reorganisation which could be pursued under the new authority, which is particularly relevant for the **Ridgeway** authority to **support greater long-term financial sustainability and mitigate further need to rely on Exceptional Financial Support**.

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Projected Financial Position on Vesting Day - (p1 of 2)

The Income and Expenditure and Assets and Liabilities position has been set out for Oxford and Shires and Ridgeway in the 2UA option. **This is the balance position prior to any benefit realisation from local government reorganisation or further transformation.**

Income and Expenditure			
	2 UA (£m)		
Category	Oxford and Shires	Ridgeway	Notes
Income*			
Council Tax	377.4	431.5	Currently 27/28 view. Includes Council Tax Surpluses.
Grants (inc. non-AEF)	45.8	63.0	Currently 27/28 view
Business Rates	114.4	55.0	Currently 27/28 view
Total Income	537.6	549.5	
Expenditure**			
All Staff	171.8	164.5	Does not include any staffing consolidation impact. Proportion based on FY25/26 establishment data shared.
All Non Staff	384.1	396.7	Expenditure excluding staff
Total Expenditure	555.9	561.2	Total Expenditure for all authorities in Oxfordshire and West Berkshire. FY27/28
Net Position	-18.3	-11.7	
Total Reserve Draws	13.4	6.8	Draws from reserves for FY27/28 to cover budget deficit
Final Position	-4.9	-4.9	

*Income Sources: Draft statement of accounts (24/25), MTF5 and MTFPs, Pixel Outputs

**Expenditure Sources: Statement of Accounts 24/25, Net Operating Expenditure (25/26 onwards), Newton Analysis, Establishment data (provided by LAs).

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Projected Financial Position on Vesting Day - (p2 of 2)

The Income and Expenditure and Assets and Liabilities position has been set out for Oxford and Shires and Ridgeway in the 2UA option.

Assets and Liabilities (Core Considerations - not exhaustive)*				
Category	2 UA (£m)			Notes
	Oxford and Shires	Ridgeway	Oxford and Shires HRA	
Assets				
Fixed Assets	2,968.6	1,692.2	1,339.1	Long-term assets only, projected to 28/29 using Capital Expenditure
Liabilities				
Long Term Borrowing	892.1	441.7	345.8	Debt, Long Term Borrowing, EFS
Short Term Borrowing	318.3	358.5	0	Short Term Borrowing

*Asset Sources: Statement of Accounts, Capital Expenditure from 2027/28 MTFS and MTFP Capital Programmes

**Liabilities: MTFS and MTFPs, information supplied by LAs

Cost Benefit Analysis: Aggregation Benefit

The following sets out a view of the aggregation benefits (recurring) for the 2UA option.

Key benefits include:

- **Staffing (Leadership):** Benefits from reduction in duplicated top-line and associated transition costs.
- **Staffing:** Benefits from reduction of in-scope roles and associated transition costs.
- **Third Party Spend:** Benefits from reduction in addressable spend across all in-scope contract categories.
- **Democracy:** Benefits from reduction in election costs and member allowances.
- **Property:** Benefits from reduced property operational expenditure for rationalised assets.

Note: Capital receipts from rationalisation of assets are not included above.

Option 2UA					
	Y1	Y2	Y3	Y4	Y5
Total Aggregation Benefits (£m)	2.3	4.6	11.6	16.2	23.2

Benefits Phasing					
	Y1	Y2	Y3	Y4	Y5
Aggregation benefits profile (recurring)	10%	20%	50%	70%	100%

Staffing Benefits		Oxford and Shires (£m)	Ridgeway (£m)	2UA Total (£m)
Estimated Senior Leadership Structures Saving	Recurring	5.6	1.9	7.5
Estimated Front Office FTE Reorganisation savings	Recurring	2.4	2.3	4.7
Estimated Service Delivery FTE Reorganisation savings	Recurring	0.9	0.9	1.8
Estimated Back Office FTE Reorganisation Savings	Recurring	1.4	1.3	2.7
Total Staffing Benefit	Recurring	10.3	6.4	16.7
Third Party Spend Benefits				
Total TPS Aggregation Saving	Recurring	1.0	0.9	1.9
Democracy Benefits				
Estimated Total Allowances+SRA Saving	Recurring	0.22	0.46	0.68
Estimated Total Election Costs Savings	Recurring	0.63	0.45	1.08
Property Benefits				
Total OpEx Property Savings (not including disposal of surplus assets)	Recurring	1.4	1.4	2.8
Total Aggregation Benefits	Recurring	13.55	9.61	23.16

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Cost Benefit Analysis: Reorganisation Costs

The following sets out a view of the aggregation costs (one off) for the 2UA.

Key costs include:

- **New unitarities setup & closedown costs:** Spend to design the new structure and manage the change (e.g. training, comms, process redesign).
- **IT & Systems costs:** Spend on new or upgraded systems to support a single organisation (e.g. finance, HR, CRM).
- **External transition, design and implementation support costs:** Resources needed to run the transformation programme (e.g. project management, governance).
- **Redundancy Costs:** Payments and support for staff reductions due to structural changes. This has been uplifted.
- **Contingency:** A buffer for unexpected costs, reflecting risk and complexity.

Recurring Disaggregation costs are expected to primarily impact Ridgeway UA due to disaggregating County-wide services that do not currently exist at the same level in West Berkshire.

It is assumed that transition costs will be funded.

Option 2 - Oxford and Shires and Ridgeway (£'000)						
	Y0	Y1	Y2	Y3	Y4	Y5
Total One-Off Transition Costs (£M)		-12.1	-12.1	-6.2	0	0
Total Disaggregation Cost (recurring)* (£m)		0	-3.1	-3.1	-3.1	-3.1
Benefits Phasing						
	Y0	Y1	Y2	Y3	Y4	Y5
Transition costs (one-off)		40%	40%	20%	0%	0%
Disaggregation costs (recurring)		0%	100%	100%	100%	100%
One off transition / implementation costs		Total (£M)	Note			
New unitarities setup & closedown costs						
<ul style="list-style-type: none"> • External Comms, Rebranding & implementation: • Internal Programme Management: • Creating the new council • Organisation closedown • Public Consultation • Shadow Chief Exec Costs 		7.5	Programme management, administrative and legal activities linked to new council creation and closedown, public consultation, rebranding and communications ahead of vesting day, and shadow member and executive costs. Based on other actuals from other previous LGR experience.			
IT & Systems Costs		6.9	Costs of data migration, systems migration, setting up new systems, hardware costs, integrating business systems etc. Based on other actuals from other previous LGR experience.			
External transition, design and implementation support costs		7.7	Based on other actuals from other previous LGR experience.			
Redundancy costs		5.1	Redundancy cost as a proportion of salary (current assumption) x total FTE saving			
Contingency		3.2	Estimated 40% of total one off transition / implementation cost (excl. ICT)			
TOTAL		30.4				

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Cost Benefit Analysis: 5 Year Outlook

This takes into account:

- Aggregation and disaggregation benefits / costs (recurring)
- One-off transition costs.

Both options have a net cost in Year 1 due to transition spend, followed by strong and rising net in year benefit.

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Note: Modelling reflects assumptions agreed as in August 2025.

Recurring Disaggregation costs are expected to primarily impact Ridgeway UA due to disaggregating County-wide services that do not currently exist at the same level in West Berkshire.

2UA Model							
	Y0	Y1	Y2	Y3	Y4	Y5	Total 5 year Benefit / (Costs)
Total Aggregation Benefits (£m)		0	2.3	4.6	11.6	16.2	23.2
Total Disaggregation Benefits / Costs (£m)*		0	-3.1	-3.1	-3.1	-3.1	-3.1
Total Transition Costs (£m)		-12.1	-12.1	-6.2	0	0	0
Net in year Benefit/(Cost) (£m)		-12.1	-12.9	-4.7	8.5	13.1	20.1

Benefits Phasing						
	Y1	Y2	Y3	Y4	Y5	
Aggregation benefits profile (recurring)	10%	20%	50%	70%	100%	
Disaggregation costs (recurring)	100%	100%	100%	100%	100%	
Transition costs (one-off)	100%	0.00%	0.00%	0.00%	0.00%	

Based on the cost/benefit analysis, the payback period for the 2UA LGR option would be 4.4 years, or within 5 years of reorganisation.

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Transformation - 2 UA

There is an opportunity to deliver additional transformation savings based on the view from the MTF5 and Policy module. The scope of transformation savings would be refined by the new authorities including identifying individual opportunities. The phasing of transformation benefits has been tapered to show a five year implementation period. Investment and delivery costs have been included. An updated view of net benefits over the five year period has been provided.

Transformation Opportunities						
Benefit Area	O&S Baseline (£m)	Savings Assumption (O&S)	O&S (£m)	Ridgeway Baseline (£m)	Savings Assumption (Ridgeway)	Ridgeway (£m)
Reduction in front office FTE spend	57.4	1%	0.6	56.2	3%	1.7
Reduction in service delivery FTE spend	60.6	1%	0.6	59.3	1%	0.6
Reduction in back office FTE spend	43.5	3%	1.3	42.6	5%	2.1
Reduction in TPS	367.1	1.5%	5.5	382.7	2%	7.6
Increase in Income	126.3	0.5%	0.6	73.5	0.5%	0.4
Assets (Operational Expenditure)	11.1	0.5%	0.05	11.2	0%	0

Oxford and Shires UA					
Year	1	2	3	4	5
Yearly Benefit (£m)	0	0	4.3	6.5	8.6
Yearly Cost (£m)	-2.4	-2.4	-0.6	-0.6	0
In-year Net Benefit / (Costs) (£m)	-2.4	-2.4	3.7	5.9	8.6

Ridgeway UA					
Year	1	2	3	4	5
Yearly Benefit (£m)	0	0	6.2	9.3	12.4
Yearly Cost (£m)	-3.5	-3.5	-0.9	-0.9	0
In-year Net Benefit / (Costs) (£m)	-3.5	-4.5	5.3	8.4	12.4

Consolidated View - Benefits

Detailed below is a consolidated view of the benefits of local government reorganisation as well as the transformation post reorganisation, which would be expected to be annual, recurring benefits from Y5 onwards.

Benefit Area	Oxford and Shires		Ridgeway	
	O&S LGR Benefits (£m)	O&S Transformation Benefits (£m)	Ridgeway LGR Benefits £m)	Ridgeway Transformation Benefits (£m)
Senior Management	5.6	N/A	1.9	N/A
Front Office FTE	2.4	0.6	2.3	1.7
Service Delivery FTE	0.9	0.6	0.9	0.6
Back Office FTE	1.4	1.3	1.3	2.1
Third Party Spend	1.0	5.5	0.9	7.6
Democracy	0.8	N/A	0.9	N/A
Assets (Operational Expenditure)	1.4	0.05	1.4	0
Income Generation	N/A	0.6	N/A	0.4
Gross benefits	13.5	8.6*	9.6	12.4
Less disaggregation cost	0	0	3.1	0
Net benefits	22.1		18.9	
Total 2UA net benefits	41.0			

*Note, there is a slight discrepancy here due to rounding, with the original sum figure being £8,623,395.

These figures are more refined than the initial Options Appraisal which uses publicly available data and consistent assumptions applied in the same way across all three proposals for local government reorganisation. The detailed analysis undertaken for this Financial Case further develops anticipated benefits and costs, using local insights and tailored assumptions. This results in more refined and prudent totals. It is anticipated that the councils preparing proposals for other options will have refined their more detailed cases in a similar way.

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2.0 Approach and Summary Outputs

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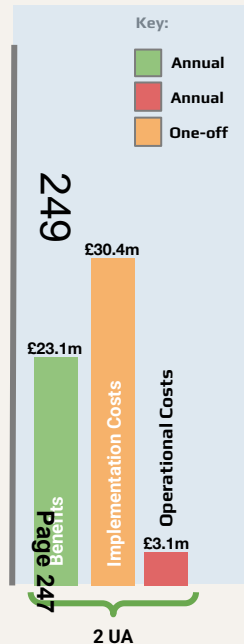
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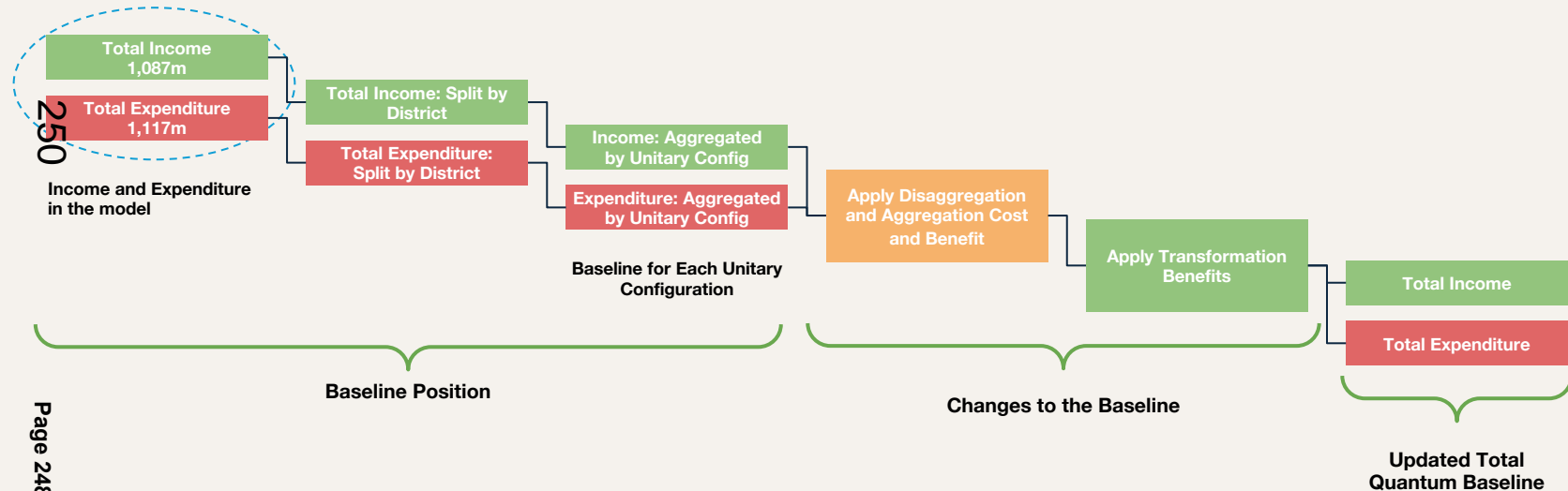
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Financial Analysis Approach

The financial model established an agreed baseline input that can be split via Districts (based on either actuals or an apportionment of Oxfordshire County Council costs) for each of the components of the model and then mapped to the configurations of each new Unitary Authority. Benefits, dis-benefits and transformation opportunities can then be mapped based on the configuration of each Unitary. As part of this baseline, an apportionment of Oxfordshire County Council costs was applied to the Districts, reflecting their role as part of the existing two-tier structure where they benefit from county-level services and are assumed to share in the associated financial liabilities.



3.0 Modules

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Modules

The detailed modules of analysis are explained separately within each of the following subsections. Each of these modules connects back into the top-level financial model to show the comparative cost-benefit to the system of the LGR option.

Section	Module	Description
3.1	Income, borrowing & debt	Review of income and debt within the existing councils to provide a view of the financial position of each new Unitary Authority in Year 1. This includes sub modules of: Council Tax, Debts and Grants and Business Rates.
3.2	Demand increases	Review of service areas where significant and material demand increases are expected, using Newton Analysis to quantify and indicate demand increases, to ensure the model reflects the most accurate view of demand and expenditure in the system.
3.3	Third Party Spend	Review of spend by aggregating third-party spend, identifying disaggregation costs, and quantifying transformation benefits, to assess the financial impact of a one Unitary Authority configuration.
3.4	Assets	Review of properties to categorise into land and buildings based on their use type in the asset register, to evaluate income and expenditure associated with assets and how these change under different options.
3.5	Staffing & Pay	Review of staff costs and FTE counts, to understand the impact of pay harmonisation, leadership restructuring, service demand changes, and transformation-driven staffing changes.
3.6	Member numbers	Review of election cost across the existing councils using previous turnout data and standard rate of £ per vote/elector, to understand the projected election costs following the creation of two Unitary Authority configuration.
3.7	MTFS	Review of current and past MTFS documents to baseline existing and future saving plans and historic savings delivered, to use as a proxy to review the maturity of transformation across the system.
3.8	Policy & Transformation	Review of existing service delivery to inform assumptions used through the financial model, based on decisions of the current authorities, to ensure the model accurately reflects what is materially possible in each new authority.

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Assumptions: Overall Model

Assumptions for the Overall Model

It was agreed to maintain consistent, comparative assumptions across 1UA and 2UA options as far as possible.

The following benefits realisation profile has been applied, focussed on a gradual approach. Yr 1, 10% Yr 2, 20% Yr 3, 50% Yr 4, 70% Yr 5+, 100%.

253 Earlier phasing of transition costs has been applied. The current profile is as follows, Yr 0, 40% Yr 1, 40% Yr 2, 20% Yr 3+, 0%.

The preferred approach for maintaining a comparative and consistent baseline between 1UA vs 2UA Financial Case is to include a parallel figure for West Berkshire in the 1UA and narratively emphasise the presence of West Berkshire in both scenarios, but to exclude the UA from calculations in the 1UA analysis.

The impacts of the Fair Funding Reform is not formally included in the model given the complexity and uncertainty around potential consequences, but recognise that individual councils may have factored in elements of the reform into their MTFs.

HRA-related (eg. addressable assets) factors are out of scope of the model.

The RA 25/26 data has been used where possible (eg. net revenue expenditure for the Financial Options appraisal), but some modules have required more specific data (eg. view of Sales, Fees and Charges)

3.1 Income, Borrowing and Debts

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Overview of Income, Borrowing and Debts

Overview

As part of the LGR process, OCC and O&WB debt, income and borrowing will need to be apportioned to the new Unitary Authorities.

From vesting day, the new unitaries will receive funding that was previously allocated to the legacy authorities. Funding currently allocated to Oxfordshire and West Berkshire needs to be apportioned across the proposed unitary authorities for modelling purposes. Council tax will also need to be harmonised across the new organisations, which will impact the amounts paid by residents and received by the new unitaries.

Detail of the future forecast income for the new unitary authorities is set out in the following pages.

The following categories of income have been considered throughout this module to provide a view of the financial position of each new Unitary Authority in Year 1.

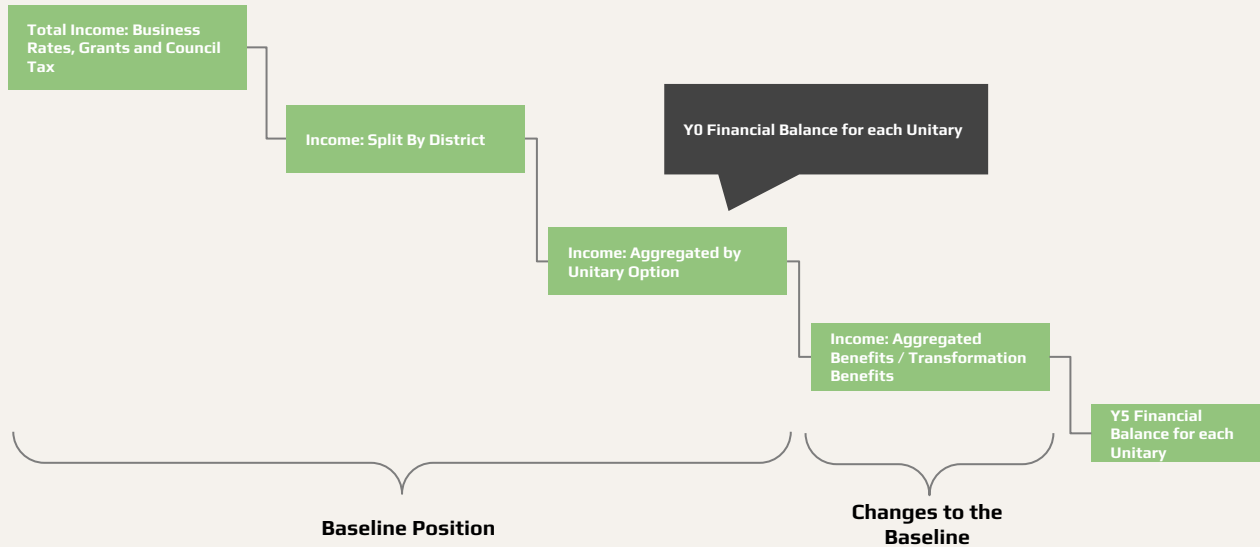
Categories of Income	Description
Business Rates	Local share of Non-Domestic Rates (NDR) retained by the council after redistribution and top-up/tariff adjustments.
Council Tax	Income from residents based on property valuations and bandings, used to fund local services.
Grant Funding	Aggregated government grants within the Aggregate External Finance (AEF) system, such as Revenue Support Grant.

Local Context

- Each Council presents their MTFS in a slightly different manner, but broadly the figures reconcile to a consistent income position.
 - South Oxfordshire and Vale of White Horse:** Business rate figures are presented as growth against baseline which then present lower figures to other organisations. This is balanced out through the greater flow through from grant income.
 - Oxfordshire County Council (OCC):** Reports Council Tax Surpluses as a separate line, which has been included in total Council Tax Income figures.
- Some Councils have taken into account the impacts of the Fair Funding Review as part of their MTFS. Where that has made a significant, material difference, local authorities have provided figures and forecasts that exclude Fair Funding Review.
 - Cherwell** has provided revised figures not in the MTFS that dampens the impact of the reform.
- Council tax income currently includes Fire and Rescue precepts, however it is noted that it is ring-fenced income and to be delivered by a lead authority following reorganisation.

Methodology

Following LGR, the financial baseline across different Unitary Authority configurations is shaped by how income is distributed between areas. This assessment considers how current income streams are split across districts and re-aggregated based on the proposed unitary options to determine both the starting financial position and the impact of transformation over time.



Assumptions

Assumptions for Income, Borrowing and Debts

The Pixel model is used as the guide for disaggregating County income across the five district councils.

The impacts of the Business Rates Reset have been treated differently in each MTF5. It is understood that some discrepancies may exist in presentation, but the final figures for income have been reviewed by Section 151 Officers and show a consistent income position.

Council tax harmonisation has primarily been shown as harmonised on Day 1, against the weighted average. It has been additionally modelled for alternative harmonisation scenarios (across extended timeline of 1 year, 4 years or 7 years) for additional views.

County and District precept increases until vesting – For each year between the reorganization start date and the harmonisation year, we assumed an annual increase at the maximum rates permitted by MHCLG (4.99%, 2.99% or £5 respectively).

The guiding principle is that debt follows the asset, allocating liabilities to the old authority assuming responsibility for the related asset which can then be aggregated back up into the new unitary configurations.

The cost of transferring debt between organisation has not been included.

Projected year-on-year Capital Financing Requirement (CFR) is used as a proxy to forecast the total debts and liabilities set to land on vesting day

HRA debt and liabilities will be removed from total debts, to support with a focused view on General Revenue Fund impact and analysis across the model.

The Newton SEND Demand analysis has been used as the guide for disaggregating County DSG High Needs deficit to the new Councils.

Inputs: Overview of Income and Funding currently

The following sets out the Oxfordshire breakdown of Business Rate, Grant and Council Tax income distributed to each of the individual organisations. This then means that a view of income can be derived for each Unitary construct. The following is based on data from FY 25/26 to FY 27/28, as per the MTF5.

	Business Rates (£'000)			Grants (£'000)			Council Tax (£'000)		
Council	25/26	26/27	27/28	25/26	26/27	27/28	25/26	26/27	27/28
Cherwell District Council	14,988	13,873	14,425	1,303	623	311	9,903	9,944	10,384
Oxford City Council	12,779	12,644	12,667	770	739	739	16,730	17,241	17,768
West Oxfordshire Council	6,684	3,559	3,897	5,331	6,893	5,652	6,306	6,655	6,999
South Oxfordshire Council	780	570	360	7,863	7,243	6,771	9,625	10,092	10,571
Vale of White Horse Council	297	248	199	9,635	8,524	7,452	9,564	10,037	10,525
Oxfordshire County Council	101,925	103,648	105,439	64,839	62,254	62,242	542,549	572,292	605,079
West Berkshire Council	30,600	31,500	32,500	24,900	24,300	25,600	131,600	139,400	147,500
Total	168,053	166,042	169,487	114,641	110,576	108,767	726,277	765,661	808,826

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Outputs: Apportionment of OCC's income

The following table sets out the Oxfordshire & West Berkshire breakdown of Business Rate and Grant income aggregated up to the new unitary arrangements. **County Council funding has been disaggregated based on the pixel model.**

Income Categories	OCC Baseline 27/28 (£'000)	Oxford & Shires Pixel Disaggregation	Ridgeway Pixel Disaggregation	Oxford & Shires Actuals (£'000)	Ridgeway Actuals (£'000)
Business Rate	105,439	79%	21%	83,455	21,984
Grant Funding	62,242	63%	37%	39,066	23,176
Council Tax	605,079	57%	43%	342,204	262,875

Outputs: Total Income - 2 UA

The table below presents the Total Business Rates, Council Tax and Grant funding for the years 2025/26 through 2027/28, accounting for the apportionment of the County's income for the new authorities.

	2025/2026 (£'000)			2026/2027 (£'000)			2027/2028 (£'000)		
	Business Rates	Council Tax	Grant Funding	Business Rates	Council Tax	Grant Funding	Business Rates	Council Tax	Grant Funding
Oxford & Shires	115,124	339,779	48,100	112,113	357,501	47,328	114,444	377,355	45,768
Ridgeway	52,929	386,498	66,541	53,929	408,160	63,248	55,043	431,471	62,999
Total	168,053	726,277	114,641	166,042	765,661	110,576	169,487	808,826	108,767

3.1.1 Council Tax

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Two Councils

Oxford and Shires | Ridgeway

Introduction to Council Tax

The harmonisation process brings together varying Council Tax rates from different districts into a single rate over a set time period.

The aims are to:

- Provide a clear, consistent approach to setting council tax across all residents in the new unitary structures.
- Ensure equitable treatment of taxpayers by harmonising to the lowest, highest, median or weighted average rate.
- Provide evidence for the final business case narrative, demonstrating the potential impacts of council tax changes on residents and overall viability of the new Council(s).

This analysis does **not** forecast any additional financial impacts to residents that might arise from parish precepts. They are not directly affected by the reorganisation of principal councils into unitary structures. As a result, their treatment remains unchanged in all reorganisation scenarios and sits outside the scope of this analysis, which focuses solely on harmonising the principal council element of council tax.

The model is directional and does not seek to accurately forecast tax receipts for the new Councils. It seeks to illustrate the range of options that Members of the new Councils will have to consider.

Methodology: Council Tax

The methodology follows four key stages:

1. Project Future Tax Base

- Use Council MTF5 forecasts of the Tax Base where possible, or previous historical tax base data to forecast future growth.

1. Project Future Tax Rates

- District tax rates increase at the maximum of £5 or 2.99% per year, and Unitary/County rates at 4.99% per year.
- Model harmonisation by aligning to the lowest, highest, median or weighted average rate (in Year 1 only).

1. Calculate Unitary Authority Tax Receipt

- Apply the harmonised rate to the projected taxbase.
- Calculate receipts for the two-unitary scenario.

1. Calculate Foregone or Gained Income

- Compare projected harmonised receipts with a baseline (assuming current rates continue with max increases).
- Foregone Income = Baseline receipts – Harmonised receipts

Inputs: Council Tax

The module uses three main inputs. This ensures we are basing the projections on official, up-to-date, and locally relevant data (where it has been provided).

Input	Description	Source
Current tax base (2025/26)	Current tax base population	MTFS
Band D rates	Band D council tax for local authorities excluding parish precepts for 2025 to 2026	Council Tax levels set by local authorities in England 2025 to 2026 (revised)
Tax base growth projections	Tax base growth projections from MTFS and/or external analyses completed by the district councils.	MTFS

Outputs: Council Tax Base Projections

Council tax base growth projections have been taken from MTF5 for each council. Where only 2026/2027-2028/2029 have been provided, an average of those year’s tax base has been used up to 2034/35.

District	2026/2027	2027/2028	2028/2029	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Oxfordshire	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Cherwell	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Oxford City	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
West Oxfordshire	1.60%	1.40%	1.30%	1.25%	1.40%	1.40%	1.40%	1.40%	1.40%
South Oxfordshire	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Vale of White Horse	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
West Berkshire	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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Outputs: Council Tax Band D Projections

Council tax Band D projections until 2034/35 have been detailed below. This assumes a maximum increase of either £5 or 2.99% per annum for District councils, and a 4.99% increase for Unitary/County councils.

District	2026/2027	2027/2028	2028/2029	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Oxfordshire	£1,911.40	£2,007	£2,107	£2,212	£2,322	£2,438	£2,560	£2,688	£2,822
Cherwell	£158.50	£164	£169	£174	£179	£184	£190	£195	£201
Oxford City	£356.72	£367	£378	£390	£401	£413	£426	£438	£452
West Oxfordshire	£129.38	£134	£139	£144	£149	£154	£159	£164	£169
South Oxfordshire	£151.24	£156	£161	£166	£171	£176	£182	£187	£193
Vale of White Horse	£161.69	£167	£172	£177	£182	£188	£193	£199	£205
West Berkshire	£1,921.41	£2,017	£2,118	£2,224	£2,335	£2,451	£2,573	£2,702	£2,837

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Weighted Average Option 2UA (Oxford & Shires)

The weighted-average option was modelled on FY28/29 Band D by applying tax base growth and expected precepts from the MTFs, then harmonised to that rate on Day 1. In the 2UA scenario, the harmonised Band D rate will be **£2,441.6 in Oxford & Shires**. This approach—favoured by most councils in recent LGRs—sets the single rate equal to the weighted average of existing rates, so there is no material change to aggregate council tax income (unlike phasing over several years, which changes timing and distributional impacts). It reflects where taxpayers actually are and therefore defines the income envelope for the financial case, enabling like-for-like option comparison and compliance with referendum limits.

District	Tax base	County Precept (£'000)	County Band D (£)	District Precept (£'000)	District Band D (£)	Total Council Tax (£'000)	Total Band D charge (£)	Harmonised Band D (£)	Change on Band D (£)	Change %
Cherwell	62,034	137,223	2,212.1	10,765	173.5	147,989	2,385.6	2,441.6	56.0	2.35%
Oxford City	48,730	107,793	2,212.1	18,989	389.7	126,782	2,601.7	2,441.6	-160.2	-6.16%
West Oxfordshire	50,868	112,523	2,212.1	7,344	144.4	119,868	2,356.4	2,441.6	85.1	3.61%
Totals	161,632	357,540		37,099		394,639				

Outputs: Weighted Average Option 2UA (Ridgeway)

The weighted-average option was modelled on FY28/29 Band D by applying tax base growth and expected precepts from the MTFs, then harmonised to that rate on Day 1. In the 2UA scenario, the harmonised Band D rate will be **£2,325.80 in Ridgeway**. This approach—favoured by most councils in recent LGRs—sets the single rate equal to the weighted average of existing rates, so there is no material change to aggregate council tax income (unlike phasing over several years, which changes timing and distributional impacts). It reflects where taxpayers actually are and therefore defines the income envelope for the financial case, enabling like-for-like option comparison and compliance with referendum limits.

District	Tax base	County Precept (£'000)	County Band D (£)	District Precept (£'000)	District Band D (£)	Total Council Tax (£'000)	Total Band D charge (£)	Harmonised Band D (£)	Change on Band D (£)	Change %
South Oxfordshire	66,547	147,205	2,212.1	11,063	166.2	158,268	2,378.3	2,325.80	-52.5	-2.21%
Vale of White Horse	62,404	138,040	2,212.1	11,034	176.8	149,074	2,388.9	2,325.80	-63.1	-2.64%
West Berkshire	72,705	£0	£0	161,669	2,223.6	161,669	2,223.6	2,325.80	102.2	4.59%
Totals	201,655	285,245		183,766		469,011				

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Summary Outputs: Council Tax for 2 UA

The summary tables below provide an overview of the potential range of options under different scenarios. It is for the elected members of the shadow authority to make decisions on council tax alignment. The table below is insight-only: it illustrates possible paths to move legacy rates to a single rate over the chosen period and shows the indicative effect on Band D and total income each year. It helps explain timing and distributional impacts across areas, but it does not drive the financial case.

		Harmonisation Scenarios	Aligning over one year	Aligning over four years	Aligning over seven years	Comments
269 Oxford & Shires	Weighted Average	Band D rates would change in value by amounts ranging between -£160 to £85.1, with mixed impact on residents.	No income change	N/A	N/A	This scenario is in line with the referendum limits of 2.99% or £5 increases for District Councils. It assumes harmonisation by Day 1.
	Low	Band D rates would change in value by amounts ranging between -£15 to £180, with mixed impact on residents.	Projected total income foregone of £93m	Projected total income foregone of £72m	Projected total income foregone of £48m	This scenario is in line with Council Tax referendum limits, but projects a significant amount of income foregone.
	Mid	Band D rates would increase in value by amounts ranging between £26 to £180, leading to additional costs on residents.	Projected total income foregone of £52m	Projected total income foregone of £38m	Projected total income foregone of £23m	This scenario is not in line with Council Tax referendum limits.
	High	Band D rates would increase in value by amounts ranging between £321 to £517, leading to additional costs on residents.	Projected total income gain of £245m	Projected total income gain of £203m	Projected total income gain of £156m	This scenario is not line with Council Tax referendum limits.

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Oxford and Shires | Ridgeway

Summary Outputs: Council Tax for 2 UA

The summary tables below provide an overview of the potential range of options under different scenarios. It is for the elected members of the shadow authority to make decisions on council tax alignment. The table below is insight-only: it illustrates possible paths to move legacy rates to a single rate over the chosen period and shows the indicative effect on Band D and total income each year. It helps explain timing and distributional impacts across areas, but it does not drive the financial case.

financial case.		Harmonisation Scenarios	Aligning over one year	Aligning over four years	Aligning over seven years	Comments
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3.1.3 Debts and Liabilities

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Introduction to Debts and Liabilities

The following categories of debt and borrowing have been considered to provide a view of the financial position of each new Unitary Authority in Year 1.

The debts and liabilities module looks at the financial obligations that would transfer into any new unitary councils. It brings together debt, borrowing, and the Dedicated Schools Grant (DSG) High Needs deficit to provide a clear Day 1 picture of the liabilities position.

The aim is to:

- Show the size and sustainability of liabilities under each reorganisation scenario.
- Ensure transparency about what each new authority would inherit.
- Support prudent financial planning and early risk management.

Local Context

- As part of the overall model's focus on understanding the future financial position from a General Fund perspective, HRA-related debts and liabilities has been excluded from calculations.
 - **Oxford City Council:** The geography's HRA funds are largely concentrated in the city, which has been removed from total baselines.
- Some Councils have had limited external borrowing, leading to lower figures for total debts and liabilities as well as MRP payments.
 - **South Oxfordshire and Vale of White Horse** have a borrowing need but would not need to borrow externally to fund its Capital Programme Growth Bids. It has no anticipated MRP in 2024/25 or 2025/26.
- **West Berkshire** has received Exceptional Financial Support. This is treated as a long-term liability in the model potential to increase ahead of vesting day. However, as the model provides a 'moment-in-time' view of the financial position, any increased need for EFS is not explicitly projected in the model.
- DSG High Needs Deficits are currently calculated against the latest published data (July 2025) and is not included in the Y1 Balance Sheet due to the uncertainty around Government's approach. However, the deficit is expected to increase up until vesting day.

Categories of Debt	Description
Debt	Total current outstanding debt obligations
Short-Term Borrowing	Temporary borrowing repayable within 12 months
Long-Term Borrowing	Borrowing repayable over multiple years
Capital Financing Requirement (CFR)	Underlying need to borrow for capital purposes
Dedicated Schools Grant (DSG) High Needs Deficit	Prior year overspends on DSG
Exceptional Financial Support (EFS)	Exceptional central government-approved borrowing to cover revenue pressures

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Methodology: Debts and Liabilities

In the analysis, debt associated with current districts and unitaries remains with those organisations. Oxfordshire County Council debt must be apportioned to the new unitaries so that the overall debt for each new unitary can be seen. The basis for doing this in the analysis is set out in the following slides. In reality the apportionment of debt will be worked through in detail as part of the implementation of any new authorities.

The analysis follows three main steps:

1. Start with forward-looking liabilities

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- Use each council's capital financing requirement (CFR) as a proxy for borrowing need. It is assumed MRP is already accounted for in the CFR.
- Assume councils use reserves where available (as set out in their MTF5).

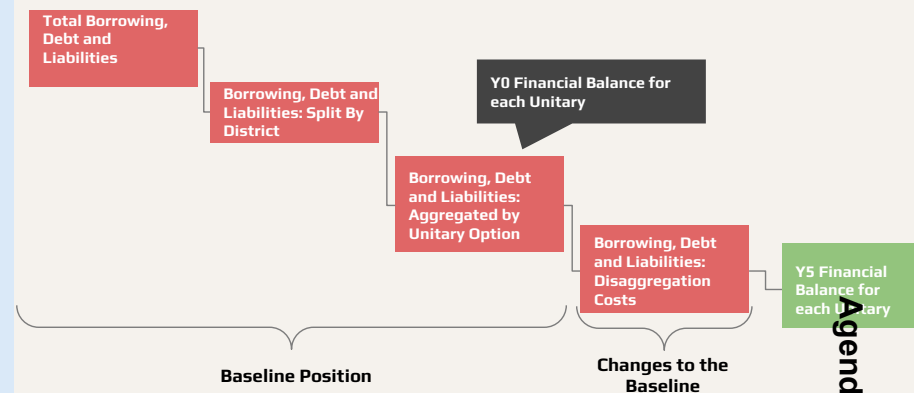
2. Apportion County liabilities

- County debt allocated to Oxford and Shires /Ridgeway based on the distribution of assets.
- DSG High Needs deficit split by the proportion of Education, Health and Care Plans (EHCPs) in each area.

3. Aggregate totals

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- Combine County liabilities with each District's own liabilities to produce a unitary-level position.



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Assumptions

Assumptions for Debts and Liabilities

The guiding principle is that debt follows the asset, allocating liabilities to the old authority assuming responsibility for the related asset which can then be aggregated back up into the new unitary configurations.

The cost of transferring debt between organisation has not been included.

Projected year-on-year Capital Financing Requirement (CFR) is used as a proxy to forecast the total debts and liabilities set to land on vesting day.

HRA debt and liabilities will be removed from total debts, to support with a focused view on General Revenue Fund impact and analysis across the model.

The Newton Analysis on SEND Demand has been used as the guide for disaggregating County DSG High Needs deficit to the new Council

Inputs: Debts and Liabilities

The module uses the following inputs, basing projections on official, up-to-date, and locally relevant data (where it has been provided).

Input	Description	Source
Total Financial Liabilities	Sum of: Short term creditors, Short term borrowing, Short term provisions, Deferred liabilities, Long term borrowing, Long term provisions.	Statement of Accounts by County and District councils
Dedicated Schools Grant (DSG) High Needs Deficit	Prior year overspends on DSG High Needs, particularly in the High Needs Block	Specific and special revenue grants (SG) budget 2024 to 2025, GOV.UK
Capital Financing Requirement (CFR) projections	The CFR reflects the Council's underlying need to borrow.	Medium Term Financial Strategy (MTFS), Treasury Management Strategy, Capital Strategy, Engagement with Finance Leads
Minimum Revenue Provision (For information only)	Minimum payments made to the revenue budget to pay down debts.	Provided by local authorities

Inputs: Council Liabilities & Debt

We then gather the liabilities for each council using data from the Statement of Account, MTF5, and other relevant documents. The adjusted liabilities figure is determined by adding current liabilities, long-term liabilities, and EFS, while removing HRA liabilities.

Councils	2024/2025 Current Liability (£'000)	2024/2025 Long Term Liability (£'000)	2024/2025 HRA (£'000)	2024/2025 & 2025/2026 EFS (£'000)	2024/2025 Total Liability (£'000)
Cherwell District Council	67,768	183,694	-	-	251,462
Oxford City Council	81,013	318,510	270,910	-	128,613
West Oxfordshire Council	19,597	5,280	-	-	24,877
South Oxfordshire Council	48,785	-	-	-	48,785
Vale of White Horse Council	105,661	-	-	-	105,661
West Berkshire Council	148,429	286,366	-	2024/2025: 13,000 2025/2026: 3,000	434,795
Oxfordshire County	205,505	748,721	-	-	954,226
Total	676,758	1,542,571	270,910	-	1,948,419

Inputs: Capital Financing Requirement

Detailed below are the Capital Financing Requirements projected for each council, as detailed in their MTF5. HRA-related CFR have been removed from sum figures.

CFR (£'000)	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Cherwell District Council	234,400	239,800	236,900	233,700	233,700
Oxford City Council	74,202	95,131	130,785	159,420	198,394
West Oxfordshire Council	28,620	34,540	33,500	32,150	31,060
South Oxfordshire	-	12,000	13,900	16,800	15,900
Vale of White Horse	-	8,300	10,153	13,032	12,665
West Berkshire	307,345	338,006	350,645	365,281	389,249
Oxfordshire County Council	505,477	559,002	598,412	623,125	623,796
Total	1,006,872	1,089,899	1,124,315	1,179,694	1,208,451
Oxford City Council (HRA)	406,026	527,632	599,659	663,716	721,262

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Outputs: CFR Year-on-Year Change

Year-on-year change was allocated in the CFR as an indicator of future liability fluctuations and used to project liabilities forward.

Y-o-Y change in CFR	2025/2026 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)	2028/2029 (£'000)
Cherwell District Council	5,400	-2,900	-3,200	0
Oxford City Council*	20,929	35,654	28,635	38,974
West Oxfordshire Council	5,920	-1,040	-1,350	-1,090
South Oxfordshire	12,000	1,900	2,900	-900
Vale of White Horse	8,300	1,853	2,879	-367
West Berkshire	30,661	12,639	14,636	23,968
Oxfordshire County Council	53,525	39,410	24,713	671
Total	83,027	34,415	55,380	28,757

Oxford City Council's HRA CFR has been removed from figures.

Outputs: Reorganised CFR Baselines

The new CFR baselines are set out below. The County Council's CFR liabilities have been apportioned out to the new authorities based on the asset net book value split, following the guiding assumption that debt follows assets.

CFR Y-o-Y Apportionment for OCC (£'000)	2025/2026 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)	2028/2029 (£'000)
Oxford & Shires	39,041	28,746	18,026	489
Ridgeway	14,484	10,664	6,687	182
Total	53,525	39,410	24,713	671

Combined Y-o-Y CFR (£'000) follow Reorganisation	2025/2026 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)	2028/2029 (£'000)
Oxford & Shires	71,290	60,460	42,111	38,373
Ridgeway	11,737	-26,044	13,269	-9,617
Total	83,027	34,415	55,380	28,757

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

For information: Council MRP

Minimum revenue provisions for the organisations are shown below for information. To note, South Oxfordshire and Vale of White Horse do not **have any anticipated MRP in 2024/25 or 2025/26**.

MRP (£'000)	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Cherwell District Council	4,111	4,395	4,842	5,019	5,019
Oxford City Council	154	493	746	977	1,951
West Oxfordshire Council	520	560	690	690	620
South Oxfordshire Council	-	-	50	587	1,476
Vale of White Horse Council	-	-	147	621	968
West Berkshire Council	4,500	6,047	6,497	6,983	6,983
Oxfordshire County	16,377	16,377	19,784	22,152	24,026
Total	25,662	27,872	32,756	37,029	41,043

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Two Councils

Oxford and Shires | Ridgeway

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Outputs: Total Forward Looking Liabilities under 2 UA

All elements of the debt and liabilities module are brought together to develop an outlook of future liabilities for the 2UA option. The total forward looking liabilities includes pension liabilities. This is to ensure consistency in methodology as the long-term assets in the Day 1 Financial Position include pension assets, thus requiring a balanced view of pension liabilities to understand the asset-to-debt ratio.

24/25 Liabilities	Adjusted Liabilities (Excl. HRA Liabilities, Incl. EFS)	Asset Apportionment	Apportioned OCC Liability (Based on Assets)	Total Liabilities Incl. apportioned amount
Oxford & Shires	404,952	73%	696,016	1,100,968
Ridgeway	602,241	27%	258,210	860,451
Total	1,007,193	100%	954,226	1,961,419

Reorganised Forward Looking Liabilities (£'000)	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Oxford & Shires	1,100,968	1,172,259	1,232,718	1,274,829	1,313,203
Ridgeway*	860,451	875,188	852,143	868,412	861,795
Total	1,961,419	2,047,446	2,084,862	2,143,241	2,174,998

*includes West Berkshire EFS 2025/26

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Outputs: DSG High Needs Deficits

Adjacent to this, the module also models how the DSG High Needs deficit may be disaggregated across the two unitary authorities based on Newton SEND Demand analysis.

Regions	EHCPs	Deficit (24/25) (£'000)	Deficit (25/26) (£'000)	Newton Disaggregation Guide	Disaggregated 24/25 (£'000)	Disaggregated 25/26 (£'000)
Oxford and Shires (OCC)	8000	92,500	137,000	56%	54,575	76,720
Ridgeway (OCC)				44%	37,925	60,280
282 Total	8000	92,500	137,000	100%	92,500	137,000
West Berkshire	1,707	16,300	37,000	N/A	N/A	N/A

Statutory reporting requirements for the 2025/26 accounts require the closing deficit balance on Dedicated Schools Grant to be held within an unusable reserve. The existing statutory override was due to end on 31 March 2026 but the Government has extended this until 31 March 2028. Councils will continue to take action to manage the deficit through the Deficit Management Plan, it is continuing to grow in line with demand and is expected to increase further by the end of 2025/26.

Outputs: Apportioning DSG High Needs Deficit

Adjacent to this, the module also models how the DSG High Needs deficit may be disaggregated across the two unitary authorities based on Newton SEND Demand analysis.

DSG High Needs Deficit following Reorganisation

Regions	No. EHCPs	Deficit Baseline (24/25) (£'000)	Deficit Baseline (25/26) (£'000)
Oxford and Shires	4,480	51,800	72,720
Ridgeway	5,227	57,000	97,280

3.2 Demand Increases (Expenditure)

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Two Councils

Oxford and Shires | Ridgeway

Overview of Demand Increase

This module reviews and models the current and projected net operating expenditure for each proposed unitary authority in Oxfordshire. It combines County and District expenditure to give a complete picture of the cost base in the two-unitary scenario.

The aims are to:

- Provide a clear, consistent view of net operating expenditure across all councils.
- Show how current net operating expenditure would be allocated to new unitary structures.
- Support strategic planning for service design, resource prioritisation, and budget setting.

This analysis does **not** forecast changes in statutory requirements or new cost pressures beyond those already included in councils' MTF5 projections.

Methodology

The approach has three main stages:

1. Gather data

- Use County Council MTF5 forecasts by service area (Adults, Children's, Public Health, etc.) for 2025–2028.
- Collect District and Unitary Council net operating expenditure forecasts from their MTF5/MTFP.

2. Allocate County costs

- Split Adults and Children's services between Oxford and Shires and Ridgeway using Newton model demand data for Day 1.
- Split all other County services by population share, based on ONS forecasts.

3. Combine and total

- Add the apportioned County figures to the District expenditure for each geography.
- Calculate total estimated day 1 net operating expenditure for the Oxford and Shires and Ridgeway unitaries.

Assumptions

Assumptions for Demand Increases

Significant and material demand increases are not expected from lower tier services.

Demand data from 2025 to 2030 in the Newton Report has been used to to apportion Adult Social Care and Children Social Care services.

Other services are split by population share, which changes annually in line with ONS forecasts.

Population forecasts are based on 2025–2029 ONS projections for each local authority.

District net operating expenditure has been taken directly from MTF5 or MTFP figures provided by each council.

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Inputs: Demand Increase

The module uses three main inputs. This ensures we are basing the projections on official, up-to-date, and locally relevant data (where it has been provided).

Input	Description	Source
Forward Looking Expenditure	Forward Looking Expenditure from MTF5	MTF5 from District Councils
Newton Demand	Adult's and Children's Demand Data by Vesting Day/Day 1	Provided by County Council from Newton
Population	Forward looking total population projections	Office of National Statistics

Inputs: Forward looking District & Unitary expenditure

This table shows each district's projected net operating expenditure from their MTF5 and MTFP from 2025/26 through to 2027/28, along with the relevant note used from the financial statements.

Council	2025/2026 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)	2UA Split	Source	Note used
Cherwell District Council	26,194	28,147	30,004	Oxford & Shires	MTFS within Budget 25	Net Budget Requirement <i>(Presented as Year on Year Change)</i>
Oxford City Council	27,259	33,271	34,016	Oxford & Shires	MTFS within Budget 25	Consultation Budget including 'Subtotal changes since the consultation budget note'
West Oxfordshire Council	18,231	18,717	21,474	Oxford & Shires	MTFS	Net Expenditure
South Oxfordshire Council	17,867	17,389	20,484	Ridgeway	MTFP	Net Expenditure
Vale of White Horse Council	19,746	21,509	23,092	Ridgeway	MTFP	Net Expenditure
West Berkshire Council	192,300	206,200	210,500	Ridgeway	MTFS	Budget Requirement

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Inputs: Breakdown of forward looking County expenditure

This table shows the projected net operating expenditure for Oxfordshire County Council from its MTFs. This will need to be apportioned to the new UA's in the future model. For reference, expenditure related to police or fire services has been deemed out of scope.

Programme Budget Areas	2025/26 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)
Adults	254,486	269,493	286,623
Children's	216,650	222,507	234,843
Environment & Highways	53,033	54,374	58,398
Economy & Place	21,235	17,998	18,044
Oxfordshire Fire & Rescue Services and Community Safety	30,626	31,559	32,142
Public Health & Communities	12,960	13,572	13,560
Resources and Law & Governance	62,364	61,357	62,912
Transformation, Digital & Customer Experience	6,596	6,763	6,862
Total Service Area Budgets	657,950	677,623	713,384
Strategic Measures	38,166	49,664	51,135
Contributions to / from Reserves	13,196	12,996	12,996
Budget Shortfall	0	-2,089	-4,815
Net Operating Budget	709,312	740,283	777,515

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— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Inputs: Understanding current & future demand in ASC & CSC across Oxfordshire

Newton demand data has been used and in order to apportion Oxfordshire County council expenditures across ASC & CSC in a equitable manner. The number of working age adults and overage adults across Nursing, Residential care, Domiciliary care, Supporting Living and those categorised as 'Other' has been totaled in 2025 and 2030. The average annual increase taken and applied to FY 2025/26 to FY 2027/28.

The same approach has been applied for Children's services, with the number of children in care, those in residential care, IFA Fostering, Internal Fostering and those categorised as 'Other' totalled as below.

	2025/26		2026/2027		2027/2028	
Council	ASC Service User	CSC Service User	ASC Service User	CSC Service User	ASC Service User	CSC Service User
Cherwell District Council	1,738	329	1,765	328	1,792	326
Oxford City Council	1,280	541	1,297	541	1,315	541
West Oxfordshire Council	1,405	265	1,437	263	1,470	261
South Oxfordshire Council	1,731	330	1,763	330	1,796	330
Vale of White Horse Council	1,541	169	1,524	168	1,507	167
Total	7,696	1,634	7,787	1,630	7,881	1,625

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— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Inputs: Apportioning OCC Adult Social Care and Children's Services expenditure

This table shows the proportions used to split County expenditure between Ridgeway and Oxford and Shires in a 2UA model for Adults and Children's based on the Newton demand data across Adult Social care and Children's services.

	% of Expenditure Apportioned to each area		
Council	2025/2026	2026/2027	2027/2028
Adult Social Care			
Oxford & Shires	59.25%	58.90%	58.55%
Ridgeway	40.75%	41.10%	41.45%
Children's Social Care			
Oxford & Shires	63.60%	63.63%	63.65%
Ridgeway	36.40%	36.37%	36.35%

Inputs: ONS Population Projections

The remaining services County Expenditure are apportioned in the 2UA model using population proportions. This is assumed as a broad proxy for aggregate service demand. The table below shows the population proportions used for the 2UA calculations. The total aggregate population proportions used to split County expenditure between Oxford and Shires and Ridgeway is also shown.

Council	2025/2026	2026/2027	2027/2028	2UA split	Source
Cherwell District	172,283.00	174,214.00	176,065.00	Oxford and Shires	ONS Population Projections
Oxford City	171,498.00	170,562.00	169,946.00	Oxford and Shires	
West Oxfordshire	120,905.00	121,965.00	122,987.00	Oxford and Shires	
South Oxfordshire	157,893.00	159,508.00	160,995.00	Ridgeway	
Valley of White Horse	150,552.00	152,620.00	154,532.00	Ridgeway	



Council	2025/2026	2026/2027	2027/2028
Oxford and Shires	60.10%	59.93%	59.78%
Ridgeway	39.90%	40.07%	40.22%

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Outputs: Total Apportioned County Expenditure across the 2UA scenario

This shows Oxfordshire County Councils Total Apportioned County expenditure for all services for both Ridgeway and Oxford and Shires. This does not include West Berkshire.

Programme Budget Areas	Oxford & Shires			Ridgeway		
	2025/26 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)	2025/26 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)
Adults	150,789	158,733	167,819	103,697	110,760	118,804
Children's	137,792	141,571	149,478	78,858	80,936	85,365
Environment & Highways	31,875	32,584	34,911	21,158	21,790	23,487
Economy & Place	12,763	10,785	10,787	8,472	7,213	7,257
Oxfordshire Fire & Community Safety	7,790	8,133	8,106	719	744	761
Public Health & Communities	18,408	18,912	19,215	5,170	5,439	5,454
Resources and Law & Governance	37,484	36,768	37,610	24,880	24,589	25,302
Transformation, Digital & Customer Experience	3,964	4,053	4,102	2,632	2,710	2,760
Total	400,864	411,540	432,027	245,586	254,180	269,191
Strategic Measures	22,939	29,761	30,569	15,227	19,903	20,566
Contributions to / from Reserves	7,931	7,788	7,769	5,265	5,208	5,227
Budget Shortfall	0	-1,252	-2,878	0	-837	-1,937
Net Operating Budget	431,735	449,089	470,365	277,577	291,194	307,150

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— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Total Estimated future expenditure

This table highlights the total estimated expenditure by each Unitary Authority that could be created through this process. Ridgeway yields larger expenditure due to the inclusion of West Berkshire, whilst Oxford & Shires inherits a larger share of the county expenditure, bringing the two unitary options close together in terms of expenditure.

Council	2025/2026 (£'000)	2026/2027 (£'000)	2027/2028 (£'000)
2UA			
Oxford and Shires	503,419	529,224	555,859
Ridgeway (including West Berkshire Expenditure)	507,490	536,292	561,226
Total	1,010,909	1,065,516	1,117,085

3.3 Third Party Spend

— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Introduction to Third Party Spend

This module examines spending with external suppliers, contractual commitments, and ICT systems across all councils. It looks at current patterns of third-party spend, identifies duplication, and highlights opportunities for consolidation and efficiency in a new unitary authority structure.

The aims are to:

- Estimate the overall level of addressable third-party spend.
- Map existing supplier relationships, contracts, and ICT assets across councils.
- Quantify potential savings from supplier consolidation, contract renegotiation, and ICT harmonisation.
- Provide a baseline for a unified procurement and contract management approach in a new authority.

This module captures LGR-only benefits, such as removing duplicate contracts and any other direct LGR efficiencies. Any additional benefits realised post LGR, through policy changes and transformation activities, are captured in the Policy and Transformation module.

Local Context

The model has been tailored to the Local context. The narrative below highlights where discussions have shaped the modeling of third party spend across certain areas :

- It is understood that third party spend related to Fire and Rescue services or Police Services are not addressable in both the 1 and 2UA scenarios, and have been removed from the addressability baseline.
- Oxfordshire County Council spend has been apportioned using Newton Demand analysis for Adult Social Care and Children's services, with population projections serving as the proxy for other services.
- Under the 2UA option, addressability is calculated only for services provided by the district councils. As districts do not provide Education, Adult Social Care, Children's Services, or Public Health, any Oxfordshire County Council spend in these categories has 0% addressability and is excluded from the calculations.

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Methodology

The TPS module assesses the financial impact of different Unitary Authority configurations by aggregating third-party spend, identifying disaggregation costs, and quantifying transformation benefits. This approach enables a comparison of net financial outcomes under varying structural scenarios, with a view to informing resilient and cost-effective reorganisation options.

The process follows three main steps:

1. Determine addressable spend

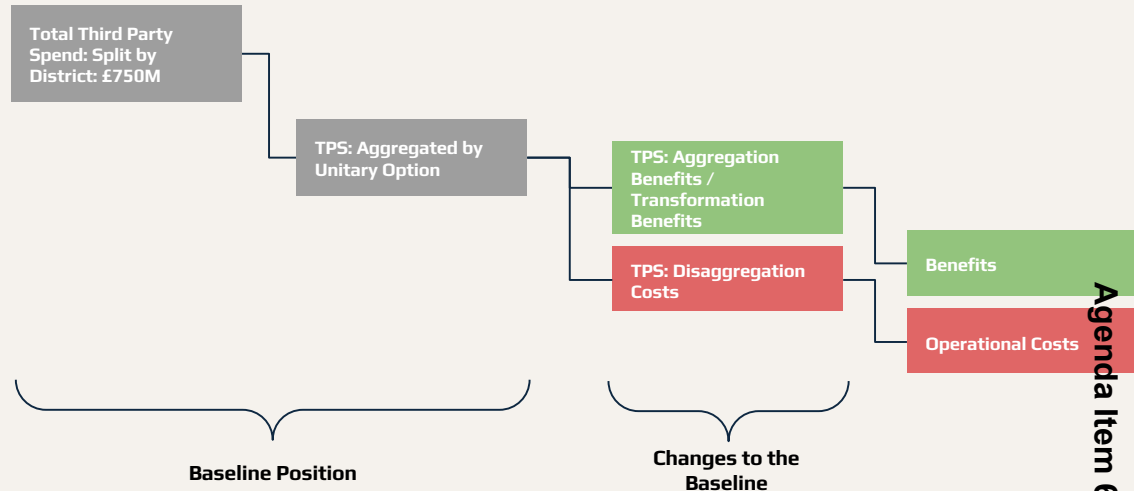
- Use a % RO running costs as TPS where specific TPS spend not provided
- Assume a variable % of those costs are addressable

2. Apportion County spend

- Allocate the County's third-party spend to districts using the same approach as the Expenditure Module.

3. Aggregate and model savings

- Add apportioned County spend to district spend for each geography.
- Calculate total TPS for a Single UA and for Oxford & Shires / Ridgeway in a 2UA model.
- Apply a reduction assumption (economies of scale and duplication removal) to estimate achievable savings.



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Two Councils

Oxford and Shires | Ridgeway

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Inputs

The module uses two main inputs. This ensures we are basing the projections on official, up-to-date, and locally relevant data (where it has been provided).

Input	Description	Source
Revenue Outturn 2024/2024 & 2024/2025	Revenue Outturn (RO) 2023-24: Service Expenditure Summary. Running expenses only (<i>West Berkshire only</i>). Revenue Outturn (RO) 2024-25: Service Expenditure Summary. Running expenses only.	General Fund Revenue Account Outturn - RSX Service Expenditure Summary 2023-24 24/25 RO provided by LAs.
2024 Demand and Population data	For apportionment of Oxfordshire County Council Third Party spend.	Population projections for local authorities by five-year age groups and sex, England

Assumptions

The following core assumptions have been applied throughout the TPS analysis to ensure consistency and clarity in the dataset and methodology.

Assumptions for Third Party Spend

The 2UA option will involve the disaggregation of the County Council. As such, any shared services and service provision agreements will need to be factored in when developing a view of Third Party Spend in the reconfigured UAs.

County Council spend has been apportioned utilising demand analysis by Newton for Adult and Children Services, and ONS population projections for the rest. This follows the apportionment method in the demand increases module.

Savings assumption Rationale: A variable range % of addressable third-party spend (depending on scenario) can be saved through consolidation and efficiency, based on initial options appraisal. Ranges differ by service as:

- Central services are likely to have a larger % as software/licensing, networks, end-user devices and insurance can be rationalised quickly.
- Environmental/regulatory and Highways are also high: many contracts are re-tenderable or re-lottable and benefit from route/spec/lot consolidation; exceptions are long-term waste disposal/energy-from-waste and any highways DBFO/PFI.
- Cultural varies with leisure trust contracts; if most sites are on long concessions, addressability falls.
- Housing (GFRA) is mixed: TA/agency accommodation markets are usually hard to address but R&M frameworks are typically addressable.
- Public Health has been deemed as 0% addressable due to ring-fenced funding. It is recognised that efficiencies can still be delivered.

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Assumptions

Based on the government's Subjective Analysis – Service Expenditure 2022/23, the % of running expenses that was categorised at TPS has been detailed below. This has been utilised where the Revenue Outturn data for each LA has been used as a baseline for spend.

Area	% of Running Expenses made up by TPS
Education services	38%
Highways and transport services	38%
Children Social Care	64%
Adult Social Care	86%
Public Health	38%
Housing services (GFRA only)	38%
Cultural and related services	38%
Environmental and regulatory services	38%
Planning and development services	38%
Central Services	38%

Inputs: Total TPS Spend

This slide shows the total third-party spend for each council, Revenue Outturn data has been utilised for this module due to the limited data completeness across the contract registers. RO Data 2024/25 has been used where provided. If not provided then publically available RO Data 2023/24 has been utilised, with an inflation multiplier (3.3% as per the ONS) attached to bring level with the 2024/25 datasets.

Council	Type	Spend (£'000)	Source
Cherwell District	District Council	11,120	RO Data 24/25
Oxford City	District Council	23,926	RO Data 24/25
West Oxfordshire	District Council	8,150	RO Data 24/25
South Oxfordshire	District Council	12,476	TPS provided by email
Vale of White Horse	District Council	10,508	TPS provided by email
West Berkshire	Unitary Council	144,187	RO Data 23/24 with inflation multiplier applied
Oxfordshire County	County Council	540,354	RO Data 24/25
Total		750,722	

Outputs: Apportioning the County Council TPS Spend

Oxfordshire County Council's Children Social Care and Adult Social Care were apportioned using demand data and the remainder were apportioned using population from the Expenditure Module.

Area	Spend 2 UA - Oxford and Shires (£'000)	Spend 2 UA - Ridgeway (£'000)
Education services	64,388	42,747
Highways and transport services	12,005	7,970
Children Social Care	46,679	26,716
Adult Social Care	171,390	117,876
Public Health	8,237	5,469
Housing services (GFRA only)	1,540	1,023
Cultural and related services	1,563	1,038
Environmental and regulatory services	8,056	5,348
Planning and development services	812	539
Central Services	10,192	6,766
Total	324,863	215,491

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Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Estimated TPS in each LGR scenario

Detailed below is the combined third-party spend for the 2UA Model. This includes the apportioned County Council spend in addition to the relevant district spend.

	2UA	
	Oxford and Shires (£'000)	Ridgeway (£'000)
Education services	64,388	64,661
Highways and transport services	15,270	11,547
Children Social Care	46,679	46,192
Adult Social Care	171,390	198,806
Public Health	8,237	7,521
Housing services (GFRA only)	10,289	5,137
Cultural and related services	5,954	4,499
Environmental and regulatory services	21,368	20,585
Planning and development services	7,068	4,981
Central Services	17,416	18,733
Total	368,060	382,662

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Estimated Addressable Spend

Detailed below is the combined third-party spend for the 2UA reorganisation option. This considers both an lower and upper limit saving possibility. Social care was excluded from TPS addressability because moving to a 2UA model offers no addressable TPS savings; the statutory requirement and contract volumes remain unchanged, so the opportunity lies in transformation (better contracting and commissioning) rather than TPS savings.

Area	Lower End: Addressability	Upper End: Addressability	Lower End - Oxford and Shires Addressable Spend (£'000)	Higher End - Oxford and Shires Addressable Spend (£'000)	Lower End - Ridgeway Addressable Spend (£'000)	Higher End - Ridgeway Addressable Spend (£'000)
Education services						
Highways and transport services	50%	70%	7,635	10,689	5,774	8,083
Children Social Care						
Adult Social Care						
Public Health						
Housing services (GFRA only)	50%	60%	5,144	6,173	2,568	3,082
Cultural and related services	70%	80%	4,168	4,763	3,149	3,599
Environmental and regulatory services	70%	80%	14,958	17,094	14,409	16,468
Planning and development services	60%	70%	4,241	4,947	2,989	3,487
Central Services	80%	85%	13,933	14,804	14,986	15,923
Total			50,078	58,471	43,875	50,641

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Estimated Savings

This is the combined third-party spend for the 2UA reorganisation option. By applying a modest efficiency assumption in line with reductions found in other local authorities to have undergone LGR, we estimate recurring savings of around £1.88m to £2.2m in Oxford and Shires and Ridgeway authorities.

Area Spend		Combined TPS for reorganisation options (£'000)	Estimated addressable third party spend Lower Limit (£'000)	Estimated addressable third party spend Upper Limit (£'000)	Assumed savings % to be achieved through consolidation	Value of savings Lower Limit (£'000)	Value of savings Upper Limit (£'000)
306 Two Unitary Authorities	Oxford and Shires	368,060	50,078	58,471	2.00%	1,002	1,169
	Ridgeway	382,662	43,875	50,641	2.00%	878	1,013
Total		750,722	93,954	109,113		1,879	2,182

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3.4 Assets

— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Introduction to Assets

This module brings together the assets currently held by the County, District Councils and West Berkshire. It estimates what the total asset portfolio would look like for each of the potential new authorities under local government reorganisation.

The aim is to give a clear, evidence-based estimate of what each new authority would own on Day 1, from an existing net book value perspective, once planned and potential disposals are taken into account.

Assets have been disaggregated to district boundaries. Existing district and unitary assets remain in the geography of the current districts/unitaries. Oxfordshire County Council assets have been disaggregated based on their geography and assigned to the new unitaries on this basis.

Local Context

The model has been tailored to the Oxfordshire context. The narrative below highlights where local context have shaped the modelling of potential one-off capital receipts from reorganisation and transformation:

- The module assumes that only assets categorised as 'Operational Assets' and 'Surplus Assets' are disposable.
- **'Operational Assets' are further broken down into subcategories**, with a view that certain types are more addressable than others.
- It is understood that **assets related to Fire and Rescue services are not addressable in both the 1 and 2UA scenarios**, and have been removed from the addressability baseline, alongside other key subcategories that are politically sensitive that would not be rationalised through reorganisation (eg. Schools, Parks, etc.).
- **South Oxfordshire and Vale of White Horse** assets have been removed from the addressable baseline, following conversations with the respective organisations that significant efficiencies have already been made previously in combining assets under a shared service model and due to their limited addressable portfolio (eg. no additional offices). **This has overall dampened the capital receipts that can be derived from Ridgeway.**
- Where there are assets related to core service provision within a limited asset portfolio (eg. Cherwell District Council's waste disposal facilities), they have also been removed from the addressable baseline.
- It was noted that **certain assets listed under 'Operational Assets' are income generating**, such as Cherwell District Council and West Oxfordshire's shopping centres, and **would not be rationalised through reorganisation**. As a whole, such commercial properties and small holdings have been removed from the addressable baseline.
- It was noted that **certain types of assets** such as Car Parks, Libraries, Community Centres and Leisure Centres **wouldn't feasibly be rationalised through reorganisation, but may benefit from repurposing or disposal following a detailed review of service delivery models and strategic ambitions**. This means that such assets could potentially be addressed through transformation.

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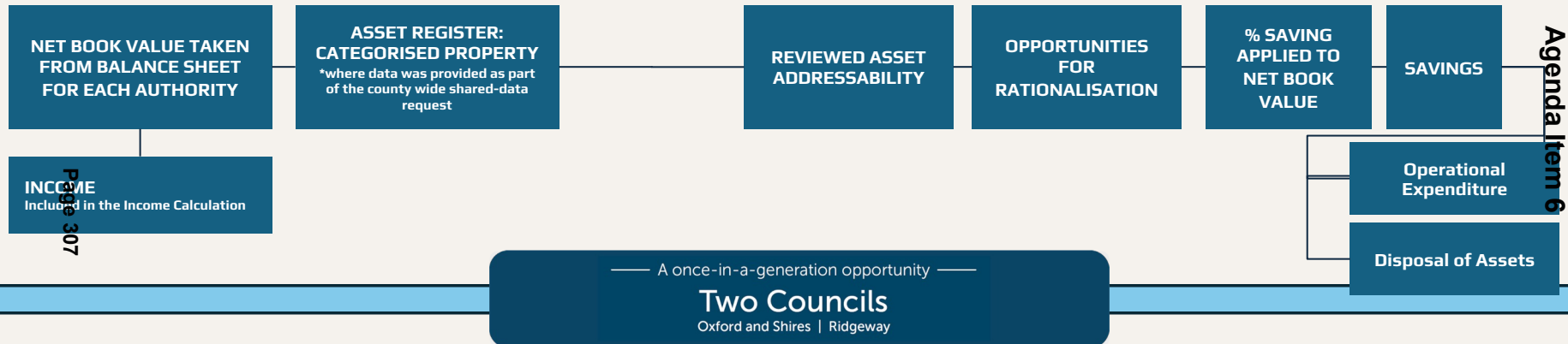
Two Councils

Oxford and Shires | Ridgeway

Methodology

The analysis follows a step-by-step process:

1. **Consolidate registers** – Gather asset data from each council, standardise it, remove Housing Revenue Account assets, and allocate County assets by location.
2. **Include planned disposals** – Use capital receipts already built into council's MTFS or capital strategies.
3. **Add further disposals** – Include additional rationalisation opportunities identified through engagement.
4. **Adjust portfolios** – Subtract the value of disposals to show the likely Day 1 portfolio for each council.



Assumptions

Assumptions for Assets

The asset register provides an accurate view of the estate portfolio.

Net book value is used as a proxy for market value, noting that future authorities will need to revisit the value of assets during implementation for a more accurate view.

Assets Under Construction and assets labelled as Infrastructure Work have been excluded from addressable baselines as these are recognised to be ongoing property developments, on top of existing assets, which are unlikely to be rationalised through implementation.

OCC's Net Book Value is used for property valuations and used to distribute debt in the Borrowing, Debt and Liabilities module.

Assets categorised as Community Assets, Investment Properties, Council Dwelling and Heritage Assets are considered to be 'unaddressable' through local government reorganisation.

The module maintains the estimated disaggregation benefit of 12.5% for the 2UA option.

A third of surplus assets may be disposed through local government reorganisation.

Capital receipt savings are not built into the comparative analysis, which primarily aims to understand what recurring operational expenditure savings can be made against total expenditure.

The ownership of property assets owned by the County will follow the location of the Unitary they currently sit in, including out-of-county assets.

Fire and Rescue assets will not be rationalised, and have been removed from the baseline.

The original assumption around proportion of Council Revenue Expenditure on Property from the CCN Analysis has been amended from 5% to 2% due to refined NBV of Heritage Assets and Community Assets, which typically require greater asset maintenance spend.

Inputs: Net Book Value

By taking the current net book value (NBV) of assets for each Council and removing any assets associated with Housing Revenue Accounts, the module estimates the NBV of each Council's current asset portfolio. This has been broken down into 6 categories of Assets which make up the Net Book Value.

	Net Book Value Total (£'000)	1. Operational Assets (£'000)	2. Community Assets (£'000)	3. Surplus Assets (£'000)	4. Investment Properties (£'000)	5. Council Dwellings (£'000)	6. Heritage Assets (£'000)
Cherwell District Council	173,369	164,046	324	4,454	4,545	-	-
Oxford City Council	1,313,460	294,391	1,92	2,440	145,810	865,219	3,677
West Oxfordshire Council	129,716	71,558	994	3,581	53,491	-	91
South Oxfordshire Council	56,676	50,275	1,231	-	5,169	-	-
Vale of White Horse Council	83,108	78,982	892	-	3,234	-	-
Oxfordshire County Council	1,509,869	1,477,700	-	8,274	23,895	-	-
West Berkshire Council	403,755	349,947	191	1,855	51,762	-	-
Total	3,669,952	2,486,901	5,554	20,604	287,906	865,219	3,768

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Two Councils

Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Outputs: Baseline post Re-organisation

The Net Book Values of the current districts/councils have been used to determine the baseline values. Distribution of Oxfordshire County Council's assets have followed address, leading to a greater concentration of assets in Oxford and Shires.

	Net Book Value Total (£'000)	1. Operational Assets (£'000)	2. Community Assets (£'000)	3. Surplus Assets (£'000)	4. Investment Properties (£'000)	5. Council Dwellings (£'000)	6. Heritage Assets (£'000)
Oxford & Shires	2,717,849	1,607,836	3,240	16,510	221,276	865,219	3,768
Ridgeway	952,103	879,065	2,314	4,094	66,630	-	-
Total	3,669,952	2,486,901	5,554	20,604	287,906	865,219	3,768

Outputs: Detailed Analysis of Asset Types

It is assumed that only Operational Assets are addressable as part of LGR aggregation. However, even within that category, certain categories of assets have high, medium, low or no addressability either due to their own particular characteristics, and may only be addressable following detailed review under a transformation programme.

High Addressability (60%)		Medium Addressability (30%)		Low Addressability (10%)		No Addressability (0%)	
These types of assets are more easily addressable and more impacted by the aggregation process. In the model, this means that the total NBV of these assets are considered highly addressable.		These assets are somewhat addressable, with the understanding that geographies and current spread of assets may make it more challenging to amalgamate such properties.		These types of assets have limited addressability. It may be more likely that these benefits are delivered through transformation, and would not be rationalised easily from reorganisation.		These types of assets are more sensitive in nature or are overall essential to the provision of core services (eg. Cherwell's waste disposal facility).	
High Addressability (60%)		Medium Addressability (30%)		Low Addressability (10%)		No Addressability (0%)	
<ul style="list-style-type: none"> Offices 		<ul style="list-style-type: none"> Depots Fleets 		N/A		<ul style="list-style-type: none"> Schools Libraries Parks Crematoria Waste Disposal Commercial property Caravan Site Public Convenience Care Homes Community Centres 	
N/A		N/A		<ul style="list-style-type: none"> Allotments Car Parks Leisure Centre Sports Facility Libraries Community Centres 		<p>It is assumed that addressable assets from reorganisation will have limited material benefits from transformation to minimise possibilities of double-counting.</p> <ul style="list-style-type: none"> Offices, Depots, Fleets 	

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Two Councils

Oxford and Shires | Ridgeway

Outputs: Digging Deeper into the Operational Assets

Detailed below is the refined baselines for the property categories listed relevant to both Reorganisation and Transformation. **South Oxfordshire and Vale of White Horse** assets have been **removed from the reorganisation addressable baseline**, following conversations with the respective organisations that significant efficiencies have already been made previously in combining assets under a shared service model and due to their limited addressable portfolio (eg. no additional offices). However, benefits could be derived through transformation under the future authority.

Reorganisation Baseline	CDC (£'000)	Oxford City (£'000)	West Oxon (£'000)	South Ox (£'000)	Vale (£'000)	OCC (£'000)	West Berkshire (£'000)
High Addressability	6,968	781	292*	N/A	N/A	11,856	8,760
Medium Addressability	6,188	9,512	93	N/A	N/A	10,213	0
Transformation Baseline	CDC (£'000)	Oxford City (£'000)	West Oxon (£'000)	South Ox (£'000)	Vale (£'000)	OCC (£'000)	West Berkshire (£'000)
Low Addressability	53,203	133,206	27,675	450	6,458	83,894	38,119

*West Oxfordshire has offices with no net book value attached (eg. Elmfield Office). This figure may be slightly lower than actuals.

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Two Councils

Oxford and Shires | Ridgeway

Outputs: Apportioning Oxfordshire County Council Assets

Detailed below is the new baselines under the Oxford and Shires and Ridgeway authorities.

Reorganisation Baseline

Asset Category	OCC Asset Net Book Value (£'000)	Oxford and Shires (£'000)	Ridgeway (£'000)	Total Oxford and Shires (£'000)	Total Ridgeway (£'000)
High Addressability	11,856	8,648	3,208	16,689	11,967
Medium Addressability	10,023	7,450	2,764	23,244	2,764

Transformation Baseline

Asset Category	OCC Asset Net Book Value (£'000)	Oxford and Shires (£'000)	Ridgeway (£'000)	Total Oxford and Shires (£'000)	Total Ridgeway (£'000)
Low Addressability	83,894	61,192	22,701	275,276	67,729

Outputs: Reorganisation Capital Receipts and Disposals

Detailed below is the potential one-off capital receipts and income that could be delivered through property rationalisation as part of local government reorganisation.

	Total NBV of Category of Asset (£'000)	Addressability	Addressable Property (£'000)	Disaggregation Benefit	Addressable Savings (£'000)	Surplus Disposal (A Third of Surplus Asset, £'000)	Total Saving (£'000)
Oxford and Shires							
High Addressability	16,689	60%	10,014	12.5%	1,251	5,503	7,627
Medium Addressability	23,244	30%	6,973	12.5%	871		
Ridgeway							
High Addressability	11,967	60%	7,181	12.5%	898	1,365	2,366
Medium Addressability	2,764	30%	829	12.5%	104		

Outputs: Property Operational Expenditure Transformation

Property Operational expenditure (Property Opex) is estimated by taking FY 27/28 forecast demand expenditure (from the Demand Increases module) and assuming 2% of revenue relates to property to set the baseline. Applying a 12.5% disaggregation benefit yields LGR savings of £1.4m for Oxford & Shires and £1.4m for Ridgeway—£2.8m in total. This will form part of the consolidated view of aggregation benefits.

	Total Expenditure 27/28 (£'000)	% of Revenue Expenditure on Property	Addressable Property Spend (£'000)	Disaggregation Benefit (%)	Savings (£'000)
Oxford and Shires	555,859	2%	11,117	12.5%	1,390
Ridgeway	561,226		11,225		1,403
Total	1,117,085		22,342		2,793

Outputs: Transformation Capital Receipts and Disposals

Detailed below are the potential one-off capital receipts and disposals that could be realised through transformation, noting that **Transformation would require alignment to the new authorities strategic ambitions and optimised service delivery models**. The lower savings potential percentages set for Ridgeway speaks to South Oxfordshire and Vale of White Horse's limited low addressability asset portfolio, as they overall have less Sports Facilities, Community Centres, Car Parks etc. compared to Oxford and Shires.

	Total NBV of Category of Asset (£'000)	Addressability	Addressable Property (£'000)	Savings Potential (%)	Addressable Savings (£'000)
Oxford and Shires					
Base Assumptions	275,276	10%	27,528	0.5%	138
Stretch Assumption				1.5%	413
Ridgeway					
Base Assumptions	67,729	10%	6,773	0%	-
Stretch Assumption				0.5%	34

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3.5 Staffing and Pay

— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Introduction to Staffing and Pay

This module assesses the financial impact of bringing all staff in the new unitary authorities onto a consistent pay and grading structure. It models the cost of aligning salaries by grade, so that people in the same role and grade are paid the same, regardless of which predecessor council they worked for.

The aims are to:

- Provide a clear picture of current pay structures across all councils.
- Estimate the cost of aligning salaries over different time frames.
- Support workforce design and pay modelling decisions during reorganisation.

This analysis does **not** cover wider changes to terms and conditions (e.g., annual leave, hours of work).

Methodology

The process follows three steps:

1. Collect data

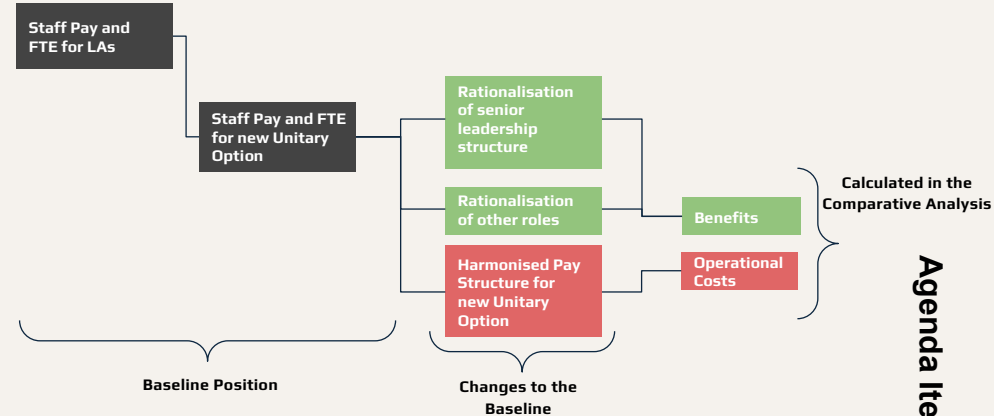
- Gathered each council's pay scales, salary bands, spinal column points (SCPs), and the number of full-time equivalent (FTE) staff in each grade.

2. Identify alignment requirements

- Compared current salaries against the national SCP framework.
- Flagged "decision points" where:
 - A salary band falls below the minimum SCP for that grade.
 - The midpoint salary is more than two SCP points away from the closest SCP.

3. Model costs of alignment

- Set a consistent pay point for each grade in the new authority (aligned to the max of the new band).
- Applied this to all staff, with alignment phased evenly over 1-5 years.
- Calculated total staffing costs for each alignment period.



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Oxford and Shires | Ridgeway

Assumptions

Assumptions for Staffing and Pay

No pension impact has been included, as individual differences mean costs vary too much to model reliably.

Pay inflation before vesting day has been excluded, salaries are shown in today's terms for Day 1.

Pay inflation during alignment, a figure of 3.5% annual growth used, based on current pay settlement forecasts (OBR, late 2025).

SCP movement limits – salary changes moving more than 2 SCP points trigger a decision point for review.

Schools staff have been excluded, as they are paid under separate national frameworks.

Any unclear or unmapped grades have been removed, this occurs where there was no valid mapping to a SCP.

FTE scope: Only people on the council payroll provided in the establishment data were included (e.g no Ubico, Publica)

The Workforce Salaries have been modelled to show the cost “if no one loses”. No district staff will earn on average less in the unitary than in the previous district. Given how wide both the district and county bands are, staff have been aligned to the top of the band to make sure they are above the average district band. In practice, this incurs additional costs to the new Unitary Authority, and it is possible that not all current District Council FTE will earn more in future.

Outputs: Workforce Salary Alignment

The current and future costs of the 'as is' and 'to-be' salary structure of all the Oxfordshire county and district councils. The future costs of the New Salary Structures are taken by *aligning up* in one year. There are no assumptions on the total differences between Oxford & Shires and Ridgeway in the 2UA, so the monetary total is the same. The scenario assumes no one loses pay and all staff are uplifted to the county-level salary point. It does not map specific roles, grades, or structures, and should not be read as an HR proposal.

It provides a useful order-of-magnitude view of potential harmonisation exposure and enables like-for-like comparison across LGR options before detailed work is undertaken. Because the model uplifts everyone to the county rate, it will show additional costs. **These are directional, not definitive. Actual costs will depend on future pay line design, negotiations, phasing decisions, and organisational design.**

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Council	Cost of harmonising up in one year (£'000)
Total old cost	275,673
Alignment Benefit / (Cost)	10,117
% Cost of New Structure	3.7%
Salary (New Structure)	285,790

Outputs: Workforce Salary Alignment

Below is a table showing the Cumulative Total Cost Benefit of Aligning Up net of workforce reduction. Pay alignment is split equally over the reorganisation period to distribute the impacts.

	Harmonisation Period (Years) (£'000)					
Year	Do Nothing	1	2	3	4	5
1	275,673	285,790	280,732	279,046	278,202	277,697
2	285,322	295,793	295,793	292,303	290,557	289,510
3	295,308	306,146	306,146	306,146	303,436	301,811
4	305,644	316,861	316,861	316,861	316,861	314,617
5	316,341	327,951	327,951	327,951	327,951	327,951
Total	1,478,288	1,532,541	1,527,482	1,522,306	1,517,008	1,511,586
Benefit / (Cost)		-54,253	-49,194	-44,017	-38,720	-33,298

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Two Councils

Oxford and Shires | Ridgeway

3.6 Members: Numbers and Election Costs

— A once-in-a-generation opportunity —

Two Councils

Oxford and Shires | Ridgeway

Introduction to Members and Elections

This module estimates the savings and costs linked to changing the number of councillors and streamlining elections under different LGR scenarios.

It examines:

- **Members' costs** – the basic allowances and special responsibility allowances (SRA) paid to elected councillors.
- **Election costs** – the cost of running local elections, and how these change when the county and district tiers are replaced by new unitary authorities.

The aims are to:

- Quantify the financial impact of reducing the number of councillors.
- Identify the election cost savings achievable from consolidating elections from two tiers of local government.
- Support decisions on governance structure and transition planning.

Methodology

The process has three main steps:

1. Calculate current costs

- Collect current Basic Allowance and Special Responsibility Allowance (SRA) totals for all existing councils.
- Calculate the total cost of county and district elections over a typical four-year cycle, using RO data for 'Conducting Elections' (Net current expenditure).

2. Calculate anticipated costs for future unitary authorities

- Assume a range of councillor numbers from low, medium and high for the new unitary authorities, then use benchmarked allowance rates for all new unitary councillors to establish the base allowance member cost plus SRA allowances.
- Establish an average cost of an election in each area from the RO data noted above, to be multiplied by the number of assumed elections for each new unitary authority over a four year election cycle.

3. Estimate savings

- To establish the savings from both member allowances and elections, subtract modelled costs for the new unitary authorities from the baseline.

Inputs

The module uses the published basic allowances and SRA data from each, along with RO data. The election cost model also factors in the number of votes cast, the election cycle in each area, and anticipated electoral changes in the new unitary authority arrangements.

Members Input Categories	Description	Data input	Source
Number of Members and Allowances	The total number of elected councillors who sit on the council and represent different areas of the local authority and their total costs.	<ul style="list-style-type: none"> Number of Members Basic Allowances and SRAs 	<ul style="list-style-type: none"> Website of each council
Cost of Elections	The amount of money spent by the council to run elections including staffing, polling stations, printing, and counting votes.	<ul style="list-style-type: none"> Election cycle rate Total number of votes cast over last 4 years (2021-25) RO data - Net current expenditure - 'Conducting Elections' category only 	<ul style="list-style-type: none"> Website of each council Gov.uk - Local authority revenue expenditure and financing England: Revenue outturn multi-year data set

Assumptions

The following core assumptions have been applied throughout the Members and Elections analysis to ensure consistency and clarity in the dataset and methodology.

Assumptions for Members and Elections

General Members' Allowance in the new unitaries will match the current County rate (Oxford and Shires) or West Berkshire's UA rate (Ridgeway). Only Basic and SRA are included; other expenses such as mileage and IT are excluded due to variability.

A range of members numbers (high, medium and low figures) have been provided by the respective local authorities. The model takes the midpoint figure to model future member allowance costs.

Use of 'Conducting Elections' net current expenditure from published RO data

- It is assumed the RO data accurately represents the costs incurred by the councils for running local elections.
- Use of net current expenditure addresses any expenditure incurred for general elections due to income received from government to cover these elections.
- Net current expenditure is taken across a four year period (one full election cycle) to reflect the different election models in each current organisation.

This replaces an earlier modelling approach based on cost per vote due to limited local data and the variability of modelled costs that resulted.

It is assumed that each new unitary authority will elect all local councillors every four years, so there will be one election for each four year cycle. The overall election saving is calculated across the four years, then this is divided by four to provide an annualised saving.

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Election and Member Current Baseline

Two-tier governance in Oxfordshire leads to numerous elections. This includes the upper tier local authority of Oxfordshire County Council and all 5 District councils. Unitary arrangements will streamline the elected-governance structure by consolidating district and county responsibilities. Basic Allowances from recent Unitary Authorities were benchmarked to estimate an average assumption for the future Unitary Authority. Where possible, the same was calculated for SRA based on the number of SRA roles and their costs.

Council	Council type	No. of councillors	Basic Allowance (£)	SRA (£)	Election cycle	Votes cast over the last four years
Oxfordshire County	County	69	953,856	384,865	Whole	191,781
South Oxfordshire	District	36	302,076	154,995	Whole	77,810
West Oxfordshire	District	49	255,829	183,824	Thirds	68,173
Oxford City	District	48	262,608	130,316	Halves	80,017
Cherwell	District	48	250,560	108,225	Thirds	113,137
Vale of White Horse	District	38	285,532	169,124	Whole	62,849
Oxfordshire Total						593,767
West Berkshire	Unitary	43	377,024	553,739	Whole	51,561
Grand Total		331	2,687,485	1,685,087		645,328

Total (Base + SRA): £4,372,572

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Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Election Costs Baseline

Net Current Expenditure for 'Conducting Elections' from the RO returns for each organisation has been used to establish the overall baseline of election costs. This looks across four years (2021 to 2025) to establish costs for one full election cycle.

Council	Council type	Election cycle	Cost of conducting elections 2021/22	Cost of conducting elections 2022/23	Cost of conducting elections 2023/24	Cost of conducting elections 2024/25	Total cost of conducting elections over 4 years	Average cost per election	Votes cast over the last four years	Average cost per vote
Oxfordshire County	County	Whole	£799	£24	£31	£62	£916	£916	191,781	£4.78
South Oxfordshire	District	Whole	£76	£118	£314	£113	£621	£621	77,810	£7.98
West Oxfordshire*	District	Thirds	£39	£78	£85	£76	£278	£93	68,173	£4.08
Oxford City	District	Halves	£94	£98	£122	£457	£771	£386	80,017	£9.64
Cherwell	District	Thirds	£211	£376	£395	£470	£1,452	£484	113,137	£12.83
Vale of White Horse	District	Whole	£103	£225	£350	£130	£808	£808	62,849	£12.86
Oxfordshire Total			£1,322	£919	£1,297	£1,308	£4,846	£551	593,767	£8.69
West Berkshire	UA	Whole	£16	£8	£367	£48	£439	£439	51,561	£8.51
Grand Total			£1,338	£927	£1,664	£1,356	£5,285		645,328	£8.67

*Local data provided as entered into the RO as 'Central Costs'

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Outputs: Democracy Savings Post Reorganisation

Financial savings through consolidating Member and Election costs for each of the new Unitary Authorities are shown below. Total councillor numbers will be decided by the shadow leadership for the new authorities and this analysis does not intend to pre-empt these decisions.

Member Costs and Savings

Option	Population	Population per Member (Low)	Population per Member (High)	Population per Member (Mid)	No. Councillors (Low)	No. Councillors (High)	No. Councillors (Mid)	Member Allowance (Low) (£'000)	Member Allowance (High) (£'000)	Member Allowance (Mid) (£'000)	Current Member Cost (£'000)	Saving (£'000)
Oxford and Shires	464,686	5,809	4,647	5,228	80	100	90	1,552	1,940	1,746	1,967	221
Ridgeway	472,156	5,902	4,722	5,312	80	100	90	1,731	2,165	1,948	2,405	457
Total	936,842	-	-	-	160	200	180	3,283	4,105	3,694	4,372	678

Election Costs and Savings

Council	Number of elections pre LGR	Number of elections post LGR	Cost of elections pre-LGR	Cost of elections post-LGR	Election Cost Saving over 4 years	Election Cost Saving annualised	Total annual democracy saving
Oxford & Shires	8 (plus OCC election)	1	£3,049	£551	£2,498	£625	£846
Ridgeway	3 (plus OCC election)	1	£2,236	£439	£1,797	£449	£906
Total	12 including OCC election	2	£5,285	£990	£4,295	£1,074	£1,752

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3.7 MTFS

— A once-in-a-generation opportunity —

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Methodology

The MTFS module applies a structured review of each organisation's medium-term financial strategy, assessing the maturity and deliverability of planned and historic savings, the scale of future savings required to achieve a balanced budget, and savings as a proportion of total expenditure. This assessment informs an aggregated view of transformation maturity at the unitary level and enables scenario modelling of potential financial benefits across three key cost areas: assets, third-party spend, and FTE.

Three components have been considered in the analysis:

- 1) Planned (identified and unidentified) savings for the next 3 years that are required to deliver a balanced budget
- 2) Qualitative review of where delivered and identified savings opportunities are in the organisation
- 3) Planned and delivered savings as a % of budget

The review assesses the maturity of savings, identifies potential opportunities, and references the ongoing budget gap using data from the latest MTFS. *This will directly inform the Policy & Transformation Module.*

Transformation Maturity
of LAs

Overall Savings
Potential

Transformation Scenario
Modelling

Assets

Third Party
Spend

FTE

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Assumptions

Assumptions for MTFS	Elements Impacted
<p>Historic / Present Savings may look like the following:</p> <ul style="list-style-type: none"> • Vacancy Management and Workforce Restructuring • Back-office efficiencies and automation • Contract Renegotiation and Service Redesign • Income Generation and Cost Control efforts • Transformation and/or Recovery Programmes (ie. Financial Recovery Plans) • Asset Rationalisation and Disposals 	<p>Assets: Savings via asset disposals, better use of property / assets etc.</p> <p>Third Party Spend: Transformation programme can lead to TPS savings, be it through contract rationalisation, more favourable contract conditions, less use of short-term / reactive spend (ie. including savings from better contract management, negotiation and market-scanning through improved strategic commissioning and procurement capabilities)</p>
<p>Planned / Future Savings may look like the following:</p> <ul style="list-style-type: none"> • Organisational Redesign and Capacity Building • Service Digitisation and Channel Shift • Demand Reduction and Prevention-led Approaches • Expansion of Income Strategies • Efficiency Reviews in Underexplored Areas (ie. IT) 	<p>FTE: Forecasts for future establishment may decrease depending on assessment of transformation programmes (ie. greater back office efficiencies, digitisation etc.)</p>

Inputs: MTFS Historical Performance Data

The module uses various inputs across each council. The main input is the MTFS for base budget & budget gap, where information for delivered savings & planned savings was not available in the MTFS, different inputs have been utilised.

Council	Delivered Savings	Planned Savings	Budget Gap	Base Budget
Oxfordshire	Source: Productivity Plan 24/25 & Comments: Savings identified as being 84% of £28.2m for 23/24. Savings identified as £20m against target of £26m for 24/25.	Source: Revenue Update & Monitoring report for 25/26 savings. Previously Agreed and Proposed Budget Proposals 2025/26 - 2027/28 for 26.27 savings. 27/28 savings provided directly.	Source: Budget Book (MTFS) Comments: Budget gap refers to the Total contributions to and from reserves.	Source: Budget Book (MTFS) Comments: Note used is Net Operating Budget.
Cherwell District	Source: Finance and Performance Monitoring Report 24/25 & Finance and Performance Monitoring Report 23/34 Comments: Savings identified within Table 2: Analysis of variance for FY 24/25 & FY23/24 under Savings non-delivery.	Source: MTFS Comments: Savings identified in Table 4.2.3: Service Efficiencies and Income Proposals.	Source: MTFS Comments: Budget gap refers to the Funding Gap / Surplus line within the MTFS.	Source: MTFS Comments: Note used is Net Budget Requirement.
Oxford City	Source: Spending Plan (23/24) and Statement of Accounts 24/25 . Comments: Savings identified for 23/24 was £2.74M within spending plan. Savings identified for 24/25 were pulled from the SoA, with savings totalled to £2.96M.	Source: General Fund Budget Proposals Summary Comments: Planned savings refers to the Cumulative MTFF Position table. The net change each FY has been calculated.	Source: MTFS Comments: Budget gap refers to the additional Budget transfer to/(from) reserves & additional & transfer to/(from) reserves from amendments.	Source: MTFS Note used is Net Budget Requirement.
West Oxfordshire	Source: Outturn Report 23/24 & Outturn Report 24/25 Comments: Savings identified for each year in their respective outturn reports, where specific savings were detailed.	Source: MTFS Comments: Savings identified in MTFS are ones included in Target budget (NOE) lines.	Source: MTFS Comments: Budget gap refers to the use of GF reserves across the relevant years.	Source: MTFS Comments: Note used is Target Budget (NOE).
South Oxfordshire	Source: MTFS Comments: Note used is base budget savings and in-year savings target.	Source: MTFS Comments: Note used is base budget savings and in-year savings target.	Source: MTFS Comments: Budget gap refers to the Contribution to/(Use of) reserves to balance budget.	Source: MTFS Comments: Note used is Total Revised base budget.
Vale of White Horse	Source: MTFS Comments: Note used is base budget savings and in-year savings target.	Source: MTFS Comments: Note used is base budget savings and in-year savings target.	Source: MTFS Comments: Budget gap refers to the Contribution to/(Use of) reserves to balance budget.	Source: MTFS Comments: Note used is Total Revised base budget
West Berkshire	Source: Revenue Financial Performance: Provisional Outturn 2023-24 & 2024-2025 Comments: Delivered savings for 23/34 and 24/25 provided in the Revenue Financial Performance: Provisional Outturn documents.	Source: MTFP Comments: Notes used are: 10a Savings and income proposals identified, 10b Efficiency savings and 10c Savings and income gap.	Source: MTFP Comments: Budget gap refers to use of existing fund reserves or use of exceptional financial support.	Source: MTFP Comments: Note used is Target requirement.

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Outputs: Historic MTFS Performance

The following sets out delivered and planned savings, transformation activity and savings maturity across individual authorities for operational expenditure. It should be noted that in the majority of cases savings have not been fully delivered and there has been a requirement to use reserves to balance budgets. Planned savings will also be impacted by the transition to the new model, as such individual savings will need to be reviewed during implementation to understand feasibility of implementation.

	Delivered Savings		Planned Savings			Budget Gap	Base Budget		% Saving of Budget			
	FY23-24 (£m)	FY24-25 (£m)	FY25-26 (£m)	FY26-27 (£m)	FY27-28 (£m)	Cumulative Gap FY25-26 to FY27-28	FY24-25 (£m)	FY25-26 (£m)	FY24-25 (%)	FY25-26 (%)	Historic Savings	Planned Savings
Oxfordshire	23.70	20.40	27.40	9.50	3.0	£32.28m	611.0	646.9	4.48%	4.65%	Achieved through longer-term service reviews, staff restructuring, and operational realignment.	OCC have placed emphasis on delivering cross-cutting savings across the service areas.
Cherwell District	0.20	0.63	1.38	1.70	1.86	£10.11m	26.9	26.2	2.34%	5.27%	Achieved through staff restructuring, increase in income generation through fees.	Savings focus on the process of continuous improvement and service transformation across the district, focussing on improving efficiency.
Oxford City	2.74	2.94	1.58	3.26	1.45	£2.47m	30,812	30.3	9.54%	5.21%	Achieved through staff restructuring, reduction in election costs.	Anticipated savings span all service areas and are based on improved fees & charges along with transformation activities.
West Oxfordshire	0.84	0.65	0.50	0.90	0.0	£6.45m	18.2	18.7	3.57%	2.67%	Improvements in IT systems, trade waste services, as well as streamlined internal processes.	Savings through exploration of Ubico and Waste contracts. Limited information on further saving proposals available.
South Oxfordshire	0.007	0.22	0.1	0.044	0.1	£1.86m	22.1	25.3	4.43%	2.96%	Reduced admin costs and contract costs, savings from office relocation.	Savings primarily focus on income generation, staff structure review and external fund deployment.
Vale of White Horse	1.060	0.207	0.274	0.078	0.1	£7.87m	23.2	24.64	2.03%	2.76%	Income from other local authorities and reduced costs savings from offices.	Reduction in spend across staff apportionment, housing benefits budget and bad debt provision.
West Berkshire	5.0	13.5	8.20	16.80	7.80	£5.3m (only FY 25/26)	174.5	192.3	7.74%	4.26%	Achieved through use of 3rd party partnerships and use of income generation through fees / charges.	Savings proposals focus on transformation programmes, directorate savings through efficiencies through use of technology, etc.

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3.8 Policy and Transformation

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Overview of Policy and Transformation

Purpose

This module looks at the **additional efficiency savings and income growth the new authorities could achieve post-vesting day** through localised service delivery agreements and transformation. This module has implications on other modules and helps reflect the localised conditions into the otherwise more general modelling approach.

The specific outputs from the module aims to:

- Identify realistic (“base”) and ambitious (“stretch”) savings potential over and above reorganisation benefits.
- Transformation potential is considered independent of structural model and delivered once consolidation is complete.
- Use evidence from local MTF5 performance and the disaggregation and aggregation engagement sessions to inform base and stretch transformation scenarios. This covers:

FTE (Front Office,
Service Delivery, Back
Office)

Addressable Third
Party Spend

Income Generation

Current Service Provision

This facet of the module looks to capture the nuances of local service provision and how that may impact the anticipated costs and benefits of reorganisation.

These are taken into account at various points of the modelling process, and is largely factored into the baselines or calculations of specific modules (eg. by refining the addressability percentages, impact of the disaggregation of large contracts).*

Policy & Transformation

Transformation benefits are modelled in two stages: delivery pre-reorganisation and the potential change that can be delivered post re-organisation as well as any future local service delivery agreements that may influence the final positions (eg. maintaining a single Fire and Rescue Service regardless of reorganisation option).

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Oxford and Shires | Ridgeway

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*Note that it was agreed to shared service contracts valued less than £100k would not be disaggregated in this process as there will be little material impact.

Methodology

Approach: Shared Service Provision

Some Councils have made certain efficiencies through setting up shared service delivery agreements, both pre and post-reorganisation. This may mean that existing services do not need to be disaggregated, depending on geography, or may see lesser size of opportunity for consolidation or savings benefits.

Approach: Transformation

1. **Use post-reorganisation baseline figures from each of the relevant financial modules:** FTE Spend (split across Front Office, Service Delivery and Back Office), Income (Sales Fees and Charges) and Third Party Spend (Addressability).
2. **Apply revised % savings** (base and stretch) to the 1UA and the 2UA scenario to the relevant transformation categories, noting that the 2UA transformation baseline will be higher to include West Berkshire.
3. **Transformation benefit measured as a savings value (£), calculated** as baseline × % saving.
4. **Articulate totals** sum across categories to give annual recurring savings in year 5 (full realisation).

Areas Impacted

Third Party Spend: Size of opportunity, costs of disaggregation
Staff and Pay: Informs FTE benefits from consolidation or disaggregation
Transformation: Informs the 'base' and 'stretch' savings range

FTE (Front Office, Service Delivery, Back Office)

Addressable Third Party Spend

Income Generation

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Considerations: Existing Transformation Plans

Detailed below are the planned savings to be delivered ahead of the reorganisation process. A high-level review looked to understand how likely will these identified savings and transformation programmes be delivered prior to the reorganisation deadline of 2028/29. This module does not assume that opportunities will be wholly realised by 28/29, but instead recognises that this may impact the size of opportunity for future, unaddressed transformation.

Change Initiative	Organisation	Anticipated Savings	Impact on...	Deliverability Review
Increase Digitisation of Service Delivery	West Berkshire	£1.4m	FTE (Service Delivery)	Medium: Further savings proposals related to transformation are underway, but details currently unknown.
Customer Experience Programme	Oxford City Council	£0.82m	FTE (Front Office)	Medium: Relatively prudent savings target for similar programmes, and in line with savings delivered in previous years.
Oxfordshire Waste and Environmental Services Transformation Programme	West Oxfordshire	£3.0m	Third Party Spend	Medium: In partnership with Cherwell District Council and Oxford City Council, currently undergoing a review of alternative options for waste and recycling collection. Dependent on wider market conditions.
Delivering the Future Together: Organisational Redesign	Oxfordshire County Council	£5.9m	FTE (All)	Medium: Dependent on transformation capacity and capability, but the Council has the ambition to conduct a fundamental redesign, including job evaluations.
Delivering the Future Together: Commissioning and Contract Management	Oxfordshire County Council	£5.0m	Third Party Spend	Medium: Dependent on transformation capacity and capability, and addressability of TPS in the lead up to LGR.
Delivering the Future Together: Additional Commercial Opportunities	Oxfordshire County Council	£1.0m	Income Generation	Low: Higher dependency on income generating opportunities which can be variable and having the capacity to deliver against them.

Source: MTFs, Transformation Plans supplied by Councils, Cabinet Decision (Waste Programme)

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Two Councils

Oxford and Shires | Ridgeway

Inputs: Potential Transformation post reorganisation

The new authorities may have the opportunity to realise further savings by transforming the way they provide services. Detailed below is a high-level summary of what additional avenues could be explored, allocated against the three primary categories of expenditure.

Service Area	General Projections*	High-level Opportunities for Oxfordshire
Adult's	1-5%	<ul style="list-style-type: none"> • Assets: Examine opportunities to repurpose existing assets to support the provision of community-based services. • FTE: Organisational redesign to support effective service delivery model using latest technology to enhance impact and efficiency. Cross-cutting opportunities related to customer and contact management, as well as cultural and behavioural change. • TPS: Improved strategic commissioning across housing, mental health, and care homes to reduce duplication and improve provider rate.
Children's	1-5%	<ul style="list-style-type: none"> • Assets: Potential reduction in administrative buildings and integration of co-located services (e.g. care with housing, co-locating Family centres). • FTE: Rationalisation of commissioning teams and support staff across 2UA option. Cross-cutting opportunities related to customer and contact management, as well as cultural and behavioural change. Review use of data to support with enhance demand management, prediction and holistic care. • TPS: Review the care cycle, enhance preventative approach to care provisions and aim to reduce the rate of escalation for high-cost placements.
Place	6-10%	<ul style="list-style-type: none"> • Assets: Develop an asset strategy, identifying additional opportunities for income generation and cost recovery (eg. disposal of surplus assets post-reorganisation and review cost-recovery in comparison to similar Councils). • FTE: Review the service delivery model, to identify current service levels and standards, use of digital, efficiencies in existing operating model. Cross-cutting opportunities related to customer and contact management, as well as cultural and behavioural change. • TPS: Improved long-term contract management, commissioning and procurement capabilities to support greater grip over long-term management.
Corporate Services	6-15%	<ul style="list-style-type: none"> • FTE: Organisational redesign to remove duplicative activity and shadow spend within services, leveraging automation and emerging technology to streamline processes (eg. recruitment, P2P) and improve self-serve capacity. Cross-cutting opportunities related to customer and contact management, as well as cultural and behavioural change. • TPS: Review current use of agency spend as part of organisational redesign and assess opportunities to reduce reliance on external agency spend, particularly relating to specialist services (eg. Legal), and use of data to drive performance management.

Transformation portfolios developed from working with Councils elsewhere, may vary depending on previous savings delivered, existing transformation in place, resource capacity. Savings projections draw on demand management, FTE release and reduced third party spend.

Inputs: Transformation Opportunities

Detailed below is the high-level assessment of additional transformation opportunities that may be explored following reorganisation, taking into consideration planned savings and existing transformation programmes, and drawing on conversations with Section 151 Officers to-date.

Category	Reasoning
Front office FTE	Two Customer Experience Programmes are set to be delivered ahead of vesting day, which may give the incoming authorities with more digitised, capability-driven Front Office operations. However, given that this is only being explicitly delivered in two organisation, the overall size of opportunity is likely smaller than Back Office redesign.
Service delivery FTE	Benefits here would be focused on realising the benefits of more effective and efficient service delivery models, including implementing fundamental changes to service provision to reduce demand. Anticipated savings are lower than in the Front and Back Office, as service delivery activity is less impacted by digitisation but would still benefit from process optimisation.
Back office FTE	There are some planned transformation for back office and service delivery as part of OCC's organisational redesign, but there has overall been a greater focus on transforming the front office. Back office services are also more influenced by digitisation, improvements to ways of working and reduction of shadow or duplicative activity via the centralisation of operations.
TPS	There are opportunities to strengthen the grip over the future authorities' commissioning cycle, building on the initiatives underway in Oxfordshire County Council and enhancing the future organisation's overall commissioning, procurement and contract management capabilities.
Income	Some gains from income generation through review of sales, fees and charges for District charging of key services (eg. green waste, planning) and harmonising to new standards. Based on 23/24 RSX data, Oxfordshire has similar fees and charges rates with its comparator group (eg. Gloucestershire, Surrey, Buckinghamshire).
Assets	Review of current use of assets to assess cost recovery and usages of typically income generating assets (eg. car parks) and to align the strategic use of assets with service delivery models (eg. better co-location of services, repurposing certain buildings to enhance place-based service provision).

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Oxford and Shires | Ridgeway

Oxford and Shires | Ridgeway

Inputs: Base and Stretch Assumptions

The following figures are conservative estimates of potential additional benefit that can be delivered through further transformation. It draws from end-to-end transformation programmes and portfolios delivered in other Councils and takes into account where existing initiative may reduce the overall opportunity for change. **With the exception of Assets, it is assumed that there is a greater opportunity for transformation in the Ridgeway option overall due to West Berkshire's current financial position.**

Category	Oxford and Shires		Ridgeway	
	Base %	Stretch %	Base %	Stretch %
Front office FTE	1%	3%	3%	5%
Service delivery FTE	1%	3%	3%	5%
Back office FTE	3%	5%	5%	7%
TPS	1.5%	3%	2%	5%
Income	0.5%	1%	0.5%	1%
Assets	0.5%	1.5%	0%	0.5%

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Oxford and Shires | Ridgeway

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Outputs: Oxford & Shires Transformation

The table below shows the annual recurring savings and income growth that could be achieved by Year 5, through transformation, in both the base and adjusted stretch scenarios. The adjusted stretch reflects the scale and nature of opportunities identified by councils, with the largest uplifts in Third Party Spend and Back Office transformation.

Category	Baseline (£'000)	Base %	Base (£'000)	Stretch %	Stretch (£'000)
Front office FTE spend	57,429	1%	574	5%	1,723
Service delivery FTE spend	60,561	1%	606	3%	1,817
Back office FTE spend	43,520	3%	1,306	5%	2,176
TPS	367,094	1.5%	5,506	3%	11,013
Income (Sales, Fees and Charges)	126,284	0.5%	631	1%	3,671
Assets (Operational Spend)	11,117	0.5%	49	1.5%	146
Total			8,672		20,546

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Oxford and Shires | Ridgeway

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Outputs: Ridgeway Transformation

The table below shows the savings and income growth that could be achieved by Year 5, through transformation, in both the base and adjusted stretch scenarios for Ridgeway. The adjusted stretch reflects the scale and nature of opportunities identified by councils, with the largest uplifts in Third Party Spend and Back Office.

Category	Baseline (£'000)	Base %	Base (£'000)	Stretch %	Stretch (£'000)
Front office FTE spend	56,213	3%	1,686	5%	2,811
Service delivery FTE spend	59,279	1%	593	3%	1,778
Back office FTE spend	42,599	5%	2,130	7%	2,982
TPS	382,662	2%	7,636	5%	19,089
Income	73,496	0.5%	367	1%	735
Assets (Operational Spend)	11,225	0%	0	0.5%	49
Total			12,412		27,444

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Oxford and Shires | Ridgeway

Outputs: Transformation Costs

Exact scale and scope of transformation will need to be refined by the new local authorities, including the anticipated upfront costs and benefits phasing.

Investment Cost

- Transformation typically requires a degree of upfront spend, particularly in delivery resource (change management, service redesign specialists, business architecture development) and investments in tools and technology.
- For the purposes of this modelling, transformation costs are estimated at 70% of anticipated transformation benefits for the **base scenario only**. It is assumed costs would scale for the stretch scenario due to additional investment in systems and capacity requirements.
- There is an opportunity for the organisation to leverage LGR consultation and implementation resource to support with transformation, thereby dampening the total additional investment needed.
- Costs may be further reduced depending on existing in-house transformation capability and capacity.

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Oxford and Shires	Estimated Cost (£'000)
<i>Transformation Delivery Resource:</i>	3,018
<i>Additional Investment Costs (eg. IT and Software)</i>	2,414
<i>Contingency Cost:</i>	604

Ridgeway	Estimated Cost (£'000)
<i>Transformation Delivery Resource:</i>	4,344
<i>Additional Investment Costs (eg. IT and Software)</i>	3,475
<i>Contingency Cost:</i>	869

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Outputs: Transformation Phasing

Exact scale and scope of transformation will need to be refined by the new local authority, including the anticipated upfront costs and benefits phasing.

Phasing

- Transformation costs are typically expected to be phased across the first 2 years of a programme, with the bulk of upfront assessment, design and implementation work being complete prior to significant benefit realisation.
- Noting that the new authorities will also be dealing with various challenges from reorganisation, a more conservative phasing timeline has been applied to transformation benefits realisation.

Benefits Phasing

	Y1	Y2	Y3	Y4	Y5
<i>Transformation benefits (recurring)</i>	0%	0%	50%	75%	100%
<i>Transformation costs (one-off)</i>	40%	40%	10%	10%	0%

4.0 Implementation Costs

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One-off Transition Costs

The estimated one-off transition costs for reorganisation have been detailed. They illustrate the various costs the new unitary councils will face, from redundancy, through IT integration, to consultants and contingency costs. The total is projected to be around £30.4m. These costs have been informed by councils that have undergone reorganisation to provide an insight into the typical costs during LGR.

Category	Transition Costs	Oxfordshire 2UA
		Cost (£'000)
351 Programme transition costs	External Comms, Rebranding & implementation <i>Examples include: Staff Advertising, Venue/Room Hire, Subscriptions</i>	659
	External transition, design and implementation support costs <i>Examples include: Other Hired & Contracted Services & Consultants Fees</i>	7,686
	Internal programme management <i>Examples include: Staff Admin Recharge</i>	3,426
	Creating the new council: <i>Examples include: Training, Vehicle Parts/Maintenance and Contents Insurance</i>	1,464
	Contingency <i>Examples include: Other Expenses General & Miscellaneous Small Projects</i>	3,228
	Organisation closedown <i>Costs involved with legally and financially closing down councils and create sound budgetary control systems</i>	732
	Public consultation <i>Examples include: Survey Professional and Other Fees, General Materials, Entertainment and Refreshments</i>	494
	ICT costs <i>Examples include: IT Hardware, IT Repair Installation Maintenance and Training, IT Software & IT Licences</i>	6,862
	Shadow Chief Exec / member costs <i>Examples include: Electing the shadow cabinet, training costs</i>	747
	Total Programme Transition Costs	25,297
Redundancy Cost - <i>Examples include: Redundancy payments (does not fully factor in pension strain)</i>		5,135
Total One-off transition costs		30,432

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5.0 Cost and Benefits of Reorganisation

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5.1 Changes to the Baseline

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Savings Against Expenditure: Oxford and Shires

The Financial Case builds on the findings from the Financial Options Appraisal by refining the baseline and assumptions based on detail provided by local authorities. **For Oxfordshire and West Berkshire, this has meant a refined baseline for overall expenditure and total expenditure on FTE, an evolved assumption around spend on property based on its asset portfolio as well as a refined addressability baseline to develop a prudent view on Third Party Spend savings.**

Expenditure (27/28)
(‘000)

£555,859

FTE Savings (£'000)

Total Spend on FTE*

£171,803

Leadership
Savings**

£5,631

Spend on FTE excluding
Leadership Savings

£166,171

Calculating Aggregation Benefits

Proportion of FTE Spend in
Front Office (36%)**

£59,822

Percentage Reduction
from Aggregation**

4%

Savings from
Aggregation

£2,393

Proportion of FTE Spend in
Service Delivery (37%)**

£61,483

1.5%

£922

Proportion of FTE Spend in
Back Office (27%)**

£44,866

3%

£1,346

Total Savings

£10,292

Assets

(Operational Expenditure) (£'000)

The assumption around proportion of spend on property has been reduced to reflect the Councils asset portfolio, including a comparably lower figure for Heritage Assets.

Proportion of Expenditure
on Property

2%

£11,117

Disaggregation Benefit

12.5%

£1,390

Third Party Spend

Detailed workings for Third Party Spend savings can be found in the module.

Disaggregation Benefit

2.0%

£1,002

*Refined baseline figure provided by local authorities. To note, spend on Fire and Rescue and Schools have been removed from the total baseline.

**Builds on original CCN assumptions.

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Savings Against Expenditure: Ridgeway

The Financial Case builds on the findings from the Financial Options Appraisal by refining the baseline and assumptions based on detail provided by local authorities. **For Oxfordshire and West Berkshire, this has meant a refined baseline for overall expenditure and total expenditure on FTE, an evolved assumption around spend on property based on its asset portfolio as well as a refined addressability baseline to develop a prudent view on Third Party Spend savings.**

Expenditure (27/28)
(‘000)

£561,226

FTE Savings (£'000)

Total Spend on FTE*

£164,531

Leadership Savings**

£1,877

Spend on FTE excluding Leadership Savings

£162,654

Calculating Aggregation Benefits

Proportion of FTE Spend in Front Office (36%)**

£58,555

Percentage Reduction from Aggregation**

4%

Savings from Aggregation

£2,342

Proportion of FTE Spend in Service Delivery (37%)**

£60,182

1.5%

£903

Proportion of FTE Spend in Back Office (27%)**

£43,917

3%

£1,317

Total Savings

£6,439

Assets

(Operational Expenditure) (£'000)

The assumption around proportion of spend on property has been reduced to reflect the Councils asset portfolio, including a comparably lower figure for Heritage Assets.

Proportion of Expenditure on Property

2%

£11,225

Disaggregation Benefit

12.5%

£1,403

Third Party Spend

Detailed workings for Third Party Spend savings can be found in the module.

Disaggregation Benefit

2.0%

£880

*Refined baseline figure provided by local authorities. To note, spend on Fire and Rescue and Schools have been removed from the total baseline.

**Builds on original CCN assumptions.

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5.2 Cost and Benefits of Aggregation

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Cost Benefit Analysis: Aggregation Benefit

The following sets out a view of the aggregation benefits (recurring) for the 2UA option.

Key benefits include:

- **Staffing (Leadership):** Benefits from reduction in duplicated top-line and associated transition costs.
- **Staffing:** Benefits from reduction of in-scope role and associated transition costs.
- **Third Party Spend:** Benefits from reduction in addressable spend across all in-scope contract categories.
- **Democracy:** Benefits from reduction in election costs and member allowances.
- **Property:** Benefits from reduced property OpEx for rationalised assets, which excludes South and Vale.

Note: Capital receipts from rationalisation of assets are not included above.

Option 2UA					
	Y1	Y2	Y3	Y4	Y5
Total Aggregation Benefits (£m)	2.3	4.6	11.6	16.2	23.1
Benefits Phasing					
	Y1	Y2	Y3	Y4	Y5
Aggregation benefits profile (recurring)	10%	20%	50%	70%	100%
Staffing Benefits			Oxford and Shires (£m)	Ridgeway (£m)	2UA Total (£m)
Estimated Senior Leadership Structures Saving	Recurring		5.6	1.9	7.5
Estimated Front Office FTE Reorganisation savings	Recurring		2.4	2.3	4.7
Estimated Service Delivery FTE Reorganisation savings	Recurring		0.9	0.9	1.8
Estimated Back Office FTE Reorganisation Savings	Recurring		1.4	1.3	2.7
Total Staffing Benefit	Recurring		10.3	6.4	16.7
Third Party Spend Benefits					
Total TPS Aggregation Saving	Recurring		1.0	0.9	
Democracy Benefits					
Estimated Total Allowances+SRA Saving	Recurring		0.22	0.46	0.68
Estimated Total Election Costs Savings	Recurring		0.59	0.45	1.04
Property Benefits					
Total Property Savings (not including disposal of surplus assets)	Recurring		1.4	1.4	2.8
Total Aggregation Benefits	Recurring		13.5	9.6	23.1

Cost Benefit Analysis: Reorganisation Costs

The following sets out a view of the aggregation costs (one off) for the 2UA.

Key costs include:

- **New unitarities setup & closedown costs:** Spend to design the new structure and manage the change (e.g. training, comms, process redesign).
- **IT & Systems costs:** Spend on new or upgraded systems to support a single organisation (e.g. finance, HR, CRM).
- **External transition, design and implementation support costs:** Resources needed to run the transformation programme (e.g. project management, governance).
- **Redundancy Costs:** Payments and support for staff reductions due to structural changes. This has been uplifted.
- **Contingency:** A buffer for unexpected costs, reflecting risk and complexity.
- **Recurring Disaggregation costs are expected to primarily impact the Ridgeway UA.**

Option 2 - Oxford and Shires and Ridgeway (£'000)						
	Y0	Y1	Y2	Y3	Y4	Y5
Total One-Off Transition Costs (£M)	-12.1	-12.1	-6.2	0	0	0
Total Disaggregation Cost (recurring) (£m)	0	-3.1	-3.1	-3.1	-3.1	-3.1
Benefits Phasing						
	Y0	Y1	Y2	Y3	Y4	Y5
Transition costs (one-off)	40%	40%	20%	0%	0%	0%
Disaggregation costs (recurring)	0%	100%	100%	100%	100%	100%
One off transition / implementation costs		Total (£M)	Note			
New unitarities setup & closedown costs						
<ul style="list-style-type: none"> • External Comms, Rebranding & implementation: • Internal Programme Management: • Creating the new council • Organisation closedown • Public Consultation • Shadow Chief Exec Costs 		7.5	Programme management, administrative and legal activities linked to new council creation and closedown, public consultation, rebranding and communications ahead of vesting day, and shadow member and executive costs. Based on other actuals from other previous LGR experience.			
IT & Systems Costs		6.9	Costs of data migration, systems migration, setting up new systems, hardware costs, integrating business systems etc. Based on other actuals from other previous LGR experience.			
External transition, design and implementation support costs		7.7	Based on other actuals from other previous LGR experience.			
Redundancy costs		5.1	Redundancy cost as a proportion of salary (current assumption) x total FTE saving			
Contingency		3.2	Approximately 10% of total one off transition / implementation cost.			
TOTAL		30.4				

It is assumed that transition costs will be funded and councils will need to agree around how it is funded.

Cost Benefit Analysis: 5 Year Outlook

This takes into account:

- Aggregation and disaggregation benefits / costs (recurring)
- One-off transition costs

Both options have a net cost in Year 1 due to transition spend, followed by strong and rising net in year benefit.

Note: Modelling reflects assumptions agreed as in August 2025.

Recurring Disaggregation costs are expected to primarily impact the Ridgeway UA.

2UA Model

	Y0	Y1	Y2	Y3	Y4	Y5	Total 5 year Benefit / (Costs)
Total Aggregation Benefits (£m)		0	2.3	4.6	11.6	16.2	23.1
Total Disaggregation Benefits / Costs (£m)*		0	-3.1	-3.1	-3.1	-3.1	-15.5
Total Transition Costs (£m)		-12.1	-12.1	-6.2	0	0	-30.4
Net in year Benefit/(Cost) (£m)		-12.1	-12.9	-4.5	8.5	13.1	20.0

Benefits Phasing

	Y1	Y2	Y3	Y4	Y5
Aggregation benefits profile (recurring)	10%	20%	50%	70%	100%
Disaggregation costs (recurring)	100%	100%	100%	100%	100%
Transition costs (one-off)	100%	0.00%	0.00%	0.00%	0.00%

Based on the cost/benefit analysis, the payback period for the 2UA LGR option would be 4.4 years, or within 5 years.

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6.0 Outputs for 2 UA Option

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Day 1 Financial Position

The Income and Expenditure and Assets and Liabilities position has been set out for Oxford and Shires and Ridgeway in the 2UA option. **This is the balance position prior to any benefit realisation from local government reorganisation or further transformation.**

Income and Expenditure			
	2 UA (£m)		
Category	Oxford and Shires	Ridgeway	Notes
Income*			
Council Tax	377.4	431.5	Currently 27/28 view. Includes Council Tax Surpluses.
Grants (inc. non-AEF)	45.8	63.0	Currently 27/28 view
Business Rates	114.4	55.0	Currently 27/28 view
Total Income	537.6	549.5	
Expenditure**			
All Staff	171.8	164.5	Does not include any staffing consolidation impact. Proportion based on FY25/26 establishment data shared.
All Non Staff	384.1	396.7	Expenditure excluding staff
Total Expenditure	555.9	561.2	Total Expenditure for all authorities in Oxfordshire and West Berkshire. FY27/28
Net Position	-18.3	-11.7	
Total Reserve Draws	13.4	6.8	Draws from reserves for FY27/28 to cover budget deficit
Final Position	-4.9	-4.9	

**Income Sources: Draft statement of accounts (24/25), MTF5 and MTFPs, Pixel Outputs*

***Expenditure Sources: Statement of Accounts 24/25, Net Operating Expenditure (25/26 onwards), Newton Analysis, Establishment data (provided by LA).*

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Day 1 Financial Position

The Income and Expenditure and Assets and Liabilities position has been set out for Oxford and Shires and Ridgeway in the 2UA option.

Assets and Liabilities (Core Considerations - not exhaustive)*

Category	2 UA (£m)			Notes
	Oxford and Shires	Ridgeway	Oxford and Shires HRA	
Assets				
Fixed Assets	2,968.6	1,692.2	1,339.1	Long-term assets only, projected to 28/29 using Capital Expenditure
Liabilities				
Long Term Borrowing	994.9	503.3	586.1	Debt, Long Term Borrowing, EFS
Short Term Borrowing	318.3	358.5	0	Short Term Borrowing

*Asset Sources: Statement of Accounts, Capital Expenditure from MTFs and MTFP Capital Programmes

**Liabilities: MTFs and MTFPs, information supplied by LAs

Transformation - 2 UA

There is an opportunity to deliver additional transformation savings based on the view from the MTF5 and Policy module. The scope of transformation savings would be refined by the new authorities including identifying individual opportunities. The phasing of transformation benefits has been tapered to show a five year implementation period. Investment, transition and implementation costs have been included. An updated view of net benefits over the five year period has been provided.

Transformation Opportunities						
Benefit Area	O&S Baseline (£m)	Savings Assumption (O&S)	O&S (£m)	Ridgeway Baseline (£m)	Savings Assumption (Ridgeway)	Ridgeway (£m)
Reduction in front office FTE spend	57.4	1%	0.6	56.2	3%	1.7
Reduction in service delivery FTE spend	60.6	1%	0.6	59.3	1%	0.6
Reduction in back office FTE spend	43.5	3%	1.3	42.6	5%	2.1
Reduction in TPS	367.1	1.5%	5.5	382.7	2%	7.6
Increase in Income	126.3	0.5%	0.6	73.5	0.5%	0.4
Assets (Operational Expenditure)	11.1	0.5%	0.05	11.2	0%	0

Oxford and Shires UA					
Year	1	2	3	4	5
Yearly Benefit (£m)	0	0	4.3	6.5	8.6
Yearly Cost (£m)	-2.4	-2.4	-0.6	-0.6	0
In-year Net Benefit / (Costs) (£m)	-2.4	-2.4	3.7	5.9	8.6

Ridgeway UA					
Year	1	2	3	4	5
Yearly Benefit (£m)	0	0	6.2	9.3	12.4
Yearly Cost (£m)	-3.5	-3.5	-0.9	-0.9	0
In-year Net Benefit / (Costs) (£m)	-3.5	-3.5	5.3	8.4	12.4

Consolidated View - Benefits

Detailed below is a consolidated view of the benefits of local government reorganisation as well as the transformation post reorganisation, which would be expected to be annual, recurring benefits from Y5 onwards.

Benefit Area	Oxford and Shires		Ridgeway	
	O&S LGR Benefits (£m)	O&S Transformation Benefits (£m)	Ridgeway LGR Benefits £m)	Ridgeway Transformation Benefits (£m)
Senior Management	5.6	N/A	1.9	N/A
Front Office FTE	2.4	0.6	2.3	1.7
Service Delivery FTE	0.9	0.6	0.9	0.6
Back Office FTE	1.4	1.3	1.3	2.1
Third Party Spend	1.0	5.5	0.9	7.6
Democracy	0.8	N/A	0.9	N/A
Assets (Operational Expenditure)	1.4	0.05	1.4	0
Income Generation	N/A	0.6	N/A	0.4
Gross benefits	13.5	8.6*	9.6	12.4
Less disaggregation cost	0	0	3.1	0
Net benefits	22.1		18.9	
Total 2UA net benefits	41.0			

*To note, there is a slight discrepancy in the sum figures here due to rounding, but the the original sum figure is £8,623,395.

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Year 5 Changes (Oxford and Shires)

The following sets out the Year 5 changes based on the impact of Reorganisation, Transformation and Council Tax Harmonisation. The Year 5 position assumes that there are no changes in the baseline position from Year 1. A significant number of elements could impact the Year 1 position. For example, these include Fair Funding Review, settlement from government, inflation, political change nationally and locally. Note the following does not include any inflationary uplift for each component.

Component	Assumption	Baseline (£m)	Y5 (£m)	Differential (£m)
Council Tax	4.99% increase each year for five years based on the harmonisation.	394.6	532.3	137.6
Reorganisation Benefit	Transition Benefit (TPS, Democracy and Assets Operational Expenditure) - fully implemented	0	3.4	3.4
Transformation Benefit	Transformation Benefit (TPS, Income and Assets Operational Expenditure) - fully implemented	0	6.2	6.2
Staffing	Baseline does not reflect the cost of harmonisation. It reduces baseline FTE expenditure and incorporates anticipated transformation and reorganisation benefits.	171.8	159.0	12.8
Totals				160.0

Year 5 Changes (Ridgeway)

The following sets out the Year 5 changes based on the impact of Reorganisation, Transformation and Council Tax Harmonisation. The Year 5 position assumes that there are no changes in the baseline position from Year 1. A significant number of elements could impact the Year 1 position. For example, these include Fair Funding Review, settlement from government, inflation, political change nationally and locally. Note the following does not include any inflationary uplift for each component.

Component	Assumption	Baseline (£m)	Y5 (£m)	Differential (£m)
Council Tax	4.99% increase each year for five years based on the harmonisation.	469.0	653.3	184.3
Reorganisation Benefit	Reorganisation Benefit (TPS, Democracy and Income) - fully implemented	0	3.0	3.0
Transformation Benefit	Transformation Benefit (TPS and Income) - fully implemented	0	8.0	8.0
Staffing	Baseline does not reflect the cost of harmonisation. It reduces baseline FTE expenditure and incorporates anticipated transformation and reorganisation benefits.	164.5	153.7	10.8
Totals				206.1

7.0 Appendices

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Staff Establishment Spend

Organisation	Spend on Establishment (£'000)	Source	Additional Notes
Cherwell District Council	22,883	Provided by Local Authority	Exact Figure
Oxford City Council*	30,424	Provided by Local Authority	Approximate Figure
West Oxfordshire	5,289	Provided by Local Authority	Exact figure, does not include Publica spend, which is assumed to be picked up through Third Party Spend.
South Oxfordshire	27,010	Provided by Local Authority	Exact Figure, the two Councils have a shared service agreement and establishment.
Vale of White Horse		Provided by Local Authority	
Oxfordshire County Council*	189,738	Provided by Local Authority	Approximate figure which has removed establishment spend related to Fire and Rescue and School
West Berkshire*	60,990	Provided by Local Authority	Approximate Figures

*Establishment spend is an approximate figure calculated from the midpoint salary bands and total FTE per salary band.

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