



Chelmsford City Council Audit and Risk Committee

24th June 2026

Capital Programme Update and Provisional Outturn 2025/26

Report by:

Financial Services Manager (S151 Officer)

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Purpose

- a) To report the capital expenditure incurred in 2025/26.
- b) To provide an update on the approved Capital Schemes and variations in cost which have been identified at outturn and to date.
- c) To provide an update on the approved Asset Replacement Programme for 2025/26 and 2026/27 for variations in cost and timing which have been identified at outturn and to date.

Recommendations

It is recommended that the Committee notes the report:

1. Background

The Council has a long-established process for monitoring and reporting forecast expenditure and income against approved budgets. Formal monitoring reports are prepared regularly and provided to all Cabinet Members.

2. Introduction

There are two types of expenditure, capital and revenue.

Capital expenditure relates to the acquisition or enhancement of assets that have a useful life in excess of 12 months and are charged to the Council's balance sheet (this can include software, property, plant and equipment). To be an enhancement, the expenditure on the asset must substantially lengthen its useful life, substantially increase its open market value, or substantially increase the extent to which the Council can use the asset. We can make capital grants to third parties or incur capital expenditure on assets that do not belong to us, which is funded from capital resources but not recorded on the Council's balance sheet. An example of this would be improvements made to an asset belonging to Essex County Council to improve the public realm.

Revenue costs are ongoing costs incurred to operate assets or provide services.

3. Capital Programme

The capital programme is split between larger schemes (works, improvements and refurbishments) and an asset replacement programme.

Services submit bids annually for schemes to be added to the capital programme. The schemes should add value to the organisation, provide revenue savings or additional income, move forward the Our Chelmsford, Our Plan Priorities or have statutory/health and safety implications.

The Asset Replacement Programme is required to maintain the existing level of service delivery by ensuring there is provision to replace items of equipment and vehicles on a regular basis. Approval of individual items is on an annual basis.

4. Capital Resources

Capital expenditure is funded in a number of ways, which may include grants, receipts, third party contributions, contributions from revenue, the use of external leasing and internal/ external borrowing.

When capital resources are used, the amount available for investment reduces and, in turn, interest income falls, affecting the revenue budget available to support services. When the Council borrows internally to fund capital schemes there is an annual charge to revenue for the minimum revenue provision (MRP). Where external borrowing is used, there is both an MRP charge and an interest cost.

Capital resources are forecast and reported to Cabinet and Council as part of the revenue budget process. This reflects the fact that the cost of financing the capital programme, including MRP and interest, is met from the revenue budget.

5. Capital Reporting

A Capital Programme Update is included in the budget report taken to Cabinet and Council in January and February. A further Capital Programme Monitoring and Update report is scheduled to be taken to Cabinet in the autumn as part of the wider mid-year financial review.

Twice yearly meetings are also held with directors and service managers to review their planned spend and to provide an update of the capital resourcing position.

It is important to monitor capital expenditure closely because construction and project costs remain volatile. In addition, the cost of financing schemes affects revenue budgets over the long term. Given limited revenue resources, higher capital spending will often mean fewer resources are available to fund services.

6. Methods of Approval

New schemes are in the majority of cases recommended at Cabinet in January and approved by Council in February each year.

During the year, approval can be sought for further schemes or increases/changes to existing ones via supplementary approval or the use of urgency letters depending upon the level of expenditure required. An urgency letter authorises the Leader of the Council and Chief Executive to incur additional expenditure in extraordinary circumstances.

When schemes are approved, they are added to the capital programme and monitored throughout the year.

7. Capital Schemes

7.1 Monitoring Expenditure Against Latest Approved Budgets

Appendix 1 gives the overall capital outturn information for the completed Capital Schemes at the end of March 2026 and the latest forecast expenditure for the ongoing scheme costs. It identifies the anticipated variances in total individual scheme costs.

Change in scheme costs

7.2 **Appendix 1** shows that the proposed cost of the Capital Schemes has increased by a net £11.016m (0.8%) against the latest approved budget of £137.656m.

£6.677m of this is due to a previously reported provision which was established for works arising from building condition surveys. Previously it was not included in the approved capital budget figures as the figures are provisional and likely to change when fully worked up by officers. However, the provision was approved by Council and on reflection the S151 officer has now included the approved provision in the budget column. It is important to note these are not firm estimated costs and significant variations may need approval, as the schemes' proposals are fully developed.

Change in Overall Programme cost (detail in Appendix 1)	
Approved Budget	£137.656m

<p>Remaining balance of previously approved provision for building condition survey works identified. Now included in the budget column.</p> <p>Provision phase 1 agreed Council February 2025 £4.660m. Previously £809k approved by delegation. Provision phase 2 agreed Council February 2026 £3.092m. £266k previously approved by delegation.</p>	£6.677m
<p>Reductions in Scheme Costs -Transfers of spend to revenue</p> <p>Scheme number 4 – Chelmer Waterside Infrastructure. £135k spend transferred to revenue. Additional revenue capacity grant received from Homes England, used to fund project manager's cost.</p> <p>Scheme number 49 – Refurbishment of Commercial Leased Property 1, Springfield Lyons, £2m. A 25-year lease has been agreed. Costs associated with arranging the lease agreement, £99k, cannot be treated as capital expenditure and have been transferred to revenue.</p> <p>Other minor items £22k.</p> <p>The capital budgets have been reduced by these amounts.</p>	-£0.256m
<p>Reductions in Scheme Costs (minor items identified in Appendix 1; see scheme numbers 6 and 52)</p> <p>Schemes removed (minor items identified in Appendix 1; see scheme numbers 20 and 72)</p>	-£0.012m
<p>Increases in Scheme Cost - Require Approval under delegation (minor items, Scheme number 39 – Purchase Garages Medway Close, Scheme 45 Land development site Waterside and Scheme 46 New Car Park Proposal Former Outdoor Pool Site)</p>	£0.85m
<p>Increases in Programme to be Noted – Funded from CIL or New Funding Received</p> <p>Scheme number 44 – £4.568m Local Authority Housing Fund Round 4 grant awarded (Proposal to pass grant to Delta Housing to increase supply). No net cost to Council</p>	£4.581m
<p>Variations on Completed Schemes</p>	-£0.023m
<p>Total Proposed Budget</p>	£148.672m

7.3 For more detail, **Appendix 2** provides narratives for capital scheme variances in excess of £25,000 against the latest approved budget.

Change in Scheme Timing

7.4 **Appendix 1** also identifies when schemes are being delivered later than planned or expenditure is being deferred to a later year.

Many delays arise where schemes depend on factors outside the control of project officers, such as planning permission, other consents, or the timing of payments to third parties. In many cases, deferred expenditure benefits the Council by postponing financing costs and allowing balances to remain invested for longer. However, this is not always the case, as delays can also postpone planned savings or additional income.

7.5 **Appendix 1** does not provide details of the monetary value of the in-year variance. The original forecast expenditure for the year 2025/26 was £36.726m. The actual expenditure for 2025/26 was £24.425m. This is a net reduction for the spend in-year of £12.301m or 33.5%.

The table below provides details of the deferred (spend later than forecast) schemes, £16.695m.

<u>Schemes Where Expenditure is deferred to later years</u>	
Scheme number 4 Chelmer Waterside Infrastructure – Payment of commuted sum to ECC has been deferred due to the later completion date of the bridge.	-£1.240m
Scheme 49 Commercial Property 1 Springfield Lyons Refurbishment - An opportunity arose to enter a 25-year lease for this property and as part of the negotiations it was agreed that the lessee would carry out the refurbishment of the building to suit their requirements and that a £2m grant would be paid towards the cost of the refurbishment. The lease negotiations were protracted, and the payment of this grant has been deferred to 2026/27.	-£2.000m
Scheme 47 Enabling Lockside Growth Area (land purchases) – Expenditure on this scheme depends on negotiations with third parties to acquire property, and this has delayed progress. One property still remains to be acquired. The remaining budget has been deferred to 2026/27.	-£1.304m
Scheme 35 Supported Housing/Temporary Housing Provision. During the year a £7.650m budget was approved to purchase a property which did not progress to completion following detailed due diligence taking place. At February Council this budget was realigned to be used for future opportunities to increase housing provision. No additional schemes have currently been identified, and the budget has been deferred to	-£7.650m

2026/27. Any schemes are expected to be at least self-financing.	
Scheme 13 Green Initiatives Fund Phase 2. The timing of schemes is dependent on the identification of appropriate initiatives and the availability of officers to progress the schemes. Following survey work some expenditure is now expected to take place in 2026/27 Theatre Roof Solar Panels and Led Lighting upgrades, and in 2027/28 Riverside Roof solar panels.	-£0.775m
Scheme 60 – S106 Beaulieu Park Sport Pitches Top-Up – The scheme is linked to housing development, the delivery of which is delayed and still requires planning permission. The expenditure will not be committed until planning consent is granted.	-£0.800m
Other scheme variations where spend is third party dependent and schemes have been delayed (examples flood grant, CIL grants to third parties).	-£0.654m
Other scheme variations less than £0.5m where spend is deferred.	-£2.272m
Total Deferred spend on Schemes in 2025/26	-£16.695

Details of other in-year expenditure variations, being a net £4.394m, are provided in the table below.

Other In Year Variations	
<p>New Schemes Approved in Year</p> <p>Linked to Scheme 35 Housing Provision £3.212m was approved by urgency letter in November 2025 for the purchase of a property for supported housing. This purchase did not progress, and the budget was redirected to scheme number 35 Supported Housing/Temporary Housing provision.</p> <p>Scheme 46 – Proposal to build car park Riverside former outdoor pool site £26k for design.</p> <p>Scheme 50 – Purchase Granary Car Park £4.035m was approved by urgency in November 2025. £39k spend in 2025/26</p> <p>Scheme 53 – Building Condition Survey Provision £197k approved by delegation.</p>	£3.518m

Scheme 63 – Chess Garden Central Park £35k approved February Council. £19k spend in 2025/26. Various CIL schemes approved funding by CIL panel £25k .	
Scheme Number 4 Chelmer Waterside Infrastructure – The GPRS element of the scheme has been delayed due to bad weather and other unavoidable issues and is unlikely to be completed before August 2026. The cost of this element of the scheme is increasing and, in 2025/26, the value of work delivered was more than the forecast in-year budget. This increase was offset against the contingency and savings on other elements of the scheme. See paragraph 7.7.1 for the scheme update.	£0.578m
Higher cost met from external funding (s106). Scheme number 19 S106 Strategic Borough Sports Budget increased based on funding agreement to enable Runwell Sports and Social Club to deliver clubhouse facility.	£0.987m
Scheme 49 Commercial Property 1 Springfield Lyons Refurbishment – See above. There has been a saving against the original budget for the in-house refurbishment £634k and the costs associated with drawing up the lease £99k has been transferred to revenue.	-£0.733m
All Cost increases:	£0.499m
All cost reductions: scheme variations are less than £0.5m	-£0.455m
Total Other in Year Variations	£4.394m

Total In Year Underspend Against Original Forecast Spend	-£12.301m
Allowing for the changes shown above	

Financial impact of change in timing of scheme expenditure: Overall the delay in expenditure has been beneficial to the resourcing of the Council's 2025/26 capital expenditure and has delayed the use of finite Capital resources and reduced the requirement for borrowing in the year and the impact on the revenue budget. The delay in using CIL and S106 has enabled additional interest to be earned on balances held during the year. There may be some occasions where deferred spend can have a negative impact on revenue. Where schemes result in savings or are income generating, a delay in the delivery of the scheme will impact the revenue budget.

7.7 Update on Major Capital Schemes

7.7.1 Chelmer Waterside Infrastructure. Latest forecast budget £43.175m (unchanged).

Construction of the road and bridge was reported as completed in June 2025. There are still some minor outstanding works that cannot be undertaken until the GPRS works are complete, currently scheduled for August 2026. The road and bridge are subject to a final inspection by ECC, and the road safety adoption process is expected to be completed by September 2026. The final cost of the bridge construction is forecast at £19.898m. This is a forecast saving of £2.587m. Adoption of responsibility for the maintenance of the bridge is anticipated shortly afterwards. A commuted sum of £1.240m has already been agreed. This is a saving of £1.420m.

Land Remediation and Decontamination – The first phase of this work is complete; no further payments will be made until a decision on the future of the site has been made. The spend to date is £0.333m. A further £1.5m currently forecast and is being reviewed with the requirements for the Waterside development project. The overall forecast is £1.239m less than the approved budget.

Relocation of Gas Pressure Reduction System (GPRS) – works have been delayed mainly due to excessive rain and flooding of the site. This work was originally estimated to be completed by late summer 2024. The latest update on the completion of these works is August 2026. It has been reported that the cost of this work has increased and could continue to increase. The latest forecast cost is £19.4m. This is an increase of £4.53m against the original budget.

There is a forecast underspend against the bridge, commuted sum, land remediation and contamination elements of the scheme, £5.2m, and these forecast savings will need to be redirected to offset the increasing cost of the GPRS element of the scheme. This is currently forecast as an additional £4.53m.

Until the GPRS element of the scheme is complete and the final cost is known, an underspend on the scheme cannot be reported.

The remaining scheme spend is forecast to be fully funded by CIL.

Green Initiatives Phase 1 and 2

The budget covers a 5-year period up to 2030/31. The remaining budget is £3.275m

An extensive programme of upgrading existing lighting to LED has been carried out in 2024/25 and 2025/26 and will continue in 2026/27. It has been agreed that this budget will be used to install solar panels on the theatre roof in 2026/27 (£60k) and Riverside Roof in 2027/28 (£570k).

There are currently no other future commitments for the use of the remaining £2.5m.

Housing Initiatives

Following the aborted purchase of a block of flats for supported housing, a £7.650m provision has been established for Supported/Temporary Housing initiatives. The purchase did not take place as final due diligence showed that there were issues with the building that made it unsuitable for the use intended by the Council. To spend from the £7.65m a business case will need to be submitted to Cabinet.

Previously Agreed Projects:-

Modular Units Groundworks £0.250m - report to Cabinet March 2025. Brownfield Release funding has been awarded. Due to a change in the delivery of the units which were previously going to be provided on a lease basis, an additional £4.244m budget was approved by Council February 2026 to build out the site. Preliminary works have been undertaken on design and planning, and a new tender exercise will be undertaken in the summer. A planning application will be submitted. Until tendered and an updated business plan there remains cost uncertainty. It is expected that there will be a 6-month build period so there is a high risk that this scheme will not complete in 2026/27.

Refurbishment of Sandford Mill House for use as temporary accommodation £0.165m – works are currently being undertaken and will complete in 2026/27.

Grant to YMCA, £1m grant in exchange for nomination rights - approved by Cabinet March 2024. There has not been any progress with the proposed redevelopment. There is a risk that this grant payment may be deferred to 2027/28,

Delta Housing Development Pyms Road S106 grant £320k. This development is for 12 rented units for which we get full nomination rights. The scheme is complete and the units are let with an official opening date in June. Final grant payment still needs to be paid to Delta.

Delta Housing Redevelopment Lower Anchor Street S106 Grant £600k to enable development of 15 units for affordable housing. There have been unforeseen issues with the site and discussions are now taking place to see what options are available.

Local Authority Housing Fund Grant (LAHF)

A £2.61m grant was received in 2023/24 and paid to Delta Housing to use towards the purchase of 15 properties. The Council will get full nomination rights to these properties.

In 2024/25 a further £3.583m grant was awarded and it has been agreed that this will be paid to CHP to be used towards delivering a further 15 properties. The grant was paid over to CHP in 2025/26, and Delta Housing were able to deliver a further 10 properties.

A grant for £4.568m has been awarded for 2026/27 and officers are currently discussing with Delta Housing whether they will be able to deliver additional properties.

Condition Surveys

It was agreed by Council in February 2025 that a provision should be established of £4.7m in order to carry out the works identified from the 5-yearly cyclical building condition surveys. A further £3.1m was approved by Council in February 2026 for additional identified works. It is expected that a further request for funding will be made in 2026/27.

These works are essential to enable the Council buildings to remain safe and operational. A delegation was put in place in order to release the funding from the provision. The works have been programmed over the next 5 years.

Following delegations, £1.075m has now been included in the approved programme for scheduled works in 2025/26 and 2026/27. The S151 has reconsidered how the balance of the provision is reported and it is now reported in the approved budget column. The use of the budget will still require further approval under delegations.

The cost of the works completed in 2025/26 was £0.4m. A net saving of £0.2m was realised in 2025/26. This was mainly due to a reduction in the advised cost of boiler replacement works and will be used towards future schemes where costs are likely to increase.

Chelmer Waterside Infrastructure and Proposed Development of Site

The procurement process has been temporarily paused while discussions with Homes England continue regarding additional funding for the next phase of the project. Resolving these funding arrangements is critical to maintaining the scheme's viability and ensuring it can progress with confidence.

Given current market conditions, including cost pressures and economic uncertainty, it is important that a stable and sustainable financial position is established before procurement recommences. This will help reduce risk, provide assurance to stakeholders, and support the successful delivery of the project moving forward.

7.7.3 Inflation Risk

Many of the budgets set out in **Appendix 1** are approved on the basis of the best advice available at the time the original bid requests were submitted. The capital programme is reviewed in order to control the impact on revenue of borrowing (MRP and Interest). Where possible, schemes have been deferred to later years. When the schemes are implemented in later years, the cost is likely to have increased. When identified, the changes required to project cost will be reported and approvals for additional budgets dealt with under the normal financial delegations.

Funding Risk

The funding of the capital programme contains assumptions for CIL income collected from developments to be used to fund schemes. If larger developments do not commence as planned the CIL income may not be realised and there could be a shortfall on the CIL available to use. Also, some of the schemes have been brought forward on the basis of third party contributions being received. If these are not realised, then this could impact the delivery of some schemes or increase the revenue impact if schemes progress without the funding.

7.7.4 Feasibility Studies and Design Works Risk

It should be noted that the capital programme includes a number of feasibility studies and design works. There is a financial risk with such schemes that needs to be noted. Any capital scheme where costs are incurred but the scheme is not completed, or delivery is undertaken via another method so does not result in a capital spend, is likely to result in costs being re-classified from capital to revenue. The Council will have to use Revenue Reserves to meet such costs which will be funded from reserves.

8. Asset Replacements and Rolling Programmes

8.1 Monitoring Against Latest Approved Budgets

Appendix 3 shows that the final outturn spend for 2025/26 is £6.892m. This is a net increase of £1.499m or 27.8% over the original budget. However, only a £0.046m reduction relates to change in the cost of items, the majority of the changes are technical adjustment relating to the end of the PLACE consortium discussed in paragraph 8.5 below and expenditure deferred to later years. The table below provides a summary.

Approved Budget 2025/26	£5.393m
Proposed Change in scheme timing of spend to later years.	-£0.470m
Proposed Change in scheme timing earlier spend from 2026/27	£0.018m
DFG funded schemes less than grant received	-£0.134m
PLACE – Agreement to end consortium remaining grant split between members. This not capital spend but sharing of the funding with member authorities. In accounting terms, it must pass through the capital programme.	£2.131m
Net Variation in Asset Replacement Cost	-£0.046m
Total Outturn 2025/26	£6.892m

8.2 **Appendix 3** also shows that the proposed budget for 2026/27 asset replacements is £10.206m compared to the approved budget of £9.702m. This is a net increase of £0.504m, or 5.2%, which relates mostly to expenditure being deferred from 2025/26. The table provides a summary.

Approved Budget 2026/27	£9.702m
Proposed Change in scheme phasing from 2025/26– For detail see Appendix 3 2026/27 column “Rephasing from 2025/26”	£0.470m
Replacement budget for columbarium originally planned for 2026/27 now moved forward to 2025/26 in order to maintain income stream £14k and cycle rack provision in parks commenced earlier than expected £4k.	-£0.018m
Proposed change in scheme phasing from 2026/27 deferred to 2027/28	-£0.010m

Proposed change in scheme phasing from 2027/28 to 2026/27. Proposed earlier spend CCTV	£0.013m
Proposed increases in budgets – additional DFG grant received	£0.049m
Total Proposed Budget 2026/27	£10.206m

8.3 **Appendix 4** provides narratives, for those variances in excess of £25k, for 2025/26 and narratives for those variances in excess of £25k for 2026/27 against the Latest Approved Budgets.

8.4. At February Council a budget of £5.966m was also approved for replacements required in 2027/28. This is now forecast as £5.923m. A decrease of a net £0.043m due to rephasing of spends between years £0.025m and £0.018m budget removed. Budgets will be reviewed during the year and any changes to cost and phasing will be reported. This has been beneficial to officers who when they have to purchase larger vehicles often have to contend with lead times for delivery in excess of a year.

8.5 Update on Asset Replacements and Rolling Programmes

Grant applications funded by Disabled Facility Grant

For several years the grant received has been in excess of the spend. As at 31st March there is an uncommitted balance of £3.054m. The service has been working with ECC to explore different options that could utilise the capital grant.

ECC agreed that the DFG funding could be used for two Social Care Projects. A grant to CHESS for £225k to adapt one of the new units to be fully accessible and £40k to be used towards the recently purchased TA accommodation so that the refurbishment of the property prior to use will be fully accessible. Both of these initiatives were completed in 2025/26.

The original grant received in 2025/26 was £1.367m with a top up received in March 2026 of £96k.

The spend across the grants, salaries and social projects funded by DFG in 2025/26 is £207k less than the grants received in the year.

The grant due to be paid in June 2026 is £1.416m. It is likely that the grant award will increase in the future as a new formula is being applied for the calculation which is favourable to Chelmsford.

Officers will continue to review the use of the grant and to identify additional Social Care Projects that the grant could be used for. In 2026/27 ECC have agreed a further £185k of grant can be used. £85k grant for CHESS to make facilities more accessible and £100k for installations of pool pods at Riverside and SWFLC.

MHCLG are keen that the accumulated fund held is used as quickly as possible.

PLACE Fund (Empty Homes)

Chelmsford holds a grant for a consortium of 6 Councils. The PLACE scheme was Government grant funded was to be used to enable empty homes to be brought back into use. Applications for the use of the fund, which could be a grant or loan, have reduced in number over the years.

It was agreed in November between members of the consortium that this fund would cease and the balance held re-allocated between the councils.

The total fund held was £2.730m. After the reallocation back to the other councils, this leaves £599k available for Chelmsford. In line with the original agreement this should be used towards empty home initiatives or other private sector housing initiatives.

8.6 Risks

Although much work has been undertaken to ensure that all capital replacements are included in the forecast there is still a risk that items have been missed. There are still occasions where a service will identify an asset in year that needs replacing for which there is no budget provision.

Price increases may not be accurately reflected in later years' budgets especially where replacements are deferred. Officers are reminded that they should review all years' budgets to ensure that the costs are up to date.

Service managers are aware of the pressure on the revenue budget of financing the capital programme and have delayed and deferred spend wherever possible. There is more risk that assets may need to be replaced ahead of their current scheduled replacement year if operational issues arise such as failure of plant and machinery.

A £150k provision has been included in the 2026/27 projections to help mitigate these risks. To date £17k has been used for digital servers for price increases due to the conflict in the middle east.

9. Funding of Programme

The outturn for 2025/26 on the capital schemes is £24.425m and the Asset Replacement Programme £6.892m. The combined capital expenditure outturn for the year is £31.317m.

The proposed application of resources to meet capital expenditure incurred in 2025/26 is shown in the table below. The Medium-Term Financial Strategy which will be taken to Cabinet in the autumn will provide an update on the multi-year funding of the capital programme and report on affordability.

<u>Method of Funding</u>	<u>2025/26 Spend</u>
Capital Receipts	£2.083m
Revenue Contribution	£1.050m

Capital Grants and Contributions	£8.220m
S106 Agreements	£10.891m
Community Infrastructure Levy (CIL)	£6.702m
Leasing (classified as borrowing)	£1.799m
Borrowing	£0.572m
Total	£31.317m

At the start of the year, in April 2025, the combined forecast capital spend was £45m, some £13.7m more than the actual outturn.

The new borrowing required to fund capital expenditure was forecast at £17m in 2025/26, but because of programme slippage and other changes the outturn was only £0.572m. Cashflow borrowing is distinct from borrowing used to finance the capital programme, as capital funding may be supported by both internal and external borrowing. The Treasury Management & Investment Sub-Committee considers the cashflow implications of the capital programme. The lower borrowing requirement will reduce the MRP and interest charges arising from schemes completed in 2025/26.

An additional £1.6m above the funding forecast came from capital receipts. These included £2.0m from the disposal of an asset and £0.700m from right-to-buy clawback receipts from Delta Housing. Unspent capital receipts are carried forward for use in later years.

Officers have reviewed the Prudential Indicators that are a legal requirement placed on all Councils which are intended to control and report on capital affordability. The indicators were set at February 2026 Council as part of the budget. There have been no significant changes to the capital programme which require the indicators to be updated.

Of note, the Capital Financing Requirement (CFR) is the measure of the Council's internal and external borrowing used to finance capital expenditure. As at 31 March, the CFR was £45.9m, which is lower than the February 2026 estimate of £48.0m. This is a positive movement and does not require any change to the prudential indicators.

The Treasury Management and Investment Committee will receive a report on external debt and investments for 2025/26.

10. Conclusion

- 10.1 The approved programme continues to grow as new schemes are approved and added. However, the change in the cost of currently approved schemes since the February update is modest and will be approved under delegations. In addition, a new MHCLG grant of £4.589m

has been awarded and is intended to be passed to Delta Housing to increase housing stock and the Council's nomination rights.

- 10.2 The later timing of capital scheme expenditure in 2025/26, amounting to £16.7m, has been beneficial to the Council's cashflow and financing position because it reduced the borrowing requirement in the year.
- 10.3 Asset replacement expenditure of £0.452m has been rephased from 2025/26 into 2026/27 and later years. This is favourable to the Council because it delays the commitment of capital resources and defers the need for borrowing against short-life assets.
- 10.4 The LGR process may lead to further schemes coming forward. However, legal restrictions on the award of contracts during 2027/28 may mean that some schemes take longer to start, as agreement with the authorities forming the new unitary council will be required.
- 10.5 The funding implications of the capital programme will be considered further in the Medium-Term Financial Strategy report to Cabinet in October.

List of appendices:

Appendix 1 Capital Schemes – For each capital scheme, a comparison of the budgeted expenditure against the completed Schemes Outturn or with the Directors of Service forecast for the ongoing scheme.

Appendix 2 Capital Schemes Major Variations Narratives.

Appendix 3 Asset Replacement Schemes for 2025/26, a comparison of the budgeted expenditure against the Outturn.

Also, the Asset Replacement Schemes for 2026/27, a comparison of the budgeted expenditure against the Directors of Service forecast.

Appendix 4 Asset Replacement Schemes Major Variations Narratives for the years 2025/26 and 2026/27.

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None

Financial:

As detailed

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

Budget provision for green initiatives

Personnel:

None

Risk Management:

None

Equality and Diversity:

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

None

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

All Services

Relevant Policies and Strategies:

Medium Term Financial Strategy

Appendix I

		CAPITAL SCHEMES			VARIATION IN TOTAL CAPITAL SCHEME COSTS				
		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Spend to 31/03/2026		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
		LEADER							
		<i>Economic Development and Special Projects (deputy)</i>							
44	1	150	5	155			155	No	Previously reported - Approved Council February 2021. Funding from ECC. 3 year programme ending 2022/23. Still waiting for ECC confirmation that grant will be provided. Update - grant received from ECC.
647	2	4,833	0	4,833			4,833	Business case to be developed with EA	Previously reported - This is the unspent budget from the withdrawn Environment Agency (EA). A new programme of works will be brought back to Cabinet at a later date. Agreement for S106 grants to be paid over to the EA £647k paid over to date.
5,034	3	160	4,874	5,034			5,034	Completed - final account for works agreed	Previously reported - Final account still to be paid
36,704	4	15,500	27,810	43,310		-135	43,175	Bridge Completed GPRS Works ongoing	Previously reported - £15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme. Council December 2020 approved an additional £1.1m budget to be funded by £5.05m CIL, £1.1m S106 and £2.85m additional HIF grant. £2m provision for commuted sum could also be funded by CIL if available otherwise it would result in additional borrowing. £375k approved July 2022 Council for increased design fees and appointment of Project Manager. As noted on previous reports to Cabinet and Council, the cost of scheme is expected to increase significantly above the approved budget. A £9m increase was previously discussed and officers believe it may be materially higher when a report is made Council in July for a decision as to how to progress the works. An additional £16.410m was approved by Council in July 2023. The bridge is complete and the remaining works for the GPRS are ongoing.
21,999	5	3,017	18,982	21,999			21,999	Complete	Previously reported -The expenditure on this scheme will be funded by S106. Additional S106 collected or due to be collected for Beaulieu Station and agreement to pay staged payments over to ECC towards cost of station.
99	6		120	120		-6	114	2025/26 Third party grant applications	Previously reported - October 2025 New funding has been provided for 2025/26.
38	7		71	71			71	2025/26 Third party grant applications	Previously reported- New funding has been provided for 2025/26.
55	8		55	55			55	Feasibility complete	Previously reported - Budget approved September 2020 Cabinet. Feasibility completed and remaining budget vired from Rivers and Waterways Improvements.
83	9	460	11	471		-388	83	Complete. Funding transferred to new scheme.	Previously reported - Approved Council February 2020 with a delegation for the Director and Cabinet Member for Safer and Greener Chelmsford to approve a final scheme. October 2023 £31k vired from replacement scheme. November 2024 £20k vired to Coval Lane Co Working Space scheme. £383k uncommitted balance will be used towards the accommodation strategy and a business case will be required to release the funding. Update - budget vired to scheme 10 approved Cabinet April 2026.
	10		182	182		388	570	NEW	Approved Cabinet April 2026. Building Works £380k, Furniture £140k and £50k Contingency.
	11		100	100			100	NEW	Approved Cabinet April 2026.

Net Spend to 31/03/2026		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date	Latest Forecast Budget - Additional Requires Approval			Tech. Adjs	More/(Less) Than Approved Budget	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget					
295	12	Green Initiatives Phase 1	500	-182	318			318	Business Cases to be Developed	Previously reported - Approved by Council February 2022. Two year programme with delegated authority to the Director of Public Places to spend within the approved budgets. Following consultation with the Cabinet Member for Safer and Greener Chelmsford, they will decide on the preferred schemes. £102k vired towards cost of electric vehicle - approved February 2023. October 2023 £43k vired to fund additional cost of electric sweepers. 2023/24 £37k budget transferred to revenue in relation to spend not capital. Majority of spend on LED lighting upgrades.
148	13	Green Initiatives Fund Phase 2	6,500	-3,100	3,400			3,400	Business Cases to be Developed	Previously reported - Approved in principle Council Feb 2023 with delegated authority is given to the Director of Public Places, who after consultation with the Cabinet Member for Safer Chelmsford, will agree on the 6 year programme commencing 2024/25 for various schemes which will help the organisation achieve its objective of being Net Zero Carbon by 2030 and to ensure the spend is within the approved budgets. October 2023 Programme reviewed for affordability, budget reduced. Spend on LED lighting upgrades and SWF Pool heating initiatives. Update - £630k from this budget is being used for funding installation of solar panels in 2026/27 and 2027/28.
1,500	14	CIL NE Bypass Bridge Forward Funding	1,500		1,500			1,500	Completed	Previously reported - Forward funding grant to ECC to be made 2021/22. Approved Council May 2021. Still awaiting agreement from ECC for payment to be made.
		<u>Sustainable Transport (deputy)</u>								
14	15	High Chelmer Car Park Lifts	355	71	426			426	Yes	Previously reported - Approved by Council February 2023. Scheduled for 2025/26.
110	16	High Chelmer MSCP Improvement Works	148	-38	110			110	Complete	Previously reported - approved by Council February 2024. Works scheduled for 2024/25. Funded by Contribution from SEPP. Scheduled for 2025/26.
		ACTIVE								
		<u>Leisure and Heritage</u>								
2,007	17	Dovedales Sports Centre Refurbishment	1,464	670	2,134			2,134	Completed. Post contract monitoring to be completed.	Previously reported - Budget approved Council March 2022. Delegated authority to the Director of Public Places to decide on the preferred scheme and spend within the approved budgets following consultation with the Cabinet Member for Safer and Greener Chelmsford. October 2023 scheme deferred to 2025/26 although work will progress on design. Scheme approved by Urgency November 2024 additional £710k - £644 works and £66k on equipment (see replacement schedule). Update - scheme completed, final account agreed and monitoring of works still to be undertaken in 2026/27. Likely that there will be a small saving on the final reported budget.
13	18	CSAC Activity Room	14		14		-1	13	Completed	Previously reported - Approved at Council February 2025.
1,574	19	SI06 Strategic Borough Sports		1,575	1,575		-1	1,574	Completed	Previously reported - Runwell Sports and Social Club grant to cover costs of scheme. Funding agreement in place.
		<u>Voluntary and Community Sector Support</u>								
	20	CIL Grant Chelmsford Society Model Engineers	5		5		-5	0	Removed	Previously reported - CIL funding approved December 2021. Spend approved Council February 2022. Update - Scheme withdrawn.
2	21	CIL Mencap		2	2			2	Completed	
10	22	CIL Grant St John's Church		10	10			10	Completed	
10	23	CIL Grant St Luke's Church Roof		10	10			10	Completed	
7	24	CIL Grant FONS Outdoor Storage	7		7			7	Completed	
9	25	CIL Grant Sanctus - Oven	9		9			9	Completed	

Net Spend to 31/03/2026		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget			Proposed Budget
55	26 CIL Green Initiatives - Various Schemes	15	58	73		13	86	No - dependent on Third party	Previously reported - £100k CIL funding approved December 2021 for green initiatives grant funding. Spend approved Council February 2022. £100k pot is drawn down following approval of applications for funding. Update - scheme paid from revenue in prior year capital budget not required £8k and £21k for 3 new grants approved by CIL panel April 2026. Balance available £14k.
	Public Health and Wellbeing								
	N/A								
	Cultural Services (deputy)								
3,185	27 Theatres' Modernisation	1,000	2,198	3,198			3,198	Main works complete - final account agreed, identified list of outstanding work items complete	Previously reported - Approved at Council February 2021. Delegated authority to Director and Cabinet Member for Connected Chelmsford for a £1m budget. An additional £500k was approved November 2021. A further £1.246m was approved by Council in March 2022 following the return of tenders for the works. £500k approved Cabinet October 2022. £20k transferred to revenue as spend did not qualify for capital, budget reduced 2023/24. Update May 2026 - All items identified on the original snagging list have been completed but service have identified further works they wish to complete.
	28 Oaklands Museum Staff Room and Kitchen Refit	24		24			24	Yes	Previously reported - Approved by Council February 2023 and scheduled for 2024/25. October 2023 following review rephased to 2026/27
	29 Oaklands Museum Roof Works	63		63			63	No	Previously reported - Approved at Council February 2024. Works scheduled for 2025/26.
180	30 Great Baddow Hoard Gold Coins		180	180			180	Complete	Heritage Lottery Fund Grant
	31 Great Baddow Hoard Gold Coins Display Case		22	22			22	Yes	Heritage Lottery Fund Grant
2	32 S106 City Centre Public Art	62	50	112			112	Unknown	Approved use of S106 via delegation September 2025. Update - additional £50k budget approved Council February 2026 to be funded from CIL.
	FAIRER								
	Housing Services								
7,132	33 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy (ii) Acquisition 20 x Houses	7,094	40	7,134		-2	7,132	Completed	Previously reported - Original budget approved at Council February 2022 £8.2m and currently programmed for 2022/23. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. Budget for purchase of 20 houses. 17 properties purchased remaining budget deferred to 2023/24. Remaining budget to purchase 1 additional property deferred to 2025/26 due to delays in completion. £1.106m budget not required removed and used to establish new pooled fund. Last house purchased in 2024/25 remaining budget for refurbishment.
	35 Supported Housing/Temporary Housing Provision		7,650	7,650			7,650	No schemes identified	December 2025 Budget approved under urgency November 2025 to purchase block of flats for supported housing. Proposed purchase now not progressing. Update - New budget approved Council February 2026. Business cases to be submitted.

Net Spend to 31/03/2026			Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget			Proposed Budget
84	36	Housing Initiatives - Modular Units Groundworks	250		250		-10	240	Yes	Previously reported - Use of housing initiatives pot. £250k Brownfield Land release Funding secured . December 2025 New scheme included on new schemes schedule for proposed modular unit scheme at Meteor Way Car Park site. This budget will be used towards the cost of the scheme. Update May 2026 - spend in relation to original lease proposal transferred to revenue budget adjusted. Scheme being revised
	37	Housing Initiatives - Modular Units		4,244	4,244			4,244	NEW	Approved Council February 2026, subject to further business case
31	38	Housing Initiatives - Sandford Mill House Refurbishment for use as TA	165		165			165	Yes	Previously reported - Use of housing initiatives
21	39	Purchase Medway Garages	17		17		9	26	No Dependent on Third party	Previously reported - Use of housing initiatives pot
	40	Housing Initiatives - Grant to YMCA	1,000		1,000			1,000	No Dependent on Third party	Previously reported - Use of housing initiatives pot
160	41	Initiatives to increase the provision of Affordable Housing Funded by S106 - Grants	320		320			320	Dependent on Third party	This budget is for a grant to CHP for a development at Pym's Road Galleywood.
	42	Initiatives to increase the provision of Affordable Housing Funded by S106 - Grant to CHP for development Lower Anchor Street	600		600			600	No Dependent on Third party	Previously reported - Approved Cabinet April 2025 to enable development of 15 units for affordable rent. Update - Unforeseen issues with site. Scheme proposal and options need to be discussed with Delta Housing.
3,583	43	Local Authority Housing Fund Round 3		3,583	3,583			3,583	Completed	Previously reported - LAHF3 Grant awarded and will be paid over to Delta Housing for acquisition of properties.
	44	Local Authority Housing Fund Round 4			0		4,568	4,568	NEW	LAHF4 Grant awarded and agreed will be paid over to Delta Housing for acquisition of properties in 2026/27 and 2027/28.
		<u>Corporate Property</u>								
369	45	Land Development Site Investigations - Waterside	365	21	386		50	436	Under review	Previously reported - Approved Cabinet November 2021. Additional £50k approved by Council February 2024. £90k transferred to revenue 2024/25 1st Marketing exercise. New marketing exercise currently being undertaken.
	37	Riverside Outdoor Pool Site New Car Park Proposal		26	26		26	52	Delivery times not yet agreed	Budget approved Council February 2026. Report will be submitted once investigations completed for design and costs
4,852	47	Enabling Lockside Growth Area	450	5,706	6,156			6,156	In Negotiations - Late delivery	Previously reported - A Report taken to Cabinet in March 2018 requesting £4.5m and recommended to go on for Council approval. As there was a requirement to spend the budget earlier than the Council approval in July 2018 a sum of £450k was approved via an urgency. The remaining budget for the scheme was approved by Council in July 2018. An additional £500k was approved November 2021. Additional £956k approved July Council 2022. October 2023 delay in purchase of properties now delayed until 2024/25. Acquisition of remaining 2 properties delayed to 2025/26 and potentially later into 2026/27 Update December 2025 - one further property purchase complete and the remaining property will need to be acquired through CPO and will not complete until 2026/27. Update - NEED WORDS FROM JR/MT

Net Spend to 31/03/2026		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget			Proposed Budget
196	48	Land Acquisition Cemetery/Crematorium	1,800	1,400	3,200			To identify potential Land Site	Previously reported - Approved at Council February 2019. Additional £1.8m approved Council February 2020. Additional £2.4m approved July 2022 Council. October 2023 Potential site identified, surveys for suitability being undertaken, budget adjusted for estimated cost of land Council February 2024.
217	49	Refurbishment of Commercially Leased Properties - 1 Springfield Lyons	720	1,596	2,316		-99	No	Previously reported - Approved at Council February 2024. Delegation to Cabinet to approve a business case following feasibility and to spend within the approved budget. Works required to enable reletting of property. A new approval will be required by Council following tender exercise. Additional £950k budget approved April 2025. Update : tenant to undertake works partially funded by contribution £2m. Building now let on 25 year lease
39	50	Acquisition Granary Car Park		4,035	4,035			Yes	£4.035m Budget approved by Urgency November 2025
	51	Acquisition Princes Road Allotment Site		64	64			NEW	Approved Council February 2026. To be funded from Neighbourhood CIL.
	52	Acquisition Lake Central Park		133	133		-6	NEW	Approved Council February 2026. To be funded from Neighbourhood CIL.
		Building Services							
408	53	Various Condition Survey Works Phase 1		809	809		3,851	Scheduled over 2 years	Previously reported - A provision was established and approved at February Council for a sum of £4.7m identified from Building Services 5 yearly schedule of condition surveys for works to various buildings. A delegation was put in place. The sum of £601k has been approved via delegation in April 2025 for the first phase of works. The provision will be approved by delegation or business case and has already been included in the revenue financing implications. December 2025 A further £197k has been approved via delegation September 2025.
	54	Various Condition Survey Works Phase 2		266	266		2,826	NEW	Additional Provision Approved Council February 2026. Scheduled over 5 years.
		Greener Chelmsford							
		Parks and Green Spaces							
179	55	Cemetery and Crematorium Infrastructure - proposed new facility	6,800	-6,301	499			Spend to get scheme to planning approval	Previously reported - Approved Council February 2020 with a delegation for Cabinet to approve a final scheme. MT review October 2024 - decision to remove scheme to Unfunded Priorities List as uncertainty with scheme and scheme costs. Update - additional £199k approved supplementary estimate March 2026 to continue design works. Report to Cabinet in summer
50	56	Chancellor Park Pavilion Works	46		46		4	Complete	Previously reported - Approved at Council February 2020 and programmed for 2021/22. Deferred due to decarbonisation feasibility works to 2024/25.
14	57	Beaulieu Pavilion Health and Safety Works	33		33			No	Previously reported - Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget.
	58	Rivers and Waterways Improvements	600	-55	545			No - Scheme to be developed	Previously reported - Approved at Council February 2020 with a delegation to the Director and Cabinet Member for Greener and Safer Chelmsford. Originally programmed over 3 years commencing 2021/22. Start of three year programme deferred to 2024/25. MT Review October 2024 deferred scheme to 2027/28. £52k vired from underspend on Lockgates Feasibility scheme number 8.

Net Spend to 31/03/2026		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget			Proposed Budget
674	59	4,400	-2,690	1,710		-12	1,698	Reviewed Annually	Previously reported - Approved at Council February 2020 £4.4m with delegated authority to Director of Public Places, S151 Officer and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22. Spend will now occur over longer period to 2029/30. Budget reduced £2.6m reduction reported to Council February 2024. Spend in relation to revenue transferred and budgets reduced annually. £23k transferred to revenue in 2024/25. Forecast spend increased by £100k over remaining years. Update - £12k transferred to revenue in 2025/26 budget reduced.
	60	800		800			800	Dependent on third party	Previously reported - Approved February 2025 Council
	61		120	120			120	NEW	Approved February Council 2026. Scheme estimated to be fully funded S106 and CIL.
	62		128	128			128	NEW	Approved February Council 2026. Scheme estimated to be fully funded S106 and CIL.
19	63		35	35			35	NEW	Approved February Council 2026. Scheme estimated to be fully funded S106 and CIL.
	64		126	126			126	NEW	Approved February Council 2026. Scheme estimated to be fully funded S106 and CIL.
	65		36	36			36	NEW	Approved February Council 2026. Scheme estimated to be fully funded S106 and CIL.
11	66					11	11	Complete	
									Planning
283	67		290	290			290	Main Works complete	Previously reported - Various schemes will be grant funded
									SAFER
									Community Safety
	68	20		20			20	No	Previously reported - Approved by Council February 2023. Scheduled for 2023/24.
114	69	168	50	218			218	No	Previously reported - Approved by Council February 2023 £84k each site. Two year programme scheduled to commence 2023/24. Central Park completed £114k. Remaining budget for Admirals Park £54k. Virement from scheme 71 £50k
151	70	184	1	185		-34	151	Completed	Previously reported - Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017. Update - Service confirmed that monitoring is complete.
									Waste Management and Recycling
550	71	500	50	550			550	Complete	Previously reported - Approved supplementary estimate February 2018. Scheme design finalised. Additional supplementary estimate approved for £200k December 2018 in order to implement the preferred design with suspended ceiling. Estimate reduced by £50k. New budget reported Council February 2020. A further reduction in budget, £50k, was noted by Council in July 2020.
	72	31		31		-31	0	Removed	Previously reported - Approved by Council February 2022. Delegated authority to Director to spend within approved budget.
	73	102		102			102	Agreed to defer to 2027/28	Previously reported - Approved Council February 2023. Scheduled for 2023/24. October 2023 reviewed and deferred to 2026/27. Update - Deferred to 2027/28.
	74	90		90			90	Deferred to 2026/27	Previously reported - Approved by Council February 2024. Works scheduled for 2025/26. MT review October 2024 deferred scheme to 2026/27

		Latest Approved Budget - Approved February 2026 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Spend to 31/03/2026		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	Tech. Adjs	More/(Less) Than Approved Budget	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
74	75 Freighter House Depot Resurfacing Works	216		216			216	No	Previously reported - Approved at Council February 2023. Five year programme scheduled to commence 2024/25.
	<i>Support Services (deputy)</i>								
	<i>N/A</i>								
93,072	Grand Total	62,557	75,099	137,656	0	11,016	148,672		
				Net Variation		11,016			
Summary of Changes Since Previous Council Report February 2026									
							£000's		
Latest Approved Budget February 2026							131,962		
New Schemes Approved							5,168		
Supplementary Estimates Approved for Existing Schemes							526		
Completed schemes removed									
Total Approved Budget							137,656		
Latest Forecast Variations shown above									
Previously Reported Variations									
Balance on Prov. for building condition works Ph 2							2,826		
Balance on Prov. for building condition works Ph 1							3,851		
							6,677		
Previously Reported Forecast							144,333		
Unreported variations									
Increased Budgets Require Approval							85		
Increased Budgets Funded							4,589		
Increased Budget Complete Schemes							15		
Decreased budgets transferred to revenue							-256		
Decreased budgets completed schemes							-38		
Decreased budgets Forecast Lower Cost							-6		
Decreased budgets Scheme Delivery Changed							-50		
Total Unreported Variations							4,339		
Latest Forecast Budget June 2026							148,672	0	
DO NOT INCLUDE IN REPORT							14	green pot	
							141	completed still in mon	
								HIF	
							3,619	completed still in mon	
							15	condition surveys phase 1 on monitoring additional to provision	
							2,684	condition surveys phase 2 additional on monitoring not in provision	
							135	transferred to revenue not removed from monitoring	
							155,280		
							155,280	from monitoring 26/05/2026	
							0		

Appendix 2

Reasons for Variations Greater Than £25,000							
	Scheme Description	Latest Approved Budget £000's	Estimated Budget Required £000's	Variation £000's	Variation Type	Percentage Change	Reason
4	Chelmer Waterside Infrastructure - Bridge	43,310	43,175	-135	Transfer to revenue	N/A	Additional revenue grant received from Homes England and capital spend for project management transferred to revenue. The overall cost of the project has not changed it is just a reallocation of the spend.
44	Local Authority Housing Fund Round 4	4,568	0	-4,568	New provision fully funded	N/A	Awarded additional grant which once agreed will be paid to CHP to purchase additional properties.
45	Land Development Site Investigations - Waterside	386	436	50	Increased budget	12.95%	The services required to enable the future use of the Waterside site have proved to be more complex than first anticipated and professional services' costs have continued to increase.
46	Riverside Outdoor Pool Site Design and Options	26	51	25	New budget	96.15%	In order to progress a potential scheme on this site the services of professionals have been instructed to provide designs and scheme costs.
49	Refurbishment of Commercially Leased Properties - 1 Springfield Lyons	2316	2217	-99	Reduced budget	-4.27%	An opportunity has arisen to enter into a long lease for this property with a saving on the refurbishment cost due to it being replaced by a contribution to the lessee. Costs associated with the lease agreement have been transferred to revenue and the budget reduced by this amount.
53, 54	Various Condition Survey Works	1075	7,752	6,677	Previously agreed Provisions now reported with cost of capital scheme	N/A	The £6.677m is the remaining balance on the provision and has already been included in previously forecast financing costs. This is approved budget and is now being shown as such. The use of the £6.677m needs to be approved either by delegation or business case submitted to Cabinet to release the funding for works to commence.
70	Community Flood Improvements	185	151	-34	Reduced budget	-18.38%	The service have reported that this scheme is complete.
72	Retail Market Drainage Improvements	31	0	-31	Budget removed	-100.00%	Service have reported that these works are not required and the budget can be removed.

APPENDIX 3 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME 2025/26 OUTTURN and 2026/27 BUDGETS

CAPITAL ASSET REPLACEMENT PROGRAMME	2025/26					2026/27				
	Latest Approved Budget 2025/26	Rephasing to + and from -	Variance for 2025/26 + Cost / - Saving	Total Variance for 2025/26 + Cost / - Saving	Total Proposed Budget for 2025/26	Last Forecast 2026/27	Rephasing to + and from -	Variance for 2026/27 + Cost / - Saving	Total Variance for 2026/27 + Cost / - Saving	Total Proposed Budget for 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SCHEME DESCRIPTION										
LEADER										
<u>Sustainable Transport (Deputy)</u>										
1 Car Park Pay on Foot Equipment	341	-5	-30	-35	306	0	5		5	5
2 Car Park Vehicles and Equipment	0			0	0	54			0	54
3 Car Parks CCTV	0			0	0	0			0	0
Active										
<u>Leisure and Heritage</u>										
4 Dovedales Replacement Equipment and Plant	216	-6	29	23	239	10	6		6	16
5 Riverside Replacement Equipment	67	-3		-3	64	200	3		3	203
6 Riverside Dryside Locker Keyless System	11		1	1	12	0			0	0
7 Riverside Ice Rink	21			0	21	13			0	13
8 Riverside Magic Water System	14		-2	-2	12	10			0	10
9 Riverside Studio 2 Upgrade - AV Equipment	5			0	5	0			0	0
10 Riverside Pool pod						50			0	50
11 Riverside Plant	109	-10	-4	-14	95	45	10		10	55
12 CSAC Replacement Equipment	3	-3		-3	0	102	3		3	105
13 CSAC Expansion Fitness Room Equipment	45		-2	-2	43	0			0	0
14 CSAC Plant	5	-5		-5	0	91	5		5	96
15 SWFLC Replacement Programme	4			0	4	34			0	34
16 SWFLC Pool pod						50			0	50
17 SWFLC Plant Replacement	96	-36		-36	60	15	36		36	51
18 SWF 3G Pitch	0			0	0	421			0	421
19 Hylands House Mechanical and Electrical	27	-27		-27	0	0	27		27	27
20 Hylands Pavilion Infrastructure	0			0	0	33			0	33

APPENDIX 3 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME 2025/26 OUTTURN and 2026/27 BUDGETS

CAPITAL ASSET REPLACEMENT PROGRAMME	2025/26					2026/27				
	Latest Approved Budget 2025/26	Rephasing to + and from -	Variance for 2025/26 + Cost / - Saving	Total Variance for 2025/26 + Cost / - Saving	Total Proposed Budget for 2025/26	Last Forecast 2026/27	Rephasing to + and from -	Variance for 2026/27 + Cost / - Saving	Total Variance for 2026/27 + Cost / - Saving	Total Proposed Budget for 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SCHEME DESCRIPTION										
21 Hylands Pavilion Equipment	10	-5		-5	5	55	5		5	60
22 Hylands House Equipment	12	-11		-11	1	23	11		11	34
<u>Cultural Services (Deputy)</u>										
23 Theatres' Equipment	127	-73	-6	-79	48	378	73		73	451
24 Theatres' Plant	15			0	15	0			0	0
25 Museum Equipment and Vehicles	0			0	0	100	-10		-10	90
Fairer										
<u>Building Services</u>										
26 Civic Centre Equipment	0			0	0	0			0	0
27 Civic Centre Plant	0			0	0	0			0	0
28 Civic Centre Pool Cars	0			0	0	50			0	50
29 Civic Centre Stairlift	0			0	0	9			0	9
30 Print and Post Room Replacement Equip.	0			0	0	16			0	16
31 Street Lighting	5	-5		-5	0	0	5		5	5
Greener										
<u>Parks and Green Spaces</u>										
32 Crematorium Equipment	137	-34		-34	103	36	34		34	70
33 Crematorium Columbarium	0	14	6	20	20	14	-14		-14	0
34 Cemetery Plant	0			0	0	0			0	0
35 Play Area Replacements	119	-29	-11	-40	79	337	29		29	366
36 Parks and Sports Grounds Heating Systems	0			0	0	43			0	43
37 Parks Replacement Vehicles and Equipment	435	-157		-157	278	576	157		157	733
38 Melbourne 3G Pitch	0			0	0	356			0	356

APPENDIX 3 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME 2025/26 OUTTURN and 2026/27 BUDGETS

CAPITAL ASSET REPLACEMENT PROGRAMME	2025/26					2026/27				
	Latest Approved Budget 2025/26	Rephasing to + and from -	Variance for 2025/26 + Cost / - Saving	Total Variance for 2025/26 + Cost / - Saving	Total Proposed Budget for 2025/26	Last Forecast 2026/27	Rephasing to + and from -	Variance for 2026/27 + Cost / - Saving	Total Variance for 2026/27 + Cost / - Saving	Total Proposed Budget for 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SCHEME DESCRIPTION										
39 Hylands Estate Car Park Equipment	0			0	0	0			0	0
40 Hylands Estate Sewerage pump	0			0	0	0			0	0
41 Hylands Kiosk and Play Area CCTV	0			0	0	0			0	0
42 Chelmer Park Artificial Pitch	0			0	0	0			0	0
43 Springfield Hall Park 3G Pitch	0			0	0	1,030			0	1,030
44 Town Centre parks Cycle Racks	0	4		4	4	8	-4		-4	4
Safer										
<u>Community Safety</u>										
45 CCTV Replacement Equipment	130	-5		-5	125	87	18		18	105
46 CCTV Various Schemes Sites CIL	1	-1		-1	0	0	1		1	1
47 PHPS Vehicles	0			0	0	28			0	28
48 PHPS Air Monitoring Equipment	10	-10		-10	0	58	10		10	68
49 Healthy Home Loans	3		1	1	4	0			0	0
50 Discretionary Loans DFG Funded	0		64	64	64	0			0	0
51 RIA Loans DFG Funded	0		7	7	7	0			0	0
52 RIA Grants DFG Funded	37		66	66	103	0			0	0
53 Disabled Facility Grants (fully externally funded)	1,330		-271	-271	1,059	1,367		49	49	1,416
54 Social Capital Funding Projects DFG funded	23			0	23	85			0	85
55 Housing Standards	0			0	0	0			0	0
56 PLACE	0		2,131	2,131	2,131	0			0	0
<u>Waste Management and Recycling</u>										
57 Scooters for the Disabled	0			0	0	27			0	27
58 Town Centre Bins	0			0	0	32			0	32
59 Retail Market Equipment	0			0	0	0			0	0
60 Retail Market Plant	0			0	0	0			0	0

APPENDIX 3 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME 2025/26 OUTTURN and 2026/27 BUDGETS

CAPITAL ASSET REPLACEMENT PROGRAMME	2025/26					2026/27				
	Latest Approved Budget 2025/26	Rephasing to + and from -	Variance for 2025/26 + Cost / - Saving	Total Variance for 2025/26 + Cost / - Saving	Total Proposed Budget for 2025/26	Last Forecast 2026/27	Rephasing to + and from -	Variance for 2026/27 + Cost / - Saving	Total Variance for 2026/27 + Cost / - Saving	Total Proposed Budget for 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SCHEME DESCRIPTION										
61 Route Optimisation System	0			0	0	0			0	0
62 Freighter House Equipment	0			0	0	0			0	0
63 Street Cleansing Vehicles	0			0	0	953			0	953
64 Street Cleansing Equipment	0			0	0	3			0	3
65 Street Cleansing Gully Cleanser	0			0	0	220			0	220
66 Street Cleansing Crane Vehicle	0			0	0	100			0	100
67 Wet Team Equipment	0			0	0	117			0	117
68 Hit Squad Replacements	0			0	0	72			0	72
69 Refuse Vehicles	937	-45	196	151	1,088	690	45		45	735
70 Vehicle Maintenance	0			0	0	52			0	52
71 Recycling Vehicles	926		-215	-215	711	993			0	993
72 Recycling MRF	0			0	0	20			0	20
73 Food Vehicles	0			0	0	0			0	0
74 Prov. for Replacement with Electric Veh.	0			0	0	70			0	70
75 Love Your Chelmsford Van	0			0	0	32			0	32
76 Public Convenience Van	0			0	0	32			0	32
<u>Support Services (Deputy)</u>										
77 Digital Services Replacement Programme	0			0	0	18			0	18
78 Digital Storage	52			0	52	0			0	0
79 Digital Servers	0			0	0	48		17	17	65
80 Website Upgrade	5		-5	-5	0	140			0	140
81 System Upgrade	0			0	0	9			0	9
82 System Security	0			0	0	20			0	20
83 Networks	0			0	0	0			0	0
84 Wifi Hardware	115		-4	-4	111	0			0	0

APPENDIX 3 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME 2025/26 OUTTURN and 2026/27 BUDGETS

CAPITAL ASSET REPLACEMENT PROGRAMME	2025/26					2026/27				
	Latest Approved Budget 2025/26	Rephasing to + and from -	Variance for 2025/26 + Cost / - Saving	Total Variance for 2025/26 + Cost / - Saving	Total Proposed Budget for 2025/26	Last Forecast 2026/27	Rephasing to + and from -	Variance for 2026/27 + Cost / - Saving	Total Variance for 2026/27 + Cost / - Saving	Total Proposed Budget for 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
85 Investment in Digital Technology - DPO	0			0	0	120			0	120
86 Provision for Increases in Prices - Proposed Delegation to S151 Officer	0			0	0	150		-17	-17	133
Totals	5,393	-452	1,951	1,499	6,892	9,702	455	49	504	10,206

Analysis of Variation

	2025/26		2026/27	
	£000's	£000's	£000's	£000's
Rephasing of Schemes to/from years		-452	455	455
Variations Increases Require Approval for 2026/27		37	0	0
Variations Cost Decreases		-45	0	0
Reduced Demand		-276	0	0
Supplementary Estimates Funded		2,268	49	49
Variations relating to leasing		-17		0
Virement of budget		-16		0
		<u>1,499</u>	<u>504</u>	<u>504</u>

APPENDIX 4 Explanation for Variations Greater Than £25,000 in Asset Replacement Programme

OUTTURN

Scheme Description	Latest Approved Budget £000's	Estimated Budget Required £000's	Variation £000's	Variation Type	Percentage Change	Reason
<u>2025/26</u>						
1 Car Park Pay on Foot Equipment	341	306	-35	Price Variation	-10.26%	Lower Replacement cost than budgeted
17 SWFLC Plant Replacement	96	60	-36	Rephasing of spend to 2026/27	-37.50%	Replacements have been deferred to 2026/27 as replacement completing in April 2026
19 Hylands House Mechanical and Electrical	27	0	-27	Rephasing of spend to 2026/27	-100.00%	Replacements have been deferred to 2026/27 as replacement completing in April 2026
23 Theatres' Equipment	127	48	-79	Rephasing of spend to 2026/27 , Budget not needed and price variation	-62.20%	-£73K Replacements have been deferred to 2026/27 due to fitting works and replacement around theatre performances; -£5K budget not needed ; -£1K price variation
32 Crematorium Equipment	137	103	-34	Rephasing of spend to 2026/27	-24.82%	Replacements have been deferred to 2026/27 and existing plant prolonged until no longer economical.
35 Play Area Replacements	119	79	-40	Rephasing of spend to 2026/27	-33.61%	Replacements have been deferred to 2026/27.
37 Parks Replacement Vehicles and Equipment	435	278	-157	Rephasing of spend to 2026/27	-36.09%	Replacements have been deferred to 2026/27 as existing plant use prolonged until no longer economical.
50-53 Disabled Facility Grants (fully externally funded)	1,390	1,256	-134	Grant funded spend	-9.64%	Full allocation of grant was not spent in 2025/26.
56 PLACE	0	2,131	2,131	Grant funded spend	N/A	The PLACE group within Essex and Hertfordshire disbanded resulting in the returning funds to each authority.
69/71 Refuse & Recycling Vehicles	1,863	1,799	-64	Rephasing of spend to 2026/27, leasing and price variation	-3.44%	-£45K Replacements have been deferred to 2026/27 ; -£17K leasing; -£2K price.
<u>2026/27</u>						
17 SWFLC Plant Replacement	15	51	36	Rephasing of spend from 2025/26	240.00%	Replacements have been deferred to 2026/27.
19 Hylands House Mechanical and Electrical	0	27	27	Rephasing of spend from 2025/26	100.00%	Replacements have been deferred to 2026/27.
23 Theatres' Equipment	378	451	73	Rephasing of spend from 2025/26	19.31%	Replacements have been deferred to 2026/27.
32 Crematorium Equipment	36	70	34	Rephasing of spend from 2025/26	94.44%	Replacements have been deferred to 2026/27.
35 Play Area Replacements	337	366	29	Rephasing of spend from 2025/26	8.61%	Replacements have been deferred to 2026/27.
37 Parks Replacement Vehicles and Equipment	576	733	157	Rephasing of spend from 2025/26	27.26%	Replacements have been deferred to 2026/27.
53 Disabled Facility Grants (fully externally funded)	1367	1416	49	Higher Grant award	3.58%	Higher Grant awarded for 2026/27.
69 Refuse Vehicles	690	735	45	Rephasing of spend from 2025/26	6.52%	Replacements have been deferred to 2026/27.