

CABINET – 17 DECEMBER 2019

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

Report by the Director of Finance

Recommendations

1. The Cabinet is **RECOMMENDED** :
 - (a) to approve the updated Capital Programme at Annex 2 and the associated changes to the programme in Annex 1c;
 - (b) In relation to the Housing & Growth Deal agree:
 1. the release of the Benson Relief Road scheme with a budget of £12.0m;
 2. the release of the Milton Heights Bridge scheme with a budget of £2.0m;
 - (c) In relation to Schools agree:
 1. the inclusion of the New Faringdon Primary School project in the Capital Programme with a budget of £10.9m;
 2. the inclusion of the New Primary School project in Wallingford in the Capital programme with a budget of £8.7m;
 3. the inclusion of the expansion project at Thame, Lord Williams's School in the capital programme with a budget of £4.5m;
 4. the release of the expansion project at Chalgrove Primary School in the Basic Need programme with a budget of £2.0m;
 5. the release of the expansion project at John Watson Special School (Secondary) in the Basic Need programme with a budget of £3.0m;
 - (d) agree the release of the Legacy Programme with a budget of £15.0m, and report the governance of these projects at a programme level.

Executive Summary

2. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2019/20 is **£170.5m** (excluding school's local capital). This has decreased by **£11.5m** compared to the latest approved capital programme. The main variations are set out in paragraphs 9 to 11 of the report.
3. The total ten-year capital programme (2019/20 to 2028/29) is now **£877.8m**, an increase of **£1.1m** compared to the capital programme approved by Cabinet in October 2019. The updated capital programme is set out in Annex 2. The variation is set out in paragraph 14 of the report.
4. As set out in the recommendation, the report includes a number of new inclusions and release of projects in the Capital Programme, which Cabinet is recommended to approve.

Introduction

5. This is the third capital programme update and monitoring report for the year, following approval by Council in February 2019, and focuses on the delivery of the 2019/20 capital programme based on projections at the end of October 2019 and new inclusions within the overall ten-year capital programme.
6. The following annexes are attached:
 - Annex 1 Capital Programme Monitoring
 - Annex 2 Updated Capital Programme

2019/20 Capital Monitoring

7. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2019/20 is **£170.6m** (excluding school's local capital). This has decreased by **£11.5m** compared to the latest approved capital programme. The table in the next paragraph summarises the variations by portfolio area.
8. 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
Children's Services	37.6	37.6	+0.0
Adult Services	7.4	6.7	-0.7
Communities: Transport	81.5	71.2	-10.3
Communities: Other Property Resources	22.9	22.9	+0.0
	32.6	32.1	-0.5
Total Directorate Programmes	182.0	170.5	-11.5
Schools Local Capital	0.8	0.8	+0.0
Earmarked Reserves	4.8	4.8	+0.0
Total Capital Programme	187.6	176.1	-11.5

* Approved by Cabinet 15 October 2019

9. Within Communities, the Transport Programme is **£71.2m**, a decrease of **£10.3m** to the overall forecast project expenditure profiles since the last capital programme update, with several significant changes reported in individual projects and programmes. The main variations to note are:
 - a) **£0.5m** has been reprofiled on the Hinksey Hill Northbound Slip Road scheme due to the ongoing review of the scheme and the objection from the Highways Agency.
 - b) A further **£0.9m** on the Featherbed Lane scheme has been reprofiled to later years of the capital programme while this project is redeveloped.
 - c) The original programme for the Street Lighting LED replacement programme has been amended to take in to account the design

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process for the whole project. This has changed the mobilisation of the programme which is due to commence in 2020, later than originally planned with **£7.4m** reprofiled over the remaining timespan of the programme.

- d) **£1.5m** has been reprofiled on the Tetsworth Embankment scheme to reflect the latest delivery timetable.
10. Within the Adults Programme, **£0.7m** has been reprofiled to future years in the Adult Social Care and Specialist Housing Programmes. A budget of £0.5m remains in this financial year for adaptations to improve specifications of properties.
11. Within the Resources Programme, **£0.5m** has been reprofiled to future years in the Organisational Redesign Portfolio Block to reflect development on the projects under this area.

Actual Expenditure to Date

12. Excluding forecast expenditure on third party schemes (OxLEP funded schemes and the Housing and Growth Deal Affordable Housing element), the 2019/20 programme reduces from **£170.6m** to **£142.4m**. Actual capital expenditure as at the end of October for Council controlled projects was **£29.3m** with in-year commitments at **£40.7m**. The combined value is 49% of the forecast expenditure.

Ten Year Capital Programme Update

13. The total ten-year capital programme (2019/20 to 2028/29) is now **£877.8m**, an increase of **£1.1m** compared to the capital programme approved by Cabinet in October 2019. 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 are explained in the following paragraphs.

Portfolio Area	Last Approved Total Programme (2019/20 to 2028/29) * £m	Latest Updated Total Programme (2019/20 to 2028/29) £m	Variation £m
Children Services	193.4	194.4	+1.0
Adults Services	26.6	26.6	+0.0
Communities: Transport	488.0	488.0	+0.0
Communities: Other	90.8	90.9	+0.1
Resources	77.9	77.9	+0.0
Total Directorate Programmes	876.7	877.8	+1.1
Schools Local Capital	5.2	5.2	+0.0
Earmarked Reserves	84.8	84.8	+0.0
Total Capital Programme	966.7	967.8	+1.1

* Approved by Cabinet 15 October 2019

14. Within the Children's Programme, the total forecast capital programme (2019/20 to 2028/29) is **£194.4m** which is an increase of **£1.0m** compared to the total programme value reported previously. This is additional funding of **£1.0m** from developer contributions towards projects within the basic need programme.

Major Programmes

15. A review of the Growth Deal Infrastructure Programme is being undertaken which will also update the spending forecasts. Current indications are that the programme is delivering below the previous reported levels, and a full update will be provided in due course.
16. The Didcot Garden Town Housing Infrastructure Fund (HIF) and HIF Marginal Viability (MV) projects at Bicester and Wantage that were submitted to Cabinet on 15th October will be included within the Capital Programme when the funding agreements are in place. This also includes the HIF2 A40 Smart Corridor Funding.

Capital Programme Approvals

17. The following projects are recommended to Cabinet for approve. The business case documents are available as background papers.

Benson Relief Road

18. The project is to provide an alternative route located to the north of Benson which will provide the new developments to the north of Benson with direct access to other highway routes in the local area. The project is part of the Housing & Growth Deal programme with an indicative budget of £12m.

Milton Heights Bridge

19. To provide pedestrian and cycle bridge over the A34 to connect Milton Heights with enterprise zones 1 & 2 and Didcot. As the bridge spans the A34 which is part of the strategic road network, the project will be delivered by Highways England. The project is part of the Housing & Growth Deal programme with an indicative budget of £2m.

2 Form Entry New Faringdon Primary School

20. A new 2 Form Entry (FE) Primary School located in Faringdon to support the expansion and relocation of Faringdon Infant School is required to ensure the provision of sufficient primary school places to meet the demand generated by housing developments in Faringdon. This would then allow Faringdon Junior School to convert to a 2FE Primary School. The indicative budget is £10.9m and while the project is expected to be funded from developer contributions and proceeds from the disposal of the existing school, a potential funding gap of up to £1.1m is currently forecasted. This will be reviewed as part of the capital governance gateway process for the project.

1.5 FE New Wallingford Primary School

21. A new 1.5FE Primary School located in Wallingford to support the expansion and relocation of St Nicolas CE Infants School is required to ensure the provision of sufficient primary school places to meet the demand generated by housing developments in Wallingford. This would then allow St Nicolas CE Infants School to convert to a 1.5FE Primary School. The indicative budget is £8.7m and the project is expected to be funded from developer contributions and proceeds from the disposal of the existing school.

Thame, Lord Williams's School 1FE Expansion

22. Expansion of 1FE at Thame, Lord Williams's School is required to ensure the provision of sufficient secondary school places to meet the demand generated by housing developments in the local area. The indicative budget is £4.5m and is based on developer contributions identified.

Chalgrove Primary School Expansion to 1.5FE

23. Expansion to 1.5FE at Chalgrove Primary School is required to ensure sufficient primary school places are available within the local area to accommodate growth in pupil numbers. The indicative budget is £2.0 and is expected to be funded through developer / Community Infrastructure Levy contributions.

John Watson Special School (Secondary)

24. Expansion at John Watson Special School to provide an additional 16 pupil places for secondary age pupils and secure long-term provision for sixth form pupils by replacing an aged relocatable classroom unit with permanent accommodation. The indicative budget is £3.0m and is primarily funded from the Special Provision Fund capital grant.

Legacy Programme

25. A provision of £15.0m towards the rectification of identified omissions and defects on the work executed by the previous property contractor. As the contractor is no longer in existence it has fallen to OCC to correct the defects and missing administration and bring all projects to the point as if they have achieved Certificate of Making Defects.

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Background papers:

Stage 0-1 Business Case - Benson Relief Road

Stage 0-1 Business Case - Milton Heights Road

Stage 0 Business Case - New 2FE Faringdon Primary School (ED943)

Stage 0 Business Case - New 1.5FE Wallingford Primary School (ED930)

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Stage 0 Business Case – 1FE Expansion at Thame, Lord Williams's (ED954)
Stage 0 Business Case - 0.5FE Expansion at Chalgrove Primary School (ED952)
Stage 0 Business Case - Expansion at John Watson Special School (ED934)
Stage 1 Business Case - Legacy Programme (R31)

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