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# Chelmsford City Council Audit and Risk Committee

**24<sup>th</sup> June 2026**

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## **Provisional Revenue Outturn Report 25/26**

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### **Report by:**

Financial Services Manager (Section 151 Officer)

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### **Officer Contact:**

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### **Purpose**

This report is for noting and Members of the revenue outturn position for 2025/26, along with the associated risks and potential ongoing impacts.

### **Recommendations**

It is recommended that the revenue outturn position for 2025/26, and the actions arising from it, be noted.

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## **1. Summary**

- 1.1. This report identifies Council expenditure and income for 25/26 compared with the Original Budget. The overall position for 25/26 results in an improvement to the expected General Fund reserve position, which is £2.59m better than the Original Budget. Measured against the 2026/27 budget assumption, this is £0.30m better.

- 1.2. Service level budgets were underspent by £2.46m in 25/26, driven by additional net income.
- 1.3. Non-service level budgets were underspent by £0.95m in 25/26, predominantly due to lower debt repayment costs than budgeted (£0.6m), additional interest (£0.27m) and grant income (£0.25m). Business Rates retention income was lower than the budgeted amount of £2.25m in 25/26, so £0.57m of the Business Rates contingency reserve was used to cover this shortfall and bring the net amount up to £2.25m. The budget for 2026/27 allowed for transfer between earmarked reserve to establish the LGR reserve. The amount in the earmarked business rate reserve is less than planned, so an additional transfer from the general fund balance will likely be required in 2026/27.
- 1.4. There was reduced use of earmarked reserves in 25/26 of £0.82m against the Original Budget of £2.47m (see Appendices 1 and 3). However, some of this is due to timing and the expenditure will occur but in later years.
- 1.5. Appendix 1 covers the key variations, actions and risks at the service and non-service level for 25/26.
- 1.6. Appendix 2 covers the potential ongoing impact of the outturn position on future years' budgets. The 2026/27 budget already allows for many of the outturn variances. Though overall there was underspend, initial evaluation suggests there is a potential overall loss of between £119k and £169k that could be adjusted for in ongoing budgets, but this to be reviewed as part of the budget process. This is offset by other expected changes not arising from the outturn position, as shown in the Budget Forecast section below.
- 1.7. Appendix 3 shows the impact on the earmarked and unearmarked reserves positions because of the 25/26 outturn position.
- 1.8. Appendix 4 shows the supplementary estimates approved during 25/26 and their estimated financial impact on 25/26, with the remainder of the spend to be realised in future years.
- 1.9. The figures reported are provisional and subject to external audit.

## 2. Budget Forecast

- 2.1. Although Appendix 1 highlights that the General Fund position for 25/26 was £2.59m better than the Original Budget, a significant proportion of this has already been allowed for in the 26/27 budget and beyond.
- 2.2. The 26/27 Original Budget report presented to Council in February 2026 highlighted a forecast budget gap for 27/28 of just under £0.56m. The table below highlights the potential range of gaps that could occur for 27/28, given the outturn position for 25/26 and other known probable ongoing changes

since that report. It is important to emphasise that this reflects known risks; for instance, geopolitical tensions continue to make the risk of large forecasting errors likely. More detail on the movements arising from the review of outturn is set out in Appendix 2.

- 2.3. Further analysis will be undertaken and an updated forecast will be presented to Cabinet in the Autumn as part of the normal budget process.

<b>Description</b>	<b>Downside Case</b>	<b>Upside Case</b>
	<b>£000s</b>	<b>£000s</b>
<b>26/27 Original Budget Report forecast gap for 27/28</b>	<b>554</b>	<b>554</b>
Appendix 2 Total Variations	169	119
<b>Updated Forecast gap for 27/28</b>	<b>723</b>	<b>673</b>

### 3. Reserves

- 3.1. Appendix 3 highlights the movements on the earmarked reserves and unearmarked reserves for 25/26 against the latest forecast position presented in the 26/27 Original Budget report to Council in February 2026. The appendix shows that earmarked reserve balances were just under £1.3m higher than forecast in the 26/27 Original Budget report. This was predominantly due to a £1.3m variation on the Chelmsford Development Reserve, reflecting a delay in the use of the reserve until future years to provide the most beneficial application of funding. This in effect is a timing difference as the funding will be used in later years.
- 3.2. There was a higher level of business rate appeals than expected (loss of income), resulting in an extra £0.5m of business rate contingency reserve being used to offset the loss to the revenue budget. The business rate reserve is abolished in the 2026/27 budget, as the government has reset the system and provided a 100% guarantee of the income the Council will receive as funding from business rates in 2026/27. The loss is therefore one-off. The lower level of business rate reserve reduces the amount that can be transferred to create the new LGR reserve in 2026/27, this will most likely result in greater use of the general fund balance in 2026/27.
- 3.3. The 26/27 Original Budget report assumed the General Fund reserve balance would decrease by £0.18m. The General Fund position at outturn is £0.30m better than the forecast in the 26/27 Original Budget report due to the variations outlined in Appendix 1 of this report.
- 3.4. Some £1.37m of the £14.36m General Fund Balance has been agreed to be transferred to other reserves during 26/27 to fund specific expenditure as

presented in the 26/27 Original Budget. The transfer could increase by £0.5m identified in 3.2.

#### 4. Supplementary Estimates 25/26

- 4.1. Appendix 4 highlights the supplementary estimates approved during 25/26 against the £300k provision during the year.
- 4.2. A total of £1,147k of supplementary estimates were approved during the year to be funded from the provision, with the balance funded from the General Fund Reserve. Of £1,147k, some £582k was spent in 25/26, but the balance is now due to be spent future years. Some of the spend was for one-off items; the remainder is ongoing and has been reflected in 26/27 budgets.
- 4.3. A further £388k worth of supplementary estimates were approved which were funded from additional income or other earmarked reserves. Only £15k of this was spent in 25/26, with the balance to be spent in 26/27 onwards.
- 4.4. The historically high level of supplementary estimate approvals shown above and in Appendix 4 would pose a significant risk to the Council's finances if it continued every year.

#### 5. Conclusion

- 5.1. The revenue outturn position for 25/26 shows an improved General Fund position compared with the Original Budget, predominantly due to additional net income.
- 5.2. Most of these net gains have already been reflected in 26/27 budgets and beyond
- 5.3. Income was higher than budgeted across the Council in 24/25 as well as in 25/26, so further work will be undertaken to address in future what could be described as a pessimism bias in income budgets and forecasts by services and accountancy. Budgets for 26/27 were adjusted with this pessimism bias in mind and, as a result, income variations for 26/27 should prove to be smaller than in 25/26.
- 5.4. Budgets will be reviewed again throughout the budget process to understand what the latest forecast budget gaps for 27/28 and beyond are.

#### List of appendices:

Appendix 1 – Chelmsford City Council Outturn Position – 25/26

Appendix 2 – Potential Ongoing Budget Changes

Appendix 3 – Reserves Outturn Position

Appendix 4 – Supplementary Estimates Approved in 25/26

Background papers:

Nil

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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:

None

Personnel:

None

Risk Management:

None

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

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Consultees:

None

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Relevant Policies and Strategies:  
None

### Summary Outturn Position

This dashboard highlights the outturn position for spend, income and reserve movements for 2025/26 against the Original Budget.

The report shows **the improvement of the General Fund position**, which is **£2.59m better off than the Original Budget** due to the key variations:

Favourable Variations:

- £1,245k additional income from the garden waste subscription service, offset by £118k reduced compost credit income.
- £1,085k additional net grant income from various one-off schemes (predominantly housing related)
- £780k net additional income from the Theatre
- £593k additional income from sports centre income due to increased memberships and activity levels
- £605k additional income from various other sources, predominantly one-off in nature
- £179k underspent on vehicle fuel costs due to a cheaper price agreed as part of the new HVO contract

Adverse Variations:

- £906k reduced income at the Crematorium due to lower mortality rate and increased competition across Essex
- £902k net overspend on TA costs due to a higher cost per case than budgeted

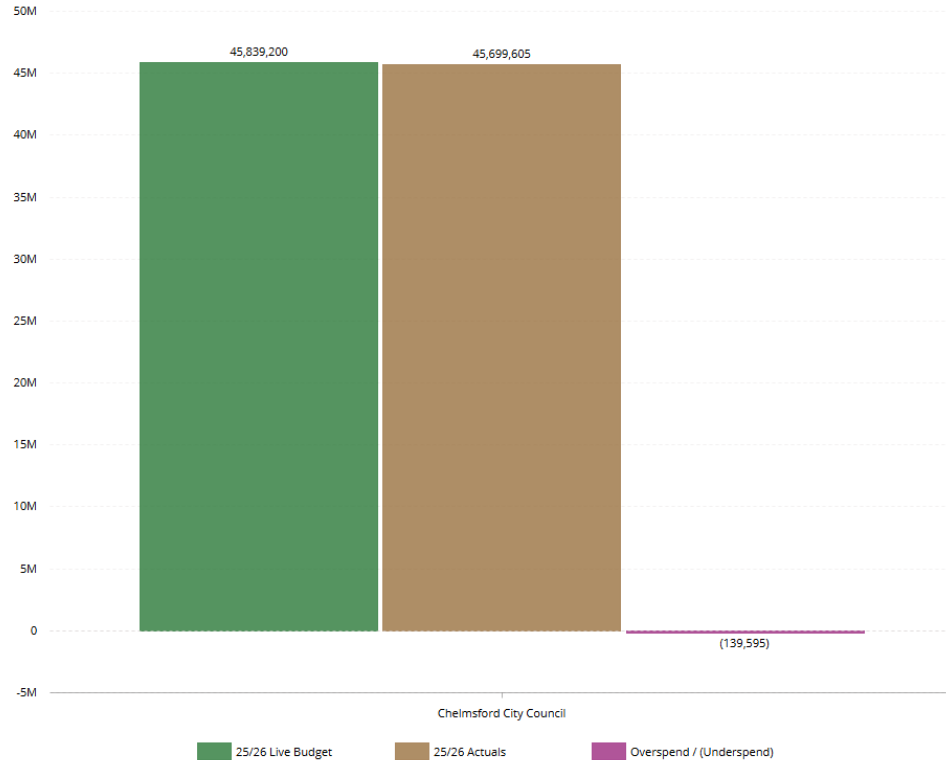
Looking at the outturn in another way, by expenditure category, as set out on the next few pages, this highlights an underspend on employee costs of £0.14m, an overspend of £1.69m on other expenditure and additional income of £4.09m, resulting in a net service underspend of just over £2.5m before HB subsidy. After the HB subsidy variation, the net service underspend is £2.43m. Additional net income is clearly the main driver of the underspend at the service level, but the majority of this has been allowed for already in 26/27 budgets.

Non-service variations including additional interest income and grant income, plus reduced debt repayment costs, total £0.95m. Earmarked reserves were £0.82m underused against the budget. Adding all of these variations together brings you to the £2.59m variation for the General Fund position for 25/26.

The ongoing impact of these variations is less than the £2.59m as a significant amount has already been allowed for in the 26/27 budgets. A separate appendix to this report provides detail on the potential ongoing implications of the outturn position, both positive and negative.

# Chelmsford City Council Variances - 25/26 Outturn Report - Service Level

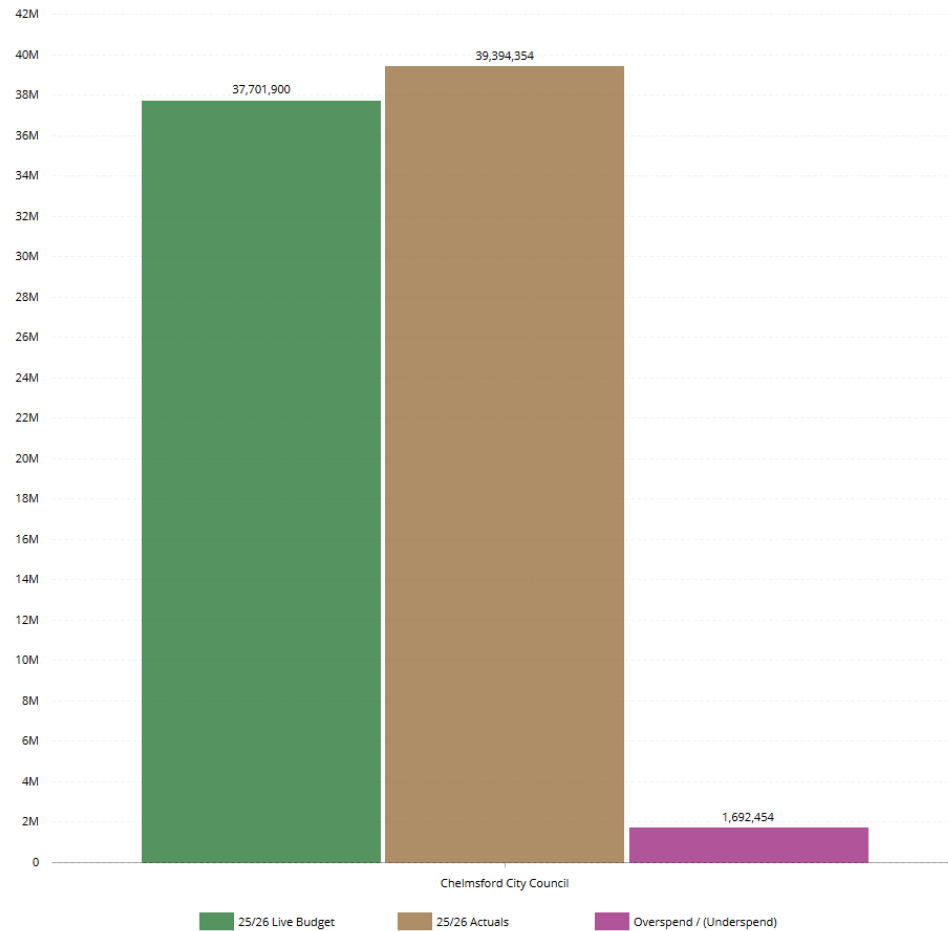
25/26 Employee Spend



Employee Key Variations, Actions and Risks

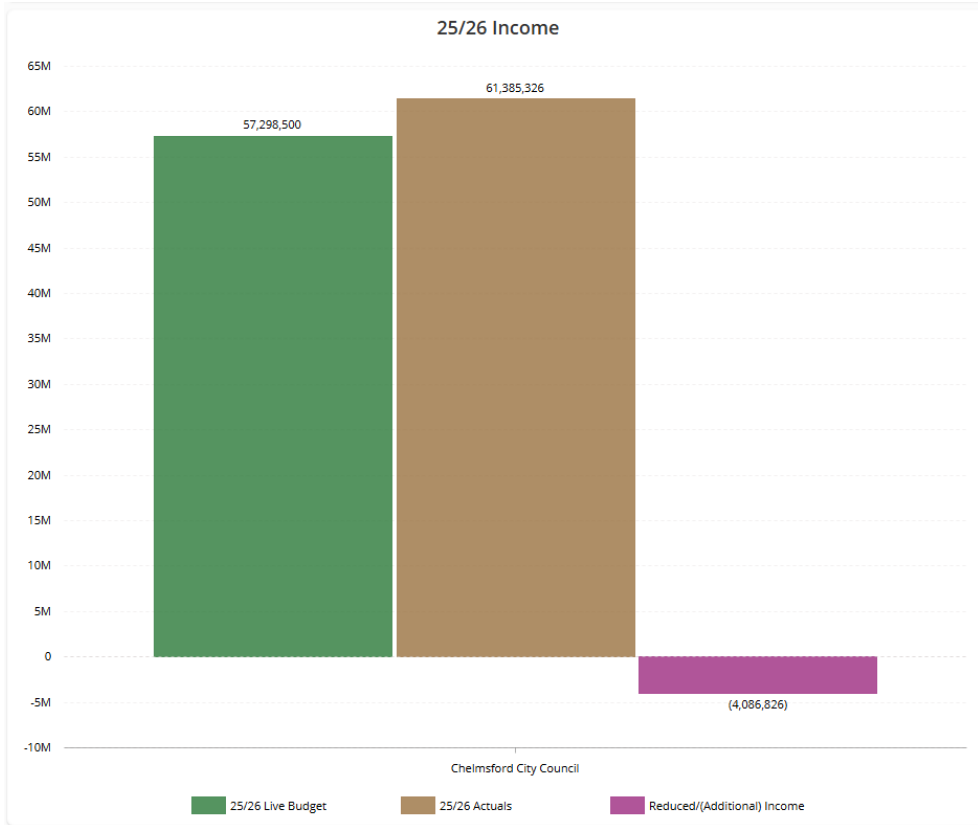
Variations	Actions	Risks
<b>£233k approved overspend</b> following a further 0.5% pay award and £200 unconsolidated payment being agreed (on top of the initial 3% pay award). This is funded by supplementary estimate	Pay scales were increased with the 0.5% award and unconsolidated amounts paid in September.	Pay awards outstrip the levels held in the budget
<b>£237k approved overspend</b> across various areas for additional staff or temporary cover funded by supplementary estimates (Legal, Benefits, PHPS, Planning Enforcement & Housing) £9k is funded by additional income	Recruitment is still in process, but the majority of these roles have now been filled	Additional supplementary estimates continue to be needed beyond the £300k central provision
<b>£131k underspent</b> due to staff budgets being utilised in other expenditure budgets instead (Insurance & Culture)	A grant has been made to the Cultural Development Trust and Basildon have been employed for Insurance & Risk work, with budgets updated for 26/27	
<b>£138k overspent</b> on grant related staffing expenditure offset by additional other expenditure and income	Continue to monitor grant spend and income across the Council and maximise where possible to fund expenditure	Spend does not meet grant conditions and income has to be paid back
<b>£617k underspent</b> due to vacancy factor being achieved and other underspends (£341k Parks, £123k Customer Services, £119k PHPS, £32k other)	Continue to review as further vacancies could materialise or savings could be generated for future years, an additional central vacancy factor provision is still budgeted for in 26/27	Service provision is impeded with increasing vacancies

25/26 Other Spend



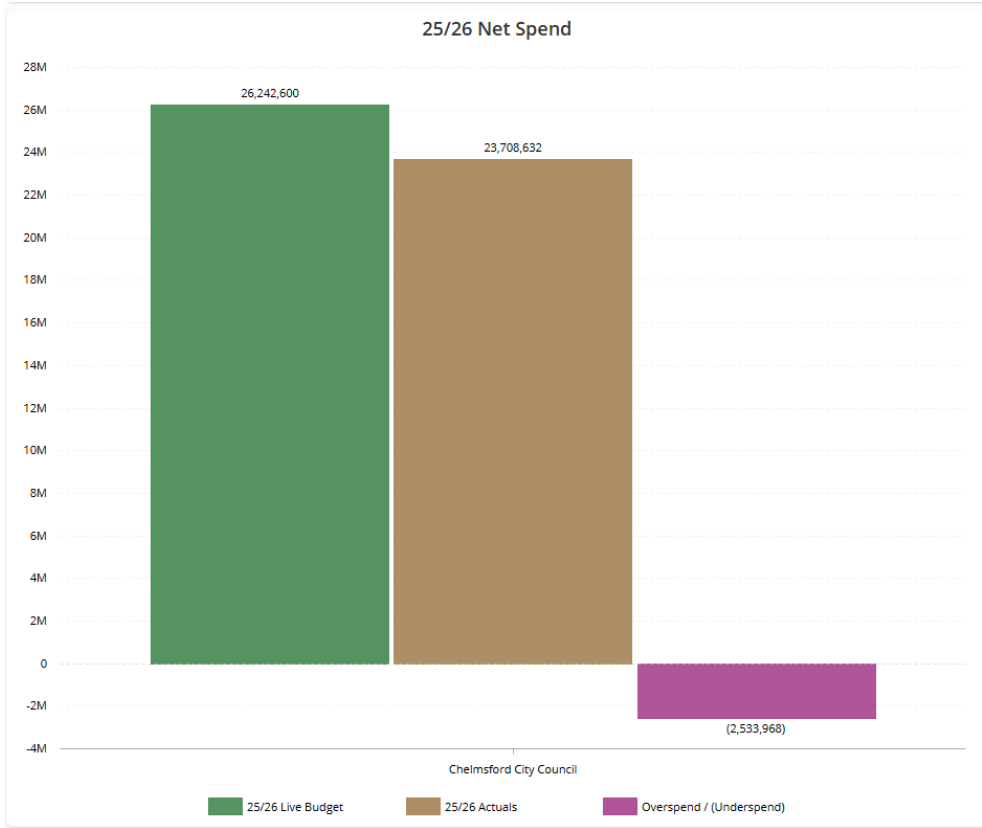
Other Spend Key Variations, Actions and Risks

Variations	Actions	Risks
<b>£122k approved overspend</b> all approved by supplementary estimates (Cyber Security, Council Tax Text Reminder, Local Plan, CGR Work, Asylum Work)	Ongoing spend has been reflected in 26/27 budgets	Supplementary estimate requests continue to outstrip the £300k provision
<b>£654k overspent</b> on Theatres operational spend due to increased activity, offset by additional income, for a <b>net additional income of £780k</b>	Partially reflected in 26/27 budgets, a further review of net additional income will be needed	Larger shows are not programmed in for future years or further cost of living pressures reduce customer numbers
<b>£157k underspent</b> on Electricity and Gas budgets due to lower unit prices than budgeted	25/26 budgets did not use specific reserves for utilities, so this effects general reserves	Energy has been purchased for 26/27, but there is a risk over prices for 27/28 due to escalating prices
<b>£1,308k overspent</b> on grants <b>offset by income (£207k PHPS, £401k Housing, £207k UKSPF, £136k Culture, £226k Planning, £107k RAMS, £24k Other)</b>	Assess whether any grant income and expenditure is ongoing for future budgets	Grant income falls away but the associated expenditure is still required in future years
<b>£179k underspent</b> on vehicle fuel costs due to a cheaper price agreed as part of the new HVO contract	Budgets for 26/27 were re-aligned, but prices are increasing	Prices continue to escalate
<b>£1,385k underspent</b> on TA costs, but <b>reduced income for a net overspend of £902k</b> due to increasing cost per case for each household in TA (the new rent policy implemented in 25/26 results in reduced income and spend)	This increase has been reflected in 26/27 budgets with an allowance for cost per case being higher	Supported housing provision does not reduce the forecast as hoped, and other accommodation cannot be found
<b>£77k approved overspend</b> on works at the Aquarium funded from the sinking fund for let properties reserve	Works were approved in 24/25 as a supplementary estimate	The works do not result in filling or retaining suites as intended
<b>£236k overspent</b> on consultancy and counsel fees due to public planning inquiries	Maximise affordable housing per site where possible	Affordable housing provision per site does not reach the desired target
<b>£102k overspent</b> on leisure maintenance costs	Review whether ongoing	Overspends continue
<b>£125k overspent</b> on Chelmsford Garden Communities spend offset with additional grant income	Maintain recovery of costs via grant income wherever possible	Spend does not meet grant conditions
<b>£207k overspent</b> on LGR implementation costs relating to business case work, offset by additional income	The split of spend and income between authorities is finalised	Spend on LGR outstrips grant funding and reserve provision
<b>£236k overspent</b> on external audit costs relating to the main audit and HB audits. The overspend is driven by additional costs for prior year audits	Review whether ongoing and reflect in MTFS	Additional audit fees continue, with delays in audits resulting in additional costs to the Council
<b>£147k overspent</b> on legal and other professional fees relating to aborted schemes and other advice on specific properties/sites (predominantly one-off in nature)	Review whether ongoing and minimise abortive costs wherever possible	More abortive costs occur
<b>£104k overspent</b> on outsourced work offset by underspend on employee expenditure (Insurance & Culture)	Budgets have been updated for 26/27	Outsourcing reduces quality and control of the service provided
<b>£95k overspent on other expenditure</b> across the Council	Work with the services to identify if anything is ongoing	



### Income Key Variations, Actions and Risks

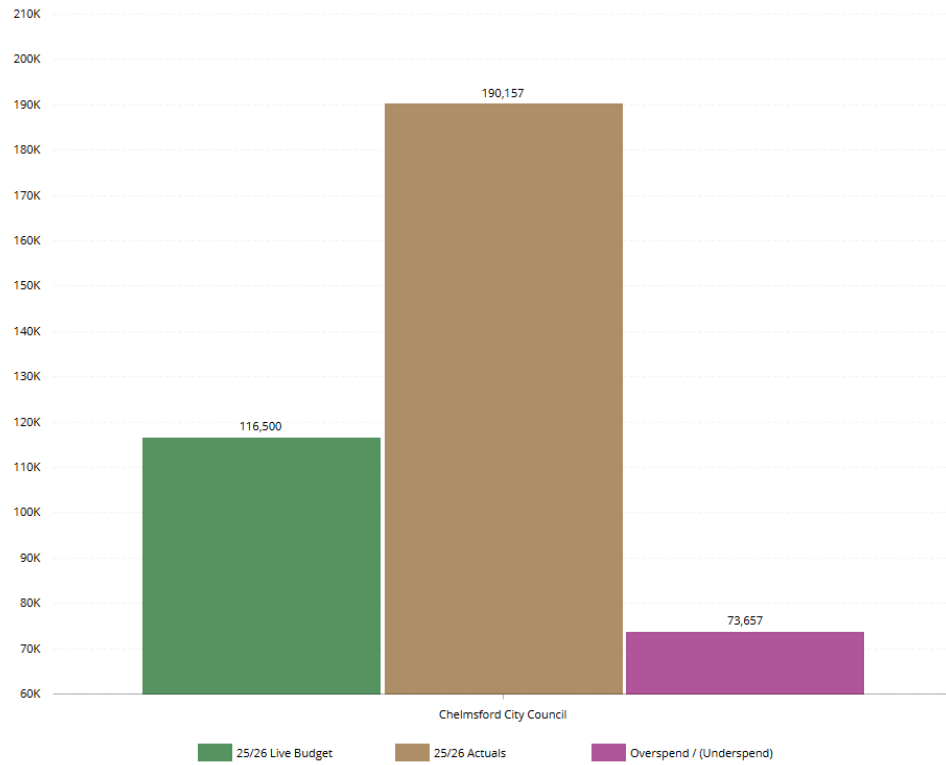
Variations	Actions	Risks
<b>£1,245k additional income</b> from the new garden waste subscription service given uptake of 58% of eligible residents	Budgets for 26/27 have been reviewed and an increase reflected	Large numbers of customers do not review for 26/27
<b>£118k reduced income</b> from garden waste compost credits, due to reduced volumes collected.	Budgets for 26/27 have been reviewed and a decrease reflected	Tonnages collected can be volatile for garden waste due to the weather
<b>£593k additional income</b> from sports centre income due to increased memberships and activity levels	Leisure budgets have been realigned as part of the 26/27 Original Budgets to increase employee and income budgets	Memberships or general activity levels drop off without the corresponding decrease in employee spend
<b>£779k additional grant income</b> from Extended Producer Responsibilities compared to budget	The gain has been contributed to a new reserve to enable budgeting at a higher level	Pack UK do not collect enough contributions from producers to fully pay this grant in the future
<b>£2,393k additional income</b> from various grant schemes across the Council, <b>partly offset by additional spend</b> (Housing £991k, PHPS £327k, UKSPF £237k, RAMS £115k, Planning £269k, Museum £213k, Audit £100k, £141k other)	Assess whether any grant income and expenditure is ongoing for future budgets as part of the MTF5	Grant income falls away but the associated expenditure is still required in future years
<b>£2,287k reduction in income</b> from Temporary Accommodation, offset with reduced spend, for a <b>net overspend of £902k</b> (the new rent policy implemented in 25/26 results in reduced income and spend)	This increase has been reflected in 26/27 budgets with an allowance for cost per case being higher	Supported housing provision does not reduce the forecast as hoped, and other accommodation cannot be found
<b>£1,532k additional income</b> at the Theatre due to increased activity, offset by additional spend, for a <b>net additional income of £780k</b>	Budgets have been realigned based off of 24/25 outturn for 26/27, further adjustments will be considered for 27/28	Larger shows are not programmed in for future years or further cost of living pressures reduce customer numbers
<b>£906k reduced income</b> at the Cemetery and Crematorium due to lower mortality rate and increased competition	Budgets for 26/27 have been reviewed and a decrease reflected	Further competitors come to the market
<b>£158k additional income</b> at Hylands due to increase events (predominantly weddings)	Review whether ongoing and reflect in the MTF5	Customer numbers reduce in future years
<b>£180k additional income</b> due to the successful back claim from HMRC for cultural exemption on the Panto shows	One-off claim	One-off claim
<b>£178k additional grant income</b> to cover LGR implementation costs, offset by additional expenditure	The split of spend and grant income between authorities has been finalised	Spend on LGR outstrips grant funding and reserve provision
<b>£167k additional income</b> due to the successful Truck Cartel claim	One-off claim	One-off claim
<b>£173k additional income</b> from other minor sources across the Council	Work with services to identify if anything is ongoing	



### Service Overspend/(Underspend) (Excluding HB Subsidy)

(£2,513,173)

25/26 Net Spend (HB Subsidy excluding TA Subsidy Loss)



Comments - HB Subsidy (excluding TA Subsidy) Loss Variations

The net budget for HB subsidy (excluding TA Subsidy Loss) is a net cost of £116,500.

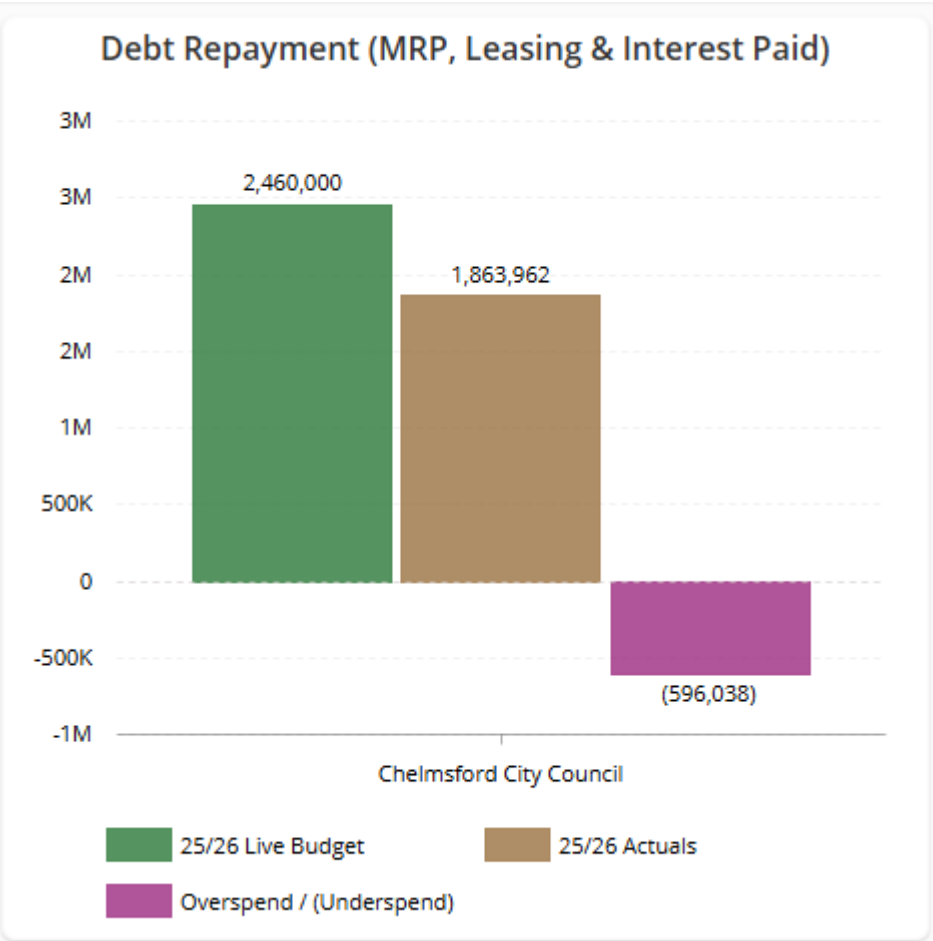
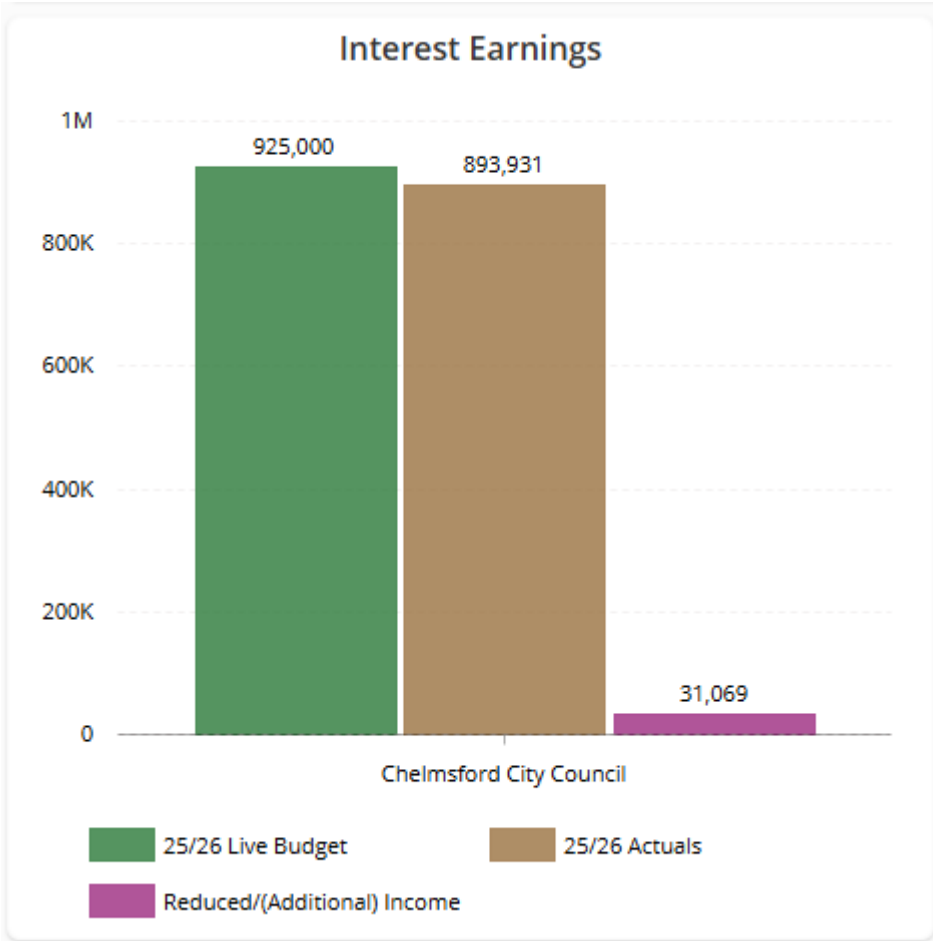
The overspend of £74k is made up of the following variations

- £256k overspent due to supported housing related losses being higher than budgeted, it is expected this could reduce in future years with Housing working with CHES to establish them as a Registered Provider (ongoing)
- £40k underspent on HB overpayments bad debt provision due to a slight reduction in the overall level of debt following one-off work completed on the pension age caseload in 25/26
- £9k underspent on Discretionary Housing Payments offset by reduced grant income
- £133k underspent on other net Subsidy movements (one-off)

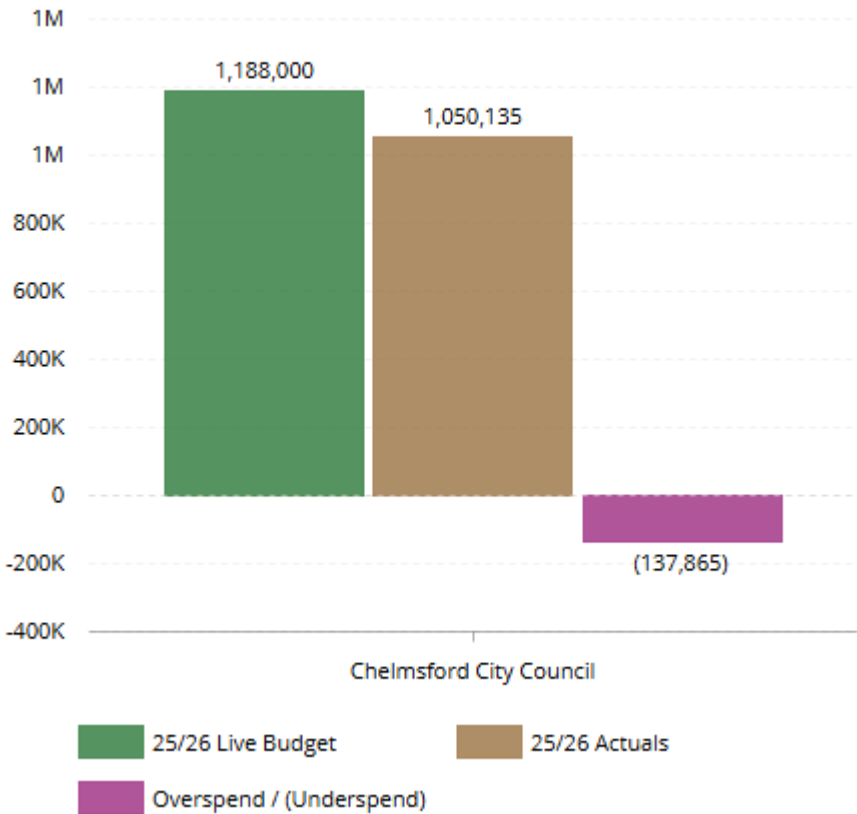
Service Overspend/(Underspend) Including HB Subsidy

(£2,460,311)

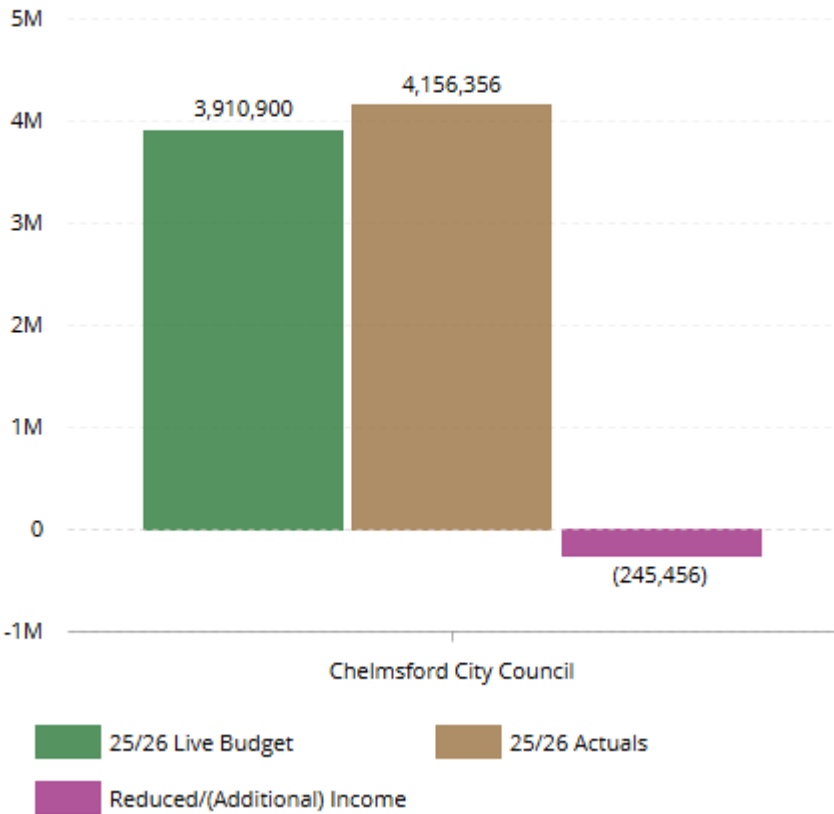
# Chelmsford City Council Variances - Non-Service Level Income & Expenditure

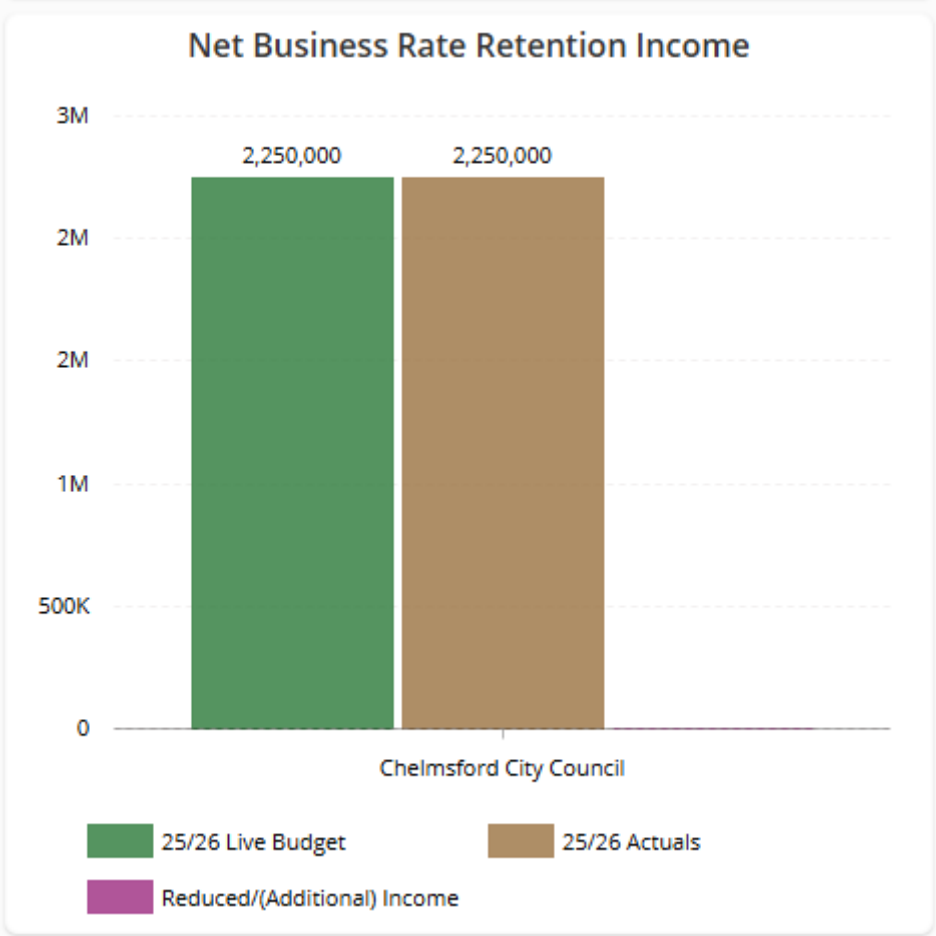


### Revenue Funding of Capital



### Other Grant & One-Off Income





Variations	Actions	Risks
<b>£274k additional income</b> from interest earnings due to slippage of capital spend, additional revenue income than budgeted and higher interest rates than budgeted	Review the Council's portfolio of investments and borrowing to maximise income and minimise cost	Spend increases, reducing cash balances and therefore interest earnings, whilst also increasing the likelihood of needing to borrow
<b>£596k underspent</b> on Debt Repayment due to slower timing of expected borrowing	Review the Council's portfolio of investments and borrowing to maximise income and minimise cost	Spend increases, reducing cash balances and therefore interest earnings, whilst also increasing the likelihood of needing to borrow
<b>£138k underspent</b> on Revenue Funding of Capital due to the delaying of spend which will now occur in future years	Maximise the most cost effective use of funding and reserves for capital spend	Additional capital expenditure is written back beyond the value held in reserves to cover this risk
<b>£304k realised loss</b> on the sale of the CCLA cautious multi-asset fund, which is offset by reserve movements below	The pooled asset fund reserve has been used to offset this loss and review other multi-asset fund holdings	Other multi-asset funds realise losses greater than the value held in the pooled asset funds reserve
<b>£245k net additional grant income</b> (£264k section 31 grants relating to business rates, (£19k) National Insurance grant)	One-off in nature	The reset of government funding from 26/27 onwards removes these variations

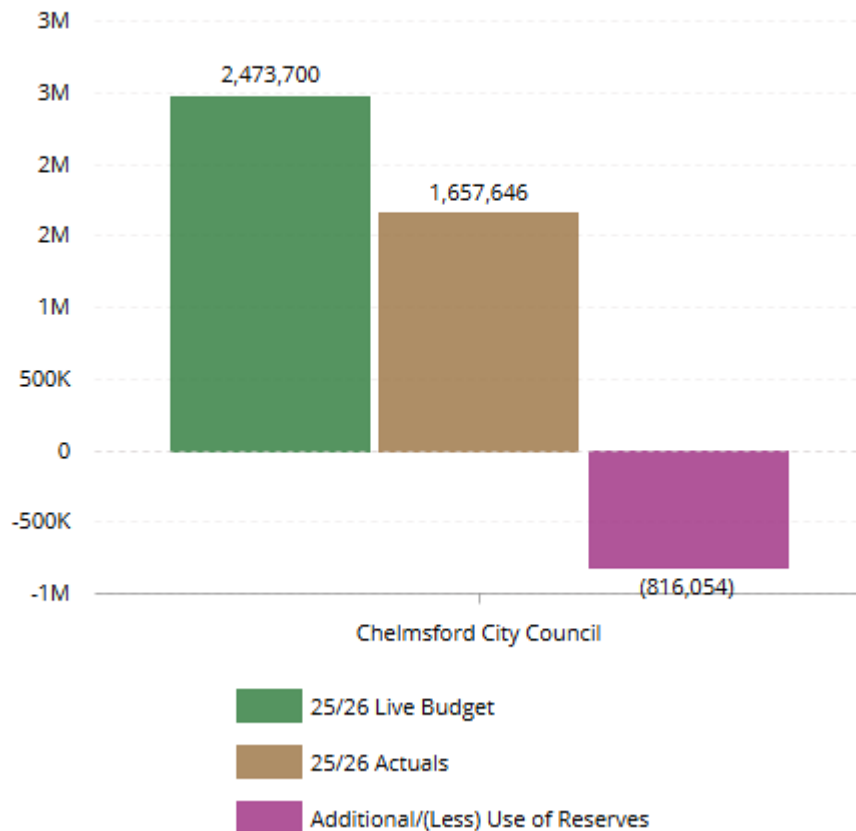
Non-Service Overspend/(Underspend)

# (£948,290)

# Chelmsford City Council Variances - Reserves

The underspends above at both the service and non-service level result in additional contributions to reserves as a whole, which is split out below between earmarked and unearmarked reserves.

## Use of Earmarked Reserves



## Earmarked Reserves

The budget for use of earmarked reserves for 25/26 was set at £2,473,700, which was predominantly made up of reserve use to cover loss of rent from commercial properties and investment in the City's assets.

The outturn position is reduced use of/additional contribution to reserves compared to the budget of £816k made up of the following variations,

£779k contribution to new EPR reserve following increased EPR funding to enable budgeting at a higher level (offset with additional income in the service above)

£157k reduced use of Chelmsford development reserve offsetting direct revenue funding of capital above

£155k reduced use of the loss of rent from commercial properties reserve due to less net loss than expected in 25/26 on these properties

£305k increased use of pooled fund losses reserve from the CCLA cautious multi-asset fund realised loss on sale of investment

£30k other reduced reserve use across various smaller reserves

### General Fund

The use of General Fund Original budget was set at £382,700 for 25/26. The outturn position is a contribution of £2,210k, **£2,593k better than the budget**. The key variations that make us this amount are as follows:

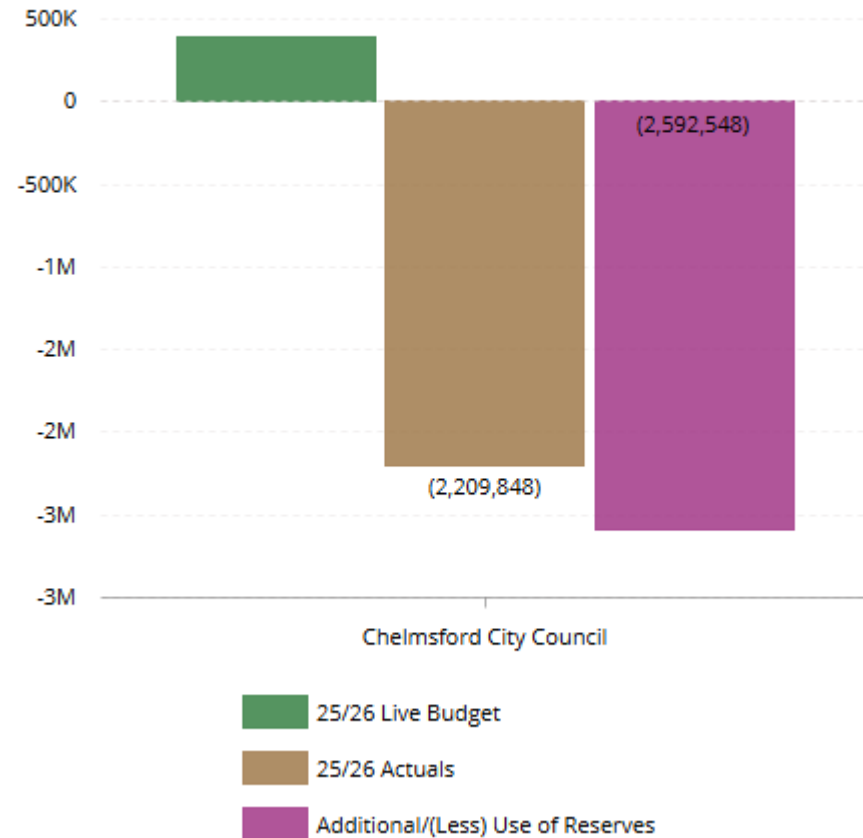
Favourable Variations:

- £1,245k additional income from garden waste subscriptions, offset by £118k reduced compost credit income.
- £1,085k additional net grant income from various one-off schemes (predominantly housing related)
- £780k net additional income from the Theatre
- £593k additional income from sports centre income due to increased memberships and activity levels
- £605k additional income from various other sources, predominantly one-off in nature
- £179k underspend on vehicle fuel costs due to a cheaper price agreed for HVO fuel

Adverse Variations:

- £906k reduced income at the Crematorium due to lower mortality rate and increased competition across Essex
- £902k net overspend on TA costs due to a higher cost per case than budgeted

### Use of General Fund (Unearmarked Reserves)



## **Revenue Outturn 25/26 – Potential Ongoing Budget Changes**

This appendix outlines the initial findings of potential ongoing changes that could be made to the Council's budgets following the 25/26 outturn position. There are favourable and adverse variations. **Figures are indicative** for the ongoing impact given the need to undertake a more robust review with the services as part of the budget process. The figures shown are changes to the 26/27 Original Budget onwards and so do not necessarily match the total variation at 25/26 outturn, with some of these issues already covered off as part of the 26/27 budget process.

The information is split between service budgets and non-service budgets, with service budgets split across employee expenditure, other expenditure and income as with the overall outturn summary page in the first appendix to this report.

### **Service Level Changes**

#### **Employee Expenditure**

- **Council wide** – Employee budgets were underspent for 25/26, even after allowing for the additional pay award above the budgeted 3% and further overspends approved by supplementary estimates. Significant underspends were achieved across several areas due to the impact of vacant posts which will be reviewed further to see if any of these trends are ongoing. **Ongoing impact to be assessed**
- **Overtime** – several areas across the Council had overspends on overtime which were not offset by reductions in employee costs elsewhere. Overall, Council overtime budgets were overspent in 25/26 by £199k. Budgets were increased for 26/27 but still appear to be below current spending levels. **Ongoing impact to be assessed (expected to be additional cost between £50k and £100k)**

#### **Other Expenditure**

- **Car Parks** – gritting the Council's car parks over winter have now been outsourced to an external supplier, with insufficient budget provision for this specific cost in 26/27. **Ongoing impact (expected to be additional cost of £43k)**
- **Other Minor Adjustments** – There are a few other adjustments identified in the 2025/26 outturn that look necessary to make to ongoing budgets in PHPS, Building Services and Freighter House. **Ongoing impact (expected to be additional cost of £37k)**
- **Theatre** – realignments were allowed for in the 26/27 original budgets between income and expenditure to allow for increased activities. Further realignments look possible given the net outturn position for the Theatre in 25/26. **Ongoing net impact assessed in income section below**

- **Other HB Subsidy** – Overspends relating to supported housing losses were higher than budgeted in 25/26, predominantly due to increasing provision across the City from CHESS. It is expected this could reduce in future years with Housing working with CHESS to establish them as a Registered Provider. **Ongoing impact (expected to be additional cost of £120k)**

## Income

- **Theatre** – net additional income in 25/26 of £780k for the Theatre against the budget due to increased activity levels. Some of these gains have already been reflected in the 26/27 original budget, along with some other known changes to the Theatre operation, but it is expected that further adjustments can still be made. **Ongoing impact to be assessed, being dependent on the future programme (expected to be additional net income of £250k)**
- **Leisure & Heritage** – net additional income in 25/26 of approximately £563k for sports centres and Hylands House against the budget. Most of this increase has already been reflected in the 26/27 original budget, but further adjustments look likely. **Ongoing impact (expected to be additional net income of £88k)**
- **Extended Producer Responsibility (EPR) Income** – Income in 25/26 was made up to the guaranteed amount by DEFRA, indicating that Pack UK who are administering the scheme did not collect enough levy from packagers to cover the guaranteed amount to the Council. £779k additional income was received over the budget in 25/26, which was transferred to a new reserve to cover the risk of this funding decreasing in the future. Given that DEFRA must make up the Council's funding by £225k in 25/26, it therefore seems likely that the 26/27 budgeted amount will not be achieved. **Ongoing impact (expected to be reduced income of £225k)**
- **Other Income Budgets** – various other smaller income budgets produced variations for 25/26 outturn that are now expected to be ongoing and have not currently been reflected in ongoing budgets. **Ongoing impact (expected to be additional income of £18k)**

## Non-Service Level Changes

**Interest** – both interest income and debt repayment in 25/26 saw favourable variations at outturn, with £274k additional interest income and a £596k underspend on debt repayment. A more optimistic approach has already been reflected in the 26/27 budget, but this will need to be reviewed again as part of the budget process. **Ongoing impact (expected to be minimal due to changes in cashflow and interest rates)**

<b>Description</b>	<b>Downside Case</b>	<b>Upside Case</b>
	<b>£000s</b>	<b>£000s</b>
<b>26/27 Original Budget Report forecast gap for 27/28</b>	<b>554</b>	<b>554</b>
Overtime Staffing Costs	100	50
Leisure & Heritage Other Expenditure	125	125
Car Parks Gritting Costs	43	43
Other Expenditure Variations	37	37
Other HB Subsidy	120	120
Theatre Net Income	(250)	(250)
Leisure Income	(55)	(55)
Hylands House Income	(158)	(158)
Planning S106 Locum Income	74	74
EPR Income	225	225
Other Income Variations	(92)	(92)
<b>Updated Forecast gap for 27/28 (before non-outturn changes)</b>	<b>723</b>	<b>673</b>
<b>Total Variation</b>	<b>169</b>	<b>119</b>

## Usable Reserves Projections

## Earmarked Reserves

	25/26 Latest Forecast (Feb Council Report)					25/26 Provisional Outturn					Comments on Variation
	Opening Balance	Budgeted (use of)/ contribution to reserves	Forecast adjustments	Budgeted Transfers	Closing Balance	Actual Opening Balance	Actual net (use of)/ contribution to reserves	Transfers	Closing Balance	Variation (Closing Balance)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
<b>Corporate Investment</b>											
Cultural Support Fund	10		-10		0	10	5		14	14	
Local Development Framework	707	-250	-240	15	232	707	-213	15	509	277	Slippage of spend to later years
Supplementary Estimate Reserve	168	-300	105	27	0	168	-300	132	0	0	More than the full balance of £300k used in 26/27
DPO Reserve	0				0	0			0	0	
Hylands House Reserve	3				3	3			3	0	
	<b>888</b>	<b>-550</b>	<b>-145</b>	<b>42</b>	<b>235</b>	<b>888</b>	<b>-509</b>	<b>147</b>	<b>526</b>	<b>291</b>	
<b>Capital Programme</b>											
Project Evaluation Reserve	177				177	177	-33		144	-33	
Sinking Fund for Let Property	100	50	-93		57	100	-27		73	16	
Infrastructure Fund	42			500	542	42		500	542	0	
Chelmsford Development	2,002	-806	-1,160		36	2,002	-649		1,353	1,317	Reserve now earmarked for future year spend given outturn position on Capital and most beneficial application of funding
	<b>2,321</b>	<b>-756</b>	<b>-1,253</b>	<b>500</b>	<b>812</b>	<b>2,321</b>	<b>-709</b>	<b>500</b>	<b>2,112</b>	<b>1,300</b>	
<b>Risk Management</b>											
Insurance	848	-50			798	848			848	50	
Investment Reserve	1,041		-305		736	1,041	-305		736	0	
Pension Deficiency	1,240				1,240	1,240			1,240	0	
Park and Ride	298				298	298	49		346	48	
Vehicle Fuel Reserve	324			-24	300	324		-24	300	0	
Utility Costs Reserve	1,573			-73	1,500	1,573		82	1,655	155	Change to budgeted transfer to cover risk of future prices
Government Funding and Business Rates Contingency Reserve	4,068				4,068	4,068	-568		3,500	-568	Final year of Business Rate retention income under previous scheme
Rent Income (Temporary Loss of Tenant)	1,643	-1,118		1,537	2,062	1,643	-963	1,382	2,062	0	
New: EPR Funding Reserve	0		779		779	0	779		779	0	
	<b>11,035</b>	<b>-1,168</b>	<b>474</b>	<b>1,440</b>	<b>11,781</b>	<b>11,035</b>	<b>-1,008</b>	<b>1,440</b>	<b>11,467</b>	<b>-314</b>	
<b>Total Earmarked Reserves</b>	<b>14,244</b>	<b>-2,474</b>	<b>-924</b>	<b>1,982</b>	<b>12,828</b>	<b>14,244</b>	<b>-2,226</b>	<b>2,087</b>	<b>14,105</b>	<b>1,277</b>	
<b>Unearmarked Reserves</b>											
<b>General Fund &amp; Contingency</b>	<b>14,240</b>	<b>-383</b>	<b>2,186</b>	<b>-1,982</b>	<b>14,061</b>	<b>14,240</b>	<b>2,210</b>	<b>-2,087</b>	<b>14,363</b>	<b>302</b>	Underspend at service and non-service level very similar to level expected as a whole in Feb Council report
Recommended level £9m											
	14,240	-383	2,186	-1,982	14,061	14,240	2,210	-2,087	14,363	302	
<b>Total reserves</b>	<b>28,484</b>	<b>-2,857</b>	<b>1,262</b>	<b>0</b>	<b>26,889</b>	<b>28,484</b>	<b>-16</b>	<b>0</b>	<b>28,468</b>	<b>1,579</b>	

**Supplementary Estimates Approved - 25/26 - Not funded by income or reserves**

<b>Description</b>	<b>Full Amount</b>	
	<b>Requested (covers multiple years)</b>	<b>Impact in 25/26</b>
Monitoring Officer Cover	£37,000	£29,000
Digital Cyber Security Contract	£116,700	£68,000
Planning Enforcement Officer	£59,400	£23,000
Revs & Bens Staff to improve accuracy	£198,700	£176,000
Pay Award ongoing (additional cost above budget)	£52,500	£52,500
Pay Award one off	£180,000	£180,000
Council Tax - Text reminder (chasing debt)	£10,000	£12,000
Senior Homelessness Officer	£59,400	£9,000
Local Plan	£240,000	£0
CGR - parish review	£165,000	£32,000
Health & Safety Officer	£28,500	£0
<b>Total</b>	<b>£1,147,200</b>	<b>£581,500</b>
Initial Allocation	£300,000	
Spend Above Allocation	-£847,200	

**Supplementary Estimates Approved - 25/26 - Funded by Additional Income or Earmarked Reserves**

<b>Description</b>	<b>Full Amount</b>	
	<b>Requested (covers multiple years)</b>	<b>Impact in 25/26</b>
Beam funding housing (Income Funded)	£149,400	£10,000
Homeless Officer (Income Funded)	£52,600	£0
CIL Admin Post (Income Funded)	£25,700	£0
LGR Project Officers (Reserve Funded)	£140,000	£4,500
Procurement Temporary officer (to be spent in 2026/27) from LGR	£20,000	£0
<b>Total</b>	<b>£387,700</b>	<b>£14,500</b>