

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

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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

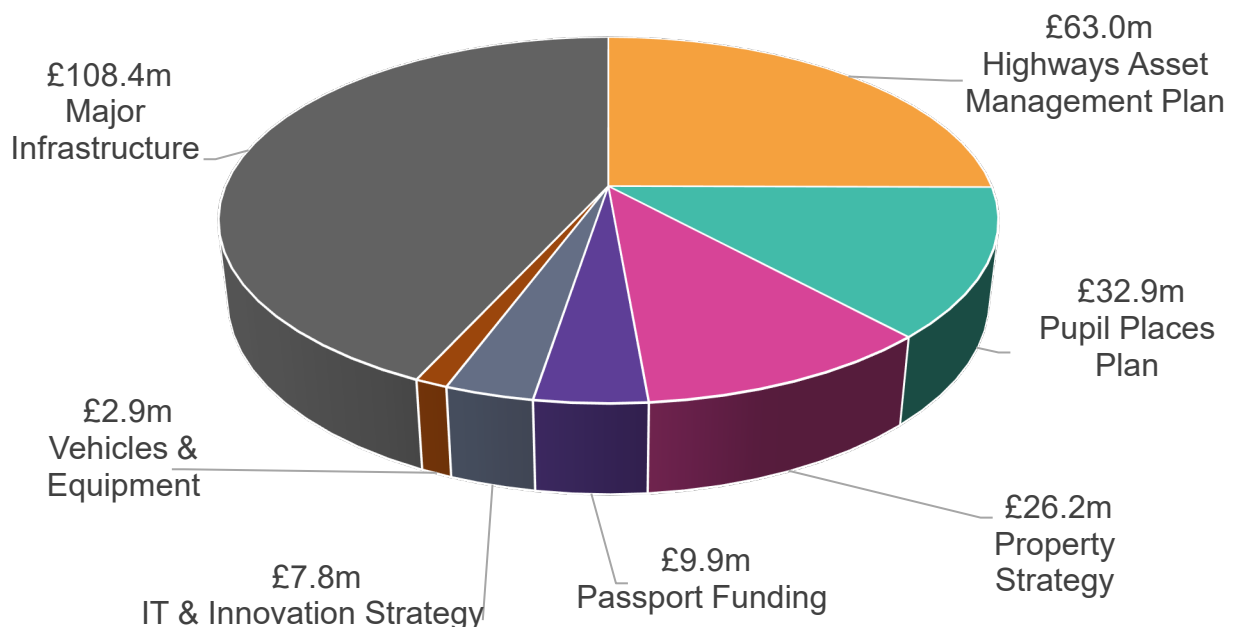
9. Capital expenditure is defined as spending that creates an asset for the council (e.g. buildings, vehicles, and equipment) as well as spending which meets the definition in regulations specified under the Local Government Act 2003. This includes spend on non-current assets that are not owned by the 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

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- **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)

2024/25 Capital Monitoring

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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.

Major Infrastructure

17. 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

18. 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

19. 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

20. 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

21. 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.
22. 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

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

Transport Policy

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24. 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

25. 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.
26. 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

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

Project	Planned Schemes	Completed	Comments on actual delivery 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 Improvements (schemes)	68	68	Surface inlay and minor patching schemes across the county. There will 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

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Project	Planned Schemes	Completed	Comments on actual compared to planned delivery
			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.

28. 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.
29. 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.
30. 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.

Risk Management

31. 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

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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.

32. 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.
33. 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.
34. 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

35. 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.
36. 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
37. 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.
38. 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

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

Equality & Inclusion Implications

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

Legal Implications

41. 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:

Contact Officers: Kathy Wilcox, Head of Corporate Finance
Natalie Crawford, Capital Programme Manager

March 2025

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Capital Programme Monitoring 2024/25

Strategy / Programme	Capital Programme (Council February 2025)			Latest Forecast			Variation			Current Year Expenditure Monitoring (2024/25)				Performance Compared to Original Programme (Council February 2024)		
	Current Year 2024/25	Future Years	Total	Current Year 2024/25	Future Years	Total	Current Year	Future Years	Total	Actual expenditure to date	Commit- ments	Expenditure Realisation Rate	Actuals & Commitments	Current Year	Variation	Use of Resources Variation
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	%	%	£'000s	£'000s	%
Pupil Places Plan	32,689	202,336	235,025	32,894	212,358	245,252	205	10,022	10,227	16,072	16,432	49%	99%	26,405	6,489	25%
Major Infrastructure	113,632	583,675	697,307	108,382	591,525	699,907	-5,250	7,850	2,600	74,301	15,088	69%	82%	176,443	-68,061	-39%
Highways Asset Management Plan	63,362	244,795	308,157	63,004	245,153	308,157	-358	358	0	46,893	16,069	74%	100%	63,442	-438	-1%
Property Strategy	27,335	86,390	113,725	26,236	96,386	122,622	-1,099	9,996	8,897	16,365	4,779	62%	81%	30,625	-4,389	-14%
IT, Digital & Innovation Strategy	7,823	4,958	12,781	7,823	4,958	12,781	0	0	0	4,268	730	55%	64%	6,600	1,223	19%
Passport Funding	8,862	11,865	20,727	9,861	11,865	21,726	999	0	999	7,870	95	80%	81%	8,008	1,853	23%
Vehicles & Equipment	2,941	24,756	27,697	2,941	24,756	27,697	0	0	0	1,491	421	51%	65%	2,500	441	18%
Total Capital Programme Expenditure	256,644	1,158,775	1,415,419	251,141	1,187,001	1,438,142	-5,503	28,226	22,723	167,260	53,614	67%	88%	314,023	-62,882	-20%
Pipeline Schemes (Indicative funding subject to initial business case)	0	95,495	95,495	0	95,495	95,495	0	0	0					5,950	-5,950	0%
Earmarked Reserves	0	53,428	53,428	0	50,228	50,228	0	-3,200	-3,200					0	0	0%
OVERALL TOTAL	256,644	1,307,698	1,564,342	251,141	1,332,724	1,583,865	-5,503	25,026	19,523	167,260	53,614	67%	88%	319,973	-68,832	-22%

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Updated Capital Programme 2024/25 to 2034/35

Capital Investment Programme (latest forecast)							CAPITAL INVESTMENT TOTAL
Strategy/Programme	Current Year	Firm Programme	Provisional Programme				
	2024 / 25	2025 / 26	2026 / 27	2027 / 28	2028 / 29	up to 2034 / 35	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Pupil Places Plan	32,894	55,010	44,723	29,258	19,235	64,132	245,252
Major Infrastructure	108,382	156,043	246,317	132,074	26,587	30,504	699,907
Highways Asset Management Plan	63,004	64,032	54,861	24,600	13,660	88,000	308,157
Property Strategy	26,236	44,329	33,438	14,083	3,250	1,286	122,622
IT, Digital & Innovation Strategy	7,823	3,312	991	533	99	23	12,781
Passport Funding	9,861	8,562	1,000	750	750	803	21,726
Vehicles & Equipment	2,941	3,257	3,820	7,800	5,076	4,803	27,697
TOTAL ESTIMATED CAPITAL PROGRAMME EXPENDITURE	251,141	334,545	385,150	209,098	68,657	189,551	1,438,142
Pipeline Schemes (Indicative funding subject to initial business case)	0	17,500	36,500	29,000	12,000	495	95,495
Earmarked Reserves	0	2,900	9,587	8,323	6,000	23,418	50,228
TOTAL ESTIMATED CAPITAL PROGRAMME	251,141	354,945	431,237	246,421	86,657	213,464	1,583,865
TOTAL ESTIMATED PROGRAMME IN-YEAR RESOURCES	277,331	283,294	324,485	212,830	79,376	195,777	1,373,093
In-Year Shortfall (-) /Surplus (+)	26,190	-71,651	-106,752	-33,591	-7,281	-17,687	-210,772
Cumulative Shortfall (-) / Surplus (+)	196,690	222,880	151,229	44,477	10,886	3,605	-14,082

SOURCES OF FUNDING		2024 / 25	2025 / 26	2026 / 27	2027 / 28	2028 / 29	up to 2034 / 35	CAPITAL RESOURCES TOTAL
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
SCE(C) Formulaic Capital Allocations - Un-ringfenced Grant		74,204	120,674	55,031	29,500	23,500	112,700	415,609
Devolved Formula Capital- Grant		1,000	650	650	650	650	253	3,853
Prudential Borrowing		62,517	78,946	58,103	44,947	24,515	11,295	280,323
Grants		71,630	91,254	197,724	59,095	869	899	421,471
Developer Contributions		37,771	59,861	38,965	37,210	2,252	37,739	213,798
Other External Funding Contributions		20	400	670	0	500	0	1,590
Revenue Contributions		3,971	3,160	2,436	5,229	800	4,800	20,396
Schools Contributions		28	0	0	0	0	0	28
Use of Capital Receipts		0	0	43,207	36,199	26,290	28,091	133,787
Use of Capital Reserves		0	0	34,451	33,591	7,281	3,605	78,928
TOTAL ESTIMATED PROGRAMME RESOURCES UTILISED		251,141	354,945	431,237	246,421	86,657	199,382	1,569,783
TOTAL ESTIMATED IN YEAR RESOURCES AVAILABLE		277,331	283,294	324,485	212,830	79,376	195,777	1,373,093
Capital Grants Reserve C/Fwd	116,211	106,205	31,514	0	0	0	0	0
Usable Capital Receipts C/Fwd	33,075	39,347	40,787	0	0	0	0	0
Capital Reserve C/Fwd	47,404	77,328	78,928	44,477	10,886	3,605	0	0