

CABINET – 25 MARCH 2025

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

**Report by the Executive Director of Resources and Section 151
Officer**

Recommendations

1. The Cabinet is RECOMMENDED to:

Capital Programme

- a. Note the capital monitoring position for 2024/25 set out in this report and summarised in Annex 1.
- b. Approve the updated Capital Programme at Annex 2 incorporating the changes set out in this report.

Additions to the Capital Programme

- c. Approve a budget increase for the Speedwell House Redevelopment programme, to be funded from corporate resources. (see paragraph 63 - 65)
- d. Approve the inclusion of £2.500m funding into the Capital Programme to fund a contribution to the Cowley Branch Line. The expectation is that as far as possible, this will be funded by S106 developer contributions. Any funding gap will be met through alternative funding sources. (see paragraph 66 - 70)

Funding Updates

- e. Note £0.868m of Active Travel Tranche 5 (ATF5) funding and a further £2.650m of Consolidated Active Travel Funding (CATF). This additional CATF funding, announced by Active Travel England, will be divided into £2.050m for capital expenditure and £0.600m revenue expenditure. Funds will be held in earmarked reserves, pending business cases coming forward.

Executive Summary

2. The Strategic Plan sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer, and healthier county.
3. The Capital and Investment Strategy agreed in February 2025 articulates how capital investment will help achieve this vision and the council's nine

priorities. In addition, the capital programme also supports statutory functions such as school placements and urgent health and safety capital maintenance works.

4. The ten-year Capital Programme sets out how the council will use capital expenditure to deliver these council priorities. The Capital Programme is updated quarterly and fully refreshed annually as part of the Budget and Business Planning Process to ensure that it remains aligned to the latest priorities, reflects the latest cost projections and profile for delivery, and incorporates the current funding position.
5. This is the fourth capital programme update and monitoring report for 2024/25 and sets out the monitoring position based on activity to the end of January 2025.
6. The report also updates the Capital Programme approved by Council in February 2025 taking into account additional funding and new schemes. The updated programme also incorporates changes agreed through the Capital Programme Approval Reports to Cabinet during the year as well as new funding.
7. The forecast programme expenditure for 2024/25 is £251.1m (excluding earmarked reserves). This has decreased by £5.5m compared to the previous capital programme for 2024/25 approved by Council in February 2025. The updated programme reflects the spend profile from the latest delivery timeframes and the inclusion of new grants received by the Council.
8. The total current year and ten-year capital programme (2024/25 to 2034/35) is £1,583.8m. The updated capital programme summary is set out in Annex 2. The main changes since the report to Council in February 2025 are set out in this report.

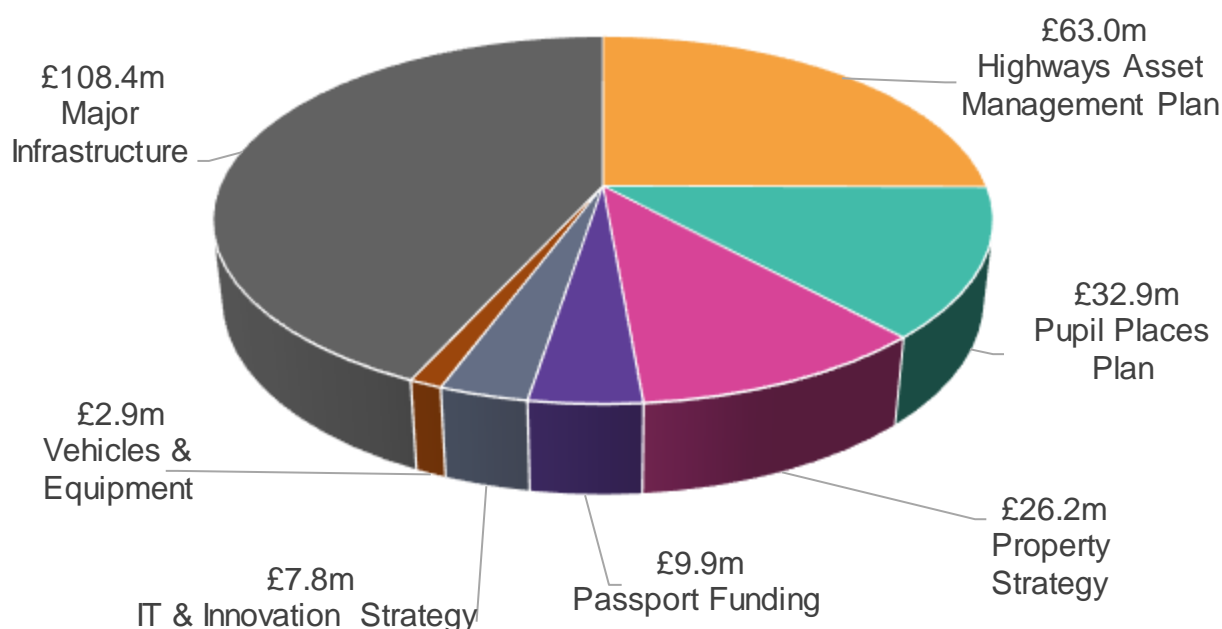
Introduction

9. Capital expenditure is defined as spending that creates an asset for the council (e.g. buildings, vehicles, and equipment) as well as spending which meets the definition in regulations specified under the Local Government Act 2003. This includes spend on non-current assets that are not owned by the council such as academies and the award of capital grants and funding agreements.
10. The capital programme supports the delivery of the council's vision and priorities as set out in the Strategic Plan. The programme is updated quarterly and fully refreshed annually as part of the Budget and Business Planning Process to ensure that it remains aligned with the latest priorities, reflects the latest cost projections and profile for delivery, and incorporates the current funding position.
11. The programme comprises the following strategy areas:
 - **Pupil Place Plan:** including basic need (new schools and expansion), maintenance, health and safety and improvements

- **Major Infrastructure:** including Growth Deal Infrastructure programme
- **Highways and structural maintenance:** including street lighting, and bridges
- **Property Strategy:** including health & safety, maintenance, improvements, the Investment Strategy and climate change measures,
- **IT, Digital & Innovation Strategy:** including broadband and equipment
- **Passported Funds:** including Disabled Facilities Grant and Devolved Schools Capital
- **Vehicles and Equipment:** including fire and rescue vehicles and equipment

12. The detailed investment profile for the 2024/25 Capital Programme is set out below:

2024/25 Programme - Latest Spend Forecast



13. This is the fourth capital programme update and monitoring report for the financial year and focuses on the delivery of the 2024/25 capital programme based on projections at the end of January 2025 and new inclusions within the overall ten-year capital programme.

14. The following annexes are attached:

Annex 1	Capital Programme Monitoring 2024/25 (Summary)
Annex 2	Updated Capital Programme 2024/25 – 2034/35 (Summary)
Annex 3	Exempt information – City Centre Accommodation Strategy

2024/25 Capital Monitoring

15. The capital monitoring position set out in Annex 1, shows forecast expenditure for 2024/25 of £251.1m excluding earmarked reserves). This has decreased by £5.5m compared to the latest capital programme approved by Council in February 2025. The updated programme reflects the forecast year end position for 2024/25 and the impact of re-profiling expenditure in 2024/25 where necessary to reflect the anticipated scheme delivery.

The table below summarises the latest forecast expenditure for 2024/25 as by strategy area and compares that to the last approved programme:

Strategy Area	Last Approved Programme 2024/25 * £m	Latest Forecast Expenditure 2024/25 £m	Variation £m
Pupil Places Plan	32.7	32.9	0.2
Major Infrastructure	113.6	108.4	-5.2
Highways Asset Management Plan	63.4	63.0	-0.4
Property Strategy	27.3	26.2	-1.1
IT, Digital & Innovation Strategy	7.8	7.8	+0.0
Passported Funding	8.9	9.9	+1.0
Vehicles & Equipment	2.9	2.9	+0.0
Total Strategy Programmes	256.6	251.1	-5.5
Earmarked Reserves / Pipeline Schemes	0.0	0.0	+0.0
Total Capital Programme	256.6	251.1	-5.5

* Approved by Council 11 February 2025

16. Actual capital expenditure at the end of January 2025 was £167.3m (66%). The combined spend to date and current forecasted in-year commitments for the Capital Programme are £220.9m or 88% of the revised estimate for the year.

Pupil Places Plan

17. The Pupil Place Programme has forecast spend of £32.9m compared to the previous forecast of £32.7m in 2024/25, an increase £0.2m. The Pupil Place Plan includes three main programmes:
- Basic Need - these are usually school expansion projects that are funded by central government grant and/or Section 106 developer funding / Community Infrastructure Levy funding to ensure there are enough school places for children within Oxfordshire.
 - Growth Portfolio – these are usually new school projects within large housing sites allocated in local plans that are funded from contributions sought from developers via a Section 106 agreement towards the costs of providing community and social infrastructure.
 - Schools Annual Programmes – this includes the School Structural Maintenance Programme funded from the School Condition Allocation, which addresses the highest condition-based priorities

within the school estate enhancing the school stock condition and reducing the backlog maintenance, and the School Access Programme which ensure that mainstream buildings are accessible for pupils with Special Educational Needs and Disabilities.

18. Projects in the basic need and growth portfolio programmes are either delivered directly by the Council, delivered by a housing developer or by a third party (usually an Academy Trust or Diocese) via a funding agreement. Regardless of how they are delivered, each project brings benefits to residents living in Oxfordshire by improving the quality and facilities at existing schools; providing additional pupil places allowing greater parental choice and ensuring that housing developments have the infrastructure necessary for them to become thriving communities.

Basic Need Programme

19. The Basic Need Programme is forecasting spend of £10.4m in 2024/25 compared to the previous forecast of £10.5m. The reduction of £0.1m reflects the latest delivery timeframe. Currently, seven projects are either in construction or have completed this financial year and are creating the following additional pupil places and improved facilities:

- Woodstock Primary School (105 additional pupil places),
- Oxfordshire Hospital School (Remodelling of Cuddesdon Corner to accommodate Family Solutions and Oxford Hospital School),
- Bloxham Primary School (new hall and reconfiguration of internal spaces to create new kitchen to support increased pupil numbers),
- St Frideswide SEND Resource Base (16 additional SEND pupil places),
- Aston & Cote CE Primary School (35 additional pupil places),
- Woodstock, Marlborough CE School (150 additional pupil places),
- Langtree School, Woodcote (installation of 2 science labs),

In addition, there are 10 projects in the pre-construction phase:

- Heyford Park School (150 additional pupil places),
- Witney, Woodgreen School (150 additional pupil places),
- Faringdon Community College (replacement of temporary accommodation),
- Oxford, Orchard Meadow Primary School, (Foundation Stage Accommodation),
- Sonning Common, Bishopswood SEN (relocation of accommodation and expansion of secondary base within Chiltern Edge School),
- Grove CE Primary School (105 additional pupil places),
- Tetsworth Primary School (new School Hall),
- North Hinksey CE Primary School (replacement of temporary accommodation),
- Oxford, Mabel Prichard Special School (23 additional SEND places).
- Yarnton, William Fletcher Primary School (105 additional pupil places)

Growth Portfolio Programme

20. The Growth Portfolio programme is forecasting to spend £15.7m in 2024/25, an increase of £0.5m compared to the previous forecast.

Currently, one project has been completed since the beginning of the financial year:

- St Edburg's CE Primary School (210 additional pupil places)

In addition, there are 4 projects in the pre-construction phase:

- Wallingford, St Nicholas CE Primary School (relocation) (70 additional pupil places),
- Didcot, Great Western Park SEND School (120 additional SEND pupil places) and
- Upper Heyford Primary School (315 place new primary + 65 place nursery),
- Didcot Valley Park Primary School (630 place new primary),

Three further schools are being delivered by the ESFA (Education Skills Funding Agency) and financial contributions towards the schools are included within the capital programme:

- Bloxham, Grove SEND Free School (118 additional SEND pupil places) – completed January 2024.
- SEND Free School, Faringdon (118 additional SEND pupil places).
- Grove Airfield – Secondary phase of a new all-through School (600 additional pupil places).

Schools Annual Programmes

21. The forecast for the School Access Initiative provision is £0.300m to ensure that mainstream school buildings are accessible for pupils with Special Educational Needs and Disabilities. Projects at primary and secondary schools will be carried out throughout this financial year.
22. The School Structural Maintenance Programme for 2024/25 has highlighted a total of 58 projects to be completed over a two-year programme. This includes 14 projects which began in 2023/24. Nine of these are Air Source Heat Pump projects which are substantially completed but are awaiting the distribution network operator upgrades to fully complete.
23. A further 44 projects are in various stages of progression for delivery by the end of March 2026. The latest spend forecast in 2024/25 is £6.2m a reduction of 0.3m compared to the previous forecast.

Major Infrastructure

24. The latest capital forecast for 2024/25 is £108.4m. This has reduced by £5.2m compared to the previous forecasted position. The programme is divided into sub-programme areas as shown in the table below:

Major Infrastructure	Last Budget	Latest Forecast	Variation
	£'000	£'000	£'000

Housing Infrastructure Fund 1 (HIF1)	15,900	15,500	-400
Housing Infrastructure Fund 2 (HIF2) & A40	14,239	14,039	-200
A423 Improvement Programme	3,289	2,800	-489
Active Travel Phase 3 & Mobility Hubs	3,127	2,600	-568
Bicester & Banbury Locality	17,472	17,472	+0
Oxford Locality	13,006	9,788	-3,218
South & Vale Locality	16,785	16,385	-400
Major Infrastructure Delivery Sub-total	83,818	78,543	-5,275
Major Infrastructure Placemaking Sub-total	2,077	2,102	+25
Transport Policy Sub-total	27,737	27,737	+0
Major Infrastructure –Total	113,632	108,382	-5,250

Major Infrastructure- Delivery

25. Forecast capital spend of £78.5m is £5.3m less than the previous forecast of £83.8m. The programme comprises of three main funding areas and the key in-year budget variations are reported below.

HIF1 Programme

26. The HIF1 programme is progressing through the detailed design phase, following planning approval from the Secretary of State and Highways England approval of an extended timeline and additional funding. The construction phase of the programme remains on schedule for 2026.

HIF2 & A40

27. Overall, the programme is forecast to spend to budget, however in-year delay on the HIF2 programme and progress on land assembly for the A40 Access to Witney scheme, mean that there is the risk that the programme may underspend this financial year.

Growth Deal Programme and Other Funding

28. The programme is now forecasting spend of £49.0m, compared to the previous forecast of £53.7m, a decrease of £4.7m. The main schemes contributing to the revised forecast are as follows:
- Osney Mead bridge (-£2.7m) due to the planning decision being subject to Judicial Review.
 - Kennington Bridge (-£0.5m) due to additional time needed to update the cost estimates and reduce the risks of construction has meant that some of the activities planned for this year have slipped into 2025/26.
 - Steventon Lights (-£0.5m) due to additional time being required within the design & contract award stage.
29. In order to ensure that the full Growth Deal allocation can be utilised by 31 March 2025, £7.500m planned spend on the school Growth Portfolio Programme will be brought into the programme. The use of Housing and Growth Deal funding for other schemes that are part of the existing planned programme will also be maximised in 2024/25. The funding

released is required to fund on-going spend on the Access to Witney and Tramway Schemes in 2025/26 to enable completion of those schemes.

Major Infrastructure – Placemaking

30. The programme which consists of a range of transport scheme development work is forecasting a spend of £2.1m.

Transport Policy

31. The programme is forecasting a spend of £27.7m which relates to the grant payments to the bus companies (contribution towards the purchase of electric buses under the Zero Emission Bus Regional Area programme). There is no change compared with the previously reported position, and it is anticipated that the delivery of the programme through the £38.8m overall funding provision will be completed during 2024/25.

Highways Asset Management Plan

32. The planned target total surfacing programme (excluding patching) for 2024/25, is calculated at 4.4% of the network. The expectation was that this would enable the council to maintain the 4,656km of network that it is responsible for in as close as possible to a 'steady state' within the funding available.
33. The total in-year forecast capital expenditure for 2024/25 is estimated to be £63.0m and has decreased by £0.4m compared to the previous forecast. The programme is divided into sub-programme areas as shown in the table below:

Highways Asset Management Plan	Latest Budget	Forecast	Variation
	£'000	£'000	£'000
Structural Maintenance Annual Programme	42,325	42,760	+435
Improvement Programmes	3,005	3,005	+0
Major Schemes & Other Programmes	12,783	12,190	-593
Network Management Programme	4,299	4,099	-200
Other	950	950	+0
Highways Asset Management Plan – Total	63,362	63,004	-358

34. The planned activities for the main programmes are summarised below:

Project	Planned Schemes	Completed	Comments on actual compared to planned delivery
Surface Treatments (schemes)	120	122	Schemes to restore the condition or prolonging the life of existing carriageways.
Carriageways (schemes)	10	9	Surfacing/reconstruction/strengthening of roads. 1 more scheme to complete in March.
Structural Highways	68	68	Surface inlay and minor patching schemes across the county. There will

Project	Planned Schemes	Completed	Comments on actual compared to planned delivery
Improvements (schemes)			also be minor works carried out in addition to this throughout the year.
Footways (schemes)	75	64	Repair/construction of footways and cycleways. Further schemes to be completed by the year end.
Drainage (schemes)	35	31	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues. Further schemes to be completed by the year end.
Bridges (schemes)	13	7	Strengthening/replacement/imposition of management measures on weak structures.
Public Rights of Way	4	3	Improved Pedestrian Access Points (delivered as planned-reactive – dependent upon need). In addition to this new/refurbished kit bridges (delivered as planned-reactive with in-house resource).
Electrical	2,822	3,351	LED Replacement units being installed this year.
20mph Speed limit (schemes)	11 100	11 82	Phase 2 – Remaining Schemes reprogrammed from last year. Phase 3 – potential schemes this year – dependant on February CMD.
Section 42 contributions (schemes)	39	39	Programme delivered by the City Council and covers all the unclassified roads and footways within the city.

35. The annual Improvement Programme is forecasting to spend £3.0m in 2024/25. This provides road safety and traffic improvements including road markings, cycle provision improvements, pedestrian crossings, footway improvements and speed limit alterations and this includes the Vision Zero Programme which is forecasted to spend £1.5m in 2024/25.
36. Major Schemes & Other Programme is forecast to spend £12.2m in 2024/25, a decrease of £0.6m compared to the previous reported programme. Following a fatal road traffic collision near to RAF Croughton in Northamptonshire, a road safety review identified a number of schemes in Oxfordshire that have been approved and funded for delivery by the Department for Transport. The Council has received £3.994m of funding to deliver the programme of improvements. Recognising the importance of these measures, additional resources have been mobilised to deliver the programme within the current financial year.
37. The Highway Network Programme is forecasted to spend £4.1m, which includes the enhancement to support journey time reliability, which also

aid bus movements, and traffic signal improvement schemes and improvements to Thornhill Park & Ride.

Property Strategy

38. The Property Strategy is forecasting expenditure of £26.2m in 2024/25, a decrease of £1.1m compared to the previous forecast.

Estate Decarbonisation Programme

39. The council declared a climate emergency in 2019 with a target of 2030 to bring the council's operations and activities to net zero. Alongside this the UK government target for net zero, which the council is party to, is for an area wide target of net zero by 2050.
40. The council's property accounts for approximately 33% of the emissions within this 2030 target (on 2022/23 data). It is clear there is a long-term plan for decarbonisation of the UK electricity grid, however this target is in line with the UK government commitment of net zero by 2050.
41. As such the strategic approach to reaching the decarbonisation targets is to stop fossil fuelled activities within the council's properties, which is predominantly heating, via the electrification of these components.
42. Although there will be a carbon component remaining by 2030 from the use of electricity, this will be much reduced, and the council will be on the pathway to fully net zero in line with the decarbonisation of the electricity grid. This should enable a reducing need for carbon offsetting by 2030 and beyond.
43. The transition to electric heating will predominantly be via heat pumps and infrared heating. Due to the lower operating temperatures of the heat pumps improvements are required in thermal building fabric (e.g. single glazing to double or triple glazing, insulation installations, etc.) to decrease the potential running costs. Nonetheless even with these improvements because of the, currently, low cost of gas compared to electricity the running costs would be increased. As part of the strategic approach the Council would seek to install renewable electricity measures (solar PV) and upgrade electrical components (particularly lighting to LED), in order to ensure the overall running costs do not increase.
44. A reactive only maintenance approach has left much of the council's estate in a very poor-quality condition, with many components past their expected working life. As a result, there is an anticipated need to replace components, such as boilers, which would represent a cost avoidance.
45. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the property strategy.
46. The Decarbonisation works proposed for the 33 sites totals £9.7m and includes £3.1m of grant funding for decarbonisation (PSDS3c) which needs to be spent by 31 March 2025.

Corporate Estate Development

47. Projects completed in 2024/25 or in the construction phase:

- Deddington Highways Depot – Phase 1 was complete in September 2024
- Speedwell House – strip-out works completed

Several projects are in the pre-construction phase including:

- New Fire Station at Rewley Road
- Redbridge Household Waste Recycling Centre improvement works
- Union Street (Second Phase)
- Oxford Community Support Service
- Greenwood Centre (Accommodation block for young people in need of supported accommodation),

Office Rationalisation & Co-location

48. The office rationalisation & co-location programme has a spend forecast of £1.850m for 2024/25. The Council has vacated Abbey House in Abingdon with staff relocated to new locations.
49. Phase 2 of the Knights Court relocation is already underway with works to Ron Groves House and The Forum already completed.
50. Supported Transport will move to Water Eaton later in 2025/26 at an estimated cost of £0.6m.

Resonance Supported Homes Fund

51. During 2024/25 a further £2m has been paid under the Resonance Supported Homes Fund. This will bring the total investment to £5.0m in line with the overall budget provision of £5.0m. A total of 5 properties have been purchased, developed and are now fully mobilised and operational. This investment has resulted in a total of 22 new beds for people with a learning disability in Oxfordshire.

Children's Homes Programme

52. The council is currently forecasting £4.8m in 2024/25 from the £10.450m programme towards the delivering of four new Children's Homes. Four sites have been acquired; refurbishment has started at two sites with the remaining two expecting to commence this financial year. The programme will create 12 additional beds.

Green Homes Upgrade (HUG2)

53. This is the second year of a two-year programme, which runs until the end of March 2025, to deliver energy-saving retrofit measures to owner occupied and privately rented properties in Oxfordshire. The programme is fully funded from the Green Homes Grant managed by Department for Energy Security and Net Zero (DESNZ).

54. Following slow scaling in Year 1 of the Home Upgrade Grant, delivery has gained significant momentum in Year 2. It is currently forecast that between 125 to 135 properties will be delivered in 2024/25 (over 200 properties across the four districts in Oxfordshire, where this scheme operates, have already benefitted since the beginning of the HUG2 programme) with a forecasted spend of £2.7m capital in 2024/25.

Schools Energy Loans

55. The council has allocated over £1m between 2024/25 and 2025/26 as loan financing available to maintained schools to install retrofit measure such as LED and Solar PV. There has been strong interest from schools. Owing to the need for schools to schedule work largely in school holidays, £0.3m is forecast to be spent by the end of this financial year.

IT, Innovation & Digital Strategy

56. The total forecast expenditure for 2024/25 is £7.8m, in line when compared to the previous forecast.

Digital Infrastructure

57. IT are working on a number of projects to implement new applications during 2024/25. Projects expected to be completed include:
- Vehicle Management Service – enabling the vehicle asset management system to move towards carbon reduction in vehicle use.
 - Applicant Tracking System - recruitment system – improved offer for managers and potential employees to attract talent and meet our Employer of Choice as part of the council's vision.
 - Power BI and Social Care Dashboards – to meet the provision of data driven decisions for social care and education services.

Projects starting in 2024/25 include:

- Public Services Telephone Network Withdrawal – working with suppliers to reduce risks and impacts of the withdrawal of the copper telephony network.

Broadband

58. Forecast expenditure for the Rural Gigabit Hub Sites programme is £1m in 2024/25. The programme is funded from grant and income from the Broadband Gainshare.
59. The 5GIR programme commenced in 2023/24 after being awarded £3.8m of grant funding by the Department for Science, Innovation and Technology to increase adoption of 5G connectivity. The programme is a regional partnership, known as England's Connected Heartland (ECH) which comprises local bodies from Berkshire, Buckinghamshire, Bedfordshire and Cambridgeshire with Oxfordshire as the lead authority.

ECH will deploy resources from each of the participating authorities to develop joint opportunities with the wireless telecoms supply chain and to create an Advanced Wireless ecosystem. The project plans to deploy two physical 5G infrastructure builds; the Science & Innovation Campus Project at Harwell and the East West Railway Project to utilise trackside fibre between Bicester and Bletchley. The forecasted spend in 2024/25 is £3.6m.

Passported Funding

60. Expenditure for 2024/25 is forecasted to be £9.9m, an increase of £1.0m from the previous reported position of £8.9m. The increase is due to the recent announcement of additional Disabled Facilities Grant.
61. The Disabled Facilities Grant for 2024/25 was £7.262m and was announced in May 2024. The latest funding has increased the grant to £8.261m. This funding, which is part of the Better Care Fund, is issued to the County Council but must be passed directly on to the City and District Councils in accordance with the grant determination.

Vehicles and Equipment

62. Expenditure for 2024/25 is forecasted to be £2.9m, no change from the previous reported position. This area includes the refurbishment of Libraries and the vehicle replacement programme through the Vehicle Management Service.

CAPITAL GOVERNANCE APPROVALS

Property

Speedwell House Redevelopment

63. The Property and Assets Strategy was approved at Cabinet in November 2022 and set out the 10-year ambition to repurpose assets in order to support agile ways of working in energy-efficient buildings.
64. The City Centre Accommodation Strategy, approved by Cabinet on 23 January 2024 included a decision to dispose of County Hall and to progress the consolidation of the Council's city centre workforce into a refurbished and extended Speedwell House.
65. Due to a number of factors, including changes in scope and associated construction costs, approval is required to increase the budget which is to be funded from corporate resources. (refer to Exempt Annex 3)

Economy & Place

Cowley Branch Line

66. The Cowley Branch line project proposes the introduction of passenger services onto the existing freight-only Cowley Branch Line by enhancing the main line infrastructure between Oxford and Kennington Junction and upgrading the branch line itself. The reopening of this line to passengers,

along with the construction of two new stations at Littlemore and Cowley in the south-east of Oxford would create a genuinely two-way railway i.e. a route which has peak journeys in both directions.

67. The line would connect major areas of economic within Oxfordshire and onwards to Science Vale area and London. Options would include the potential for direct trains to Cambridge as well, via East West Rail (EWR). Significant benefits would include: increased transport options for areas of deprivation, with journey times as fast as 10-12 minutes from central Oxford from Littlemore and the Leys; the economic impact of linking four innovation clusters; unlocking housing growth potential; supporting modal shift from road to rail with associated carbon reduction benefits; increased capacity at Oxford station to facilitate four trains an hour.
68. The County Council and City Council, along with local land-owners (via the Community Infrastructure Levy and directly invested funds) and have previously funded a full business case, which has had a positive reception with Network Rail and the Department of Transport.
69. National Infrastructure Commission guidance is that local promoters should bring together 15-25% of the overall expected delivery cost, if they expect the Government to consider investing in a scheme. As such, a £20m local contribution (approx. 15% of the anticipated delivery cost of £135m) is the current target for local funding. It is highly likely that the value of land in the area will increase if the Cowley Branch Line were to be delivered. As such, it is important that the private sector beneficiaries of the scheme contribute to its delivery. The County Council, alongside the City Council, are in negotiations with local landowners to assemble the required £20m. However, private sector partners are clear that local authorities should also contribute. The City Council have agreed to fund £2.5m and it is proposed the County Council makes the same contribution. These funds would only become payable once a construction contract is in place.
70. The expectation is that as far as possible this will be funded by S106 developer contributions. Any funding gap will be met through alternative funding sources.

Ten Year Capital Programme Update

71. The total ten-year capital programme (2024/25 to 2034/35) is now £1,438.1m (excluding earmarked reserves) an increase of £22.7m when compared to the latest capital programme approved by Council in February 2025. This is due to an additional £1.5m approved at Council towards Energy Savings Measures to support the current Decarbonisation Programme, a further £1m received as part of the 2024/25 Disabled Facilities Grant, inclusion of the New East Carterton Primary School (Cabinet - Capital Approvals February 2025) of £10.2m, a budget increase relating to Speedwell House redevelopment programme and £2.5m as a financial contribution towards the Cowley Branch Line. A summary of the updated capital programme is set out in Annex 2.

Strategy Area	Last Approved Total Programme (2024/25 to 2033/34) * £m	Latest Updated Total Programme (2024/25 to 2033/34) £m	Variation £m
Pupil Places Plan	235.0	245.2	+10.2
Major Infrastructure	697.3	699.9	+2.6
Highways Asset Management Plan	308.2	308.2	+0.0
Property Strategy	113.7	122.6	+8.9
IT, Digital & Innovation Strategy	12.8	12.8	+0.0
Passported Funding	20.7	21.7	+1.0
Vehicles & Equipment	27.7	27.7	+0.0
Total Strategy Programmes	1,415.4	1,438.1	+22.7
Earmarked Reserves	148.9	145.7	-3.2
Total Capital Programme	1,564.3	1,583.8	+19.5

* Approved by Council 11 February 2025.

Capital Funding Update

Prudential Borrowing

72. The ten-year Capital Programme includes a requirement to fund £280.3m through prudential borrowing. The latest borrowing expected to be taken in 2024/25 is £62.5m. The majority of this relates to schemes that have already been delivered but have, until now, been funded temporarily by borrowing from other funding sources within the Capital Programme to delay the need to apply the prudential borrowing. The borrowing in 2024/25 is expected to include a further £14.0m from the £120.0m agreed in 2018 (£105.0m in total), and £17.0m from the £88.4m agreed in 2022. A further £16.6m drawdown of the £40.8m supporting the Street Lighting LED replacement programme (£36.5m in total) is also forecasted to be taken in 2024/25.
73. The use of prudential borrowing will increase the Council's Capital Financing Requirement. The Council is required under statute to set aside a Minimum Revenue Provision to pay down the Capital Financing Requirement. Prudential borrowing is generally paid over 25 years. The Medium-Term Financial Strategy takes account of this cost. As the Capital programme includes the OxLEP City Deal Programme, the borrowing costs relating to this scheme (for which the Council is the Accountable body) will be fully funded through Enterprise Zone 1 retained business rates.

Earmarked Reserves

74. The level of earmarked reserves has decreased by £3.2m from the previous reported position to £145.7m. Reserves include £95.5m of budget provisions approved through the capital budget & business planning process in February 2025 and previous years. They also include the capital programme contingency for the delivery of the current ten-year capital programme plus other identified provisions, these total £50.2m.

Capital Reserves

75. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £197m. This is expected to reduce to approximately £44m at the end of 2026/27 and reduce further to only £4m by the end of 2028/29. Reserves can be used to temporarily fund schemes to delay the need for prudential borrowing or to help manage timing difference between the delivery of schemes and the receipt of Section 106 funding. The level of reserves impacts on the cashflow of the capital programme and the overall Council Balances and is already factored into the funding of the overall capital programme.
76. When necessary and where funding is available, the Capital Programme can fund schemes in advance of receiving specific funding by utilising other resources within the wider programme on an interim basis. Any advancements would need to be considered and agreed by the s151 officer. At present, the capital Programme has approved approx. £40m of forward funded schemes. Not all expenditure has been incurred and therefore the actual value incurred will be lower as it is forecasted that some of the income is expected to be received before all the expenditure associated with the forward funded schemes are incurred. This excludes any cashflow implications arising from the Speedwell and Oxford Rewley Road Fire Station developments.

Risk Management

77. As reported previously, there are a mix of factors continuing to impact on the deliverability and cost of capital schemes. Where those schemes are grant funded there is a risk that slippage could impact on the availability of grant funding as it is not possible to complete the scheme by the funding deadline. Inflationary pressures may also mean that costs increase further by the point the scheme reaches the construction phase eroding the value of the grant funding so that is insufficient to meet the revised scheme costs.
78. These risks are being managed through the council's capital governance process at both project and programme level and through the Strategic Capital Board. Where necessary action is being taken to adjust scheme deliverables and to use value engineering to maintain spend within the available funding.
79. The remaining £30m Housing & Growth Deal grant funding was received by the council on 10 March 2025. If necessary, an additional scheme will temporarily be brought into the programme in 2024/25 to ensure that the grant funding can be fully utilised by 31 March 2025. The funding released will be used to support the completion of the Tramway and Access to Witney Schemes in 2025/26.
80. The council is assessing and tracking ten strategic risks in 2024/25. One of these risks is that if either HIF1 or HIF2 programmes become undeliverable and/or a potential financial risk to the council. Updates on

this risk are being reported through the Business Management & Monitoring Reports to Cabinet.

Financial Implications

81. The report sets out the planned investment and available funding for the ten-year Capital programme including the risks associated with the delivery of the programme.
82. The following risks are inherent within the funding of the capital programme:
 - Certainty over the timing and value of future capital receipts and Section 106 Contributions
 - Certainty over the receipt and security of future grant funding
83. If capital receipts or section 106 contributions are not received within the planned timeframe it may be necessary for the Council to temporarily fund capital expenditure through prudential borrowing. The council has a prudential borrowing reserve to help manage the revenue impact of additional prudential borrowing.
84. Where additional funding is required to fund schemes on a permanent basis this will need to be addressed by reducing investment elsewhere within the programme (reprioritisation) or by permanently funding through prudential borrowing. This would require the identification of long-term revenue funding as the Prudential Borrowing is usually repaid over 25 years through the Minimum Revenue Provision.

Comments checked by:

Kathy Wilcox
Head of Corporate Finance

Staff Implications

85. There are no staffing implications arising directly from the report.

Equality & Inclusion Implications

86. There are no equality and inclusion implications arising directly from this report.

Legal Implications

87. In year changes to the capital programme must be approved by Cabinet in accordance with the Council's Financial Regulations. In particular paragraph 5.1.1(IV) sets out that where the total estimated resource allocation is above £1m then Cabinet can agree its inclusion into the Capital

Programme, via the periodic Capital Report to Cabinet, based on the recommendations by Strategic Capital Board and the Section 151 Officer.

Comments checked by: Anita Bradley, Director of Law & Governance & Monitoring Officer

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

Background papers:

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March 2025