

CABINET – 19 MARCH 2019

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

Report by the Director of Finance

RECOMMENDATION

The Cabinet is RECOMMENDED to:

- (a) note the report;
- (b) approve the changes to the programme in Annex 1c;

Executive Summary

1. This report focuses on the delivery of the 2018/19 capital programme based on projections at the end of January 2019 and new inclusions within the overall ten-year capital programme. The programme also includes all changes approved by Council in February 2019 as part of the Service & Resource Planning process.
2. The forecast directorate programme expenditure for 2018/19 is **£121.4m** (excluding school's local capital). This has decreased by **£6.4m** compared to the latest approved capital programme.
3. The total ten-year capital programme (2018/19 to 2028/29) is **£1,060.3m**, as approved by Council in February 2019.
4. The following annexes are attached:

Annex 1 Capital Programme Monitoring

2018/19 Capital Monitoring

5. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2018/19 is **£121.4m** (excluding school's local capital). This has decreased by **£6.4m** compared to the latest approved capital programme. The table in the following paragraph summarises the variations by portfolio area.
6. The variations in 2018/19 include the approved recommendations from the February 2019 Council meeting and schemes that have been re-profiled accordingly. Significant in-year variations for each directorate are listed in Annex 1b. New schemes and total programme/project budget changes are listed in Annex 1c.

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| Portfolio Area | Last Approved Programme * £m | Latest Forecast Expenditure £m | Variation £m |
|---------------------------------------|---------------------------------|-----------------------------------|-----------------|
| Children's Services | 25.1 | 18.6 | -6.5 |
| Adult Services | 6.9 | 6.9 | +0.0 |
| Communities: Transport | 59.4 | 59.5 | +0.1 |
| Communities: Other Property Resources | 20.6 | 20.6 | +0.0 |
| | 15.8 | 15.8 | +0.0 |
| Total Directorate Programmes | 127.8 | 121.4 | -6.4 |
| Schools Local Capital | 1.2 | 1.2 | +0.0 |
| Earmarked Reserves | 10.6 | 10.6 | +0.0 |
| Total Capital Programme | 139.6 | 133.2 | -6.4 |

* Approved by Council 12 February 2019

7. Within the Children's Services programme, stage 2 business cases (contract let) have been approved for projects at North Leigh Primary School to replace temporary classrooms and an expansion at John Watson Special (Primary) School.
8. The basic need and new school projects shown in the following table, initially expected to be delivered for September 2019, have been reprofiled for completion in 2019/20 and arise for a number of different reasons including; procurement, land (section 77 consent for building on school playing fields) and revised delivery timeframes. The reprofiling into 2019/20 totals **£5.0m**. Revised delivery timeframes and implications of accommodation arrangements are currently being explored with the installation of several temporary classrooms to meet the additional pupil places.

| Project | Previous 2018/19 Forecast £m | Latest 2018/19 Forecast £m | Variation £m |
|--|---------------------------------|-------------------------------|-----------------|
| Basic Need Programme Overall Budget – budget earmarked for West Witney, Chesterton & Cholsey | 2.5 | 0.8 | -1.7 |
| Matthew Arnold – 1 Form Entry Expansion | 2.0 | 1.6 | -0.4 |
| Bloxham, Warriner – 2 Form Entry Expansion | 3.0 | 2.3 | -0.7 |
| Marcham - Expansion to 1 Form Entry | 0.5 | 0.1 | -0.4 |
| John Blandy - Expansion to 1.5 Form Entry | 1.2 | 0.2 | -1.0 |
| Bicester, South West – New Secondary School | 0.5 | 0.2 | -0.3 |
| Financial Contribution towards the new Swan Free School | 0.7 | 0.2 | -0.5 |
| TOTAL | 10.4 | 5.4 | -5.0 |

9. Within the 2018/19 annual School Structural Maintenance Programme, seven projects, totalling **£1.5m** will be delivered in 2019/20 and incorporated within next years programme. The majority of these works are

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associated with classroom roofs. Seven projects within the programme have been completed in 2018/19.

10. In 2018/19, it is forecast that:
- £14.0m will be spent on delivering school expansions and new schools;
 - £3.0m on Schools Structural Maintenance and other annual programmes;
 - £28.1m on Major Transport schemes including Access to Headington, the A40 public transport improvements, the Botley Road Corridor, the development of the Housing Infrastructure Fund (HIF) schemes and safety improvements on the A361;
 - £31.4m on the Highways Structural Maintenance Programme;
 - £20.6m on other schemes including Broadband, the Council's contribution to the Flood Relief Scheme and New Salt Stores;
 - £1.5m on the new Children's ICT system; and
 - £12.0m on third party schemes including Oxfordshire Local Enterprise Partnership (OxLEP) schemes and the Affordable Housing element of the Housing and Growth Deal.

Actual Expenditure to Date

11. The following table shows the actual 2018/19 capital expenditure and commitments as at the end of January for both Council controlled projects and third-party schemes (OxLEP funded schemes and the Housing and Growth Deal Affordable Housing element).

| | Forecast | Actuals | Commitments | Actuals + Commitments as % of Forecast % |
|--------------|--------------|-------------|-------------|--|
| | £m | £m | £m | |
| OCC Schemes | 109.4 | 44.8 | 28.7 | 67% |
| Third Party | 12.0 | 3.0 | 0.0 | 25% |
| TOTAL | 121.4 | 47.8 | 28.7 | 63% |

12. Actual capital expenditure as at the end of January for Council controlled projects was **£44.8m** with in year commitments at **£28.7m**. The combined value is **67%** of the forecast expenditure.
13. The Affordable Housing element of the Housing and Growth Deal will be paid to the County Council (as Accountable Body) by Homes England in March 2019 when the number of affordable homes delivered has been agreed. The Council will then pass this funding to the relevant district councils. It is forecast that this will total **£6.7m** in 2018/19.

Ten Year Capital Programme Update

14. The total ten-year capital programme (2018/19 to 2028/29) is **£1,060.3m**, as per the capital programme approved by Council in February 2019.

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15. The capital programme now includes a budget provision of **£1.5m** for the Tetsworth embankment works. This is funded from the Highways Maintenance Annual programme of £31.7m approved at Council in February 2019, however the project is shown separately in the capital programme due to the value of the works being over £1.0m.

Capital Programme Approvals

16. There are no schemes recommended for Cabinet approval in this report as new allocations were approved as part of the Service & Resource Planning process at Council on 12 February 2019.

LORNA BAXTER

Director of Finance

Background papers: Nil

Contact Officers: Katy Jurczynszyn, Strategic Finance Manager
(Financial Strategy & Monitoring)
07584 909518

February 2019