

Appendix 2

Financial Performance to September 2025 Q2

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 September 2025.

2. Employee Position

The summary position for employee budgets on 30 September 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 Sep 25 £'000 | Actual Salary* £'000 | Actual Agency £'000 | Actual Total £'000 | Budget Var. £'000 |
|------------------------|-------------------------|------------------------|-----------------------|------------------------|-------------------------|------------------------|-----------------------|----------------------|
| Chief Executive | 4,011 | 5 | 4,016 | 2,008 | 1,846 | 51 | 1,897 | (111) |
| Deputy Chief Executive | 3,974 | 203 | 4,176 | 2,088 | 1,749 | 88 | 1,837 | (251) |
| Monitoring Officer | 891 | 20 | 911 | 456 | 346 | 57 | 403 | (53) |
| Executive Director | 7,572 | 755 | 8,327 | 4,164 | 3,333 | 483 | 3,816 | (347) |
| GF Total | 16,449 | 983 | 17,431 | 8,716 | 7,275 | 678 | 7,953 | (763) |
| HRA Total | 5,879 | 80 | 5,959 | 2,980 | 2,578 | 50 | 2,628 | (352) |
| Grand Total | 22,328 | 1,063 | 23,391 | 11,695 | 9,853 | 728 | 10,581 | (1,114) |

The table shows that the current budget variation on salaries and agency costs at 30 September 2025 is an underspend of £1.114m. 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 £763k. The estimated overtime and agency to be paid in arrears reduces the saving by £43k. **The adjusted position for the General Fund is an underspend of £720k.** This compares favourably with the vacancy rate of £750k, which pro-rata to 30 September 2025 is a target of £375k.

b. Housing Revenue Account (HRA)

The current underspend on HRA budgets is £352k. The estimated overtime and agency to be paid in arrears reduces the saving by £3k. **The adjusted position for the HRA is an underspend £349k.** This compares favourably with the annual vacancy rate of £250k, which pro-rata to 30 September 2025 is a target of £125k.

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 at 3.2% uplift on all NJC pay points from 2 to 43 (equivalent to the Broxtowe local Grade 2 through to Grade 15. This pay award offer was agreed and has been paid. There has been a impact of around £44k on the overall budget for the full year.

3. Income Budgets

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

| Income | Annual Budget £'000 | Income to 30/09/25 £'000 | Latest Projection £'000 | Projected Variance £'000 |
|-----------------------------------|------------------------|--------------------------------|-------------------------------|--------------------------------|
| Planning Fees | (475) | (490) | (550) | (75) |
| Pre-Planning and History Fees | (25) | (12) | (25) | - |
| Industrial Units Rents | (152) | (150) | (152) | - |
| Craft Centre Complex Rents | (35) | (19) | (35) | - |
| Mushroom Farm Rents | (49) | (22) | (49) | - |
| Garden Waste Income | (1,080) | (1,054) | (1,060) | 20 |
| Trade Refuse Income | (650) | (492) | (625) | 25 |
| Recycling Credits - Glass | (140) | (38) | (128) | 12 |
| Sale of Glass | (85) | (41) | (85) | - |
| Sale of Wheeled Bins | (30) | (35) | (35) | (5) |
| Special Collections Income | (60) | (42) | (60) | - |
| Car Parking Income | (420) | (215) | (420) | - |
| Off-Street Penalty Charge Notices | (25) | (2) | (25) | - |
| Cemeteries | (243) | (95) | (201) | 42 |
| Beeston Parks | (35) | (24) | (36) | (1) |
| Stapleford Parks | (13) | (15) | (16) | (3) |
| Eastwood Parks | (11) | (10) | (14) | (3) |

| Income | Annual Budget £'000 | Income to 30/09/25 £'000 | Latest Projection £'000 | Projected Variance £'000 |
|-----------------------------|------------------------|--------------------------------|-------------------------------|--------------------------------|
| Miscellaneous Legal Charges | (15) | (11) | (15) | - |
| Land Charges Income | (40) | (28) | (40) | - |
| Licensing Income | (110) | (88) | (110) | - |
| Interest on Investments | (390) | - | (500) | (110) |
| Beeston Square Rents | (908) | (782) | (892) | 16 |
| General Properties Rents | (9) | (23) | (48) | (39) |
| Total | (4,991) | (3,688) | (5,161) | (121) |

The current projection is for net **increased** income of £121k.

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 September 2025 and these forecasts will be further refined as the financial year develops.

- i) Income from Planning Fees was lower in both 2023/24 and 2024/25, when compared to 2022/23 where larger schemes that took place which resulted in an over-achievement of income. In 2025/26, the Council has already received four significant fees notably £51k and £125k in April, £48k in May and £40k in June. These include the development of 1,455 new homes in Stapleford and 93 dwellings in Chilwell. This is providing a boost to income budgets in 2025/26. It also 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. any accruals, receipts in advance and provision for non-payments. There are currently three units vacant at Mushroom Farm but there is interest in all of them. Rent abatements for the six units at High Hazels Court were agreed by GMT until the roof repairs can be resolved.
- iii) Garden Waste income after six months income had only increased by 2.75% compared to September 2024. This was 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 was higher 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 accordingly. 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 sales is £6k lower than the same period in 2024/25. This has been offset by permit sales increasing by £4k.
- 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 was acquired for evening patrols for two weeks

in June and two weeks in July which cost £3,800. Overall, 260 PCN were issued which at full value is £9,100 if paid within 14 days. Half of these penalties are expected to appeal, so if waived this will see receipts of around £4,500.

- vi) Cemeteries income is broadly in line with budget except for internment fees and grave purchases which are currently below budget.
- vii) Parks income received to date is healthy especially for Stapleford. Whilst income from Eastwood currently looks low, there are further invoices still to be raised.
- 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 fees target for 2024/25, although income to September 2025 is lower 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 end of the financial year. The interest over six months stands at £340k. 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 phase 1 and phase 2 units 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 September 2025 is summarised as follows:

| | Budget 2025/26 £'000 | Actual to 30/09/25 £'000 | Proportion of Budget Spent |
|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| General Fund (GF) | 7,258 | 1,390 | 19% |
| GF – Stapleford Towns Fund | 14,837 | 6,305 | 42% |
| GF – Kimberley Means Business | 12,886 | 3,435 | 27% |
| GF – UK Shared Prosperity Fund | 764 | 46 | 6% |
| Housing Revenue Account (HRA) | 11,105 | 2,949 | 27% |
| Housing Delivery Plan (HRA) | 17,200 | 9,646 | 56% |
| TOTAL | 64,050 | 23,772 | 37% |

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 September 2025. No account has been taken of any invoices received but not yet paid or work that has taken place but where no invoices has yet been received. There is also a Reserve List of schemes totalling £2.472m for which the approval to proceed will be granted once a source of funding is identified.

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

| Scheme | Budget 2025/26 £'000 | Spend to 30/09/25 £'000 | Comments |
|--|----------------------------|-------------------------------|--|
| GENERAL FUND | | | |
| Disabled Facilities Grants | 1,390 | 341 | Ongoing with further grants committed. |
| Replacement Vehicles and Plant | 1,459 | 306 | Orders raised for vehicles in replacement programme. |
| Implementation of Food Waste Collection | 831 | 12 | On track to deliver round review by April 2026. Some concerns over vehicle prices and delivery times given that local authorities are competing with similar deadlines. Report to Cabinet in November proposing a trial in September 2026. |
| Pride in Parks | 191 | 12 | Several projects currently being developed. Eastcote Avenue paths completed. |
| Refurbishment of Brinsley Headstocks | 192 | 1 | Finding an additional unmapped shaft has led to project delays. Additional biodiversity work programmed. Foundation works in hand. Aim for project to be completed by April 2026. |
| Chilwell Quarry Stabilisation Works | 290 | - | Stabilisation work completed. Ongoing maintenance regime to be established. |
| Stapleford Cemetery Extension | 150 | - | Scheme delayed |
| Bramcote Crematorium - Cremator Replacement and Associated Works | 610 | 208 | Project completed, on time and budget. Final accounts to prepare. Costs shared with Erewash BC. |
| New Bramcote Leisure Centre – RIBA Stage 4 | 266 | 71 | In progress. |

| Scheme | Budget 2025/26 £'000 | Spend to 30/09/25 £'000 | Comments |
|--|----------------------------|-------------------------------|--|
| Bramcote Leisure Centre Building Conditions Repair | 153 | 151 | Roofing and asbestos work in plant room completed. Structural column inspection completed. Minor remediation works ordered to complete scheme. |
| Gym Equipment Replacement | 120 | - | In progress for Hickings Lane Community Pavilion. |
| Beeston Square Phase 2 Units Fitting Out Works | 150 | - | Fitting out works to commence to long term vacant unit if required to encourage offers. |
| ICT Technical Infrastructure Architecture | 215 | - | Budget for new Core and Edge switch infrastructure. Work due be completed by Q4. New WAN links to be introduced at remote sites with additional infrastructure for business continuity purposes. |
| ICT Replacement and Development Programme | 154 | 23 | Replacement of all laptops and desktops completed for 2025/26. Remaining budget being used for new backup solution, gas suppression for comms room, tablet and mobile development across services. |
| ICT E-facilities Initiatives | 60 | 6 | 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. |
| ICT Total Mobile Modules | 215 | 85 | Project commenced. |
| STAPLEFORD TOWNS FUND | | | |
| STF – Community Pavilion | 4,166 | 5,966 | Projects nearing completion, with final cost reports being reviewed. Further budget re-profiling across STF schemes is still required. |
| STF – Town Centre Traffic Management ‘Street Improvement Scheme’ | 2,352 | 57 | Progressing. Project scaled back to budget but continues to meet defined outcomes. |

| Scheme | Budget 2025/26 £'000 | Spend to 30/09/25 £'000 | Comments |
|---|----------------------------|-------------------------------|---|
| STF – Cycle Network ‘Active Travel/Associated Infrastructure’ | 3,672 | 27 | Plans for meadows are advancing. Visual impairment improvements completed on the cycle track. |
| STF – Town Centre Enterprise Management ‘Pencil Works’ | 3,780 | 254 | Construction has commenced although discovery of asbestos delayed start. |
| 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 | 372 | Visitor Centre is proceeding well. Ramp remedials are nearing completion, however these will cost substantially more so will need Strategic Board approval. |
| 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 | 1,887 | Industrial units are progressing with steel frames in situ at Shilo Way and procurement request lodged for Giltbrook. |
| KMB – New Sports Facility | Included above | 155 | Cricket work well underway with new nets to be installed shortly. The Stag Ground pavilion foundations now set. Work at Swingate also completed. |
| KMB – Business Grants | Included above | 47 | Business grants completed, with match funding to be collected. |
| KMB - Kimberley Laser Light Show | Included above | 113 | Wider Streetscape project now completed and deployed. |
| KMB – Kimberley Hub | Included above | 730 | Build commenced on new Hub with steels now in place. Works progressing. |
| UKSPF | | | |
| UK Shared Prosperity Fund – Capital Schemes | 764 | 47 | Schemes in progress. |

| Scheme | Budget 2025/26 £'000 | Spend to 30/09/25 £'000 | Comments |
|---|----------------------------|-------------------------------|---|
| HOUSING REVENUE ACCOUNT (HRA) | | | |
| Heating Replacement and Energy Efficiency Works | 762 | 456 | In progress. High volume of works coming through. Plan has been developed to resolve in the next month. Budget pressure. |
| Housing Modernisation Programme | 1,645 | 506 | Work is underway; no concerns. |
| Social Housing Decarbonisation | 1,963 | 405 | On target with works progressing well. |
| Aids and Adaptations – Disabled Persons | 425 | 329 | In progress. |
| External Decoration, Pre-Paint Repairs, Soffit/Fascia Renewal | 120 | 11 | In progress. |
| Fire Safety Assessment and Remedial Works | 2,036 | 139 | In progress. |
| Window and Door Replacement | 525 | 134 | On target for works. Units being ordered as required |
| Structural Remedial Repairs | 150 | 12 | In progress. Some large works occurring within this stream. |
| Major Relets and Emergency Insurance Works | 270 | 2 | Reactive budget. Some major works arising with insurances covering majority of costs. |
| Asbestos Surveys and Remedial Works | 620 | 76 | Reactive budget – in progress. |
| Speech Call Units and Lifeline | 120 | 20 | Project progressing well. |
| Estate Impact / Decent Neighbourhoods | 1,460 | 126 | Budget may need to be carried forward. Some of the work schemes have long time scales due to planning etc and may not start until next year. |
| HOUSING DELIVERY PLAN | | | |
| Acquisition of Properties | 1,400 | 1,041 | In progress. Further opportunities expected to progress to completion |
| Property Acquisition and New Build – Pamela Cottage | 644 | - | Initial feasibility undertaken. Two accessible bungalow options being considered. Detailed design and tenders will be required if proceeding. |

| Scheme | Budget 2025/26 £'000 | Spend to 30/09/25 £'000 | Comments |
|--|----------------------------|-------------------------------|---|
| Property Acquisition – Hall Drive Chilwell | 2,970 | 3,370 | Main refurbishment works completed. Final accounts and budget profiling to complete. |
| Housing Development Land Acquisition – Eastwood | 800 | 751 | In progress, final accounts to complete. |
| Property Acquisition – Nottingham Road, Eastwood | 1,245 | - | In progress. |
| New Build Housing Feasibility Costs | 350 | 5 | Ongoing. |
| New Build – Farm Cottage | 892 | 236 | Scheme progressing on site. |
| New Build – Inham Nook Development | 2,427 | 505 | Scheme ongoing. 15 properties completed June 2025 handed over to Housing for letting. |
| New Build – Chilwell Garage Sites | 1,506 | 9 | Scheme progressing on site. |
| New Build – Watnall Garage Sites | 1,385 | 323 | Scheme progressing on site. |
| New Build – Land at Coventry Lane West (Crematorium) | 2,073 | 2,361 | Scheme involving building of 51 new homes. Phase 1 and 2 Golden Brick stage achieved and progressing well on site. Some budget reprofiling from future years required. Estimated completion of phases 1 and 2 in August 2026. |
| New Build – Field Farm | 1,011 | 790 | Scheme completed. End of defects retention will be remaining spend. |

* Budget figures include all approved changes up to 30 September 2025 and capital budgets brought forward from 2024/25 (approved by Cabinet on 1 July 2025). Subsequent budget changes will be reflected in the Q3 report.