

**CABINET – 15 JULY 2025**

**CAPITAL PROGRAMME UPDATE AND MONITORING REPORT**

**Report by the Executive Director of Resources and Section 151  
Officer**

**Recommendations**

1. The Cabinet is RECOMMENDED to:

**Capital Programme**

- a. Note the capital monitoring position for 2025/26 set out in this report and summarised in Annex 1.
- b. Approve the updated Capital Programme at Annex 2 incorporating the changes set out in this report.

**Budget Changes / Budget Release**

- c. Approve the inclusion of St Joseph's, Thame into the capital programme with an indicative budget of £1.500m (para 62-63).
- d. Approve the inclusion of Safe Space into the capital programme with a budget of £1.795m (para 64-66).
- e. Approve the inclusion of Redbridge Redevelopment into the capital programme with an indicative budget of £6.545m (para 67-69).
- f. Approve the inclusion of Cinder Track improvements, Route 2 of the South and Vale Active Travel Network (SVATN), into the capital programme (para 70-71).
- g. Approve the inclusion of the A420 (Oxford) Safer Roads Fund into the capital programme with a budget of £2.225m (para 72-73).
- h. Approve an increase in budget of the A34 Lodge Hill Interchange Scheme from £34.660m to £36.090m, an increase of £1.430m (para 74-75).
- i. Approve the inclusion of the Bus Service Improvement Delivery Plan 2025/26 into the capital programme with a budget of £5.441m (para 76-78).
- j. Approve the inclusion of the Data Centre Hardware Refresh into the capital programme with an indicative budget of £1.600m (para 78-80).

## **Funding Updates**

- k. Agree the inclusion in the capital programme of the following grant funding updates and allocations:
  - Revise the previous forecasted value of the School Condition Allocation 2025/26 to £4.647m (para 82).
  - Add the Basic Need Capital Allocations for 2026/27 & 2027/28 of £7.732m and £4.904m to the basic need programme to address pupil places (para 83).
  - Add the SEN High Needs Capital Allocation 2025/26 of £7.936m to the basic need programme to address SEN provision (para 84-85).
  - Add the Integrated Transport Block 2025/26 of £3.717m into the capital programme and replace existing council funded transport schemes (para 86).
- l. Note the reduction in the over-programming of the ten – year capital programme from £14.082m as agreed by Council in February 2025 by £3.717m to an over-programme of £10.365m.

## **Executive Summary**

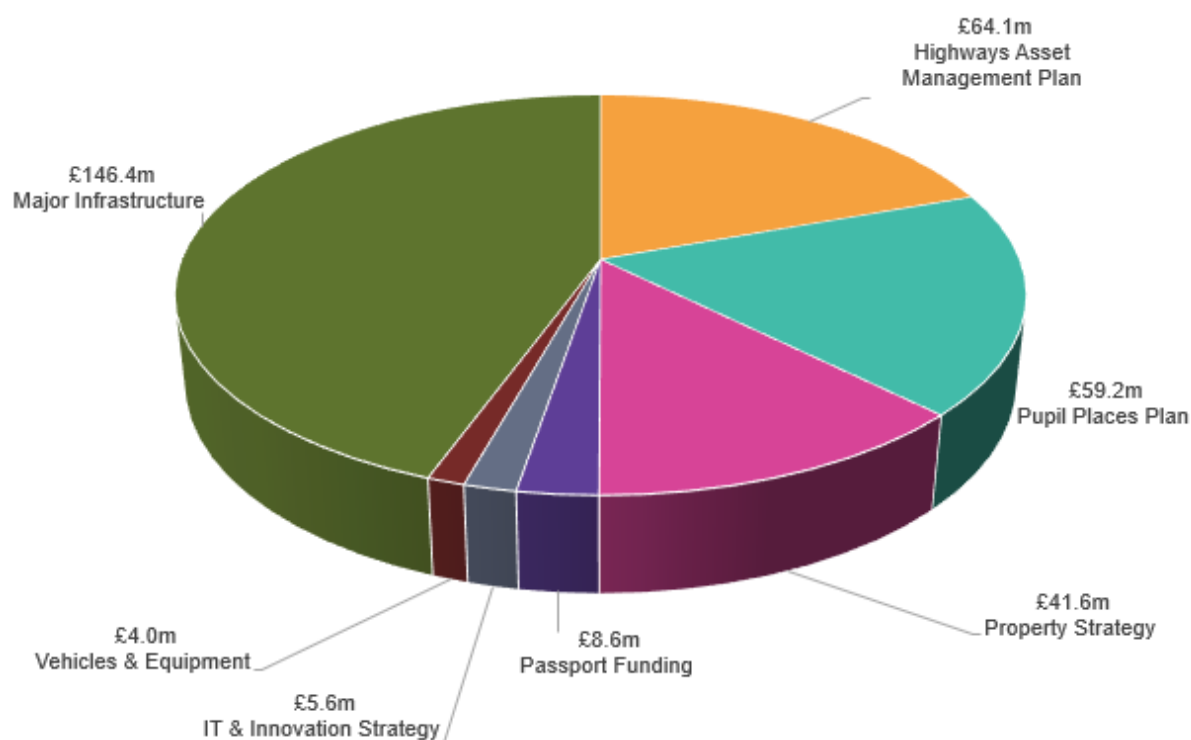
2. The Strategic Plan sets out our vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer, and healthier county.
3. The Capital and Investment Strategy agreed by Council in February 2025 articulates how capital investment will help achieve this vision and the council's nine priorities. In addition, the capital programme also supports statutory functions such as school placements and urgent health and safety capital maintenance works.
4. The ten-year Capital Programme sets out how the council will use capital expenditure to deliver these council priorities. 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.
5. This is the first capital programme update and monitoring report for 2025/26 and sets out the monitoring position based on activity to the end of May 2025.
6. The report also updates the Capital Programme approved by Council on 11 February 2025 taking into account additional funding and new schemes. The updated programme also incorporates changes agreed through the Capital Programme Approval Reports to Cabinet during the year as well as new funding.

7. The forecast programme expenditure for 2025/26 is £329.5m (excluding earmarked reserves). This has increased by £5.8m compared to the original capital programme for 2025/26 approved by Council in February 2025. The updated programme reflects the spend profile from the latest delivery timeframes as well as the inclusion of new grants received by the Council.
8. The total ten-year capital programme (2025/26 to 2034/35) is £1,382.5m. The updated capital programme summary is set out in Annex 2. The main changes since the programme agreed by Council on 11 February 2025 are set out in this report.

## Introduction

9. Capital expenditure is defined as spending that creates an asset for the council (e.g. buildings, vehicles, and equipment) as well as spending which meets the definition in regulations specified under the Local Government Act 2003. This includes spend on non-current assets that are not owned by the council such as academies and the award of capital grants and funding agreements.
10. The capital programme supports the delivery of the council's vision and priorities as set out in the Strategic Plan. The programme is updated quarterly and fully refreshed annually as part of the Budget and Business Planning Process to ensure that it remains aligned with the latest priorities, reflects the latest cost projections and profile for delivery, and incorporates the current funding position.
11. The programme comprises the following strategy areas:
  - **Pupil Place Plan:** including basic need (new schools and expansion), maintenance, health and safety and improvements
  - **Major Infrastructure:** including Growth Deal Infrastructure programme
  - **Highways and structural maintenance:** including street lighting, and bridges
  - **Property Strategy:** including health & safety, maintenance, improvements, the Investment Strategy and climate change measures,
  - **IT, Digital & Innovation Strategy:** including broadband and equipment
  - **Passported Funds:** including Disabled Facilities Grant and Devolved Schools Capital
  - **Vehicles and Equipment:** including fire and rescue vehicles and equipment
12. The detailed investment profile for the 2025/26 Capital Programme is set out below:

## 2025/26 Programme - Latest Spend Forecast



13. This is the first capital programme update and monitoring report for the financial year and focuses on the delivery of the 2025/26 capital programme based on projections at the end of May 2025 and new inclusions within the overall ten-year capital programme.
14. The following annexes are attached:
  - Annex 1 Capital Programme Monitoring 2025/26 (Summary)
  - Annex 2 Updated Capital Programme 2025/26 – 2034/35 (Summary)

## 2025/26 Capital Monitoring

15. The capital monitoring position set out in Annex 1, shows forecast expenditure for 2025/26 of £329.5m (excluding earmarked reserves). This has increased by £5.8m compared to the latest capital programme approved by Council in on 11 February 2025. The updated programme reflects the year end position for 2024/25 and the impact of re-profiling expenditure into 2025/26 where necessary to reflect anticipated scheme delivery.

The table below summarises the changes since February 2025 by strategy area:

Strategy Area	Last Approved Programme 2025/26 * £m	Latest Forecast Expenditure 2025/26 £m	Variation £m
Pupil Places Plan	54.5	59.2	+4.7
Major Infrastructure	152.5	146.4	-6.1
Highways Asset Management Plan	63.6	64.1	+0.5
Property Strategy	37.8	41.6	+3.8
IT, Digital & Innovation Strategy	3.4	5.6	+2.2
Passported Funding	8.6	8.6	+0.0
Vehicles & Equipment	3.3	4.0	+0.7
<b>Total Strategy Programmes</b>	<b>323.7</b>	<b>329.5</b>	<b>+5.8</b>
Earmarked Reserves / Pipeline Schemes	19.9	11.0	-8.9
<b>Total Capital Programme</b>	<b>343.6</b>	<b>340.5</b>	<b>-3.1</b>

\* Approved by Council 11 February 2025

16. Actual capital expenditure at the end of May 2025 was £9.3m. The combined spend to date and current forecasted in-year commitments for the Capital Programme are £95.2m or 29% of the revised estimate for the year. The rate of expenditure is expected to increase later in the year due to a number of schemes reaching the delivery stage.

### Pupil Places Plan

17. The Pupil Place Programme has forecast spend of £59.2m compared to the original budget of £54.5m in 2025/26, an increase of £4.7m. The Pupil Place Plan includes three main programmes:
- Basic Need - these are usually school expansion projects that are funded by central government grant and/or Section 106 developer funding / Community Infrastructure Levy funding to ensure there are enough school places for children within Oxfordshire.
  - Growth Portfolio – these are usually new school projects within large housing sites allocated in local plans that are funded from contributions sought from developers via a Section 106 agreement towards the costs of providing community and social infrastructure.
  - Schools Annual Programmes – this includes the School Structural Maintenance Programme funded from the School Condition Allocation, which addresses the highest condition-based priorities within the school estate enhancing the school stock condition and reducing the backlog maintenance, and the School Access Programme which ensure that mainstream buildings are accessible for pupils with Special Educational Needs and Disabilities.
18. Projects in the basic need and growth portfolio programmes are either delivered directly by the Council, delivered by a housing developer or by a third party (usually an Academy Trust or Diocese) via a funding agreement. Regardless of how they are delivered, each project brings benefits to residents living in Oxfordshire by improving the quality and facilities at

existing schools; providing additional pupil places allowing greater parental choice and ensuring that housing developments have the infrastructure necessary for them to become thriving communities.

#### Basic Need Programme

19. The Basic Need Programme anticipates spend of £12.0m in 2025/26 compared to the previous forecast of £10.7m. The increase of £1.3m reflects the latest delivery timeframe. Currently, 5 projects are either in construction or have completed this financial year and are creating the following additional pupil places and improved facilities:

- Witney, Woodgreen School (150 additional pupil places),
- St Frideswide SEND Resource Base (16 additional SEND pupil places),
- Aston & Cote CE Primary School (35 additional pupil places),
- Woodstock, Marlborough CE School (150 additional pupil places),
- Langtree School, Woodcote (installation of 2 science labs),

In addition, there are 11 projects in the pre-construction phase, some of which will commence on site this financial year:

- Heyford Park School (150 additional pupil places),
- Faringdon Community College (replacement of temporary accommodation),
- Oxford, Orchard Meadow Primary School, (Foundation Stage Accommodation),
- Oxford, Mabel Prichard Special School (23 additional SEND places),
- Sonning Common, Bishopswood SEN (relocation of accommodation and expansion of secondary base within Chiltern Edge School),
- Grove CE Primary School (105 additional pupil places),
- Tetsworth Primary School (new School Hall),
- North Hinksey CE Primary School (replacement of temporary accommodation),
- Yarnton, William Fletcher Primary School (105 additional pupil places)
- Cropredy (Hall),
- Mill Lane Chinnor (Replacement Temporary Classrooms),

#### Growth Portfolio Programme

20. The Growth Portfolio programme is forecasting to spend £38.1m in 2025/26 and has increased by £0.6m to reflect the latest spend profiles for 2025/26. Currently, there are no council delivered projects in construction, however there are 3 projects in the pre-construction phase, some of which will commence on site this financial year:

- Didcot, Great Western Park SEND School (120 additional SEND pupil places) and
- Upper Heyford Primary School (315 place new primary + 65 place nursery),
- Didcot Valley Park Primary School (630 place new primary),

Two further schools are being delivered by the ESFA (Education and Skills Funding Agency) and financial contributions towards the schools are

included within the capital programme:

- SEND Free School, Faringdon (118 additional SEND pupil places).
- Grove Airfield – Secondary phase of a new all-through School (600 additional pupil places).

### Schools Annual Programmes

21. The funding for the School Access Initiative is forecasting spend of £0.2m to ensure that mainstream school buildings are accessible for pupils with Special Educational Needs and Disabilities. Projects at primary and secondary schools will be carried out throughout this financial year.
22. The School Structural Maintenance Programme for 2025/26 has highlighted a total of 25 projects to be completed over a two-year programme. A further 33 projects are in various stages of progression of delivery. The latest spend forecast is £8m in 2025/26. Some of the larger projects included are:
- Brookside Primary School - Replace Flat Roofing
  - John Hampden Primary School - Replace Flat Roofing
  - Queensway Primary School - Replace felt covered flat roof - Phase 2
  - Ducklington Church of England Primary School - Replace felt covered flat roof - Phase 2
  - Enstone Primary School - Replace Storage Heaters and On - Peak Calorifier with Heat Pump Solutions
  - RAF Benson Community Primary School - Replace felt covered flat roof - Phase 3
  - Cumnor Church of England Primary School - Replace Flat Roofing
  - Five Acres Primary School - Replace end of life cedar shingle cladding with Composite
  - Wychwood Primary School - Replace Flat Roofing including rooflights
  - St Andrew's Church of England Primary School (Chinnor) - Recladding

### **Major Infrastructure**

23. The latest capital forecast for 2025/26 is £146.4m and compares to the original budget of £152.5m, a decrease of £6.1m. The programme is divided into sub-programme areas as shown in the table below.

Major Infrastructure	Original Budget	Latest Forecast	Variation
	£'000	£'000	£'000
Housing Infrastructure Fund 1 (HIF1)	48,900	49,100	+200
Housing Infrastructure Fund 2 (HIF2) & A40	22,581	20,000	-2,581

A423 Improvement Programme	6,400	1,000	-5,400
Active Travel Phase 3 & Mobility Hubs	12,142	11,329	-813
Bicester & Banbury Locality	15,343	15,350	+7
Oxford Locality	4,564	5,458	+894
South & Vale Locality	31,490	27,700	-3,790
<b>Major Infrastructure Delivery Sub-total</b>	<b>141,420</b>	<b>129,937</b>	<b>-11,483</b>
<b>Major Infrastructure Placemaking Sub-total</b>	<b>10,327</b>	<b>11,399</b>	<b>+1,072</b>
<b>Transport Policy Sub-total</b>	<b>737</b>	<b>5,082</b>	<b>+4,345</b>
<b>Major Infrastructure –Total</b>	<b>152,484</b>	<b>146,418</b>	<b>-6,066</b>

### Major Infrastructure- Delivery

24. Forecast capital spend of £129.9m is £11.5m (or 8%) less than the original capital budget of £141.4m. The programme comprises three main funding areas and the key in-year budget variations are reported below.

#### HIF1 Programme

25. The HIF1 programme continues to progress through the detailed design phase and the partial bringing forward of early works. The construction phase of the programme remains on schedule for 2026.

#### HIF2 & A40

26. Overall, the programme is forecasting a £2.6m in-year spend reduction. The Access to Witney project is now on site and the reduction is due to the re-basing of the HIF2 scheme to align with the revised annual profile.

#### Other programmes

27. The programme is now forecasting spend of £60.8m, is £9.1m less or 13% less than the latest capital budget £69.9m.
28. Several large value schemes are in progress and these include:
- Access to Witney – in construction stage, with diversion works complete and earthworks started.
  - Tramway – in construction stage with phase 1 and 2 completed and other phases due to complete by December 2025.
  - A34 Lodge Hill Interchange – layby enabling works have started, though awaiting approval of a variation to the funding agreement with Homes England.
29. The main schemes contributing to the revised forecast are as follows:
- Kennington Bridge (-£5.4m) revised cost estimates have been received and are currently being reviewed. As a result, the project has been re-profiled.
  - North-West Bicester Strategic Link (-£1.2m) the developer has revised the design of the scheme and looking to submit a further planning application, which has delayed the in-year spend of this project.



- A4130 Steventon Lights (-£2.4m) - value engineering now complete and enabling works are planned to start in September 2025.

30. The Watlington Relief Road scheme is currently pending a decision on planning consent. To date the only works that have been undertaken on site are non - intrusive ecological and environmental surveys.

### **Major Infrastructure – Placemaking**

31. The programme is forecasting a spend of £11.4m this year. However, this may change once work is complete to confirm the profile spend associated with the Oxford Railway Station project (£10m contribution which is funded through a previous OxLEP programme). An update will be provided in the next report.

### **Transport Policy**

32. The programme is forecasting spend of £5.1m. £4.2m of the total relates to the last phase of the grant payments to the bus companies (contribution towards the purchase of electric buses under the Zero Emission Bus Regional Area programme).

### **Highways Asset Management Plan (HAMP)**

33. The expectation is that the HAMP will enable the council to maintain the 4,656km of network that it is responsible for, in as close as possible to a 'steady state' within the funding available.
34. The total in-year forecast capital expenditure for 2025/26 is estimated to be £64.1m and has increased by £0.5m compared to the original budget. The programme is divided into sub-programme areas as shown in the table below:

Highways Asset Management Plan	Latest Budget	Forecast	Variation
	£'000	£'000	£'000
Structural Maintenance Annual Programme	48,845	48,255	-590
Improvement Programme	3,726	3,453	-273
Major Schemes & Other Programmes	5,687	6,427	+740
Network Management Programme	4,580	4,977	+397
Other	800	1,000	+200
<b>Highways Asset Management Plan – Total</b>	<b>63,638</b>	<b>64,112</b>	<b>+474</b>

35. The planned activities for the main programmes are summarised below:

Project	Planned Schemes	Comments on actual compared to planned delivery
Surface Treatments (schemes)	138	Schemes to restore the condition or prolonging the life of existing carriageways.
Carriageways (schemes)	11	Surfacing/reconstruction/strengthening of roads.

Structural Highways Improvements (schemes)	59	Surface inlay and minor patching schemes across the county.
Footways (schemes)	98	Repair/construction of footways and cycleways.
Drainage (schemes)	37	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues
Bridges (schemes)	15	Strengthening/replacement/imposition of management measures on weak structures.
Electrical	1,800 units	LED Replacement units being installed this year.
20mph Speed limit (schemes)	9	The last remaining schemes within this programme
Section 42 contributions (schemes)	50	Programme delivered by Oxford City Council. Covers all the unclassified roads and footways within the city.

36. The annual Improvement Programme is forecasting to spend £3.5m in 2025/26. This will be primarily spent on the Vision Zero Programme, covering projects on speed management, junction incident hot spots, cycle safety and connectivity etc.
37. Major Schemes & Other Programme is forecast to spend £6.4m in 2025/26. This includes the final instalment of the LED streetlighting upgrade programme and highway bridges recovery programme.
38. The Highway Network Programme is forecasted to spend £5.0m, which includes improvements to Oxford and Bicester Park & Rides, countywide traffic signals and implementation of Part 6 moving vehicle cameras.

### **Property Strategy**

39. The Property Strategy is forecasting expenditure of £41.6m in 2025/26, an increase of £3.8m compared to the original budget of £37.8m. The increase is mainly due from the inclusion of the 2025/26 Decarbonisation Programme approved by Council in February 2025.

### **Estate Decarbonisation Programme**

40. The council declared a climate emergency in 2019 with a target of 2030 to bring the council's operations and activities to net zero. Alongside this the UK government target for net zero, which the council is party to, is for an area wide target of net zero by 2050.
41. The council's property accounts for approximately 33% of the emissions within this 2030 target (on 2022/23 data). It is clear there is a long-term plan for decarbonisation of the UK electricity grid, however this target is in line with the UK government commitment of net zero by 2050.

42. As such the strategic approach to reaching the decarbonisation targets is to stop fossil fuelled activities within the council's properties, which is predominantly heating, via the electrification of these components.
43. Although there will be a carbon component remaining by 2030 from the use of electricity, this will be much reduced and the council will be on the pathway to fully net zero in line with the decarbonisation of the electricity grid. This should enable a reducing need for carbon offsetting by 2030 and beyond.
44. The transition to electric heating will predominantly be via heat pumps and infrared heating. Due to the lower operating temperatures of the heat pumps improvements are required in thermal building fabric (e.g. single glazing to double or triple glazing, insulation installations, etc.) to decrease the potential running costs. Nonetheless even with these improvements because of the, currently, low cost of gas compared to electricity the running costs would be increased. As part of the strategic approach the Council would seek to install renewable electricity measures (solar PV) and upgrade electrical components (particularly lighting to LED), in order to ensure the overall running costs do not increase.
45. A reactive only maintenance approach has left much of the council's estate in a very poor-quality condition, with many components past their expected working life. As a result, there is an anticipated need to replace components, such as boilers, which would represent a cost avoidance.
46. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the property strategy.
47. The 2024/25 decarbonisation work for the 27 sites has started and is well underway, with several finished and the remainder in progress on site. The budget of £10.5m includes £2.6m of grant funding (PSDS3C). Additionally, to these works the council using the £0.4m under the Salix recycling fund for the installation of photovoltaic and LED lighting on a further six properties.
48. The council is about to start design work on the 2025/26 £10.3m decarbonisation programme including £0.4m grant funding (PSDS4) with the grant funding needing to be spent by 31 March 2026.

#### Office Rationalisation & Co-location

49. The office rationalisation & co-location programme continues following the completion of the relocation from Nash Court, Knights Court and Abbey House, with the revenue savings now starting to be realised.
50. Most of the enabling works to other council owned properties have been completed, with the final two elements being Union Street refurbishment and works to Oxford Community Support Service in delivery.
51. The next large property move within the programme is the relocation from Graham Hill House in Osney.

#### Children's Homes Programme

52. The council is currently forecasting £2.7m spend in 2025/26 from the £10.450m programme for the delivery of four new children's homes (12 additional beds) within Oxfordshire. A revised delivery date of 31 March 2026 has been agreed with the Department of Education (DfE). It is expected that all four homes will achieve practical completion by December 2025, with occupation to follow pending successful Ofsted registration.

#### School Energy Loans

53. The council has allocated over £1.8m between 2023/24 and 2026/27 as loan financing available to maintained schools to install retrofit measures (LED lighting, solar photovoltaics and battery storage). Because of the need for schools to schedule work largely in school holidays, £0.8m is forecast to be spent by the end of this financial year.

#### **IT, Innovation & Digital Strategy**

54. The total forecast expenditure for 2025/26 is £5.6m, an increase of £2.2m compared to an original budget of £3.4m. This due to the 2024/25 outturn position on the Broadband programme where expenditure is now expected to be incurred in 2025/26.

#### Digital Infrastructure

55. IT are working on a number of projects to implement new applications during 2025/26. Projects expected to be completed include:
- Reimagining the intranet – investment in a new employee engagement platform to support and enable effective staff transactions and communications.
  - Power BI and Social Care Dashboards – to meet the provision of data driven decisions for social care and education services.
  - Public Services Telephone Network Withdrawal – working with suppliers to reduce risks and impacts of the withdrawal of the copper telephony network.
  - End User and network equipment – continued investment in planned regular refresh of hardware so that staff are able to work effectively from multiple locations with secure access and performant devices.

#### Broadband

56. The 5GIR programme budget for 2025/26 of £2.5m is forecasted to be spent this year, which is grant funding by the Department for Science, Innovation and Technology to increase adoption of 5G connectivity. The programme is a regional partnership, known as England's Connected Heartland (ECH) which comprises local bodies from Berkshire, Buckinghamshire, Bedfordshire and Cambridgeshire with Oxfordshire as the lead authority.

#### **Passported Funding**

- 57. Expenditure for 2025/26 is forecasted to be £8.6m, in line with the latest budget.
- 58. The Disabled Facilities Grant for 2025/26 is estimated at £7.262m. This funding, which is part of the Better Care Fund, is issued to the County Council but must be passed directly on to the City and District Councils in accordance with the grant determination.

## **Vehicles and Equipment**

- 59. Expenditure for 2025/26 is forecasted to be £4.0m, a £0.7m increase compared to the latest budget.

### Vehicle Management Services (VMS)

- 60. The recent endorsed Business Case for EV chargers has enabled VMS to continue to swap out the old SWARCO chargers. There are and the Council now has 53 new Compleo chargers and 24 SWARCO units (the latter to be swapped out during 2025/2026). New locations have been identified and are being investigated in line with service operational needs; however the overall National Grid power availability is proving challenging, in that not all sites have the extra power required available.
- 61. The Key2 Vehicle management software is now providing information for all compliance requirements across the whole fleet.

## **Capital Governance Approvals**

### **Property**

#### St Joseph's Primary School, Thame

- 62. St Joseph's in Thame is a Roman Catholic primary school, teaching pupils aged 4-11. The school has no nursery provision and wishes to expand the education offering for 2- and 3-year-olds as there are limited nursery places in the Thame area. The school is also lacking in support space for children with additional educational needs, so the project will investigate whether a small group room to address this need could be included in the programme of work.
- 63. Approval is required to enter this scheme into the Capital Programme with an indicative budget of £1.500m to be funded by S106 developer contributions.

#### Safe Space

- 64. The Safe Space project is a critical initiative aimed at supporting individuals with learning disabilities and / or autism who are experiencing a crisis that threatens their current living situation. The project aims to provide a community-based alternative to hospital admission, allowing individuals to stay close to home whilst receiving intensive support to reset and stabilise their wellbeing.

65. The project will de-commission an existing building and build a new facility called 'The Safe Space' to be located on Wantage Road, Didcot. It will provide two self-contained single-storey buildings with enclosed gardens and parking spaces, as well as a third building to accommodate Support Provider staff who are on duty throughout the day and night, to enable safe withdrawal and monitoring of individuals in the safe space. This third building will also provide a flexible space for skills teaching, day support for crisis prevention and support moves back into longer term supported housing.
66. Approval is required to enter this scheme into the capital programme with a budget of £1.795m to be funded by S106 developer contributions.

#### Redbridge Household Waste Recycling Centre Redevelopment

67. Redbridge HWRC, situated just off the Oxford ring road, serves Oxford and is Oxfordshire's busiest HWRC site, welcoming around 250,000 users each year and accepting around 10,000 tonnes of waste. Due to more stringent operating standards set by relevant authorities along with anticipated increases in demand driven by population growth and rising costs, there is a need to redevelop the site to improve the layout and expand the space, whilst delivering against the council's ambition to secure, maintain and enhance Oxfordshire's HWRC network.
68. The proposed investment to redevelop the site will enable the council to provide a safe, compliant site, ensuring its longevity for years to come.
69. Approval is required to enter this scheme into the capital programme with an indicative budget of £6.545m, to be funded by £4.900m of corporate resources agreed by Council in February 2025, in advance of securing additional funds. Other funds secured for this project are £0.290m S106 developer contributions and £1.355m from the Countywide HWRC fund.

#### **Major Infrastructure**

##### Cinder Track Improvements - Route 2 of the South and Vale Active Travel Network (SVATN)

70. The Cinder Track is a footpath that provides valuable links to the Milton Park Campus. The current path is of poor quality with some areas unsuitable for cyclists. The investment will provide high quality active travel measures strengthening the accessibility and sustainability of the local transport network as well as improving connections to the Milton Park Campus.
71. Approval is required to enter this scheme into the capital programme with an indicative budget of £1.332m, to be funded from S106 developer contributions.

##### A420 (Oxford) Safer Roads Fund

72. In March 2024, the council was successful in securing £2.225m from the Department for Transport's Safer Roads Fund. The funding was specifically allocated for the length of the route between the Botley Interchange and the A40 Green Road Roundabout. The project will deliver a number of

measures including the provision of enhanced active travel facilities along the route.

73. Approval is required to enter this programme of work into the capital programme with a budget of £2.225m to be funded by the Department for Transport's Safer Roads Fund.

#### A34 Lodge Hill Interchange Scheme

74. The Lodge Hill Interchange Scheme will provide south-facing slips at the A34 Lodge Hill interchange, enabling greater choice for traffic from Abingdon and neighbouring villages to access the A34. The junction currently has north-facing slips only.
75. The target cost for Lodge Hill interchange and layby works has come in slightly higher than expected, due to increased design costs and additional surveys required. The council is therefore ensuring additional scrutiny to the risk and contingency allocation which has led to the increase of the budget by £1.430m, which is covered by CIL funding and additional indexation of existing S106 allocations. Subject to Homes England gateway review, the main works will commence this summer. Enabling works for the layby works and vegetation clearance started earlier this year.

### **Highways & Major Infrastructure**

#### Bus Service Improvement Delivery Plan 2025/26

76. The council was successful in securing £5.441m Bus Service Improvement funding from the Department for Transport (DfT) in 2025/26, enabling continued progress of the identified and supported measures to improve sustainable transport assets in line with the council's Bus Service Improvement Plan (BSIP).
77. Schemes which have been identified as key to the aspirations of the BSIP and have been approved by the Department of Transport.
78. Approval is required to enter this programme of work into the capital programme with a budget of £5.441m to be funded by the DfT BSIP funding.

### **IT & Innovation**

#### Data Centre Hardware Refresh

79. The data centre hardware hosting critical applications is reaching end of life in 2026. The investment will enable IT Services to refresh the hardware to provide secure and stable hosting of business systems essential to delivering services to Oxfordshire residents.
80. Approval is required to enter this scheme into the capital programme with an indicative budget of £1.600m to be funded by the earmarked Capital Reserve for IT and Cyber Security for 2025/26.

### **Capital Funding**

81. Since the budget was set in February 2025, there have been further funding announcements of one-off funding and updates to the annual funding allocations that support the capital programme.

#### School Condition Allocation

82. The School Condition Allocation for 2025/26 was announced by the Department of Education (DfE) in May 2025. The council will receive a formulaic allocation of £4.647m, compared to the provisional funding forecast of £4.754m announced in March 2025. The funding contributes to the financing of the annual School Structural Maintenance Programme for maintained schools.

#### Basic Need Allocation

83. The Basic Need Allocation's for 2026/27 and 2027/28 were announced by the DfE in March 2025. The council will receive an allocation of £7.732m and £4.904m respectively. Through the Pupil Place Plan, the grant funding in addition to Section 106 developer contributions will be available towards school expansion requirements to ensure there are sufficient school places to meet local demand. The funding will be added into the capital programme.

#### SEN High Needs Capital Allocation

84. The SEN High Needs Capital allocation for 2025/26 was announced in March 2025. The council will receive a formulaic allocation of £7.936m, the grant is being provided to assist in the delivery of new places or to improve existing provision for pupils with high needs across a range of different educational settings.
85. As part of the capital investment priorities through the budget & business planning process in February 2023, funding from the SEN High Needs Capital Allocations were earmarked towards the expansion of two new Special Schools. The 2025/26 funding will be added into the capital programme.

#### Integrated Transport Block

86. The Integrated Transport Block for 2025/26 was announced by the Department of Transport in March 2025. The council will receive an allocation of £3.717m. This is for 2025/26 only and was not included as a forecasted funding grant in the capital budget setting process approved by Council in February 2025.
87. Since the funding can be used to support a wide range of schemes to make transport safer and more accessible, such as junction improvements, walking & cycling infrastructure, it is proposed to use this to support existing budgets already in the capital programme. This will reduce the over-programming of the capital programme which is currently at £14.082m to £10.365m.

### **Ten Year Capital Programme Update**



88. The total ten-year capital programme (2025/26 to 2034/35) is now £1,271.8m (excluding earmarked reserves) an increase of £112.8m when compared to the latest capital programme approved by Council in February 2025. This is partly due to the 2024/25 outturn position. A summary of the updated capital programme is set out in Annex 2. Details of the position at the end of 2024/25 were set out in the Capital Programme Report for 2024/25 considered by Cabinet on 17 June 2025.
89. After taking account of the differences from the 2024/25 position, new funding added to the programme, and recent approvals, the overall ten-year capital has increased by £87.9m. The main reason is the inclusion of new grants coming into the capital programme (these were identified in the capital outturn 2024/25 report).

Strategy Area	Last Approved Total Programme (2025/26 to 2034/35) * £m	Latest Updated Total Programme (2025/26 to 2034/35) £m	Variation £m	Variation in the size of the overall programme (including 2024/25) £m
Pupil Places Plan	202.4	239.5	+37.2	+30.6
Major Infrastructure	583.7	614.7	+31.0	+20.3
Highways Asset Management Plan	244.8	246.4	+1.6	-0.1
Property Strategy	86.4	122.6	+36.2	+30.7
IT, Digital & Innovation Strategy	5.0	9.3	+4.3	+1.5
Passported Funding	11.9	13.3	+1.4	+3.4
Vehicles & Equipment	24.8	25.9	+1.1	+1.0
<b>Total Strategy Programmes</b>	<b>1,159.0</b>	<b>1,271.8</b>	<b>+112.8</b>	<b>+87.4</b>
Earmarked Reserves	148.9	110.7	-38.2	-38.2
<b>Total Capital Programme</b>	<b>1,307.9</b>	<b>1,382.5</b>	<b>+74.6</b>	<b>+49.2</b>

\* Approved by Council 11 February 2025.

## Capital Funding Update

### Prudential Borrowing

90. The ten-year Capital Programme includes a requirement to fund £226.6m through prudential borrowing. The latest borrowing expected to be taken in 2025/26 is £85.2m. The borrowing in 2025/26 is expected to include the last £2.5m from the £120.0m agreed in 2018 and £25m from the £88.4m agreed in 2022. The remaining £4.3m drawdown of the £40.8m supporting the Street Lighting LED replacement programme is also expected to be taken in 2025/26. To support the delivery of the Highways Structural Maintenance programme in 2025/26 a further £26m of borrowing is planned to be undertaken. The remaining borrowing of £15.7m from the £41.7m borrowing supporting the Enterprise Oxfordshire (OxLEP) City Deals Programme is expected to be taken in 2025/26.
91. The use of prudential borrowing will increase the council's Capital Financing Requirement. The council is required under statute to set aside a Minimum

Revenue Provision to pay down the Capital Financing Requirement. Prudential borrowing is generally paid over 25 years. The Medium-Term Financial Strategy takes account of this cost. As the Capital programme includes the Enterprise Oxfordshire (OxLEP) City Deal Programme, the borrowing costs relating to this scheme will be fully funded through Enterprise Zone 1 retained business rates.

### **Earmarked Reserves**

92. The level of earmarked reserves has decreased by £38.2m from the previous reported position to £110.7m. Reserves include £68.0m of budget provisions approved through the capital Budget & Business Planning process in February 2025 and previous years. A further £42.7m is held as provisions and these include the capital programme contingency for the delivery of the current ten-year capital programme plus other identified provisions.
93. The main changes from the budget provisions are the £10m towards the 2025/26 Decarbonisation Programme, £3.7m towards Fire Safety Remedies, £1.6m towards IT & Cyber Security, £4.9m towards the Redbridge Redevelopment and £6m Congestion Improvement Fund being released into the Capital Programme. Further provisions have been released from specific grant funding relating to Bus Service Improvement Delivery Plan of £5.4m and A420 (Oxford) Safer Roads Fund of £2.2m.

### **Capital Reserves**

94. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £219m. This is expected to reduce to approximately £67m at the end of 2026/27 and reduce further to only £20m by the end of 2028/29. Reserves can be used to temporarily fund schemes to delay the need for prudential borrowing or to help manage timing difference between the delivery of schemes and the receipt of Section 106 funding. The level of reserves impacts on the cashflow of the capital programme and overall council cash balances and is already factored into the funding of the overall capital programme.
95. When necessary and where funding is available, the Capital Programme can fund schemes in advance of receiving specific funding by utilising other resources within the wider programme on an interim basis. Any advancements would need to be considered and agreed by the Section 151 officer. At present, the Capital Programme includes approximately £40m of forward funded schemes. The actual total that is forward funded is expected to be lower than the approved total as it is forecasted that some of the income is expected to be received before all the expenditure associated with the forward funded schemes are incurred. The forward funding excludes any cashflow implications arising from the Speedwell and Oxford Rewley Road Fire Station developments.

### **Risk Management**

96. As reported previously, there are a mix of factors continuing to impact on the deliverability and cost of capital schemes. Where those schemes are grant funded there is a risk that slippage could impact on the availability of

grant funding as it is not possible to complete the scheme by the funding deadline. Inflationary pressures may also mean that costs increase further by the point the scheme reaches the construction phase eroding the value of the grant funding so that is insufficient to meet the revised scheme costs.

97. These risks are being managed through the council's capital governance process at both project and programme level and through the Strategic Capital and Commercial Board. Where necessary action is being taken to adjust scheme deliverables and to use value engineering to maintain spend within the available funding.
98. The council is assessing and tracking its strategic risks in 2025/26. One of these risks is that if either HIF1 or HIF2 programmes become undeliverable and/or a potential financial risk to the council. Updates on this risk are being reported through the Business Management & Monitoring Reports to Cabinet.

## **Sustainability Implications**

99. The Climate Action Framework sets the council's commitment to tackling the climate emergency which is underpinned by the Council's priority to put action to address the climate emergency at the heart of our work.
100. This report includes updates on the decarbonisation of the council's assets as well as funding for improvements to energy efficiency in maintained school buildings

## **Financial Implications**

101. The report sets out the planned investment and available funding for the ten-year Capital programme including the risks associated with the delivery of the programme.
102. The following risks are inherent within the expenditure and funding within the capital programme:
  - Certainty over the timing and value of future capital receipts and Section 106 Contributions.
  - Certainty over the receipt and security of future grant funding.
  - Risk of cost increases through inflation or other factors outside of the council's control.
103. If capital receipts or section 106 contributions are not received within the planned timeframe it may be necessary (although this is unlikely) 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.
104. Where additional funding is required to fund schemes on a permanent basis this will need to be addressed by reducing investment elsewhere within the programme (reprioritisation) or by permanently funding through prudential borrowing. This would require the identification of long-term revenue funding as the Prudential Borrowing is usually repaid over 25 years through

the Minimum Revenue Provision. Since the level of planned borrowing was maximised as part of the 2025/26 budget process it is important that action is taken to manage spend in line with the agreed programme.

Comments checked by:

Kathy Wilcox  
Head of Corporate Finance

## **Staff Implications**

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

## **Equality & Inclusion Implications**

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

## **Legal Implications**

107. In year changes to the capital programme must be approved by Cabinet in accordance with the Council's Financial Regulations. In particular paragraph 5.1.1(IV) sets out that where the total estimated resource allocation is above £1,000,000, then Cabinet can agree its inclusion into the Capital Programme, via the periodic Capital Report to Cabinet, based on the recommendations by Strategic Capital Board and the Section 151 Officer.

Comments checked by: Anita Bradley, Director of Law & Governance & Monitoring Officer

## **LORNA BAXTER**

Executive Director of Resources and Section 151 Officer

Background papers:

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June 2025