

Appendix 2

Financial Performance to December 2025 Q3

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 31 December 2025.

2. Salaries Budgets

The summary position for employee budgets on 31 December 2025 is shown below. The original budget 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 targets for the General Fund and the Housing Revenue Account (HRA) in 2025/26 are £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 Dec 25 £'000	Actual Salary* £'000	Actual Agency £'000	Actual Total £'000	Budget Var. £'000
Chief Executive	3,978	5	3,983	2,987	2,761	90	2,851	(137)
Deputy Chief Executive	3,974	203	4,176	3,132	2,601	130	2,732	(401)
Monitoring Officer	891	20	911	683	520	106	626	(57)
Executive Director	7,572	755	8,327	6,245	5,006	693	5,699	(546)
GF Total	16,415	983	17,398	13,048	10,888	1,020	11,908	(1,140)
HRA Total	5,879	80	5,959	4,470	3,883	140	4,023	(447)
Grand Total	22,294	1,063	23,357	17,518	14,771	1,160	15,931	(1,587)

The table shows that the current budget variation on salaries and agency costs as at 31 December 2025 is an underspend of £1.587m.

The underspend on General Fund budgets is shown as £1.140m. The estimated overtime and agency to be paid in arrears reduces the saving by £41k in total.

The adjusted position for the General Fund is an underspend of £1.099m. This compares favourably with the annual vacancy rate of £750k, which pro-rata to December 2025 is a target of £563k.

The underspend on HRA budgets is shown as £447k. The overtime and agency paid in arrears reduces the saving by £5k. **The adjusted position for the HRA is an underspend of £442k.** This compares favourably with the annual vacancy rate of £250k, which pro-rata to December 2025 is a target of £187k.

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 offer was agreed and has been paid. There has been an impact of around £44k on the overall budget for the full year.

3. Income Budgets

The position to 31 December 2025 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget £'000	Ledger Income to 31/12/25 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Planning Fees	(475)	(741)	(741)	(266)
Pre-Planning and History Fees	(25)	(17)	(25)	-
Industrial Units Rents	(152)	(166)	(148)	4
Craft Centre Complex Rents	(35)	(33)	(35)	-
Mushroom Farm Rents	(49)	(53)	(49)	-
Garden Waste Income	(1,080)	(1,058)	(1,060)	20
Trade Refuse Income	(650)	(631)	(650)	-
Recycling Credits - Glass	(140)	(75)	(120)	20
Sale of Glass	(85)	(61)	(85)	-
Sale of Wheeled Bins	(30)	(50)	(50)	(20)
Special Collections Income	(60)	(58)	(60)	-
Car Parking Income	(420)	(327)	(427)	(7)
Off-Street Penalty Charge Notices	(25)	(2)	(25)	-
Cemeteries	(243)	(148)	(243)	-
Beeston Parks	(35)	(32)	(36)	(1)
Stapleford Parks	(13)	(19)	(20)	(7)
Eastwood Parks	(11)	(13)	(15)	(4)
Miscellaneous Legal Charges	(15)	(22)	(22)	(7)
Land Charges Income	(40)	(43)	(43)	(3)
Licensing Income	(110)	(122)	(139)	(29)
Interest on Investments	(390)	(565)	(700)	(310)
Beeston Square Rent	(908)	(965)	(904)	4
General Properties Rents	-	(3)	(3)	(3)

Income	Annual Budget £'000	Ledger Income to 31/12/25 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Council Offices	-	(23)	(44)	(44)
Durban House	(43)	(6)	(6)	37
Stapleford House	-	(1)	(5)	(5)
Stapleford Hub	(9)	(5)	(9)	-
Total	(5,043)	(5,239)	(5,664)	(621)

The current projection is for net **increased** income of £621k.

Notes

The status relates to income billed rather than wholly collected income. Most of the projections are pro-rata based upon activity to 31 December 2025 and forecasts will be further refined as the financial year develops.

- i) Income from Planning Fees was lower in 2023/24 and 2024/25, when compared to 2022/23 due to larger schemes. The Council has already received five high value fees for significant schemes, which has boosted income budgets in 2025/26. This demonstrates the potential volatility with income from planning fees being skewed towards the larger development schemes.
- ii) Income for industrial unit rents is 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 two units vacant at Mushroom Farm but positive interest has been received for letting. Rent abatements for the units at High Hazels Court was agreed by GMT until the roof repairs are resolved. The cost of repairs to be met by the Council will be in the region of £75k.
- iii) Garden Waste income after six months increased by 2.75% compared to September 2024, which was less than the 4.6% increase on fees. This is due to a reduction of around 400 subscribers. Trade refuse income is down due to some businesses ceasing trading. Glass income had risen in 2024/25 due to a significant increase in the price per tonne of glass, but this price has since been 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 ticket sales is £13k lower than Q3 2024/25. This has been offset by income from permit sales increasing by £5k. The forecast is still to achieve the budget target with any shortfall attributed to the successful free parking scheme at Christmas being absorbed.
- 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 evening patrol for two

weeks in June and two weeks in July which cost £3,800. From the first activity, 138 PCN were issued and 122 PCN issued in July which at full value is £9,100 if paid at £35 within 14 days. Half of these penalties have gone beyond the 14-day period – likely to appeal so if waived this will be around £4,500 income received therefore generating a nominal surplus from this activity.

- 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 is healthy especially at Stapleford. Whilst income from Eastwood currently looks low, there are further invoices to be raised.
- viii) Legal Services are permitted to charge when instructed on certain matters, with income levels dependent on the number of instructions received. The service achieved its fees target for 2024/25, and the same is happening this 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 nine months stands at £565k. 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 31 December 2025 is summarised as follows:

	Budget 2025/26 £'000	Actual to 31/12/25 £'000	Proportion of Budget Spent
General Fund (GF)	8,956	2,160	24%
GF – Stapleford Towns Fund	14,837	7,804	53%
GF – Kimberley Means Business	12,886	5,956	46%
Housing Revenue Account (HRA)	11,103	4,628	42%
Housing Delivery Plan (HRA)	18,500	10,910	59%
TOTAL	66,282	31,458	47%

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 31 December 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 31/12/25 £'000	Comments
GENERAL FUND			
Disabled Facilities Grants	1,783	546	Ongoing with further grants committed.
Replacement Vehicles and Plant	1,459	377	Orders raised for vehicles in replacement programme.
Implementation of Food Waste Collection	831	12	On track to deliver round review in spring 2026. Some concerns over vehicle prices and delivery times given that councils are competing with similar timelines, creating a budget risk. Cabinet recently approved a trial from September 2026.
Pride in Parks	191	42	Several projects currently being developed. Eastcote Avenue paths completed. Surfacing at King George Park commencing. Play areas at Coronation Park and Eastcote Avenue to order, completion close to year end.
Refurbishment of Brinsley Headstocks	192	2	Finding an additional unmapped shaft has led to project delays. Additional biodiversity work programmed. Groundworks ordered; foundation construction to commence February.
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	251	Project completed on time and budget. Final accounts to prepare. Costs shared with Erewash BC.

Scheme	Budget 2025/26 £'000	Spend to 31/12/25 £'000	Comments
New Bramcote Leisure Centre – RIBA Stage 4	266	237	Planning application successful subject to conditions; business case for funding package being presented to Cabinet in March.
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	137	-	Fitting out works 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	32	Replacement of all laptops and desktops completed for year. Remaining budget being used for new backup solution, gas suppression for comms room, tablet and mobile development across services.
ICT E-facilities Initiatives	60	12	Budget to introduce new digital systems to promote self-service, automation, Gen AI, system integration.
ICT Revenues System	47	47	Upgrade work started and due to be completed.
ICT Financial Management System	77	77	Upgrade work started and due to be completed.
ICT Total Mobile Modules	215	122	Project commenced. Additional meetings arranged with provider to ensure all work delivered is relevant. Anticipated start by February 2026
Fire Safety Works - Council Offices, Beeston	250	-	In progress with works to be completed in March 2026.

Scheme	Budget 2025/26 £'000	Spend to 31/12/25 £'000	Comments
UKSPF Shared Prosperity Fund – Capital Schemes	764	142	Schemes in progress. Around 15 small to medium sized capital projects; some delays due to permissions, sites and staffing issues. CEDARS scheme is almost complete. Business support grants ongoing.
STAPLEFORD TOWNS FUND	14,837	See below	In progress with budget allocated across project strands.
STF – Community Pavilion	Included above	6,491	Pavillion completed. Snagging issues ongoing to be resolved with final cost reports being reviewed. Cricket pitch to be presented to Planning Committee in January.
STF – Town Centre Traffic Management 'Street Improvement Scheme'	Included above	72	Progressing. Meeting with Stapleford Town Council to discuss scheme overview and work priorities. No responses for the tenders for Walter Parker VE Square works, so open tender underway to close in January.
STF – Cycle Network 'Active Travel/Associated Infrastructure'	Included above	359	Plans for meadows are advancing. Works on Pasture Road pathway improvements to commence in January 2026.
STF – Town Centre Enterprise Management 'Pencil Works'	Included above	883	Main construction works have commenced although discovery of asbestos delayed start. Time risks are being mitigated within the programme where possible. Additional funding application to support 'makers space' in its final stages.
STF – Skills and Education Facility Improvements	Included above	-	Project completed; final accounts awaited.
KIMBERLEY MEANS BUSINESS	12,886	See below	In progress with budget allocated across project strands.
KMB – Bennerley Viaduct Project	Included above	383	Visitor Centre is proceeding and expected to open in April. Ramp remedials nearing completion. Additional cost approved by the Strategic Board.

Scheme	Budget 2025/26 £'000	Spend to 31/12/25 £'000	Comments
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	3,167	Industrial units are progressing with steel frames in situ at Shilo Way. Giltbrook still requires planning permission.
KMB – New Sports Facility	Included above	435	Cricket works completed with new nets installed. Stag Ground pavilion will be completed by March. Works at Swingate also completed.
KMB – Business Grants	Included above	49	Business grants completed, with match funding to be collected.
KMB - Kimberley Laser Light Show	Included above	113	Light shows and street scene projects well underway
KMB – Kimberley Hub	Included above	1,677	Build commenced on new Hub with steels now in place. Works progressing well with target set for June completion.
HOUSING REVENUE ACCOUNT (HRA)			
Heating Replacement and Energy Efficiency Works	962	566	In progress. High volume of works coming through. Spend anticipated to be within budget although more issues expected due to cold weather. December valuation shows increase in replacements as expected.
Housing Modernisation Programme	1,445	994	Scheme includes kitchen and bathroom replacements. Works progressing with no budget concerns.
Social Housing Decarbonisation	1,963	582	On target with works progressing well.
Aids and Adaptations – Disabled Persons	675	416	Works are progressing well with more planned. Reactive budget.
Fire Safety Assessment and Remedial Works	2,036	488	In progress. Reactive budget is subject to requirements.

Scheme	Budget 2025/26 £'000	Spend to 31/12/25 £'000	Comments
Window and Door Replacement	525	172	On target for works. Units being ordered as required. Several properties awaiting installation.
Structural Remedial Repairs	250	26	In progress. Some large works occurring within this stream.
Major Relets and Emergency Insurance Works	270	103	Reactive budget. Some major works arising with insurance covering majority of costs.
Asbestos Surveys and Remedial Works	620	193	In progress. Reactive budget is subject to requirements.
Speech Call Units and Lifeline	120	20	Project progressing although some budget will need to be carried forward
Estate Impact / Decent Neighbourhoods	1,460	144	Budget may need to be carried forward. Some work schemes have long time scales due to planning etc and may not start until next year. Consultant for Ribblesdale pilot is being in the process of being procured.
HOUSING DELIVERY PLAN			
Acquisition of Properties	1,400	1,053	In progress. Further opportunities expected to progress to completion
Property Acquisition and New Build – Pamela Cottage	644	-	Initial feasibility undertaken with options for two accessible bungalows being considered. Land valuations received from the valuer being reviewed. Detailed design and tenders will be required if proceeding.
Property Acquisition – Hall Drive Chilwell	2,970	3,370	Main refurbishment works completed. Additional works being costed with amounts and programme for completion to be confirmed.
Housing Development Land Acquisition – 52 Church Street, Eastwood	800	751	In progress, final accounts to complete.
Property Acquisition – Nottingham Road, Eastwood	1,245	-	In progress.

Scheme	Budget 2025/26 £'000	Spend to 31/12/25 £'000	Comments
New Build Housing Feasibility Costs	350	16	Ongoing.
New Build – Farm Cottage	892	236	Scheme progressing with five units handed over. Site of the existing cottage being designed with proposals for two flats and procurement for an architect to progress scheme to planning.
New Build – Inham Nook Development	2,427	477	Scheme nearing completion. Units handed over to Housing for letting. Retention to be released at completion of the end of defects period.
New Build – Chilwell Garage Sites	1,506	12	Scheme completed. End of defect inspections completed, retention due to be released on confirmation of the defect works.
New Build – Watnall Garage Sites	1,385	646	Scheme progressing on site with completions expected in May 2026.
New Build – Land at Coventry Lane West (Crematorium)	2,073	3,284	Scheme involving building of 51 new homes. Phase 1 and 2 Golden Brick stage achieved and progressing well. Some budget reprofiling from future years required. First units handed over to Housing. Estimated completion of units expected in September 2027.
New Build – Field Farm	1,011	794	Scheme completed and handed over to Housing. Last phase currently in-defects. Retention will be remaining spend.
Acquisition and Development at 84 Church Street, Eastwood	1,300	-	Consultants to be procured.

* Budget figures include all approved changes up to 31 December 2025 and capital budgets brought forward from 2024/25 (approved by Cabinet on 1 July 2025). Subsequent budget changes will be reflected in the outturn report.