

CABINET – 21 OCTOBER 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 the Section 106 Accelerated Delivery Programme, into the capital programme, with a budget of £27.575m to be funded by S106 developer contributions and from £4m corporate resources agreed in February 2025 (para 67-68).
- d. To note the inclusion of several projects to deliver high-quality specialist supported housing with a total value of £2.8m, to be funded from the £5.9m allocation agreed by Council in February 2025 (para 56-57).

Funding Updates

- e. To note the following grant funding updates and allocations into the capital programme:
 - £2.050m Consolidated Active Travel Funding (CATF) from Active Travel England (ATE), (para 70).

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.

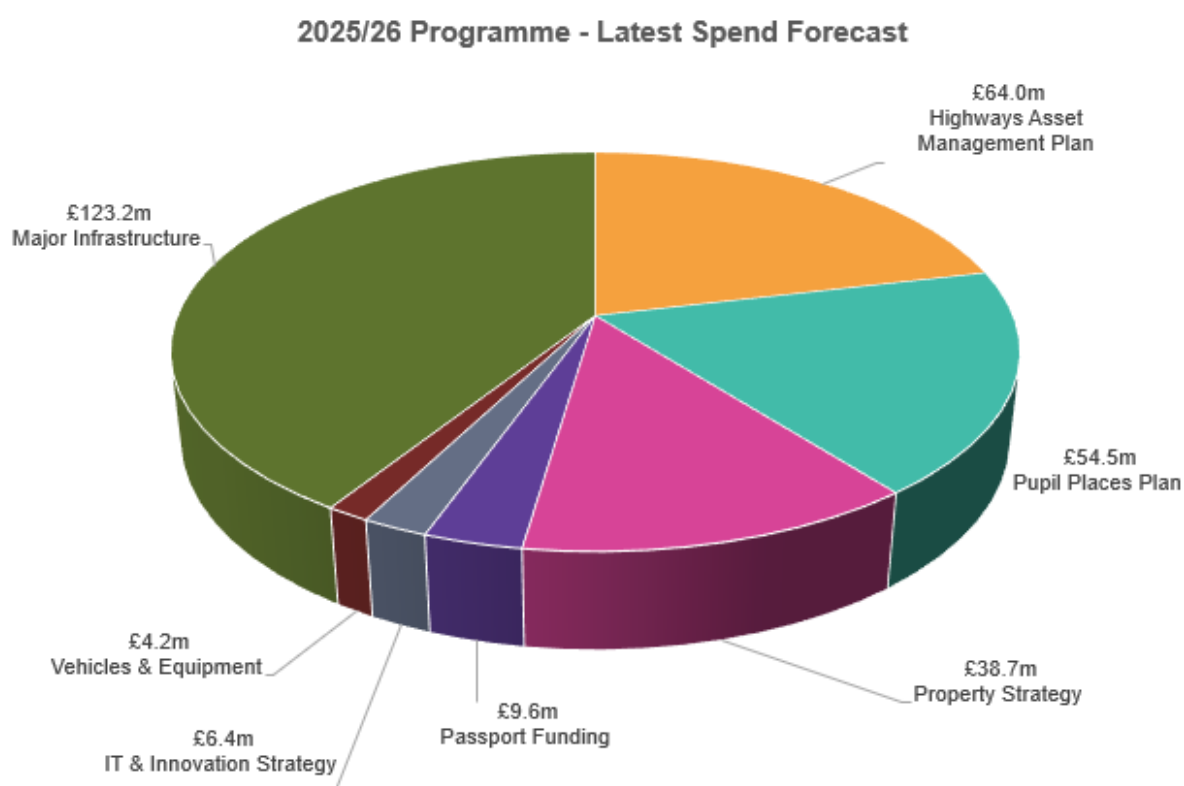
4. The ten-year Capital Programme sets out how the council will use capital expenditure to deliver these council priorities. The Capital Programme is updated quarterly and fully refreshed annually as part of the Budget and Business Planning Process to ensure that it remains aligned to the latest priorities, reflects the latest cost projections and profile for delivery, and incorporates the current funding position.
5. This is the second capital programme update and monitoring report for 2025/26 and sets out the monitoring position based on activity to the end of August 2025.
6. The report also updates the Capital Programme approved by Cabinet on 15 July 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 £298.1m (excluding earmarked reserves). This has decreased by £28.9m compared to the previous capital programme for 2025/26 approved by Cabinet in July 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 £1,414.1m. The updated capital programme summary is set out in Annex 2. The main changes since the report to Cabinet in July 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:



13. This is the second 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 August 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 £300.6m (excluding earmarked reserves). This has decreased by £28.9m compared to the latest capital programme approved by Cabinet on 15 July 2025. The updated programme reflects the forecasted year end position for 2025/26 and the impact of re-profiling expenditure in 2025/26 where necessary to reflect anticipated scheme delivery.

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

Strategy Area	Last Approved Programme 2025/26 * £m	Latest Forecast Expenditure 2025/26 £m	Variation £m
Pupil Places Plan	59.2	54.5	-4.7
Major Infrastructure	146.4	123.2	-23.2
Highways Asset Management Plan	64.1	64.0	-0.1
Property Strategy	41.6	38.7	-2.9
IT, Digital & Innovation Strategy	5.6	6.4	+0.8
Passported Funding	8.6	9.6	+1.0
Vehicles & Equipment	4.0	4.2	+0.2
Total Strategy Programmes	329.5	300.6	-28.9
Earmarked Reserves / Pipeline Schemes	11.0	4.5	-6.5
Total Capital Programme	340.5	305.1	-35.4

* Approved by Cabinet 15 July 2025

16. Actual capital expenditure at the end of August 2025 was £58.2m. The combined spend to date and current forecasted in-year commitments for the Capital Programme are £137.0m or 46% 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 Plan has forecast spend of £54.5m compared to the latest forecast of £59.2m in 2025/26, a decrease of £4.7m. The Pupil Place Plan includes three main programmes:
- School Expansions Places - these are usually school expansion projects at existing schools 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.
 - New Schools Places – 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 School Expansions and New Schools 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.

School Expansions Programme

19. The Basic Need Programme anticipates spend of £13.5m in 2025/26 compared to the previous forecast of £12.0m. The increase of £1.5m reflects the latest delivery timeframe. Currently, 4 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),
- Woodstock, Marlborough CE School (150 additional pupil places),
- Langtree School, Woodcote (Refurbishment of 2 science labs),
- Fir Tree, Wallingford (expand from Junior to Primary)

In addition, there are 12 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),
- Tetworth 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),
- St Josephs, Thame (new nursery 30 places)

New Schools Programme

20. The New Schools programme is forecasting to spend £32.5m in 2025/26 and has decreased by £5.6m to reflect the latest spend profiles for 2025/26. Currently there is one new school project in construction, this being St Nicolas, Wallingford (315 new pupils + nursery). 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)
- 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 £0.250m 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 86 projects to be completed over a rolling two-year programme. The latest spend forecast is £7.3m in 2025/26, a decrease of £0.7m. Some of the larger projects included are:

- Great Tew School – Replace Failed Roof.
- Clifton Hampden C of E Primary School – Overhaul and repair entire pitched roof.
- Cumnor Primary School – Replace Flat Roof.
- Queensway Primary School – Replace felt roof covered flat roof Phase 2.
- RAF Benson Community Primary School – Replace felt covered flat roof – Phase 3.
- St Leonards C of E Primary School – Roof Repairs.
- Five Acres Primary School – Replace failed flat roof.
- John Hampden Primary School – Replace failed flat roof.
- Barley Hill Primary School – Boiler replacement & roof structural works.
- Dry Sandford Primary School – Replace obsolete heating system.
- Orchard Fields Primary School – Boiler Replacement.
- Windmill Primary School – Rusting Lintels replacement

Major Infrastructure

23. The latest capital forecast for 2025/26 is £123.2m and compares to the original budget of £146.4m, a decrease of £23.2m. 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)	49,100	40,200	-8,900
Housing Infrastructure Fund 2 (HIF2) & A40	20,000	20,400	+400
A423 Improvement Programme	1,000	1,000	+000
Active Travel Phase 3 & Mobility Hubs	11,729	5,288	-6,441
Bicester & Banbury Locality	15,350	13,496	-1,854
Oxford Locality	5,458	5,953	+495
South & Vale Locality	27,700	24,300	-3,400
Major Infrastructure Delivery Sub-total	130,337	110,637	-19,700
Major Infrastructure Placemaking Sub-total	10,999	7,657	-3,342
Transport Policy Sub-total	5,082	4,945	-137
Major Infrastructure –Total	146,418	123,239	-23,179

Major Infrastructure- Delivery

24. Forecast capital spend of £110.6m is £19.7m less than the previous capital forecast of £130.3m. The programme comprises three main funding areas and the key in-year budget variations are reported below.

HIF1 Programme

25. The HIF1 programme is now forecasting to spend £40.2m during this financial year. This latest forecast has risks as detailed design is finalised and enabling works planned. Although the planned construction start date of two of the HIF1 projects have moved into the next financial year, it must be noted that the key programme delivery milestones and overall end date are still planned to be met.

- Clifton Hampden Bypass - the start date of the construction phase is now planned for January 2026 and enabling works will commence shortly.
- Culham River Crossing - enabling works are now planned for October/November 2025, with the construction phase start date now moved to the next financial year.
- Didcot Science Bridge - enabling works are now planned for October/November 2025, with the construction phase start date now moved to the next financial year.

HIF2 & A40

26. Overall, the programme in-year forecast is just above budget, due mainly to the net increase of the A40 Eynsham to Wolvercote scheme, resulting from revisions to traffic management and costs of surveys.

Other programmes

27. The Active Travel (Phase 3 & 4) programmes are now forecasting spend of £3.6m, which is £6.6m less than the latest capital forecast. The main schemes contributing to the revised forecast are as follows:
- Bicester: London Road Active Travel Scheme (-£1.4m) due to procurement delays pushing the planned constructions start date out to February 2026.
 - Middleton Stoney Road Active Travel Scheme (-£3.2m) due to delays in utility works pushing the planned construction start date out to May 2026.
 - Witney Paths and Crossing Active Travel Scheme (-£1.0m) due to delays getting into contract for the detailed design stage, pushing the planned construction start out to March 2026.
 - Abingdon: National Cycle Network (-£0.8m) due to delays moving construction into the next financial year.
28. The Bicester & Banbury programme is now forecasting spend of £13.5m, which is £1.9m less than the latest forecast of £15.4m. This is predominately due to the change in the construction date to January 2026 of the Cherwell Street Bus Improvements programme (-£1.5m), in order not to clash with the Christmas roadwork restriction period.
29. The South & Vale programme is now forecasting spend of £24.3m, which is -£3.4m less than the latest forecast of £27.7m. This is due to the A4130 Steventon Lights scheme (-£2.5m), where the start date for the construction phase has been delayed whilst design and construction methodology are reviewed and the Watlington Relief Road scheme (-£2.0m); planning permission for the scheme has yet to be secured and has impacted on the originally planned start date of the construction phase.
30. The detailed design, all necessary surveys and construction methodologies for the A423 Improvements Programme, including Kennington Bridge, are nearing completion. Following the addition of this extra and more detailed information, the project cost estimate – including the Oxford Flood Alleviation Scheme (OFAS) enabling works – is now £180m. Taking into account the additional costs for the OFAS scheme - which the Environment Agency (EA) is expected to fund - this leaves a funding gap of £71m which the Council is hoping to secure from the Department for Transport Structures Fund that was recently announced by the Government. The Council continues to work in partnership with the EA to ensure the progression of the OFAS scheme.

Major Infrastructure – Placemaking

31. The programme is forecasting to spend £7.7m this year. A reduction of £3.3m from the previous reported position is due to the change in the Oxford Railway Station Development profile (£10m contribution which is funded through a previous Enterprise Oxfordshire (previously OxLEP) City Deal Programme. This still could change as the year progresses and decisions are finalised.

Transport Policy

32. The programme is forecasting spend of £4.9m mainly relating 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 £64.0m and has decreased by £0.1m compared to the previous forecast. The net underspend is mainly due to the reduced forecast spend in the Bridges programme, this has been due to a focus on design works which has been more involved than expected, resulting in a delay in construction spend, offset by the inclusion the Bus Service Improvement Programme for Traffic Signals and Real Time Information upgrades. 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	48,225	45,986	-2,269
Improvement Programme	3,453	4,086	+633
Major Schemes & Other Programmes	6,427	6,297	+130
Network Management Programme	4,977	6,645	+1,688
Other	1,016	1,000	-16
Highways Asset Management Plan – Total	64,128	64,014	-114

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

Project	Planned Schemes	Delivered Schemes	Progress Update
Surface Treatments (schemes)	138	97	Schemes to restore the condition or prolonging the life of existing carriageways. Remaining schemes planned for later in the year as part of the Micro programme.
Carriageways (schemes)	11	3	Surfacing/reconstruction/strengthening of roads. All schemes on track with the larger scheme currently on site.

Structural Highways Improvements (schemes)	59	15	Surface inlay and minor patching schemes across the county. Slight delay in this programme due to schemes changing from patching to full surfacing.
Footways (schemes)	98	2	Repair/construction of footways and cycleways. Most schemes planned for later in the year, this is made up of the footway slurry programme.
Drainage (schemes)	37	4	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues. Delay in this programme due to extended investigation works.
Bridges (schemes)	15	2	Strengthening/replacement/imposition of management measures on weak structures. Delay in commencing schemes on site due to extended design work. Completed schemes to be reprofiled for next reporting window.
Electrical	1,800 2,700	515 1,920	Additional LED Replacement units being installed this year. Column Replacement
20mph Speed limit (schemes)	9	0	The last remaining schemes of this programme, following consultations that have taken place schemes expected to be implemented by year end as planned.
Section 42 contributions (schemes)	50	25	Programme delivered by the City Council and covers all the unclassified roads and footways within the city. On track.

36. The annual Improvement Programme is forecasting to spend £4.1m 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 £6.3m in 2025/26. This includes the LED streetlighting upgrade programme and highway bridges recovery programme.
38. The Highway Network Management Programme is forecasted to spend £6.6m, 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 £38.7m in 2025/26, a decrease of £2.9m compared to the previous forecast of £41.6m. The decrease is mainly due from revised expenditure plans across the Corporate Estate Programme including the Fire & Rescue projects associated with Rewley Road Development, Reprovision of Banbury Library and the Greenwood Centre Supported Accommodation projects together with the latest delivery timeframe on the Decarbonisation Programme. It has

been slightly offset with the inclusion of the Warm Homes Grant and the inclusion of several projects from the Residential Accommodation Programme.

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 35% of the emissions within this 2030 target (on 2023/24 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 significant cost avoidance and for the first number of years of the programme, the focus will be on these dilapidated properties
46. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the property strategy.
47. Work is underway on 27 sites within the 2024/25 decarbonisation programme, with all but 4 expected to complete this financial year, the remaining sites will carry into 2026/27 due mainly to the timescales required for electricity grid upgrades, contractor failures and delays caused by other programmes of work. The budget of £10.3m includes £2.6m of grant funding (PSDS3C). Additionally, to these works the council used £0.4m under the

last of the Salix recycling fund for the installation of solar PV and LED lighting on 9 properties.

48. The Council has started design work on the 2025/26 decarbonisation programme (total value £10.4m including £0.4m grant funding from PSDS4) with the grant funding needing to be spent by 31 March 2026.
49. The combined spend forecast over the two programmes in 2025/26 is £8.4m a reduction of £1.7m.

Office Rationalisation & Co-location

50. 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.
51. 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.
52. The next large property move within the programme is the relocation from Graham Hill House in West Oxford.

Children's Homes Programme

53. 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.

Warm Homes: Local Grant Capital Retrofit Programme

54. The plan is to install approximately 130 measures across at least 60 properties in 2025/26 to deliver impactful work for the benefit of our residents (energy bill savings, health, wellbeing and comfort) as well as measurable climate action. The programme is designed alongside complimentary retrofit projects to specifically assist low-income/fuel-poor residents who wouldn't otherwise be able to install such energy efficiency improvements, helping to ensure a fair and just path to net zero for all. The total value of the programme is £3.750m, between 2025/26 to 2027/28 and is funded from the Department for Energy Security & Net Zero, with £1m forecasted to be spent by the end of this financial year.

School Energy Loans

55. 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.

Residential Accommodation Programme

56. The Capital Programme includes the addition of £2.8m for several projects which has been drawn down from the £5.9m identified from the Capital Priorities approved in February 2025 towards Residential Accommodation
57. This programme will deliver much-needed, bespoke, and high-quality specialist supported housing in Oxfordshire for individuals who may currently be in hospital or secure units. It marks a vital step forward in improving quality of life and long-term outcomes by enabling people to live more independently within their communities. The initiative is designed to ensure accommodation is provided in a way that is both financially sustainable and socially impactful. In the absence of private sector investment in these essential services, Council-led intervention is crucial. Without it, individuals would remain in inappropriate or high-cost settings that do not support autonomy or integration.

Speedwell

58. The planned project and relocation to Speedwell House have been stopped due to a recent archaeological discovery that was made during the planned remodelling work. Therefore, a detailed options appraisal is being prepared for the redevelopment and regeneration of the existing Speedwell House footprint. The spend profile will remain the same until the options are fully understood.

IT, Innovation & Digital Strategy

59. The total forecast expenditure for 2025/26 is £6.4m, an increase of £0.8m compared to the previous forecast of £5.6m. This is due to the inclusion of the Data Centre Hardware refresh programme coming into the programme and expenditure being profiled into 2025/26.

Digital Infrastructure

60. IT are working on a number of projects to implement new applications during 2025/26. Projects expected to be completed include:
 - Data Centre Hardware – replacement of aging data centre equipment to ensure ongoing stable and secure infrastructure to run Council services.
 - 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

61. 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

62. Expenditure for 2025/26 is forecasted to be £9.6m, an increase of £1.0m compared to the previous forecast.
63. The Disabled Facilities Grant for 2025/26 has been announced and the actual grant is £8.3m compared to the estimated £7.3m. 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

64. Expenditure for 2025/26 is forecasted to be £4.2m, an increase of £0.2m compared with the previous forecast.

Vehicle Management Services (VMS)

65. The recent endorsed Business Case for EV chargers have 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, as not all sites have the extra power required available.
66. The Key2 Vehicle management software is now providing information for all compliance requirements across the whole fleet.

Capital Governance Approvals

Major Infrastructure

S106 Accelerated Delivery Programme

67. The S106 Accelerated Delivery Programme will accelerate the development and delivery of transport schemes by addressing key barriers such as delivery challenges and funding gaps. The programme will oversee the implementation and delivery of required mitigations within local communities due to new housing developments.

68. In order to accelerate the delivery of the programme, the Council agreed a £4.000m budget, to be funded from corporate resources in February 2025. This funding unlocks £23.575m of existing S106 allocations, where the original allocation was insufficient to cover the development or delivery of works. Approval is required to enter this programme of work into the capital programme.

Capital Funding

69. Since the update of the capital programme in July 2025, there have been further funding announcements of one-off funding and updates to the annual funding allocations that support the capital programme.

Consolidated Active Travel Fund (CATF)

70. The Council has been awarded £2.050m CATF capital funding from Active Travel England to deliver high-quality walking, wheeling and cycling infrastructure. A list of schemes to be funded by this allocation is to be submitted for approval to ATE by the end of November 2025.

Ten Year Capital Programme Update

71. The total ten-year capital programme (2025/26 to 2034/35) is now £1,312.7m (excluding earmarked reserves) an increase of £40.9m when compared to the latest capital programme approved by Cabinet in July 2025. This is mainly due to the inclusions of the 2nd New Primary School for Grove Airfield (£1.597m), 3-year Warm Homes Grant Programme (£3.750m) and an additional £1m towards the Disabled Facilities Grant. Draw down from reserves includes the inclusion of the St Giles Project (£0.870m), Accessibility & Road Safety Programme (£0.634m), Residential Accommodation Programme (£2.810) and £0.583m towards development work on the Westgate Library. The main change is the inclusion of the S106 accelerated Delivery Programme (£27.575m) including £4m drawdown from earmarked reserves. A summary of the updated capital programme is set out in Annex 2.

Strategy Area	Last Approved Total Programme (2025/26 to 2034/35) *	Latest Updated Total Programme (2025/26 to 2034/35)	Variation
	£m	£m	£m
Pupil Places Plan	239.5	241.9	+2.4
Major Infrastructure	614.7	642.1	+27.4
Highways Asset Management Plan	246.4	249.1	+2.6
Property Strategy	122.6	129.8	+7.2
IT, Digital & Innovation Strategy	9.3	9.4	+0.1
Passported Funding	13.3	14.3	+1.0
Vehicles & Equipment	25.9	26.1	+0.2
Total Strategy Programmes	1,271.8	1,312.7	+40.9
Earmarked Reserves	110.7	101.4	-9.3

Total Capital Programme	1,382.5	1,414.1	+31.6
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* Approved by Cabinet 15 July 2025.

Capital Funding Update

Prudential Borrowing

72. 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 £79.0m a reduction of £6.2m due to the revised spend profile of two projects funded from prudential borrowing. 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. Part of the remaining borrowing of £15.7m from the £41.7m borrowing supporting the Enterprise Oxfordshire (previously OxLEP) City Deals Programme is also expected to be taken in 2025/26.
73. 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 (previously OxLEP) City Deal Programme, the borrowing costs relating to this scheme will be fully funded through Enterprise Zone 1 retained business rates.

Earmarked Reserves

74. The level of earmarked reserves has decreased by £9.3m from the previous reported position to £101.4m. Reserves include £59.7m of budget provisions approved through the capital Budget & Business Planning process in February 2025 and previous years. A further £41.7m 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.
75. The main changes from the budget provisions are from the release of provisions identified in the February 2025 capital priorities including the £0.6m towards the 2025/26 Accessibility & Road Safety Programme from the £4m identified, £2.8m towards Residential Accommodation from the £5.9m identified and £0.9m towards St Giles. The full £4m to support S106 funded schemes has also been released. Funding of £0.3m has been

released into the capital programme from part of the Active Travel Phase 5 grant relating to specific schemes that have reached the capital development and design stage and £0.6m from general reserves towards the development work on the Westgate Library.

Capital Reserves

76. The current overall balance of the capital programme is over-programmed by £10.4m, a reduction of £3.7m from the £14.1m over-programmed recommended to Council in February 2025.
77. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £219m. This is expected to reduce to approximately £70m 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.
78. 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 £35m of forward funded schemes, a reduction of £5m from the £40m identified to Council in February 2025. 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. It is estimated to be £24m at the end of 2025/26 financial year. The forward funding excludes any cashflow implications arising from the Speedwell and Oxford Rewley Road Fire Station developments.

Risk Management

79. 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.
80. 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.
81. 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

82. 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.
83. 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

84. 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.
85. 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.
86. 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.
87. 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

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

Equality & Inclusion Implications

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

Legal Implications

90. 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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October 2025