



## Chelmsford City Council Cabinet

8th July 2025

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### Financial Update

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#### Report by:

Cabinet Member for Finance

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#### Officer Contact:

Phil Reeves, Accountancy Services Manager Section 151, Phil.reeves@chelmsford.gov.uk, 01245 606562

#### Purpose

The purpose of this report is to provide members with an update on the Council's financial position and seek approval of changes to the capital programme budgets.

#### Options

- 1 Note the revenue budget update and approve the changes to the capital programme budgets, or
- 2 Note the revenue budget update and propose amendments to capital programme items other than those requested.

#### Preferred option and reasons

Approve the proposed changes to the capital programme as this supports the delivery of Our Chelmsford, Our Plan.

#### Recommendations

That Cabinet .

- i) Notes the update on the financial position in Appendix A.
- ii) Approves the changes to the capital programme shown in Appendix B

## 1. Introduction

1.1 The formal reporting of the budget process for 2026/27 is scheduled to be:

- Financial outturn for 2024/25 for revenue and capital reported to Audit and Risk Committee
- Cabinet in July receives a short interim update in the light of outturn and other known factors
- October Cabinet receives an in-year financial review and new forecast for capital and revenue for the years up to 2028/29
- January Cabinet receives a budget report for recommendation on to Council in February

1.2 The budget process for 2026/27 must make allowance for central government grant funding changes and the costs of LGR, both of which cannot be robustly quantified at this time but will be significant. This report provides only a limited update on those matters due to still limited information.

## 2. Reporting of the Financial Outturn 2024/25

2.1 Normal practice is to report to Audit and Risk committee a provisional revenue outturn (Appendix A), which identifies how income and expenditure compared to the 2024/25 budget and 2025/26 budget assumptions. This report has not previously been reported to Cabinet. In the interests of transparency and improving the clarity, especially regarding changes to budget outlook, this year Cabinet has been provided with a copy. The information is for noting and provides context to the changes in the expected budget position for 2025/26, which are outlined in paragraph 3 below.

2.2 The Capital outturn for a financial year is reported to Audit and Risk committee. However, there is a need to seek approval for changes to the capital programme, so Cabinet and, if necessary, Council are asked in July each year to consider the changes to the capital programme.

2.3 In summary the outturn position for 2024/25 was:

- Revenue provisional outturn. There were significant favourable variations, mostly arising from income in 2024/25. Overall, the report identifies that the position is an improvement in the expected General Fund reserve position, by £3.89m compared to the 2024/25 Original Budget (measured against the 2025/26 budget assumption, this is £2.5m better).
- Capital. Appendix B identifies overall that Cabinet is being asked to approve £438k (0.3%) of additional cost variations to capital schemes. Also, £595k (7.8%) higher spend in 2025/26 on replacement items, mostly due to rephasing of expenditure from 2024/25.

### 3. Expected Changes to the Financial Forecast

- 3.1 The February Council report contained budget forecasts. This report is not intended to provide a full update of the forecast and mostly looks at issues for 2026/27. An initial view arising from the 2024/25 financial outturn is improvement within the ranges below.

Description	Deficit in Downside Case	Deficit in Upside Case
	£000s	£000s
<b>25/26 Budget Report Forecast gap for 26/27</b>	<b>2,579</b>	<b>2,579</b>
Appendix A (Appendix 2) Total Variations	(530)	(1,960)
<b>Updated Forecast gap for 26/27</b>	<b>2,049</b>	<b>619</b>

- 3.2 Service Budget Variations: The ongoing revenue budget variations are identified in Appendix 2 of Appendix A and the most significant are:

- Garden Waste Subscription Charges – the income budget for 25/26 for garden waste subscription charges is £1.42m, but nearly £2.2m has been received for 25/26 already. This will be reviewed as part of the budget process; ongoing impact to be assessed (expected to be additional income of £700k-£900k).
- Grant Income – just over £900k worth of net grant income was received above the budgeted level in 24/25, from 22 grants. Although a significant proportion of this was one-off, there is scope that some of these grants remain in future years. Officers expect the largest grant, asylum grant funding, will be ongoing in some form with £464k already identified to be received for 25/26; ongoing impact expected to be additional income of £460k.
- Theatre – net additional income in 24/25 of £528k for the Theatre against the budget. A small proportion of this gain (£65k) was in relation to additional cultural VAT income, but the remainder (£463k) was additional net income for the Theatre. Overall, some £419k of £3.9m total theatre income in 2024/25 is from VAT savings on cultural exemption, which has now been broadly agreed with HMRC, though an element of risk to income remains; ongoing impact is dependent on the future programme (expected to be additional income of £250-£460k).
- Leisure – net additional income in 24/25 of approximately £422k for sports centres against the budget. Realignment was made for 25/26 budgets totalling £276k additional net income, so the balance of £146k will be investigated with the service. Due to the nature of the income received from leisure, there is a chance the gain could be higher than the £146k as the monthly amount of income received from memberships remains on an upward trend; ongoing impact to be assessed (expected to be additional income of £150k-£300k).
- There are areas where income and costs are expected to be unfavourable. The largest of these is Crematorium income which has been detrimentally affected by new local competition (expected to be £210k reduction to 26/27 assumptions).

- The 24/25 financial outturn identifies Temporary Accommodation use and cost was lower than the budget; this has already been allowed for in the 25/26 budget and forecasts.
- The changes identified in the report are initial and will be firmed up during the budget process (following monitoring of 25/26 trends and substantial discussion with services).

### 3.3 Capital Programme Financing Costs

- The report in Appendix B identifies cost variations. The position is complicated as some items are grant funded or slipped to different years, affecting how much additional financing cost there is on the revenue budget and what years the costs fall in. It is currently considered to be de minimis, however capital financing costs will be reviewed during the summer.
- The capital programme expenditure was slower than expected (see Appendix B paragraph 7.5) and so there was less borrowing in 2024/25. The impact is likely to be materially favourable in 2025/26 resulting in higher interest earnings and lower borrowing costs. The position in 2026/27 and later years has not yet been fully worked through but should be favourable.

### 3.4 Update on Government funding. No new positive news.

- The recent government spending review identified real-terms growth in local authority core spending of 2.6% for 3 years. However, the definition of increased core spending power (CSP) includes an assumption of annual increases of 3% in Council tax and 2% in the social care precept, which funds the vast majority of the CSP increase. The 2.6% is an average increase in core spending power nationally. In recent years, the City has received frozen CSP even when national increases were above 2%. A frozen CSP results in the authority losing grant as Council Tax income increases are offset by funding cuts.
- The Government's planned changes to how local authority grants are to be allocated from 2026/27 onwards have not yet been explained in detail. However, there has been recently a consultation document published by Government for local authorities to consider the outline of the proposed changes. The changes are complex and according to the Institute of Fiscal Studies could result in very large changes between authorities. There has been sufficient time to consider them fully, but the overall direction of travel still implies a loss of funding to the City council.
- The Council's budget forecast assumes a loss of grant and business rates retention of £2.75m per year, phased in over three years. The s151 officer hopes this can be revised lower as the Government does now appear to be offering to cap the extent of any loss for an individual authority. However, given the baseline to measure losses against is not clear and recent experience of the Government's significant under compensation for additional National Insurance increases, it is too early to determine if funding position is any better than £2.75m reduction expected.

## 4. Conclusion

4.1 The financial position has improved since last reported in February but there remains the possibility of significant funding cuts.

4.2 Income was higher across the Council in 2024/25 against the budget and against the latest forecasts throughout the year. The revenue monitoring process will be looked at in 2025/26 to try to avoid in future a pessimism bias on income forecasts. Interest

estimates for 2025/26 have already allowed for greater upside risk and the position will be monitored and considered in the budget process.

4.3 The cabinet will receive a further report on the Council's finances in October.

List of appendices:

Appendix A - Provisional Revenue Outturn Report 24/25

Appendix B - Capital Programme Update and Provisional Outturn 2024/25

Background papers: None

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### Corporate Implications

Legal/Constitutional: The Council is required to set a balanced budget. The Medium-Term Financial Strategy sets out the framework for this to be achieved.

Financial: A robust financial strategy is essential in the delivery of the Council's objectives over the medium term, ensuring decisions are taken with due regard to their financial consequences. Medium-term financial planning is a key element in determining the organisation's future resilience.

Potential impact on climate change and the environment: This will be considered as part of the detailed budget setting process.

Contribution toward achieving a net zero carbon position by 2030: As above.

Personnel: The financial strategy, and the development of detailed budget proposals, is supported by the Council's values and behaviour framework, which promotes a culture of responsibility and accountability.

Risk Management: Due regard to the Council's Principal Risk Register should be had when considering its budget plans, financial forecasts, and level of reserves. The production of, and adherence to, the Strategy mitigates the risk of financial failure. Challenges to the Council's financial position are reflected in the Principal Risk Register, while the financial impact of other risks are considered within the Principal Risk Register as appropriate.

Equality and Diversity: Equality Impact Assessments will be considered as part of the detailed budget setting process rather than at the strategic level, to enable comprehensive assessments to be undertaken where necessary.

Health and Safety: None

Digital: None

Other: None

### Consultees:

Cabinet Members, Chief Executive and Directors, Monitoring Officer

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### Relevant Policies and Strategies:

Our Chelmsford: Our Plan



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# Chelmsford City Council Audit and Risk Committee

**11<sup>th</sup> June 2025**

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## **Provisional Revenue Outturn Report 24/25**

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### **Report by:**

Accountancy Services Manager (Section 151 Officer)

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### **Officer Contact:**

Phil Reeves, Accountancy Services Manager (s151),  
[phil.reeves@chelmsford.gov.uk](mailto:phil.reeves@chelmsford.gov.uk), 01245 606562

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### **Purpose**

This report is for noting and informs Members of the revenue outturn position for 24/25, along with the associated risks and potential ongoing impact

### **Recommendations**

It is recommended that the revenue outturn position for 24/25 and actions arising be noted.

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## **1. Summary**

- 1.1. This report identifies Council's expenditure and income for 24/25 compared to the original budgets. The overall position for 24/25 results is an improvement in the expected General Fund reserve position, which is £3.89m better off than the 2024/25 Original Budget, (measured against the 2025/26 budget assumption this is £2.5m better).
- 1.2. Net Service level budgets were underspent by £1.6m in 24/25, predominantly due to additional income.

- 1.3. Non-service level budgets were underspent by £3.9m in 24/25, predominantly due to a one-off gain of £1m from the disposal of the Councils investment in the CCLA property fund, additional interest (£0.8m), business rates (£0.8m) and grant income (£0.4m).
- 1.4. There was a reduced use of earmarked reserves in 24/25 against the Original Budget of £1.7m (see Appendix 3)
- 1.5. Appendix 1 covers the key variations, actions and risks at the service and non-service level for 24/25
- 1.6. Appendix 2 covers the potential ongoing impact of the outturn position on future years budgets. Initial evaluation suggests there is a potential overall gain of between £530k and £1,960k that could be adjusted to ongoing budgets to be reviewed as part of the budget process.
- 1.7. Appendix 3 shows the impact on the earmarked and unearmarked reserves positions as a result of the 24/25 outturn position.
- 1.8. Appendix 4 shows the supplementary estimates approved during 24/25 and the estimated financial impact on 24/25, 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 24/25 was £3.89m better than the Original Budget, a significant proportion of this has already been allowed for in 25/26 budgets and onwards.
- 2.2. The 25/26 Budget report presented to Council in February 2025 highlighted a forecast budget gap for 26/27 of just under £2.6m. The table below highlights the potential range of the gap that could occur for 26/27 given the outturn position for 24/25 and the ongoing impacts that could occur. More detail is provided on each of these movements in Appendix 2.
- 2.3. Further analysis and work will be done throughout the budget process to finalise any ongoing impacts to budgets and determine the potential budget gap for 26/27 onwards as a result.

Description	Downside Case	Upside Case
	£000s	£000s
<b>25/26 Budget Report Forecast gap for 26/27</b>	<b>2,579</b>	<b>2,579</b>
Appendix 2 Total Variations	(530)	(1,960)
<b>Updated Forecast gap for 26/27</b>	<b>2,049</b>	<b>619</b>

## 3. Reserves

- 3.1. Appendix 3 highlights the movements on the earmarked reserves and unearmarked reserves for 24/25 against the latest forecast position presented in the 25/26 Original Budget report to Council in February



- 3.2. The appendix shows that earmarked reserves balances were just under £1m higher than forecast in the 25/26 budget report. This was predominantly due to a £0.9m variation on the Chelmsford Development Reserve which is a delay in use of the reserve till future years.
- 3.3. The Budget report for 2025/26 allowed for £1.4m of additional General Fund reserve based on financial monitoring in November. The General Fund position at outturn is £2.5m better than the forecast in the 25/26 budget report due to the variations outlined in Appendix 1 of this report.
- 3.4. The additional £2.5m in General Fund balances at the end of 24/25 will need to be considered as to its use. Some options are to set aside the additional amount for Local Government Reorganisation costs for restructuring/ implementation and/or future capital contributions. Additionally, an actuarial review of the Council's self-insured risks suggests an extra £0.5m should be added to the insurance reserve.

#### 4. Supplementary Estimates 24/25

- 4.1. Appendix 4 highlights the supplementary estimates approved during 24/25 against the £300k provision during the year.
- 4.2. A total of £365k worth of supplementary estimates were approved during the year, with the impact on 24/25 being an expected £132k worth of spend. The remainder will be spent in future years. The majority of the supplementary estimates were for one-off spend, with the ongoing elements already reflected in 25/26 budgets.

#### 5. Conclusion

- 5.1. The revenue outturn position for 24/25 shows an improved position for the General Fund position due to net underspends and the service and non-service level.
- 5.2. Some of these net gains have already been reflected in 25/26 budgets and onwards, but there are further gains that could be reflected in future budgets as shown in Appendix 2 and the table above.
- 5.3. Income in particular was higher across the Council in 24/25 against the budget and against the latest forecasts throughout the year. The revenue monitoring process will be looked at in 25/26 to try to avoid in future a pessimism bias on income forecasts by services and accountancy. Interest estimates for 2025/26 have already allowed for greater upside risk, but the position will be monitored and considered in the budget process.
- 5.4. It is difficult to evaluate if the gains on Government grants are ongoing, given the Government's current review of its next 3-year spending plans and commitment to change funding allocations to Councils in 2026/27.
- 5.5. Budgets will be reviewed again throughout the budget process in order to understand what the latest forecast budget gaps for 26/27 and beyond are.



List of appendices:

Appendix 1 – Chelmsford City Council Outturn Position – 24/25

Appendix 2 – Potential Ongoing Budget Changes

Appendix 3 – Reserves Outturn Position

Appendix 4 – Supplementary Estimates Approved in 24/25

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:

(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

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Consultees:

None

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Relevant Policies and Strategies:

None

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#### Summary Outturn Position

This dashboard highlights the outturn position for spend, income and reserve movements for 2024/25 against the Original Budget.

The report shows **the improvement of the General Fund position**, which is **£3.89m better off than the Original Budget** due to the key variations:

#### Favourable Variations:

- £1,219k net underspend on TA costs due to reduced households and cost per case compared to budget
- £750k additional Business Rate Retention income released to the General Fund
- £916k additional net service income from various one-off grant schemes (predominantly housing related)
- £1,376k additional interest earnings and reduced interest/borrowing costs
- £354k net underspend on utilities
- £753k additional income from Leisure centres
- £528k additional net income from the Theatre (including £65k gain due to the Cultural VAT Exemption scheme)

#### Adverse Variations:

- £400k estimated overspend due to the additional cost of the approved pay award
- £511k reduced income at the Crematorium due to lower mortality rate and increased competition across Essex
- £821k overspend on vehicle fleet, building maintenance and software costs to be investigated
- £395k overspend on HB Subsidy (non-TA related)

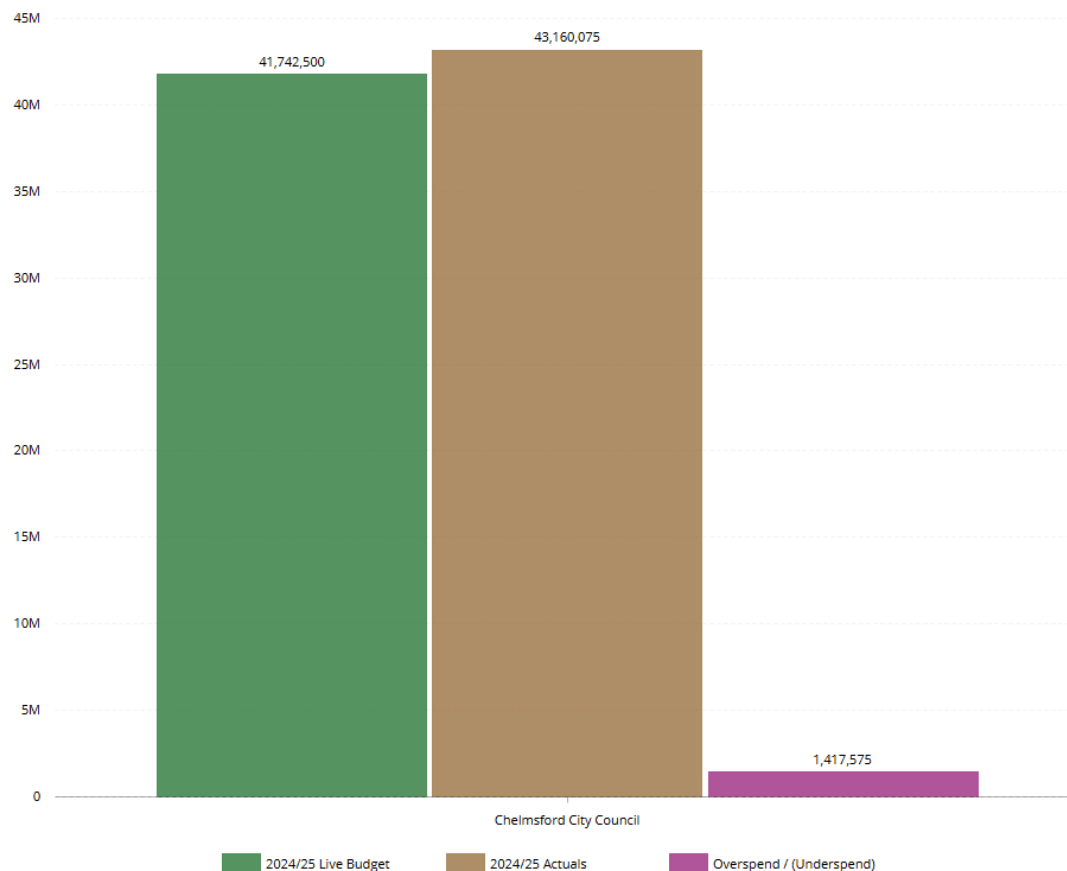
The outturn position highlights an overspend on employee costs of £1.4m (including the approved pay award), an overspend of £1.0m on other expenditure and additional income of £4.4m, resulting in a net service underspend of just over £2.0m before HB subsidy. After the HB subsidy variation, the net service underspend is £1.6m. Expenditure at the service level was higher than budgeted in 24/25, but this is at least in part due to generating additional income.

Non-service variations including additional interest income, business rates income and grant income, total £2.9m. Earmarked reserves were £1.7m underused against the budget. Adding all of these variations together brings you to the £3.89m variation for the General Fund position for 24/25.

The ongoing impact of these variations is less than the £3.89m as a significant amount has already been allowed for in the 25/26 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 - 2024/25 Outturn Report - Service Level

24/25 Employee Spend

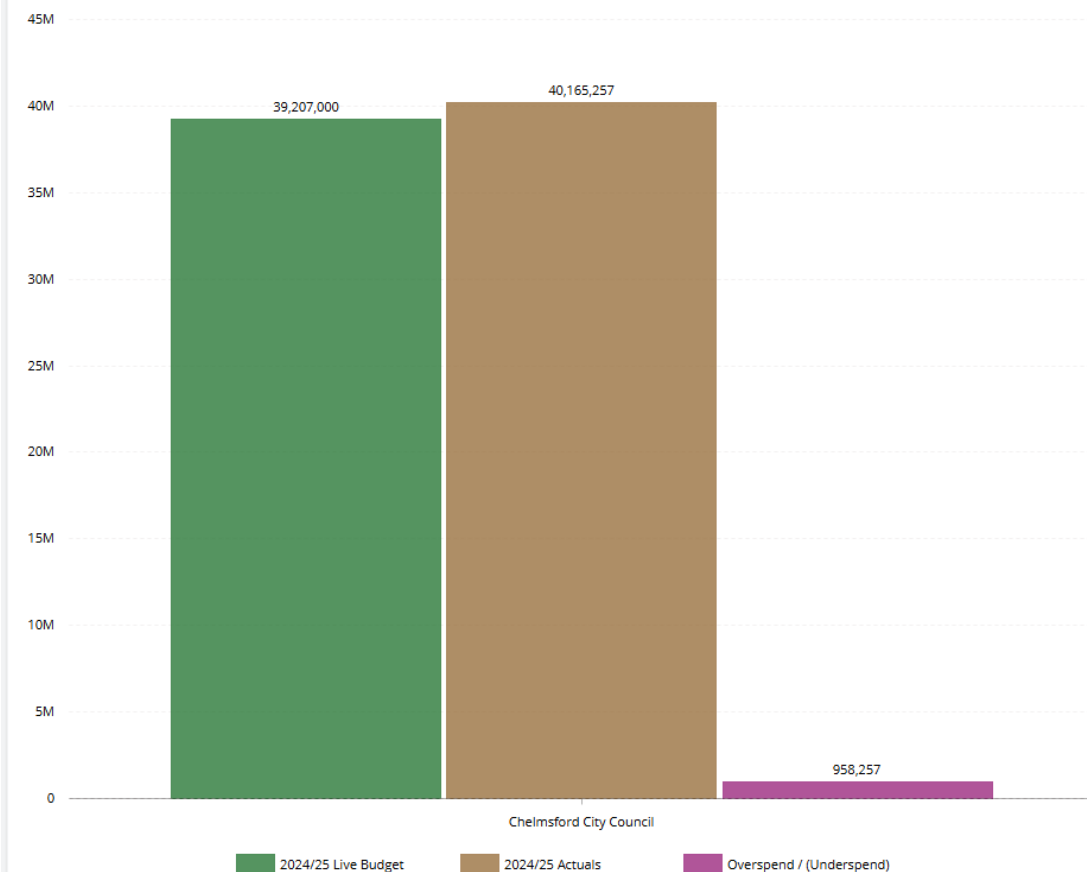


Employee Key Variations, Actions and Risks

Variations	Actions	Risks
<b>£372k overspent</b> on casual staff which is predominantly offset <b>by additional income (£259k Leisure, £75k Theatres, £38k other)</b>	Leisure and Theatre budgets have been realigned as part of the 25/26 Original Budgets to increase employee budgets and income budgets.	Casual budgets continue to over-spend without the corresponding increase in income budgets.
<b>£412k overspent</b> on overtime/additional hours across the Council (£162k Recycling & Waste, £72k Leisure, £44k CCTV, £134k other) <b>£42k is offset by additional grant income</b> in PHPS	Recycling and Waste budgets have been realigned as part of the 25/26 Original Budgets to increase employee and income budgets.	Overtime budgets have overspent in 24/25 by more than the corresponding realignment for 25/26 budgets, so there is a risk some of the over-spend will continue
<b>£403k net overspend</b> on agency staff/contractors not fully offset by corresponding vacancies or income (£226k Recycling & Waste, £42k Benefits & Revenues, £78k Housing Standards, £57k other) <b>£117k approved by supplementary estimate, £62k offset by additional grant income</b>	£57k has been approved as a supplementary estimate for Benefits & Revenues, with a further £60k approved for Housing Standards	Overspends are ongoing or not offset by vacancies, or sickness levels increase to result in more temporary staff appointments
<b>£221k overspent</b> due to savings put forward as part of the 24/25 budget not being achieved	These have been reviewed for 25/26 Original Budgets to determine whether they are achievable in future years	Savings have had to be partially added back into the budget from 25/26 onwards as unachievable
<b>£92k overspend</b> due to agency staff spend relating to the Planning Skills Delivery Fund <b>offset by income below</b>	Ensure spend is in line with income received	Income does not match expenditure
<b>£400k approved overspend</b> due to 24/25 pay award	Review pay line for 25/26 and budget provision	Future pay awards continue to be more expensive than the budget provision
<b>£118k overspend</b> due to one-off employee leaving costs	One-off in nature	Minimise one-off costs wherever possible
<b>£603k net underspend</b> due to vacancy factor being achieved ((£127k) Customer Services, (£148k) Building Control, (£171k) Parks, (£184k) PHPS, (£67k) Procurement & Insurance, (£94k other))	Review for future years as part of the MTFS	Vacancies do not materialise at the same levels in future years

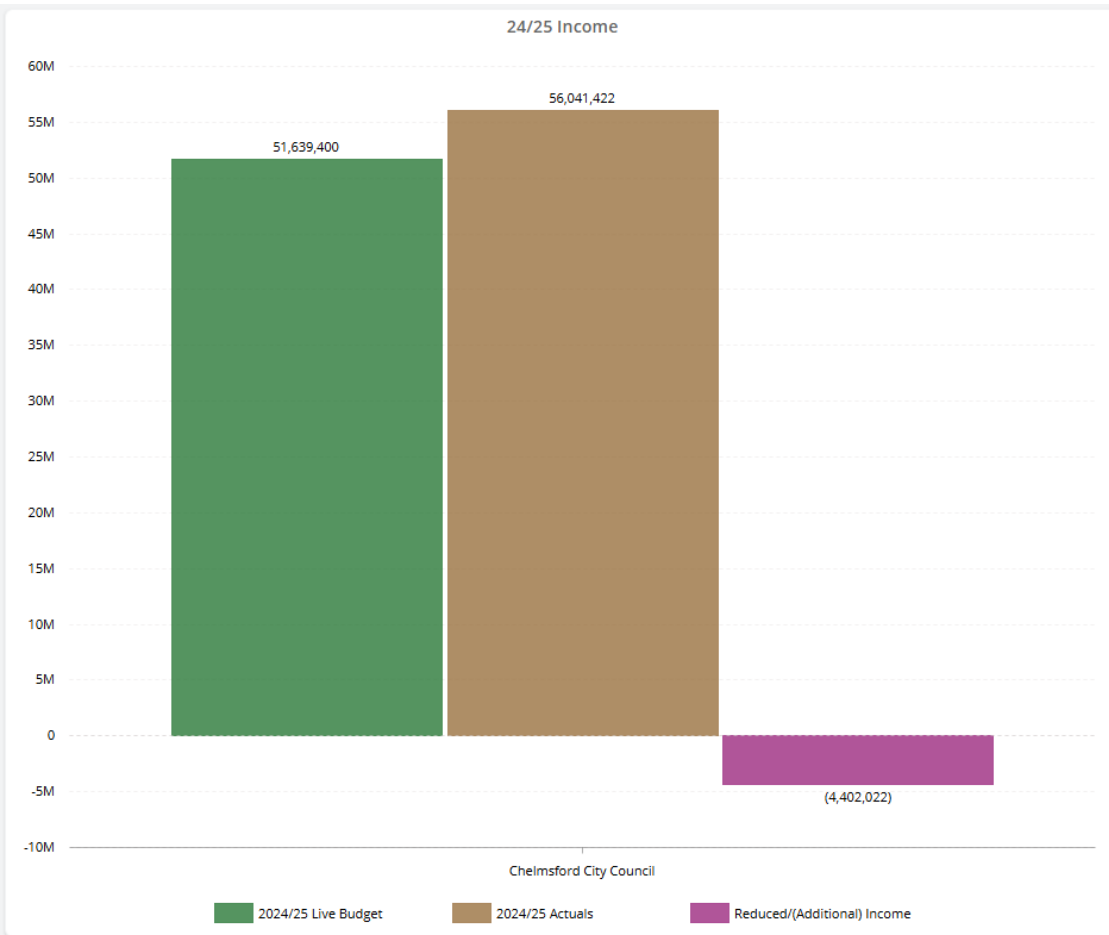
Of the £1.4m overspend on employee costs, £400k has been approved for the pay award, £117k has been approved by supplementary estimates, £118k relates to one-off leaving costs, £221k relates to savings not achieved and approximately £602k is offset by additional income. The £40k balance are underspends largely due to vacant posts occurring throughout the year.

24/25 Other Spend



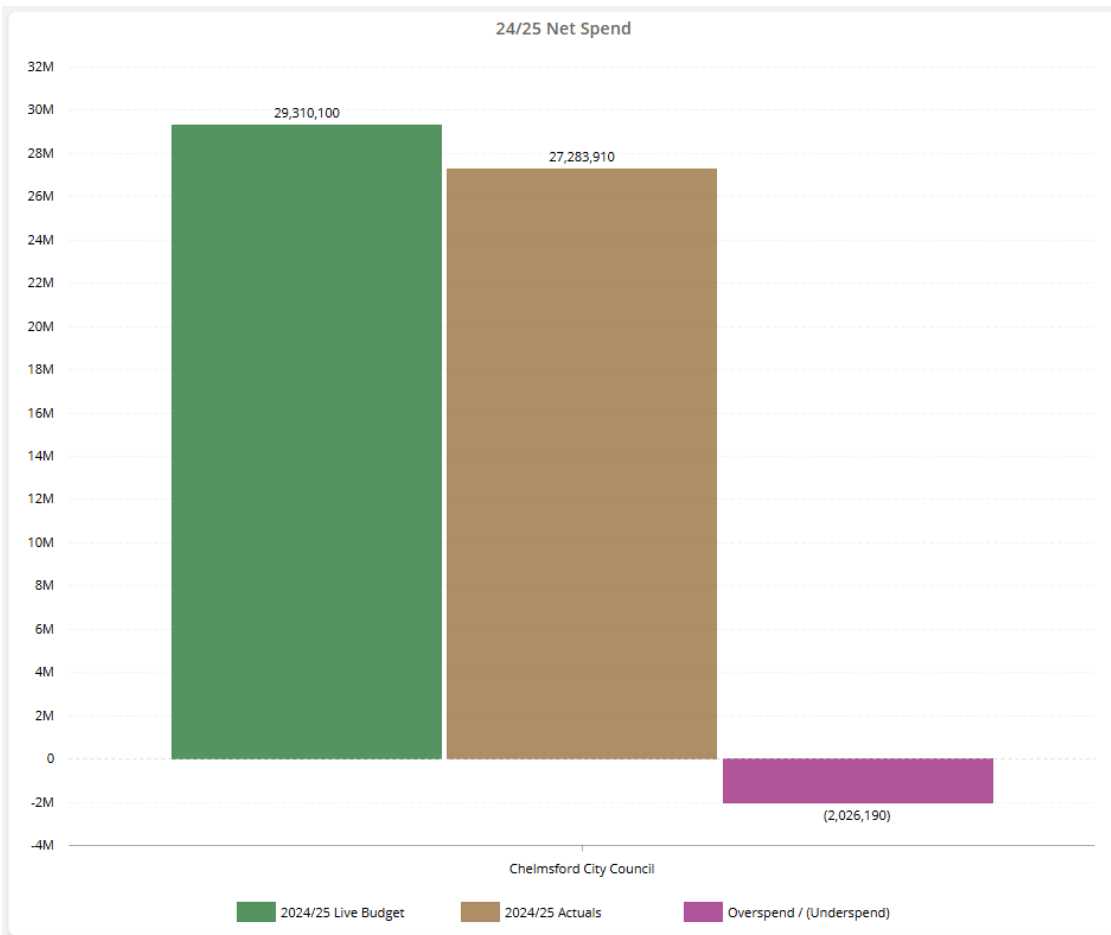
Other Spend Key Variations, Actions and Risks

Variations	Actions	Risks
<b>£1,035k underspent</b> on Electricity and Gas budgets due to lower unit prices than budgeted	The budgets for 24/25 were supported by £681k of specific reserves. So £354k of the £1,035k lower cost impacts on general reserve. This is reflected in reserves below.	Unit prices rise again to higher levels seen during the start of the Ukraine war. This risk is mitigated through purchasing energy over a longer period.
<b>£856k additional spend</b> on Theatres operational spend due to increased activity, offset by additional income, for a <b>net additional income of £528k (£65k of which relates to Cultural VAT Exemption Income)</b>	Budgets were realigned for 25/26 to reflect the higher levels of activity, this will be reviewed again as part of the MTFS	Larger shows are not programmed in for future years The Cultural VAT Exemption from HMRC is not approved
<b>£2,051k underspent on TA</b> due to reduced case load compared to budget (predominantly subsidy loss and payments to landlords/TA providers), <b>offset by reduced income of £832k for a net underspend of £1,219k</b>	Budgets were realigned for 25/26 to reflect the latest cost per case and TA projections at the time, this will be reviewed again as part of the MTFS	Cost per case increases significantly in line with higher charges from TA providers or caseload increases beyond current budget forecasts
<b>£1,321k additional spend</b> on various grant schemes which is <b>fully funded by increased income below (£133k PHPS, £328k Housing, £87k Garden Communities, £225k UKSPF, Waterside £465k, £67k RAMS, £16k Planning)</b>	Assess whether any grant income and expenditure is ongoing for future budgets as part of the MTFS	Grant income falls away but the associated expenditure is still required in future years
<b>£261k overspent</b> on vehicle fleet costs across the Council (excluding fuel), predominantly due to increased costs of parts for repairs and maintenance of vehicles	Budgets were assessed and realigned as part of the 25/26 Original Budgets, but a further review will be required as part of the MTFS	Repair costs continue to outstrip budgets due to inflationary increases
<b>£265k overspent</b> on Leisure and Heritage Services reactive and cyclical maintenance	An allowance for inflation was included in 25/26 budgets, this will need to be reviewed again as part of the MTFS	Costs outstrip inflation provision allowed for in the budgets
<b>£455k one-off overspend</b> due to an increase to the court cost bad debt provision reflecting a review post pandemic and a wider review of Council Tax arrears as a whole	The budget for 25/26 has been established at a lower level than the actual for 24/25 to reflect the catch up in 24/25	Provisions do not cover unrecoverable amounts of debt
<b>£262k overspent</b> on consultant and counsel fees for public inquiries	Minimise these costs wherever possible	Further public inquiries occur that don't result in 35% affordable housing
<b>£295k overspent</b> on software licences across the Council	Budgets were increased for 25/26 by £130k so a further review will be needed	Contract prices increase above inflation
<b>£673k overspent</b> on capital spend written back to revenue for various schemes offset by reserves use below	Assess capital schemes for 25/26 and the risk of further spend being written back	Abortive costs of capital schemes cannot be capitalised
<b>£514k underspent</b> on Business Rates for vacant properties as the Council is not liable during refurbishment works	Assess forward plan of property work to see if future vacant periods could occur	Once works are complete the Council becomes liable until tenants are found
<b>£170k overspent on other expenditure</b> across the Council	Work with the services to identify if anything is ongoing	



## Income Key Variations, Actions and Risks

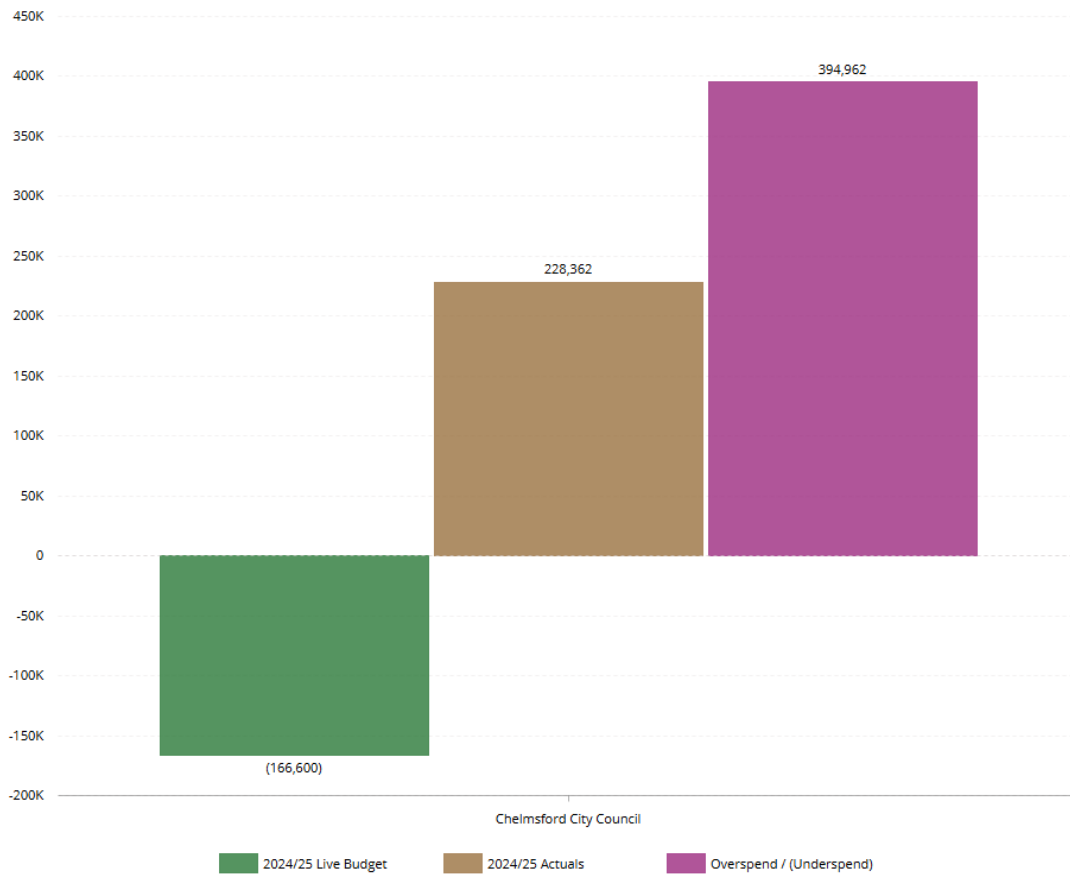
Variations	Actions	Risks
<b>£1,520k additional income</b> at the Theatre due to increased activity and cultural VAT exemption income (£419k), offset by additional spend, for a <b>net additional income of £528k</b> . The Original Budget included £354k worth of cultural exemption income, so the net position for the Theatre is a £65k gain on cultural exemption income and a £463k gain excluding this	Theatre budgets were realigned as part of the 25/26 Original Budget to reflect the increased activity levels, a further review will be completed for the MTFS given the increased income levels from 24/25	Larger shows are not programmed in for future years. Cultural VAT exemption is broadly agreed by HMRC representing £419k worth of income to the Council, though there remains some limited risk around this.
<b>£529k additional income</b> from recycling sales and credits and additional Food Waste grant. The majority of this is due to the increased price of glass which was set to the end of 24/25	Budgets were realigned as part of the 25/26 Original Budget to increase employee and income budgets, this will be reviewed again as part of the MTFS	Recycling sales income is volatile due to price and tonnage changes, the price agreed for glass sales in 25/26 for example is lower than the price for 24/25
<b>£753k additional income</b> from sports centre income due to increased memberships and activity levels, <b>this is partially offset by additional staff spend above</b>	Leisure budgets have been realigned for the 25/26 Original Budget to increase employee and income budgets, this will be reviewed during the MTFS as further income could be realised	Memberships or general activity levels drop off without the corresponding decrease in employee spend
<b>£390k additional</b> car parking income, predominantly due to short stay throughput increases and season ticket increases	Additional throughput income was added to 25/26 budgets, the balance will be reviewed during the MTFS	Customer trends and habits change resulting in reduced parking income
<b>£2,506k additional income</b> from various grant schemes across the Council, <b>partially offset by additional spend above</b> (Housing £1,210k, PHPS £233k, Waterside £465k, Planning £259k, UKSPF £274k, £65k other)	Assess whether any grant income and expenditure is ongoing for future budgets as part of the MTFS	Grant income falls away but the associated expenditure is still required in future years
<b>£832k reduced income</b> from TA rental income due to reduced caseload compared to the budget, <b>offset by reduced spend above of £2,051k for a net underspend of £1,219k</b>	Budgets were realigned for the 25/26 Original Budget to reflect cost per case and TA projections, this will be reviewed again as part of the MTFS	Cost per case increases significantly in line with higher charges from TA providers or caseload increases beyond current budget forecasts
<b>£286k reduced income</b> from Planning, Building Control and Local Land Charges due to the slowdown of the market	Building Control and Local Land Charges budgets were realigned for 25/26, this will be reviewed further during the MTFS	Income falls further with further changes to the market
<b>£511k reduced income</b> at the Crematorium due to lower mortality rate and increased competition across Essex	Budgets were realigned for 25/26, this will be reviewed during the MTFS	Further competitors come to the market
<b>£211k additional income</b> at Hylands House relating to weddings, hires and additional events	Review with the service as part of the MTFS to assess whether ongoing	Gains are one-off in nature
<b>£144k additional income</b> from Garden Waste subscription charges introduced in March (4 weeks of income)	Review with the service as part of the MTFS to assess any ongoing gain	Numbers signing up to the service drop-off or do not renew next year



(£2,026,190)



24/25 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 surplus of £166,600 due to the way the scheme operates from the government. However, we are now expecting the scheme to be in an ongoing deficit position due to the reasons below.

The overspend of £395k is made up of the following variations

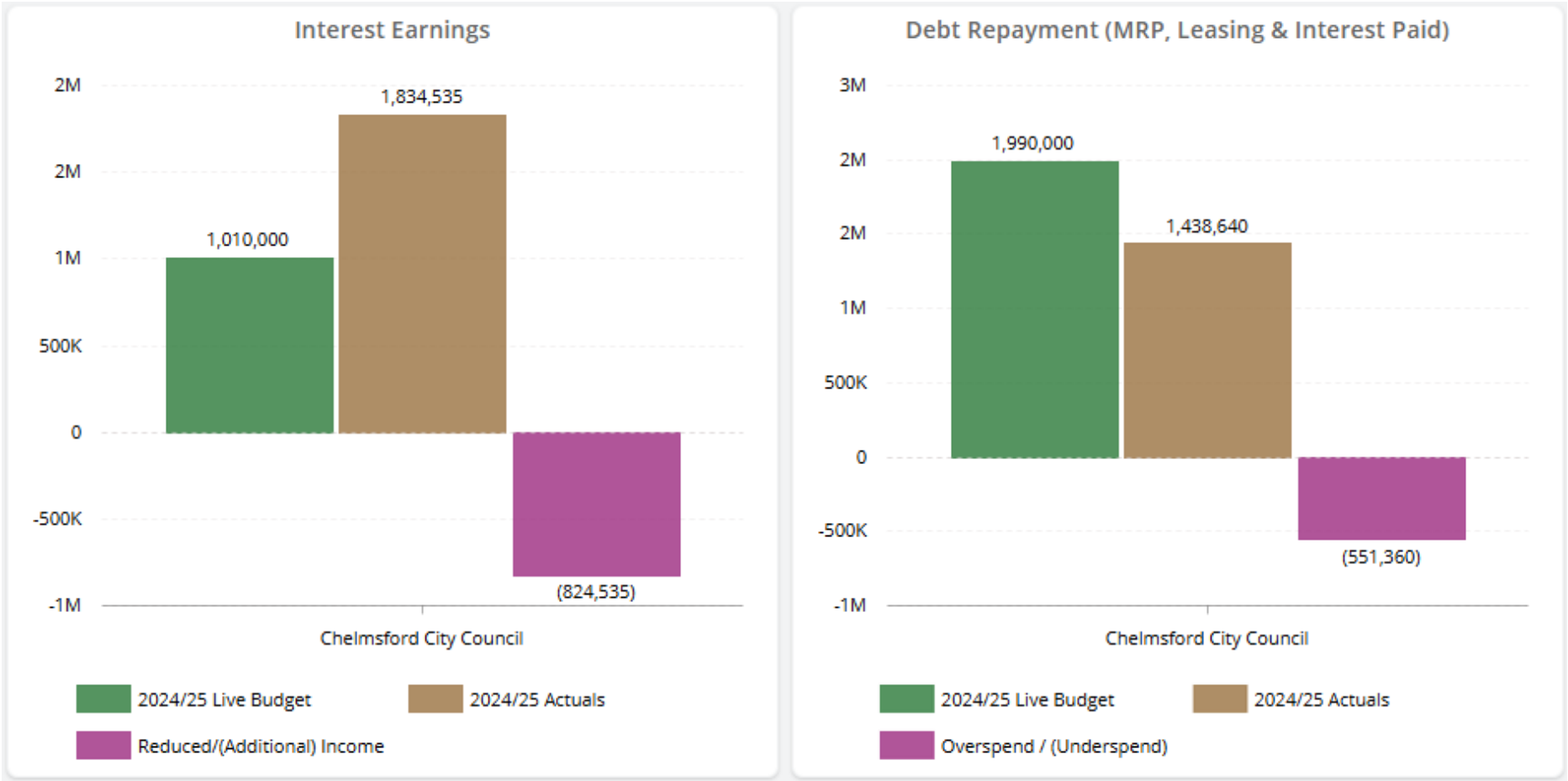
- £429k overspend due to higher levels of supported housing and other technical adjustments
- £20k under budget on HB overpayments bad debt provision due to changes in operation of reclaiming the debt with DWP being slower than first thought with more cases still to move over to Universal Credit
- £14k under budget on other net Subsidy movements

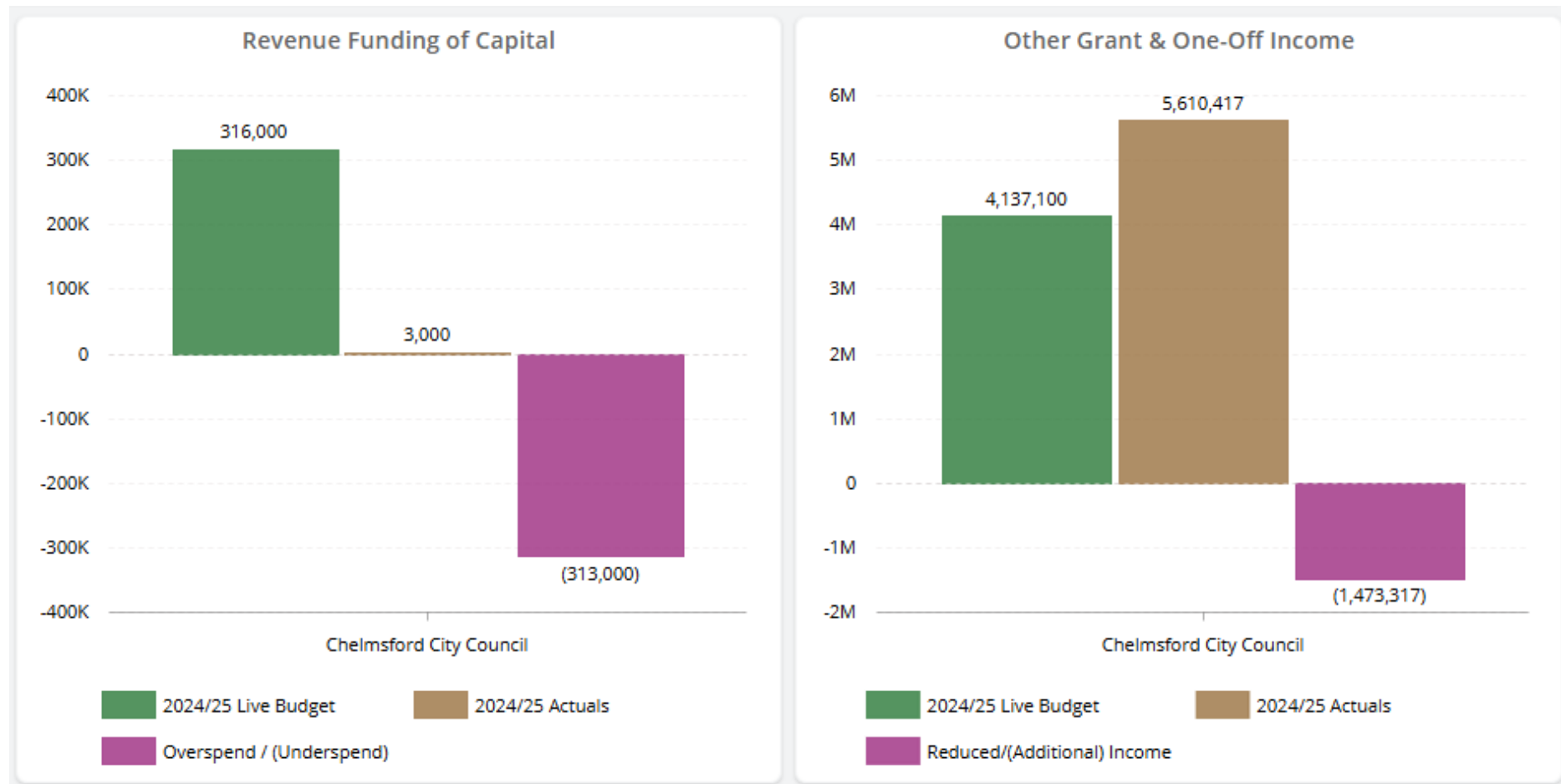
Much of the above is an ongoing change and so will need to be reflected in the MTFS and future budgets

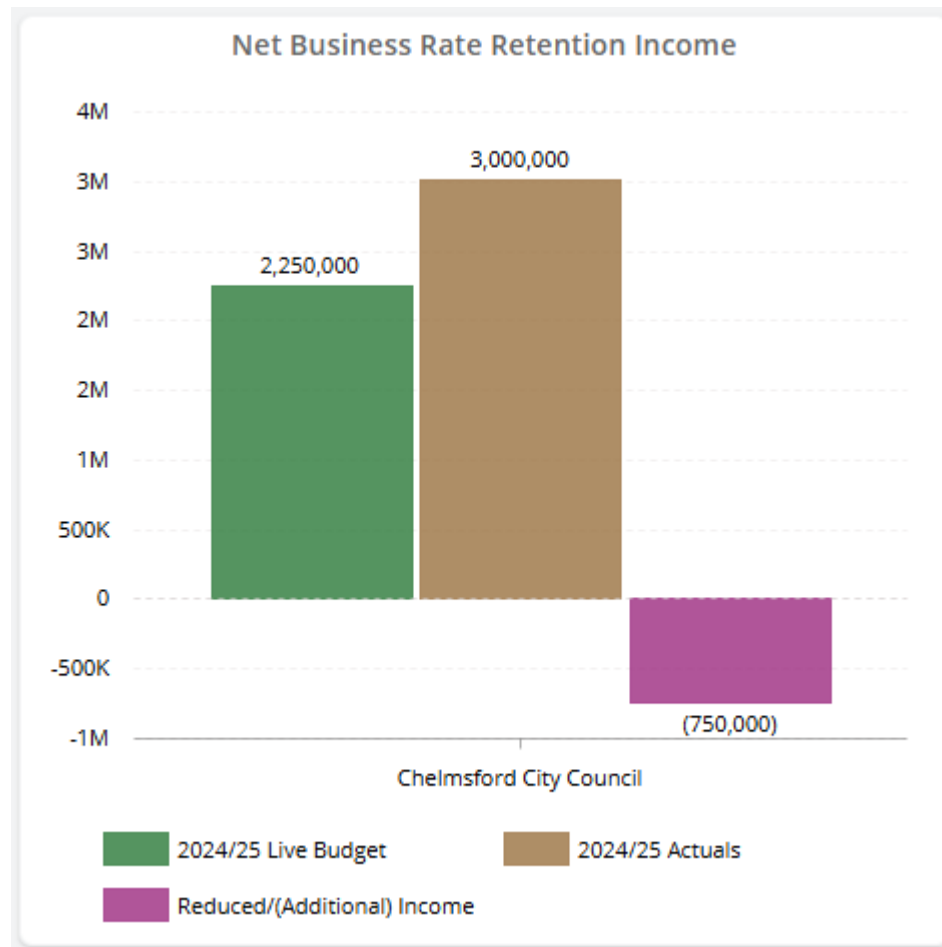
Service Overspend/(Underspend) Including HB Subsidy

(£1,631,229)

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







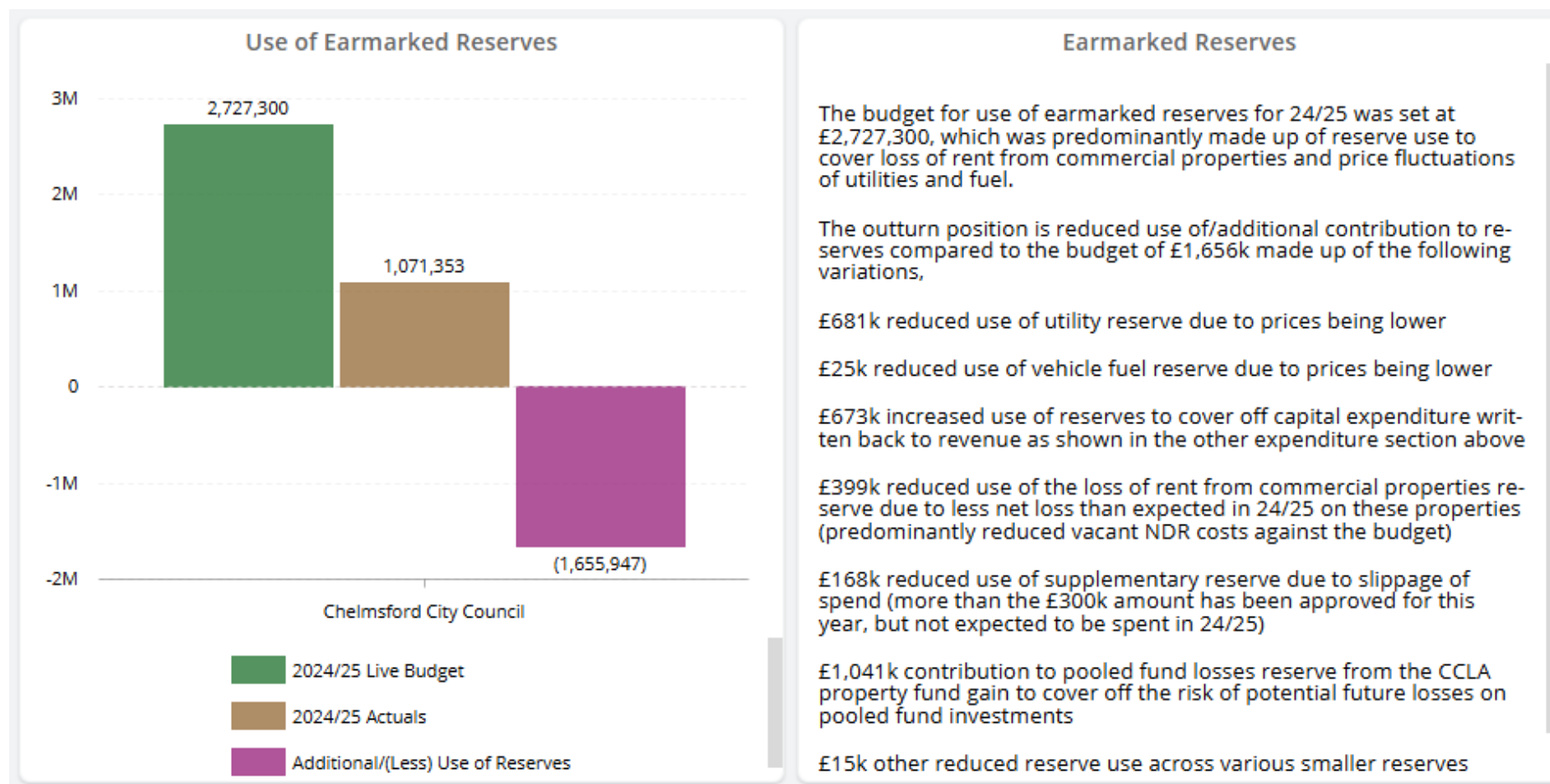
## Chelmsford City Council Variances - Non-Service Level Income & Expenditure

Variations	Actions	Risks
<b>£825k additional income</b> from interest earnings due to slippage of spend and holding some one-off contributions (reported to TMISC further)	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>£551k 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>£313k underspend</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>£1,041k additional income</b> from one-off gain on disposal of property fund investment offset by contribution to reserves below	This has been fully contributed to a new reserve below to offset the risk of future losses on other cash investments	Cash investments in funds lose more in capital value than the reserve covers
<b>£432k additional income</b> from one-off grant income, predominantly related to Business Rates	Review whether any of this gain is ongoing for the MTFS	The reset of the retention scheme in 26/27 removes this gain completely
<b>£750k additional</b> Net Business Rate Income	£0.75m extra income to General balance, with another £0.3m transferred to the business rate contingency reserve.	The Government has confirmed it will reset the retention scheme in 26/27 resulting in a possible £2.25m loss to service budget funding. Manage risk via specific contingency.

Non-Service Overspend/(Underspend)

(£3,912,211)

## Chelmsford City Council Variances - Reserves



## Chelmsford City Council Variances - Reserves

### General Fund

The use of General Fund Original budget was set at £1,516,700 for 24/25. The outturn position is a contribution of £2,371k, **£3,887k better than the budget**. The key variations that make us this amount are as follows:

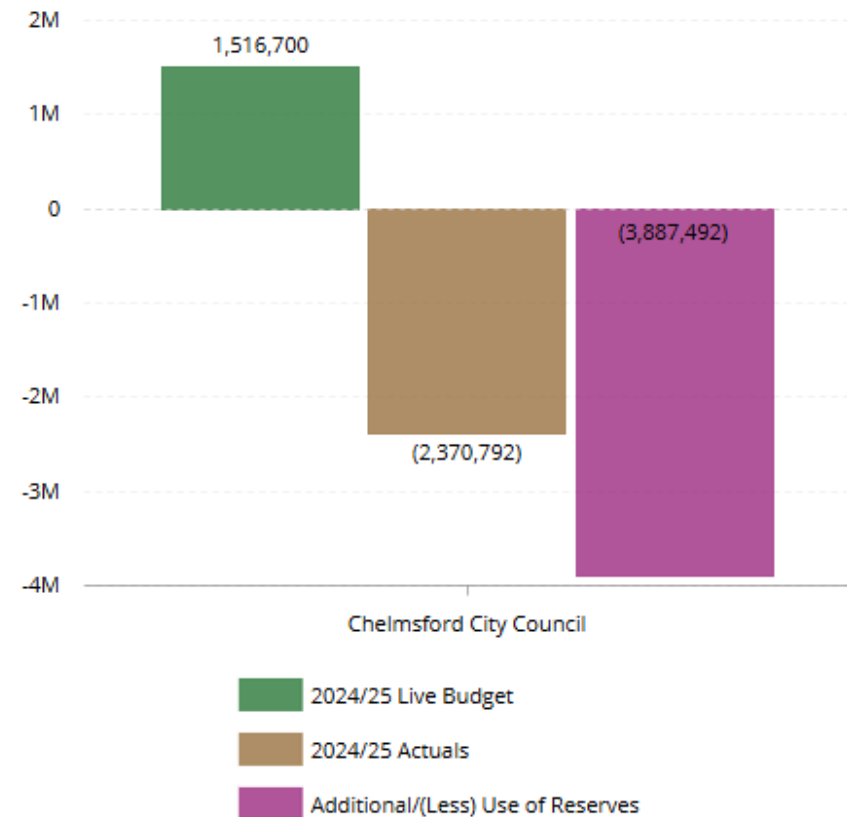
#### Favourable Variations:

- £1,291k net underspend on TA costs due to reduced households and cost per case compared to budget
- £750k additional Business Rate Retention income released to the General Fund
- £916k additional net service income from various one-off grant schemes (predominantly housing related)
- £1,376k additional interest earnings and reduced interest/borrowing costs
- £354k net underspend on utilities
- £753k additional income from Leisure centres
- £528k additional net income from the Theatre (including £65k gain due to the Cultural VAT Exemption scheme)

#### Adverse Variations:

- £400k estimated overspend due to the additional cost of the approved pay award
- £511k reduced income at the Crematorium due to lower mortality rate and increased competition across Essex
- £821k overspend on vehicle fleet, building maintenance and software costs to be investigated
- £395k overspend on HB Subsidy (non TA related)

### Use of General Fund (Unearmarked Reserves)





## **Revenue Outturn 24/25 – Potential Ongoing Budget Changes**

The below appendix outlines the initial findings of potential ongoing changes that could be made to the Council's budgets following the 24/25 outturn position. There are favourable and adverse variations, with some of the changes needing further investigation with the services throughout the budget process. **Figures are indicative** for the ongoing impact given the need to undertake a more robust review.

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**

- **Recycling & Waste** – net overspend on staffing as a whole for 24/25 was £468k. Of this figure, £149k was due to the 24/25 pay award and so is reflected in 25/26 budgets onwards. A further £63k was due to one-off leaving costs so not ongoing. Realignment was made for 25/26 budgets between employee spend and income totalling £209k for Recycling and Waste. Initial assessment subject to review; **Ongoing impact additional cost of £50k per year.**
- **Leisure and Theatre** – realignments were allowed for in the 25/26 original budgets between income and expenditure to allow for additional customers/events. Further realignments look possible given the net outturn position on these areas for 24/25; **Ongoing net impact assessed in income section below**

#### **Other Expenditure**

- **Vehicle Fleet Repairs Costs** – net overspend on vehicle fleet costs (excluding fuel shown below) across the Council in 24/25 was £314k, predominantly due to increased costs of parts for repairs and maintenance of vehicles. An allowance of an additional £178k was added to 25/26 budgets. Initial assessment; **Ongoing impact additional cost of £140k per year.**
- **Vehicle Fuel Costs** – net underspend across the Council in 24/25 of £53k. Budgets were reduced by £76k for fuel for 25/26 with the price of fuel expected to drop compared to 24/25 average prices. There is the possibility of further gains in 25/26 due to a new price being negotiated on the HVO contract, so this will be reviewed with the service once more info is known; **Ongoing impact to be assessed (expected saving)**
- **Building Maintenance Costs** – net overspend of £189k across the Council due to more than anticipated urgent repairs taking place in 24/25. Building Maintenance budgets have been historically overspent, with £67k additional budget added in for 25/26; **Ongoing impact to be assessed (expected cost)**

- **Software Licences** – net overspend across the Council in 24/25 was £295k. Budgets were increased in 25/26 by £130k to allow for some of this increase, and some of the costs in 24/25 related to one-off costs for upgrades;  
**Ongoing impact to be assessed (expected cost)**
- **Theatre** – realignments were allowed for in the 25/26 original budgets between income and expenditure to allow for additional/bigger shows. Further realignments look possible given the net outturn position on these areas for 24/25; **Ongoing net impact assessed in income section below**

## Income

- **Theatre** – net additional income in 24/25 of £528k for the Theatre against the budget. A small proportion of this gain (£65k) was in relation to additional cultural VAT income, but the remainder (£463k) was additional net income for the Theatre. Overall, some £419k of theatre income in 2024/25 is from VAT savings on cultural exemption, which has now been broadly agreed with HMRC, though an element of risk to income remains; **Ongoing impact to be assessed being dependant on future programme (expected to be additional income).**
- **Leisure** – net additional income in 24/25 of approximately £422k for sports centres against the budget. Realignments were made for 25/26 budgets totalling £276k additional net income, so the balance of £146k will be investigated with the service. Due to the nature of the income received from leisure, there is a chance the gain could be higher than the £146k as the monthly amount of income received from memberships is still currently on an upward trend; **Ongoing impact to be assessed (expected to be additional income of between £150k-£300k).**
- **Car Parks** – net additional income in 24/25 of £390k against the budget due to increased throughput and the fees and charges increasing applying for part of the year. Additional throughput income of £251k was added to 25/26 budgets, so the car parks income model will be updated as part of the budget process to assess whether further throughput changes can be made; **Ongoing impact to be assessed (expected to be additional income of between £50k-£140k).**
- **Grant Income** – just over £900k worth of net grant income was received above the budgeted level in 24/25. Although a significant proportion of this was one-off, there is scope that some of these grants remain in future years and so this will be assessed further. Officers expect that some form of asylum grant funding will be ongoing, with £464k already identified to be received for 25/26; **Ongoing impact expected to be additional income of £460k**
- **Garden Waste Subscription Charges** – approximately £103k additional net income was realised in 24/25 for the garden waste subscription charges introduced in early March. Early indications are that the levels of income for 25/26 and onwards are significantly above the £1.3m net budget. Once expenditure budgets are taken into account, the income budget for 25/26 for garden waste subscription charges sits at £1.42m, with nearly £2.2m received for 25/26 already. This will be reviewed as part of the budget process to

assess the level of ongoing additional income that can be added to budgets; **Ongoing impact to be assessed (expected to be additional income of between £700k-£900k).**

- **Cemetery & Crematorium** – net reduced income in 24/25 against the budget of £511k due to lower mortality rate and increased competition across Essex. Reduced throughput led to 25/26 budgets being reduced by £299k, so it looks like a further adjustment is necessary, this will be reviewed with the service based on the latest throughput data throughout the budget process; **Ongoing impact to be assessed (expected to be lower ongoing income circa £210k)**
- **Hylands House** – additional income of £211k was realised in 24/25 against the original budget which is offset by some additional costs. An additional £56k was added to 25/26 original budgets, so there could be scope for further increases if wedding and event numbers continue; **Ongoing impact to be assessed as it is currently unclear how much could be one-off factors.**

### **Non-Service Level Changes**

**Interest** – both interest income and interest paid in 24/25 saw favourable variations at outturn, with £825k additional interest income and a £501k underspend on interest paid. Although some of this gain was because of holding one-off cash for longer than expected, there has still been a historical trend of realising more income and reduced spend. A more upside approach has been already added to 25/26 budgets, 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)**

**Business Rates** – additional income of £750k was realised in 24/25 but this a provisional position depending on the whole Essex pool. The budget for business rate retention has remained at £2.25m for 25/26, but given the uncertainty surrounding the reset of the business rates system happening in 26/27, there currently isn't any scope to change these budgets; **Ongoing impact will be determined by Government funding announcements which may not be fully known until Christmas 2025, however, it is expected to be a significant loss.**

<b>Description</b>	<b>Downside Case</b>	<b>Upside Case</b>
	<b>£000s</b>	<b>£000s</b>
<b>25/26 Budget Report Forecast gap for 26/27</b>	<b>2,579</b>	<b>2,579</b>
Recycling & Waste Staffing Costs	50	0
Vehicle Fleet Repair Costs	140	140
Vehicle Fuel Costs	0	(50)
Building Maintenance Costs	120	50
Software Licence Costs	100	50
Theatre Net Income	(250)	(460)
Leisure Net Income	(150)	(300)
Car Parks Income	(50)	(140)
Grant Income	0	(460)
Garden Waste Subscription Charges	(700)	(900)
Cemetery & Crematorium Income	210	210
Hylands House Income	0	(100)
<b>Updated Forecast gap for 26/27</b>	<b>2,049</b>	<b>511</b>

## Usable Reserves Projections

## Earmarked Reserves

## Corporate Investment

	24/25 Latest Forecast (Feb Council Report)					24/25 Provisional Outturn					Comments on Variation
	Provisional /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	
Cultural Support Fund	57				57	57	-47		10	-47	Contribution to Culture Chelmsford
Local Development Framework Growth Fund	1,040	-225	-50		765	1,040	-333		707	-58	Slightly increased Local Plan spend than forecast
Carry Forwards & Supplementary Estimate Reserve	0				0	0			0	0	
Housing Initiatives	0	-300	273	300	273	0	-132	300	168	-105	Increased supplementaries since budget report
DPO Reserve	79	-8			71	79	-79		0	-71	Funding of one-off staff costs and website migration costs - reserve now fully spent
Hylands House Reserve	3				3	3			3	0	
Master Plan Income	0				0	0			0	0	
	1,179	-533	223	300	1,169	1,180	-591	300	888	-281	

## Capital Programme

Project Evaluation Reserve	175		-35	37	177	175	-35	37	177	0	
Sinking Fund for Let Property Infrastructure Fund	50	50			100	50	50		100	0	
	715		-715		0	715	-673		42	42	
Chelmsford Development	2,024	-257	-644		1,123	2,024	-21		2,002	879	Reserve now earmarked for future year spend given outturn position on Capital and most beneficial application of funding
	2,964	-207	-1,394	37	1,400	2,963	-679	37	2,322	922	

## Risk Management

Insurance	898	-50			848	898	-50		848	0	
New: Investment Reserve	0		1,041		1,041	0	1,041		1,041	0	
Pension Deficiency	1,057			183	1,240	1,057		183	1,240	0	
Park and Ride	258				258	258	40		298	40	
Vehicle Fuel Reserve	604	-25	25	-280	324	604		-280	324	0	
Utility Costs Reserve	1,573	-682	682		1,573	1,573			1,573	0	
Business Rate Retention Reserve	6,491	-5	940		7,426	6,492	1,006		7,497	71	Timing difference for amounts to be paid out in 25/26
Rent Income (Temporary Loss of Tenant)	0	-1,231	153	2,475	1,397	0	-832	2,475	1,643	246	Net spend for Eagle House and 1 Springfield Lyons not as large as thought so less reserve use needed
	10,881	-1,993	2,841	2,378	14,107	10,882	1,205	2,378	14,464	357	

## Total Earmarked Reserves

## Unearmarked Reserves

General Fund & Contingency	14,607	-1,515	1,407	-2,715	11,784	14,636	2,371	-2,715	14,292	2,508	Underspend at service and non-service level leading to a significant contribution to the general fund balance at year end compared to forecast
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Recommended level £9m

	14,607	-1,515	1,407	-2,715	11,784	14,636	2,371	-2,715	14,292	2,508	
Total reserves	29,631	-4,248	3,077	0	28,460	29,661	2,305	0	31,966	3,506	

### Supplementary Budgets Approved during 2024/25

<b>Description</b>	<b>Amount requested</b>	<b>Part Year Effect for 24/25</b>
Revs & Bens Agency Staff Cover	£57,400	£57,400
Housing Standards -Agency staff	£132,800	£16,000
Theatre Marketing Provision	£15,800	£15,800
Theatre Technicians	£92,800	£0
Local Land Charges transfer of data to new system	£35,000	£16,000
Revs and Bens Pro Print Licence Upgrade	£31,400	£26,500
<b>Total</b>	<b>£365,200</b>	<b>£131,700</b>

<b>Amount Available</b>	<b>£300,000</b>
<b>Allocation Overspent by</b>	<b>£65,200</b>



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## Audit and Risk Committee

11th June 2025

### Capital Programme Update and Provisional Outturn 2024/25

#### Report by:

Accountancy Services Manager (S151 Officer)

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#### Officer Contact:

Sue Jones, Senior Accountant

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#### Purpose

- a) To report the capital expenditure incurred in 2024/25.
- 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 2024/25 and 2025/26 for variations in cost and timing which have been identified at outturn and to date.

Those schemes requiring approval will be taken forward to July Cabinet.

#### Recommendations

It is recommended that

1. The report be noted, and
  2. Officers produce a report for July Cabinet including any comments from Audit & Risk Committee.
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## 1. Background

The Council has a long-established process for monitoring and reporting its forecast expenditure and income against approved estimates. Formal monitoring reports are prepared on a regular basis, and these are supplied 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, which 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 lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the Council can use the asset. We can make capital grants to third parties or incur capital expenditure on assets which 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 public realm.

Revenue costs are ongoing. They are incurred to run an asset or to provide a service.

## 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 spent, the amount available to invest is reduced and therefore the amount of interest income received is reduced, which in turn affects the revenue budgets available. When we borrow internally to fund capital schemes there

is an annual charge to revenue for the minimum revenue provision (MRP) and when we borrow externally there is an MRP and interest payment.

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

## 5 Capital Reporting

A 'Capital Programme Update' is included within the budget report taken to Cabinet in January and a 'Capital Programme Update and Outturn' report has previously been taken to Cabinet/Council in July each year. A further 'Capital Programme Monitoring and Update' report is scheduled to be taken to Cabinet in November.

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 closely monitor capital expenditure as cost inflation has been historically high. Additionally, the cost of financing schemes impact revenue budgets over the long term, given limited revenue resources higher capital spend will often mean less revenue resources 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 2025 and the latest forecast expenditure for the ongoing scheme costs. It identifies the anticipated variances in total individual scheme costs.

**7.2 Appendix 1** shows that the proposed cost of the Capital Schemes has increased by a net £0.438m (0.3%) against the latest approved budget of £130.684m. This is summarised on the table overpage.

<b>Change in Overall Programme cost (detail in Appendix 1)</b>	
Approved Budget	£130.684m
<b>Reductions in Scheme Costs</b>	
<b>Transfer Spend to Revenue</b> <p>Scheme number 33 – Theatre Refurbishment. £3k spend transferred to revenue. Consultant fees in this case are not capital.</p> <p>Scheme number 62 - Mass Tree planting and Woodland Creation. £23k Spend transferred to revenue as it does not meet definition of capital.</p>	-£0.026m
<b>Reductions in Scheme Costs</b> <b>Spend from prior years transferred to Revenue – capital feasibility works now classified as revenue (main items are listed below)</b> <p>Scheme number 49 – Chelmer Waterside original marketing exercise £90k</p> <p>Scheme number 50 – Various Land Site Investigations. £478k spend transferred. Proposed land site transfers to housing associations for social housing development in exchange for future nomination rights.</p>	-£0.568m
<b>Schemes removed</b> <p>Scheme number 15 – CIL Integrated Cycling Infrastructure. Remaining £36k budget removed, scheme complete.</p> <p>Scheme number 49 – Various Land Site Investigations. Remaining £134k budget removed as any future spend will be revenue.</p>	-£0.170m
<b>Increases in Scheme Cost - Require Approval</b>	
Scheme number 19- High Chelmer MSCP Improvement Works. Tenders returned additional budget required.	£0.008m
Scheme number 56 – Cemetery and Crematorium Infrastructure proposed new facility. Advised by service manager that additional budget required to complete surveys and planning application.	£0.200m
Scheme number 62 – Mass Tree Planting and Woodland creation. Service review of programme and request for additional funding. Scheme now scheduled to complete 2030/31. The forecast now includes updated prices for the trees and land in future years.	£0.100m

<b>Increases in Programme to be Noted – Funded from CIL or New Funding Received</b>	
Scheme number 1 – Public Realm Wayfinding Signs. Additional contribution available towards cost of scheme. Still awaiting confirmation of ECC grant funding before scheme can commence.	£0.005m
Scheme Number 32 CIL Green Initiatives. Grant request approved by panel.	£0.008m
Scheme number 9 – Rural England Prosperity Fund (REPF) Grants. New grant awarded for 2025/26. No net cost to Council	£0.120m
Scheme 36 and 37 – Great Baddow Hoard Gold Coins and Display Case. Grant received to purchase new heritage asset. No net cost to Council.	£0.202m
Scheme number 48 – Local Authority Housing Fund Round 3 additional grant awarded (Proposal to pass grant to CHP for Housing accommodation). No net cost to Council	£0.775m
<b>Variations on Completed Schemes to be Noted</b>	
Actual Increases in Completed Scheme Costs	£0.010m
Actual Reductions in Completed Scheme Costs.	-£0.226m
<b>Total Proposed Budget</b>	<b>£131.122m</b>

7.3 **Appendix 2** provides narratives, for capital scheme variances in excess of £25,000, against the latest Approved Budget.

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

Many of the delays are where schemes are reliant upon conditions outside the control of Project Officers such as obtaining planning permission, consents and paying over CIL grants to third parties. Often the delay in the spend is favourable to the Council due to deferring financing costs or cash can be invested for longer.

7.5 **Appendix 1** does not provide details of the monetary value of the in-year variance. The original forecast expenditure for the year 2024/25 was £43.42m. The actual expenditure for 2024/25 was £31.213m. This is a net reduction for the spend in-year of £12.207m or 28%. The table overpage provides details of the schemes and shows the major variations over £0.5m.

<b><u>Schemes Where Expenditure is deferred to later years</u></b>	
Scheme 53 Commercial Property 1 Springfield Lyons Refurbishment- This scheme has been delayed due to the cost of scheme following tenders being higher than expected and therefore a value engineering review has taken place. Additional £950k approved in April 2025.	-£0.694m
Scheme 51 Enabling Lockside Growth Area (land purchases)– The spend on this scheme is dependent upon negotiations with third parties to acquire property and this has caused delays to the progress of the scheme. There are still 3 properties to acquire. The remaining budgets have been deferred to 2025/26.	-£1.779m
Scheme 52 Purchase land for new cemetery – this spend has been deferred due to prolonged negotiations for the Heads of Terms and a condition being that the purchase will proceed when there is an outline planning permission for the development which is risk free of legal challenge. The budget has also been reduced by £800k based on the negotiated price (see below).	-£3.156m
Scheme 40 Housing Initiatives Unallocated - this is the remaining balance held in the unallocated pot following the review by MT which resulted in a reduction of £1.094m (see below). No additional schemes have currently been identified and the budget has been deferred to 2025/26. Any schemes are expected to be at least self-financing.	-£4.510m
Scheme 4 – Chelmer Waterside Infrastructure - The road and bridge construction is practically complete with some minor outstanding works still required. The bridge and road still need to have final sign off by ECC before they agree to the adopting the maintenance. The GPRS element of the scheme has been delayed due to bad weather and other unavoidable issues and is unlikely to complete until April 2026.The unspent budgets have been deferred to later years.	-£4.629m
Scheme 16 CIL NE Bypass Bridge Forward Funding ECC – This was originally scheduled for payment in 2022/23. ECC have still not provided a funding agreement and this has now been deferred to 2025/26.	-£1.500m
Other scheme variations where spend is third party dependant and schemes have been delayed (examples flood grant, CIL grants to third parties).	-£0.703m
Other scheme variations less than £0.5m where spend is deferred.	-£1.673m

<b>Total Deferred spend on Schemes in 2024/25</b>	<b>-£18.644</b>
<b>Other In Year Variations</b>	
Scheme 6 Beaulieu Park Station S106 Grant – Additional contribution collected and paid over to ECC as part of the funding agreement.	£7.288m
New Schemes in Year Scheme 46 - CHESS Loan £478k Scheme 60 - Lionmede Tennis Courts £120k funded by grant Other £15k	£0.613m
Scheme 40 Housing Initiatives Unallocated – reduced following MT review	-£1.094m
Scheme 52 Purchase land New Cemetery	-£0.800m
Other schemes' variations less than £0.5m where cost increases occurred	£1.016m
Other schemes' variations less than £0.5m where cost has decreased, scheme removed or spend transferred to revenue	-£0.586m
<b>Total Other in Year Variations</b>	<b>£6.437m</b>
<b>Total In Year Underspend Against Original Forecast Spend</b>	<b>-£12.207m</b>

This delay in expenditure has been beneficial to the resourcing of the Council's 2024/25 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.

## 7.7 Update on Major Capital Schemes

### 7.7.1 HIF Access Road and Bridge and Associated Works

The road and bridge were practically complete at the end of March with some additional works scheduled to be completed in April and May 2025. The bridge will not be operational until ECC has provided final sign off and the certificates required under the S38 and S278 agreements are in place for the adoption of the bridge and road maintenance to transfer to ECC.

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.

Relocation of Gas Pressure Reduction System (GPRS) – works have been delayed 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 April 2026. It is anticipated that the cost of this work could continue to increase.

The table below provides details of the current position on each element of the project. Although there is a potential underspend currently showing against the scheme it is not known what the final cost of the GPRS works will be and this forecast £1.9m should be held as a contingency against the project until all elements are complete.

	<b>Spend to 31/03/2025</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variation</b>
Road and Bridge	£19.283m	£22.620m	£19.800m	-£2.820m
Road and Bridge retained contingency			£ 0.600m	£0.600m
Land Remediation and Decontamination	£0.331m	£3.070m	£ 3.070m	-
GPRS	£12.982m	£14.870m	£16.460m	£1.590m
Commutated Sums	-	£2.750m	£1.460m	-£1.290m
<b>Total Capital</b>	<b>£32.596m</b>	<b>£43.310m</b>	<b>£41.390m</b>	<b>-£1.920m</b>
Project management and site supervision costs funded by Homes England Capacity Grant in revenue	£0.527m		£0.527m	£0.527m
<b>Total Scheme</b>	<b>£33.123m</b>	<b>£43.310m</b>	<b>£41.917m</b>	<b>-£1.393m</b>

The scheme is forecast to be fully funded by CIL, S106 and Government Grants.

The resourcing of this scheme is under constant review and is impacted by the timing of the receipt of CIL income.

#### Green Initiatives Phase 1 and 2

The budget covers a 6-year period up to 2030/31. The remaining budget is £3.4m

An extensive programme of upgrading existing lighting to LED has been carried out in 2024/25. This will continue in 2025/26. The service is currently reviewing the feasibility of installing solar panels on some of the larger buildings in 2025/26 and 2026/27.

#### Housing Initiatives

A review of Housing delivery was undertaken and it was agreed that the individual budgets approved for housing initiatives should be pooled and used to assist in the delivery of any new policy coming from the review to assist in the delivery of temporary accommodation. MT agreed a £1.094m reduction to the budget. After removing the budgets for agreed projects, the remaining pooled budget is £4.510m.

Agreed Projects:-



Modular Units Groundworks £0.250m report to Cabinet March 2025. Brownfield Release funding has been awarded. There will be an additional CIL Liability charge for the scheme.

Refurbishment of Sandford Mill House for use as temporary accommodation £0.110m – approved February Council.

Grant to YMCA, £1m grant in exchange for nomination rights -approved by Cabinet March 2024.

#### Local Authority Housing Fund Grant (LAHF)

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

In 2024/25 a further £3.582m grant was awarded and it has been agreed that this will be paid to CHP to be used towards delivering a further 15 properties.

#### Condition Surveys

It was agreed by Council in February that a provision should be established for £4.7m in order to carry out the works identified from the 5 yearly building condition surveys. 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 2 years, 2025/26 and 2026/27. Following a delegation £564k has now been included in the approved programme for the first phase of scheduled works.

#### 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.

#### 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 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. Reserves of £1.5m were established within revenue.

In 2024/25 an adjustment for spend in prior years totalling £0.568m has been transferred to revenue for schemes not progressing. A further £0.105m was transferred for in year spend. It is likely that further transfers will take place in 2025/26.

In total since the reserve was established £1.238m has been transferred from capital to revenue.

The amounts in reserves for design and feasibility will need to be reviewed and increased in the 2026/27 budget process.

## 8. Asset Replacements

### 8.1 Monitoring Against Latest Approved Budgets

**Appendix 3** shows that the final outturn for 2024/25 is £3.556m. This is a net decrease of £0.909m or 22%. Forecast spend of £0.847m has been moved forward to 2025/26 or later years. The table below provides a summary.

Approved Budget 2024/25	£4.465m
Proposed Change in scheme timing of spend the vast majority for spend in later years	-£0.847m
Net Variation in Asset Replacement Cost	£0.010m
Accounting Adjustment for assets funded by leasing – Capital budgets were approved to enable officers to acquire the vehicles either via outright purchase or leasing. Under new accounting rules this will be classified as capital expenditure funded by borrowing.	-£0.072m
<b>Total Outturn 2024/25</b>	<b>£3.556m</b>

8.2 **Appendix 3** also shows that the proposed budget for 2025/26 asset replacements is £8.253m compared to the approved budget of £7.658m. This is a net increase of £0.595m, or 7.8%. The table provides a summary.

Approved Budget 2025/26	£7.658m
Proposed Change in scheme phasing from 2024/25– For detail see <b>Appendix 3</b> 2025/26 column “Rephasing from 2024/25”	£0.719m
Replacement originally planned for 2026/27 now moved forward to 2025/26 in order to keep cremators operational	£0.103m
Proposed change in scheme phasing from 2025/26 to 2026/27	-£0.448m
Proposed increases in budgets – additional DFG grant received	£0.165m

Proposed increases in budgets will need approval	£0.056m
<b>Total Proposed Budget 2025/26</b>	<b>£8.253m</b>

8.3 **Appendix 4** provides narratives, for those variances in excess of £25k, for 2024/25 and narratives for those variances in excess of £25k for 2025/26 against the Latest Approved Budgets.

8.4. At February Council a budget of £4.586m was also approved for replacements forecast as required in 2026/27. This is now forecast as £5.059m. An increase of £0.473m due to rephasing of spends between years. This budget will be reviewed during the year and any changes to cost and phasing will be reported.

#### 8.5 Update on Asset Replacements

##### Investment in Digital Technology – DPO

A £500k budget was established to enable services to bring forward schemes to improve service delivery. In order to release the funding a project proposal should be brought forward for approval. There has not been any spend from this provision since 2022/23. The remaining balance is £493k.

##### Grant applications funded by Disabled Facility Grant

For several years the grant received has been in excess of the spend. We now hold a balance of £2.8m. The service has been working with ECC to explore different options that could utilise the capital grant.

ECC agreed that the DFG funding can be used for two Social Care Projects this year. 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.

Staff allocations have also increased to enable the processing of more grant applications.

The spend across the grants, salaries and social projects funded by DFG in 2024/25 is £47k more than the grants received in the year.

#### 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 have 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.

## 9. Funding of Programme

The outturn for 2024/25 on the capital schemes is £31.213m and the Asset Replacement Programme £3.556m. The combined outturn for the year is £34.769m.

The proposed application of resources to meet capital expenditure incurred in 2024/25 is shown in the table below. The discussion and approval for the funding will be included within the Medium-Term Financial Strategy which will be taken to Cabinet in October.

<b><u>Method of Funding</u></b>	<b><u>2024/25 Spend</u></b>
Capital Receipts	£1.655m
Revenue Contribution	£0.003m
Capital Grants and Contributions	£3.188m
S106 Agreements	£11.425m
Community Infrastructure Levy (CIL)	£13.724m
Leasing (classified as borrowing)	£0.312m
Borrowing	£4.462m
<b>Total</b>	<b>£34.769m</b>

## Prudential Indicators

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 2025 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 calculation of the Council's internal and external borrowing used to finance its capital expenditure. This includes the new debt taken onto the balance sheet at the 1<sup>st</sup> April 2024 to comply with IFRS16. As at 31<sup>st</sup> March this is £45.4m compared to an estimate of £47.619m made in February.

The Treasury Management and Investment Committee will receive a report on external debt and investments for 2024/25.

## 10. Conclusion

- 10.1 The total cost of the Capital Schemes is forecast to increase by a net £0.438m more than the latest approved budget (increases £1.428m, reductions -£0.990m). The majority of the increases forecast in spend are funded by new grants or CIL, some £1.110m.
- 10.2 The later timing (underspend) of Capital Schemes in 2024/25, £12.207m, is beneficial to the Council in terms of cashflow and financing as it has reduced the requirement for internal borrowing in the financial year.
- 10.3 The 2024/25 Asset Replacement Schemes, £0.847m has been deferred to 2025/26 and later years. The realignment of the asset replacement budgets into later years is favourable to the Council as it delays the commitment of capital resources. The requirement to borrow against short-term assets has been delayed to 2025/26.
- 10.4 There is a significant risk that the overall cost of the capital programme will increase as there are schemes on the unfunded priorities list which following feasibility works and assessment of scheme costs will be brought forward.
- 10.5 Resources used to fund the capital programme will be reviewed and reported to July Cabinet.

### 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 2024/25, a comparison of the budgeted expenditure against the Outturn.

Also, the Asset Replacement Schemes for 2025/26, a comparison of the budgeted expenditure against the Directors of Service forecast.

**Appendix 4** Asset Replacement Schemes Major Variations Narratives for the years 2024/25 and 2025/26.

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:

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

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Consultees:

All Services

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Relevant Policies and Strategies:

Medium Term Financial Strategy

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Appendix I		CAPITAL SCHEMES		VARIATION IN TOTAL CAPITAL SCHEME COSTS					
			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
		LEADER							
		Economic Development and Special Projects (deputy)							
32	1	Public Realm Wayfinding Signs Phase 3	150		150	5	155	No	Approved Council February 2021. Funding from ECC. 3 year programme ending 2022/23. Still waiting for ECC to approve scheme.
647	2	Chelmsford Flood Resilience Programme	4,833	0	4,833		4,833	Business case to be developed with EA	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	Public Realm Tindal Square Design and Construction	160	4,874	5,034		5,034	Completed - final account for works agreed	Final account still to be paid
32,596	4	Chelmer Waterside Infrastructure - Bow Bridge and Road, Remediation of Land and GPRS Relocation.	15,500	27,810	43,310		43,310	No	£15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme. Council December 2020 approved an additional £11m 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.
318	5	Chelmer Waterside Infrastructure - Purchase of Land		320	320	-2	318	Complete	Land purchased to secure access to Bow Bridge.
12,369	6	S106 Beaulieu Park Station	3,017	18,981	21,998		21,998	Payment dates relate to receipt of contributions	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.
70	7	UK Shared Prosperity Fund - Various Grant Funded Schemes	346	-276	70		70	Complete	Approved by Council February 2023. Three year funded programme commenced 2022/23. £276k of grant was vired to pay for Co- Working Hub.
361	8	Rural England Prosperity Fund- Supporting Businesses and Communities	400		400	-39	361	Complete	Approved by Council February 2023. Two year funded programme commencing in 2023/24. £39k has been used towards funding land purchase for woodland.
	9	Rural England Prosperity Fund- Supporting Businesses and Communities Grant 2025/26			0	120	120	2025/26 Third party grant applications	Additional funding has been provided for 2025/26.
55	10	Automatic Floodgates and Provision of Locks - Feasibility		55	55		55	No	Budget approved September 2020 Cabinet. Feasibility completed and remaining budget vired from Rivers and Waterways Improvements.
83	11	Civic Offices Improvement Programme	460	11	471		471	Under Review	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.
272	12	Coval Lane Co Working Area		296	296	-24	272	Complete	Approved November 2024 Cabinet. Part funded by £276k UK prosperity Grant.

			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
238	13	Green Initiatives Phase I	500	-182	318		318	Business Cases to be Developed	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, he 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.
108	14	Green Initiatives Fund Phase 2	6,500	-3,100	3,400		3,400	Business Cases to be Developed	Approved in principal 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.
64	15	CIL Integrated Cycling Infrastructure Grant	100		100	-36	64	Complete	CIL funding approved at meeting of the CIL Panel 23/1/2020.
	16	CIL NE Bypass Bridge Forward Funding	1,500		1,500		1,500	Dependent on Third party	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>							
	17	High Chelmer Car Park Lifts	355		355		355	Yes	Approved by Council February 2023. Scheduled for 2025/26.
740	18	High Chelmer car Park Waterproofing Levels 11,12,13	500	300	800	-60	740	Complete	Approved by Council February 2023. Scheduled for 2025/26. Works have become urgent and needs to be rescheduled to 2024/25. Additional £350k approved by Council February 2024.
	19	High Chelmer MSCP Improvement Works	148	-54	94	8	102	No	Approved by Council February 2024. Works scheduled for 2024/25. Funded by Contribution from SEPP. Scheduled for 2025/26,
58	20	Fairfield Road Car Park Resurfacing and Relining	84	-25	59	-1	58	Complete	Approved by Council February 2024. Works scheduled for 2024/25. Funded by Contribution from SEPP.
79	21	Moulsham Street Car park Resurfacing		79	79		79	Complete	Request for funding to be redirected to additional car park
		<b>ACTIVE</b>							
		<u>Leisure and Heritage</u>							
145	22	Dovedales Sports Centre Refurbishment	1,464	670	2,134		2,134	Scheduled for 2025/26	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).
300	23	South Woodham Ferrers Pool Works and Plant	275	60	335	-35	300	Complete	Approved at Council February 2023. Scheduled for 2024/25. October 2023 Scheme deferred to 2025/26 pending outcome of application for Sport England Funding. Additional £60k budget approved by Council February 2024. £233k Sport England grant awarded and scheme reprogrammed to 2024/25 due to spend date of grant.
	24	CSAC Activity Room	14		14		14	Yes	Approved at Council February 2025.
567	25	S106 Strategic Borough Sports		587	587		587	Unspecified	Runwell Sports and Social Club grant to cover costs of scheme. Funding agreement in place.



			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
6	26	S106 Community Open Space			0	6	6	Complete	S106 grant to parish council for open spece improvements.
63	27	Hylands House Stable Block Toilets	44	16	60	3	63	Complete	Approved at Council February 2020 and programmed for 2022/23. Now programmed for 2023/24. October 2023 following review deferred to 2024/25. Cost reviewed and £16k additional budget approved February 2024.
		<u>Voluntary and Community Sector Support</u>							
26	28	CIL St Andrew's Scout Hut Building	80	-54	26		26	Complete	CIL funding approved Cabinet October 2018 scheme to be included in capital programme approved by February Council 2019. This grant is currently under review and a report will be taken to propose that some of the grant is redirected to another facility.
	29	CIL Grant Chelmsford Society Model Engineers	5		5		5	No - dependent on Third party	CIL funding approved December 2021. Spend approved Council February 2022.
6	30	CIL Grant Hot Box Live		6	6		6	Complete	CIL funding agreed
	31	CIL Grant St John's Church		10	10		10	No - dependent on Third party	CIL funding agreed
48	32	CIL Green Initiatives - Various Schemes	15	43	58	8	66	No - dependent on Third party	£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.
		<u>Public Health and Wellbeing</u>							
		N/A							
		<u>Cultural Services (deputy)</u>							
3,157	33	Theatres' Modernisation	1,000	2,201	3,201	-3	3,198	Main works complete - final account agreed but still outstanding work items to complete	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.
	34	Oaklands Museum Staff Room and Kitchen Refit	24		24		24	No - Agreed to Defer to 2026/27	Approved by Council February 2023 and scheduled for 2024/25. October 2023 following review rephased to 2026/27
	35	Oaklands Museum Roof Works	63		63		63	Yes	Approved at Council February 2024. Works scheduled for 2025/26.
	36	Great Baddow Hoard Gold Coins			0	180	180	New Funding	Heritage Lottery Fund Grant
	37	Great Baddow Hoard Gold Coins Display Case			0	22	22	New Funding	Heritage Lottery Fund Grant
		<b>FAIRER</b>							
		Housing Services							

			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
7,085	38	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy (ii) Acquisition 20 x Houses	7,094		7,094		7,094	Refurbishment of final property outstanding	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.
1,275	39	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing - acquisition of land	1,300	0	1,300	-25	1,275	Complete	Approved £2m at Council February 2020. Delegated authority to Cabinet. Report taken to Council in July and £1.3m budget approved to purchase land for affordable housing. £0.7m not required and used to establish new pooled fund.
	40	Housing Initiatives Future schemes to be developed	6,964	-2,454	4,510		4,510	Business Case to be Developed	October 2023 - Review of housing delivery being undertaken. All unallocated/unspent housing initiatives budgets have been pooled into one single pot, £6.964m which will be used to assist in the delivery of any new policy determined from the review to assist in the delivery of temporary accommodation. Approved Council February 2024. MT review October removed balance £1.094m.
8	41	Housing Initiatives - Modular Units Groundworks		250	250		250	Yes	Use of housing initiatives pot. £250k Brownfield Land release Funding secured.
	42	Housing Initiatives - Sandford Mill House Refurbishment for use as TA		110	110		110	Yes	Use of housing initiatives pot.
	43	Housing Initiatives - Grant to YMCA		1,000	1,000		1,000	Yes	Use of housing initiatives pot.
	44	Initiatives to increase the provision of Affordable Housing Funded by S106 - Grants	1,643	-1,323	320		320	Dependent on Third party	Budget approved in principle February 2022 Council. Delegated authority to the Director of Sustainable Communities to decide upon the preferred scheme and spend within the approved budgets following consultation with the Cabinet Member for Fairer Chelmsford. £318k grant for CHP approved by delegation. £1.325m budget has been removed and the S106 funding redirected to the purchase of land for affordable housing.
350	45	Housing Grant to CHESS	350		350		350	Complete	Approved by Council February 2024 for payment in 2024/25. Initial payment made in 2023/24 to support initiative.
478	46	Housing Loan to CHESS		478	478		478	Complete	Approved via urgency letter December 2024
2,610	47	Local Authority Housing Fund Round 2		2,610	2,610		2,610	Complete	LAHF2 Grant awarded and paid over to CHP for acquisition of properties.
	48	Local Authority Housing Fund Round 3		2,807	2,807	775	3,582	Grant Conditions	LAHF3 Grant awarded and will be paid over to CHP for acquisition of properties.
		Corporate Property							
206	49	Land Development Site Investigations - Waterside	365	51	416	-90	326	Under review	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.
0	50	Various Land Sites' Disposal Costs	612	0	612	-612	0	Spend transferred to revenue budget removed	Approved Council February 2022. Delegated authority to the director to spend within the approved budget. Additional budget approved £120k February 2023 Council. Council report in July decision taken to transfer some smaller sites rather than develop in house, therefore prior spend will need to be transferred to revenue. £255k transferred to revenue 23/24. A further £478k transferred to revenue in 2024/25. Original budget was overspent.

			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
4,377	51	Enabling Lockside Growth Area	450	5,706	6,156		6,156	In Negotiations - Late delivery	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.
44	52	Land Acquisition Cemetery/Crematorium	1,800	1,400	3,200		3,200	To identify potential Land Site	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.
26	53	Refurbishment of Commercially Leased Properties - I Springfield Lyons	720	2,230	2,950		2,950	No	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.
		<u>Building Services</u>							
27	54	Civic Centre Ventilation and Roof Works	30		30	-3	27	Complete	Approved at Council February 2024. Scheduled for 2024/25.
	55	Various Condition Survey Works		564	564		564	Scheduled over 2 years	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 £564k has been approved via delegation in April 2025 for the first phase of works.
		<u>Greener Chelmsford</u>							
		<u>Parks and Green Spaces</u>							
3	56	Cemetery and Crematorium Infrastructure - proposed new facility	6,800	-6,700	100	200	300	Spend to get scheme to planning approval	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,
30	57	Beaulieu Park Pavilion Refurbishment	57		57	-27	30	Complete	Approved at Council February 2020 and programmed for 2021/22. Deferred due to decarbonisation feasibility works to 2025/26.
40	58	Chancellor Park Pavilion Works	46		46		46	No	Approved at Council February 2020 and programmed for 2021/22. Deferred due to decarbonisation feasibility works to 2024/25.
14	59	Beaulieu Pavilion Health and Safety Works	33		33		33	No	Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget.
121	60	Lionmede Park Upgrade Tennis Courts	120		120	1	121	Complete	Approved supplementary estimate £120k funded from LTA contribution
	61	Rivers and Waterways Improvements	600	-55	545		545	No - Scheme to be developed	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.

			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
610	62	Mass Tree planting and Woodland Creation	4,400	-2,767	1,633	77	1,710	Reviewed Annually	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.
	63	S106 Beaulieu Park Sport Pitches Top up	800		800		800	Dependent on third party	Approved February 2025 Council
9	64	CIL Landscape Enhancement Scheme Chignal Road	11		11	-2	9	Complete	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.
11	65	CIL Parks and Open Spaces - John Shennan Basketball		9	9	2	11	Complete	CIL neighbourhood grant application from Moulsham Community Trust approved April 2024.
		Planning							
283	66	Garden Communities Infrastructure Fund		290	290		290	Main Works complete	Various schemes will be grant funded
54	67	S106 Stonebridge Illuminations	37	27	64	-10	54	Complete	Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k. £14k vired from River can Scheme 2023/24.
108	68	S106 Public Art Channels	21	87	108		108	Complete	Approved by delegation January 2020 £21k. Additional sum approved by delegation £79k October 2021. £2k approved Council February 2024.
525	69	CIL Sutherland Lodge Refurbishment	525		525		525	Complete	Approved Council July 2017.
		SAFER							
		Community Safety							
	70	Market Road Conveniences Accessibility	20		20		20	No	Approved by Council February 2023. Scheduled for 2023/24.
114	71	Public Convenience Refurbishment - Admirals and Central Park	168		168		168	No	Approved by Council February 2023 £84k each site. Two year programme scheduled to commence 2023/24. Central Park completed £113k. Remaining budget for Admirals Park £54k.
151	72	Community Flood Improvements	184	1	185		185	Works Completed Monitoring to continue	Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017.
		Waste Management and Recycling							
550	73	Chelmsford Indoor Market Refurbishment	500	100	600		600	Indoor works completed. Outdoor works deferred to 2025/26	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.
	74	Retail Market Drainage Improvements	31		31		31	Deferred to 2025/26	Approved by Council February 2022. Delegated authority to Director to spend within approved budget.

			Latest Approved Budget - Approved February 2025 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Net Spend to 31/03/2025			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
	75	Retail Market Traders' Conveniences Remodelling	102		102		102	Agreed to defer to 2026/27	Approved Council February 2023. Scheduled for 2023/24. October 2023 reviewed and deferred to 2026/27.
	76	Retail Market Canopy Roof Liquid System	90		90		90	Deferred to 2026/27	Approved by Council February 2024. Works scheduled for 2025/26. MT review October 2024 deferred scheme to 2026/27
9	77	High Chelmer MSCP and Retail Market Red Walkway Health and Safety works	14	-5	9		9	Completed	Approved by Council February 2024. Works scheduled for 2024/25,
58	78	Freighter House Depot Resurfacing Works	216		216		216	Yes	Approved at Council February 2023. Five year programme scheduled to commence 2024/25.
		<u>Support Services (deputy)</u>							
		<u>N/A</u>							
76,618		Grand Total	73,640	57,044	130,684	438	131,122		
					Net Variation	438			
			Summary of Changes Since Previous Council Report February 2025						
							£000's		
							Latest Approved Budget February 2025	129,170	
							New Schemes Approved	564	
							Supplementary Estimates Approved for Existing Schemes	950	
							<b>Total Approved Budget</b>	<b>130,684</b>	
							<b>Latest Forecast Variations shown above</b>		
							Increased budgets completed schemes to be noted	10	
							Increased Budgets Require Approval	308	
							Increased Budgets Require Approval Funded	1,110	
							Decreased budgets transferred to revenue	-26	
							Decreased budgets completed schemes	-226	
							Decreased budgets Forecast Lower Cost	0	
							Decreased budgets aborted costs transferred to	-568	
							Decreased budgets Schemes Removed	-170	
							<b>Latest Forecast Budget May 2025</b>	<b>131,122</b>	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
8	Rural England Prosperity Fund- Supporting Businesses and Communities	400	361	-39	Funding reassigned	-9.75%	This scheme was dependent upon applications being submitted for grants by businesses and community groups and had to be spent by 31/3/2025. £39k was unallocated at the end of the year and it was agreed that this would be used towards funding the purchase of land to create a new woodland for community use.
9	Rural England Prosperity Fund- Supporting Businesses and Communities - Grant Allocation 2025/26	0	120	120	New provision fully funded	N/A	This scheme is dependent upon applications being submitted for grants by businesses and community groups and has to be spent by 31/3/2026.
15	CIL Integrated Cycling Infrastructure Grant	100	64	-36	Budget removed	-36.00%	It has been confirmed that there will be no further requests for grants . Contingency included in tender has not been required.
18	High Chelmer car Park Waterproofing Levels I	800	740	-60	Underspend scheme complete	-7.50%	
23	South Woodham Ferrers Pool Works and Plant	335	300	-35	Underspend scheme complete	-10.45%	Contingency included in tender has not been required.
36,37	Great Baddow Hoard Gold Coins	202	0	-202	New provision fully funded	N/A	A grant has been awarded by the heritage lottery fund.
39	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing - acquisition of land	1300	1275	-25	Underspend scheme complete	-1.92%	Land acquired costs lower than estimated.
48	Local Authority Housing Fund Round 3	2807	3582	775	Increased budget fully funded	N/A	Additional grant received to be used towards temporary accomodation provision. Likely to be paid over to a housing association.
49	Land Development Site Investigations - Waterside	416	326	-90	Spend transferred to revenue	-21.63%	The cost of the first marketing exercise has been transferred to revenue and the budget reduced.
50	Various Land Sites' Disposal Costs	612	0	-612	Spend transferred to revenue - remaining budget removed	-100.00%	£478k has been transferred to revenue as it is not a capital spend. The remaining £134k budget has been removed as any further spend associated with the disposal of various sites to HA's will be a revenue spend.
56	Cemetery and Crematorium Infrastructure	100	300	200	Increased budget	200.00%	Advised by service manager that he original £100k provision for feasibility and planning was insufficient and will need to be increased.
57	Beaulieu Park Pavilion Refurbishment	57	30	-27	Underspend scheme complete	-47.37%	Scheme completed cost of boiler replacement less than estimated.
62	Mass Tree planting and Woodland Creation	1633	1710	77	Increased budget	4.72%	Budget reduced by £23k as spend in year transferred to revenue. The spend in revenue has been funded by a capital provision. Following a review by the service manager they have requested that the budget is increased by £100k for the remaining years.

APPENDIX 3													
CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME													
		2024/25						2025/26					
		REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE TO OUT TURN						2024/25 REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE REPHASING VARIATIONS					
		Analysis of Variations						Variations					
Net Expenditure to 31/03/2025	CAPITAL ASSET REPLACEMENT PROGRAMME	Latest Approved Estimates for 2024/25	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Net Variance for 2024/25 Additional Cost	Total Outturn 2024/25	Original Approved Estimate for 2025/26	Re phasing from 2024/25	More/Less(-) Than Approved Budgets -More Requires Approval	Approved Replacements rephased between years	Net Variance for 2025/26 Additional Cost	Total Proposed Budget Requirement for 2025/26
£000's	SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	<b>LEADER</b>												
	Sustainable Transport (Deputy)												
0	1 Car Park Pay on Foot Equipment	0				0	0	281				0	281
0	2 Car Park Vehicles and Equipment	32	-32			-32	0	22	32			32	54
	<b>Active</b>												
	Leisure and Heritage												
0	3 Dovedales Replacement Equipment	0				0	0	220				0	220
141	4 Riverside Replacement Equipment	149	-8			-8	141	77	8			8	85
0	5 Riverside Dryside Locker Keyless System	0						11				0	11
0	6 Riverside Ice Rink Seating	0						21				0	21
0	7 Riverside Magic Water System	0						14				0	14
0	8 Riverside Studio 2 Upgrade - AV Equipment	0						5				0	5
46	9 Riverside Plant	49			-3	-3	46	101				0	101
25	10 CSAC Replacement Equipment	22	4		-1	3	25	42	-4			-4	38
0	11 CSAC Expansion Fitness Room Equipment	0				0	0	45				0	45
0	12 CSAC Plant	25	-25			-25	0	5	25			25	30
13	13 SWFLC Replacement Programme	3	-3		13	10	13	28	3			3	31
27	14 SWFLC Plant Replacement	58	-29		-2	-31	27	28	29			29	57
1	15 SWF 3G Pitch	1				0	1	421			-400	-400	21
11	16 Hylands House Mechanical and Electrical	11				0	11	25				0	25
0	17 Hylands Pavilion Infrastructure	6	-6			-6	0	25	6			6	31
0	18 Hylands Pavilion Equipment	45	-45			-45	0	15	45			45	60
30	19 Hylands House Equipment	61	-30		-1	-31	30	0	30			30	30
	<b>Cultural Services (Deputy)</b>												
365	20 Theatres' Equipment	395	-10		-20	-30	365	238	10			10	248
18	21 Theatres' Equipment - Throw Lens	18				0	18	0				0	0
18	22 Theatres' Plant	18				0	18	6				0	6
0	23 Museum Equipment and Vehicles	2	-2			-2	0	32	2			2	34
	<b>Fairer</b>												
	Building Services												
0	24 Print and Post Room Replacement Equip.	5	-5			-5	0	14	5			5	19

Net Expenditure to 31/03/2025	CAPITAL ASSET REPLACEMENT PROGRAMME		Latest Approved Estimates for 2024/25	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Net Variance for 2024/25 Additional Cost	Total Outturn 2024/25	Original Approved Estimate for 2025/26	Re phasing from 2024/25	More/Less(-) Than Approved Budgets -More Requires Approval	Approved Replacements rephased between years	Net Variance for 2025/26 Additional Cost	Total Proposed Budget Requirement for 2025/26
2	25	Street Lighting	29			-27	-27	2	0				0	0
		<u>Greener</u>												
		<u>Parks and Green Spaces</u>												
30	26	Crematorium Equipment	33	-1		-2	-3	30	66	1		103	104	170
0	27	Crematorium Columbarium	14	-14			-14	0	0	14			14	14
276	28	Play Area Replacements	360	-84			-84	276	294	84			84	378
165	30	Parks Replacement Vehicles and Equipment	196	-31			-31	165	824	31			31	855
0	31	Melbourne 3G Pitch	4	-4			-4	0	12	4			4	16
37	32	Chelmer Park Artificial Pitch	37				0	37	0				0	0
		<u>Safer</u>												
		<u>Community Safety</u>												
19	33	CCTV Replacement Equipment	48	-29			-29	19	112	29			29	141
0	34	CCTV Various Schemes Sites CIL	3	-3			-3	0	0	3			3	3
2	35	PHPS Air Monitoring Equipment	12	-10			-10	2	58	10			10	68
6	36	Healthy Home Loans	6				0	6	0				0	0
13	37	Discretionary Loans DFG Funded	13				0	13	0				0	0
4	38	RIA Loans DFG Funded	0			4	4	4	0				0	0
59	39	RIA Grants DFG Funded	10			49	49	59	0				0	0
971	40	Disabled Facility Grants (fully externally funded)	914			57	57	971	1,202		165		165	1,367
202	41	Social Capital Funding Projects DFG funded	265	-63			-63	202	0	63			63	63
		<u>Waste Management and Recycling</u>												
3	42	Scotas for the Disabled	7	-4			-4	3	23	4			4	27
0	43	Town Centre Bins	0				0	0	32				0	32
81	44	Depot Telescopic Front loader	107			-26	-26	81	0				0	0
155	45	Vehicle Wash	170			-15	-15	155	0				0	0
0	46	Street Cleansing Vehicles	0				0	0	644				0	644
5	47	Street Cleansing Equipment	5				0	5	3				0	3
0	48	Street Cleansing Crane Vehicle	0				0	0	88				0	88
0	49	Street Cleansing Gully Emptier	0				0	0	150		40		40	190
0	50	Wet Team Equipment	0				0	0	91		16		16	107
34	51	Hit Squad Replacements	43			-9	-9	34	89				0	89
57	52	Refuse Vehicles	300	-225		-18	-243	57	750	225			225	975
72	53	Vehicle Maintenance	79	-8		1	-7	72	6	8			8	14
139	54	Recycling Vehicles	226	-32		-55	-87	139	920	32			32	952
0	55	Recycling MRF	20	-20			-20	0	0	20			20	20
275	56	Food Vehicles	278			-3	-3	275	0				0	0
0	57	Prov. for Replacement with Electric Veh.	0				0	0	100				0	100
		<u>Support Services (Deputy)</u>											0	
32	58	Digital Services Replacement Programme	33			-1	-1	32	12				0	12
0	59	Digital Storage	0				0	0	68				0	68



Net Expenditure to 31/03/2025	CAPITAL ASSET REPLACEMENT PROGRAMME		Latest Approved Estimates for 2024/25	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Net Variance for 2024/25 Additional Cost	Total Outturn 2024/25	Original Approved Estimate for 2025/26	Re phasing from 2024/25	More/Less(-) Than Approved Budgets -More Requires Approval	Approved Replacements rephased between years	Net Variance for 2025/26 Additional Cost	Total Proposed Budget Requirement for 2025/26
0	60	Digital Servers	0				0	0	48			-48	-48	0
47	61	Meeting Room Digital Equipment	47				0	47	0				0	0
0	62	Website Upgrade	2			-2	-2	0	6				0	6
0	63	System Upgrade	0				0	0	9				0	9
0	64	System Security	0				0	0	20				0	20
175	65	Networks	176			-1	-1	175	0				0	0
0	66	Wifi Hardware	0				0	0	115				0	115
0	67	Investment in Digital Technology - DPO	128	-128			-128	0	240				0	240
0	68	Civic Duties Vehicle	0				0	0	0				0	0
													0	
3,556		Totals	4,465	-847	0	-62	-909	3,556	7,658	719	221	-345	595	8,253
					-62					595				
			2024/25 Analysis of Forecast Variations from Latest Approved Estimate £000's						2025/26 Analysis of Projected Variations £000's					
			Rephasing of Schemes to 2024/25						Rephasing of Schemes from 2024/25					
			Rephasing of Schemes to Later Years						Rephasing of Schemes from 2026/27					
			Price Variations Increases to be noted						Rephasing of Schemes to 2026/27					
			Price variations Decreases											
			Reduced Demand											
			Supplementary Estimates New unfunded to be noted						Supplementary Estimates New unfunded					
			Supplementary Estimates Funded New to be noted						Supplementary Estimates Funded New to be noted					
			Adjustment for Vehicles financed by leasing											
			Virement to capital scheme											
			Removed to be funded from revenue											
			-909						595					

APPENDIX 4

Reasons for Variations Greater Than £25,000 in Asset Replacement Programme							
	Scheme Description	Latest Approved Budget £000's	Estimated Budget Required £000's	Variation £000's	Variation Type	Percentage Change	Reason
	<b><u>2024/25</u></b>						
	<b><u>Sustainable Transport (Deputy)</u></b>						
2	Car Park Vehicles and Equipment	32	0	-32	Rephasing of spend to 2025/26	-100.00%	Replacements have been deferred to 2025/26 as service still reviewing their requirements for vehicle.
	<b><u>Leisure and Heritage</u></b>						
12	CSAC Plant	25	0	-25	Rephasing of spend to 2025/26	-100.00%	Replacements have been deferred to 2025/26 and existing plant prolonged until no longer economical
14	SWFLC Plant Replacement	58	27	-31	Rephasing of spend to 2025/26	-53.45%	Replacements have been deferred to 2025/26 and existing plant prolonged until no longer economical
18	Hylands Pavilion Equipment	45	0	-45	Rephasing of spend to 2025/26	-100.00%	Replacements have been deferred to 2025/26 and existing equipment prolonged until no longer economical
19	Hylands House Equipment	61	30	-31	Rephasing of spend to 2025/26	-50.82%	Replacements have been deferred to 2025/26 and existing equipment prolonged until no longer economical
	<b><u>Cultural Services (Deputy)</u></b>						
20	Theatres' Equipment	395	365	-30	Rephasing of spend to 2025/26	-7.59%	£10K required to complete replacements rephased to 2025/26 and £20K budget underspend not required.
	<b><u>Building Services</u></b>						
25	Street Lighting	29	2	-27	Budget removed	-93.10%	Planned Street lighting changes made and remaining budget no longer required
	<b><u>Parks and Green Spaces</u></b>						
28	Play Area Replacements	360	276	-84	Rephasing of spend to 2025/26	-23.33%	Replacement play areas continued into 2025/26
30	Parks Replacement Vehicles and Equipment	196	165	-31	Rephasing of spend to 2025/26	-15.82%	Replacements have been deferred to 2025/26
	<b><u>Community Safety</u></b>						
33	CCTV Replacement Equipment	48	19	-29	Rephasing of spend to 2025/26	-60.42%	Replacements have been deferred to 2025/26 to link in with tendered exercise for CCTV
39	RIA Grants DFG Funded	10	59	49	Increase spend Fully Funded by grant	100.00%	Additional spend incurred that is fully funded by grant. It is difficult to predict the annual spend in year.
40	Disabled Facility Grants (fully externally funded)	914	971	57	Increase spend Fully Funded by grant	6.24%	Additional spend incurred that is fully funded by grant. It is difficult to predict the annual spend in year.
41	Social Capital Funding Projects DFG funded	265	202	-63	Rephasing of spend to 2025/26	-23.77%	£23k Grant payment to CHESS delayed as scheme not reported as complete by 31/3/2025 and £40k contribution towards adapting TA property delayed as works have not commenced.
	<b><u>Waste Management and Recycling</u></b>						
44	Depot Telescopic Front loader	107	81	-26	Leasing	-24.30%	Vehicle acquired with finance lease variation to budget due to take on value of lease liability
52	Refuse Vehicles	300	57	-243	Rephasing of spend to 2025/26	-81.00%	£225k Replacements have been deferred to 2025/26 where vehicle has been delivered in April 2025. £18k saving against original budget.
54	Recycling Vehicles	226	139	-87	Rephasing of spend to 2025/26	-38.50%	£32k Replacements have been deferred to 2025/26 where vehicle has been delivered in April 2025. £55k saving against original budget.
	<b><u>Support Services (Deputy)</u></b>						
67	Investment in Digital Technology - DPO	128	0	-128	Rephasing of spend to 2025/26	-100.00%	Budgets have been deferred to 2026/27 awaiting for schemes to be brought forward for funding.

Reasons for Variations Greater Than £25,000 in Asset Replacement Programme							
	Scheme Description	Latest Approved Budget	Estimated Budget Required	Variation	Variation Type	Percentage Change	Reason
		£000's	£000's	£000's			
	<b><u>2025/26</u></b>						
	<b><u>Sustainable Transport (Deputy)</u></b>						
2	Car Park Vehicles and Equipment	22	54	32	Rephasing of spend from 2024/25	145.45%	Replacements have been deferred to 2025/26
	<b><u>Leisure and Heritage</u></b>						
12	CSAC Plant	5	30	25	Rephasing of spend from 2024/25	500.00%	Replacements have been deferred to 2025/26
14	SWFLC Plant Replacement	28	57	29	Rephasing of spend from 2024/25	103.57%	Replacements have been deferred to 2025/26
15	SWF 3G Pitch	421	21	-400	Rephasing of spend to 2026/27	100.00%	Replacements have been deferred to 2026/27 to be reviewed annually
18	Hylands Pavilion Equipment	15	60	45	Rephasing of spend from 2024/25	300.00%	Replacements have been deferred to 2025/26
19	Hylands House Equipment	0	30	30	Rephasing of spend from 2024/25	100.00%	Replacements have been deferred to 2025/26