

CABINET – 16 OCTOBER 2018**CAPITAL PROGRAMME UPDATE AND MONITORING REPORT****Report by the Director of Finance****Introduction**

1. This is the second separate capital programme update and monitoring report and focuses on the delivery of the 2018/19 capital programme based on projections at the end of August 2018 and new inclusions within the overall ten-year capital programme.
2. The following annexes are attached:
 - Annex 1 Capital Programme Monitoring
 - Annex 2 Updated Capital Programme

2018/19 Capital Monitoring

3. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2018/19 is **£126.6m** (excluding school's local capital). This has increased by **£11.0m** compared to the latest approved capital programme. The table in the following paragraph summarises the variations by portfolio area.
4. The variations in 2018/19 include the approved recommendations from the July 2018 Cabinet 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.

Portfolio Area	Last Approved Programme * £m	Latest Forecast Expenditure £m	Variation £m
People: Children's Services	29.1	24.9	-4.2
People: Adult Services	6.9	6.9	+0.0
Communities: Transport	53.3	65.3	+12.0
Communities: Other Property Resources	11.0	13.7	+2.7
	15.3	15.8	+0.5
Total Directorate Programmes	115.6	126.6	+11.0
Schools Local Capital	1.2	1.2	+0.0
Earmarked Reserves	11.1	10.6	-0.5
Total Capital Programme	127.9	138.4	+10.5

* Approved by Cabinet 17 July 2018

5. Within the Children's Services Programme there has been a reprofiling of **£4.5m** from 2018/19 into later years on the new Secondary School for South West Bicester. This is to reflect the revised delivery timeframe as the contract award is held pending land issues. The total budget provision is **£16m**.

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6. Within the basic need programme, three projects at Fitzwaryn, Faringdon Community College and Sutton Courtenay Schools have recently been completed. For other projects, a number of pre-agreed contingency plans in order to accommodate the additional pupils have been implemented.
7. Within Communities, the Highways programme now includes the following schemes that were approved in the last report to Cabinet in July 2018:
 - a) An additional **£10m** Highway Maintenance programme for 2018/19 funded from future years highways maintenance allocations;
 - b) **£1.0m** (£0.5m for each package of schemes) to develop the Strategic Outline Business Cases for the Access to Didcot Garden Town and the West Oxfordshire A40 Smart Corridor Housing Infrastructure Fund (HIF) bids to Government. This is being forward funded from corporate resources;
 - c) The Botley Road Corridor scheme of **£9.1m**, with **£1m** profiled in 2018/19. This project will improve cycling and pedestrian infrastructure support safety of non-motorised users, improve journey time reliability for all modes, and reduce overall journey times especially for bus users along this key arterial route in and out of Oxford; and
 - d) The Street Lighting LED replacement programme of **£40.8m**, of which **£0.7m** is profiled in 2018/19. This scheme will replace 51,000 traditional lanterns with LED and also replace 24,000 end of life street light columns. The programme will be funded by prudential borrowing, repaid from the savings in the energy budget the programme will generate.
8. The A361 Road Safety Improvement and the Witney A40 Downs Road junction contribution have been reprofiled.
9. Within the Communities Property Programme, the Council's contribution towards the Oxford Flood Relief Scheme has been re-profiled from 2019/20 to 2018/19 as the full **£5.3m** contribution will be made in March 2019.
10. Within the Resources Programme, **£0.5m** of new in-year financial contributions towards Local Growth Fund projects delivered by third parties have been agreed by the Oxfordshire Local Enterprise Partnership (OxLEP). This relates to the Agritech Centre project.

Actual Expenditure to Date

11. Excluding forecast expenditure on third party schemes (OxLEP funded schemes and the Housing and Growth Deal Affordable Housing element), the 2018/19 programme reduces from **£126.6m** to **£114.7m**. Actual capital expenditure as at the end of August for Council controlled projects was **£15.0m** with in year commitments at **£33.9m**. The combined value is **43%** of the forecast expenditure. These figures are based on paid invoices at the end of August, so delivery levels are likely to be higher than this.

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12. The Capital Governance and Capital Finance Teams are working with teams to report of a greater range of Key Performance Indicators. This work will give more detail and assessment of delivery confidence, to monitor progress and spend and minimise risk of under delivery.

Ten Year Capital Programme Update

13. The total ten-year capital programme (2018/19 to 2027/28) is now **£868.3m**, an increase of **£51.4m** compared to the capital programme approved by Cabinet in July 2018. The updated capital programme is set out in Annex 2. The following table summarises the variations by directorate and the main reasons for these variations is explained in the following paragraphs.

Portfolio Area	Last Approved Total Programme (2018/19 to 2027/28) * £m	Latest Updated Total Programme (2018/19 to 2027/28) £m	Variation £m
People: Children Services	157.0	161.1	+4.1
People: Adults Services	26.5	26.5	+0.0
Communities: Transport	397.0	442.6	+45.6
Communities: Other	36.4	39.4	+3.0
Resources	98.2	99.2	+1.0
Total Directorate Programmes	715.1	768.8	+53.7
Schools Local Capital	6.3	6.3	+0.0
Earmarked Reserves	95.5	93.2	-2.3
Total Capital Programme	816.9	868.3	+51.4

* Approved by Cabinet 17 July 2018

14. The capital programme now includes the following schemes that were approved by Cabinet in July 2018:
- a) Three developer built New Primary Schools funded from S106 contributions at Crab Hill, Wantage, Curbridge, West Witney and Graven Hill, Bicester, that have a combined total of **£4.5m**.
 - b) The Street Lighting LED replacement programme of **£40.8m** (see paragraph 7 above).
 - c) The Botley Road Corridor scheme of **£9.1m** of which **£5.0m** is funded from the National Productivity Investment Fund, **£3.2m** from the Housing & Growth Deal Infrastructure funding and **£0.9m** from S106 contributions.
 - d) The Didcot Library & Community Hub project with a budget of **£1.6m** for better utilisation of facilities.

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15. The Resources programme includes **£1.0m** of financial contributions towards Local Growth Fund projects delivered by third parties and agreed by the OxLEP. The Council, as Accountable Body for OxLEP, will receive **£11.8m** of Local Growth Fund grant in 2018/19 to contribute to schemes agreed by the OxLEP.
16. Other inclusions, include a further **£0.7m** towards the Cogges Manor Farm project that was also approved by Cabinet in July 2018 as part of a separate agenda item and **£0.5m** towards the New Salt Stores and Accommodation at two depot sites approved by the Community Infrastructure Programme Board (this increases the overall budget to **£4.9m**).

Capital Programme Approvals

17. The Community Infrastructure Programme Board (CIPB) recommend that Cabinet approve the following schemes and programmes for inclusion in the capital programme. The business case documents presented to CIPB are available as background papers.

Basic Need Programme – Beyond 2019/20

18. The following basic need projects have reached stage 0 gateway and require Cabinet approval to enter the capital programme:
19. Expansion at Radley CE Primary School from 0.5 form entry to 1 form entry through additional accommodation and alterations with an initial budget requirement (Stage 0) of **£2.5m**. The expansion can only proceed with the acquisition of additional land. The initial development work will be forward funded from the basic need programme, with progress beyond the stage 1 gateway subject to further funding considerations.
20. Expansion at Bardwell Special School to create an additional 16 pupil places with an initial budget requirement of **£1.5m**. The cost of this project will be funded from the government SEN Capital grant and from S106 developer contributions.

Eastern Arc Phase 1: Access to Headington

21. Cabinet is recommended to approve an additional **£3.5m** funded from the Housing & Growth Deal Infrastructure grant towards the Eastern Arc Phase 1: Access to Headington project.
22. The construction programme has been deferred on 2 occasions due to network occupancy constraints (utility emergency works) which meant that the current phase of work, Phase 3 Headley Way, has started 12 months after originally intended. The revised completion date is September 19 with the overall budget provision at **£14.5m**.

RECOMMENDATIONS

23. The Cabinet is **RECOMMENDED** to:
- (a) note the report;
 - (b) approve the updated Capital Programme at Annex 2 and the associated changes to the programme in Annex 1c;
 - (c) approve the stage 0 budget requirement of £2.5m towards the expansion at Radley School within the Basic Need Programme with funding options considered at Stage 1 gateway.
 - (d) approve the stage 0 budget requirement of £1.5m towards the expansion at Bardwell School within the Basic Need Programme.
 - (e) approve the additional budget requirement of £3.5m towards the Eastern Arc Phase 1: Access to Headington Project, for an overall budget provision of £14.5m.

LORNA BAXTER
Director of Finance

Background papers:

ED936 Radley – Stage 0
ED935 Bardwell – Stage 0
Eastern Arc Phase 1: Access to Headington

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

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