

## Appendix 2

## Financial Performance to December 2024 Q3

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 31 December 2024 is provided below.

2. Employee Position

The summary position for the employee budgets as at 31 December 2024 is shown below. The original budgets assumed 4% pay inflation in 2024/25. The budget figures shown below do not include the vacancy rate target set when the original budget was approved. The total vacancy saving for the General Fund is a target of £600k in 2024/25 and the total General Fund underspend will need to meet this target.

Department	Budget Salary* £'000	Budget Agency £'000	Budget Total £'000	Budget Dec-24 £'000	Actual Salary* £'000	Actual Agency £'000	Actual Total £'000	Budget Var. £'000
Chief Executive	3,760	20	3,780	<b>2,835</b>	2,593	106	<b>2,700</b>	(135)
Deputy Chief Executive	3,794	305	4,100	<b>3,075</b>	2,410	184	<b>2,594</b>	(480)
Monitoring Officer	801	50	851	<b>638</b>	505	145	<b>650</b>	12
Executive Director	7,183	729	7,912	<b>5,934</b>	4,588	483	<b>5,070</b>	(863)
<b>GF Total</b>	<b>15,538</b>	<b>1,104</b>	<b>16,642</b>	<b>12,481</b>	10,097	1,002	<b>11,015</b>	<b>(1,467)</b>
<b>HRA Total</b>	<b>5,511</b>	<b>80</b>	<b>5,591</b>	<b>4,194</b>	3,623	91	<b>3,714</b>	<b>(480)</b>
<b>Grand Total</b>	<b>21,049</b>	<b>1,184</b>	<b>22,233</b>	<b>16,675</b>	13,720	1,093	<b>14,728</b>	<b>(1,947)</b>

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

The table shows that the current budget variation on salaries and agency costs as at 31 December 2024 is an underspend of £1.947m. This position needs to be adjusted for the General Fund and HRA and is considered further below.

a. General Fund

The current underspend on General Fund budgets is shown as £1.467m, which now includes backpay. The estimated overtime and agency still to be paid in arrears would further reduce the saving by £39k in total. There has also been £156k 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 £1.272m.**

This compares favourably with the annual vacancy rate of £600k, which pro-rata to 31 December 2024 is a target of £450k.

b. Housing Revenue Account (HRA)

The current underspend on HRA budgets is £480k, which now includes backpay. The estimated overtime and agency still to be paid in arrears would further reduce the saving by £3k in total. There has also been £89k 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 £388k.** This compares favourably with the proposed annual vacancy rate of £250k, which pro-rata to 31 December 2024 is a target of £188k.

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 which equates to an average of 4.4%. Back pay was processed in the December payroll, and this is now fully reflected in this report.

The impact of the agreed pay award on the Council's budgets is far less than in previous years, 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 31 December 2024 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget £'000	Ledger Income to 31/12/24 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Planning Fees	(628)	(280)	(335)	293
Pre-Planning and History Fees	(40)	(13)	(17)	23
Industrial Units Rents	(221)	(185)	(185)	36
Craft Centre Complex Rents	(34)	(44)	(44)	(10)
Garden Waste Income	(1,029)	(1,028)	(1,029)	-
Trade Refuse Income	(643)	(627)	(627)	16
Recycling Credits - Glass	(237)	(91)	(115)	122

Income	Annual Budget £'000	Ledger Income to 31/12/24 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Sale of Glass	(45)	(91)	(100)	(55)
Sale of Wheeled Bins	(25)	(38)	(38)	(13)
Special Collections Income	(58)	(59)	(59)	(1)
Parking Income (Pay and Display)	(466)	(340)	(442)	24
Off-Street PCN Income	(24)	(0)	(24)	-
Cemeteries	(235)	(169)	(235)	-
Beeston Parks	(50)	(41)	(43)	7
Stapleford Parks	(17)	(14)	(13)	4
Eastwood Parks	(15)	(14)	(15)	-
Miscellaneous Legal Charges	(15)	(33)	(33)	(18)
Land Charges Income	(40)	(37)	(41)	(1)
Licensing Income	(133)	(114)	(133)	-
Interest on Investments	(530)	(0)	(650)	(120)
Beeston Square Rent	(836)	(664)	(836)	-
General Properties Rents	(54)	(29)	(43)	11
<b>Total</b>	<b>(5,375)</b>	<b>(3,911)</b>	<b>(5,057)</b>	<b>318</b>

The current projection is for net **reduced** income of £318k.

### Notes

The status relates to income billed rather than wholly collected income. Most of the current annual projections above are pro-rata based upon activity to 31 December 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) The final outturn for industrial unit rents will be adjusted as tenants are billed in advance e.g. any accruals, receipts in advance and provision for bad debts. There are presently three units vacant which are all expected to be occupied at the end of this financial year. 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 losing a 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 could 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. Income at Q3 is £340k 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 the 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 anticipated to be broadly in line with budgets.
- xi) Investment income is expected to be 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 31 December 2024 is summarised as follows:

	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Proportion of Budget Spent
General Fund (GF)	8,614	2,501	29%
GF – Stapleford Towns Fund	14,755	1,634	11%
GF – Kimberley Means Business	7,314	1,829	25%
GF – UK Shared Prosperity Fund	997	-	0%
Housing Revenue Account (HRA)	11,578	5,889	51%
Housing Delivery Plan (HRA)	20,967	9,409	45%
<b>TOTAL</b>	<b>64,225</b>	<b>21,262</b>	<b>33%</b>
Add: Reserve List	4,136		
<b>Total Capital Programme</b>	<b>68,361</b>		

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 31 December 2024 (including the capital budget variations agreed by Cabinet on 5 November 2024). No account has been taken of any invoices received but not yet paid or work that has taken place but where no invoices have 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 31 December 2024 are as follows:

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Comments
<b>GENERAL FUND</b>			
Disabled Facilities Grants	1,545	673	Ongoing with further grants committed.
Replacement Vehicles and Plant	954	-	Orders raised for vehicles in replacement programme.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Comments
Pride in Parks	290	217	Schemes at Bramcote Hills Park and Hall Park near completion. Colliers Wood scheme underway and will complete in January. King George Park and Eastcote Avenue on target for February 2025.
Chilwell Quarry Stabilisation Works	1,000	276	Works in progress.
Stapleford Cemetery Extension	150	-	In progress.
Refurbishment of Brinsley Headstocks	220	13	Project currently on track for delivery in October 2025.
Crematorium - Cremator Replacement/Associated Works	900	238	In progress. Costs being shared with Erewash BC.
New Bramcote Leisure Centre – RIBA Stage 4	800	421	In progress.
Bramcote Leisure Centre Building Conditions Repair	207	-	Works in progress.
Durban House Refurbishment	150	150	Project completed
Beeston Square Phase 2 (including Unit 4 Fitting Out Works at £150k)	502	-	Fitting out works to commence. Some outstanding snagging items and other works required in respect of waste disposal.
ICT Replacement and Development Programme	152	12	In progress.
ICT Technical Infrastructure Architecture	441	132	All projects started and will be completed by February 2025.
ICT E-facilities Initiatives	125	83	Systems upgraded to provide additional functionality, and new financial systems and contracts are under negotiation that will provide features such as e-billing to residents.
NWOW – Main Reception	129	121	Nearing completion.
<b>STAPLEFORD TOWNS FUND (STF)</b>			
STF – Community Pavilion	5,891	929	In progress. Planning conditions caused early delays. Demolition completed and construction started. Completion in late 2025.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Comments
STF – Town Centre Traffic Management	514	274	Delivery dependent on partners' responsiveness. Some issues with timescales and budgets resolved. Derby Road car park contract signed with works starting October 2024.
STF – Cycle Network and Infrastructure	3,138	22	Some issues have prevented progress. New routes should be finalised this quarter for build next financial year.
STF – Town Centre Enterprise Management	1,933	204	Land adoption issues led to a building redesign which caused delays to planning application submission. Estimated costings are close to the budget.
STF – Skills and Education Facility Improvements	2,953	192	Project now completed with handover being finalised. Accounts awaited.
<b>KIMBERLEY MEANS BUSINESS (KMB)</b>			
Kimberley Means Business	7,314	See below	In progress with budget allocated across project strands. Spending the budget in time remains a risk.
KMB – Bennerley Viaduct Project		877	Significant spend will go out when viaduct is completed. A further £1.2m outgoing will start with the Visitor Centre.
KMB – Cycle Routes		6	Progress remains difficult although a designed scheme has been produced.
KMB – Industrial Units		110	Two projects both scheduled for completion March 2026
KMB – New Sports Facility		169	On course and progressing well. Full budget to be defrayed by Summer 2025.
KMB – Business Grants		219	Project nearing completion. Round 3 of grants completed plus £45k from a Cadent Relief grant to the Town Council.
KMB - Kimberley Laser Light Show		219	All purchases of illuminations and associated special effects now completed.

Scheme	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Comments
KMB – Kimberley Hub		229	Contractor selected for demolition. QS work undertaken for new Hub build on site of Parish Rooms. Slightly behind schedule but should catch-up.
<b>UKSPF</b>			
UK Shared Prosperity Fund – Capital Schemes	997	-	Schemes in progress. Most of the grant funded projects are complete with the three capital projects being outstanding.
<b>HOUSING REVENUE ACCOUNT (HRA)</b>			
Heating Replacement and Energy Efficiency Works	2,337	753	In progress.
Housing Modernisation Programme	2,030	1,505	Work is underway; no concerns.
Social Housing Decarbonisation	1,900	810	In progress with no concerns.
Retrofit Works - Scalby Close, Eastwood	581	7	As much work as possible to be completed by March to spend grant funding. Any unspent funding has to be handed back.
Electrical Periodic Improvement Works	480	207	In progress
Aids and Adaptations – Disabled Persons	436	512	Overspend, although report to Cabinet to approve budget increase by utilising underspend from heating budget.
External Decoration, Pre-Paint Repairs, Soffit/Fascia Renewal	602	287	Progressing well
Fire Safety Assessment and Remedial Works	547	217	Currently seeking fire remedial contractor via Procure Plus
Window and Door Replacement	519	274	In progress – budget virement to mitigate budget risk to be approved by Cabinet
External Works – Paths, Paving and Hard Standings	210	152	Being utilised by compliance department for urgent needs
Structural Remedial Repairs	266	182	On target. Budget may be re-profiled to exclude damp
Major Relets	240	65	In progress



Scheme	Approved Budget 2024/25 £'000	Actual Spend to 31/12/24 £'000	Comments
Asbestos Surveys and Remedial Works	302	138	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.
<b>HOUSING DELIVERY PLAN</b>			
Acquisition of Properties	2,455	1,679	In progress. Further opportunities expected to progress to completion
Property Acquisition – Church Hill, Kimberley	773	601	Acquisition completed. Remaining budget for any refurbishment costs if needed.
Property Acquisition – Hall Drive Chilwell	3,241	267	In progress
Property Acquisition – Truman Street, Kimberley	701	635	Acquisition completed. Remaining budget for any refurbishment costs if needed.
Property Acquisition – Nottingham Road, Eastwood	1,704	329	In progress
New Build Housing Feasibility Costs	300	113	In progress
New Build – Farm Cottage	1,403	716	Scheme underway
New Build – Chilwell and Watnall Garage Sites (incl Inham Nook)	3,449	2,598	Scheme underway
New Build – Felton Close, Selside Court and Gayrigg Court	2,200	-	Scheme 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 ongoing over sale of land and subsequent land purchase and building agreement for 51 new homes.
New Build – Field Farm	2,475	2,440	Contract finalised, scheme in progress, first completions in July 2024.

\* includes all approved changes up to 31 December 2024 and the capital budgets brought forward from 2023/24 (approved by Cabinet on 23 July 2024). Subsequent budget changes will be reflected in the Quarter 4 report.