Portfolio for Resources and Personnel Policy
Councillor G Marshall

Report to Council – 15 July 2026

Finance Services Update

Statement of Accounts 2025/26

The draft Statement of Accounts for 2025/26 has been published on the Council's website. The accounts closedown process is an extensive and complex project, and it is a real achievement by the Finance Services team to meet the 30 June statutory deadline. In the previous year, Broxtowe was one of around 75% of local authorities to publish their draft accounts by the required deadline.

The accounts will now be subjected to scrutiny by Forvis Mazars, with the audit due to start in September. The audit should then be completed and the final accounts signed off by 30 November. In the meantime, regular updates will be provided to the Governance, Audit and Standards Committee.

Accounts Outturn

The accounts outturn report was presented to Cabinet on 30 June with the report providing the figures and highlighting financial performance in 2025/26.

There was a net underspend of £2.5m on the General Fund. Overall, after financing and transfers to/from earmarked reserves, there was a net contribution of £183k to General Fund balances which closed at £5.7m at 31 March 2026. Variations were due to a combination of net budget underspends, additional income and grants, budget carry forwards and effective financial management across the Council. This included a net underspend in employee related costs of £370k against the budget which also had a challenging vacancy target of £1.0m. Outturn included the full-year impact of the pay award and the costs of agency and interim staff used to cover vacancies within the establishment.

It was pleasing to note the sustained levels of income being generated from its fees and charges and commercial property rentals. This is essential to support the Council in balancing its budgets and achieving financial sustainability. Income from Planning fees was significantly higher than budgeted after the Council received eight significant application fees totalling £518k. Whilst this has boosted income, it also demonstrated the potential volatility with total income from planning fees being skewed towards the larger development schemes.

In terms of financing the budget, the main area of risk, volatility and complexity is Business Rates. Whilst there continued to be growth across the Nottinghamshire Business Rates Pool area in 2025/26, the value of net rates received continues to be impacted by rating appeals and void periods, particularly for larger units.

In addition, with the Business Rates reset from April 2026, as part of the Fair Funding Review, all of the earlier growth will now be incorporated into the baseline position. With Business Rates being accounted for through the Collection Fund, any impact on General Fund balances will not materialise until the following year. This timing issue for the General Fund is monitored by the Section 151 Officer.

The Council's Housing Revenue Account (HRA) showed a £276k net overspend for 2025/26. This resulted in an increased draw of £720k on HRA working balances which amounted to £946k as at 31 March 2026.

With the budget deficit being higher than anticipated, the HRA Working Balance has now dipped below the Section 151 Officer's minimum recommended level of £1.0m. This outturn position is an accumulation of rising costs over several years linked to spending on compliance and safety, costs relating to damp and mould, housing disrepair claims and increased borrowing costs with higher interest rates. Also in 2025/26, there was the added impact of rent income levels not being as high as anticipated, with a higher rate of voids, and several housing delivery schemes not coming into the portfolio as early as expected.

The HRA is a ring-fenced fund and must be maintained in a surplus position. There is however no specific statutory minimum working balance, so whilst this dip below the minimum recommended balance can be tolerated in the short-term, sustained efforts are required to bring the working balance back up above the minimum level.

An HRA Medium-Term Financial Strategy and Business Strategy is being developed for this purposes which will complement the long-term HRA 30 Year Business Plan. It is normal for the HRA to experience peaks and troughs in its working balances, and this was shown in the longer-term plan.

In terms of the 2025/26 outturn, there was an underspend of £159k on employee related costs against the budget which also had a challenging vacancy target of £450k. Key services were maintained for tenants by the continued use of sub-contractors, the cost of which has offset the saving. The cost of housing disrepair claims continues to be a budget pressure, with a £48k overspend recorded and a further provision of £34k included for the potential cost of outstanding claims.

Housing rents income was significantly lower than budgeted. This included higher void losses beyond those expected and delays on the Retlaw Court development being brought into the portfolio which resulted in £452k less dwelling rent being received compared to forecast.

In terms of the Capital Programme for 2025/26, the Council spent £42.5m against a budget of £68.2m (62%). This included the significant investment in the Council's housing stock, housing delivery programme, regeneration projects at Stapleford and Kimberley, Chilwell Quarry, vehicle fleet and the ICT development programme. The capital programme is financed by a mixture of capital receipts, capital grants, Section 106 contributions and prudential borrowing.

The main slippage in the programme largely related to the housing delivery schemes, where progress can be affected by many external factors, fleet vehicles replacement and food waste programmes and the regeneration projects which continue to progress at a pace. Many of the unutilised capital budgets were approved for carry forward into 2026/27. The progress and risks associated with all schemes continues to be carefully managed by the respective budget holders and is monitored GMT. More details were presented to Cabinet on 30 June.

Medium Term Financial Strategy and Business Strategy

The Council's Medium Term Financial Strategy and Business Strategy will be refreshed over the summer to reflect outturn and the latest budget information. The outcomes will be presented to Cabinet in early November for approval in advance of 2027/28 budget setting.

Local Government Reorganisation

The Interim Deputy Chief Executive and Section 151 Officer, through the Nottinghamshire Finance Officers Association (NFOA), continues to support the finance workstream and provide financial data relating to the Government's requirement for Local Government Reorganisation in Nottinghamshire. Regular updates on LGR are provided to Cabinet.

Revenues, Benefits and Customer Services

Revenues

The Revenues team is responsible for administering and collecting Council Tax and Business Rates. In 2025/26 the Council achieved 97.8% collection for Council Tax and 98.0% for Business Rates, which are broadly in line with previous years.

The team is in the final tranche of implementing the Civica OpenChannel software, which includes a module that will allow customers to access online forms to notify the Council of their changes in circumstances. The forms will provide an integrated platform making the process smoother and more efficient for those wishing to use this approach. The initial tranches have been positive with a significant number of residents using this function.

Council Tax

The Government has closed its consultation on 'modernising the administration of Council Tax'. New changes have been announced that will come into effect from April 2027, including changing Council Tax from 10 to 12 monthly instalments by default; modernising Council Tax disregards; and renaming server mental impairment disregard to encourage take up.

The move to 12 monthly payments will have a direct impact on the Council's cash flows and risks the recovery of Council Tax for those that do not pay. Officers previously used February and March each year to focus attention on outstanding amounts and this will be more limited under these changes.

Business Rates

There were several changes to the Business Rates system in April 2026 which primarily revolved around revaluation and changes to multipliers. The Council is seeing a significant number of businesses approaching with concerns regarding the increase in their Rateable Value. This is reflected in an increase in the number of hardship relief applications being received since April.

Benefits

The Benefit service is monitored externally by the Department of Work and Pensions (DWP) through key performance indicators relating to new claims, processing times for changes in circumstances and the annual subsidy audit. Benefits performance remains one of the best in the country with new claims taking on average 7.59 days to process and a change in circumstances taking 2.81 days in 2025/26.

Customer Services

The Customer Services team has seen its performance continue to improve in 2025/26. The team is now responsible as a first line of contact for several services areas, including switchboard; rents; benefits; council tax; business rates; grounds maintenance; street cleansing; refuse collection; and garden waste. The call abandonment rate for 2025/26 was 9.1% against a target of under 10%.

Human Resources and Learning and Development

Training

The Learning and Development team is booking employees onto the next round of ILM training courses at both Level 3 and 5. There are 24 spaces available (12 on each level) to join the course. In 2025/26, the Council booked two groups of Level 3 training and one group of Level 5, totalling 19 employees, with 12 having passed the course and five are close to completing their coursework.

The Performance Appraisals process for 2025/26 closed on 31 March 2026 with the completion rates as follows:

- Combined Council and Liberty Leisure appraisals combined at 96.0%, a slight increase on the 95.5% achieved in 2024/25.
- Council appraisals completed at 99%, a great result but just short of the 100% completed in 2024/25.
- Liberty Leisure Limited only achieved 73% completion, although improved from the 65% completed in 2024/25.

The 2026/27 Performance Appraisal is now live.

Employability and Equalities

On 11 June 2026, the Council was represented at the Regional Engagement with Defence 2026 event. This engagement supports the Council's ongoing commitment to the Armed Forces Covenant and reflects its current Silver Award status under the Employer Recognition Scheme.

HR colleagues supported the Employability and Volunteer Fair at the Council Offices on 18 June. The HR presence at this event focused on promoting career pathways within local government; providing insight into recruitment processes; and offering informal advice to individuals exploring employment opportunities or transitioning into the public sector. This activity aligns with the Council's broader priorities around employability, inclusion, and community engagement, while helping to raise awareness of opportunities within the Council.

Work Experience

The Council hosted five work experience students during January to March across a variety of services, including HR, Learning and Development, Environment, Legal Services, Planning and Economic Development, Liberty Leisure, Finance Services and Business Support.

Apprenticeships

Since its inception, 59 apprenticeship courses have been offered, with 22 being successfully completed and 21 currently in progress. The remaining 16 participants did not complete their course. Encouragingly, all of those who successfully finished their course were offered a role. Of the participants, 32 were recruited externally, while 27 were existing employees who were upskilled. Looking ahead, there are seven new courses in the pipeline, including two brand-new apprenticeship roles (Crematorium Funeral Director and Parks and Green Spaces Project Manager) while the remaining five are focused on further upskilling current staff.

The Council is looking to host an apprenticeship forum award celebration to encourage our apprentices to apply for awards and also a chance for the Deputy Leader, Councillor Greg Marshall, to meet past and present apprentices.

A breakdown of data relating to the apprenticeships are as follows:

Female	32 (54%)
Male	27 (46%)
Living in the Borough	24 (41%)
Ethnic Minority	8 (14%)
Disabled	6 (10%)
Under 25	34 (58%)

Other News

The HR and Apprenticeships Officer, Charlotte Nicholls, has been awarded the HR Apprentice of the Year 2026 by The Worshipful Company of HR Professionals.

This award recognises outstanding apprentices working within the people profession. It celebrates individuals who are making a real impact in their workplace, demonstrating exceptional professionalism, and embodying the future of HR. The award aims to celebrate excellence and achievement within HR apprenticeships; champion apprenticeships as a high-quality route into the HR profession; and inspire other employers and apprentices by showcasing success stories across the sector

Disciplinary and Grievance

There are presently seven disciplinary investigations in progress and three grievances (two of which are related to the disciplinary investigations).

Hardship Grants/Loans

Ten employees have received Hardship Grant support in this financial year, and one employee has applied for a loan, used to defray unexpected and unforeseen costs.

Communications and Engagement

The Council’s website has recently been ranked 10th by Sitemorse in the UK Local Government Index. The website was ranked 20th in the previous quarter. Sitemorse assesses council websites every month to ensure they are accessible and easy to use for residents. Having an accessible website has been a legal requirement for Councils since 2018, under the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, which builds on the Councils obligations under the Equality Act 2010.

Following a restructure, a new Digital Communications Officer role is supporting the team to manage customer enquiries and engagement across the Council’s digital channels. Having a dedicated resource has facilitated increased opportunities for two-way engagement and a strong stance on online hate.

The team has established new relationships with key stakeholders such as the Sahara Asian Elders Group, The Dementia Studio, Beeston Muslim Centre and Hong Kong Notts to ensure that the Council’s communications are received by harder to reach audiences.

The focus on internal communications has been on a new employee survey approach, which moves from one longer annual survey to two shorter pulse surveys with amended wording to make the questions more accessible to employees of all levels. This new approach provides increased opportunity for the Council to be reactive to employee feedback.

Significant effort has also been focused on preparations for internal and external communications on the Government’s anticipated decision on LGR, as well as ongoing communications plans during any transition periods.

The team is currently developing a new Communications and Engagement Strategy which will be shared with various member working groups over the coming months, before it is presented to Cabinet for consideration in November.

Civic

Following two successful Freemen and Aldermen events, this year's 'Mayor Making' Council meeting and Armed Forces Flag Raising, the team is now focused on preparing for this year's civic event programme. This includes the Remembrance event, volunteer awards and Mayor's engagement events.

Work is ongoing to identify a suitable indoor venue to support Holocaust Memorial Day commemorations, should the event not be able to take place outdoors due to inclement weather.

The team has recently taken over administrative support for the Broxtowe Youth Mayor to provide greater continuity across both the Mayor and Youth Mayor roles.

Corporate Services

<u>ICT Services</u>

A new backup solution that uses cloud infrastructure has been introduced to improve resilience and availability. The new system strengthens protection against cyber-attacks through technologies such as threat detection and prevention, which operate continuously in the background to help ensure the Council's data and systems remain safe and secure.

All Leisure Centres, the Crematorium, the D.H. Lawrence Birthplace Museum, and Kimberley Depot have had new connectivity infrastructure installed to increase bandwidth, performance, and stability across the Wide Area Network infrastructure.

The team successfully completed a Disaster Recovery rehearsal, demonstrating that all data and systems can be restored offsite should Disaster Recovery procedures need to be invoked in the event of a major incident or disaster.

<u>Business Support</u>

A review has been undertaken to provide a clearer understanding of the range of activities delivered by the Business Support team. The review assessed workload requirements against available resources, confirmed alignment with existing Service Level Agreements, evaluated processes and procedures, and identified opportunities to support further digital transformation and channel shift initiatives. The review highlighted that current capacity is under pressure due to increasing demand; its outcomes are therefore intended to improve efficiency and reduce the need for additional resources.

The team is progressing the findings of the review, which identified several areas for improvement. A revised invoicing process is scheduled to go live in July 2026, with the objective of improving performance against the Council's payment target to 90%.

In addition, overflow calls are currently being incorrectly directed to the Business Support team. As part of the channel shift project, identified customer enquiries received through call handling will be resolved at the first point of contact wherever possible within Customer Services. This approach is intended to streamline the customer journey, reduce avoidable hand-offs between services, and deliver greater operational efficiency.

HR meeting recordings captured using audio recording devices are now being digitised and transcribed through built-in Microsoft 365 tools. Introducing this approach has saved approximately 40 days of effort per year. It has also improved the speed and accuracy of transcription, supported more efficient production of meeting records, and reduced reliance on manual processes.

Support Services

Hand dryers are being replaced across Council sites as part of the maintenance contract, with the new hand dryers being quieter and more energy efficient.

Parking Services

During the year, resurfacing works have been completed at Halls Road and Eaton Road car parks in Stapleford. New ticket machines with card payment functionality were also installed at Station Road, Beeston, and Victoria Street, Eastwood, which has improved payment options for car park users.

Parking Services has also taken on expanded responsibility for electric vehicle (EV) charging points beyond public car parks across the borough. This now includes charging infrastructure at Council-owned residential and business locations, as well as provision associated with future developments.

In 2025/26, Parking Services had exceeded the annual income target of £450k, achieving total income of £466k. This income was generated from Pay and Display (£413k), Penalty Charge Notice income (£29k), and parking permits (£24k).