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OXFORD CITY COUNCIL

To:	**Cabinet**
Date:	19 August 2026
Report of:	Deputy Chief Executive Place
Title of Report:	Cowley Branch Line infrastructure and public realm funding

Summary and recommendations	
Decision being taken:	To seek approval for future CIL funding collected within the vicinity of the Cowley Branch Line to be ringfenced to meet necessary infrastructure and public realm costs in relation to the reopening of the line for passenger services.
Key decision:	Yes
Cabinet Member:	Councillor Anna Railton, Cabinet Member for Planning and Zero Carbon Oxford Councillor Ed Turner, Cabinet Member for Finance and Asset Management.
Corporate Priority:	All
Policy Framework:	Council Strategy 2024-28

Recommendation(s): That Cabinet resolves to:

1. Ringfence 30% of future CIL income arising from development within 1.5 km of either of the two CBL stations to a cap of £2.5m or for a period of 10 years (whichever is earlier) to repay forward funding agreed by Oxfordshire County Council to support essential infrastructure and public realm works in relation to the line. This ringfencing applies only once existing CIL commitments in relation to Cowley Branch from previous Cabinet decisions have been met (as set out in paragraph 12-14).

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1		No

Executive Summary

1. In October 2025, following the submission of a full business case, government announced its support for the Cowley Branch Line (CBL), including a contribution of £120m towards the delivery of the line. This was conditional on £35m being made available from local funding sources. A revised Full Business Case (FBC) is needed to secure a final investment decision from government.
2. £23m of funding has been secured in principle from the private sector through the Oxford Science Park (TOSP) and Ellison Institute of Technology (EIT). There is therefore a £12m shortfall in the local funding required to fund the line.
3. Work commissioned by the Council in 2022, suggested that in addition to the £35m of local funding for the rail infrastructure, a further £20m would be required beyond the immediate boundaries of the CBL to create the infrastructure needed for local communities and users to access the line and to maximise the benefits to the local area resulting from the scheme. It is forecast that c£12.5m of this will be needed in the short term for infrastructure needed by the time the line opens, ie on day one. Other elements can follow later as surrounding development comes forward. £10m of funding has been secured through the County Council (£7.5m from Enterprise Zone and S106) and the City Council (£2.5m through CIL) for this purpose. There is therefore an additional shortfall of £2.5m in the funding required to provide this wider 'day 1' infrastructure, bringing the total funding shortfall to £14.5m (a full breakdown is provided in paragraph 25)
4. In July 2026, Oxfordshire County Council Cabinet agreed forward funding to meet this £14.5m shortfall . County Cabinet noted the expectation that this forward funding would be replaced by future S106 and CIL contributions but agreed that Enterprise Zone or other capital funding would underwrite the forward funding should insufficient S106 and CIL come forward within a reasonable timeframe. The element of forward funding which related to the shortfall in infrastructure and public realm funding (ie £2.5m) was subject to the approval of a paper through this Cabinet to support the repayment of funds through CIL.
5. Therefore, this paper proposes allocating 30% of future CIL funding, as required, within the environs of CBL stations, to service any forward funding provided from Oxfordshire County Council via Enterprise Zone funding to secure the delivery of the CBL to a cap of £2.5m. Discussions are ongoing with potential private sector landlords to support the delivery of the CBL. The CIL funding identified in this paper will only be utilised if additional up front funding is not secured from the private sector.
6. Cabinet should note that the Full Business Case itself cost £4.56m to deliver. This was funded through capital contributions and forward funded CIL. The forward funded CIL has not yet been fully collected and will need to be raised as new developments come forward. In addition, Cabinet has previously agreed £2.5m of CIL to fund the Cowley Branch Line. The decision sought in this paper is in addition to these commitments which will need to be met first.

Introduction and Background

7. The Cowley Branch Line (CBL) will introduce passenger services onto the existing freight-only Cowley Branch Line by enhancing the main line infrastructure between Oxford and Kennington Junction plus upgrading the existing branch Line itself.

There will be a two trains per hour service on the Cowley line achieved by extending the current Chiltern's London Marylebone to Oxford services.

8. The reopening of this line to passengers, along with the construction of two new stations at Littlemore and Cowley in the south-east of Oxford will create a genuinely two-way railway i.e. a route which has peak journeys in both directions. The line would connect all four of Oxford's economic growth areas and onwards to London, with the potential for direct trains to Cambridge as well, via EWR. In summary it will:

   a. Improve mobility in areas of deprivation in the city;

   b. Unlock significant housing growth potential;

   c. Produce agglomeration benefits by linking 4 innovation clusters;

   d. Support local and government carbon net zero targets through transport modal shift from road to rail;

   e. Deliver journey times as fast as 10-12 minutes into central Oxford from Littlemore and the Leys; and

   f. Unlock capacity at Oxford station.

9. In April 2025, the partners promoting the CBL, including the Council, submitted a Full Business Case to government. This FBC envisaged a £20m local contribution to the line. This was in line with National Infrastructure Commission (NIC) guidance that local promoters should bring together 15-25% of the overall expected delivery cost if they expect government to consider investing in a scheme. In October 2025, the government announced its support for the early delivery of the CBL but set the local funding target at £35m (23%).

10. In parallel with progressing the FBC, the Council appointed 5th studio to assess the level of appropriate investment in local infrastructure and public realm, both to enable the maximum number of passengers to access the CBL ('first and last mile') and to ensure that the line maximised benefits to local communities such as Blackbird Leys. The single largest element of infrastructure is a proposed new walking and cycling bridge to provide connectivity between Blackbird Leys and Cowley station as well as facilities to the north of the CBL including Tesco and ARC Oxford. 5th Studio's work looked at immediate requirements around each of the two stations and wider connectivity. Indicatively, their proposed infrastructure and public realm improvements were costed at c£20m. It is likely that those indicative costings will have increased because of inflationary pressures since 5th Studio did their work.

11. The improvements proposed by 5th Studio can be divided into those elements which are needed on 'day 1' ie they should be in place when the CBL becomes operational and those which can follow at a later date. The cycle and pedestrian bridge is the largest element of the 'day 1' requirements, both because local residents would need access on day one and because constructing a bridge after the railway is operational would be more expensive. Day one projects are expected to cost c£12.5m.

Previous Cabinet Decisions

12. At Cabinet on 14 December 2022, it was agreed to "Approve the funding strategy and recommend Full Council to approve a capital budget of £4.56m to deliver the next phase of the project", namely the production of a Full Business Case. The FBC costs were split across the City and County Councils, plus a number of local

landowners, with a large element of the latter to be repaid from CIL as each landowner brought development forward. Through forward funding CIL and direct capital contribution, the City Council secured £3.789m The split is set out in the table below.

Organisation	Risk Capital	Contribution capable of reimbursement by CIL	Total contribution to Design Phase
ARC Oxford (ARC)	£250,000	£1,443,943	£1,693,943
The Oxford Science Park (TOSP)	£250,000	£1,443,943	£1,693,943
The Ellison Institute Technology (EIT)	£65,000	£612,114	£677,114
County Council	£206,000		£206,000
City Council	£289,000		£289,000
TOTAL	£1,060,000	£3,500,000	£4,560,000

13. On 29 March 2023, the Council entered into a Collaboration Agreement regarding the Design Phase of the CBL project, a Development Services Agreement (DSA) with Network Rail (NR) and a Memorandum of Understanding with Oxfordshire County Council. The purpose of the DSA was for Network Rail to produce the Full Business Case.

14. In February 2025, Cabinet authorised the City Council to commit up to £2.5m of future Community Infrastructure Levy (CIL) income to support funding the delivery stage of the CBL. At this time the local funding contribution was expected to be £20m.

S106 and CIL income

15. Whilst The Oxford Science Park and Ellison Institute of Technology have both come forward to fund the CBL, a number of other landowners in the surrounding area who will benefit from the line in terms of the value of their landholding have not to date agreed to fund the scheme. Two possible routes to capturing an element of the land value uplift from surrounding developments are through S106 agreements and CIL payments.

16. Potential S106 payments for the CBL is the responsibility of Oxfordshire County Council as the transport and highways authority. The County Council has in place a charging mechanism in relation to the CBL and is putting in place the necessary arrangements to capture contributions both in advance of and following the construction of the line. As contributors to the CBL, any S106 payments allocated to TOSP and EIT would be netted off direct contributions to the scheme up to the value of their contributions.

17. Part of the case made for investing in the CBL is the level of growth that it helps to unlock on surrounding sites. As those sites come forward, CIL payments will be made in line with the Council's agreed CIL policy. CIL payments are not ringfenced for local infrastructure schemes and therefore where a proportion of future CIL funding is to be utilised to fund the CBL, this must be specifically agreed. Any such proportion must take into account current commitments which exist from the previous Cabinet decisions set out above.

How is the Cowley Branch Line to be funded?

18. Funding for the Cowley Branch Line is made up of two elements.

19. Firstly, the cost of delivering the line itself (the line, the stations and the supporting infrastructure such as signalling) falls to Network Rail who will be delivering this element as the minimum viable product (MVP). The full business case (FBC) submitted to government in 2025 identified the MVP cost at £155m. When support for the CBL was confirmed in October 2025, government indicated that there would be an expectation that local funding sources (public and private) would contribute £35m of the MVP costs. This was higher than envisaged in the FBC which stated £20m of local funding.

20. Secondly, the other essential funding requirement relates to wider infrastructure and public realm which is required to make the CBL a success. This will ensure that there are appropriate interfaces outside of stations (for example cycle racks, blue badge parking etc), but also that wider infrastructure is in place to maximise the local benefit of the scheme – for example, the bridge which will link Cowley station into the communities at Blackbird Leys. This wider infrastructure and public realm investment is crucial to maximising the benefits of the CBL for local communities and some of our most excluded residents. These benefits will not be achieved through the funding which is being secured for the line itself.

21. Some of these elements of the scheme can follow from the opening of the line and therefore can be secured as part of wider development coming forward, through the future collection of developer contributions. However, a significant proportion are essential ‘day one’ projects in that they need to be in place on the day the line opens and therefore represent up-front costs. These costs fall outside of the MVP and need to be met via local funding sources. Day one costs are expected to be £12.5m.

22. The total ‘day one’ cost of delivering the CBL is therefore currently estimated at £167.5m.

Secured Funding

23. Significant local funding has been secured to support delivery of the CBL, subject to final confirmation. In relation to the MVP costs, local funding of £23m has been secured in principle from local landowners including The Oxford Science Park (TOSP) the Ellison Institute of Technology (EIT).

24. In relation to ‘day one’ infrastructure and public realm funding, £10m of public sector funding has been secured. This is made up of £5m of Enterprise Zone funding and £2.5m of S106 funding or General Balances provided by the County Council and £2.5m of Community Infrastructure Levy (CIL) funding provided by the City Council (agreed by Cabinet in February 2025).

25. The table below shows the expected costs and secured funding to date. There is a shortfall estimated at £12m for the Minimum Viable Product and £2.5m for infrastructure and public realm costs.

Minimum Viable Product (MVP)	£m
Total cost	**£155m**
Funding:	
Government commitment	£120m
Local Funding required	£35m
Local Funding secured[1]	£23m
Shortfall	**£12m**
Infrastructure and Public Realm costs	
Expected 'day 1' costs	**£12.5m**
Funding	
Secured (City and County CIL and EZ) Funding	£10m
Shortfall	**£2.5m**
Total Funding Shortfall	**£14.5m**

Meeting the CBL Funding Shortfall

26. On 14 July 2026, Oxfordshire County Council Cabinet approved forward funding of £14.5m to meet the CBL shortfall through the use of retained business rates funding from the two Oxfordshire Enterprise Zones. Cabinet noted the expectation that this forward funding would be replaced by future S106 and CIL funding. It was noted that there was no guarantee that there would be sufficient S106 and CIL funding to replace the forward funding in which case a further decision would be required on how to replace the forward funding.

27. In relation to the £12m of funding required for the MVP, any forward funding will be replaced through future S106 payments coming forward on land in the vicinity of the Cowley Branch Line. By year 10 the expectation is that there should be sufficient S106 to replace £12m of the funding shortfall.

28. In relation to the £2.5m of funding required to support the 'day one' infrastructure and public realm costs, County Council Cabinet forward funding was made on the basis that it would be replaced by a proportion of CIL payments coming forward on land in the vicinity of Cowley Branch Line. CIL funding is different from S106 in that it is not ringfenced for specific local infrastructure. How CIL is spent is currently determined by Oxford City Council. To replace the forward funding required for CBL, the County Council decision is dependent on the City Council making arrangements to enable the repayment to be made by ringfencing an element of CIL schemes in the vicinity of the CBL to repay the forward funding up to that cap of £2.5m. Again, with a ringfencing of 30% of future CIL, the expectation is that there should be sufficient funds to replace the £2.5m funding shortfall but the County Council recognise that is not guaranteed.

29. It is therefore the recommendation of this paper that 30% of CIL collected within 1.5 km s of either CBL stations is ringfenced for a period of 10 years or until the £2.5m

of forward funding has been replaced. This ringfencing only occurs when the CIL commitments set out in paragraphs 12-14 have been met.

Alternative Options Considered

30. The Council could insist that private sector contributions are increased to meet the shortfall in infrastructure and public realm costs. However, a number of private sector partners have come forward with funding contributions and discussions with other partners have stalled. This approach to funding vital infrastructure looks to ensure that private sector contributions are captured through land value uplift once delivery of the CBL is confirmed via s106, which will then pay back County borrowing. Certainty on both the local contribution to the MVP and deliverability of wider first and last mile infrastructure will be essential elements of any final investment decision by government. Therefore, failure to definitively identify the availability of such funds potentially puts CBL delivery at risk.

31. The Council could focus purely on securing resources for the line itself rather than additional infrastructure and public realm which the funding sought in this paper will realise. However, such an approach would limit the benefits of the line to local people and communities, a key priority for supporting the Cowley Branch Line.

Implications of Local Government Reorganisation

32. How CIL is spent is currently determined by the City Council. This responsibility would pass to the successor authority following Local Government Reform. The government has issued guidance on financial decision in relation to local government reorganisation. That guidance clarifies that once directions are issued under section 24 of the Local Government and Public Involvement in Health Act 2007, written consent from the successor council will be required for land disposals worth more than £100,000, entering contracts of more than £1,000,000 for capital and entering contracts of more than £100,000 for non-capital (whole life costs). The decision sought in this paper does not fall within those criteria.

Financial implications

33. This capital scheme has a £2.5million funding gap which will be forward funded by Oxfordshire County Council. Oxford City Council will repay the County Council by ringfencing 30% of future CIL receipts from developments within the vicinity of the Cowley Branch Line over the next 10 years. This ringfencing of £2.5million has been factored into the CIL projections.

Legal issues

34. The Council must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. Infrastructure includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreation facilities and open spaces.

35. Where the Council has borrowed money for the purposes of funding infrastructure, it may apply CIL to repay that money, and any interest, provided that (1) the Council has collected CIL, or CIL has been collected on its behalf, for at least one full financial year before the date on which CIL is to be applied to repay the money and (2) the total amount to be applied in any one financial year does not exceed the relevant percentage of CIL collected by or on behalf of the charging authority in the

preceding financial year. The relevant percentage is 0% unless the Secretary of State directs otherwise. (Regulation 60 Community and Infrastructure Levy Regulations 2010). Guidance is provided in the National Planning Practice Guidance as follows: *Charging authorities, with the exception of the Mayor of London (which has a special arrangement in relation to Crossrail), are not allowed to borrow against future levy income. However, the levy can be used to repay expenditure on infrastructure that has already been incurred (Regulation 60). Charging authorities may not use the levy to pay interest on money they raise through loans*. (Paragraph: 160 Reference ID: 25-160-20190901

Level of risk

36. The key risk is that sufficient development does not come forward within the environs of the two stations to meet the £2.5m required to service the forward funding committed by Oxfordshire County Council within a 10 year period. If that is the case, there is no further obligation on the City Council to find those funds.

Equalities impact

37. This proposed decision to ringfence CIL funding to support wider infrastructure, maximising access to CBL stations, willd pave the way for significantly improved public transport accessibility for a significant portion of Oxford's community. In the 2021 census there were an estimated 39,107 usual residents living in postcodes within 1.5km of at least one of the proposed CBL stations. And these are areas which have relatively high levels of transport related social exclusion, i.e. they are not well served by public transport and it is relatively harder to access basic services by sustainable transport modes.

Carbon and Environmental Considerations

38. The Cowley Branch Line FBC highlighted as one of the key benefits of the new rail link being to reduce car journeys in Oxford and to be a positive contributor to the Council's net zero targets.

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