



Chelmsford City Council Cabinet

6th July 2023

Capital Programme Update and Provisional Outturn 2022/23

Report by:

Cabinet Member for Finance and Audit

Officer Contact:

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Purpose

1. To report the capital expenditure incurred in 2022/23 and the resources used to finance it.
2. To update the approved Capital Schemes for variations in cost which have been identified at outturn and to date.
3. To update the approved Asset Replacement Programme for 2023/24 for variations in cost and timing which have been identified at outturn and to date.

Options

To either accept or reject the recommendations.

Preferred option and reasons

To accept the recommendations to enable services to proceed with the capital schemes and replacements required to continue to deliver services.

Recommendations

That the Cabinet:

1. Approves the latest proposed budgets for the Capital Schemes a net increase of **£183k** from £123.876 to £124.059m shown in **Appendix 1** and detailed in **paragraph 3.1** which includes;
 - a. the cost of the increased schemes £495k
 - b. the net reduction in the outturn of the completed schemes, -£257k
 - c. the budget removed as the spend was transferred to revenue, -£55k

2. Approve the proposed Asset Replacement Programme for 2023/24 a net increase of £222k from £5.013m to £5.235m shown in **Appendix 4** and detailed in **paragraph 4.2** which includes;
 - a. the rephasing of spend from 2022/23 £176k and
 - b. increases in budgets £46k.

And that the Cabinet recommends to Council that it:

1. approves the method of funding the capital expenditure incurred in 2022/23, as set out in the table in **paragraph 5** and as recommended by the S151 Officer to be the most cost effective;

 2. note that changes to the budgets for the Chelmer Waterside Infrastructure project are not contained in this capital update report but dealt with in a separate report to be taken to July Council;

 3. notes the proposed budget for the Capital Schemes, £124.059m and the risks associated with those budgets;

 4. note the Asset Replacement Programme for 2023/24, £5.235m
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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 and shown as fixed assets (this can include software, property, plant and equipment that can be in use for more than one year). 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 which are 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.

2.1 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 Our Chelmsford: Our Plan objectives 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.

2.2 Capital Resources

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

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.

Where internal or external borrowing is used to fund the capital programme, a provision for repayment of the borrowing (Minimum Revenue Provision - MRP) is required, which again puts pressure on revenue budgets.

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.

A delay could also impact on the ability to realise additional income or make savings from a scheme.

2.3 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.

3 Capital Schemes

Appendix 1 shows that there have not been any increases approved to the capital schemes since the last report to Council in February 2023 and the approved budget is £123.876m

3.1 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 variances in total individual scheme costs.

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. The table overpage provides a summary.

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. Appropriate revenue resources have been allowed for to fund this cost in financial planning.	-£0.055m
Proposed Increases in Scheme Cost Requires Approval – see Appendix 1 for details	
Scheme number 15 – Various Land Disposal Costs	£0.135m
Scheme number 59 – Public Realm Tindal Square – Funded additional LEP grant	£0.065m
Scheme number 81 – Garden Community Infrastructure Fund – (Grant funded)	£0.290m
Other Smaller Schemes - see Scheme 75 CIL Funded	£0.005m
Total £0.495m	
Variations - Completed Schemes to be noted	
i) Actual Increases in Completed Scheme Cost no external funding – do not require approval, to be noted.	£0.004m
ii) Actual Increases in completed scheme costs funded from S106 or CIL – do not require approval to be noted	£0.148m
iii) Actual Reductions in Completed Scheme Costs, to be noted	-£0.409m
Total net reduction £0.257m	
Total Proposed Budget Capital Schemes	£124.059m

3.2 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 has been received and reviewed to ensure that robust information is available to members. Further details on the project are in 3.5.1 below.

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

3.4 **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 and Section 106 grants to third parties, which are dependent upon works they have completed. The delay in the spend is favourable to the Council in terms of investment and returns.

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 £37.796 or 56.4%. **Appendix 6** provides details of the schemes and shows the major variations over £1.5m.

This delay in expenditure was 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. This was previously reported to Cabinet in November 2022 in the Capital Programme Monitoring and Update Report as a forecast underspend in year of £28.9m.

3.5 Update on Capital Schemes

3.5.1 Chelmer Waterside Infrastructure – Access Road, 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 Council with the full estimated cost which will seek approval for the next steps 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.

3.5.2 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.

3.5.3 Final Account Negotiations

Several large complex schemes were completed in 2022/23 and although recorded as completed schemes in **Appendix 1** the final accounts with the main contractors are still being negotiated. There is a risk with these schemes that the scheme cost currently reported may not reflect the final negotiated costs.

3.5.4 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 should be noted. Any capital scheme where costs have been incurred but the scheme is not completed is likely to result in those 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.

4. Asset Replacement Programme

4.1 Monitoring Against Latest Approved Budget

Appendix 3 shows that the final outturn for 2022/23 was overspent by a net £0.076m or 1.98% when compared to the approved budget of £3.897m. £0.176m has been moved forward into 2023/24. The remaining net £0.252m relates to cost increases in 2022/23. 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

4.2 **Appendix 4** 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 4.43%. £0.176m is due to asset replacements being delayed from 2022/23 until 2023/24. The table below provides a summary.

Approved Budget 2023/24	£5.013m
Proposed Change in scheme phasing from 2022/23 Requires Approval – For detail see Appendix 4 “Rephasing from 2022/23 – Requires Approval”	£0.176m
Increases in Asset Replacement Cost Requires Approval – For detail see Appendix 4 column “More/Less Than Approved Budgets – More Requires Approval”	£0.046m
Total Proposed Budget 2023/24	£5.235m

4.3 **Appendix 5** provides narratives, for variances in excess of £25k for 2022/23 and 2023/24, against the Latest Approved Budgets.

5.Funding of Programme

The application of resources to meet capital expenditure incurred in 2022/23 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 September.

<u>Method of Funding</u>	<u>2022/23 Spend</u>
Capital Receipts	£0.807m
Revenue Contribution	£1.351m
Capital Grants and Contributions	£8.419m
S106 Agreements	£1.974m
Community Infrastructure Levy (CIL)	£3.395m
Leasing	£1.167m
Internal Borrowing against Reserves & Other cash-backed balances	£16.140m
Total	£33.253m

6. Conclusion

- 6.1 The total cost of the Capital Schemes is forecast to be a net £0.183m more than the latest approved budget. There are risks associated with the forecast budgets which are detailed in paragraph 3.5.
- 6.2 A report on the Chelmer Waterside project will be taken to Council in July. The forecast budgets shown in **Appendix 1** do not include any increase for this scheme which is likely to be a significant increase in cost.
- 6.3 There are some large schemes which have not been delivered against the originally agreed milestones due to circumstances outside the control of the project officers.
- 6.4 The net underspend on Capital Schemes in 2022/23, £37.796m, has reduced the requirement to identify capital resources for the funding of the programme and is beneficial to the Council in terms of cashflow and financing as it has reduced the requirement for 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 years.
- 6.5 There is a £0.076m net increase to the 2022/23 Asset Replacement Schemes. £0.252m is due to increases in scheme cost which arises mainly as a result of an increased spend on Housing Standards Grants and Loans which are funded from the Disabled Facility Grant. £0.176m has been moved forward into 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.
- 6.6 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.
- 6.7 The resourcing of the capital expenditure in 2022/23 is showing a requirement to internally borrow £16.14m. The cost of borrowing will be shown in a Budget update report which will be taken to Cabinet in the Autumn.
- 6.8 Approval is sought for the capital and replacement programme cost changes identified in the recommendations.

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.

Appendix 4 Asset Replacement Schemes for 2023/24, a comparison of the budgeted expenditure against the Directors of Service forecast.

Appendix 5 Asset Replacement Schemes Major Variations Narratives for the years 2022/23 and 2023/24.

Appendix 6 Capital Scheme Slippage

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None.

Financial:

As noted in the report.

Contribution toward achieving a net zero carbon position by 2030:

A number of schemes contribute towards this goal.

Personnel:

None.

Risk Management:

Interest earnings understated and budget reductions made when not necessary.

Equality and Diversity:

None.

Health and Safety:

None.

Digital:

None.

Other:

None.

Consultees:

All Services, Audit & Risk Committee

Relevant Policies and Strategies:

The report takes into account the following policies and strategies of the Council:

Medium-Term Financial Strategy

Capital, Treasury and Investment Strategies

APPENDIX I									
		CAPITAL SCHEMES			VARIATION IN TOTAL CAPITAL SCHEME COSTS				
		Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Expenditure to 31/03/2023		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			
	Active Chelmsford								
22	1 Riverside Elevations	2,000		2,000		2,000		Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.
	2 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	3 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 Active Chelmsford.
73	4 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.
	5 Chelmsford Sports and Athletics Centre - Gym Improvements	168		168		168	NEW	Yes	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 Active Chelmsford.
	6 South Woodham Ferrers Pool Works and Plant	275		275		275	NEW	Yes	Approved at Council February 2023. Scheduled for 2024/25.
7	7 S106 Forever Active			0	7	7		Completed	S106 Grant to NHS to meet conditions of agreement.
72	8 Hylands' Outdoor Wedding Ceremony Area	75		75	-3	72		Completed	Approved supplementary estimate June 2021 £75k
	9 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	10 Hylands House Basement Toilet	150		150	2	152		Completed	Approved Council February 2022. Delegated authority to Director to spend within the approved budget.
	Connected Chelmsford								
3,133	11 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	12 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.
	13 Oaklands Museum Staff Room and Kitchen Refit	24		24		24	NEW	Yes	Approved by Council February 2023 and scheduled for 2024/25
	Fairer Chelmsford								
161	14 Land Development Site Investigations	365		365		365		Programme of works to be determined	Approved Cabinet November 2021.
561	15 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.

		Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget			
Net Expenditure to 31/03/2023							Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s	SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s			
	30 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.	
	31 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.	
	32 Cemetery Lining of Foul Water Drain	29		29		29	NEW Yes	Approved at Council February 2023. Scheduled for 2023/24.	
	33 Crematorium Office Pyramid Roof	18		18		18	NEW Yes	Approved at Council February 2023. Scheduled for 2023/24.	
	34 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	35 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.	
	36 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.	
	37 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	38 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.	
	39 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	40 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.	
	41 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	42 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.	
	43 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	44 Automatic Floodgates and Provision of Locks - Feasibility		107	107		107	No	Budget approved September 2020 Cabinet. Budget wired from Rivers and Waterways Improvements.	
70	45 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 S151 Officer and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22. Now pushed out to 2029/30.	
	46 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 wired towards cost of electric vehicle - approved February 2023.	

		Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Expenditure to 31/03/2023		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			
	47 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	48 CIL Landscape Enhancement Scheme Chignal Road	11		11		11		Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.
9	49 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	50 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.
	51 Retail Market Drainage Improvements	31		31		31		Yes	Approved by Council February 2022. Delegated authority to Director to spend within approved budget.
	52 Retail Market Traders' Conveniences Remodelling	102		102		102	NEW	Yes	Approved Council February 2023. Scheduled for 2023/24.
94	53 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.
	54 Market Road Conveniences Accessibility	20		20		20	NEW	Yes	Approved by Council February 2023. Scheduled for 2023/24.
	55 Public Convenience Refurbishment - Admirals and Cent	168		168		168	NEW	Yes	Approved by Council February 2023. Two year programme scheduled to commence 2023/24.
	56 Freighter House Depot. Resurfacing Works	216		216		216	NEW	Yes	Approved at Council February 2023. Five year programme scheduled to commence 2024/25.
	Growing Chelmsford								
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 Environment Agency. 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 Environment Agency.
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 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 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 £11.1m budget to be funded by £5.05m Community Infrastructure Levy (CIL), £1.1m S106 and £2.85m additional Housing Infrastructure Fund (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.

		Latest Approved Budget - Approved February 2023 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Expenditure to 31/03/2023		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			
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		Completed	Agreement with Runwell Sports and Social Club to make grant for costs incurred.
81	68 S106 Community Other Facilities			0	81	81		Completed	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 23/1/2020.
	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. £100k pot is drawdown following approval of applications for funding.
	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
	78 CIL ECC East Chelmsford Cycling and Walking Connectivity	1,500		1,500		1,500		Dependent on Third party	Approved Council July 2022
20	79 UK Shared Prosperity Fund - Various Grant Funded Schemes	346		346		346	NEW	Yes	Approved by Council February 2023. Three year funded programme commenced 2022/23.
	80 Rural England Prosperity Fund- Supporting Businesses and Communities	400		400		400	NEW	Yes	Approved by Council February 2023. Two year funded programme commencing in 2023/24.
	81 Garden Communities Infrastructure Fund			0	290	290		Dependent on Third parties	Various schemes will be grant funded
6	82 Townfield Street Car Park Barrier Strengthening	15		15	-9	6		Completed	Approved February 2022 Council
	83 High Chelmer Car Park Lifts	355		355		355	NEW	Yes	Approved by Council February 2023. Scheduled for 2025/26.
	84 High Chelmer car Park Waterproofing Levels 11,12,13	500		500		500	NEW	Yes	Approved by Council February 2023. Scheduled for 2025/26.
40,404	Grand Total	95,044	28,832	123,876	183	124,059			

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						
15	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.
17	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.
27	Drakes' Lane Travellers Site	1,950	1,890	-60	Reduction in budget	-3.08%	Scheme complete underspend reported
29	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						
45	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.
	Growing Chelmsford						
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. Agreement with Runwell Sports and Social Club to make grant for costs incurred for the development of Sports facility.
68	S106 Community Other Facilities	0	81	81	Increase in budget Funded	100.00%	Grant paid over funded from S106 contributions. Agreement with NHS to undertake work to meet S106 conditions.
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 but now transferred to capital.

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	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Net Variance for 2022/23 Additional Cost	Total Outturn 2022/23
£000's	SCHEME DESCRIPTION		£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s
		No Schemes				0				0	0
		Greener and Safer Chelmsford									
2	23	CCTV Replacement Equipment	10	-7	PH	3			-1	-1	2
	24	CCTV Various Schemes Sites CIL	3	-3	PH	0				0	0
2	25	CCTV Safer Streets Bunny Walks	3	-1		2				0	2
18	26	Street Lighting Safer Streets Bunny Walks	20	-2		18				0	18
12	27	CCTV Home Office GRIP Funded	0			0		12		12	12
41	28	Crematorium Equipment	84	-62	PH, PV	22	19			19	41
	29	Crematorium Columbarium	0			0				0	0
1	30	Civic Centre Heating	33	-32	PH	1				0	1
37	31	Civic Centre Server Room Air Conditioning	40			40	-3			-3	37
	32	Civic Centre Floor Replacements	31	-31	PH	0				0	0
	33	Print and Post Room Replacement Equip.	3			3			-3	-3	0
	34	Street Lighting and upgrade to LED	21	-21	PH	0				0	0
4	35	CIL Street Lighting Meadows Car Park	5	-1		4				0	4
	36	Travel pool Cars	0			0				0	0
337	37	Play Area Replacements	346	7	PV	353	-1		-15	-16	337
	38	Sports Equipment, floodlights, Irrigation	0	13	SEN	13			-13	-13	0
1	39	Hylands Car Park Machines and CCTV	5	-4		1				0	1
14	40	Parks Replacement Vehicles and Equipment	547	-533	PH	14				0	14
12	41	Waterhouse Lane Depot Heating	10	5		15	-3			-3	12
	42	PHPS Vehicles and Electric Chargers	0			0				0	0
10	43	PHPS Air Monitoring Equipment	80	-80	PH	0	10			10	10
2	44	Scootas for the Disabled	0	2	SEN	2				0	2
6	45	Retail Market Equipment	0	6	SEN	6				0	6
	46	Retail Market Plant				0				0	0
	47	Depot Telescopic Front loader				0				0	0
	48	Public Convenience Van	25	-25		0				0	0
185	49	Street Cleansing Vehicles	580	-394	PH	186			-1	-1	185
	50	Street Cleansing Dog Litter van	0			0				0	0
	51	Wet Team Equipment	11	-11	PH	0				0	0
	52	Hit Squad Replacements	43	-43	PH	0				0	0
249	53	Refuse Vehicles	359	-110	PH, PV	249				0	249
	54	Vehicle Maintenance	13	-13	PH	0				0	0
951	55	Recycling Vehicles	969	-16	PV	953			-2	-2	951
	56	Recycling - Material Recycling Facility (MRF)		30	SEN	30	-30			-30	0

APPENDIX 4

CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME

2023/24							
2023/24 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS							
2023/24 BUDGET							
CAPITAL ASSET REPLACEMENT PROGRAMME	Additional/ Reduced (-) Approved Budget	Reason for Change see key below	Latest Approved Estimate for 2023/24	Analysis of Variations		Net Variance for 2022/23 Additional Cost	Total Proposed Budget Requirement for 2023/24
				Re phasing from 2022/23 Budgets approved	More/Less(-) Than Approved Budgets -More Requires Approval		
SCHEME DESCRIPTION	£000s		£000s	£000s	£000s	£000s	£000s
Active Chelmsford							
1 Dovedales Replacement Equipment			17			0	17
2 Riverside Replacement Equipment			145			0	145
3 Riverside Plant			61			0	61
4 CSAC Replacement Equipment			64			0	64
5 CSAC Expansion Fitness Room Equipment			105			0	105
6 CSAC Floodlights			0			0	0
7 CSAC Plant			25	11		11	36
8 SWFLC Replacement Programme			20			0	20
9 SWFLC Plant Replacement			19			0	19
10 SWF 3G Pitch			0			0	0
11 Hylands House Fire Alarm			0	6		6	6
12 Hylands House - Lift			20			0	20
13 Hylands House Basement Pumps			11			0	11
14 Hylands Pavilion Skins and Linings			73			0	73
15 Hylands pavilion Equipment			19	1		1	20
Connected Chelmsford							
16 Digital Services Replacement Programme			995			0	995
17 Digital Helpdesk System Replacement			0			0	0

		2023/24 BUDGET							
						Analysis of Variations			
CAPITAL ASSET REPLACEMENT PROGRAMME		Additional/ Reduced (-) Approved Budget	Reason for Change see key below	Latest Approved Estimate for 2023/24	Re phasing from 2022/23 Budgets approved	More/Less(-) Than Approved Budgets -More Requires Approval	Net Variance for 2022/23 Additional Cost	Total Proposed Budget Requirement for 2023/24	
SCHEME DESCRIPTION		£000s		£000s	£000s	£000s	£000s	£000s	
18	Website Upgrade			11			0	11	
19	Investment in Digital Technology	60	PH	210	150		150	360	
20	Theatres' Equipment			0			0	0	
21	Museum Equipment and Vehicles			2			0	2	
22	Museum Platform Lift			12			0	12	
<u>Fairer Chelmsford</u>									
	No Schemes			0			0	0	
<u>Greener and Safer Chelmsford</u>									
23	CCTV Replacement Equipment			26			0	26	
24	CCTV Various Schemes Sites CIL			3			0	3	
25	CCTV Safer Streets Bunny Walks			0			0	0	
26	Street Lighting Safer Streets Bunny Walks			0			0	0	
27	CCTV Home Office GRIP Funded						0		
28	Crematorium Equipment			84	-19		-19	65	
29	Crematorium Columbarium			14			0	14	
30	Civic Centre Heating			0			0	0	
31	Civic Centre Server Room Air Conditioning			0	3		3	3	
32	Civic Centre Floor Replacements			31			0	31	
33	Print and Post Room Replacement Equip.			0			0	0	
34	Street Lighting and upgrade to LED			0			0	0	
35	CIL Street Lighting Meadows Car Park			0			0	0	
36	Travel pool Cars			0			0	0	
37	Play Area Replacements			0	1		1	1	
38	Sports Equipment, floodlights, Irrigation			16			0	16	
39	Hylands Car Park Machines and CCTV			0			0	0	
40	Parks Replacement Vehicles and Equipment	36	PV	770		5	5	775	

		2023/24 BUDGET						
		Analysis of Variations						
CAPITAL ASSET REPLACEMENT PROGRAMME		Additional/ Reduced (-) Approved Budget	Reason for Change see key below	Latest Approved Estimate for 2023/24	Re phasing from 2022/23 Budgets approved	More/Less(-) Than Approved Budgets -More Requires Approval	Net Variance for 2022/23 Additional Cost	Total Proposed Budget Requirement for 2023/24
SCHEME DESCRIPTION		£000s		£000s	£000s	£000s	£000s	£000s
41	Waterhouse Lane Depot Heating			0	3		3	3
42	PHPS Vehicles and Electric Chargers			0			0	0
43	PHPS Air Monitoring Equipment			80	-10		-10	70
44	Scootas for the Disabled			0			0	0
45	Retail Market Equipment			6			0	6
46	Retail Market Plant			13			0	13
47	Depot Telescopic Front loader			70			0	70
48	Public Convenience Van						0	
49	Street Cleansing Vehicles			545		20	20	565
50	Street Cleansing Dog Litter van			0			0	0
51	Wet Team Equipment			51			0	51
52	Hit Squad Replacements			47			0	47
53	Refuse Vehicles			495		21	21	516
54	Vehicle Maintenance			53			0	53
55	Recycling Vehicles			100			0	100
56	Recycling - Material Recycling Facility (MRF)			0			0	0
57	Food Vehicles			0	30		30	30
58	Service Development Van			0			0	0
59	Provision for Replacement with Electric Vehicles			170			0	170
60	Healthy Home Loans			0			0	0
61	Discretionary Loans DFG Funded			0			0	0
62	Remaining Independent Assistance (RIA) Loans DFG Funded			0			0	0
63	Remaining Independent Assistance (RIA) Grants DFG Funded			0			0	0
64	Disabled Facility Grants (DFG) Funded			600			0	600
65	Housing Standards			0			0	0
66	PLACE - Funding for Renovation/Refurbishment of Empty Homes			0			0	0

		2023/24 BUDGET						
		Analysis of Variations						
CAPITAL ASSET REPLACEMENT PROGRAMME		Additional/ Reduced (-) Approved Budget	Reason for Change see key below	Latest Approved Estimate for 2023/24	Re phasing from 2022/23 Budgets approved	More/Less(-) Than Approved Budgets -More Requires Approval	Net Variance for 2022/23 Additional Cost	Total Proposed Budget Requirement for 2023/24
SCHEME DESCRIPTION		£000s		£000s	£000s	£000s	£000s	£000s
	Growing Chelmsford							
67	Car Park LED Lighting			8			0	8
68	Car Park Vehicles and Equipment			22			0	22
	Totals	96		5,013	176	46	222	5,235
					222			
		Approved Changes to Budgets 2023/24					Analysis of Projected Variations	
		£000's					£000's	
		0	PH	Rephasing of Schemes from 2022/23			176	
		60	PH	Rephasing of Schemes to Later Years			0	
		36	PV	Price variations Increases Require Approval			46	
		0	PV	Price variations Decreases			0	
		0	RD	Reduced Demand			0	
		0	SEN	Supplementary Estimates New Require Approval			0	
		0	SEG	Supplementary Estimates Funded New Require Approv			0	
		0	U	Removed to be Funded from Revenue			0	
		0	V	Virement			0	
		96					222	

APPENDIX 5							
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			
	<u>2022/23</u>						
	<u>Connected Chelmsford</u>						
19	Investment in Digital Technology	150	0	-150	Rephasing of spend to 2023/24	-100.00%	Budgets have been deferred to 2023/24 as business cases still being finalised by Digital Portfolio Office (DPO) and some proposals have been funded from revenue.
	<u>Greener and Safer Chelmsford</u>						
56	Recycling - Material Recycling Facility (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.
64	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>						
19	Investment in Digital Technology - DPO	0	150	150	Rephasing of spend from 2023/24	100.00%	See above
	<u>Greener and Safer Chelmsford</u>						
53	Refuse Vehicles	495	516	21	Increase in cost	4.24%	Due to inflation price increases.
56	Recycling - Material Recycling Facility (MRF)	0	30	30	Rephasing of spend from 2022/23	100.00%	See above

Appendix 6

Capital Schemes 2022/23 Actual Spend Compared to Original Forecast Spend

£m's

Original Forecast Budget 2022/23 **67.076**

Schemes

Changes to Budget		
Scheme 28 Strategic Property Purchase – the purchase did not proceed and the budget was removed.	Budget Removed	-3.590
Scheme 29 Property Purchase Housing Initiatives – new budget approved for purchase for temporary accommodation	New Budget	4.315
Other net variations below £1.5m on individual schemes cost increases	Increased budgets	1.486
Sub Total		2.211
Deferred Schemes		
Scheme 1 -Riverside Elevations spend deferred to 2026/27. This is linked to the future development of the Riverside Site.	Deferred Pending Decision	-1.978
Scheme 16 Enabling Lockside Growth Area – The spend on this scheme is dependent upon complex negotiations with third parties to acquire the properties and this has caused delays to the progress of the scheme. The budgets have been deferred to 2023/24.	Delayed - Third Party	-3.379
Scheme 18 Acquisition Cemetery Land – Suitable site has not been identified. The budget will be required as soon as a suitable site is identified.	Deferred pending Identification of Suitable Site	-6.000
Schemes 21 Housing Initiatives – Acquisition of houses for temporary accommodation - remaining balance £1.571m rephased to 2023/24. The budget was originally set to purchase 20 properties. 17 Properties have been acquired. With increasing property prices the viability of using this option as temporary accommodation compared to other delivery options needs to be reviewed.	Deferred pending Housing Review	-1.571
Scheme 22 Housing Initiatives - Railway Street development £1.758m – viability of scheme under review and investigating alternative solutions.	Deferred pending Housing Review	-1.758
Scheme 23 Housing Initiatives - Modular Units £3.510m – following feasibility study no suitable sites have been identified. The budget has currently been deferred to a later year and alternative Temporary Accommodation options will be reviewed.	Deferred pending Housing Review	-3.510
Scheme 24 Housing Initiatives - Exceptions Sites £2m rephased to 2023/24. Site identified for purchase but delay due to finalising agreement with land owner.	Delayed third party	-2.000
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.	Delayed - complex scheme	-11.948
Schemes 69–75 Various CIL Grants to third parties - spend dependent upon third parties. The budgets have been deferred to 2023/24.	Delayed - Third Party	-1.608
Scheme 76 CIL NE Bypass Bridge Forward Funding ECC - This has been deferred to 2023/24 as awaiting agreement from ECC.	Delayed -Third Party	-1.500
Other net variations below £1.5m on individual schemes spend deferred.	Delayed	-4.755
Sub Total Deferred Schemes		-40.007
Total In Year Underspend Against Original Forecast Spend		-37.796

Outturn 2022/23

29.280