

CABINET
19 MAY 2026

Oxford congestion charge investment plan

Report by Director of Environment and Highways

RECOMMENDATION

1. **Following Cabinet’s 21 April 2026 deferral, and request to consider revised recommendations in relation to the Congestion Charge Investment Plan, Cabinet is RECOMMENDED to:**
 - a) approve the congestion charge investment plan, as detailed at Annex 1 and outlined in paragraph 20, including a £3 combined parking and bus ticket to replace the current free park and ride offer as soon as practically possible after 1 June 2026
 - b) approve the amendments to the council’s Fees and Charges for 2026/27 as shown in Annex 2
 - c) delegate authority to the Cabinet Member for Transport Management for:
 - i. the allocation of any remaining unallocated surplus
 - ii. the apportionment of the funds for “Active travel and additional public transport schemes” (Table 1) to specific projects, including but not limited to the list of such schemes in Annex 1

Executive Summary

2. This report sets out the proposed investment plan for surplus congestion charge income and explains why the Director for Environment and Highways referred the investment plan to cabinet rather than using delegated powers cabinet authorised in September 2025 when approving the scheme.
3. The reason for referral back to cabinet is a higher-than-expected available surplus along with the scale and range of options now available.
4. Cabinet considered officer recommendations for the congestion charge investment plan on 21 April 2026 and asked officers to consider amended proposals. This report describes the costs, impacts and implementation processes and timescales for these amended proposals.
5. Officers’ recommendations for the use of surplus income are set out at Annex 1.

Background

6. Cabinet approved the temporary congestion charge on 10 September 2025 in response to congestion impacts associated with the Botley Road closure. At that time, Cabinet resolved to delegate approval of future surplus investment, subject to consultation with senior officers and relevant Cabinet Members.
7. The charge came into operation on 29 October 2025 and is expected to operate until the reopening of Botley Road, currently anticipated by 31 August 2026.
8. The surplus from the congestion charge was initially estimated at £3.2m over a ten-month period. Updated forecasts based on operational data now indicate a potential surplus of approximately £5.2m over the same period, although this remains subject to change as further data becomes available. This forecast is derived from income from daily charge payments and penalty charges, minus operating costs.
9. Cabinet considered officer recommendations for the congestion charge investment plan on 21 April 2026 and asked officers to consider amended proposals which now form part of this report's recommendations.

Corporate Policies and Priorities

10. By law, any surplus generated by a congestion charging scheme may only be spent for the purpose of directly or indirectly facilitating the achievement of the authority's local transport policies.
11. In Oxfordshire, the relevant policies are set out in the Local Transport and Connectivity Plan (LTCP) and the Central Oxfordshire Travel Plan (COTP). All proposed investments must therefore demonstrably support the policy objectives outlined in these documents.

Financial implications

Income forecast and investment plan development

12. The total surplus income is currently forecast (subject to uncertainties) to be approximately £5.2m to 31 August 2026. With £1.4m having been spent or committed to the free park and ride offer from 29 October 2025 to 31 May 2026 through previous decision-making, this leaves a **forecast unallocated surplus of £3.8m**.
13. Officers have considered several different potential investment initiatives and different combinations of those investments and recommend a package of investment as outlined at Table 1 and at Annex 1.
14. The recommended package takes into account:
 - Cabinet's 21 April 2026 deferral

- transport benefits, including impacts on city centre visitor numbers
- the requirement for all expenditure to comply with the Transport Act 2000 requirements
- ongoing monitoring of the temporary congestion charge
- the 2025 Citizens' Assembly's transport recommendations
- the consultation on the temporary congestion charge
- equality and inclusion impacts
- climate impacts
- the balance between immediate and longer-term benefits

Park and ride

15. At its April 2026 meeting, Cabinet asked officers to consider a £3 combined ticket covering 16 hours parking and return bus travel for up to five people, in lieu of the current offer of £2.50 for 16 hours parking plus free return bus travel for up to two adults and three children. The following steps are required to implement the £3 combined ticket:

County council cabinet decision (for investment plan and updated fees and charges)	19 May
City council cabinet or full council decision (for updated fees & charges)	Mid-July
Ticket machine, signage and parking app changes	Mid-June to Mid-August
Launch new pricing	Mid-August (see para 16)

16. If this report's recommendations are approved, officers will work with Oxford City Council to prepare for the new £3 combined ticket as soon as possible after 1 June 2026. Due to reporting lead times, city council officers have advised that the earliest the required decision on updated fees and charges is likely to be made is mid-July.
17. In addition, there is an 8-10 week lead time for ticket machine, signage and parking app changes, so to meet the target date of mid-August preparations would need to start at risk before the city council decision, which if not approved may lead to some abortive costs (expected to be under £10,000).
18. It should be noted that this would change the current P&R offer just a few weeks before the introduction of the traffic filter trial which is anticipated to launch shortly after Botley road is reopened at the end August.
19. Officers recommend the £3 combined ticket remains in place until 31 March 2027. Pricing from 1 April 2027 will be set through the city and county councils' 2027/28 budgets.

Recommended investment plan

20. The recommended investment plan and supporting rationale are at Annex 1, and is summarised in Table 1 below.

Table 1 – recommended investment plan

Item	Duration	Allocation (£'000)
Part one – core park and ride offers		
Free P&R return bus offer	2.5 months from 1 June to 15 August 2026	548
£3 combined parking and bus ticket offer	7.5 months from 16 August to 31 March 2027, subject to July Oxford City Council decision	1437
Part two – other measures		
Free 16hrs weekday P&R parking at relevant P&R sites for: <ul style="list-style-type: none"> • NHS employees (all year) • state and private school employees (term-time only) whose main work base is in Oxford <i>Subject to further discussion with NHS trusts, schools and Oxford City Council</i>	To be confirmed with NHS, schools and Oxford City Council	120
Free or discounted bus travel on relevant bus routes for: <ul style="list-style-type: none"> • NHS employees (all year) • state and private school employees (term-time only) whose main work base is in Oxford <i>Subject to further discussion with NHS trusts, schools and bus operators</i>	To be confirmed with NHS, schools and bus operators	720
Hospital express P&R services	12 months	1000

Item	Duration	Allocation (£'000)
Active travel and additional public transport schemes (listed in Annex 1)	Not applicable	700
Free bus travel for "Connect to Work" programme participants 2026/7	Six months per participant, 2026/7	100
Total		4625

21. The allocations (£4.6m) exceed the forecast congestion charge surplus (£3.8m) by £0.8m.
22. Forecasts indicate sufficient funding will be available to cover this shortfall from surplus generated by the traffic filter trial due to start in September 2026.
23. Cost estimates are based on initial work only and are subject to uncertainties. Income estimates are considered robust, but remain forecasts based on assumptions about charge and penalty charge income. If unforeseen factors increase costs or reduce the available surplus, the investment plan can be scaled down accordingly. This could include reducing the length of time the NHS and school offers are in place, and/or reducing the spending on active travel schemes.

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Other options considered but not recommended

24. Significant universal city or countywide fare reductions were considered instead of the park and ride offers, but are not feasible due to the very high costs. For example:
 - Countywide £2 fare cap - £9m/year
 - Countywide £2.50 fare cap - £5.75m/year
 - £1 single fare cap within Oxford SmartZone - £15.5m/year
25. Much smaller universal fare discounts could be offered within the available budget, but are considered unlikely to significantly increase bus use.

Legal Implications

26. Schedule 12 of the Transport Act 2000 requires that any surplus generated by a road user charging scheme may only be spent for the purpose of directly or indirectly facilitating the achievement of the authority's local transport policies. All

spending proposals in this report comply with this requirement. Officers will continue to apply this test to all spending as specific projects are developed.

27. The investment plan has been considered against the Subsidy Control Act 2022 and it has been concluded that there are no deemed subsidies.

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Staff Implications

28. Implementation of the schemes in the investment plan can be accommodated within existing staffing levels.

Equality & Inclusion Implications

29. The congestion charge (and the traffic filters scheme on which the congestion charge is based) has been designed over a number of years to be equitable and inclusive, and the same is true of the recommended investment plan.
30. An equality impact assessment (EIA) is at Annex 3, which confirms slight positive or neutral impacts for the recommended investment plan across all protected characteristics. The assessment is based on the previous EIA for the April 2026 cabinet report on the congestion charge investment plan and has been updated to include the £3 combined ticket now recommended. Since this report's recommendations include a period of continued free park and ride before the £3 offer starts, the previous EIA is also provided within Annex 3. The conclusions of both assessments are similar.

Sustainability Implications

31. As required by legislation, the investment plan supports the achievement of the council's transport policies, primarily the Local Transport and Connectivity Plan and Central Oxfordshire Travel Plan. These policies have sustainability objectives at their core.
32. A climate impact assessment (CIA) is at Annex 4 which confirms positive impacts in across all themes except buildings (neutral impact). The assessment is based on the previous CIA for the April 2026 cabinet report on the congestion charge investment plan and has been updated to include the £3 combined ticket now recommended. Since this report's recommendations include a period of continued free park and ride before the £3 offer starts, the previous CIA is also provided within Annex 4. The conclusions of both assessments are similar.

Risk Management

33. At the programme level, the key risk is that insufficient funds are available to deliver the investment plan. This would mean removing or re-scoping schemes, either in terms of the benefits offered or (where applicable) duration. Officers have mitigated this risk as follows:
- Income forecasts have been cautiously prepared with realistic allowances for operating costs and a reducing income over time in line with reducing penalty charge notice numbers, based on other similar schemes
 - Contributions from NHS trusts to the schemes benefiting NHS staff are unconfirmed and have been excluded entirely, meaning those costs represent a 'worst case'
 - Proposals are mostly scalable to fit the available budget
34. Risks will be managed at the scheme level for each scheme in the investment plan, in line with the council's standard practice for transport schemes.

Consultations

35. The recommended investment plan has been informed by:
- The Citizens' Panel on Transport (2025)
 - Consultation on the temporary congestion charge (2025)
 - Discussions with affected stakeholders (ongoing)
36. Consultation with relevant stakeholders will continue during the design and implementation phase. Statutory consultations will be required for some elements of the plan.

Paul Fermer
Director for Environment and Highways

Annexes: Annex 1 – investment plan details and rationale
 Annex 2 – amendment to 2026/27 Fees and Charges
 Annex 3 – equality impact assessment
 Annex 4 – climate impact assessment

Background papers: Nil

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