

Appendix 2

Financial Performance to June 2025 Q1

1. Introduction

This report includes 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 June 2025.

2. Employee Position

The summary position for employee budgets on 30 June 2025 is shown below. The original budgets assumed 3% pay inflation in 2025/26. The budget figures shown do not include the vacancy rate target set when the original budget was approved. The total vacancy saving for the General Fund and the Housing Revenue Account (HRA) in 2025/26 are targets of £750k and £250k respectively and the total underspends will need to meet these targets.

Department	Budget Salary £'000	Budget Agency £'000	Budget Total £'000	Budget Jun-25 £'000	Actual Salary £'000	Actual Agency £'000	Actual Total £'000	Budget Var. £'000
Chief Executive	3,818	5	3,823	956	887	26	913	(43)
Deputy Chief Executive	3,912	203	4,115	1,029	856	44	900	(129)
Monitoring Officer	890	20	910	227	171	12	183	(44)
Executive Director	7,546	755	8,301	2,075	1,602	224	1,826	(249)
GF Total	16,166	983	17,149	4,287	3,516	306	3,822	(465)
HRA Total	5,879	80	5,959	1,490	1,251	29	1,280	(210)
Grand Total	22,045	1,063	23,108	5,777	4,767	335	5,102	(675)

The table shows that the current budget variation on salaries and agency costs on 30 June 2025 is a total underspend of £675k. 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 £465k. This figure should be notionally adjusted to make allowance for the budgeted pay award that has not yet been paid. This reduces the variance by £106k on the General Fund. The estimated overtime and agency still to be paid in arrears would further reduce the saving by £47k. **The adjusted position for the General Fund is an underspend of £312k.** This compares favourably with the vacancy rate of £750k, which pro-rata to 30 June 2025 is a target of £188k.

b. Housing Revenue Account (HRA)

The current underspend on HRA budgets is £210k. Again, this figure should be notionally adjusted to allow for the budgeted pay award that has not yet been paid. This reduces the variance by £38k for the HRA. The estimated overtime and agency still to be paid in arrears further reduces the saving by £4k. **The adjusted position for the HRA is an underspend £168k.** This compares favourably with the annual vacancy rate of £250k, which pro-rata to 30 June 2025 is a target of £62k.

c. Pay Awards – Further Pay Inflation Pressure

The original salary budgets for 2025/26 were calculated with an assumption of a 3% uplift for the pay award. On 24 April 2025, the National Employers made an offer for 2025/26 pay award 3.2% uplift on all NJC pay points from 2 to 43 (equivalent to the Broxtowe local Grade 2 (SCP 12) through to Grade 15 (SCP 74). This pay award has now been agreed and is set to be paid in August.

The pay award will have an impact on the Council's budgets. A re-working of the salary budget model used for the 2025/26 base budget shows that the overall impact on the budget for the full year would be around £44k.

3. Income Budgets

The position to 30 June 2025 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget £'000	Income to 30/06/25 £'000	Latest Projection £'000	Projected Variance £'000
Planning Fees	(475)	(358)	(525)	(50)
Pre-Planning and History Fees	(25)	(7)	(25)	-
Industrial Units Rents	(152)	(124)	(152)	-
Craft Centre Complex Rents	(35)	(15)	(35)	-
Garden Waste Income	(1,080)	(1,025)	(1,060)	20
Trade Refuse Income	(650)	(483)	(620)	30
Recycling Credits - Glass	(140)	(6)	(130)	10
Sale of Glass	(85)	(22)	(85)	-
Sale of Wheeled Bins	(30)	(12)	(30)	-
Special Collections Income	(60)	(22)	(60)	-
Car Parking Income	(420)	(111)	(420)	-
Off-Street Penalty Charge Notices	(25)	(2)	(25)	-
Cemeteries	(243)	(54)	(243)	-
Parks - Beeston, Stapleford, Eastwood	(59)	(28)	(28)	-

Income	Annual Budget £'000	Income to 30/06/25 £'000	Latest Projection £'000	Projected Variance £'000
Miscellaneous Legal Charges	(15)	(8)	(15)	-
Land Charges Income	(40)	(15)	(40)	-
Licensing Income	(110)	(35)	(110)	-
Interest on Investments	(390)	-	(450)	(60)
Beeston Square Rents	(908)	(419)	(908)	-
General Properties Rents	(75)	(8)	(75)	-
Total	(5,017)	(2,754)	(5,067)	(50)

The current projection is for net **increased** income of £50k.

Notes

The status relates to income billed rather than wholly collected income. Most of the current annual projections are pro-rata based upon activity to 30 June 2025 and these forecasts will be further refined as the financial year develops.

- i) Planning Fees income was lower in 2024/25 compared to 2022/23 where larger schemes that took place which resulted in an over-achievement of income. The Council has already received four significant fees in 2025/26 which has provided a boost to income budgets. This demonstrates the potential volatility with income from planning fees being skewed towards the larger development schemes.
- ii) Income for industrial unit rents will be adjusted at year end as tenants are billed in advance (i.e. accruals and provision for non-payments). Limited vacancies. Rent abatements for units at High Hazels Court agreed until necessary roof repairs can be resolved.
- iii) Garden Waste income only increased by 2.9% compared to June 2024, which is less than the 4.6% increase on fees. This is partly due to a reduction of around 400 subscribers. Trade refuse income is down due to losing some businesses that have ceased trading. Glass income had risen in 2024/25 due to a significant increase in the price per tonne of glass from January 2024, but this price has since reduced, and future forecasts may need to be revisited. Recycling credits income for glass is also expected to be lower than budgeted, although income from wheeled bins and special collections remains steady.
- iv) Car Parking income from pay and display was marginally lower than Q1 2024, which has been offset by income from permit sales increasing.
- v) Income from off-street parking Penalty Charge Notice (PCN) is received from Nottinghamshire County Council at the end of the financial year. The services of an external enforcement officer had been acquired for an evening patrol over four weeks. The income from the additional 120 PCN issued by this enforcement activity is not yet reflected here.

- vi) Cemeteries income is broadly in line with budget forecasts although grave purchases are currently below forecasts.
- vii) Parks income received to date is looking healthy especially at Stapleford Parks.
- viii) Legal Services are permitted to charge when instructed on certain matters, with the level of income being dependent on the number of instructions received. The service achieved over its fee target for 2024/25 and looks to be 40% higher than this time last year.
- ix) With the migration of the local Land Charges service, the income target for the year is still expected to be achieved.
- x) Licencing income is anticipated to be broadly in line with budgets.
- xi) Actual interest from long-term investments is fully transferred out of the interest holding account at the financial year end. Interest received over the three months stands at £178k. The overall benefit will be shared with HRA through the 'Item 8 Calculation' which is completed at the financial year-end.
- xii) Beeston Square Rent is made up of income from both phases and includes allowances for vacant units.
- xiii) General property rents will be reallocated to different property types into their respective cost centres for clarity. Some of the tenants are charged on an annual basis and bills will be sent later.

4. Capital Programme

Capital expenditure to 30 June 2025 is summarised as follows:

	Approved Budget 2025/26 £'000	Actual Spend to 30/06/25 £'000	Proportion of Budget Spent
General Fund (GF)	6,678	768	11%
GF – Stapleford Towns Fund	14,837	1,742	12%
GF – Kimberley Means Business	12,886	1,501	12%
GF – UK Shared Prosperity Fund	764	-	0%
Housing Revenue Account (HRA)	11,135	1,592	14%
Housing Delivery Plan (HRA)	17,200	5,777	34%
TOTAL	63,500	11,380	18%
Add: Reserve List	2,472		
Total Capital Programme	65,982		

The table includes all capital schemes brought forward from 2024/25, approved by Cabinet on 1 July 2025, in addition to any other budget changes made up to 30 June 2025. 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 £2.472m 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 are as follows:

Scheme	Budget 2025/26 £'000	Spend to 30/06/25 £'000	Comments
General Fund			
Disabled Facilities Grants	1,390	212	Ongoing with further grants committed.
Replacement Vehicles and Plant	1,229	-	Orders raised for vehicles in replacement programme.
Implementation of Food Waste Collection	831	9	Round review progressing. Some concerns over vehicle prices and delivery times given that authorities are competing with similar deadlines.
Pride in Parks	191	12	Schemes in progress
Chilwell Quarry Stabilisation Works	290	-	Works ongoing with first phase of tree removal progressing. Ongoing maintenance regime to be established.
Stapleford Cemetery Extension	150	-	Scheme delayed
Refurbishment of Brinsley Headstocks	192	-	Finding an additional unmapped shaft has led to project delays. Aim for project still to be completed by April 2026.
Crematorium - Cremator Replacement/Associated Works	610	298	Project set to complete by August 2025. Costs shared with Erewash BC.
New Bramcote Leisure Centre – RIBA Stage 4	131	69	In progress.
Bramcote Leisure Centre Building Conditions Repair	153	10	In progress. Asbestos work in Plant Room commissioned, with orders raised for roofing works.
Gym Equipment Replacement	120	-	In progress for Hickings Lane Community Pavilion.

Scheme	Budget 2025/26 £'000	Spend to 30/06/25 £'000	Comments
Beeston Square Phase 2 Unit 4 Fitting Out Works	150	-	Fitting out works to commence to long term vacant unit to encourage offers
ICT Replacement and Development Programme	154	21	Replacement of all laptops and desktops completed for 2025/26. Remaining budget being used for a new backup solution, gas suppression for comms room, tablet and mobile development across service areas, especially Housing.
ICT Technical Infrastructure Architecture	215	-	Budget for new Core and Edge switch infrastructure. Work due to start and be completed by Q4. New WAN links to be introduced at remote sites and additional infrastructure for business continuity purposes.
ICT E-facilities Initiatives	60	1	Budget to introduce new digital systems to promote self-service, automation, Gen AI, system integration.
ICT Revenues System	47	47	Upgrade work started and to be completed in Q3.
ICT Financial Management System	77	77	Upgrade work started and to be completed in Q3.
Stapleford Towns Fund			
STF – Community Pavilion	4,166	1,652	On track with both project delivery and budget.
STF – Town Centre Traffic Management ‘Street Improvement Scheme’	2,352	46	Risks on project delivery within timeframes. Decision to find alternative contractor to enable the works to be completed. Project scaled back to budget but continues to meet defined outcomes.
STF – Cycle Network ‘Active Travel/Associated Infrastructure’	3,672	16	Risks on project delivery within timeframes. One element still requires NCC involvement due to being on the highway.
STF – Town Centre Enterprise Management ‘Pencil Works’	3,780	28	Contract signed and working through issues to enable the mobilisation on the site.

Scheme	Budget 2025/26 £'000	Spend to 30/06/25 £'000	Comments
STF – Skills and Education Facility Improvements	597	-	Project completed; final accounts awaited.
Kimberley Means Business			
Kimberley Means Business	12,886	See below	In progress with budget allocated across project strands.
KMB – Bennerley Viaduct Project	Included above	359	Ongoing contractual discussions following second ramp failure. Remedial work began 14 July with completion by October.
KMB – Cycle Routes	Included above	131	Active Travel routes scaled back with funding reassigned to other KMB projects as agreed with Strategic Board.
KMB – Industrial Units	Included above	761	Contracts now signed for Bennerley Industrial Units with work due to begin July 2025.
KMB – New Sports Facility	Included above	61	New sports facilities identified in Swingate with new Pavilion for Kimberley Miners Welfare FC
KMB – Business Grants	Included above	31	All grants issued with match funding reached. Consideration of further round of funding with small budget remaining.
KMB - Kimberley Laser Light Show	Included above	113	Wider Streetscape project largely completed with light shows having taken place and improvements to areas such as Toll Bar Square well received
KMB – Kimberley Hub	Included above	44	Demolition completed. Build to begin on new Hub by 31 July. Overbudget but funding diverted from Active Travel.
UKSPF			
UK Shared Prosperity Fund – Capital Schemes	764	39	Schemes in progress.
Housing Revenue Account (HRA)			
Heating Replacement and Energy Efficiency Works	762	164	In progress.
Housing Modernisation Programme	1,645	158	Work is underway; no concerns.

Scheme	Budget 2025/26 £'000	Spend to 30/06/25 £'000	Comments
Social Housing Decarbonisation	1,963	51	In progress with no concerns.
Aids and Adaptations – Disabled Persons	425	120	In progress with no concerns.
External Decoration, Pre-Paint Repairs, Soffit/Fascia Renewal	120	11	In progress.
Fire Safety Assessment and Remedial Works	2,066	87	In progress.
Window and Door Replacement	525	100	In progress.
Structural Remedial Repairs	150	12	In progress.
Major Relets	130	-	In progress
Asbestos Surveys and Remedial Works	620	6	In progress.
Speech Call Units and Lifeline services	120	1	Project progressing well.
Estate Impact/Decent Neighbourhood	1,460	120	Pilot at Ribblesdale Court being scoped.
Housing Delivery Plan			
Acquisition of Properties	1,400	766	In progress. Further opportunities expected to progress to completion
Property Acquisition and New Build – Pamela Cottage	644	-	Initial feasibility undertaken. Detailed design and tenders will be required if proceeding. Two accessible bungalow options being considered initially.
Property Acquisition – Hall Drive Chilwell	2,970	3,357	Main refurbishment works completed. Minor outstanding works required to phone entry intercom system on three properties requires tendering.
Housing Development Land Acquisition – Eastwood	800	-	In progress.
Property Acquisition – Nottingham Road, Eastwood	1,245	-	In progress.
New Build Housing Feasibility Costs	350	-	In progress.
New Build – Farm Cottage	892	187	Scheme underway.

Scheme	Budget 2025/26 £'000	Spend to 30/06/25 £'000	Comments
New Build – Inham Nook Development	2,427	381	Scheme ongoing. 15 properties completed June 2025; handed over to Housing for letting.
New Build – Chilwell Garage Sites	1,506	4	Scheme nearing completion
New Build – Watnall Garage Sites	1,385	-	Scheme progressing on site. Demolition completed in June
New Build – Land at Crematorium	2,073	857	Scheme involving sale of land and subsequent land purchase and building agreement for 51 new homes. Phase 1 and 2 Golden Brick stage achieved and progressing well on site. Estimated completion of phases 1 and 2 is August 2026.
New Build – Field Farm	1,011	-	Scheme in progress; last phase due to complete July 2025.

* Budget figures include all approved changes up to 30 June 2025 and capital budgets brought forward from 2024/25 (approved by Cabinet on 1 July 2025). Subsequent budget changes will be reflected in the Q2 report.