

CABINET – 17 SEPTEMBER 2024

CAPITAL PROGRAMME APPROVALS – SEPTEMBER 2024

Report by the Executive Director of Resources and Section 151 Officer

Recommendations

1. The Cabinet is RECOMMENDED to:
 - a. approve an increase in budget of £5.445m for the Tramway Accessibility Improvements scheme, to be funded from S106 developer contributions and reallocating funding from the Housing and Growth Deal.
 - b. approve an increase of £1.300m for Banbury Road Roundabout to be funded from the Housing and Growth Deal.
 - c. approve a request to forward fund £15.300m for third party delivered projects at Oxford Rewley Road Fire Station and Oxford Grandpont Depot site.
 - d. to note the latest estimated funding gap of £6.745m on the current balanced capital programme due which will be addressed through the annual business planning process and Capital Programme for Council approval in February 2025.

Executive Summary

2. The Capital Programme was approved by Council in February 2024 and is updated during the year through the capital programme and monitoring reports. This report sets out change requests requiring Cabinet approval that will be incorporated into the agreed programme and included in the next update to the Capital Programme for Cabinet in June 2024.

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 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. All variations have been highlighted in this report.

Major Infrastructure

Tramway Road Accessibility Improvements

5. The Tramway Road Accessibility Scheme will improve access to Banbury railway station, improve bus journey reliability into the town and reduce traffic.
6. Due to cost pressures, an additional £5.445m is required, increasing the total cost of the scheme to £15.942m. The cost pressure is to be met by reallocating Growth Deal and other funding that the council is holding.

Banbury Road Roundabout Improvement Scheme

7. Bicester is a key area for economic and housing growth in Cherwell and Oxfordshire. Banbury Road roundabout junction improvements will facilitate housing and boost economic growth.
8. An additional £1.300m is requested to complete the project. The increase in budget is due to a combination of factors, including unforeseen changes to the traffic management requirements and necessary post-design changes to construction. The cost pressure is to be met by reallocating Growth Deal funding.

Watlington Relief Road

9. Housing and Growth Deal funding allocated to the Watlington Relief Road Scheme cannot be delivered by the funding deadline of 31 March 2025 and if not reallocated to other projects, will result in loss of funds to Oxfordshire. It is therefore proposed that £2.773m is reallocated to the schemes referred to in paragraphs 6 and 8 above. However, the Watlington Relief Road Scheme remains a priority project for the Council and funding to complete the scheme will be addressed as part of the business planning process and the Capital Programme which will be approved by Council in February 2025.

Property

Oxfordshire Fire and Rescue Service Property and Emergency Response Strategy

10. The Property and Emergency Response Strategy for Oxford City and Carterton was approved by Cabinet in September 2023. Part 1 of the strategy includes projects to redevelop Rewley Road to a two-bay fire station, a new training facility at Grandpont depot site, and a new fire station and training facility at Carterton.
11. The Rewley Road fire station and training facility at Grandpont are being delivered directly by the developer. Approval is sought to forward-fund these costs of £15.300m using the cashflow position of the capital programme until such a time as the capital receipt for Rewley Road is received by the Council.

12. Since initial estimates, there has been an increase in the cost identified during the feasibility stage of the project, including remediation of contamination at Rewley Road, purchase of adjoining land required for access and increased build costs. The budget provision of £15.300m includes these increased costs as well as risk and contingency sums to account for unpredictable costs that remain unknown at this early stage of the project.

Financial Implications

13. As a result of increase in costs from initial estimates as set out in paragraph 12 above, there is an estimated funding gap of £6.745m in the previously balanced Capital Programme over the ten-year period to 2034. This will need to be addressed as part of the business planning process and approval of the Capital Programme by Council in February 2025.
14. The financial implications of changes related to the Housing & Growth Deal Schemes are set out within the report. Since the Housing & Growth Deal Grant funding will not be available beyond the 2024/25 financial year, action is being taken by Oxfordshire County Council as the Accountable Body, in consultation with the relevant district as appropriate, to manage the programme to ensure that any increases in project/programme spend can be met within the available funding and that there is no unfunded spend after 31 March 2025.

Comments checked by:
Kathy Wilcox, Head of Corporate Finance and Deputy Section 151 Officer

Staff Implications

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

Equality & Inclusion Implications

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

Legal Implications

17. 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 Chief Executive). Comments checked by:

Anita Bradley, Director of Law & Governance and Monitoring Officer

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

Background papers: none

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September 2024