

**CABINET – 16 DECEMBER 2025**

**CAPITAL PROGRAMME UPDATE AND MONITORING REPORT**

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

**Recommendations**

1. **Cabinet is RECOMMENDED to:**
  - a. Note the capital monitoring position for 2025/26 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.

**Executive Summary**

2. The Strategic Plan sets out how the council will lead positive change by working in partnership to make Oxfordshire a greener, fairer, and healthier county.
3. The Capital and Investment Strategy agreed by Council 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 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 third capital programme update and monitoring report for 2025/26 and sets out the monitoring position based on activity to the end of October 2025.
6. The report also updates the Capital Programme approved by Cabinet on 21 October 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 2025/26 is £288.1m (excluding earmarked reserves). This has decreased by £12.5m compared to the previous capital programme for 2025/26 approved by Cabinet in October

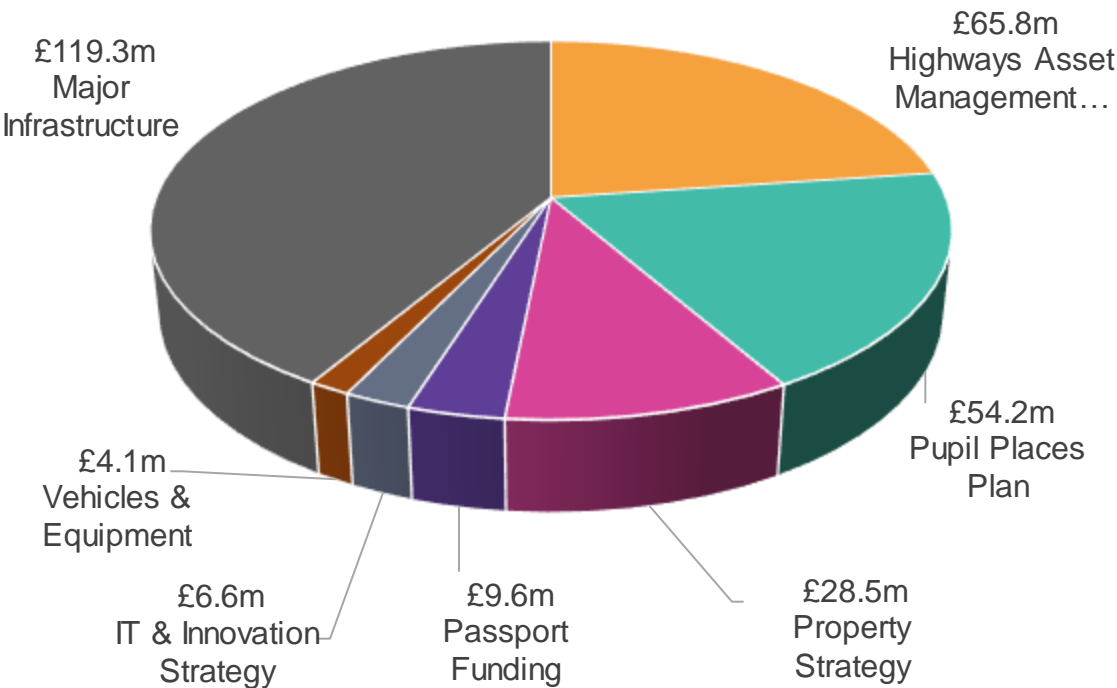
2025. The updated programme reflects the spend profile from the latest delivery timeframes as well as the inclusion of new grants received by the Council.

8. The total ten-year capital programme (2025/26 to 2034/35) is £1,433.2m. The updated capital programme summary is set out in Annex 2. The main changes since the report to Cabinet in October 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 investment profile for the 2025/26 Capital Programme is shown below:

2025/26 Programme - Latest Spend Forecast



- 13. This is the third capital programme update and monitoring report for the financial year and focuses on the delivery of the 2025/26 capital programme based on projections at the end of October 2025 and new inclusions within the overall ten-year capital programme.
- 14. The following annexes are attached:
  - Annex 1 Capital Programme Monitoring 2025/26 (Summary)
  - Annex 2 Updated Capital Programme 2025/26 – 2034/35 (Summary)

2025/26 Capital Monitoring

- 15. The capital monitoring position set out in Annex 1, shows forecast expenditure for 2025/26 of £288.1m (excluding earmarked reserves). This has decreased by £12.5m compared to the latest capital programme approved by Cabinet on 21 October 2025. The updated programme reflects the forecasted year end position for 2025/26 and the impact of re-profiling expenditure in 2025/26 where necessary to reflect anticipated scheme delivery.

The table below summarises the latest in-year changes in 2025/26 by strategy area:

Strategy Area	Last Approved	Latest Forecast	Variation
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	Programme 2025/26 *	Expenditure 2025/26	
	£m	£m	£m
Pupil Places Plan	54.5	54.2	-0.3
Major Infrastructure	123.2	119.3	-3.9
Highways Asset Management Plan	64.0	65.8	+1.8
Property Strategy	38.7	28.5	-10.2
IT, Digital & Innovation Strategy	6.4	6.4	+0.0
Passported Funding	9.6	9.6	+0.0
Vehicles & Equipment	4.2	4.1	-0.1
<b>Total Strategy Programmes</b>	<b>300.6</b>	<b>288.1</b>	<b>-12.5</b>
Earmarked Reserves / Pipeline Schemes	4.5	0.0	-4.5
<b>Total Capital Programme</b>	<b>305.1</b>	<b>288.1</b>	<b>-17.0</b>

\* Approved by Cabinet 15 October 2025

16. Actual capital expenditure at the end of October 2025 was £103.2m. The combined spend to date and current forecasted in-year commitments for the Capital Programme are £186.5m or 65% of the revised estimate for the year. The rate of expenditure is expected to increase later in the 2025/26 financial year due to a number of schemes reaching the delivery stage.

### **Pupil Place Plan**

17. There is forecast spend of £54.2m on the Pupil Place Plan in 2025/26 compared to the latest forecast of £54.5m, a decrease of £0.3m. The Plan includes three main programmes:
- School Expansions Places - these are usually school expansion projects at existing schools 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.
  - New Schools Places – 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 School Expansions and New Schools 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.

#### School Expansions Programme

19. The Basic Need Programme anticipates spend of £13.8m in 2025/26 compared to the previous forecast of £13.5m. The increase of £0.3m reflects the latest delivery timeframe. Currently, 5 projects are either in construction or have completed this financial year and are creating the following additional pupil places and improved facilities:

- Witney, Woodgreen School (150 additional pupil places)
- Woodstock, Marlborough CE School (150 additional pupil places)
- Langtree School, Woodcote (Refurbishment of 2 science labs)
- Fir Tree, Wallingford (expand from Junior to Primary)
- Oxford, Orchard Meadow Primary School, (Foundation Stage Accommodation)

In addition, there are 10 projects in the pre-construction phase, some of which will commence on site this financial year:

- Heyford Park School (150 additional pupil places)
- Faringdon Community College (replacement of temporary accommodation)
- Oxford, Mabel Prichard Special School (23 additional SEND places)
- 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)
- Yarnton, William Fletcher Primary School (105 additional pupil places)
- Mill Lane Chinnor (Replacement Temporary Classrooms)
- St Josephs, Thame (new nursery 30 places)

#### New Schools Programme

20. The New Schools programme is forecasting to spend £32.2m in 2025/26 and has decreased by £0.3m to reflect the latest spend profiles for 2025/26. Currently there are two new school projects in construction:

- St Nicholas, Wallingford (315 new pupils + nursery)
- Didcot Valley Park Primary School (630 place new Primary)

Two projects are in the pre-construction phase.

- Didcot, Great Western Park SEND School (120 additional SEND pupil places)
- Upper Heyford Primary School (315 place new primary + 65 place nursery)

Two further schools are being delivered by the Education and Skills

Funding Agency (ESFA) and financial contributions towards the schools are included within the capital programme:

- 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 School Access Initiative, which will ensure that mainstream school buildings are accessible for pupils with Special Educational Needs and Disabilities, is forecasting spend of £0.250m. Projects at primary and secondary schools are being carried out throughout this financial year.
22. The School Structural Maintenance Programme for 2025/26 includes 86 projects that will be completed over a rolling two-year programme. The latest spend forecast is £7.3m in 2025/26 unchanged from the previous forecast. Some of the larger projects included in the programme are:
  - Great Tew School – replace failed roof
  - Clifton Hampden C of E Primary School – Overhaul and repair entire pitched roof (programmed for 2026)
  - Cumnor Primary School – replace flat roof
  - Queensway Primary School – Replace felt roof covered flat roof Phase 2
  - RAF Benson Community Primary School – Replace felt covered flat roof – Phase 3
  - St Leonards C of E Primary School – Roof repairs (scheduled 2026)
  - Five Acres Primary School – Replace failed flat roof (programmed for 2026)
  - John Hampden Primary School – Replace failed flat roof (programmed for 2026)
  - Barley Hill Primary School – Boiler replacement & roof structural works (programmed for 2026)
  - Dry Sandford Primary School – Replace obsolete heating system (programmed for 2026)
  - Orchard Fields Primary School – Boiler Replacement
  - Windmill Primary School – Rusting lintels replacement (programmed for 2026)

### Major Infrastructure

23. The latest capital forecast for 2025/26 is £119.3m. This has decreased by £4.0m from the previous reported position. The programme is divided into sub-programme areas as shown in the table below.

Major Infrastructure	Latest Budget	Latest Forecast	Variation
	£'000	£'000	£'000
Housing Infrastructure Fund 1 (HIF1)	40,200	40,000	-200
Housing Infrastructure Fund 2 (HIF2) & A40	20,400	19,450	-950
A423 Improvement Programme	1,000	700	-300

Active Travel Phase 3 & Mobility Hubs	5,288	3,295	-1,993
Bicester & Banbury Locality	13,496	13,350	-146
Oxford Locality	5,953	5,997	+94
South & Vale Locality	24,300	23,350	-950
<b>Major Infrastructure Delivery Sub-total</b>	<b>110,587</b>	<b>106,142</b>	<b>-4,445</b>
<b>Major Infrastructure Placemaking Sub-total</b>	<b>7,707</b>	<b>8,112</b>	<b>+405</b>
<b>Transport Policy Sub-total</b>	<b>4,945</b>	<b>5,025</b>	<b>+080</b>
<b>Major Infrastructure –Total</b>	<b>123,239</b>	<b>119,279</b>	<b>-3,960</b>

#### Major Infrastructure- Delivery

24. Forecast capital spend of £106.1m is £4.4m less than the previous capital forecast of £110.5m.

#### HIF1 Programme

25. In December 2025 Homes England approved the use of £46m of the £79.6m contingency funding that they agreed to allocate to the programme in April 2024. This includes an additional £10.0m towards the Clifton Hampden Bypass scheme, increasing the budget to £66.7m, and an additional £6.1m towards the Didcot Science Bridge scheme, taking the budget to £109.1m. A further £29.9m contingency funding that Homes England have approved to be used is expected to be used to support the Culham River Crossing scheme.
26. The HIF1 programme is now forecasting to spend £40.0m during this financial year in line with the latest budget. Although the latest forecasts are realistic, there is a risk of delay as the projects move from the detailed design stage to early enabling works that are planned in the last quarter of the financial year. Because of this the latest forecasts for 2025/26 are sensitive to change.
- Clifton Hampden Bypass - the start date of the construction phase is now planned for the end of this financial year and enabling works will commence shortly.
  - Culham River Crossing - enabling works are now planned for the end of this calendar year, with the construction phase start date now moved to the next financial year.
  - Didcot Science Bridge - enabling works are now planned for the end of this calendar year, with the construction phase start date now moved to the next financial year.

#### HIF2 & A40

27. Overall, the in-year forecast for the programme has reduced by £0.9m to £19.5m. This is mainly due to a reduced forecast for the A40 HIF2 Dukes Cut Wolvercote Maintenance works scheme due to a delay getting to site. There is also a risk that the in-year forecast for the A40 Eynsham to Wolvercote scheme may change. This is because Planning determination for the scheme is due in December this year and any delay could impact

on the level of expenditure. Construction work on the A40 Access to Witney scheme is progressing well and is ahead of schedule.

#### Countywide programmes

28. The Bicester & Banbury programme is now forecasting spend of £13.4m, in line with the latest budget.
29. The South & Vale programme is now forecasting spend of £23.4m, a reduction of £0.9m due to a reprofile of spend across the main schemes relating To Watlington Relief Road, A4130 Steventon Lights and Benson Lane, Crowmarsh Gifford to reflect the latest delivery timeframes.

#### Other programmes

30. The Active Travel & Mobility Hubs programmes are now forecasting to spend £3.3m in 2025/26. A further £2.2m expenditure, that was expected in 2025/26 will now take place in 2026/27. The design stage for the Benson and Carterton Mobility Hubs has taken longer than anticipated. A delay in receiving survey results for the Witney High Street / Market Square enhancements means construction is now expected to start in March 2026.
31. The Oxford programme is forecasting spend of £6.0m, in line with the latest budget.
32. County adoption of the bridge and connecting routes are expected to follow thereafter. A revised timescale for the delivery of the scheme has been necessary to account for a combination of factors including; restricted periods during which works on and over the waterway can take place, delays associated with a legal challenge which has since been refused, as well as contractual matters with delivery partners on the scheme. These issues have now been resolved and a variation to the collaboration funding agreement between the Oxford City Council and Oxfordshire County Council to reflect this latest position is expected to be finalised shortly.

#### Major Infrastructure – Placemaking

33. The programme is forecasting to spend £8.1m this year a slight increase compared to the previous reported position. This includes the provision towards the Oxford Railway Station Development profile (£10m contribution which is funded through a previous Enterprise Oxfordshire (previously OxLEP) City Deal Programme. This still could change as the year progresses.

#### Transport Policy

34. The programme is forecasting spend of £5.0m mainly relating to the last phase of the grant payments to the bus companies (contribution towards the purchase of electric buses under the Zero Emission Bus Regional Area programme).



## **Highways Asset Management Plan (HAMP)**

35. The expectation is that the HAMP will 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.
36. The total in-year forecast capital expenditure for 2025/26 is estimated to be £65.8m and has increased by £1.8m compared to the previous forecast. The net change is mainly due to the reduced forecast spend in the Bridges programme, this has been due to a focus on design works which has been more involved than expected, resulting in a delay in construction spend, offset by the inclusion of the Bus Service Improvement Programme. The programme is divided into sub-programme areas as shown in the table below:

<b>Highways Asset Management Plan</b>	<b>Latest Budget</b>	<b>Forecast</b>	<b>Variation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Structural Maintenance Annual Programme	45,986	45,050	-936
Improvement Programme	4,086	4,090	+4
Major Schemes & Other Programmes	6,297	6,155	-142
Network Management Programme	6,645	9,548	+2,903
Other	1,000	1,000	+000
<b>Highways Asset Management Plan – Total</b>	<b>64,014</b>	<b>65,843</b>	<b>+1,829</b>

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

<b>Project</b>	<b>Planned Schemes</b>	<b>Delivered Schemes</b>	<b>Progress Update</b>
Surface Treatments (schemes)	138	140	Schemes to restore the condition or prolonging the life of existing carriageways. Surface Dressing and Micro-Asphalt programme completed. Pre-patching SD programme planned for November – February. Retexturing Programme around 4-6 schemes.me
Carriageways (schemes)	9	7	Surfacing/reconstruction/strengthening of roads. All schemes on track with the larger scheme currently on site.
Structural Highways Improvements (schemes)	59	38	Surface inlay and minor patching schemes across the county. Slight delay in this programme due to schemes changing from patching to full surfacing
Footways (schemes)	98	58	Repair/construction of footways and cycleways. Most schemes planned for later in the year, this is made up of the footway slurry programme.
Drainage (schemes)	37	7	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues. Delay in this programme due to extended investigation works
Bridges (schemes)	15	6	Strengthening/replacement/imposition of management measures on weak structures.

Project	Planned Schemes	Delivered Schemes	Progress Update
			Delay in commencing schemes on site due to extended design works. Completed schemes to be reprofiled for next reporting window.
Electrical	1,800	656	Additional LED Replacement units being installed this year.
	2,700	2,309	Column Replacement
20mph Speed limit (schemes)	9	0	The last remaining schemes of this programme, following consultations that have taken place schemes expected to be implemented by year end as planned.
Section 42 contributions (schemes)	45	30	Programme delivered by the City Council and covers all the unclassified roads and footways within the city. On track.

38. The annual Improvement Programme is forecasting to spend £4.1m in 2025/26. This will be primarily spent on the Vision Zero Programme, covering projects on speed management, junction incident hot spots, cycle safety and connectivity etc.
39. Major Schemes & Other Programme is forecast to spend £6.2m in 2025/26. This includes the LED streetlighting upgrade programme and highway bridges recovery programme.
40. The Highway Network Management Programme is forecasted to spend £9.6m. This includes improvements to Oxford and Bicester Park & Rides, countywide traffic signals, BSIP schemes including £1.5m on the Vehicle Improvement Fund and implementation of Part 6 moving vehicle cameras.

### **Property Strategy**

41. The Property Strategy is forecasting expenditure of £28.5m in 2025/26, a decrease of £10.2m compared to the previous forecast of £38.7m. This is mainly due to revised expenditure plans across the Corporate Estate Programme including the Carterton Community Safety Centre, Speedwell House Redevelopment, Local Electric Vehicle Infrastructure and Redbridge Household Waste Recycling Centre Stabilisation works.

### **Estate Decarbonisation Programme**

42. The council's property accounts for approximately 35% of the emissions within this 2030 target (on 2023/24 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.
43. 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.
44. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the property strategy.

45. Work has completed or is nearing completion on 23 sites included in the 2024/25 decarbonisation programme, with heat on at all of these sites. 4 sites will complete in 2026/27 due to electricity grid upgrades, subcontractor insolvency and delays caused by other programmes of work. All eligible grant has been claimed for and additional works were completed with remaining Salix funding (9 sites). The budget is £10.3m in total.
46. For the 2025/26 decarbonisation programme, design work has started on all sites where suitable with outputs expected from November 2025, construction works have started at 4 sites and are expected to complete this financial year, 1 site has been paused due to operational reorganisation, the remainder are expected to be into contract this financial year. The total value is £10.4m, including £0.4m of Public Sector Decarbonisation Scheme funding).
47. The combined spend forecast over the two programmes in 2025/26 is £8.4m, with no change from the latest programme.

#### Office Rationalisation & Co-location

48. The office rationalisation & co-location programme continues following the completion of the relocation from Nash Court, Knights Court and Abbey House, with the revenue savings now starting to be realised.
49. Most of the enabling works to other council owned properties have been completed, with the final two elements being Union Street refurbishment and works to Oxford Community Support Service in delivery.

#### Children's Homes Programme

50. The council is currently forecasting £2.7m spend in 2025/26 from the £10.450m programme for the delivery of four new children's homes (12 additional beds) within Oxfordshire. One of the homes is now open and registered, with another now ready to be registered with OFSTED. The third home now structurally completed and is envisioned to be ready in early 2026. The final home is delayed due to building works and actions needed to mitigate environmental impact of build in nature and expected to be completed by March 2026.

#### Warm Homes: Local Grant Capital Retrofit Programme

51. The plan is to install approximately 130 measures across at least 60 properties in 2025/26 to deliver impactful work for the benefit of the residents (energy bill savings, health, wellbeing and comfort) as well as measurable climate action. The programme is designed alongside complementary retrofit projects to specifically assist low-income/fuel-poor residents who wouldn't otherwise be able to install such energy efficiency improvements, helping to ensure a fair and just path to net zero for all. The total value of the programme is £3.750m, between 2025/26 to 2027/28 and is funded from the Department for Energy Security & Net Zero, with £1.3m forecasted to be spent by the end of this financial year.

#### Local Electric Vehicle Infrastructure (LEVI)

52. Due to changes to the contractual approach to this scheme, the previously predicted spend of £1.0m in 2025/26 will now take place in 2026/27.

#### School Energy Loans

53. The council has allocated over £1.8m between 2023/24 and 2026/27 as loan financing available to maintained schools to install retrofit measures (LED lighting, solar photovoltaics and battery storage). Because of the need for schools to schedule work largely in school holidays, £0.8m is forecast to be spent by the end of this financial year.

#### Speedwell House Redevelopment

54. Following a detailed options appraisal for the revised Speedwell House redevelopment a change request has been submitted which provides for reduced accommodation utilising the existing Speedwell House footprint. Reflecting this change request, forecast spend for 2025/26 has been reprofiled to £1.5m. The overall budget for the scheme has been reduced to reflect the revised plans.

#### Redbridge Household Waste Recycle Centre – Stabilisation Works

55. A revised spend of £0.3m is being forecasted for 2025/26, a reduction of £1.1m to reflect the latest delivery timeframe.

#### Carterton Community Safety Centre

56. A revised spend of £0.2m is being forecasted for 2025/26, a reduction of £2.3m.

#### Residential Accommodation Programme

57. This programme will deliver much-needed, bespoke, and high-quality specialist supported housing in Oxfordshire for individuals who may currently be in hospital or secure units. It marks a vital step forward in improving quality of life and long-term outcomes by enabling people to live more independently within their communities. The initiative is designed to ensure accommodation is provided in a way that is both financially sustainable and socially impactful. In the absence of private sector investment in these essential services, council-led intervention is crucial. Without it, individuals would remain in inappropriate or high-cost settings that do not support autonomy or integration.
58. Forecast expenditure for 2025/26 is £2.1m. This will be funded from the £5.9m funding for residential accommodation approved in February 2025.

#### **IT, Innovation & Digital Strategy**

59. The total forecast expenditure for 2025/26 is £6.6m, an increase of £0.2m compared to the previous forecast.

## Digital Infrastructure

60. IT are working on a number of projects to implement new applications during 2025/26. Projects expected to be completed include:
- Data Centre Hardware – replacement of ageing data centre equipment to ensure ongoing stable and secure infrastructure to run Council services.
  - Public Services Telephone Network Withdrawal – working with suppliers to reduce risks and impacts of the withdrawal of the copper telephony network.
  - End User and network equipment – continued investment in planned regular refresh of hardware so that staff are able to work effectively from multiple locations with secure access and performant devices.
  - Further capital business cases are being prepared for projects to implement simple, stable and secure technology as set out in the council's Technology Strategy.

## Broadband

61. The 5GIR programme budget for 2025/26 of £2.5m is forecasted to be spent this year, with the cost met by grant funding from 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.

## **Passported Funding**

62. Expenditure for 2025/26 is forecasted to be £9.6m, no change from the previous forecast.
63. This includes the Disabled Facilities Grant for 2025/26 of £8.3m. This funding, which is part of the Better Care Fund, is issued to the County Council but is required to be passed on to the City and District Councils in accordance with the grant determination.

## **Vehicles and Equipment**

64. Expenditure for 2025/26 is forecasted to be £4.1m, a decrease of £0.1m compared with the previous forecast.

## Vehicle Management Services (VMS)

65. The endorsed Business Case for EV chargers have enabled VMS to continue to swap out the old SWARCO chargers. There are now 53 new Compleo chargers and 24 SWARCO units (the latter to be swapped out during 2025/2026). New locations have been identified and are being investigated in line with service operational needs; however, the overall National Grid power availability is proving challenging, as not all sites have the extra power required available.

66. The Key2 Vehicle management software is now providing information for all compliance requirements across the whole fleet.

## Ten Year Capital Programme Update

67. The total ten-year capital programme (2025/26 to 2034/35) is now £1,326.6m (excluding earmarked reserves) an increase of £14.0m when compared to the latest capital programme approved by Cabinet in October 2025. This is mainly due to the inclusions of the additional HIF 1 grant funding and the reduction in the Speedwell House redevelopment budget. A summary of the updated capital programme is set out in Annex 2.

Strategy Area	Last Approved Total Programme (2025/26 to 2034/35) *	Latest Updated Total Programme (2025/26 to 2034/35)	Variation
	£m	£m	£m
Pupil Places Plan	241.9	240.9	-1.0
Major Infrastructure	639.2	658.9	+19.7
Highways Asset Management Plan	252.0	251.5	-0.5
Property Strategy	129.8	124.2	-5.6
IT, Digital & Innovation Strategy	9.4	10.7	+1.3
Passported Funding	14.3	14.3	+0.0
Vehicles & Equipment	26.1	26.1	+0.0
<b>Total Strategy Programmes</b>	<b>1,312.7</b>	<b>1,326.6</b>	<b>+13.9</b>
Earmarked Reserves	101.4	106.6	+19.1
<b>Total Capital Programme</b>	<b>1,414.1</b>	<b>1,433.2</b>	<b>+2.9</b>

\* Approved by Cabinet 21 October 2025.

## Capital Funding Update

### Prudential Borrowing

68. The ten-year Capital Programme includes a requirement to fund £226.6m through prudential borrowing. The latest borrowing expected to be taken in 2025/26 is £73.3m a reduction of £5.7m due to the overall revised spend profile. The borrowing in 2025/26 is expected to include the last £2.5m from the £120.0m agreed in 2018 and £25m from the £88.4m agreed in 2022. The remaining £4.3m drawdown of the £40.8m supporting the Street Lighting LED replacement programme is also expected to be taken in 2025/26. To support the delivery of the Highways Structural Maintenance programme in 2025/26 a further £26m of borrowing is planned to be undertaken.
69. 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 Enterprise Oxfordshire (previously OxLEP) City Deal Programme, the borrowing costs relating to this scheme will be fully funded through Enterprise Zone 1 retained business rates.

## **Earmarked Reserves**

70. The level of earmarked reserves has increased by £5.2m from the previous reported position to £101.6m. The reserves include £58.9m of budget provisions approved through the capital Budget & Business Planning process in February 2025 and previous years. A further £47.7m is held as provisions and these include the capital programme contingency for the delivery of the current ten-year capital programme plus other identified provisions.
71. The main change relates to the returned budget from the Speedwell House development scheme. This will be held towards the financial risk associated with the current delivery programme in the capital programme.

## **Capital Reserves**

72. The current overall balance of the capital programme is over-programmed by £10.4m, a reduction of £3.7m from the £14.1m over-programmed position agreed by Council in February 2025.
73. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £219m. This is expected to reduce to approximately £112m at the end of 2026/27 and reduce further to only £2m by the end of 2029/30. 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 overall council cash balances and is already factored into the funding of the overall capital programme.
74. 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 Section 151 officer. At present, the Capital Programme includes approximately £35m of forward funded schemes, a reduction of £5m from the £40m identified to Council in February 2025. The actual total that is forward funded is expected to be lower than the approved total as it is forecasted that some of the income is expected to be received before all the expenditure associated with the forward funded schemes is incurred. It is estimated to be £24m at the end of 2025/26 financial year. The forward funding excludes any cashflow implications arising from the Speedwell and Oxford Rewley Road Fire Station developments.

## **Risk Management**

75. A range of factors will impact on the deliverability and cost of capital schemes. Where 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.

76. These risks are managed through the council's capital governance process at both project and programme level and through the Strategic Capital and Commercial Board. Where necessary action is taken to adjust scheme deliverables and to use value engineering to maintain spend within the available funding.
77. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level. The council is assessing and tracking 6 strategic risks in 2025/26. One of these risks is that 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.

### **Sustainability Implications**

78. 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.
79. 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**

80. 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.
81. The following risks are inherent within the expenditure and funding within 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.
  - Risk of cost increases through inflation or other factors outside of the council's control.
82. If capital receipts or section 106 contributions are not received within the planned timeframe it may be necessary (although this is unlikely) 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.
83. 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. Since the level of planned borrowing was maximised as part of the 2025/26 budget process



it is important that action is taken to manage spend in line with the agreed programme.

Comments checked by:

Kathy Wilcox  
Head of Corporate Finance

## **Staff Implications**

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

## **Equality & Inclusion Implications**

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

## **Legal Implications**

86. 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 £2,000,000, 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

December 2025