

CABINET – 19 SEPTEMBER 2023**CAPITAL PROGRAMME APPROVALS – SEPTEMBER 2023****Report by the Director of Finance****Recommendations**

1. The Cabinet is RECOMMENDED to:
 - a) approve the release of the £1m approved budget to complete Stage 0 of the Didcot Central Corridors South and Vale Programme.
 - b) approve the release of £1.55m to progress with Stage 1 of the expanded Zero Emission Zone scheme and to approve the forward funding of £0.55m from the Budget Priority Reserve.
 - c) approve a budget increase of £1.495m to a revised budget of £6.99m for Benson Relief Road to enable implementation of construction work, funded from additional S106 contributions and Growth Deal Funding and to forward fund the scheme in advance of secured S106 contributions.
 - d) agree a revised budget of £24.1m to the A44 Corridor Improvements between and including Peartree to Cassington Road roundabout, an additional £4.1m funded from Growth Deal as detailed in paragraph 13.
 - e) agree the inclusion of £0.95m for a programme of works into the Capital Programme, to upgrade two Gypsy and Traveller sites (utility buildings), funded from the agreed capital proposals (February 2023) in earmarked reserves.

Executive Summary

2. The 2023/24 – 3033/34 Capital Programme was approved by Council in February 2023 and updated in July 2023. This report sets out change requests requiring Cabinet approval that will be incorporated into the agreed programme and included in the next quarterly update to the Capital Programme in October 2023.

Introduction

3. The Capital Programme sets out how the Council will use Capital expenditure to deliver the Council's priorities as set out in the Strategic Plan 2022-25. 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.
4. On occasion, variations to the Capital programme are recommended to Cabinet. This report sets out a change request to the North Oxfordshire Corridor (NOC) Cassington, as well as updates to projects that are part of other programmes of work, including the Major Infrastructure programme.

Major Infrastructure

5. Didcot Central Corridor
The Didcot Central Corridor project aims to make the town a better place for residents and visitors by improving travel and public space along three important routes. The project is part of the Didcot Garden Town Delivery Plan which will help to improve the lives of residents by focussing on helping support shops, encourage healthy lifestyles and helping to tackle climate change.
6. It is proposed that £1.0m of Growth Deal funding, already allocated to the project, is released to complete the options appraisal (Stage 0)
7. Wider Zero Emission Zone (ZEZ)
The county council's Local Transport and Connectivity Plan and Central Oxfordshire Travel Plan include proposals for a Zero Emission Zone (ZEZ) in Oxford city centre to encourage people to switch to zero and lower emissions vehicles and make other positive changes in their travel behaviour. This will help reduce exposure to poor air quality and transport's contribution to climate change. The ZEZ is an area where zero emission vehicles (such as fully electric motorcycles, cars and vans) can be used without incurring a charge but where other motor vehicles may be charged. It is being introduced in two phases. The first phase was a small pilot area which became operational on 28 February 2022, which was introduced to allow the council to test how the scheme will work before expanding to a wider area in the second phase.
8. To progress to the second phase of the project, detailed work needs to be undertaken as part of Stage 1 to forecast the scheme's potential benefits, impacts and scheme design as well as carry out engagement and consultation with stakeholders and the public. It is proposed that the Stage 1 budget of £1.55m is approved to progress the work required, and to approve a request to forward fund the £0.55m shortfall from the Budget Priority Reserve. It should be noted that this is an at-risk investment dependent on whether the scheme progresses to the next phase.
9. Benson Relief Road
The purpose of the scheme is to provide a section of the Benson Relief Road (also known as Edge Road) located to the north of Benson Village. The need for a relief road north of Benson was identified by the South Oxfordshire District Council's (SODC) Local Plan policies and the adopted Benson Parish Neighbourhood Plan. This capital investment allows the completion of a section of the Benson Relief Road. It is a priority for the Council because the relief road will provide a key strategic highway link in the South and Vale region.
10. A Full Business Case for £4m was submitted and agreed in August 2022 approving construction on the condition that the Flood Compensation Area land deal would complete. Delays to the land deal has necessitated an updated full business case, resulting in a budget increase of £1.495m. The additional £1.495m is expected to be funded from £0.540m indexation of S106 funding already allocated to the scheme and £0.455m Housing and Growth Deal funding built into existing agreed allocations.

The remaining £0.500m is expected to be met from a further increase in the Housing and Growth Deal funding.

11. To enter Stage 3, enabling the implementation of construction works, approval is required to forward fund the scheme in advance of receipt of secured S106 contributions.
12. A44 Corridor Improvements Between and Including Peartree Roundabout and Cassington Road Roundabout
Oxfordshire is a high-demand housing area and infrastructure constraints are a major barrier to housing development and job creation. The Government and the local authorities in the Oxfordshire area entered into a Housing and Growth Deal agreement to deliver transport and social infrastructure to support new housing. Work to identify proposals to improve the A44 and the A4260 corridors for sustainable transport movements was further developed through funding from the Oxfordshire Housing and Growth Deal; these measures were collectively referred to as the North Oxford Corridor (NOC) scheme.
13. To approve a revised budget of £24.1m, an additional £4.1m from the previous stage 2 approved budget, as initially reported to Cabinet in July 2023. Sources of funding for the additional amount required has been identified and recommended below:
 - £1.20m retained from the National Highways Bond previously agreed.
 - £0.62m from OCC (Structures) for the slab reinforcement at King's Rail Bridge (agreed and part received)
 - Reallocation (totalling £2.40m) from the Housing and Growth Deal Review

Property

14. Refurbishment of Utility Buildings on Gypsy & Traveller Sites
Oxfordshire County Council has a portfolio of six Gypsy and Traveller sites (GTS). These are managed by the Gypsy and Traveller service team. The sites are located at Benson (5 plots), Standlake (16 plots), Wheatley (16 plots), Sandford on Thames (16 plots), East Challow (12 plots) and Redbridge Hollow (24 plots).
15. Agree the inclusion into the Capital Programme and releasing £0.95m of funding from the previously agreed capital proposals (February 2023) from earmarked reserves, to enable the refurbishment of the utility buildings at Wheatley and Sandford Upon Thames, on OCC's owned and managed Gypsy and Traveller sites. Work will be undertaken to modernise the heating, insulation, ventilation, fixtures and fittings to bring them up to modern standards which will improve the health and wellbeing of the residents, as well as investing in the property portfolio.

Financial Implications

16. The capital programme approvals set out in this report have no financial implications to the overall Capital Programme, which remains fully funded. However, in relation to the Benson Relief Road scheme, £2.7m is being forward funded in advance of receipt of anticipated s106 funding. Included within the fully funded programme are several schemes that are being forward funded from secured or expected to be secured s106 agreements. These are monitored throughout the year and updated income forecasted incorporated into the capital programme. Each forward funded scheme is approved through the capital governance framework and programme boards and the overall financial position on schemes being financed in advance of anticipated s106 is considered through the annual budget and business planning process.
17. If Section 106 contributions are not received within the planned timeframe it may be necessary 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.

Comments checked by:
Ian Dyson, Assistant Director of Finance

Staff Implications

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

Equality & Inclusion Implications

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

Legal Implications

20. In-year changes to the capital programme must be approved by Cabinet in accordance with Financial Regulation and in particular paragraph 5.1.1(iv) permitting Cabinet to agree resource inclusion into the capital programme via a periodic Capital Report to Cabinet, based on the recommendation of the Strategic Capital Board (chaired by the section 151 officer). Comments checked by:

Paul Grant, Head of Legal and Deputy Monitoring Officer

LORNA BAXTER
Director of Finance

Background papers: none

Contact Officers:
Natalie Crawford, Capital Programme Manager
September 2023