

CABINET

14 JULY 2026

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

Report by Deputy Chief Executive (Section 151 Officer)

Recommendations

1. The Cabinet is RECOMMENDED to:

Capital Programme

- a. Note the capital monitoring position for 2026/27 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. Note the proposed release of £4.0m from corporate resources agreed by Council in February 2026 for drainage infrastructure improvements (para 69).**
- d. Note the proposed inclusion of Didcot Valley Park SEND school into the capital programme with a development budget of £1.4m (para 70-71).**

Funding Updates

- e. Agree the inclusion in the capital programme of the following grant funding updates and allocations:**
 - Revise of the previous forecasted value of the School Condition Allocation 2026/27 to £4.645m (para 73).**
 - Include the SEN High Needs Capital Allocation 2026/27 of £11.299m to earmarked reserves to address SEN reform requirements (para 74-77).**
- f. Note the current over-programming of the capital programme is £10.365m as agreed by Council in February 2026. The impact on the review of corporate resources and the additional funding available through the DfT Transport consolidated funding settlement will be considered as part of the budget process for 2027/28.**

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 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 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 2026/27 and sets out the position based on activity to the end of May 2026.
6. The report also updates the Capital Programme approved by Council on 10 February 2026 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 2026/27 is £463.0m (excluding earmarked reserves). This has increased by £36.1m compared to the original capital programme for 2026/27 approved by Council in February 2026. The updated programme reflects the updated spend profile from the latest delivery timeframes, including the on-going impact in 2026/27 of expenditure to the end of 2025/26 as set out in the Capital Outturn Report to Cabinet in June 2026 as well as the inclusion of new grants received by the Council.
8. The total ten-year capital programme (2026/27 to 2035/36) is £1,412.5m. The updated capital programme summary is set out in Annex 2. The main changes since the programme agreed by Council on 10 February 2026 are set out in this report.

Introduction

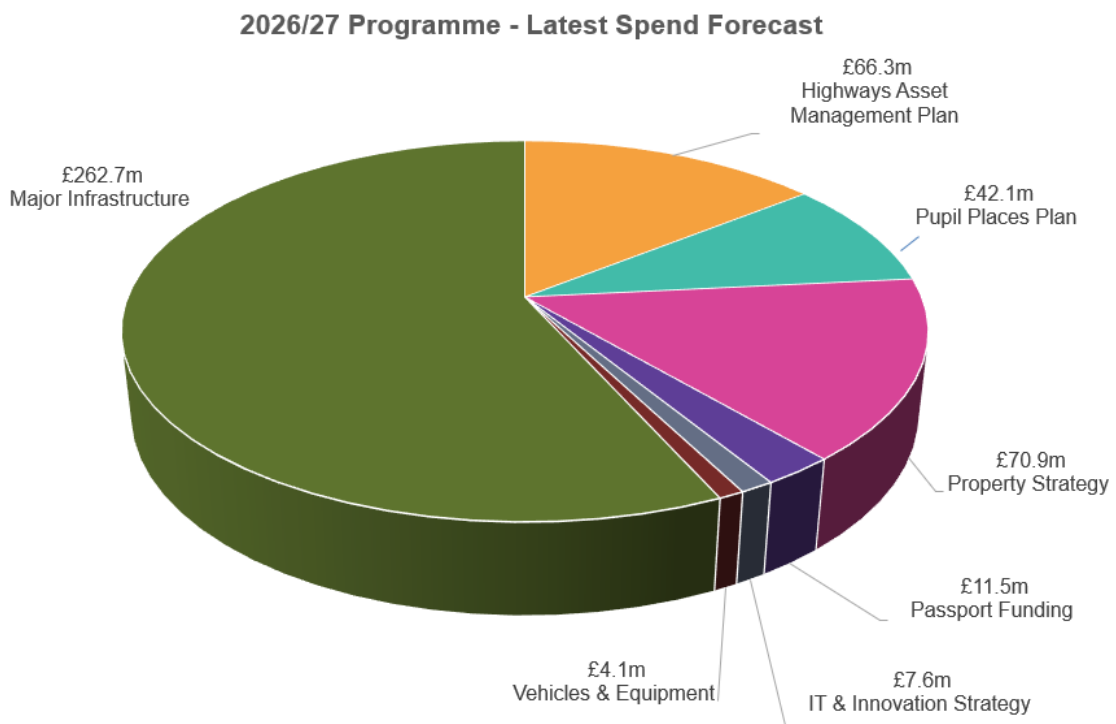
9. Capital expenditure is defined as spending that creates an asset for the council (e.g. buildings, vehicles, and equipment) as well as spending which meets the definition in regulations specified under the Local Government Act 2003. This includes spend on non-current assets that are not owned by the 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 detailed investment profile for the 2026/27 Capital Programme is set out below:



13. This is the first capital programme update and monitoring report for the financial year and focuses on the delivery of the 2026/27 capital programme based on projections at the end of May 2026 and new inclusions within the overall ten-year capital programme.

14. The following annexes are attached:

- Annex 1 Capital Programme Monitoring 2026/27 (Summary)
- Annex 2 Updated Capital Programme 2026/27 – 2034/35 (Summary)

2026/27 Capital Monitoring

15. The capital monitoring position set out in Annex 1, shows forecast expenditure for 2026/27 of £463.0m (excluding earmarked reserves). This has increased by £36.1m compared to the latest capital programme approved by Council on 10 February 2026. The updated programme reflects the year end position for 2025/26 and the impact of re-profiling expenditure into 2026/27 where necessary to reflect anticipated scheme delivery.

The table below summarises the changes since February 2026 by strategy area:

Strategy Area	Last Approved Programme 2026/27 * £m	Latest Forecast Expenditure 2026/27 £m	Variation £m
Pupil Places Plan	42.2	42.1	-0.1
Major Infrastructure	276.3	262.7	-13.6
Highways Asset Management Plan	55.5	66.3	+10.8
Property Strategy	35.6	70.9	+35.3
IT, Digital & Innovation Strategy	2.6	5.4	+2.8
Passported Funding	10.2	11.5	+1.3
Vehicles & Equipment	4.5	4.1	-0.4
Total Strategy Programmes	426.9	463.0	+36.1
Earmarked Reserves / Pipeline Schemes	37.0	22.7	-14.3
Total Capital Programme	463.9	485.7	+21.8

* Approved by Council 10 February 2026

16. Actual capital expenditure at the end of May 2026 was £42.2m. The combined spend to date and current forecasted in-year commitments for the Capital Programme are £153.6m or 33% of the revised estimate for the year. The rate of expenditure is expected to increase later in the year due to several schemes reaching the delivery stage.

Pupil Places Plan

17. The Pupil Place Programme has forecast spend of £42.1m compared to the original budget of £42.2m in 2026/27, a decrease of £0.1m. 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.

School Expansions Programme

19. The School Expansions Programme anticipates spend of £20.0m in 2026/27, with no change to the original budget. This reflects the latest delivery timeframe. Currently, there are several projects at various stages within the capital governance process.
20. The following projects are in construction with delivery 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),
 - St Nicholas, Wallingford – relocation and expansion from a 2fe Infants School to Primary School,
 - Fir Tree, Wallingford – expansion from Junior to Primary,
 - Heyford Park School (150 additional secondary pupil places),
 - Oxford, Orchard Meadow Primary School, (Foundation Stage Accommodation),
21. In addition, the following projects are in the pre-construction phase, some of which will commence on site this financial year:
- Faringdon Community College (replacement of temporary accommodation),
 - Oxford, Mabel Prichard Special School (23 additional SEND places),
 - Sonning Common, Bishopswood (Secondary) SEN - Improvements,
 - 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 – Replace Early Years Foundation Stage YFS unit
- Mill Lane Chinnor (Replacement Temporary Classrooms),
- 5 SEND Bases within existing primary schools
- Warriner, Bloxham – New accommodation (reprovision for SEND)
- St Joseph's RC Primary, Thame, new nursery building (26FTE places)

Growth Portfolio Programme

22. The Growth Portfolio programme is forecasting to spend £14.8m in 2026/27, with no change to the original forecast to reflect the latest spend profiles for the financial year.
23. Currently, there are no council delivered projects in construction, however there is one third party project on site and three council projects in the pre-construction phase, also, several developer delivered schemes are being progressed to provide new schools.

Third Party – On-Site

- St Nicholas, Wallingford (315 new pupils + nursery)

OCC – Pre-Construction Stage

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

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, both due to open in September 2026

- SEND Free School, Faringdon (100 additional SEND pupil places).
- Grove Airfield – Secondary phase of a new all-through School (600 additional pupil places).

Schools Annual Programmes

24. The funding for the School Access Initiative is forecasting spend of £0.25m 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.
25. The School Structural Maintenance Programme for 2026/27 includes 27 new projects. A further 59 have already commenced and are in various stages of progression of delivery. The latest spend forecast is £6.4m in 2026/27. Some of the larger projects included are:

- Wychwood Church of England Primary School – Replace Leaking Tiled Roof
- RAF Benson Community Primary School – Replace early years boiler plant
- Fringford Church of England Primary School – Toilet Refurbishments
- Church Cowley St James Church of England School – Replace Boiler Plant
- Five Acres Primary School – Replace Failed Roof
- John Hampden Primary School – Replace Failed Flat Roof
- Clifton Hampden Church of England Primary School – Overhaul and Repair Entire Pitched Roof
- Dry Sandford Primary School – Replace Obsolete heating system including boilers
- Longworth Denominational Primary School – Refurbishment to temporary classroom

Major Infrastructure

26. The latest expenditure forecast for 2026/27 is £262.7m and compares to the original budget of £276.3m, a decrease of £13.2m. 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)	158,000	156,000	-2,000
Housing Infrastructure Fund 2 (HIF2) & A40	47,872	49,350	+1,478
A423 Improvement Programme	2,500	700	-1,800
Active Travel Phase 3 & Mobility Hubs	11,691	8,372	-3,319
Bicester & Banbury Locality	6,123	4,820	-1,303
Oxford Locality	8,169	5,523	-2,646
South & Vale Locality	27,231	24,610	-2,621
Major Infrastructure Delivery Sub-total	261,586	249,375	-12,211
Major Infrastructure Place Shaping Sub-total	8,714	7,647	-1,067
Transport & Other Infrastructural Sub-total	5,960	5,683	-277
Major Infrastructure –Total	276,260	262,705	-13,155

Major Infrastructure - Delivery

27. Forecast capital spend of £249.4m is £12.2m (or 5%) less than the original capital budget of £261.6m. The programme comprises three main funding areas and the key in-year budget variations are reported below.

HIF1 Programme

28. The HIF1 programme continues to progress into the main construction phase, with Clifton Hampden Bypass scheme in contract, though with minor delays to the start date of this. The in-year spend forecasts for both the

Didcot Science Bridge scheme and the Culham River Crossing scheme have been updated with minimal impact on the overall scheme delivery. The council is awaiting the approval of an additional contingency funding drawdown from Homes England, though this should not impact on the programme timings. Both forecasts are sensitive to change.

HIF2 & A40

29. Delays around land assembly and planning mean the original programme for the A40 HIF2 Eynsham to Wolvercote is at risk of change with mitigations required to meet the grant funding deadline currently being planned. The council is in continuing dialogue with Homes England on this.

Other programmes

30. The programme is forecasting to spend of £44.0m, £10.8m less than the original budget.
31. The main schemes contributing to the revised forecast are as follows:
- Kennington Bridge (-£1.8m) – due to route to procurement changes and grant confirmation delays.
 - A4130 Steventon Lights (-£1.8m) – delays due to on-site issues affecting programme delivery.
 - East Oxford Active Neighbourhood (-£2.7m) – project reprofiled due to a previous decision to pause this.
 - Middleton Stoney (-£2.3m) - start of works delayed. Completion still expected in 2027/28.
 - Watlington Relief Road (-£2.1m) - due to further design and planning application work required.

Major Infrastructure – Place Shaping

32. The programme is forecasting spend of £7.6m, -£1.1m less than the original budget. This is mainly due to a reduced in-year spend on the Cinder Track Improvement project (-£0.9m), where the annual spend profiles have been revised to take account the rescheduling of the scheme following delays in 2025/26.

Transport & Other Infrastructure

33. The programme is forecasting spend of £5.7m, which is -£0.3m less than the original budget. Although there is nothing material to report at this stage, the forecast for the S106 funded Accelerated Delivery Programme schemes is sensitive to change and may vary in the next report.

Highways Asset Management Plan (HAMP)

34. 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.

35. The total in-year forecast capital expenditure for 2026/27 is estimated to be £66.3m and has increased by £10.8m 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	49,428	52,377	+2,949
Improvement Programme	1,931	4,586	+2,655
Major Schemes & Other Programmes	1,412	1,947	+535
Network Management Programme	1,958	6,526	+4,658
Other	800	900	+100
Highways Asset Management Plan – Total	55,529	66,336	+10,807

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

Project	2026/27 Planned Schemes	Comments on actual compared to planned delivery
Surface Treatments (schemes)	142	Schemes to restore the condition or prolonging the life of existing carriageways.
Carriageways (schemes)	10	Surfacing/reconstruction/strengthening of roads.
Structural Highways Improvements (schemes)	32	Surface inlay and minor patching schemes across the county.
Footways (schemes)	75	Repair/construction of footways and cycleways.
Drainage (schemes)	52	Repair/renewal of existing drainage infrastructure and provision of new infrastructure to resolve known drainage issues
Bridges (schemes)	11	Strengthening/replacement/imposition of management measures on weak structures.
Electrical	350 920	LED Replacement units being installed and columns replaced.
20mph Speed limit (schemes)	15	The last remaining schemes within this programme will be delivered in 2026/27.
Section 42 contributions (schemes)	49	Programme delivered by Oxford City Council. Covers all the unclassified roads and footways within the city.

37. The structural maintenance annual programme has increased due to the release of £4m investment in drainage works agreed in February 2026. This will be used towards drainage improvements to ensure that routine gully cleansing work is as effective as possible. The expenditure has been profiled between 2026/27 and 2027/28.

38. The annual Improvement Programme is forecasting to spend £4.6m in 2026/27. £2.0m is expected to be spent on the Vision Zero Programme, covering projects on speed management, junction incident hot spots, cycle safety and connectivity etc. This follows the release of the remaining £3.3m provision for road safety measures agreed in February 2025.
39. Major Schemes & Other Programme is forecast to spend £1.9m in 2026/27.
40. The Highway Network Programme is forecasted to spend £6.5m this year, an increase due to the reprofile of the various Bus Service Improvement Plan (BSIP) funded programmes from the 2025/26 outturn position. The programme includes improvements countywide traffic signals and implementation of Part 6 moving vehicle cameras.
41. The various BSIP Programmes are forecasted to spend £4.0m, £1.2m of which relates to the Vehicle Improvement Fund.

Property Strategy

42. The Property Strategy is forecasting expenditure of £70.9m in 2026/27, an increase of £35.3m compared to the original budget of £35.6m.

Estate Decarbonisation Programme

43. 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 reflects the Government's commitment to net zero by 2050.
44. 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.
45. This programme supports both the key objectives within the Climate Action Framework and Carbon Management Plan, but also the Property Strategy.
46. Work has completed or is nearing completion on 23 sites included in the 2024/25 decarbonisation programme, with heat turned on at all of these. 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 (nine sites). The budget is £10.9m in total and includes £2.6m of Public Sector Decarbonisation Scheme funding.
47. For the 2025/26 decarbonisation programme, design work has started on all suitable sites. Construction works have been completed on 54 sites, the remainder are either with works scheduled during 2026/27 or due to go out to tender shortly. The total value is £9.8m, including £0.4m of Public Sector Decarbonisation Scheme funding).

48. The combined forecast expenditure over the two programmes in 2026/27 is £9.6m with a cumulative spend to date of £8.3m.

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 forecast expenditure in 2026/27 is £2.8m. Most of this relates to projects to enable the relocation of staff and functions from County Hall by late 2026. This includes the improvement of several existing premises in Witney, Oxford and Kidlington.

Speedwell House Redevelopment

52. The forecast expenditure in 2026/27 is £6.1m, an increase of £1.6m compared to the original budget.
53. Existing delivery plans cover the completion of the pre-construction stage work covering professional services for design, surveys and obtaining planning permission. The project intends to draw down part of the construction funding and enter into an early works agreement in October 2026 to enable completion of the internal structural alteration work prior to the commencement of the full site and refurbishment works in February 2027.

Specialist Supported Living 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 their independence or integration.
55. Forecasted expenditure in 2026/27 is £2.0m. This will be funded from the £5.9m funding for residential accommodation approved by Council in February 2025.

Castle Quarter

56. In line with its place shaping and economic ambitions, Oxfordshire County Council ("OCC") has progressed the strategic acquisition of the Oxford Castle Quarter leasehold. The council already owns the freehold of the site.

Consolidating these interests will enable the council to unlock significant regeneration, place shaping and economic benefits in line with its corporate priorities and ambitions for Oxford West End.

57. Full ownership of the site means the council will be able to coordinate long term regeneration and activation, enhance the public realm, strengthen existing heritage assets, and improve the arrival experience into Oxford between Oxford Station and Westgate. The acquisition supports the council's aim to lead place shaping for Oxfordshire through:
- Consolidation of the council's ownership and providing full control of a strategically important city centre estate.
 - Enabling the council to proactively manage the estate, improve footfall and activation, and implement targeted improvements.
 - Supporting and accelerating regeneration of the wider West End area, including integration with the redevelopment of County Hall.
 - Providing opportunities for future uplift in value through pro-active asset management, lease restructuring and commercial initiatives, including public events.
58. Purchase of the long leasehold interest was completed on 13 May 2026 at a price of £28.5m plus purchase costs of £1.9m. A further £4m of capital funding has been allocated to be spent on the area immediately surrounding the Castle Quarter, to help improve the street scene and drive footfall into the site. The purchase costs and additional £4m capital expenditure is financed by prudential borrowing, which will be fully funded by the income generated by the site. After taking account of the capital financing costs related to this borrowing there is a forecast net operating surplus of £0.5m–£0.6m per annum.

Warm Homes: Local Grant Capital Retrofit Programme

59. The Warm House Retrofit Programme is forecasting to spend £1.4m and expected to install approximately 160 energy efficiency measures across at least 75 low-income properties with poor energy performance in 2026/27.

School Energy Efficiency Loans

60. It is forecast that £0.6m will be spent on school energy efficiency loans in 2026/27. These loans are available to maintained schools to install retrofit measures (LED lighting, solar photovoltaics and battery storage).

IT, Innovation & Digital Strategy

61. The total forecast expenditure for 2026/27 is £5.4m, an increase of £2.8m compared to an original budget of £2.6m. This is due to the 2025/26 year-end position on the Broadband programme (5G) where expenditure is now expected to be incurred in 2026/27.

Digital Infrastructure

62. IT Services are working on several projects to implement new applications during 2026/27. Projects expected to be delivered include:
- Cyber Security programme – Activities to increase and enhance defences against cyber threats.
 - Cloud migration programme – Moving applications to hosted services, reducing dependence on data centre and increasing access and availability to systems.
 - Digital Experience Platform – Additional functionality to enable online transactions and 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

63. The 5GIR programme, which is grant funding by the Department for Science, Innovation and Technology to increase adoption of 5G connectivity is forecasting to spend £2.5m in 2026/27. 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

64. Expenditure for 2026/27 is forecasted to be £11.5m, an increase of £1.3m when compared with the latest budget. This is due to the reprofile from the 2025/26 outturn position and the inclusion of improvement works at the sports centre at Wheatley Park School.
65. The Disabled Facilities Grant for 2026/27 is estimated at £8.262m. 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

66. Expenditure for 2026/27 is forecasted to be £4.1m, a decrease of £0.4m when compared with the latest budget. The forecast for the vehicle replacement programme has reduced by £0.4m.

Vehicle Management Services (VMS)

67. Expenditure of £0.8m has been committed for 39 EV vans for Highways use. These are currently being delivered. A decision to purchase electric accessible minibuses is still being investigated as the availability in the

market place has been impacted by legislation changes affecting the weight limit of vehicles that drivers can operate.

68. The roll out of EV Charging points continues.

Capital Governance Approvals

Highways

Drainage Infrastructure

69. This programme will deliver targeted investment in drainage infrastructure to reduce flood risk, improve highway resilience and address known surface water issues in priority locations across the county. By upgrading and maintaining drainage assets, it will help to minimise network disruption, protect communities and property, and support safe reliable travel. The programme will also prioritise preventative interventions, reduce reactive maintenance costs and strengthen the Council's ability to respond to increasingly severe weather events.

Property

Didcot Valley SEND School

70. A new school at Didcot Valley Park for children and young people aged 2–19, addressing an identified shortage of specialist provision in Didcot and the surrounding area. The scheme will improve local access to high-quality SEND education, reduce long travel times for pupils and families, and support better education, welfare and inclusion outcomes for children whose needs cannot currently be met locally.
71. It will also help to reduce reliance on more costly independent and non-maintained special school placements and associated transport costs, contributing to the wider SEND Sufficiency Delivery Strategy and supporting efficient use of public resources. The development budget will enable the design, surveys and technical work to progress with a planned September 2029 opening.

Capital Grant Funding Announcements

72. Since the budget was set in February 2026, there have been further funding announcements including one-off funding and updates to the annual funding allocations that support the capital programme.

School Condition Allocation

73. The School Condition Allocation for 2026/27 was announced by the Department of Education (DfE) in May 2026. The council will receive a formulaic allocation of £4.645m, compared to the forecasted funding allocation of £4.300m. The funding contributes to the financing of the annual School Structural Maintenance Programme for maintained schools.

SEN High Needs Capital Allocation

74. The SEN High Needs Capital allocation for 2026/27 was announced in March 2026. The council will receive a formulaic allocation of £11.299m.
75. The grant is being provided by Department for Education (DfE) to support local authorities in their duty to provide suitable school placements for children and young people with special educational needs and disabilities (SEND). This year, DfE are encouraging LAs to use this funding to set up inclusion bases in mainstream settings to increase local capacity as part of their wider sufficiency strategy.
76. As part of the SEND Reforms plan submitted to the DfE, the council set out the following use of the HNC grant in 2026/27:
 - Up to £3m to support secondary schools to establish support inclusion bases – grants could be for adaptations to buildings or for specialist equipment and technology as best meets need.
 - The remainder to support the establishment of specialist inclusion bases (to date termed ‘Resource Bases’).
77. The Council has signed a Memorandum of Understanding with DfE concerning the 2026/27 grant use.

Ten Year Capital Programme Update

78. The total ten-year capital programme (2026/27 to 2035/36) is now £1,232.5m (excluding earmarked reserves) an increase of £120.7m when compared to the latest capital programme approved by Council in February 2026. This is mainly due to the 2025/26 outturn position and expenditure moving from 2025/26 into 2026/27. A summary of the updated capital programme is set out in Annex 2. Details of the position at the end of 2025/26 were set out in the Capital Programme Report for 2025/26 considered by Cabinet on 16 June 2026.
79. After taking account of the differences from the 2025/26 position, new funding added to the programme, and recent approvals, the overall ten-year capital has increased by £120.7m. The main reason is the inclusion of the HE contingency funding toward the HIF 1 programme coming into the capital programme and the inclusion of the budget provision towards acquisition and investment for the Castle Quarter site.

Strategy Area	Last Approved Total Programme (2025/26 to 2034/35) * £m	Latest Updated Total Programme (2025/26 to 2035/36) £m	Variation £m	Variation in the size of the overall programme (including 2025/26) £m
Pupil Places Plan	176.6	193.4	+16.8	+6.8
Major Infrastructure	551.8	630.3	+78.5	+61.6
Highways Asset Management Plan	206.0	221.0	+15.0	+6.5
Property Strategy	92.2	140.7	+48.5	+41.2
IT, Digital & Innovation Strategy	2.8	6.4	+3.6	+0.8
Passported Funding	13.6	16.8	+3.2	+3.3
Vehicles & Equipment	22.0	23.9	+1.9	+0.5
Total Strategy Programmes	1,065.0	1,232.5	+167.5	+120.7
Earmarked Reserves	188.7	180.0	-8.7	-8.6
Total Capital Programme	1,253.7	1,412.5	+158.8	+112.1

* Approved by Council 10 February 2026.

Capital Programme Funding Update

Prudential Borrowing

80. The ten-year Capital Programme includes a requirement to fund £206.4m through prudential borrowing. The latest borrowing expected to be taken in 2026/27 is £83.4m. The borrowing in 2026/27 is expected to include £30.4m for the Castle Quarter Site, the last £6m (excluding HIF 1 & Kennington Bridge) from the £88.4m agreed in 2022. To support the delivery of the Highways Structural Maintenance programme in 2026/27 a further £15m of borrowing is planned to be undertaken. The remaining borrowing of £32m is to cover capital priorities agreed in February 2024 and February 2025 where the Council agreed to take further borrowing of £23.450m and £69m respectively.
81. 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

82. The level of earmarked reserves has decreased by £8.6m from the previous reported position to £180.0m. Reserves include £55.4m of budget provisions approved through the capital Budget & Business Planning process in February 2026 and previous years. A further £124.6m is held as provisions and these include the capital programme contingency for the delivery of the current ten-year capital programme, identified grant funding awaiting approved delivery plans plus other identified provisions. This

includes £55.3m for the 2026/27 to 2029/30 DfT Transport consolidated funding settlement, £11.3m SEN High Needs 2026/27 allocation and £10m of Community Infrastructure Levy (CIL) funding.

83. The main changes from the budget provisions are the release of £3.4m towards Road Safety Measures, £1.3m for energy saving measures for schools use of sports facilities, and £4m towards drainage infrastructure improvements.

Capital Reserves

84. The current level of capital reserves (including capital receipts and capital grants reserves) is approximately £230m. This is expected to reduce to approximately £187m at the end of 2026/27 and to £36m 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.
85. 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. 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. The forward funding excludes any cashflow implications arising from the Speedwell House and Oxford Rewley Road Fire Station developments.

Risk Management

86. 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.
87. 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.
88. The council is assessing and tracking eight strategic risks in 2026/27. 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

89. 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.
90. 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

91. 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.
92. 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.
93. 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.
94. 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 to meet the borrowing costs as the Prudential Borrowing is usually repaid over the life of the asset through the Minimum Revenue Provision.
95. The level of planned borrowing was maximised as part of previous budget processes and capital financing costs are expected to remain at around 4-5% of the net revenue stream over the medium term. This means there is limited scope to increase this further except for schemes such as the Castle Quarter where income generated is available to meet the borrowing costs. In that context it is important that action is taken to manage capital expenditure in line with the agreed programme.

Comments checked by:

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Staff Implications

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

Equality & Inclusion Implications

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

Legal Implications

98. 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:

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