

Appendix 2

FINANCIAL PERFORMANCE TO SEPTEMBER 2024 Q2

1. Introduction

A summary update on financial performance in respect of employee expenses (including salaries and agency costs), income (including fees and charges) and the capital programme as at 30 September 2024 is provided below.

2. Employee Position

The summary position for the employee budgets as at 30 September 2024 is shown below. The actuals paid to date do not include the 2024/25 pay award as this was not agreed until October. The original budgets assumed 4% pay inflation. The budget figures shown exclude the vacancy rate target set when the original budget was approved. The 2024/25 vacancy saving target for the General Fund is £600k and the underspend will need to meet this target.

Department	Budget Salary* £'000	Budget Agency £'000	Budget Total £'000	Budget Sep-24 £'000	Actual Salary* £'000	Actual Agency £'000	Actual Total £'000	Budget Var. £'000
Chief Executive	3,760	20	3,780	1,890	1,677	74	1,751	(139)
Deputy Chief Executive	3,794	305	4,100	2,050	1,561	165	1,726	(324)
Monitoring Officer	681	50	731	365	250	113	363	(2)
Executive Director	7,303	729	8,031	4,016	2,991	369	3,360	(656)
GF Total	15,538	1,104	16,642	8,321	6,479	721	7,199	(1,122)
HRA Total	5,511	80	5,591	2,796	2,296	61	2,358	(438)
Grand Total	21,049	1,184	22,233	11,117	8,775	782	9,557	(1,560)

Note: * 'Salary' budgets and actuals includes 'overtime'.

The table shows that the current budget variation on salaries and agency costs as at 30 September 2024 is an underspend of £1.560m. This position needs to be adjusted for the General Fund and HRA and is considered further below.

The underspend has increased from that previously reported due to £534k being added to the salaries budget for various new posts agreed by Cabinet for 2024/25. It should be noted that not all of these new posts had been filled during April to September so the underspend levels may start to reduce over the remainder of the year as appointments are made.

a. General Fund

The underspend on General Fund budgets is shown as £1.122m. This figure should be notionally adjusted to make allowance for the budgeted 4% pay award that has not yet been agreed and paid. This reduces the variance by £187k on the General Fund. The estimated overtime and agency still to be paid in arrears would further reduce the saving by £43k in total. There has also been £163k pro-rata budget added for new posts agreed in 2024/25, which may not have been fully utilised during the year to date.

The adjusted position for the General Fund is an underspend of £729k. This compares favourably with the annual vacancy rate of £600k, which pro-rata to 30 September 2024 is a target of £300k.

b. Housing Revenue Account (HRA)

The current underspend on HRA budgets is £438k. Again, this figure should be notionally adjusted to allow for the budgeted 4% pay award that has not yet been agreed and paid. This reduces the variance by £61k for the HRA. The estimated overtime and agency still to be paid in arrears would further reduce the saving by £2k in total. There has also been £68k pro-rata budget added for new posts agreed in 2024/25, which may not have been fully utilised during the year to date.

The adjusted position for the HRA is an underspend of £307k.

c. Pay Awards – Further Pay Inflation Pressure

The original salary budget for 2024/25 was calculated with an assumption of a 4% uplift for the pay award.

On 22 October 2024, the Employers' 2024/25 pay offer of a £1,290 permanent uplift on all NJC pay points from 2 to 43 (equivalent to Broxtowe local Grade 2 (SCP 12) through to Grade 15 (SCP 74) was finally agreed by the Unions. This translated to an increase of 5.7% for employees on the lowest point to 2.5% for those on the highest. Back pay is planned to be processed in the December payroll and this will be fully reflected in the Q3 report.

The agreed pay award will have an impact on the Council's budgets. A re-working of the budget model used for the 2024/25 base budget shows that the overall impact on the budget for the full year will be around £40k. This is far less than in previous years, with the potential impact having been almost fully negated by the earlier decision to assume a 4% pay award for 2024/25 pay budgets.

3. Income Budgets

The position to 30 September 2024 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget £'000	Ledger Income to 30/09/24 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Planning Fees	(628)	(183)	(400)	228
Pre-Planning and History Fees	(40)	(8)	(15)	25
Industrial Units Rents	(221)	(164)	(166)	55
Craft Centre Complex Rents	(34)	(25)	(34)	-
Garden Waste Income	(1,029)	(1,026)	(1,029)	-
Trade Refuse Income	(643)	(480)	(628)	15
Recycling Credits - Glass	(237)	(51)	(115)	122
Sale of Glass	(45)	(62)	(100)	(55)
Sale of Wheeled Bins	(25)	(26)	(25)	-
Special Collections Income	(58)	(40)	(58)	-
Parking Income (Pay and Display)	(466)	(240)	(435)	31
Off-Street PCN Income	(24)	(0)	(24)	-
Cemeteries	(235)	(104)	(235)	-
Beeston Parks	(50)	(24)	(45)	5
Stapleford Parks	(17)	(9)	(14)	3
Eastwood Parks	(15)	(12)	(17)	(2)
Miscellaneous Legal Charges	(15)	(19)	(15)	-
Land Charges Income	(40)	(25)	(41)	(1)
Licensing Income	(133)	(47)	(133)	-
Interest on Investments	(530)	(0)	(650)	(120)
Beeston Square Rent	(836)	(550)	(836)	-
General Properties Rents	(54)	(18)	(54)	-
Total	(5,375)	(3,113)	(5,069)	303

The current projection is for net **reduced** income of £303k.

Notes

The current status is in respect of income billed rather than collected income. The majority of the current projections above are pro-rata based upon activity to 30 September 2024 and/or re-profiled projections based upon 2023/24 outturn.

- i) Income from Planning Fees is projected to be significantly lower in 2024/25 and similar to 2023/24. There was a number of large schemes that took place in 2022/23 that resulted in an over-achievement of income in that year.
- ii) Final outturn for industrial unit rents will be adjusted as tenants are billed in advance e.g. any accruals, receipts in advance or provision for credit liabilities. There are three units vacant at the moment which are all expected to be occupied by March 2025. Rent abatements for the six units at High Hazel Court have been agreed by GMT until the roof repairs can be resolved.
- iii) The increase in Garden Waste income from earlier years is due to an uplift in subscriptions and remain robust. Trade refuse income risks being lower than budgeted due to loss of number of customers. Glass income has risen due to an increase in the price per tonne of glass from January 2024 (from £29 per tonne to £85 per tonne) but the price may be reducing again to £35 per tonne so forecasts may need to be reviewed. Recycling credits income for glass is lower and set to fall so will need to be revisited. Income from wheeled bins and special collections remains steady.
- iv) Average monthly income from Car Parking charges has increased since January 2024 following the cessation of the one-hour free parking. As at Q2 the income is £205k so may fall short of the target budget of £450k. The number of exemption permits issued has not changed. Income may also be received through the purchase of resident's permits. There has been additional income of £19k received from Network Rail for using car park during construction works.
- v) Penalty Charge Notice (PCN) income from off-street car parking is received from Nottinghamshire County Council at the end of each financial year.
- vi) Cemeteries income is based on current levels.
- vii) Due to weather conditions, the forecast for parks income is based on combination of last year's outturn and income received to date.
- viii) Legal Services are allowed to charge when instructed on certain matters with the level of income being dependent on the number of instructions received.
- ix) As migration of the local Land Charges service, the expected income for 2024/25 should be achieved.
- x) Licencing income is in line with expectations.
- xi) Investment income is above budget estimates due to positive cash flows, higher interest rates and in receiving capital grant monies upfront. Actual interest from long-term investments is generally transferred out of the interest holding account at the end of the financial year. The overall benefit will be shared with HRA to be calculated at year-end.

- xii) Beeston Square Rent is made up of both Phase 1 and Phase 2 rents. The outturn for 2024/25 includes receipts in advance. The rent projection for Phase 1 for the year is £499k, which takes into account five vacant units including Wilko. The Phase 2 rents are anticipated at £393k. There is also an estimated £50k reduction for the bad debt provision.
- xiii) General property rents are splitting out of properties into their own separate cost centres for clarity. Some of the tenants are charged on an annual basis and bills will be sent at a later date.
4. Capital Programme

Capital expenditure as at 30 September 2024 is summarised as follows:

	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Proportion of Budget Spent
General Fund (GF)	8,614	1,613	19%
GF – Stapleford Towns Fund	14,755	602	4%
GF – Kimberley Means Business	7,314	803	11%
GF – UK Shared Prosperity Fund	997	-	0%
Housing Revenue Account (HRA)	11,578	3,873	34%
Housing Delivery Plan (HRA)	20,967	6,661	32%
TOTAL	64,225	13,553	21%
Add: Reserve List	4,136		
Total Capital Programme	68,361		

The General Fund (GF) figures above include the Stapleford Towns Fund, Kimberley Means Business (Levelling Up Fund) and the UK Shared Prosperity Fund schemes. Elements of these schemes, and the Housing Delivery Programme, are likely to require revisions to the budget profile in 2024/25 to better reflect the latest delivery programme.

The table includes all capital schemes brought forward from 2023/24, approved by Cabinet on 23 July 2024, in addition to any other budget changes made up to 30 September 2024 (the capital budget variations agreed by Cabinet on 5 November have also been incorporated into the figures for completeness). No account has been taken of any invoices received but not yet paid or work that has taken place but where no invoices have, as yet, been received.

The Reserve List includes schemes totalling £4.136m for which the approval to proceed will be granted once a source of funding has been identified.

The most significant schemes with regards to spend to 30 September 2024 are as follows:

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Comments
GENERAL FUND			
Disabled Facilities Grants	1,545	464	Ongoing with further grants committed.
Replacement Vehicles and Plant	954	-	Orders raised for vehicles in replacement programme.
Pride in Parks	290	214	In progress. Bramcote Hills Park refurbishment completed. Other projects specified and with contractors for pricing and start dates.
Chilwell Quarry Stabilisation Works	1,000	252	Works in progress.
Stapleford Cemetery Extension	150	-	In progress.
Refurbishment of Brinsley Headstocks	220	-	Project currently on track for delivery in October 2025.
Crematorium - Cremator Replacement/Associated Works	900	-	In progress. Costs being shared with Erewash BC.
New Bramcote Leisure Centre – RIBA Stage 4	800	260	Scheme underway.
Bramcote Leisure Centre Building Conditions Repair	207	-	Works in progress.
Durban House Refurbishment	150	143	Works nearing completion.
Beeston Square Phase 2 (including Unit 4 Fitting Out Works at £150k)	502	-	Fitting out works still to commence. Some outstanding snagging items and other works required in respect of waste disposal.
ICT Replacement and Development Programme	152	8	In progress.
ICT Technical Infrastructure Architecture	441	29	In progress.
ICT E-facilities Initiatives	125	83	In progress.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Comments
ICT VoIP Telephony	50	-	Scoping of solutions to determine appropriate platform to deliver improved customer journey whilst demonstrating best value.
NWOW – Main Reception	129	14	Nearing completion.
STAPLEFORD TOWNS FUND			
STF – Community Pavilion	5,891	234	In progress. Planning conditions caused early delays. Demolition now completed and construction started. Expect substantial spend in Q3.
STF – Town Centre Traffic Management	514	37	Delivery dependent on partners' responsiveness. Some issues with timescales and budgets being resolved. Derby Road car park contract signed with works starting October 2024.
STF – Cycle Network and Infrastructure	3,138	16	Some issues have prevented progress. A reserve scheme has been brought forward to include further off road and a Wheels Park at Pasture Road Recreation Ground. Design could occur in Q3 with planning and then construction by March. Budget may need updating to reflect delivery profile.
STF – Town Centre Enterprise Management	1,933	122	Land adoption issues led to a building redesign which caused delays to planning application submission. Estimated costings are close to the budget which may need updating to reflect delivery profile.
STF – Skills and Education Facility Improvements	2,953	192	Project now completed with handover being finalised. Accounts awaited.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Comments
KIMBERLEY MEANS BUSINESS			
Kimberley Means Business	7,314	See below	Schemes in progress, with budget allocated across project strands. The spending of budget in time remains a risk. Budgets to be updated to better reflect delivery profile.
KMB – Bennerley Viaduct Project		314	Significant spend will go out when viaduct is completed. A further £1.2m outgoing will start with the Visitor Centre.
KMB – Cycle Routes		6	Permission for Low Wood Road nearly secured. Re-profiled project with funds distributed to other projects has lessened the risk but there is still a high burden of risk with this project
KMB – Industrial Units		67	Heads of Terms agreed and planning submitted. A second satellite project is in preparation with terms to be agreed in Q3.
KMB – New ports Facility		14	On course and progressing well. Full budget to be defrayed by Summer 2025.
KMB – Business Grants		88	Round 3 of business grants nearly complete plus £45k from a Cadent Relief grant to the Town Council. Project is nearing completion.
KMB - Kimberley Laser Light Show		134	All purchases of illuminations and associated special effects should be completed in Q3.
KMB – Kimberley Hub		180	Contractor selected for demolition works. QS work undertaken for new Hub build on the site of the existing Parish Rooms. Contract with a developer to be signed shortly.
UKSPF			
UK Shared Prosperity Fund – Capital Schemes	997	-	Schemes in progress. Capital budget to be updated to reflect grant allocation/delivery profile.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Comments
HOUSING REVENUE ACCOUNT			
Heating Replacement and Energy Efficiency Works	2,337	398	In progress.
Housing Modernisation Programme	2,030	996	Work is underway. No concerns in Q2
Social Housing Decarbonisation	1,900	595	In progress, with no concerns in Q2.
Retrofit Works - Scalby Close, Eastwood	581	-	Roofing contractors to mobilise, with work to start September and completed by December.
Electrical Periodic Improvement Works	480	95	In progress
Aids and Adaptations – Disabled Persons	436	236	On target and catching up on backlog. Some underspends due to decisions and timing.
External Decoration, Pre-Paint Repairs, Soffit/Fascia Renewal	602	73	In progress and no concerns.
Fire Safety Assessment and Remedial Works	547	135	Currently seeking fire remedial contractor via Procure Plus
Window and Door Replacement	519	220	In progress – budget virement to mitigate budget risk to be approved by Cabinet
External Works – Paths, Paving and Hard Standings	210	80	List of sites issued to contractor for start on site in August.
Structural Remedial Repairs	266	203	On target. Budget may be re-profiled to exclude damp
Major Relets	240	-	In progress
Asbestos Surveys and Remedial Works	302	96	In progress. Currently managing supplier to fast track surveys.
Speech Call Units and Lifeline services	120	-	Project progressing well, on target to complete by March.
HOUSING DELIVERY PLAN			
Acquisition of Properties	2,455	448	In progress. Further opportunities expected to progress to completion

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 30/09/24 £'000	Comments
Property Acquisition - Church Hill, Kimberley	773	601	Acquisition completed. Remaining budget for any refurbishment costs if needed.
Property Acquisition - Hall Drive Chilwell	3,241	261	In progress
Property Acquisition – Truman Street, Kimberley	701	614	Acquisition completed. Remaining budget for any refurbishment costs if needed.
Property Acquisition – Nottingham Road, Eastwood	1,704	1	In progress
New Build Housing Feasibility Costs	300	79	In progress
New Build – Farm Cottage	1,403	404	Scheme underway
New Build – Chilwell and Watnall Garage Sites (including Inham Nook)	3,449	1,790	Schemes underway
New Build – Felton Close, Selside Court and Gayrigg Court	2,200	-	Schemes underway
New Build – Chilton Drive and Spring Close	700	-	Scheme has planning permission. Homes England funding requested.
New Build – Land at Crematorium	1,073	-	Negotiations are ongoing over the sale of land and the subsequent land purchase and building agreement for the 51 new homes.
New Build – Field Farm	2,475	2,433	Contract finalised and signed. First completions in July 2024.

* includes all approved changes up to 30 September 2024, the capital budgets brought forward from 2023/24 (approved by Cabinet on 23 July 2024) and the capital budget variations agreed by Cabinet on 5 November 2024 for completeness. Subsequent budget changes will be reflected in the Q3 report.