



Chelmsford City Council Audit and Risk Committee

21st June 2023

Capital Programme Update and Provisional Outturn 2022/23

Report by:

Accountancy Services Manager (S151 Officer)

Officer Contact:

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Purpose

- a) To report the capital expenditure incurred in 2022/23.
- 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 2022/23 and 2023/24 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. Any comments be passed on to Cabinet.
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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.

5. Capital Reporting

A 'Capital Programme Update' report is taken to Cabinet in January and a 'Capital Programme Update and Outturn' report is taken to Cabinet/Council in July each year. A further 'Capital Programme Monitoring and Update' report is taken to Cabinet in November.

It is important to closely monitor capital expenditure as this allows judgements to be made for the Council's cash investments. If a large scheme is likely to be delayed this will provide an opportunity to invest the money until it is required, therefore increasing interest earnings.

6. Methods of Approval

New schemes submitted by services are recommended by Cabinet in January and approved by Council in February each year.

During the year, approval can be sought for further schemes or extensions 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 Against Latest Approved Budgets

Appendix 1 gives the overall capital outturn information for the completed Capital Schemes at the end of March 2023 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 £0.183m against the latest approved budget of £123.876m, or 0.15% of the overall Capital Schemes' costs.

| | |
|---|-----------|
| Approved Budget | £123.876m |
| Proposed Reductions in Scheme Costs – see Appendix 1 Scheme number 36 - Mass Tree planting and Woodland Creation. Spend transferred to revenue not reduction in planting. | -£0.055m |
| Proposed Increases in Scheme Cost Requires Approval – see Appendix 1 . | |
| Scheme number 5 – Various Land Disposal Costs. | £0.135m |
| Scheme number 59 – Public realm Tindal Square | £0.065m |
| Scheme number 81 – Garden Comm. Infrastructure Fund | £0.290m |
| Other Smaller Schemes - see Scheme 75 CIL Funded | £0.005m |

| | |
|---|------------------|
| Actual Increases in Completed Scheme Costs. | £0.004m |
| Actual Increases in Completed Scheme Costs Funded | £0.148m |
| Actual Reductions in Completed Scheme Costs. | -£0.409m |
| Total Proposed Budget | £124.059m |

7.3 Officers have previously reported to Cabinet and Council that scheme number 61 Chelmer Waterside Infrastructure, is potentially going to be £9m above the approved estimate and may be materially higher. A report will be made to July Council providing a more robust cost. When that costing information is available Members can scrutinise and approve the next steps. The table above and **Appendix 1** have excluded the variation until complete information is available to members. Further details on the project are in 7.7.1 below.

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

7.5 **Appendix 1** shows that there are some schemes reported as being delivered late.

The majority of these schemes are reliant upon conditions outside the control of Project Officers such as obtaining planning permission and consents and paying over CIL grants to third parties which are dependent upon the works they have completed. The delay in the spend is favourable to the Council in terms of investment and returns.

7.6 The original forecast expenditure for the year 2022/23 was £67.076m. The actual expenditure for 2022/23 was £29.280m. This is a net reduction for the spend in-year of £37.796m or 56.4%. The table below provides details of the schemes and shows the major variations over £1.5m.

| <u>Schemes</u> | |
|--|----------|
| Scheme 6 Enabling Lockside Growth Area – The spend on this scheme is dependent upon negotiations with third parties and this has caused delays to the progress of the scheme. The budgets have been deferred to 2023/24. | -£3.379m |
| Scheme 8 Acquisition Cemetery Land – Suitable site has not been identified. The budget will be required when a suitable site is identified. | -£6.000m |
| Schemes 11,12,14,15 Housing Initiatives – (1) Acquisition of houses for temporary accommodation - remaining balance £1.571m rephased to 2023/24 (2) Railway Street development £1.758m – viability of scheme under review and investigating alternative solutions (3) Modular Units £3.510m – no suitable sites identified (4) Exceptions Sites £2m rephased to 2023/24. | -£8.839m |

| | |
|---|------------------|
| Scheme 18 Strategic Property Purchase – purchase did not proceed and the budget was removed | -£3.590m |
| Scheme 19 Property Purchase Housing Initiatives – new budget approved for purchase for temporary accommodation | £4.315m |
| Scheme 48 -Riverside Elevations spend deferred to 2026/27 | -£1.978m |
| Scheme 61 – Chelmer Waterside Infrastructure - The scheme is not scheduled to complete until September 2024 and construction of the road and bridge did not commence in 2022/23 as previously planned. We are still awaiting final costs and a report is being taken to July Council which will include updated milestones for the project. | -£11.948m |
| Schemes 69–75 Various CIL Grants to third parties - spend dependent upon third parties. The budgets have been deferred to 2023/24. | -£1.608m |
| Scheme 76 CIL NE Bypass Bridge Forward Funding ECC - This has been deferred to 2023/24 as awaiting agreement from ECC. | -£1.500m |
| Other net variations below £1.5m on individual schemes spend deferred | -£4.755m |
| Other net variations below £1.5m on individual schemes cost increases | £1.486m |
| Total In Year Underspend Against Original Forecast Spend | -£37.796m |

This delay in expenditure has been beneficial to the resourcing of the Council's 2022/23 capital expenditure and has delayed the use of finite Capital resources and reduced the requirement for internal borrowing in the year.

7.7 Update on Capital Schemes

7.7.1 HIF Access Road and Bridge and Associated Works

Planning permission was granted in June 2021 and the Council has now completed the design and build stage of the road/bridge. This scheme is a two-stage design-and-build contract. Stage 1 is the detailed design and technical approval, and Stage 2 is the construction. Stage 1 has been completed and consultants are currently validating the price for the project. The Council have the option to proceed or not at this stage. Early indications were that the price for the scheme had increased significantly. This has previously been reported as £9m but is likely to increase further. A report will be taken to July cabinet and Council with the full estimated cost and seek approval for the next steps of for the scheme, including consideration of the budget. Any additional costs

are expected to be funded from CIL or higher capital receipts (sale proceeds) from nearby sites.

The City Council has drawn down the full £13.7m of the Housing Infrastructure Fund grant from Homes England. This is ahead of the final scheme cost and approval.

7.7.2 Inflation

Many of the budgets set out in Appendix 1 are approved on the basis of the best advice available at the time the bid requests were submitted. However, as previously mentioned in the Council’s Budget Report 2023/24 there is unprecedented inflationary pressure in the economy which makes the outcomes of tenders for goods and services erratic. Changes in project cost will be reported and approvals for additional budgets dealt with under the normal financial delegations.

7.7.3 Final Account Negotiations

Several large complex schemes were completed in 2022/23 and although recorded as completed schemes the final accounts with the main contractors are still being negotiated. There is a risk with these schemes that the scheme cost reported in this report may not reflect the final negotiated costs.

7.7.4 Feasibility Studies and Design Works

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 is likely to result in costs being re-classified from capital to revenue. The Council would have to use Revenue Reserves to meet such costs. A £1.2m reserve has been established within revenue for this should the need arise.

8. Asset Replacements

8.1 Monitoring Against Latest Approved Budgets

Appendix 3 shows that the final outturn for 2022/23 compared to the approved budget of £3.897m was a net increase of £0.076m, or 1.95%. £0.176m has been moved forward to 2023/24 or later years. The table below provides a summary.

| | |
|-------------------------------------|----------------|
| Approved Budget 2022/23 | £3.897m |
| Proposed Change in scheme phasing | -£0.176m |
| Variation in Asset Replacement Cost | £0.252m |
| Total Outturn 2022/23 | £3.973m |

8.2 **Appendix 3** also shows that the proposed budget for 2023/24 asset replacements is £5.235m compared to the approved budget of £5.013m. This is a net increase of

£0.222m, or 4.42%. £0.176m is due to the asset replacements being delayed from 2022/23 until 2023/24. The table overpage provides a summary.

| | |
|---|----------------|
| Approved Budget 2023/24 | £5.013m |
| Proposed Change in scheme phasing from 2022/23 Requires Approval – For detail see Appendix 3 2023/24 column “Rephasing from 2022/23 – Requires Approval” | £0.176m |
| Increases in Asset Replacement Cost Requires Approval – For detail see Appendix 3 2023/24 column “More/Less Than Approved Budgets – More Requires Approval” Line no. 53. | £0.046m |
| Total Proposed Budget 2023/24 | £5.235m |

8.3 **Appendix 4** provides narratives, for those variances in excess of £25k, for 2022/23 and narratives for those variances in excess of £25k for 2023/24 against the Latest Approved Budgets.

9. Funding of Programme

This will be reported to Cabinet.

10. Conclusion

- 10.1 The total cost of the Capital Schemes is forecast to be a net £0.183m more than the latest approved budget.
- 10.2 A report on the Chelmer Waterside project will be taken to Council in July. The forecast budgets do not include any increase for this scheme which is likely to be a significant increase in cost.
- 10.3 There are some large schemes which have not been delivered against the originally agreed milestones due to circumstances outside of the control of the Project Officers.
- 10.4 The underspend on the Capital Schemes in 2022/23, £37.796m, is beneficial to the Council in terms of cashflow and financing as it has reduced the requirement to use cash backed resources and internal borrowing in this financial year. Some of the delays in spend will have impacted on income generation, savings and delivery of corporate priorities which will now be realised in later year.
- 10.5 The 2022/23 Asset Replacement Schemes are a net £0.076m more than the latest approved budget. £0.176m has been deferred to 2023/24. The

realignment of the asset replacement budgets into later years is favourable to the Council as it delays the commitment of capital resources

- 10.6 The 2023/24 Asset Replacement Schemes are forecast to be £0.222m more than the latest approved budget. The majority of this is due to the realignment of budgets from 2022/23, an additional £176k.
- 10.7 There is significant risk that the overall cost of the capital programme will increase as there are schemes which will require a full review of costs before they start as the estimates are now under stated due to inflation and cost increases due to supply and demand.

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 2022/23, a comparison of the budgeted expenditure against the Outturn.

Also, the Asset Replacement Schemes for 2023/24, a comparison of the budgeted expenditure against the Directors of Service forecast.

Appendix 4 Asset Replacement Schemes Major Variations Narratives for the years 2022/23 and 2023/24.

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None

Financial:

As detailed

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

Acquisition of electric vehicles and green initiatives

Personnel:

None

Risk Management:

None

Equality and Diversity

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why) None

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

All Services

Relevant Policies and Strategies:

Medium Term Financial Strategy

| APPENDIX I | | | | | | | | |
|-------------------------------|--|---|---|------------------------|---|-----------------|---|--|
| CAPITAL SCHEMES | | VARIATION IN TOTAL CAPITAL SCHEME COSTS | | | | | | |
| Net Expenditure to 31/03/2023 | SCHEME DESCRIPTION | Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date | | | Latest Forecast Budget - Additional Requires Approval | | Scheme Scheduled to Complete on Time against Original Programme | Additional Budget Approval Narrative |
| | | Original Approved Scheme Budget | Additional/ Reduced (-) Approved Budget | Latest Approved Budget | More/(Less) Than Approved Budgets | Proposed Budget | | |
| £000s | | £000s | £000s | £000s | £000s | £000s | | |
| | Connected Chelmsford | | | | | | | |
| 3,133 | 1 Theatres' Modernisation | 1,000 | 2,246 | 3,246 | | 3,246 | Main works complete - ongoing snagging and final account to be agreed | 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. |
| 11 | 2 Museum Roof Access Works Health and Safety | 11 | | 11 | | 11 | Yes | Approved Council February 2022. Delegated authority to the director to spend within the approved budget. |
| | 3 Oaklands Museum Staff Room and Kitchen Refit | 24 | | 24 | | 24 | NEW | Approved by Council February 2023 and scheduled for 2024/25 |
| | Fairer Chelmsford | | | | | | | |
| 161 | 4 Land Development Site Investigations | 365 | | 365 | | 365 | Programme of works to be determined | Approved Cabinet November 2021. |
| 561 | 5 Various Land Sites' Disposal Costs | 612 | 120 | 732 | 135 | 867 | | Approved Council February 2022. Delegated authority to the director to spend within the approved budget. Additional budget approved £120k February 2023 Council. |
| 2,577 | 6 Enabling Lockside Growth Area | 450 | 5,506 | 5,956 | | 5,956 | 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. |
| 1,592 | 7 Galleywood Hall Development Industrial Units | 1,200 | 650 | 1,850 | -218 | 1,632 | Main Works completed | Approved at Council February 2019. Following a reassessment of the budget £400k was removed. Additional £200k was approved November 2021 due to rising prices of materials and construction. An additional £850k was approved by Council February 2022. |
| | 8 Land Acquisition Cemetery/Crematorium | 1,800 | 4,200 | 6,000 | | 6,000 | To identify potential Land Site | Approved at Council February 2019. Additional £1.8m approved Council February 2020. Additional £2.4m approved July 2022 Council. |
| | 9 High Chelmer Roof | 1,500 | | 1,500 | | 1,500 | Awaiting Proposal | Approved at Council February 2020 and programmed for 2021/22. These works have now been programmed to commence in 2026/27. |
| 962 | 10 Refurbishment of Commercially Leased Properties | 720 | 1,480 | 2,200 | | 2,200 | No | Approved at Council February 2020. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. An additional £380k was approved November 2021. Additional £1.1m agreed at Cabinet October 2022. Urgency approved November 2022. |
| 6,629 | 11 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy (ii) Acquisiton 20 x Houses | 8,200 | | 8,200 | | 8,200 | Yes | Approved at Council February 2022 and currently programmed for 2022/23. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. Budget for purchase of 20 houses. Budget deferred for 2 houses to 2023/24. |
| | 12 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy (ii) Modular Units | 3,510 | | 3,510 | | 3,510 | Business Case to be Developed | Approved at Council February 2022 and currently programmed for 2022/23. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. Provision modular units. |
| 515 | 13 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing - Hostel Expansion | 325 | 190 | 515 | | 515 | Completed | Approved at Council February 2020. Delegated authority to Cabinet. Completion estimated 2023/24. £150k approved by Cabinet June 2022 for increased cost of works to Hostel expansion. Additional £40k approved for Hostel expansion Cabinet November 2022. |

| Net Expenditure to 31/03/2023 | SCHEME DESCRIPTION | Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date | | | Latest Forecast Budget - Additional Requires Approval | | Scheme Scheduled to Complete on Time against Original Programme | Additional Budget Approval Narrative |
|-------------------------------|---|---|---|------------------------|---|-----------------|---|--|
| | | Original Approved Scheme Budget | Additional/ Reduced (-) Approved Budget | Latest Approved Budget | More/(Less) Than Approved Budgets | Proposed Budget | | |
| £000s | | £000s | £000s | £000s | £000s | £000s | | |
| 142 | 14 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing - Development | 1,900 | 0 | 1,900 | | 1,900 | Business Cases to be Developed | Approved at Council February 2020. Delegated authority to Cabinet. Completion estimated 2024/25. Provision for development Railway Street |
| | 15 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing | 2,000 | | 2,000 | | 2,000 | Business Cases to be Developed | Approved at Council February 2020. Delegated authority to Cabinet. |
| | 16 Initiatives to increase the provision of Affordable Housing Funded by S106 - Grants | 1,643 | | 1,643 | | 1,643 | Business Case to be Developed | 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. |
| 1,890 | 17 Drakes' Lane Travellers Site | 1,950 | | 1,950 | -60 | 1,890 | Completed | Approved by Urgency March 2021. |
| | 18 Strategic Property Purchase | 3,590 | -3,590 | 0 | | 0 | Withdrawn | Approved at July 2022 Council meeting. Removed November Cabinet 2022. |
| 4,203 | 19 Property Purchase Housing Initiatives | 4,315 | | 4,315 | -112 | 4,203 | Completed | Approved by Urgency November 2022 acquisition of property for TA |
| | Greener and Safer Chelmsford | | | | | | | |
| | 20 Cemetery and Crematorium Infrastructure | 6,800 | | 6,800 | | 6,800 | Business Case to be Developed | Approved Council February 2020 with a delegation for Cabinet to approve a final scheme. |
| | 21 Cemetery Toilet Refurbishment | 86 | | 86 | | 86 | No agreed to defer to 2023/24 | Approved at Council February 2022. Delegated authority to Director to spend within approved budget. |
| | 22 Cemetery Lining of Foul Water Drain | 29 | | 29 | | 29 | NEW | Approved at Council February 2023. Scheduled for 2023/24. |
| | 23 Crematorium Office Pyramid Roof | 18 | | 18 | | 18 | NEW | Approved at Council February 2023. Scheduled for 2023/24. |
| | 24 Civic Offices Improvement Programme | 460 | | 460 | | 460 | 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. |
| 145 | 25 Community Flood Improvements | 184 | | 184 | | 184 | Works Completed Monitoring to continue | Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017. |
| 72 | 26 Hylands' Outdoor Wedding Ceremony Area | 75 | | 75 | -3 | 72 | Completed | Approved supplementary estimate June 2021 £75k |
| | 27 Beaulieu Park Pavilion Refurbishment | 57 | | 57 | | 57 | No | Approved at Council February 2020 and programmed for 2021/22. Deferred due to decarbonisation feasibility works to 2025/26. |
| | 28 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 2023/24. |
| 100 | 29 Chelmer Park Pavilion Roof | 148 | -50 | 98 | 2 | 100 | Completed | Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget. Budget reduced November Cabinet 2022. |
| | 30 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. |
| 96 | 31 Beaulieu Park Conversion Tarmac Court to 3G Pitch and Flood lights | 90 | 6 | 96 | | 96 | Completed | Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget. |
| | 32 Oaklands Park Upgrade Tennis Courts | 91 | 86 | 177 | | 177 | No | Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget. Additional £86k budget approved February Council 2023 funded by contribution. Scheme has been amended from MUGA to upgraded tennis courts. |
| 69 | 33 Central Park Lake Edge Works S106 | 62 | 7 | 69 | | 69 | Completed | Approved by Council Feb. 2022. Delegated authority to the director to spend within the approved budget. |
| | 34 Rivers and Waterways Improvements | 600 | -107 | 493 | | 493 | 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. |
| 46 | 35 Automatic Floodgates and Provision of Locks - Feasibility | | 107 | 107 | | 107 | No | Budget approved September 2020 Cabinet. Budget vired from Rivers and Waterways Improvements. |

| Net Expenditure to 31/03/2023 | SCHEME DESCRIPTION | Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date | | | Latest Forecast Budget - Additional Requires Approval | | Scheme Scheduled to Complete on Time against Original Programme | Additional Budget Approval Narrative |
|-------------------------------|---|---|---|------------------------|---|-----------------|---|---|
| | | Original Approved Scheme Budget | Additional/ Reduced (-) Approved Budget | Latest Approved Budget | More/(Less) Than Approved Budgets | Proposed Budget | | |
| £000s | | £000s | £000s | £000s | £000s | £000s | | |
| 70 | 36 Mass Tree planting and Woodland Creation | 4,400 | -69 | 4,331 | -55 | 4,276 | Reviewed Annually | Approved at Council February 2020 £4.4m with delegated authority to Director of Public Places and the Director of Finance and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22. Now pushed out to 2029/30. |
| | 37 Green Initiatives Phase 1 | 500 | -102 | 398 | | 398 | 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. |
| | 38 Green Initiatives Fund Phase 2 | 6,500 | | 6,500 | | 6,500 | NEW 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. |
| 9 | 39 CIL Landscape Enhancement Scheme Chignal Road | 11 | | 11 | | 11 | Yes | CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council. |
| 9 | 40 CIL Parks and Open Space | 6 | 3 | 9 | | 9 | Completed | £6k CIL funding approved July 2019 for Coronation Park Basketball Court. £10k additional budget approved supplementary estimate. Location also changed to Lionmede Park. |
| 533 | 41 Chelmsford Indoor Market Refurbishment | 500 | 100 | 600 | | 600 | Indoor works completed, outdoor works progressing | 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. |
| | 42 Retail Market Drainage Improvements | 31 | | 31 | | 31 | Yes | Approved by Council February 2022. Delegated authority to Director to spend within approved budget. |
| | 43 Retail Market Traders' Conveniences Remodelling | 102 | | 102 | | 102 | NEW | Approved Council February 2023. Scheduled for 2023/24. |
| 94 | 44 Market Road Toilet Roof | 101 | | 101 | -6 | 95 | Completed | Approved by Council February 2022. Delegated authority to the director to spend within the approved budget. |
| | 45 Market Road Conveniences Accessibility | 20 | | 20 | | 20 | NEW | Approved by Council February 2023. Scheduled for 2023/24. |
| | 46 Public Convenience Refurbishment - Admirals and Cent | 168 | | 168 | | 168 | NEW | Approved by Council February 2023. Two year programme scheduled to commence 2023/24. |
| | 47 Freighter House Depot Resurfacing Works | 216 | | 216 | | 216 | NEW | Approved at Council February 2023. Five year programme scheduled to commence 2024/25. |
| 22 | 48 Riverside Elevations | 2,000 | | 2,000 | | 2,000 | Under Review | £2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme. |
| | 49 Dovedales - Grant for Works | 28 | -2 | 26 | | 26 | Deferred | Approved at Council February 2020 and programmed for 2020/21. To be reviewed with potential refurbishment scheme in 2024/25. |
| 46 | 50 Dovedales Sports Centre Refurbishment | 1,464 | | 1,464 | | 1,464 | Scheme to be developed | 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. |
| 73 | 51 Chelmsford Sports and Athletics Centre - Outdoor Track and External Upgrades | 350 | | 350 | | 350 | Yes | £350k approved at Cabinet October 2022. To be funded from £300k S106. |
| | 52 Chelmsford Sports and Athletics Centre - Gym Improvements | 168 | | 168 | | 168 | NEW | Approved by Council February 2023. Delegated authority to 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. |
| | 53 South Woodham Fenners Pool Works and Plant | 275 | | 275 | | 275 | NEW | Approved at Council February 2023. Scheduled for 2024/25. |
| 7 | 54 S106 Forever Active | | | 0 | 7 | 7 | | S106 Grant to NHS to meet conditions of agreement. |
| | 55 Hylands House Stable Block Toilets | 44 | | 44 | | 44 | Agreed to Defer to 2023/24 | Approved at Council February 2020 and programmed for 2022/23. Now programmed for 2023/24 |
| 152 | 56 Hylands House Basement Toilet | 150 | | 150 | 2 | 152 | Completed | Approved Council February 2022. Delegated authority to Director to spend within the approved budget. |
| | Sustainable Development | | | | | | | |
| 103 | 57 Chelmsford Flood Resilience Programme | 4,833 | 0 | 4,833 | | 4,833 | Business case to be developed | This is the unspent budget from the withdrawn EA scheme. A new programme of works will be brought back to Cabinet at a later date. S106 grants to Environment Agency. |

| Net Expenditure to 31/03/2023 | SCHEME DESCRIPTION | Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date | | | Latest Forecast Budget - Additional Requires Approval | | Scheme Scheduled to Complete on Time against Original Programme | Additional Budget Approval Narrative |
|-------------------------------|---|---|---|------------------------|---|-----------------|---|---|
| | | Original Approved Scheme Budget | Additional/ Reduced (-) Approved Budget | Latest Approved Budget | More/(Less) Than Approved Budgets | Proposed Budget | | |
| £000s | | £000s | £000s | £000s | £000s | £000s | | |
| 32 | 58 Public Realm Wayfinding Signs Phase 3 | 150 | | 150 | | 150 | No | Approved Council February 2021. Funding from ECC. 3 year programme ending 2022/23. Still waiting for ECC to approve scheme. |
| 4,388 | 59 Public Realm Tindal Square Design and Construction | 160 | 4,163 | 4,323 | 65 | 4,388 | Completed - final account for works still to be agreed | Approved at Council February 2018. The design works were completed until 2020/21. Additional £320k approved by Cabinet June 2020 for design and tender to be funded from S106. Report taken to Cabinet October 2021 and urgency letter requested for approval of the agreed scheme an additional £3.358m. Additional £485k approved at October 2022 Cabinet. Additional funding from ECC £450k. |
| 5 | 60 Chelmer Waterside Infrastructure - CCC Budget | | 250 | 250 | | 250 | No | Virement allocated for HIF bid design works. |
| 7,217 | 61 Chelmer Waterside Infrastructure (HIF) - Grant Funded | 15,500 | 11,470 | 26,970 | | 26,970 | 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. |
| 1,461 | 62 S106 Beaulieu Park Station | 100 | 1,550 | 1,650 | | 1,650 | Unspecified | Scheme approved for £100,000 via Director of Sustainable Communities delegated authority. £1,550,000 approved at Council February 2016. The expenditure on this scheme will be funded by S106. |
| 2,865 | 63 S106 Beaulieu Park Station 2nd Phase | 2,917 | 514 | 3,431 | | 3,431 | Unspecified | £2.917m approved at February Council 2018. The expenditure on this scheme will be funded by S106. |
| 24 | 64 S106 Stonebridge Illuminations | 37 | 6 | 43 | | 43 | No | Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k. |
| 2 | 65 S106 River Can Pathway Lighting Design | 10 | 6 | 16 | | 16 | No | Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k. |
| 45 | 66 S106 Public Art Channels | 21 | 79 | 100 | | 100 | No | Approved by delegation January 2020 £21k. Additional sum approved by delegation £79k October 2021. |
| 60 | 67 S106 Strategic Borough Sport | | | 0 | 60 | 60 | N/A | Agreement with Runwell Sports and Social Club to make grant for costs incurred. |
| 81 | 68 S106 Community Other Facilities | | | 0 | 81 | 81 | N/A | Agreement with NHS to undertake work to meet S106 Contribution conditions. |
| | 69 CIL Sutherland Lodge Refurbishment | 525 | | 525 | | 525 | Business case Currently being reviewed | Approved Council July 2017. |
| | 70 CIL St Andrew's Scout Hut Building | 80 | | 80 | | 80 | Dependent on Third party - Late delivery | CIL funding approved Cabinet October 2018 scheme to be included in capital programme approved by February Council 2019. |
| 62 | 71 CIL Integrated Cycling Infrastructure Grant | 100 | | 100 | | 100 | No | CIL funding approved at meeting of the CIL Panel 23/11/2020. |
| | 72 CIL Trinity Road School Improvements | 950 | | 950 | | 950 | Dependent on Third party | Approved at Council February 2021 |
| 97 | 73 CIL Road Improvements Main Road Hospital Approach Grant to ECC | 97 | | 97 | | 97 | Completed | CIL funding approved January 2019. Spend approved Council February 2022 |
| | 74 CIL Grant Chelmsford Society Model Engineers | 5 | | 5 | | 5 | No - dependent on Third party | CIL funding approved December 2021. Spend approved Council February 2022. |
| 17 | 75 CIL Green Initiatives - Various Schemes | 15 | 13 | 28 | 4 | 32 | No - dependent on Third party | £100k CIL funding approved December 2021 for green initiatives grant funding. Spend approved Council February 2022. |
| | 76 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. |
| | 77 CIL Army and Navy Contribution to ECC | 4,000 | | 4,000 | | 4,000 | Dependent on Third party | Approved Council July 2022 |

APPENDIX 2

Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000

| Scheme Description | Latest Approved Budget £000's | Latest Estimated Expenditure - If Additional Budget Requires Approval £000's | Variation £000's | Variation Type | Percentage Change in Scheme Cost | Reason |
|--|----------------------------------|---|---------------------|---------------------------|----------------------------------|---|
| Fairer Chelmsford | | | | | | |
| 5 Various Land Site Disposal Costs | 732 | 867 | 135 | Increase in budget | 18.44% | The service plans to undertake more surveys and investigations than previously estimated in order to be in a position to bring the sites forward for planning permission with a view that some of the sites may be considered for development rather than disposal. Additional sites have also been included. |
| 7 Galleywood Hall Development Industrial Units | 1,850 | 1,632 | -218 | Reduction in budget | -11.78% | Majority of scheme completed. Only minor external works are outstanding. The Project Manager is reporting an underspend. |
| 17 Drakes' Lane Travellers Site | 1,950 | 1,890 | -60 | Reduction in budget | -3.08% | Scheme complete underspend reported |
| 19 Property Purchases Housing Initiatives | 4,315 | 4,203 | -112 | Reduction in budget | -2.60% | Property acquired and following negotiations original purchase price reduced. |
| Greener and Safer Chelmsford | | | | | | |
| 36 Mass Tree Planting | 4,331 | 4,276 | -55 | Reduction in budget | -1.27% | Although this is being reported as a variation to the capital budget, this spend was incurred and has been transferred to revenue as it did not qualify as a capital spend. Appropriate revenue resources have been allowed for to fund this cost in financial planning. |
| Sustainable Development | | | | | | |
| 59 Public Realm Tindal Square | 4,323 | 4,388 | 65 | Increase in budget | 1.50% | The scheme is now complete and the outturn reflects the current estimated cost of the scheme. The final account has still not been agreed with the contractor and once this is settled there may be a further increase to the final cost. |
| 67 S106 Strategic Borough Sport | 0 | 60 | 60 | Increase in budget Funded | 100.00% | Grant paid over funded from S106 contributions. |
| 68 S106 Community Other Facilities | 0 | 81 | 81 | Increase in budget Funded | 100.00% | Grant paid over funded from S106 contributions. |
| 81 Garden Communities Infrastructure Fund | 0 | 290 | 290 | Increase in budget Funded | 100.00% | Grant received an allocated for various schemes. Originally treated as revenue grant and transferred to capital. |

APPENDIX 3

| CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME | | | | | | | | | | | | | | | | | | |
|--|--|---|--|-----------------------------------|---------------------------------------|--------------------------|--------------|-------------------------------------|---|--|---|------------------------------------|--|-----------------------------------|--------------------------------------|---|-------|---|
| 2022/23 | | | | | | | | | | | 2023/24 | | | | | | | |
| 2022/23 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE TO LATEST FORECAST | | | | | | | | | | | 2023/24 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS | | | | | | | |
| VARIATION FROM 2022/23 BUDGET ONLY | | | | | | | | | | | 2023/24 BUDGET | | | | | | | |
| Net Expenditure to 31/03/2023 | CAPITAL ASSET REPLACEMENT PROGRAMME | Original Approved Estimates for 2022/23 | Additional/Reduced (-) Approved Budget | Reason for Change - see Key Below | Latest Approved Estimates for 2022/23 | Analysis of Variations | | | | Net Variance for 2022/23 Additional Cost | Total Outturn 2022/23 | Original Approved Estimate 2023/24 | Additional/Reduced (-) Approved Budget | Reason for Change - see key below | Latest Approved Estimate for 2023/24 | Variations | | Total Proposed Budget Requirement for 2023/24 |
| | | | | | | Change in Scheme Phasing | New Proposal | More/Less (-) Than Approved Budgets | Re phasing from 2022/23 Requires Approval | | | | | | | More/Less(-) Than Approved Budgets - More Requires Approval | | |
| £000's | SCHEME DESCRIPTION | £000s | £000s | | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| | Connected Chelmsford | | | | | | | | | | | | | | | | | |
| 16 | 1 Digital Services Replacement Programme | 234 | -216 | PH, U, RD | 18 | | | -2 | -2 | 16 | 995 | | | 995 | | | | 995 |
| | 2 Digital Helpdesk System Replacement | 25 | -25 | U | 0 | | | | 0 | 0 | 0 | | | 0 | | | | 0 |
| 87 | 3 Website Upgrade | 98 | -11 | PH | 87 | | | | 0 | 87 | 11 | | | 11 | | | | 11 |
| | 4 Investment in Digital Technology - DPO | 300 | -150 | PH | 150 | -150 | | | -150 | 0 | 150 | 60 | | 210 | 150 | | | 360 |
| 47 | 5 Theatres' Equipment | 45 | 1 | PV | 46 | | | 1 | 1 | 47 | 0 | | | 0 | | | | 0 |
| 6 | 6 Museum Equipment and Vehicles | 6 | 1 | PV | 7 | | | -1 | -1 | 6 | 2 | | | 2 | | | | 2 |
| | 7 Museum Platform Lift | | | | 0 | | | | 0 | 0 | 12 | | | 12 | | | | 12 |
| | Fairer Chelmsford | | | | | | | | | | | | | | | | | |
| | No Schemes | | | | 0 | | | | 0 | 0 | 0 | | | 0 | | | | 0 |
| | Greener and Safer Chelmsford | | | | | | | | | | | | | | | | | |
| 2 | 8 CCTV Replacement Equipment | 10 | -7 | PH | 3 | | | -1 | -1 | 2 | 26 | | | 26 | | | | 26 |
| | 9 CCTV Various Schemes Sites CIL | 3 | -3 | PH | 0 | | | | 0 | 0 | 3 | | | 3 | | | | 3 |
| 2 | 10 CCTV Safer Streets Bunny Walks | 3 | -1 | | 2 | | | | 0 | 2 | 0 | | | 0 | | | | 0 |
| 18 | 11 Street Lighting Safer Streets Bunny Walks | 20 | -2 | | 18 | | | | 0 | 18 | 0 | | | 0 | | | | 0 |
| 12 | 12 CCTV Home Office GRIP Funded | 0 | | | 0 | | 12 | | 12 | 12 | | | | | | | | |
| 41 | 13 Crematorium Equipment | 84 | -62 | PH, PV | 22 | 19 | | | 19 | 41 | 84 | | | 84 | -19 | | | 65 |
| | 14 Crematorium Columbarium | 0 | | | 0 | | | | 0 | 0 | 14 | | | 14 | | | | 14 |
| 1 | 15 Civic Centre Heating | 33 | -32 | PH | 1 | | | | 0 | 1 | 0 | | | 0 | | | | 0 |
| 37 | 16 Civic Centre Server Room Air Conditioning | 40 | | | 40 | -3 | | | -3 | 37 | 0 | | | 0 | 3 | | | 3 |
| | 17 Civic Centre Floor Replacements | 31 | -31 | PH | 0 | | | | 0 | 0 | 31 | | | 31 | | | | 31 |
| | 18 Print and Post Room Replacement Equip. | 3 | | | 3 | | | -3 | -3 | 0 | 0 | | | 0 | | | | 0 |
| | 19 Street Lighting and upgrade to LED | 21 | -21 | PH | 0 | | | | 0 | 0 | 0 | | | 0 | | | | 0 |
| 4 | 20 CIL Street Lighting Meadows Car Park | 5 | -1 | | 4 | | | | 0 | 4 | 0 | | | 0 | | | | 0 |
| | 21 Travel pool Cars | 0 | | | 0 | | | | 0 | 0 | 0 | | | 0 | | | | 0 |
| 4 | 22 Dovedales Replacement Equipment | 11 | -8 | PH, PV | 3 | | | 1 | 1 | 4 | 17 | | | 17 | | | | 17 |
| | 23 Riverside Replacement Equipment | 43 | -43 | PH | 0 | | | | 0 | 0 | 145 | | | 145 | | | | 145 |
| | 24 Riverside Plant | 2 | -2 | PH | 0 | | | | 0 | 0 | 61 | | | 61 | | | | 61 |
| | 25 CSAC Replacement Equipment | 53 | -53 | PH | 0 | | | | 0 | 0 | 64 | | | 64 | | | | 64 |
| | 26 CSAC Expansion Fitness Room Equipment | | | | 0 | | | | 0 | 0 | 105 | | | 105 | | | | 105 |
| 60 | 27 CSAC Floodlights | 60 | | | 60 | | | | 0 | 60 | 0 | | | 0 | | | | 0 |
| 4 | 28 CSAC Plant | 21 | -6 | PH | 15 | -11 | | | -11 | 4 | 25 | | | 25 | 11 | | | 36 |
| 53 | 29 SWFLC Replacement Programme | 63 | -10 | PH | 53 | | | | 0 | 53 | 20 | | | 20 | | | | 20 |
| 9 | 30 SWFLC Plant Replacement | 8 | 1 | PV | 9 | | | | 0 | 9 | 19 | | | 19 | | | | 19 |
| 18 | 31 SWF 3G Pitch | 20 | -2 | PH | 18 | | | | 0 | 18 | 0 | | | 0 | | | | 0 |
| 8 | 32 Hylands House Fire Alarm | 15 | -1 | | 14 | -6 | | | -6 | 8 | 0 | | | 0 | 6 | | | 6 |
| | 33 Hylands House - Lift | | | | 0 | | | | 0 | 0 | 20 | | | 20 | | | | 20 |
| | 34 Hylands House Basement Pumps | | | | 0 | | | | 0 | 0 | 11 | | | 11 | | | | 11 |
| | 35 Hylands Pavilion Skins and Linings | 60 | -60 | PH | 0 | | | | 0 | 0 | 73 | | | 73 | | | | 73 |
| 15 | 36 Hylands pavilion Equipment | 15 | 1 | | 16 | -1 | | | -1 | 15 | 19 | | | 19 | 1 | | | 20 |

| 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 | |
| <u>2022/23</u> | | | | | | | |
| <u>Connected Chelmsford</u> | | | | | | | |
| 4 Investment in Digital Technology - DPO | 150 | 0 | -150 | Rephasing of spend to 2023/24 | -100.00% | Budgets have been deferred to 2023/24 as business cases still being finalised and some proposals have been funded from revenue. | |
| <u>Greener and Safer Chelmsford</u> | | | | | | | |
| 55 Recycling MRF | 30 | 0 | -30 | Rephasing of spend to 2023/24 | -100.00% | Replacements have been deferred to 2023/24 as works scheduled for April 2023. | |
| 63 Disabled Facility Grants | 600 | 854 | 254 | Increase spend Fully Funded by grant | 42.33% | Additional Spend incurred that is fully funded by grant. Demand and processing of grant applications. | |
| <u>2023/24</u> | | | | | | | |
| <u>Connected Chelmsford</u> | | | | | | | |
| 4 Investment in Digital Technology - DPO | 0 | 150 | 150 | Rephasing of spend from 2023/24 | 100.00% | See above | |
| <u>Greener and Safer Chelmsford</u> | | | | | | | |
| 52 Refuse Vehicles | 495 | 516 | 21 | Increase in cost | 4.24% | Due to inflation price increases. | |
| 55 Recycling MRF | 0 | 30 | 30 | Rephasing of spend from 2022/23 | 100.00% | See above | |