

CABINET – 17 MARCH 2026

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

Report by the Deputy Chief Executive (Section 151 Officer)

Recommendations

1. **Cabinet is RECOMMENDED to:**
 - 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.

Additions to the Capital Programme

- c. Approve the inclusion of Milton Heights Bridge into the capital programme, with a budget of £8.608m, to be funded from a variety of funding sources. (see paragraph 65-66)

Executive Summary

2. The Strategic Plan sets out how the council will 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 2026 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 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 fourth capital programme update and monitoring report for 2025/26 and sets out the monitoring position based on activity to the end of January 2026.
6. The report also updates the Capital Programme approved by Council in February 2026 taking into account additional funding, new budget priorities and new schemes. The updated programme also incorporates

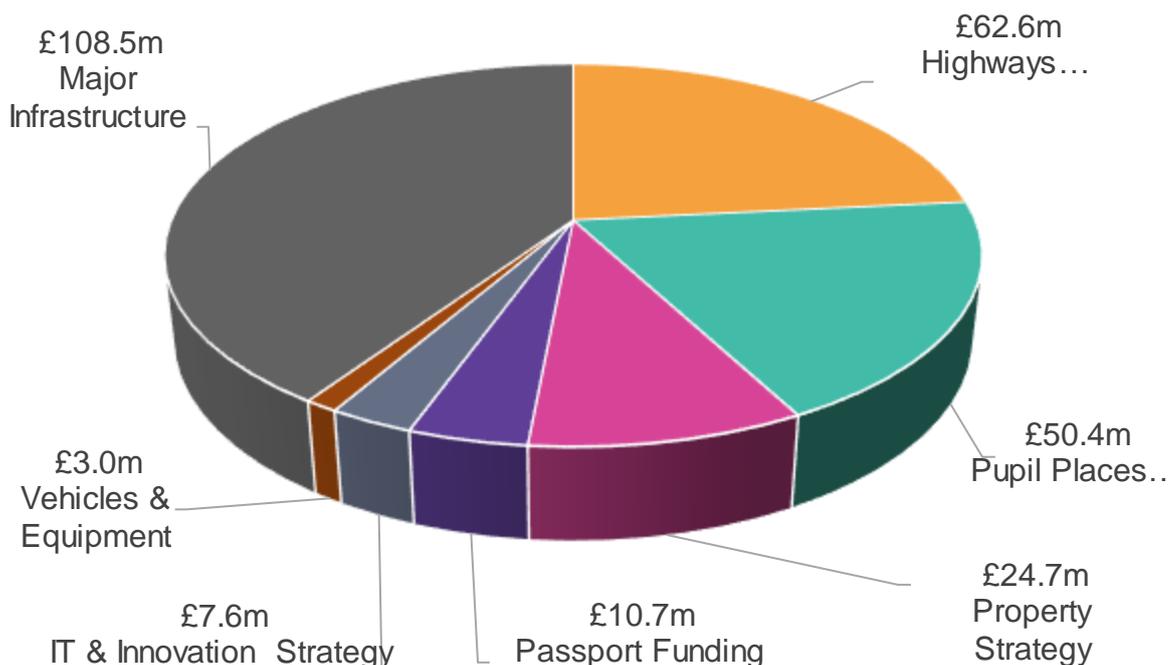
changes agreed through the Capital Programme Approval Reports to Cabinet during the year as well as new funding.

7. The forecast programme expenditure for 2025/26 is £267.5m (excluding earmarked reserves). This has decreased by £10.6m compared to the previous 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 2035/36) is £1,534.9m. The updated capital programme summary is set out in Annex 2. The main changes since the report to Council in February 2026 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 investment profile for the 2025/26 Capital Programme is shown below:

2025/26 Programme - Latest Spend Forecast



13. This is the fourth 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 January 2026 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 – 2035/36 (Summary)

2025/26 Capital Monitoring

15. The capital monitoring position set out in Annex 1, shows forecast expenditure for 2025/26 of £267.5m (excluding earmarked reserves). This has decreased by £10.6m compared to the latest capital programme approved by Council in February 2026. 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 latest in-year changes in 2025/26 by strategy area:

Strategy Area	Last Approved Programme 2025/26 * £m	Latest Forecast Expenditure 2025/26 £m	Variation £m
Pupil Places Plan	52.3	50.4	-1.9
Major Infrastructure	111.4	108.5	-2.9

Highways Asset Management Plan	64.5	62.6	-1.9
Property Strategy	27.5	24.7	-2.8
IT, Digital & Innovation Strategy	8.2	7.6	-0.6
Passported Funding	10.1	10.7	+0.6
Vehicles & Equipment	4.1	3.0	-1.1
Total Strategy Programmes	278.1	267.5	-10.6
Earmarked Reserves / Pipeline Schemes	0.0	0.0	+0.0
Total Capital Programme	278.1	267.5	-10.6

* Approved by Council 10 February 2026

16. Actual capital expenditure at the end of January 2026 was £154.4m. The combined spend to date and current forecasted in-year commitments for the Capital Programme are £217.6m or 81% of the revised estimate for the year.

Pupil Place Plan

17. There is forecast spend of £50.4m on the Pupil Place Plan in 2025/26 compared to the latest forecast of £52.3m, a decrease of £1.9m. The 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 £12.3m in 2025/26 compared to the previous forecast of £12.3m. This reflects the latest delivery timeframe with anticipated phasing changes. Currently, five 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)
- Oxford, Orchard Meadow Primary School, (Foundation Stage Accommodation)

In addition, there are 10 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, 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)
- 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 £30m in 2025/26. This has decreased by £1.9m to reflect the latest spend profiles for 2025/26 based on the current phasing profile. Currently there are two new school projects in construction:

- St Nicholas, Wallingford (315 new pupils + nursery)
- Didcot Valley Park Primary School (630 place new Primary)

Two projects are in the pre-construction phase.

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

Two further schools are being delivered by the Education and Skills Funding Agency (ESFA) 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 School Access Initiative, which will ensure that mainstream school buildings are accessible for pupils with Special Educational Needs and Disabilities, is forecasting spend of £0.250m. Projects at primary and secondary schools are being carried out throughout this financial year.
22. The School Structural Maintenance Programme for 2025/26 includes 86 projects that will be completed over a rolling two-year programme. The latest spend forecast is £7.4m in 2025/26 increase of £0.1m from the previous forecast. Some of the larger projects included in the programme are:
 - Great Tew Primary School – replace failed roof
 - Clifton Hampden C of E Primary School – Overhaul and repair entire pitched roof (programmed for 2026)
 - 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 (scheduled 2026)
 - Five Acres Primary School – Replace failed flat roof (programmed for 2026)
 - John Hampden Primary School – Replace failed flat roof (programmed for 2026)
 - Barley Hill Primary School – Boiler replacement & roof structural works (programmed for 2026)
 - Dry Sandford Primary School – Replace obsolete heating system (programmed for 2026)
 - Orchard Fields Primary School – Boiler Replacement
 - Windmill Primary School – Rusting lintels replacement (programmed for 2026)

Major Infrastructure

23. The latest capital expenditure forecast for 2025/26 is £108.5m. While there are increases relating to HIF1 and HIF2, there are reductions elsewhere which mean that this has decreased by £2.9m from the previous reported position. The programme is divided into sub-programme areas as shown in the table below.

Major Infrastructure	Latest Budget	Latest Forecast	Variation
	£'000	£'000	£'000
Housing Infrastructure Fund 1 (HIF1)	40,200	40,900	+700
Housing Infrastructure Fund 2 (HIF2) & A40	19,450	21,900	+2,450
A423 Improvement Programme	700	450	-250
Active Travel Phase 3 & Mobility Hubs	3,376	2,200	-1,176

Oxford Locality	4,887	4,271	-616
Countywide Locality	29,650	26,175	-3,475
Major Infrastructure Delivery Sub-total	98,263	95,896	-2,367
Major Infrastructure Placemaking Sub-total	8,152	8,022	-130
Transport Policy Sub-total	4,984	4,584	-400
Major Infrastructure –Total	111,399	108,502	-2,897

Major Infrastructure- Delivery

24. Forecast capital spend of £95.9m is £2.4m less than the previous capital forecast of £98.3m.

HIF1 Programme

25. In December 2025 Homes England approved the use of £46m of the £79.6m contingency funding that they agreed to allocate to the programme in April 2024. This includes an additional £10.0m towards the Clifton Hampden Bypass scheme, increasing the budget to £66.7m, and an additional £6.1m towards the Didcot Science Bridge scheme, taking the budget to £109.1m. A further £29.9m contingency funding that Homes England have approved to be used is expected to be used to support the Culham River Crossing scheme.
26. The HIF1 programme is now forecasting to spend £40.9m during this financial year, slightly more than the latest budget. Although the latest forecasts are realistic, there is a risk of delay as the projects move from the detailed design stage to early enabling works that are planned in the last quarter of the financial year. Because of this the latest forecasts for 2025/26 are sensitive to change.
- Clifton Hampden Bypass - the discharge of pre-commencement planning conditions is progressing and the start date of the construction phase is now planned for the beginning of the new financial year.
 - Culham River Crossing – extended enabling works are now planned for this financial year. This again will potentially impact further on the exact start date of the construction phase, planned for the next financial year.
 - Didcot Science Bridge - enabling works are now planned to start before the end of February, with the main construction phase planned to start in May 2026.

HIF2 & A40

27. Overall, the in-year forecast for the programme has increased to £21.9m, which is £2.5m more than the latest budget. This mainly relates to the A40 Eynsham to Wolvercote project, due to upfront payments for statutory utility works.

Countywide programmes

28. The overall in-year forecast for this combined programme is £26.2m, a reduction of £3.5m compared to the latest budget of £29.7m. This is due mainly to the A34 Lodge Hill slips project that is progressing through the construction stage, programme delays mean that the planned phase expected to be undertaken this year has slipped into 2026/27. The Benson Lane BSIP scheme may also slip into 2026/27, due to it taking longer than expected.

Other programmes

29. The Active Travel & Mobility Hubs programmes are now forecasting to spend £2.2m, which is a reduction of £1.2m from the latest budget. This is due mainly to a small number of scheme programmes slipping into 2026/27.
30. The Oxford programme is forecasting spend of £4.3m, which is £0.6m less than the latest budget of £4.9m.

Major Infrastructure – Placemaking

31. The programme is forecasting to spend £8.0m this year a slight reduction when compared to the previous reported position. This includes a part payment of £6.5m towards the Oxford Railway Station Development (£10m total contribution), which is funded through a previous Enterprise Oxfordshire (previously OxLEP) City Deal Programme.

Transport Policy

32. The programme is forecasting spend of £4.6m 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 £62.6m and has decreased by £1.9m compared to the previous forecast. The net change is attributable to slight reduction across all sub-programmes within the HAMP. 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	45,050	44,800	-250
Improvement Programme	3,200	2,830	-370
Major Schemes & Other Programmes	6,155	5,950	-205
Network Management Programme	9,038	8,210	-828
Other	1,000	800	-200
Highways Asset Management Plan – Total	64,443	62,590	-1,853

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

Project	Planned Schemes	Delivered Schemes	Progress Update
Surface Treatments (schemes)	138	140	Schemes to restore the condition or prolonging the life of existing carriageways. Surface Dressing and Micro-Asphalt programme completed. Pre-patching SD programme currently underway.
Carriageways (schemes)	9	8	Surfacing/reconstruction/strengthening of roads. One scheme left to deliver towards the end of the year.
Structural Highways Improvements (schemes)	59	38	Surface inlay and minor patching schemes across the county. Slight delay in this programme due to schemes changing from patching to full surfacing - programmed Feb – March.
Footways (schemes)	76	60	Repair/construction of footways and cycleways. Footway slurry programme completed with some footway reconstruction schemes left to deliver.
Drainage (schemes)	37	20	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)	13	6	Strengthening/replacement/imposition of management measures on weak structures. Delay in commencing schemes on site due to extended design works required, intention is to reprofile into future years.
Electrical	1,800 2,700	824 2,867	Additional LED Replacement units being installed this year. Column Replacement.
20mph Speed limit (schemes)	9	5	The last remaining schemes of this programme, following consultations that have taken place schemes expected to be implemented by year end as planned. Any remaining schemes will be delivered during 2026/27.
Section 42 contributions (schemes)	45	45	Programme delivered by the City Council and covers all the unclassified roads and footways within the city. On track.

36. The Structural Maintenance Annual Programme is forecasting to spend £44.8m.
37. The annual Improvement Programme is forecasting to spend £2.8m 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.
38. Major Schemes & Other Programme is forecast to spend £6.0m in 2025/26. This includes the LED streetlighting upgrade programme and highway bridges recovery programme.
39. The Highway Network Management Programme is forecasted to spend £8.2m. This includes improvements to Oxford and Bicester Park & Rides, countywide traffic signals, Bus Services Improvement Programme schemes and implementation of Part 6 moving vehicle cameras.

Property Strategy

40. The Property Strategy is forecasting expenditure of £24.7m in 2025/26, a decrease of £2.8m compared to the previous forecast of £27.5m. This is mainly due to revised expenditure plans across the Corporate Estate Programme including the Carterton Community Safety Centre, Speedwell House Redevelopment, Fire Remedial Programme and the Office Rationalisation Programme.

Estate Decarbonisation Programme

41. The council's property accounts for approximately 35% of the emissions within the 2030 target (based on 2023/24 data). While there is a long-term plan for decarbonisation of the UK electricity grid, this target is in line with the UK government commitment of net zero by 2050.
42. As such the council's 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. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the Property Strategy.
44. Work has completed or is nearing completion on 23 sites included in the 2024/25 decarbonisation programme, with heat on at all of these sites. The remaining four sites are now expected to complete in 2026/27 due to the timing of electricity grid upgrades, subcontractor insolvency or delays caused by other programmes of work. All eligible grant has been claimed for and additional works were completed with remaining Salix funding (9 sites). The budget is £10.3m in total.
45. For the 2025/26 decarbonisation programme, design work has started on all sites where suitable with outputs ongoing from November 2025. Construction works have started at 4 sites and are expected to complete

this financial year, 1 site has been paused due to operational reorganisation, the remainder are expected to be into contract by the end of March 2026. The total value is £10.4m, including £0.4m of Public Sector Decarbonisation Scheme funding).

46. The combined spend forecast over the two programmes in 2025/26 is £7.4m with no change from the previous forecasted programme.

Office Rationalisation & Co-location

47. 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.
48. 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.
49. The planned spend for 2025/26 has been re-profiled into 2026/27 in line with the timeline for the County Hall relocation, a decrease of £1.8m compared to the previous forecast.

Children's Homes Programme

50. The Council is currently forecasting £3.8m of expenditure in 2025/26 against the £10.450m programme for the delivery of four new children's homes (providing 12 additional beds) within Oxfordshire. One of the homes is open and registered, and two others are ready to be registered with Ofsted. The fourth home is structurally complete; however, registration cannot take place until the planning process for the change of use has been approved. This approval has been delayed due to actions required to mitigate the environmental impact of the build and is now expected to be completed by the end of March 2026.

Warm Homes: Local Grant Capital Retrofit Programme

51. The capital retrofit programme, Warm Homes: Local Grant, is expected to install approximately 130 energy efficiency measures across at least 60 low-income properties with poor energy performance in 2025/26. The total value of the baseline award from the Department for Energy Security & Net Zero is £3.75m for a 3-year programme running between 2025/26 to 2027/28. Owing to an extension in grant funding an additional £0.250m is now forecast to be spent in 2025/26, assisting 15 additional properties to reduce bills, decarbonise and have increased health/comfort for residents.

School Energy Loans

52. 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, £0.4m is forecast to be spent by the end of this financial year. The pipeline for next year is forecast to include 18 schools, with a total estimated value of approximately £0.6m.

Speedwell House Redevelopment

53. Following a detailed options appraisal for the revised Speedwell House redevelopment a change request has been submitted which provides for reduced accommodation utilising the existing Speedwell House footprint. Reflecting this change request, forecast spend for 2025/26 has been reprofiled to £1.3m. The overall budget for the scheme has been reduced to reflect the revised plans.

Residential Accommodation Programme

54. This programme will deliver much-needed, bespoke, and high-quality specialist supported housing in Oxfordshire for adults 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.
55. Forecast expenditure for 2025/26 is £2.1m. This will be funded from the £5.9m funding for residential accommodation approved in February 2025.

IT, Innovation & Digital Strategy

56. The total forecast expenditure for 2025/26 is £7.6m, a decrease of £0.6m compared to the previous forecast.

Digital Infrastructure

57. Projects to implement new IT applications during 2025/26 include:
- Data Centre Hardware – replacement of ageing data centre equipment and transfer to a new site, to ensure ongoing stable and secure infrastructure to run Council 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.
 - Further capital business cases are being prepared for projects to implement simple, stable and secure technology as set out in the council's Technology Strategy.

Broadband

58. The 5GIR programme budget for 2025/26 of £3.0m is forecasted to be spent this year, with the cost met by grant funding from 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

59. Expenditure for 2025/26 is forecasted to be £10.7m. This has increased by £0.6m compared to the previous forecast, following notification of an additional £0.6m Disabled Facilities Grant.
60. The Disabled Facilities Grant for 2025/26 is now £8.8m. This funding, which is part of the Better Care Fund, is issued to the County Council but is required to be passed on to the City and District Councils in accordance with the grant determination.

Vehicles and Equipment

61. Expenditure for 2025/26 is forecasted to be £3m, a decrease of £1.1m compared with the previous forecast.

Vehicle Management Services (VMS)

62. The endorsed Business Case for EV chargers have enabled VMS to continue to swap out the old SWARCO chargers. There are now 53 new Compleo chargers and 24 SWARCO units (the latter to be swapped out during 2025/26). 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.
63. The Key2 Vehicle management software is now providing information for all compliance requirements across the whole fleet.
64. The forecasted acquisitions for 2025/26 have now been revised to £1.2m against the budgeted £2m, plus a phasing in EV charger installation.

CAPITAL GOVERNANCE APPROVALS

Major Infrastructure

Milton Heights Bridge

65. This project will provide a pedestrian and cycle bridge over the A34 to connect a strategic housing site at Milton Heights with enterprise zones 1 & 2 (including Milton Park) as well as Didcot, its schools station and services. It is a key active travel link and will encourage local trips by sustainable modes of transport, offering a more attractive alternative than the current route via Milton Interchange which currently suffers from significant traffic congestion.
66. Approval is required to enter this scheme into the capital programme with a budget of £8.608m. The project is proposed to be funded from a variety

of funding sources, including £0.238m Growth Deal funds, £2.604m S106 developer contributions and £1.766m from OCC resources agreed by Council in February 2025. In October 2025 Cabinet also conditionally approved an allocation of up to £4.000m from Enterprise Zone 2 Retained Business Rates towards Infrastructure that directly enhances access to the Enterprise Zone itself, which this scheme delivers. Approval for the use of this funding for this purpose will be formalised ahead of any construction work taking place.

Ten Year Capital Programme Update

67. The total ten-year capital programme (2025/26 to 2034/35) is now £1,350.3m (excluding earmarked reserves) an increase of £7.2m when compared to the latest capital programme approved by Council in February 2026. 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	229.0	229.1	+0.1
Major Infrastructure	663.2	669.8	+6.6
Highways Asset Management Plan	270.4	270.3	-0.1
Property Strategy	119.7	119.7	+0.0
IT, Digital & Innovation Strategy	11.0	11.0	+0.0
Passported Funding	23.7	24.3	+0.6
Vehicles & Equipment	26.1	26.1	+0.0
Total Strategy Programmes	1,343.1	1,350.3	+7.2
Earmarked Reserves	188.6	184.7	-3.9
Total Capital Programme	1,531.7	1,535.0	+3.3

* Approved by Council 10 February 2026

Capital Funding Update

Prudential Borrowing

68. The ten-year Capital Programme includes a requirement to fund £210.6m through prudential borrowing. The latest borrowing expected to be taken in 2025/26 is £57.1m. The borrowing in 2025/26 is expected to include the last £2.5m from the £120.0m agreed in 2018 and £31.4m from the £88.4m agreed in 2022. The remaining borrowing provision is held towards the HIF 1 programme and Kennington Bridge schemes. 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 £12m of borrowing is planned to be undertaken.
69. 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

70. The level of earmarked reserves is £184.7m, reduction of £3.9m from the previous reported position of £188.6m, due to the inclusion of £4m funding towards Milton Heights Bridge. The reserves include £70.3m of budget provisions approved through the capital Budget & Business Planning process in February 2026 and previous years. A further £118.3m 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. This includes the £55.3m as part of the Local Transport Consolidated Funding period 2026/27 to 2029/30 and includes Local Transport Grant, Local Bus Grant and Active Travel Grant.

Capital Reserves

71. The current overall balance of the capital programme is over-programmed by £10.4m, as agreed by Council in February 2026.
72. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £219m. This is expected to reduce to approximately £154m at the end of 2026/27 and reduce further to only £8m by the end of 2029/30. 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.
73. 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, as identified to Council in February 2026. 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 is 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

74. A range of factors will impact on the deliverability and cost of capital schemes. Where 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.

75. These risks are 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 taken to adjust scheme deliverables and to use value engineering to maintain spend within the available funding.
76. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level. The council is assessing and tracking 6 strategic risks in 2025/26. One of these risks is that 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

77. 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.
78. 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

79. 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.
80. 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.
81. 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.
82. 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, with no further additions to this in the 2026/27 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

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

Equality & Inclusion Implications

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

Legal Implications

85. 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 at the fourth bullet point sets out that where the total estimated resource allocation is above £2,000,000, 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

Deputy Chief Executive (Section 151 Officer)

Background papers:

Contact Officers: Kathy Wilcox, Head of Corporate Finance
Natalie Crawford, Capital Programme Manager

March 2026