

CAPITAL PROGRAMME 2014/15 – 2017/18

Background & Purpose

1. This paper sets out the estimated additional capital resources available (from adding an extra year to the programme), the current known pressures and the estimated capital programme shortfall. Details are attached at Appendices 1 to 5.

Summary Position

2. The following table shows the estimated funding available for allocation, the current known pressures and the overall capital programme shortfall. The detail is provided in the ensuing paragraphs.

	£m	Notes
<u>Estimated Funding Available:</u>		
Additional Estimated Funding Up to and for 2017/18	22.767	Appendix 1
Earmarked Reserves Banked for Capital Budget Setting	3.270	Appendix 2
Release of Other Earmarked Reserves	8.280	Appendix 2
Allocations to be returned to the corporate pot for reallocation	1.381	Appendix 2
TOTAL ESTIMATED FUNDING AVAILABLE	35.698	
<u>Funding Requirement:</u>		
Capital Receipt Pressure	-5.000	
New Pressures/Proposals	-31.692	Appendix 3 & 4
TOTAL FUNDING REQUIREMENT	-36.692	
TOTAL SURPLUS (+)/ SHORTFALL (-)	-0.994	

Estimated Funding Available

3. Appendix 1 shows the assumptions on government grant allocations. The current capital programme assumptions have been revised and an extra year included for 2017/18 to give additional estimated funding of £22.767m.

4. The Integrated Transport Block grant has been reduced to reflect the level of funding that is being transferred into the Local Growth Fund for allocation through the Local Enterprise Partnerships (LEP).
5. The grant allocation for fire has been removed from 2015/16 onwards as it is expected that fire grant will be issued on a competitive bid basis rather than the current population based allocation.
6. Appendix 2 shows the amounts that are proposed to be released from earmarked reserves and the current capital programme, a total of £12.754m.
7. There is a reserve held in the capital programme to fund the expected shortfall between the actual cost of building a new school on strategic sites and the developer contribution received for the building of the school. The expected new schools, cost information and developer contribution assumptions have been reviewed and it is proposed to release £5m of this reserve to fund the basic need pressure (see paragraph 13 below).
8. As part of the 2012/13 service and resource planning process a potential pressure was identified arising from the opportunity to carry out betterment works on road and foot bridges affected by the electrification of rail lines being carried out by Network Rail. Accordingly, a capital reserve of £6.0m was created funded by £3.5m of corporate flexible resources and £2.5m from the 2015 to 2017 highways maintenance capital programme.
9. A programme of works totalling £2.9m has been identified and it has been agreed that £2.3m is put back into the highways structural maintenance programme in 2015/16 and 2016/17 (this is reflected in the Transport Asset Management Plan programme) and £0.8m is returned to the capital programme.
10. The remaining amounts are no longer required to be held and can be released to allocate to new pressures.

Additional needs within the 5 Year Programme 2014/15 to 2017/18

11. Appendix 3 sets out the known pressures on the capital programme.

Schools Basic Need – £8.0m pressure

12. The current basic need programme 2013/14 to 2016/17 totals £41.7m. The identified £8.0m pressure arises from a combination of adding another year to the planning period and some new pressures on the existing programme.
13. The current basic need programme is addressing the provision of school places in primary schools. In 2017/18 it is expected that the requirement for additional school places in secondary schools will start to become a pressure, however the £8.0m pressure does not include a budget provision for secondary school places as it is expected that the basic need grant allocation from government would increase to reflect the shortfall of secondary school places. Shortfalls for pupils of secondary age are weighted 1.25 times higher than shortfalls for primary pupils.
14. The pressure includes new primary school projects at Bicester, Hook Norton, Banbury and several smaller locations where there is a requirement to support

anticipated housing growth in these areas and a need to supplement the funding gap from the developer contributions. This totals £5.0m of the pressure and as it relates to housing growth is proposed to be met from the New School Growth Reserve.

15. A further £1.5m is required to support additional Key Stage 1 and 2 provision in Special Schools.

Placement Strategy – Children’s Homes (Self Financing)

16. To support the Placement Strategy in Children, Education & Families, there is a capital requirement of £7.825m to build 4 new children’s homes in county.
17. The capital investment is proposed to be funded through prudential borrowing financed by the service revenue budget from the anticipated savings between external placements to in-house provision after the on-going revenue costs have been taken into consideration.

Transport Infrastructure – Project Development - £2.5m pressure

18. There are a large number of future transport projects that have been identified as a result of the work undertaken for the City Deal and for the Strategic Economic Plan being produced by the LEP. Many of these projects will bid for funding through the Local Growth Fund or Pinch Point Funding. It is proposed to hold a £2.5m budget for the project development of these projects so that the Council, LEP and other partners are in a strong position when projects are being assessed under a competitive bidding process.

Frideswide Square, Becket Street and Worcester Street - £1.778m pressure

19. Delivery of an improvement to Frideswide Square is required as part of a wider package of measures to support economic growth in the City Centre. A scheme is included in the current capital programme with a budget of £3.7m. A further pressure of £1.778m has been identified through the design of the project as additional work is required on surrounding roads to ensure the desired outcome of the overall project.

East/West Rail - £0.969m pressure

20. In last year’s capital planning round, an annual contribution from 2014/15 of £0.660m was built into the programme to make our contribution to the East/West Rail scheme.
21. In October 2013, Cabinet approved a local contribution from Oxfordshire County Council of £11.06m to be made over 15 years. This requires an annual contribution of £0.737m per year. Therefore, the total pressure reflects the increase of the £0.660m per year to £0.737m per year and an additional year of contribution for 2017/18.

Bicester Market Square - £1.150m (Developer Funded)

22. Public Realm enhancements to regenerate the Market Square and revitalise the local economy. A scheme agreed in 2009 after public consultation but delayed due to the town centre redevelopment. This will be funded by developer

contributions, £0.9m from the Council and £0.250m from Cherwell District Council.

Bicester Park & Ride - £3.5m (Developer Funded)

23. This scheme will provide a 580 space Park & Ride site on edge of Bicester which and is funded by developer contributions.

Fire & Rescue Service - £2.9m net pressure

24. In order to support a number of efficiency proposals with the Fire & Rescue Service, particularly proposals that require duty system and operational resource changes at certain fire stations, there needs to be capital investment in order to realise the new working arrangements.

25. Night-time accommodation provision is required at both Banbury and Bicester Fire Stations, upgrading of welfare facilities at Henley Fire Station, an additional emergency response vehicle to be housed at Wantage and a new Fire Station in the Carterton area have been identified as the requirements to support the revenue savings proposals. A total budget provision of £3.5m is required and £0.6m is already included in the capital programme, therefore a £2.9m pressure remains.

Additional year of Annual Programme Allocations - £15.545m pressure

26. Appendix 4 sets out the additional year of funding allocations to the annual programmes. The largest allocation is £11.5m for Highways Structural Maintenance.

Capital Receipts - £5m pressure

27. The capital receipts assumption in the capital programme included the sale of five long leases to the Oxfordshire Care Partnership for £5m. This sale is not going to take place and as a result the capital programme will not receive £5m of funding.

Rolling Fund

28. Appendix 5 shows the position on the rolling fund. There is a current unallocated budget of £6.192m. This is available funding to the capital programme and could be used to meet the current estimated shortfall of £0.994m.