

## CAPITAL INVESTMENT PLANNING 2012/13: SUMMARY ANALYSIS

	£000	Notes
<b><u>Estimated Flexible Capital Resources</u></b>		
<b>A - Additional Flexible Resources</b>	<b>54,049</b>	Includes estimated additional year settlement and prudential borrowing provisions, and released earmarked reserves banked for capital budget setting Sheet 1
<b>B - Allocations proposed to be returned back to the Corporate Pot for reallocation (based on specific proposals or results of initial feasibility studies)</b>	<b>16,588</b>	
<b>Total Estimated Flexible Resources (A+B)</b>	<b>70,637</b>	
<b><u>Estimated Flexible Resources Requirement for Consideration</u></b>		
<b>C - New Capital Pressures/ Proposals (Flexible Resources Requirement)</b>	<b>-66,202</b>	Sheet 2
<b>D - Resources Earmarked for Schemes Remaining on Hold</b>	<b>-4,170</b>	
<b>Total Corporate Flexible Resources Requirement (C)</b>	<b>-70,372</b>	
<b><u>Estimated Capital Programme Shortfall (-)/Surplus (+) (A+B+C)</u></b>	<b>265</b>	

## CAPITAL INVESTMENT PLANNING - 2012/13: CAPITAL PROGRAMME ALLOCATIONS

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Allocations No Longer Required (as of October 2011)</b>							
1	Street Lighting - Part Lighting	980	0	980	3	Following detailed dialogue with the energy provider, the expected budget savings for the part-night lighting programme can no longer be met. It is the energy provider's view that significant reductions in energy usage will result in energy cost increases. This will not realise the expected savings (£0.35m). Therefore, the invest-to-save business case is not achievable. The service put a new business case forward for a pilot LED lighting scheme under the Energy Reduction Programme. The new proposal is registered as a new pressure.	<b>Return to the corporate pot to be reallocated</b>
2	H&S Budget Surplus	1,080	0	1,080	1	Following the detailed analysis of the H&S budget requirements across the capital programme, a planned programme H&S has been developed. This enabled review of the reactive H&S expenditure and generated a surplus to requirement of £1m	<b>Returned to the corporate pot to be reallocated</b>
3	Deferred Interest Loans	764	0	764	1	As a result of reviewing with clients their building needs and their access to other forms of finance a considerable reduction in the demand was experienced. Clients either delayed the start of the work as they sought cheaper options or cancelled their loan application or were able to get reductions in work already started. The recently revised loan forecast now reflects the demand using the new approach and so is much reduced in its expectations.	<b>Returned to the corporate pot to be reallocated</b>
<b>Sub Total</b>		<b>2,824</b>	<b>0</b>	<b>2,824</b>			

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Allocations put forward to support New Pressures/ Proposals</b>							
4	Schools Structural Maintenance Surplus	5,433	0	5,433	3	Given the national uncertainties over the schools funding, and the level of uncertainties in the basic needs and maintenance programmes, a £5.433m of unringfenced capital maintenance grant was included in the capital programme as a priority 3 and it was agreed that this position will be review this year. In light of the increased basic needs pressure, it is proposed that this allocation is added to the basic needs programme allocation to address the reported pressure.	<b>Return to the corporate pot to be reallocated</b>
5	Secondary Schools Modernisation Programme (Provisional Sum)	3,331	0	3,331	3	This allocation was held as a contingency to address short-term secondary school modernisation issues pending the DfE's announcement of funding provision for secondary schools. DfE's new Priority Schools Building Programme was announced in July and an assessment was carried out to determine any eligible proposals from OCC. We can now confirm that there is no eligible proposal. In light of the DfE no longer being able to fund the Suitability and Modernisation Programmes (the new emphasis on Basic Need and Condition) and the increased basic needs pressure, it is proposed that this allocation is added to the basic needs programme allocation to address the reported pressure.	<b>Return to the corporate pot to be reallocated</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
6	Schools Structural Maintenance Programme	2,500	0	2,500	1	The Cabinet (in consultation with the Schools Forum) agreed prioritisation criteria for the use of this allocation in May 2011. The criteria included supporting the measures for reducing energy consumption across the schools estate. It is now proposed that £2.5m of this allocation is used to develop and deliver an Energy Reduction Programme specifically for the Schools Estate. The programme will be developed in line with the structural needs of the overall school estate.	Return to the corporate pot to be reallocated
<b>Sub Total</b>		<b>11,264</b>	<b>0</b>	<b>11,264</b>			
<b>Allocations to be Used as Match Funding Provision</b>							
7	Future Transport Infrastructure Schemes	2,500	0	2,500	3	The Council agreed to allocate £10m additional funding allocation for transport programme in January 2011. Of which £6m was allocated to Structural Maintenance. It was agreed that the use of remaining £4m to be confirmed following the approval of LTP3. £1.5m of this £4m is already allocated to match fund schemes which received LSTF. The remaining allocation is proposed to address the decline in the footways condition and to contribute to the reduced Frideswide Square Scheme which is proposed to be also funded by S106 and external funding.	Return to the corporate pot to be reallocated
<b>Sub Total</b>		<b>2,500</b>	<b>0</b>	<b>2,500</b>			
<b>Overall Total</b>		<b>16,588</b>	<b>0</b>	<b>16,588</b>			

**CAPITAL INVESTMENT PLANNING - 2012/13: NEW PRESSURES & PROPOSALS (IN PRIORITY ORDER)**

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
1	Annual Programmes- Additional Year Provisions	21,539	0	21,539	1	One more year is added to all annual programmes as part of the programme planning process. It includes continuation of programme like annual H&S, essential Highways Maintenance, Schools Structural Maintenance, Schools Access Initiative, Minor Works. Further details could be provided upon request.
2	Basic Needs Additional Funding Requirement (Net)	10,100	0	10,100	1	It is a statutory requirement to provide places, when demanded, for all children aged 5-18 years of age and a sufficiency of Children's Centre places. The most acute need at present continues to be in the primary sector. Population data for Oxfordshire continues to show a rise in the birth rate until at least 2012 indicating a trend towards increased admissions to year R (F1) until at least 2016. The current basic needs programme allocation in the capital programme is £18.65m to ensure provision of 1,495 pupil places at primary, secondary and special schools.18. The draft 5-Year Basic Need Programme shows that the latest forecast total programme cost at September 2011 is £28.750m (net of additional resources) which has been identified to provide 1,786 pupil places. The potential contribution from the Schools Structural Maintenance grant will be kept under review as further basic Needs are identified and capital grant allocations are confirmed.
3	Highways Maintenance (Carriage Ways & Footways)	2,000	0	2,000	1	The County's highway network is particularly susceptible to the effects of harsh winters. Water and ice entering the road construction are the main factors that cause widespread damage. To help address this, additional funds have been requested. Further investment is also needed to improve the condition of our busiest footways which are also affected by the effects of harsh winters.
4	A4130 Bix dual carriageway - Structural Maintenance	4,900	0	4,900	1	This section of A-road needs full reconstruction in both directions (equivalent to approximately 4 km lane length). Lane widening and safety fencing are also likely to be required. The cost of the work is likely to be in the region of £4.9m. We propose to design this scheme during 2012/13 for implementation during 2013/14.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
5	A420 Shrivenham Bypass - Structural Maintenance	3,400	0	3,400	1	The Council received approx £1.8m of detrunking grant approximately 5 years ago to carry out repairs to this bypass. As there were insufficient funds available to repair the full length, the funds were directed to the areas of worst deterioration at that time. The remaining areas now need attention. This is due to progressive weakening of the foundation layers due to poor ground conditions. This scheme would be designed during 2012/13 for implementation during 2014/15. The scheme estimate is currently £3.4m.
6	A420/A34 Slip Road & Cumnor Hill Bypass - Structural Maintenance	1,200	0	1,200	1	Areas of road between Botley interchange and the A420 Farmoor turn are in need of repair. More site investigation and analysis is required to ensure the solution is resilient to climate effects. The road is a Premium Bus Route, has a nearby park & ride site and is a major artery into Oxford. This scheme will be designed between 2013 and 2015 for implementation during 2015/16. The estimated cost of this scheme is currently £1.2m.
7	A415 Clifton Hampden - Project Development & Design	130	0	130	1	Approx 1km of carriageway needs reconstruction at this location. The scheme will be designed during 2013/14 but held in reserve. The estimated cost of the design work is £0.13m.
8	The Upgraded Command & Control Function (conditional approval)	1,150	0	1,150	1	In December 2010 the central government terminated the FiReControl project without delivering any significant infrastructure improvements – leaving FRA's across England relying on their individual legacy systems. This reinforced the need for command & control systems that are both resilient and could deal with a high volume of calls / spate conditions. The primary objective is to achieve a resilient FRS command and control function for Oxfordshire - maximising the use of technology to improve both functionality and capacity, as well as creating efficiencies through a collaborative approach. The scope of the proposal is initially dependent on the agreement of the remaining two FRA's to progress the project in a specific way. We are currently working on several options which will improve the interoperability and resilience of the C&C function, though the ability to generate revenue savings or secure grant funding will decrease accordingly.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
9	Public Rights of Way Footbridges- Replacement & Repairs Programme	500	0	500	1	The Countryside Service is responsible for ensuring the public rights of way network [PRoW] of 2600 miles is safe and accessible for the public to use. In practice this means signposted at the side of the road, free from obstruction and vegetation maintained so routes can be used with reasonable ease. As part of this duty the Service is responsible for a large number of assets which require maintenance & repair as required. This includes 3000 'crossings' which include bridges, culverts & fords. It is a sizable task for which a modest revenue budget of £60k is available. This budget has been reduced by 10% in this area from April 2011 with no capital allocation during the current financial year. Therefore, we propose that Capital allocation of £100k pa to meet the increasing cost of replacing the existing sub 8m kit bridge stock.
10	Thames Towpath Reconstruction (Sonning Eye, Goring, Farmoor)	465	0	465	1	A 350m section of the Thames Towpath on the SE county boundary near Sonning [Eye & Dunsden Fp20] needs repair. The existing concrete bank work is beyond its design life. The damage is located in a prominent place on a well used section of the towpath and in close proximity to the communities of Sonning, & Caversham and well within walking distance of Reading. Planned investment now could save additional cost & prolonged closure of the towpath following a catastrophic collapse.
11	RFID- Phase 2 (subject to the results of the public consultation)	965	965	0	2	The Proposal for the future of Oxfordshire's Libraries includes the extension of RFID self-service to all the libraries in the county that currently lack it. Investment in self service technology in the remaining libraries would be in the context of the proposed use of volunteers in those libraries. Self-service would both reduce the number of routine transactions to be undertaken by staff or volunteers, and allow volunteers to support customers in borrowing items from the library without the need for volunteers to undergo the extensive training and ICT / Data Protection clearances that would be required for them to use the Library Management System. The investment required to install self service in the remaining 27 libraries is estimated to be £965,000. This would be funded through utilising any further available developer contributions and by a revenue contribution to capital from the Efficiency Savings Reserve.

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
12	Schools Energy Reduction Programme- Additional Funding Requirement	3,500	1,000	2,500	2	<p>Nearly £4m of investment opportunities have been identified by the current Property Consultants within the Schools estate. Some of this investment can be met by the existing SALIX fund; however this is historically oversubscribed. It has therefore been proposed through the Schools Structural Maintenance Programme to allocate £500k per year for energy reduction projects to cover:</p> <ul style="list-style-type: none"> <li>• a rolling fund similar to the existing Salix fund (payback of 5yrs or less);</li> <li>• match funding for Prudential loans;</li> <li>• support for boiler replacements to fund the additional costs of biomass boilers.</li> </ul> <p>We also seek an additional £250k per year of prudential borrowing to fund energy efficiency and renewable energy schemes which do not meet the Salix fund criteria (principally a pay-back period of less than five years.). Note that future of the SSM Grant may be subject to changes by the DfE. If there is a significant shift in this position, we will go back to Schools to agree a funding strategy for the overall Schools Energy Reduction Programme.</p>
13	The ECH Programme- Additional Funding Requirement	4,000	0	4,000	2	<p>As part of the service &amp; resource planning process for 2009/10 a capital budget provisions of £1.8m for adaptations to existing buildings and £4.7m for new schemes were created. After taking into account actual expenditure to date and commitments of £2.972m, the remaining budget provision £3.528m. Since then there has been a 50% reduction in the HCA's grant budget which means that 'affordable housing' such as ECH now needs to find new forms of capital and revenue subsidy. These reductions in HCA capital subsidy put LAs under more pressure to either provide direct capital contribution or free land (or less than best value disposals) in order to meet the need for more affordable housing. When considering the recent changes to the policy and funding frameworks affecting the ECH provision, it is clear that the Council will need to make further investment in this area over and above the sums available. Although it is difficult to determine the exact level or timing of this investment for the next 5 years models have been tested. The additional funding requirement is bated on this model.</p>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
14	Energy Strategy Implementation (Non-Schools & Street Lighting Pilot)	2,773	0	2,773	2	<p>More recent analysis has shown that likely increases in the cost of energy are significantly stronger drivers to invest in energy efficiency. Over the next five years, the Council's energy prices are forecast to increase by 50%. For the Corporate estate and street lighting, the cost pressure above the 2010/11 baseline is £386k for 2011/12 (across all fuels including the energy tax) rising to £2.4m by 2015/16. With regards to corporate property, the funding will be invested in a range of energy efficiency measures, such as lighting improvements, insulation and solar water heating. With regards to Street Lighting, we are proposing a pilot in a market town, as part of the planned repairs and maintenance work to invest £300k to convert between 750 to 1000 street lighting columns to LED or Dimmed lanterns. If the pilot is successful, we want to introduce a programme of works across the following four year to continue with the same approach. It is difficult to determine the exact programme of works to deliver the required level of cost avoidance across the next five year.</p>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
15	Broadband (OxOnline) Project	13,860	3,860	10,000	2	<p>The Council was recently allocated £3.86M to aid the deployment of superfast broadband in the county. The funding is for the capital cost of rolling out superfast broadband infrastructure in the market 1 areas, and cannot be used as revenue. Local authorities are expected to at least match fund their allocations, with the remainder of the funding coming from a network operator selected through a competitive dialogue process. The Council is also confronted with significant investment costs to refresh the existing OCN first established in 2002 and to deliver Public Service Network (PSN) standards. These costs are estimated at £5.1 Millions. At the same time, annual revenue costs of maintaining the OCN will continue to rise (by up to £0.5 Million) because we believe that up to 65% of schools will switch away from the OCN to more cost effective commercial options by the end of 2015. Focusing all further investment in Oxonline rather than OCN will mean that the Council can meet its own requirements for the corporate buildings and PSN standards whilst divesting itself of the responsibility and risk associated with maintaining its own Oxfordshire private network. The transition of schools from the OCN to commercial alternatives can be actively managed to minimise financial risk to the Council and to ensure continuity of provision for schools. Taking the OxOnline route for delivery rather than the conventional OCN Refresh route should save the Council approximately £1.4 Million in annual revenue expenditure from FY 2016/17.</p>
16	Frideswide Square- Reduced Scheme	3,470	2,525	945	3	<p>This is a lower cost "transport only" scheme, reducing the public realm element. However, it needs to be acknowledge that the public realm element is needed to make the transport scheme work. Therefore, the service also focuses on reducing costs through the use of less costly materials. Based on what match funding we are likely to have (Developer Contributions + West End), and the notional 45/55% split, in funding terms (round numbers) we are looking at a £3.5m scheme, £1.5m funded from our Future Transport Infrastructure Schemes budget - £0.5m from 2013/14 and £1m from 2014/15 - plus £2m DCs and West End.</p>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description of the Proposal /Notes
17	Asset Strategy Implementation Programme- Additional Funding Requirement	1,230	1,230	0	4	The Council approved a new Asset Strategy in February 2011. This strategy includes a 25% reduction target in the size of the non-school property portfolio. The strategy is being delivered through the Asset Rationalisation Programme, with further opportunities for rationalisation to be identified through Asset Led Locality Reviews. The Programme also helps to enable the implementation of New Ways of Working across the organisation. The estimated pump-prime capital funding requirement for the Programme has increased to £5m, therefore £1.23m capital is required in addition to that already approved in the capital programme. It is expected that this funding requirement will be met by additional capital receipts which will come forward as the programme develops or by match funding provisions put forward by partners for locality review proposals. Therefore, the disposal and additional income target for the ASI programme is increased by £1.23m. However, the timing of delivering this targetted contribution still needs to be confirmed and may fall outside 5-year period because of the complex delivery arrangements or the nature of the agreements by partners. Therefore, our current planning assumption is that we would need use corporate funding to pump-prime the investment.
18	Non-Schools Property Structural Maintenance Programme	600	0	600	4	The required maintenance need for the non-school corporate property portfolio at March 2010 prices was £7.27m. The revenue budget allocated for repair and maintenance of the non-school corporate property portfolio in 2011/12 is £2.23m. After the allocation of funding for cyclical and responsive repairs, just £467,000 has been allocated for planned programmed repairs and maintenance. This represents just 6.42% of the required maintenance need and barely half the value of repairs in the three highest priority categories. Annual demand for and expenditure on responsive repairs and maintenance has for several years exceeded £1.4m. This represents 60% or more of the £2.23m budget available. Good property management practice suggests that c60% to 70% of the budget should be invested in cost effective planned programmed repairs with no more the 40% of the available budget spent on relatively costly responsive and day to day repairs.
<b>Total</b>		<b>32,643</b>	<b>9,580</b>	<b>66,202</b>		

## CAPITAL INVESTMENT PLANNING - 2012/13: SCHEMES ON HOLD

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
<b>Schemes on hold (as per Feb 11)</b>							
1	Bicester Library - new library and offices as part of town centre redevelopment	1,200	477	723	5	Provision of new library and offices as part of town centre redevelopment by Cherwell District council. Plans have, therefore, been agreed in principle to relocate the library to the new first floor premises as part of a civic space in the re-developed shopping centre. Figures in this update are based on the latest CIB discussion where the Board agreed in principle to support the scheme subject to achieving greater level of certainty about the level of future developer contributions through negotiations with the CDC (£477k S106 funding already secured for this projects).	<b>Agreed and included in the Capital Programme as per November 2011 Financial Monitoring Report</b>
2	Bicester Market square (developer contribution funded scheme)	1,000	1,000	0	5	The main aim of the project is environmental enhancement, with safe pedestrian movement and stronger links to the rest of the town centre. Important to invest in Bicester given housing growth issues and ongoing congestion problems. Scheme is fully district council & developer funded but developer funding could be used on other schemes in Bicester if they were felt to be higher priority. Review of developer funding taking place to assess how spending can be prioritised in climate of reducing capital resources. Scheme to be reconsidered once the outcome of this is known	<b>Remain on Hold</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
3	Peppard School - Major Scheme	496	40	456	6	<p>The Major scheme was intended to combine replacement of an aged temporary classroom with a number of suitability issues, including staff facilities. The replacement of the school's aged temporary building with a newer temporary building (the only Basic Needs element and costed @£117k) has not yet been carried out due to refurbishment of the existing building, and is being considered alongside the aspiration of the governing body to relocate the school to a new site within the village. The relocation of the school would address both the aged temporary classroom issue and a range of suitability issues with the existing building and grounds. If a replacement temporary building is required at short notice £117k will be resourced from the Annual Programme for the Removal/Replacement of Temporary Classrooms. This element of the project and related financial pressure should remain on hold until the outcome of the feasibility work for the relocation of the school is costed and potential funding sources confirmed.</p> <p>Any need to bring this project forward, possibly as a contribution to the cost of replacing the school, would be subject to separate approval in line with the Council's governance arrangements. The school has been advised of the potential availability of up to £117k towards the replacement school project.</p>	<b>Recommended to remove from the list</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
4	John Watson - Post 16 block - Major Scheme	1,250	0	1,250	6	<p>The Council allocated £250k budget to evaluate if basic need/post-16 accommodation needs could be met solely through the provision of a temporary building. A review by Property &amp; Facilities has concluded that site constraints and the unique needs of this special school cannot be met by simply replacing the existing 2 classroom temporary building with another building of similar construction. However, in the short term, John Watson post-16 students can be educated in the new Mabel Prichard sixth form facilities whilst numbers from this school remain low.</p> <p>A review of Basic Need pressures across all Special Schools will be undertaken and identified needs will be prioritised as part of the CE&amp;F Basic Need Programme. As a result, the allocation included in the capital programme for 2012/13 is transferred in the overall basic need programme pending a more detailed analysis of basic need pressures and identification of preferred accommodation solutions. Therefore, there is no need to keep additional £1.25m on hold for this scheme.</p>	<b>Recommended to remove from the list</b>
5	Banbury Library and Mill Art Centre	5,785	110	5,675	6	<p>The original project aimed to integrate the creation of this facility within a new masterplan to create a cultural quarter within Banbury which includes redevelopment of an adjacent site by the private sector as a joint project with the district council. The scope of this project is currently under review with a view to position the future work in Banbury as a regeneration project, enabling and supporting growth in the northern part of Oxfordshire.</p>	<b>Remain on Hold</b>

Ref.	Project	Total Project Cost £000	Project Specific Funding Available £000	Flexible Funding Required £000	Priority Category	Description/Notes	Recommendation
6	Thame Fire Station - relocation to new site	2,300	0	2,300	6	Replacement of Thame fire station. The main reasons are a very dated building layout on a constrained site. We still have not found a suitable site for this scheme. The service also considers it more appropriate to rethink what is actually required in terms of the Service's emergency response needs for this station (and also for the Wallingford Fire Station) before going ahead with any major refurbishment works.	<b>Remain on Hold</b>
7	Halls & Kitchens Programme- Hornton Hall	745	0	745	6	Provision of a new hall and modernisation of classrooms - meeting current standards (no existing hall). In light of the DfE no longer being able to fund the Primary Capital , Suitability and Modernisation Programmes (the new emphasis on Basic Need and Condition) and the increased basic needs pressure, this project should be removed from the list. The school has been advised of this proposal.	<b>Recommended to remove from the list</b>
<b>Overall Total</b>		<b>12,776</b>	<b>1,627</b>	<b>11,149</b>			

**Breakdown of the Overall Total**

Total (Schemes to be removed from the List)	2,491	40	2,451	NA	Peppard- Major Scheme, John Watson- Major Scheme & Hornton School- Provision of a Hall
Total (Schemes Remaining On Hold)	9,085	1,110	7,975	NA	Bicester Market Square, Thame Fire Station and Banbury Library & the Mill Schemes
Total (Schemes already agreed)	1,200	477	723	NA	Bicester Library