

CABINET – 17 June 2025

CAPITAL OUTTURN REPORT 2024/25

Report by Executive Director of Resources and Section 151 Officer

Recommendation

1. The Cabinet is RECOMMENDED to:

- a) note the performance against the capital programme for 2024/25 as set out in the report.
- b) note the Capital Programme Provisional Outturn Summary for 2024/25 as set out in:

Annex 1a: Strategy Programmes Expenditure

Annex 1b: Capital Financing

Annex 1c: Strategy / Programme Level Reporting during the year

Executive Summary

- 2. The ten-year Capital Programme sets out the agreed capital investment to deliver the priorities identified in the council's Capital and Investment Strategy. This report updates on the performance against the programme shown in the latest monitoring report for 2024/25 and also compares back to the capital programme agreed by Council in February 2024. Figures shown reflect those to be included in the Council's Statement of Accounts for 2024/25.
- 3. The capital programme is updated throughout the year to reflect the latest delivery profiles and cost estimates for each programme. The last update was based on the January 2025 monitoring position, and this was agreed by Cabinet in March 2025. Planned capital spend for 2024/25 totalled £251.1m. Actual capital programme expenditure by 31 March 2025 was £231.0m. The variation between the latest programme and the actual expenditure is -£20.1m (-8%). This spend is now expected to take place in 2025/26.
- 4. The £231.0m expenditure was funded by £146.9m of capital grants and other external contributions, £27.1m of developer contributions and Community Infrastructure Levy, £3.3m of revenue contributions, and £53.7m of prudential borrowing.

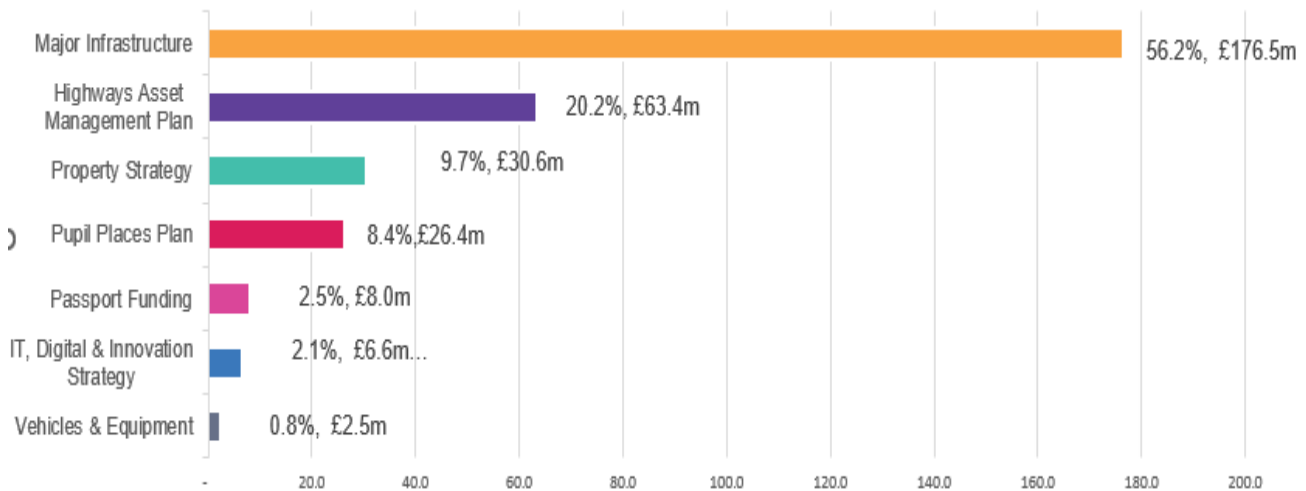
Introduction

- 5. Capital expenditure is defined as spending that creates an asset for the council (e.g. buildings, vehicles and equipment), and spending which meets the definition in regulations specified under the Local Government Act 2003

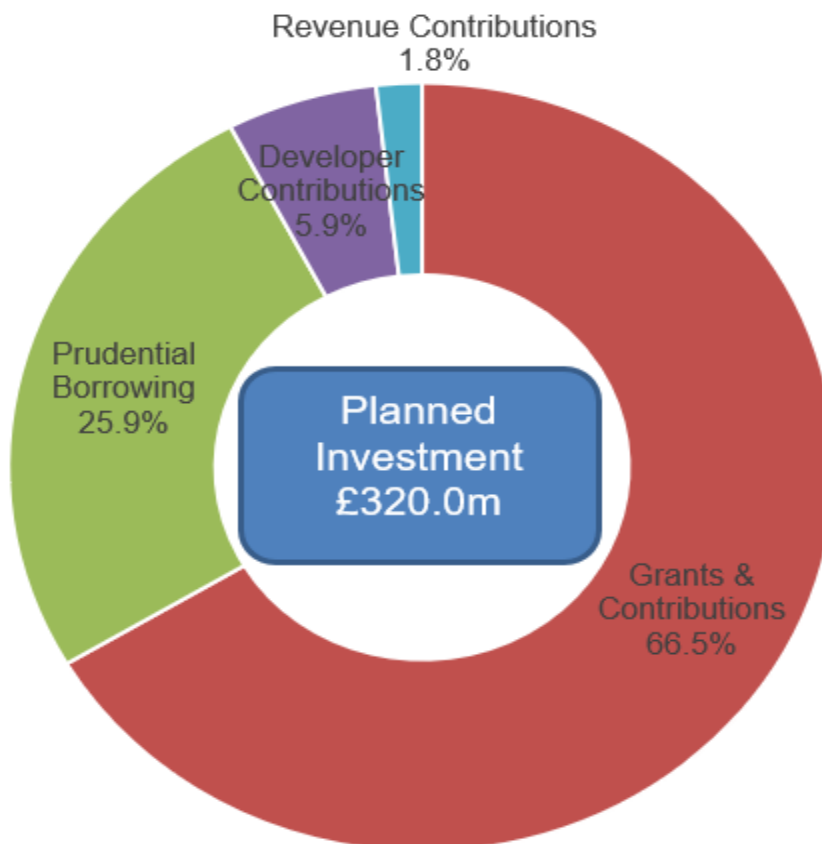
which includes spend on non-current assets that are not owned by the Council such as academy schools and the award of capital grants and funding agreements.

6. The council's ten-year capital programme sets out the agreed capital investment to deliver the priorities identified in the Capital and Investment Strategy. This is agreed annually by Council alongside the revenue budget and Medium-Term Financial Strategy.
7. The capital programme is currently structured as follows:
 - **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 and the Investment Strategy,
 - **IT, Digital & Innovation Strategy:** including broadband, software and equipment,
 - **Passported Funds:** including Disabled Facilities Grant and Devolved Schools Capital,
 - **Vehicles and Equipment:** including fire and rescue vehicles and equipment,
8. Each strand of the programme is underpinned by supporting strategies which set out the need for capital investment and the contribution of that planned investment towards the council's priorities. These include:
 - Pupil Place Plan and Special Educational Needs and Disability (SEND) Sufficiency Plan
 - Local Transport & Connectivity Plan
 - Highways Asset Management Plan
 - Property & Assets
 - Household Waste Recycling
 - Libraries & Heritage
 - Climate Action Framework
 - IT & Digital
9. The original capital programme for 2024/25 was agreed by Council in February 2024 as part of the Capital and Investment Strategy and set out anticipated spend of £320.0m. This included £26.4m (8% of the overall programme) for the provision of additional school places and new schools, and £240.0m (75% of the overall programme) planned expenditure on major infrastructure projects, including large road improvement schemes, and road maintenance. Funding required to deliver the IT & Digital Strategy was £6.6m and spend on the Property Strategy of £30.6m. The chart below shows the planned spend and the proportion of the overall programme by programme area based on the original budget plans for 2024/25.

2024/25 Original Budget



10. As shown in the chart below it was planned to fund the planned investment of £320.0m from grants and contributions £212.6m (66.4% of the planned investment), developer contributions £18.9m (5.9%), prudential borrowing £82.8m (25.9%) and revenue contributions of £5.7m (1.8%).



11. The capital programme is updated four times each year to reflect the latest forecast profile of expenditure. The latest updated programme was agreed by Cabinet in March 2025 and set out anticipated investment of £251.1m in 2024/25.
12. Annex 1a sets out a summary of actual expenditure for 2024/25 by strategy area compared to both the original budget and latest budget.

Performance Summary 2024/25

13. A summary of actual expenditure compared to the latest capital programme update is set out in the table below and Annex 1a.

Strategy Programmes	January 2025 Capital Monitoring (Cabinet March 2025) £m	Actual Capital Expenditure 2024/25 £m	Variation to Latest Capital Programme £m	Variation to Latest Capital Programme %
Pupil Places Plan	32,894	26,041	-6,853	-21
Major Infrastructure	108,382	102,881	-5,501	-5
Highways Asset Management Plan	63,004	61,615	-1,389	-2
Property Strategy	26,236	21,883	-4,353	-17
IT, Digital & Innovation Strategy	7,823	5,021	-2,802	-36
Passport Funding	9,861	10,786	925	9
Vehicles & Equipment	2,941	2,820	-121	-4
Total Strategy Programmes Expenditure	251,141	231,047	-20,094	-8

14. Actual capital programme expenditure for 2024/25 was £231.0m compared with £175.9m in 2023/24 and £172.2m in 2022/23.

Pupil Places Plan

15. Actual expenditure on pupil places was £26.0m in 2024/25. This is £6.8m lower than forecast in the report to Cabinet in March 2025. The Pupil Place Plan includes 3 main programmes:
 - Basic Need - these are usually school expansion projects that are funded by central government grant and/or Section 106 developer 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 (SSMP) 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.
16. 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.
17. The Basic Needs Programme invested £8.1m during 2024/25. This has created 140 additional pupil places and 16 additional Special Education Needs & Disability (SEND) pupil places. Schemes completed in 2024/25 include:
- 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),
- Schemes currently in construction which are due to be completed in 2025/26 to 2026/27 include:
- Woodstock, Marlborough CE School (150 additional pupil places),
 - Langtree School, Woodcote (improvements and new science labs),
 - Wallingford, St Nicholas CE Primary School (relocation) (70 additional pupil places),
 - Woodgreen Secondary, Witney (150 additional pupil places),
18. In addition there are four projects in the pre-construction phase and it is anticipated that these will commence construction in 2025/26.
- Fir Tree School, Wallingford (Conversion from Junior to 1FE primary),
 - North Hinksey, CE School, replacement of temporary accommodation,
 - Orchard Meadow School – Internal alterations,
 - Mabel Prichard School – Expansion (24 new SEND spaces),
19. The Growth Portfolio programme invested £12.2m during 2024/25. One new school opened during 2024/25 creating 210 additional primary school places.
- St Edburg's CE Primary School (210 additional pupil places)

In addition, there are 3 projects in the pre-construction phase:

- 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 Education & Skills Funding Agency (ESFA) 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).

20. The Schools Annual Programmes invested £5.5m, delivering projects mainly through the Schools Structural Maintenance Programme. A total of 19 projects were completed during the year, with a further 10 projects on site. A new programme of works in excess of £11.5m for 2025/26 has been identified and consists of 66 projects.
21. Projects were delivered via the School Access Programme which ensure that mainstream buildings are accessible for pupils with Special Educational Needs and Disabilities. In total, accessibility improvements were made to 13 primary schools and nine secondary schools enabling disabled pupils to attend their preferred school.

Major Infrastructure

22. Spend on schemes with the Major Infrastructure Programme was £102.9m. The programme is divided into various sub-programme areas as shown in the table below.

Major Infrastructure	Latest Monitoring	Actual	Variation
	£'000	£'000	£'000
Housing Infrastructure Fund 1 (HIF1)	15,500	19,829	+4,329
Housing Infrastructure Fund 2 (HIF2) & A40	14,065	14,871	+806
A423 Improvement Programme	2,800	2,731	-69
Active Travel Phase 3	2,559	2,213	-346
Bicester & Banbury Locality	17,847	16,369	-1,478
Oxford Locality	9,788	9,034	-754
South & Vale Locality	16,385	13,218	-3,167
Major Infrastructure Sub-total	78,944	78,265	-679
Placemaking	1,702	1,079	-623
Transport Policy	27,729	23,503	-4,226
Other Programmes	7	34	27
Major Infrastructure –Total	108,382	102,881	-5,501

23. The reduction of £5.5m compared to the forecast of £108.4m included in the March programme update reflects a mix of changes.

HIF1 Programme

24. 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 compulsory purchase order approval by the Secretary of State remains outstanding. The construction phase of the programme remains on schedule for 2026. The in-year spend is £19.8m, £4.3m more than the latest budget. This is mainly due to better than anticipated progress on statutory undertaking payments, which had been expected to take place in the first quarter of 2025/26. This programme provision is expected to invest £332.5m in infrastructure around Didcot Garden Town to facilitate housing and employment growth in South and Vale districts and includes the following schemes which are at Stage 2 Detailed Design stage:

- Clifton Hampden bypass
- Culham River Crossing
- Didcot Science Bridge

HIF2 & A40

25. The HIF2 & A40 programme has spent £14.9m during 2024/25. In total, the HIF2, Oxford Science Transit programmes and Access to Witney will look to invest £194.2m in infrastructure along the A40 corridor and include the following schemes at stage category:

- Eynsham to Wolvercote - Stage 2 Detailed Design
- HIF2 Dukes Cut – Stage 2 Detailed Design
- A40 Access to Witney – Stage 3 Construction
- Phase 1 Oxford North – Stage 4 Close Out
- Phase 2 Science Transit - Stage 4 Close Out

Growth Deal Programme

26. The programme spent £38.6m during 2024/25. The following projects completed construction and are at stage 4 Close Out:
- Banbury Road Roundabout
 - Benson Relief Road
 - Broad Street
 - North Oxford Corridor – A44 loop Farm to Cassington Road
 - North Oxford Corridor – Kidlington Roundabout
 - Wantage Eastern Link Road
27. The following projects were on-site during 2024/25 and remain live schemes:

- A34 Lodge Hill
- A40 Access to Witney
- A4130 Steventon Lights
- M40 Junction 10 Padbury Roundabout
- Tramway Road, Banbury
- Watlington Relief Road
- Woodstock Road Corridor

Other Funding

28. The design of a number of other schemes was progressed during 2024/25 including:

- Active Travel Tranche 3
- Safer Roads Schemes
- Zero Emissions Zone
- Traffic Filters

Transport Policy

29. The programme spent £23.5m in 2024/25 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). The final claims by Stagecoach are now expected in the first quarter of 2025/26, following delays in the supply chain for the vehicles.

Highways Asset Management Plan (HAMP)

30. The annual planned target total surfacing programme (excluding patching) for 2024/25, was 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. By the year end, 4.64% of the network had been resurfaced as follows:

- a) Over 17km of the network was, either wholly or in part, reconstructed or resurfaced to an as new condition
- b) Approximately 182km of the network's surface was treated in order to slow down deterioration, delaying the need for more extensive repairs, often by well over ten years,
- c) Approximately 2km of the network prone to road traffic accidents were prioritised for works to improve and enhance the likelihood of future collisions.

31. The total spend in 2024/25 was £61.6m compared to the latest forecast of £63.0m in the report to Cabinet in March 2025. The programme is divided into sub-programme areas as shown in the table below.

Highways Asset Management Plan	Latest Monitoring	Actual	Variation
	£'000	£'000	£'000
Structural Maintenance Annual Programme	43,040	42,297	-743
Improvement Programme	2,955	2,578	-377
Major Schemes & Other Programmes	12,190	11,742	-448
Network Management Programme	3,869	3,556	-313
Other	950	1,442	+492
Highways Asset Management Plan – Total	63,004	61,615	-1,389

32. The annual Structural Maintenance Programme invested £43.0m, -0.7m less than last reported.
33. The planned and delivered activities for the main programmes are set out 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	10	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	72	Repair/construction of footways and cycleways.
Drainage (schemes)	35	35	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues. Other minor drainage works have also taken place in addition to this.
Bridges (schemes)	13	9	Strengthening/replacement/imposition of management measures on weak structures. List does not include reactive works from area programme.
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 installed this year.

Project	Planned Schemes	Completed	Comments on actual compared to planned delivery
20mph Speed limit (schemes)	11 100	11 90	Phase 2 – Remaining Schemes reprogrammed from last year. Phase 3 – Remaining schemes reprogrammed to be delivered 25/26.
Section 42 contributions (schemes)	39	39	Programme delivered by the City Council and covers all the unclassified roads and footways within the city.

34. The annual Improvement Programme invested £2.6m in 2024/25. This includes road safety and traffic improvements including road markings, cycle provision improvements, pedestrian crossings, footway improvements and speed limit alterations. This includes the specific Vision Zero Programme which spent £1.2m in 2024/25.
35. The Structural Maintenance Major Schemes programme invested £11.7m, - £0.4m less than previously reported. A total of 3,351 LED replacement units were delivered in 2024/25. The total number of LED units now replaced is approximately 94.2%.
36. Following a fatal road traffic collision near to RAF Croughton in Northamptonshire in August 2019, 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. Expenditure of £3.5m was incurred in 2024/25.
37. The Highway Network Management Programme spent £3.6m in 2024/25, 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 total capital expenditure in 2024/25 was £21.9m, £4.4m lower than the latest monitoring report. Almost half of this underspend relates to the Travellers programme (£0.8m) and Office rationalisation Programme (£1m).
39. Corporate Estate Development spent £8.8m. The three largest areas being delivered are:
- Children's Homes Programme (£4.4m) – Children's Services successfully secured DfE match funding to purchase and refurbish four new children's homes. The £10.45m capital programme will increase the placement sufficiency for Children We Care For by 12 beds for 11-17 year olds. 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.

- Deddington Highways Depot – Phase 1 was complete in September 2024 (£1.8m), This provides for a new salt barn to ensure that the salt OCC spread on the roads is kept in a compliant way, under cover and with suitable drainage.
- Speedwell House – strip-out works completed (£1.8m), this is the first phase of the Speedwell House redevelopment project.

Estate Decarbonisation Programme

40. 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.
41. 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.
42. 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.
43. 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.
44. 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.
45. 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.
46. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the property strategy.
47. The Decarbonisation works proposed for the 33 sites totals £9.7m. Expenditure of £2.4m was incurred in 2024/25. The programme is supported by a £2.560m grant funding for decarbonisation (PSDS3c).

Office Rationalisation & Co-location

48. The office rationalisation & co-location programme incurred expenditure of £0.9m in 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.

Green Homes Upgrade (HUG2)

52. 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).
53. Following slow scaling in Year 1 of the Home Upgrade Grant, delivery has gained significant momentum in Year 2. The programme spent £3.1m in 2024/25 and delivered improvements to 173 properties. In total 238 properties across Oxfordshire, will have benefitted since the beginning of the HUG2 programme.

Schools Energy Loans

54. The council issued loans totalling £0.3m to seven maintained schools to install retrofit measure such as LED and Solar PV. An additional 18 schools applied for a further £1.0m which is forecasted to be delivered in 2025/26.

IT, Digital & Innovation Strategy

55. The total capital expenditure on ICT schemes in 2024/25 was £5.0m compared to the previous forecast of £7.8m set out in the March 2025 report. The majority of the underspend was on the 5G Innovation Region Programme.
56. The Rural Gigabit Hub Sites programme which commenced during 2021/22 incurred final expenditure of £0.8m in 2024/25 for build work completed under

the programme. This programme has enabled fibre infrastructure to be built for county council buildings (where gigabit broadband infrastructure does not exist), other public buildings such as schools and GP practices, and a range of community hub buildings like village halls. 178 sites have been completed to date and a further 15 community hub buildings are due for completion in 2024/25. This project was funded partly by Department for Culture, Media and Sport (DCMS), and partly out of the Gainshare payments received from BT under the completed Better Broadband for Oxfordshire project (£5m). This programme has helped to reduce the cost of connections required for the Council's buildings, help tackle inequalities in Oxfordshire (a number of schools in socially deprived areas are included in the project), and by connecting a number of Community buildings will help provide a platform for local delivery of health and social care, facilitate a reduction in isolation, and provide the means for these important local assets to be at the heart of the community.

57. The 5GIR programme commenced in towards the end of 2023/24 and incurred £1.2m of expenditure in 2024/25 after being awarded £3.8m of grant funding by the Department for Science, Innovation and Technology (DSIT) to increase adoption of 5G connectivity focussing on regional strengths in research and development, advanced engineering and manufacturing. 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 develop joint opportunities with the wireless telecoms supply chain and create an Advanced Wireless ecosystem. The project is deploying two physical 5G infrastructure builds: the Science & Innovation Campus Project at Harwell and the East West Railway Project on the track between Bicester and Bletchley.
58. The digital infrastructure programme (to deliver the outcomes of the ITID Strategy) incurred expenditure of £2.7m. The following projects were completed in 2024/25:
 - Contact Centre as a Service – the new omni-channel environment installed in the council's Contact Service Centre enables the creation of a unified and seamless customer experience across all channels, including phone, mobile, social media and online. This has ensured a simplified approach for the customer to be accurately routed to the correct team, with better sound quality, and seamless transfers. It also provides deeper insights into customer interactions, simplifies call wrap-up, and reduces costs.
 - Zero Trust Network Access – replacement of the legacy private Wide-Area-Network with a modern security approach to enable use of faster and more commercially available Internet based connections. Benefits include a more secure and robust access for staff that significantly reduces ongoing costs, enables faster delivery of connectivity for property changes, easier access for partnership working and guests, greater resiliency, and a significant increase in speed of network for staff.

- Vehicle Management Service – enabling the vehicle asset management system to move towards carbon reduction in vehicle use through access to comprehensive vehicle asset data.
- Applicant Tracking System - recruitment system – improved solution for managers and potential employees to attract talent and meet our Employer of Choice as part of the council's vision.

59. IT are working on a number of applications, these include:

- Reimaging the intranet – investment in a new employee engagement platform to support and enable effective staff transactions and communications
- Power BI and Social Care Dashboards – to meet the provision of data driven decisions for social care and education services.
- Public Services Telephone Network Withdrawal – working with suppliers to reduce risks and impacts of the withdrawal of the copper telephony network.

Passported Funding

60. Disabled Facilities Grant of £8.3m, was passed to the District Councils in accordance with the Better Care Fund grant determination. Households are eligible to apply for the grant for home adaptations if a child or adult in the household has a substantial and permanent disability. Types of adaptations funded by the grant include stairlifts, level access showers, ground floor extensions designed around a person's needs and kitchens designed for a wheelchair user.
61. Schools Devolved Formula Capital expenditure was £1.4m for the year. This is grant funded by the Department of Education and through local contributions, donations and fund raising activities. School capital balances have decreased by £0.6m to £1.5m as at 31 March 2025. This is expected as at the end of 2022/23 schools received additional capital funding of £1.6m compared to the annual allocation of £0.7m. This was partly spent in 2023/24 and further utilised in 2024/25. Also, when schools convert to academy status any capital balance is transferred to the academy.
62. The Fire Control Renewal Fund incurred £0.6m of expenditure in 2024/25 as part of the hardware refresh project at the Thames Valley Fire Control Service. This is a combined provision with two other stakeholders.

Vehicles and Equipment

63. At year end, certain vehicles and equipment programmes used by the Fire & Rescue Service and in-house Fleet Management Service have been added to the Council's asset register. The value of vehicles and equipment purchased

in 2024/25 for the Fire & Rescue Service was £1.3m. This is funded from the annual revenue budget and a drawdown from earmarked reserves of £0.7m. This has decreased the balance held in reserves for the future purchase of vehicles to £2.2m. For the Fleet Management Service, a further £1.2m of expenditure was incurred to purchase 31 vehicles (minibuses, vans and cars). Of these all were full EV electric.

Comparison with Original Financial Plans for 2024/25 (agreed by Council in February 2024)

64. The capital programme and monitoring report is submitted to Cabinet four times during the financial year. The table in Annex 1c compares the original budget for 2024/25 to actual expenditure for each programme area at each update.
65. The original budget plan for 2024/25 was £320.0m. Changes to plans set out in reports during the financial year reduced the expected outturn position to £251.1m in the report to Cabinet in March 2025. Actual expenditure for 2024/25 was £231.0m, £89m lower than originally forecasted. This represents delivery of 72% (71% in 2023/24) on the original financial plan for the year agreed by council in February 2024.
66. The variations during the year were explained within the monitoring reports and can be summarised within the following areas. The variations for schemes within each programme are set out in detail in Annex 1c:

a) Major Infrastructure: Reduction to original plan of £73.6m

The actual outturn position is £73.6m lower than the original plan. This is made up of a reduction of £68.1m when comparing the March 2025 position with the original plan agreed in February 2024 and a further £5.5m reduction when comparing the last reported position to actual outturn. The programmes and projects which were significantly reprofiled were:

- HIF2 Programme (-£26.6m) – The Dukes Cut scheme, as a rail-bridge project, has a close dependency with Network Rail. The overrunning Botley Road works affected their ability to provide rail possession dates and the scheme was therefore required to extend its design stage to accommodate this.
- For much of 2024/25 the A40 HIF2 scheme underwent an extended optioneering process to identify a scheme that would continue to achieve its primary objectives and be deliverable within its funding envelope. The amended proposal was approved by the funder Homes England in October 2024 however the process affected the ability to spend as planned during 2024/25.

- Access to Witney (-5.6m) – The 2024 General Election impacted the land assembly programme for the scheme, with the Compulsory Purchase Order (CPO) decision delayed from Summer 2024 to October 2024. The CPO was eventually successfully granted but the delay in issuing the decision pushed the start of construction to 2025/26.
- A423 Kennington Bridge Improvements Programme (-4.3m) – As design progressed during 2024/25 additional risks and challenges have been identified. This additional work has impacted on the ability to spend as planned during the financial year.
- Tramway Rd, Banbury (-4.7m) – Land access issues arose during construction which meant that the scheme could not progress as planned whilst the issue was resolved, affecting the ability to spend during 2024/25.
- A34 Lodge Hill Slip Roads (-5.7m)- An extended detailed design stage and the need to undertake Value Engineering exercises to deliver a scheme with the funding envelope meant the construction start date shifted from October 2024 to August 2025.
- A4130 Steventon Lights (-7.3m) – As with Lodge Hill, an extended detailed design stage and the need to undertake Value Engineering exercises to deliver a scheme with the funding envelope meant the construction start date shifted from October 2024 to July 2025.
- Oxford Station Development (Contribution) (-£10m) - This contribution is connected to milestones in the delayed Phase 2 Oxford Station/ Botley Road Network Rail programme. As the original milestones have been met the money was not drawn down, however the commitment to contribute still stands. The new milestones have been agreed with Network Rail and DfT, and this contribution will be drawn down to a new profile from 2025/26.

b) Pupil Place Plan: Reduction to original plan of £0.4m

While the overall position is aligned with the original forecast, this has concealed significant changes reported in year. The new Grove Secondary School to create 600 pupil places is being delivered by the Education and Skills Funding Agency (ESFA). On request from the ESFA, the early payment of £7.5m was made in 2024/25, when originally it was planned in 2025/26. This has been offset from reprofiling on a number of schemes. While some spend has slipped to 2025/26 the overall project cost remains within the approved budget with no significant impact on the delivery programme – the additional capacity is still expected to be available as planned.

Due to underspends in previous years on the School Structural Maintenance Programme, a two year programme was set for 2024/25 of £7.5m to utilise the grant funding available. A total of £5.1m was spent

compared to an original budget of £7.5m. The identified projects in the programme that are not yet complete will be carried forward into the 2025/26 programme.

c) Property Strategy: Reduction to original plan of £8.7m

The reduction is mainly due to the delivery of the Office Rationalisation & Co-location Programme (-£2.1m) & Carterton Community Safety Centre (-3.0m).

Capital Programme Financing

67. The table in Annex 1b summarises the financing of the 2024/25 capital programme and compares it to the financing planned in the original and latest capital programme.
68. The Capital and Investment Strategy for 2024/25 includes the following as part of the council's financing principles:
- Ringfenced resources are used for the purposes for which they are issued.
 - Non ringfenced capital grants are treated as a corporate resource and used flexibly.
 - Capital receipts are treated as a corporate resource and used across the capital programme flexibly.
69. Ringfenced grants are generally utilised first to ensure that the use of this funding is maximised in line with the grant conditions. The majority of non-ringfenced grants do not have conditions and are not time limited so can be used flexibly across the Capital Programme. Therefore, where available, other funding sources, including borrowing where that is the planned source of funding, have been used to fund capital expenditure before un-ringfenced grants. That ensures that as far as possible the on-going cost of borrowing in the council's revenue account is broadly aligned to the relevant capital expenditure.
70. Capital grants totalling £146.9m have been used towards the funding capital investment during 2024/25. These include the various funding streams to support the major infrastructure programme including £25.7m of Housing Infrastructure Funds towards the Didcot Garden Town and A40 programmes. A further £13.9m grant from the remaining £30m Growth Deal infrastructure programme has been incurred as all previous recycled funds have been met. The remaining balance of £23.4m has been used 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).
71. Capital funding for infrastructure works received from developer contributions totalled £38.8m in 2024/25. A total of £27.1m of developer contributions and Community Infrastructure Levy (CIL) funding was used in 2024/25 to finance various capital projects with the majority of this towards the delivery of the Pupil Places Plan programme. The balance of capital developer contributions

towards infrastructure works held by the council as at 31 March 2025 is £234.0. A total forecast of £175.1m of this funding (including secure funding) is built into the capital programme from 2025/26 onwards. The remainder will be used to support future schemes in line with the relevant agreements.

72. Un-ringfenced grant funding held in the Capital Grants Reserve decreased by £9.0m during the year to £110.7m as at 31 March 2025. Within the total there is £29.0m SEN High Needs Capital Grant, £19.6m towards the A40 Oxford Science Programme, £11m Basic Need Grant, £10.5m Active Travel Grant and £16.1m Housing & Growth Deal Grant. The balance of un-ringfenced grant funding is forecast to be spent over the ten-year capital programme period.
73. The balance of unapplied ringfenced capital grants held by the Council has increased by £4.7m to £18.4m as at 31 March 2025. The balance includes £8.3m of Community Infrastructure Levy funding received towards various projects and £3.7m towards the Local Electrical Vehicle Infrastructure programme.
74. The capital receipts and capital reserve balances are £37.3m and £77.6m respectively at 31 March 2025. The capital receipts and reserve balances are forecast to be spent over the ten-year capital programme period.

Risk Management

75. Previously reports set out that HIF1 posed a significant risk to the authority due to the schemes requiring completion before the funding deadline of March 2025. This risk has now been significantly reduced as the deadline for completion of schemes has now been extended to 31 March 2028. If there are delays to delivery beyond this point caused by exceptional circumstances, then the council will be liable for any cost overruns past the end of the funding availability period, but this is currently assessed as low risk.
76. As outlined in the Capital Outturn Report for 2023/24, there was a potential risk in relation to the HIF2 scheme funding and timeline. Following negotiations with Homes England, an amended proposal was approved in October 2024. The new Grant Determination Agreement (GDA) requires the grant funding to be spent in full by September 2027. Expenditure beyond this date will be funded by Department for Transport grant funding that the council is holding.
77. The Housing and Growth Deal funding agreement originally required the £120.0m grant funding to be fully utilised by 31 March 2025. Following discussions with the Ministry of Housing, Communities and Local Government (MHCLG) in early 2025 the final £30m instalment of the grant funding was received by the council in March 2025. This will be used to complete the remaining schemes in the programme in 2025/26 in line with the grant determination.

78. In November 2022, the Cabinet approved the [Oxfordshire Climate and Natural Environment Policy Statement](#), which sets an ambition of achieving 20% Biodiversity Net Gain (BNG) for the County Council's own developments. If on-site measures cannot be implemented, then there may be a requirement to purchase of off-site BNG credits, thereby increasing financial risks to those projects requiring planning permission. This risk is being monitored through the council's capital governance process.
79. A mix of factors continue to impact on cost and deliverability of capital schemes. The cost of materials and supply chain issues continue to have an impact, as well as higher than anticipated construction costs.
80. Risks are managed through the Council's capital governance processes at both programme and project level. The most significant risks are escalated to the Strategic Capital and Commercial Board which is chaired by the Executive Director of Resources and S151 Officer. Risk escalations are presented and options considered, ensuring that appropriate actions are taken to ensure spend does not exceed available funding.

Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

83. The Climate Action Framework sets the council's commitment to tackling the climate emergency which is underpinned by the Council's priority to put action to address the climate emergency at the heart of our work.
84. This report includes updates on the decarbonisation of the council's assets as well as funding for improvements to energy efficiency in maintained school buildings.

Financial Implications

85. The report sets out the position at the end of 2024/25 for the planned investment and available funding for the ten-year Capital programme.
86. 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.
 - Ability to meet the deadlines for the use of grant funding.
87. 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.
88. 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.
89. Since the introduction of new governance measures in 2022, there has been a commitment to continuously improve upon what is already in place. An ongoing programme of work is aiming to build upon these foundations, which will enable efficiency, transparency and effectiveness across all areas of Capital Programme governance. Central to this, is the integration of technology tools which will provide senior leaders with increased visibility and oversight of the capital programme and an enhanced capacity to make evidence-based decisions.

Comments checked by:
Kathy Wilcox, Head of Corporate Finance

Legal Implications

90. Local authorities are required to have robust governance structures in place to oversee capital programmes, including regular reviews and updates to capital strategies, ensuring decisions are made transparently. The Councils Financial Rules and Financial Regulations which make up part of the Constitution outline the financial governance structures.
91. **Prudential Code Compliance:** To meet the requirement for transparency the Council must adhere to the Prudential Code for Capital Finance, which emphasizes affordability, prudence, and sustainability in borrowing and investment decisions. This ensures that capital investments are financially sound and do not jeopardize the authority's financial stability.
92. **Regulatory Framework:** The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, govern how local authorities manage their capital finance. These regulations include provisions for borrowing limits, capital receipts, and the use of capital allowances. This report is the assurance by officers that the regulatory framework and the prudential code are being complied with.

93. The Council's Financial Regulations states that in year changes to the capital programme must be approved by Cabinet. Paragraph 5.1.1(IV) sets out that where the total estimated resource allocation is above £1,000,000, Cabinet must agree its inclusion into the Capital Programme. Due diligence regarding changes to the Capital Programme is carried out at officer level by the Strategic Capital Board and the Section 151 Officer.

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