

Agenda

Cabinet

Date: **Thursday 15 October 2026**

Time: **2.00 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

0115 901 3906

Cabinet

Membership

Chair	Councillor John Clarke
Vice-Chair	Councillor Lynda Pearson
	Councillor Kathryn Fox
	Councillor Viv McCrossen
	Councillor Marje Paling
	Councillor Henry Wheeler
	Councillor Kyle Robinson-Payne

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Responsibility of committee:

Cabinet is the meeting of all executive members. The Executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under the Constitution. Cabinet Portfolios are detailed within Section 6, Part 9 of the Council's Constitution.

AGENDA

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Report of the Chief Finance Officer & S151 Officer
- 7 Any other items the Chair considers urgent**

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MINUTES CABINET

Thursday 3 September 2026

Councillor John Clarke (Chair)

Present: Councillor Kathryn Fox Councillor Lynda Pearson
Councillor Viv McCrossen Councillor Henry Wheeler
Councillor Marje Paling

Absent: Councillor Kyle Robinson-Payne

Officers in Attendance: M Hill, M Avery, F Whyley, D Reason, P Whitworth
and L Squires

142 APOLOGIES FOR ABSENCE.

Apologies for absence were received from Councillor Robinson-Payne.

**143 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE
MEETING HELD ON 16/07/2026.**

RESOLVED:

That the minutes of the above meeting, having been circulated, be approved as a correct record.

144 DECLARATION OF INTERESTS.

None.

145 FORWARD PLAN

Consideration was given to a report of the Democratic Services Manager, which had been circulated prior to the meeting, detailing the Executive's draft Forward Plan for the next six month period.

RESOLVED:

- 1) To note the report.

**146 APPROVAL TO EXTEND THE PUBLIC SPACE PROTECTION
ORDER (DOG FOULING) BOROUGH-WIDE**

The Director of Place presented a report, which had been circulated prior to the meeting, to seek approval to extend, for a further three years, the existing Public Spaces Protection Order for dog fouling (Gedling Borough Council) which is due to expire on 20 October 2026.

The following actions were raised in response to questions and comments during the meeting:

1. For consultation to be undertaken requiring pet owners to have the means to pick up after their pets.
2. To add ways to contact the council regarding dog fouling on signs in parks.
3. For reels to be created educating residents on dog fouling and its environmental impact.
4. For officers to consider the installation of biodegradable dog bag dispensers on dog waste bins, initially at Gedling Country Park as a trial.
5. For officers to give consideration to raising awareness around the health impacts of dog mess for the public and children.
6. That the Director of Place would bring a comprehensive progress report on WISE back to Cabinet, in terms of the full range of environmental offences and fixed penalty notices the council is enforcing.

RESOLVED to:

- 1) Approve a further three-year extension of the current Public Spaces Protection Order (PSPO) for dog fouling at Appendix 1 in accordance with Section 72 of the Antisocial Behaviour, Crime and Policing Act 2014.
- 2) Approve that the fixed penalty level for breaches of the PSPO remain set at £100, payable within 14 days

147

FLY TIPPING, LITTER AND WASTE MANAGEMENT WORKING GROUP RECOMMENDATIONS.

The Chief Executive presented a report, which had been circulated prior to the meeting, to present the report and recommendations of the working group that considered the issues surrounding Fly Tipping, Litter and Waste Management across the borough.

The Portfolio Holder for Environment Services made the following comments:

1. Contamination rates have gone down due to the introduction of more recycling facilities.
2. It was noted that the introduction of flexible plastics has had to be postponed due to the government not being able to find companies who can recycle plastic bags, but foil and some tetra paks can now be recycled.
3. It was noted that due to the pressures of work in the department that the pilot for food waste recycling had been put on hold,

favouring the commencement of a borough wide implementation of a food waste recycling on October 27th.

4. It was noted within the report, litter picking groups had to be put on hold due to pressures within the department, but they would like to see work to be undertaken to increase the number of those groups.

The Portfolio Holder for Climate Change, Parks and Environmental Health made the following comments:

1. Volunteer litter pickers are a huge help to the council and their communities.
2. Encouraged councillors to organise litter picking groups within their own communities and to promote the initiative in Full Council.

The Portfolio Holder for Lifestyles, Health and Wellbeing made the following comments:

1. Encouraging councillors to be proactive in keeping their communities being clean and tidy by organising litter picking groups.
2. Wanted to increase education around litter and in being responsible with their waste.

The Portfolio Holder for Life Chances and Vulnerability made comment:

1. Thanking the working group for the comprehensive report and recognised that officers noted that improvements need to be made in improving the reporting system around waste.

RESOLVED to:

- 1) Consider the report and recommendations of the working group making comments where appropriate; and
- 2) Provide a written response to the Overview and Scrutiny Committee within 28 days of receipt of the report.

148

UPDATE ON THE WORK OF THE POLICY ADVISORS

The Chief Executive presented a report, which had been circulated prior to the meeting, to update Cabinet on the actions and activities that the remaining Policy Advisor has undertaken since the last report to Cabinet in September 2025.

RESOLVED to:

- 1) Note the content of the report, and the actions and activities undertaken by the remaining Policy Advisor since September 2025.

149 SECTION 106 AFFORDABLE HOUSING CONTRIBUTIONS

The Assistant Director of Housing and Resettlement presented a report, which had been circulated prior to the meeting, to seek Cabinet approval to enter into arrangements with two Registered Provider partners to deliver urgently needed, good-quality affordable housing in the Borough using Section 106 affordable housing commuted sum contributions.

RESOLVED to:

- 1) Approve the Council entering into agreements with two Registered Providers to deliver affordable housing in the Borough using available Section 106 affordable housing commuted sum contributions.
- 2) Delegate authority to the Director of Place, in consultation with the Chief Financial Officer, to finalise and enter into all agreements required to implement the approved arrangements.

150 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 2.33 pm

Signed by Chair:
Date:



Report to Cabinet

Subject: Forward Plan

Date: 15th October 2026

Author: Democratic Services Manager

Wards Affected

All

Purpose

To present the Executive's draft Forward Plan for the next six-month period.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

Cabinet notes the contents of the draft Forward Plan making comments where appropriate.

1 Background

- 1.1 The Council is required by law to give to give notice of key decisions that are scheduled to be taken by the Executive.
- 1.2 A key decision is one which is financially significant, in terms of spending or savings, for the service or function concerned (more than £500,000), or which will have a significant impact on communities, in two or more wards in the Borough.
- 1.3 In the interests of effective coordination and public transparency, the plan includes any item that is likely to require an Executive decision of the Council, Cabinet or Cabinet Member (whether a key decision or not). The Forward Plan covers the following 4 months and must be

updated on a rolling monthly basis. All items have been discussed and approved by the Senior Leadership Team.

2 Proposal

- 2.1 The Forward Plan is ultimately the responsibility of the Leader and Cabinet as it contains Executive business due for decision. The Plan is therefore presented at this meeting to give Cabinet the opportunity to discuss, amend or delete any item that is listed.

3 Alternative Options

- 3.1 Cabinet could decide not agree with any of the items are suggested for inclusion in the plan. This would then be referred back to the Senior Leadership Team.
- 3.2 Cabinet could decide to move the date for consideration of any item.

4 Financial Implications

- 4.1 There are no financial implications directly arising from this report.

5 Legal Implications

- 5.1 There are no legal implications directly arising from this report.

6 Equalities Implications

- 6.1 There are no equalities implications arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no carbon reduction/sustainability implications arising from this report.

8 Appendices

- 8.1 Appendix 1 – Forward Plan

9 Background Papers

- 9.1 None identified

10 Reasons for Recommendations

- 10.1 To promote the items that are due for decision by Gedling Borough Council's Executive over the following six-month period.

Statutory Officer approval**Approved by:**

Chief Financial Officer

Date:

06/10/2026 (report content)

Approved by:

Monitoring Officer

06/10/2026 (report content)

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Gedling **Borough Council**

FORWARD PLAN **FOR THE PERIOD 1 OCTOBER 2026 TO 30 APRIL 2027**

This Forward Plan sets out the details of the key and non-key decisions which the Executive Cabinet expect to take during the next six months.

The current members of the Executive Cabinet are:

Councillor John Clarke – Leader of the Council and Portfolio Holder for Community Protection, Communications and Engagement

Councillor Lynda Pearson – Deputy Leader and Portfolio Holder Sustainable Growth and Economy

Councillor Viv McCrossen – Portfolio Holder for Climate Change, Parks and Environmental Health

Councillor Henry Wheeler – Portfolio Holder for Lifestyles, Health and Wellbeing.

Councillor Kyle Robinson-Payne – Portfolio Holder for Corporate Resources and Performance.

Councillor Kathryn Fox – Portfolio Holder for Life Chances and Vulnerability

Councillor Marje Paling – Portfolio Holder for Environmental Services (Operations)

Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each key decision, within the time period indicated.

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Open / Exempt (and reason if the decision is to be taken in private) Is this a Key Decision?
Budget, Virement Report and Performance monitoring for the period April to July 2026 To update Cabinet on the 2026/27 revenue and capital forecast, seek approval for budget changes, and summarise performance position against the Council's performance indicators and Legacy Plan 2026-28	15 Oct 2026 Cabinet 9 Dec 2026 Council	Tina Adams, Chief Finance Officer & S151 Officer, Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open Yes
Prudential Code Indicator Monitoring 2026/27 and Treasury Activity Report for the Period April 2026 to July 2026 To inform Members of the performance monitoring of the 2026/27 Prudential Code indicators, and to advise Members of the Treasury activity as required by the Treasury Management Strategy.	15 Oct 2026 Cabinet 9 Dec 2026 Council	Tina Adams, Chief Finance Officer & S151 Officer, Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open Yes
Proposed Dog Control Public Spaces Protection Order Consultation To seek approval of the proposed Dog Control Public Spaces Protection Order (PSPO) following the consultation. The proposed Order would require persons in charge of a dog to carry an appropriate means of collecting and disposing of dog waste; and require a dog to be placed on a lead when directed by an authorised officer.	26 Nov 2026 Cabinet	Kevin Nealon, Community Protection and Pollution Control Manager	Officer Report	Portfolio Holder for Community Protection, Communications and Engagement	Open Yes
Gedling Local Development Plan To seek approval to submit the Gedling Local Development Plan for examination following the Regulation 19 consultation, noting comments received and suggested changes	26 Nov 2026 Cabinet 9 Dec 2026 Council	Jo Gray, Planning Policy Manager	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open Yes

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
Five-Year Housing Land Supply Assessment 2026 To note the latest five year housing land supply assessment	10 Dec 2026 Cabinet	Jo Gray, Planning Policy Manager	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open No
Infrastructure Funding Statement 2025/26 To provide members with information on the monies collected through the Community Infrastructure Levy (CIL) and Section 106 planning obligations, how they are administrated and future expenditure priorities in relation to the monies collected. To seek approval for the publication of the Infrastructure Funding Statement for 2025/26 attached in Appendix A.	10 Dec 2026 Cabinet	Lewis Widdowson, Planning Officer	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open Yes
Authority Monitoring Report April 2026 - March 2027 This report is to inform Cabinet of Gedling Borough Council's Authority Monitoring Report April 2024 – March 2025.	10 Dec 2026 Cabinet	Jo Gray, Planning Policy Manager	Officer Report	Leader of the Council, Portfolio Holder for Sustainable Growth and Economy	Open No
Houses in Multiple Occupation (HMOs) in Gedling Borough To inform Members of the number of HMOs within the Borough and provide a recommendation regarding the suitability of implementing an Article 4 direction to remove permitted development rights in order to introduce a requirement for planning permission to change from a Use Class C3 Dwellinghouse (dwelling) to a Use Class C4 HMO (3-6 unrelated people who share facilities) within any particular ward	28 Jan 2027 Cabinet	John Krawczyk, Assistant Director - Development	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open No

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
Prudential Code Indicator Monitoring 2026/27 and Treasury Activity Report for the Period April to November 2026 To inform Members of the performance monitoring of the 2026/27 Prudential Code Indicators, and to advise Members of the Treasury activity as required by the Treasury Management Strategy.	28 Jan 2027 Cabinet 3 Mar 2027 Council	Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open n/a Yes
Budget, Virement and Performance monitoring for the period August to November 2026 To update Cabinet on the forecast outturn for Revenue and Capital Budgets for 2026/27. The budgets include all approved carried forward amounts from the 2025/26 financial year. To request approval from Cabinet for the changes to the budget as set out in this report.	28 Jan 2027 Cabinet 3 Mar 2027 Council	Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open n/a Yes
Fees and Charges 2027/28 To determine the level of fees and charges for 2027/28 in accordance with the Corporate Charging Policy.	28 Jan 2027 Cabinet 3 Mar 2027 Council	Tina Adams, Chief Finance Officer & S151 Officer, Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open Yes
Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2027/28 To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2027/28, for referral to Full Council on 3 March 2027.	11 Feb 2027 Cabinet 3 Mar 2027 Council	Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open n/a Yes

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
Community Infrastructure Levy (CIL) Non- Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations To seek approval for the commencement of a four-week public consultation on the projects shortlisted to receive CIL Neighbourhood Funding in the 'CIL Non-Parish Funding - Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations document.	11 Feb 2027 Cabinet	Lewis Widdowson, Planning Officer	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open Yes
Capital Programme and Capital Investment Strategy 2027/28 to 2031/32 To present for Members' approval : a) The proposed Capital Investment Strategy for 2027/28 to 2031/32. b) The proposed Capital Programme for 2027/28 through to 2029/30 for approval, and the indicative Capital Programme for 2030/31 and 2031/32, in light of the Council's priorities and the resources available; and c) The Flexible Use of Capital Receipts Strategy 2027/28	11 Feb 2027 Cabinet 3 Mar 2027 Council	Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open n/a Yes
General Fund Revenue Budget 2027/28 This report sets out the revenue budget which aligns to the Gedling Plan priorities, objectives and priority actions for the Council for the forthcoming year.	11 Feb 2027 Cabinet 3 Mar 2027 Council	Scott Anderson, Finance Business Partner	Officer Report	Leader of the Council	Open n/a Yes
Community Infrastructure Levy (CIL) Non- Parish Funding – Consultation Response and Funding Decision 26/27 That Cabinet:	27 May 2027 Cabinet	Lewis Widdowson, Planning Officer	Officer Report	Portfolio Holder for Sustainable Growth and Economy	Open Yes

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
a) Note the representations and comments received in relation to the CIL Non-Parish Neighbourhood Public Consultation, and b) Approve the officer recommendations in relation to the awarding of CIL Non-Parish Neighbourhood Funding and the retention of projects on the Local Infrastructure Schedule.					



Report to Cabinet

Subject: Budget, Virement, and Performance Monitoring for the period April to July 2026

Date: 15 October 2026

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

To provide Cabinet with an integrated update on the Council's financial and service performance position for the period April to July 2026, including the forecast revenue and capital outturn, key budget movements, progress against performance indicators and the Annual Delivery Plan, and the actions being taken through the Budget, Performance and Risk Board to manage pressures, risks and delivery priorities.

Key Decision

This is a key decision because the proposal includes financial implications that are above the threshold of £0.5m determined by Council for decisions to be regarded as a Key Decision.

Recommendation(s)

Cabinet are recommended to:

- 1. Approve the General Fund Budget virements set out in Appendix 1;**
- 2. Note the use of reserves and funds during April to July 2026 as detailed in Appendix 2;**
- 3. Approve the changes to the capital programme included in section 5.**
- 4. Note the progress against Performance Indicators for April to July 2026 as set out in section 6 and Appendix 4.**
- 5. Note the progress on the Annual Delivery Plan as set out in section 8.**
- 6. Approve the repurposing of £306,800 of earmarked reserves, as set out in section 3.3.**

1 Background and Strategic Context

- 1.1 The Council has established a Budget, Performance and Risk Board to strengthen the link between financial management, service delivery, risk management and improvement activity. The Board provides a single forum for reviewing budget forecasts, performance indicators, delivery plan milestones, emerging service pressures and corrective action, so that resources are directed to the areas that most support delivery of the Council's priorities.
- 1.2 This report therefore brings together the Council's revenue and capital position with performance information for the same period. The intention is not simply to place two reports together, but to highlight the relationship between resources, demand, service performance and delivery risk. Detailed supporting information remains in the appendices, while the main report focuses on the key messages, exceptions and actions.

2 Executive Summary

The April to July 2026 position shows that the Council is continuing to deliver many key services well, with 11 performance indicators meeting or exceeding target and 48 of 52 Annual Delivery Plan milestones completed. However, the same period also shows clear links between operational demand, resource pressures and financial risk. The General Fund is currently forecasting an overspend of £546,600 before mitigation, driven principally by reduced investment income, increased fuel costs, service transfer costs, capital financing adjustments and specific service pressures. The proposed repurposing of £306,800 of earmarked reserves reduces the residual forecast pressure to £239,800. No additional budget or use of General Fund balances is being requested at this stage. Officers will continue to pursue in-year mitigation, with the position reviewed at the next monitoring period before any further funding decision is made.

3.0 Integrated Revenue, Performance and Delivery Position

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. The forecast has been prepared using information available to Financial Services and service managers as at 31 July 2026 and has been reviewed alongside performance and delivery information through the Budget, Performance and Risk Board.

The forecast should be considered alongside the service performance information in this report, as a number of movements are linked to operational

delivery, customer demand, staffing capacity, external economic factors and the timing of capital activity.

General Fund Revenue Budget 2026/27 – Change Analysis

	£
Net Council Budget for 2026/27 approved by Council on 4 March 2026 and Cabinet’s Maximum Budget	£16,882,300
Up to the end of July 2026 expenditure less income totalled	£1,809,978
In the remaining eight months of the year, net expenditure is expected to be	£15,428,922
Total net revenue spend for the year is currently expected to be	£17,428,900
Projected Revenue (Under)/ Overspend 2026/27	£546,600
Proposed Transfer from Earmarked Reserves for Approval	(£306,800)
Projected Revenue (Under)/ Overspend 2026/27	£239,800

Although the current forecast shows a projected overspend of **£239,800**, no additional budget is being requested at this stage. There remains an opportunity to reduce the forecast pressure through targeted marketing activity to improve leisure income, potential procurement savings from the new fuel contract, and the management of other in-year savings and underspends. The position will be reviewed at the next monitoring period, when the latest forecast and the effectiveness of these mitigating actions will be assessed and a decision taken on whether any additional budget is required to achieve a balanced outturn.

3.1 Key integrated budget and performance messages

Appendix 1 sets out the detailed General Fund Revenue budget position by Portfolio. The main report focuses on the areas where budget movements have a direct or potential relationship with service performance, delivery of the Annual Delivery Plan, customer demand or future financial sustainability. This enables Cabinet to consider not only whether budgets are changing, but why they are changing and what this means for delivery of Council priorities.

3.2 Revenue exceptions linked to service delivery

Favourable movements

Employee savings across Parks, Waste & Street Care as a result of a number of vacancies, offset with additional expenditure to extend honoraria and correction to the contractual overtime budget (omitted in error at budget setting) result in a net savings of **(£25,000)**. An agency staffing budget is also available, where appropriate, to provide short-term cover for essential vacancies until permanent appointments are made, helping to maintain service continuity. Although this creates a favourable financial movement in the short term, it should be considered alongside operational performance, customer demand and delivery of planned efficiencies. Vacancies may affect service resilience, response times, waste and street care activity, complaints and MP correspondence, and the ability to deliver route and schedule efficiencies without adversely affecting service standards. The position should also be monitored alongside sickness absence, customer contact performance and fuel usage to ensure that short-term salary savings do not create wider performance pressures or future costs.

Adverse movements

Reduced **investment income of £150,000** reflects lower interest rate expectations and delays in capital receipts. The position is also affected by the timing of cashflows during the year, including Council Tax and Business Rates collection performance, because slower collection reduces the cash balances available for short-term investment. Collection performance will therefore be monitored alongside treasury activity through the Budget, Performance and Risk Board.

Increased **fuel spend of £150,000** is linked to the significant increase in the unit price of HVO fuel. However, if the fleet were still operating on diesel, the forecast increase would be higher due to the rise in diesel prices. Therefore, while the cost of HVO has increased, it remains the lower-cost option. A new procurement contract is currently being progressed and may result in more favourable prices during the remainder of the year. The current forecast is therefore considered to represent a prudent worst-case position and will be updated as the procurement process concludes and revised pricing becomes clearer. This supports continued delivery of operational services, including waste and street care, but creates a pressure that should be monitored alongside operational productivity, route optimisation and future fleet planning.

Minimum Revenue Provision adjustment of £52,400, following the 2025/26 outturn position, the deferral of capital projects and the reduced use of capital receipts.

First-year **Building Control costs of £114,000** following the transfer of the service to Erewash Borough Council, this represents an increase against the Council's base budget. However, the partnership arrangement is expected to cost less than the previous delivery model, under which higher-cost agency staff were required to maintain the service. Certain Building Control functions are statutory and the Council previously experienced difficulties to deliver in-house because of the limited availability of appropriately qualified staff in the current employment market. The Erewash partnership provides a more sustainable and resilient delivery model and enables the Council to provide a 24/7 response to Building Control emergencies.

Additional operational costs of **£51,600** have been incurred at Carlton Forum Leisure Centre to help keep the facility operating safely and effectively. In addition, income from swimming lessons is forecast to be **£31,000 below target** because fewer lessons have been sold than expected. This is consistent with the below-target number of visits to leisure centres, as fewer visitors mean fewer opportunities to promote swimming lessons and may also affect membership, pay-as-you-go visits and other leisure income. Targeted marketing activity will be considered to attract new members, alongside initiatives to improve the retention of existing members. The Budget, Performance and Risk Board will continue to monitor visitor numbers, take-up of swimming lessons, the number of enquiries that lead to bookings, the effectiveness of marketing and member retention activity, and the wider recovery of leisure income.

Public Land & Buildings £40,000 additional Council Tax, Business Rates and maintenance costs arising from empty Council-owned properties awaiting demolition.

Details of the budget virements authorising the use of earmarked reserves and Revenue Budget Funds, as approved by the Chief Financial Officer and relevant Corporate Director in accordance with Financial Regulations, are set out in **Appendix 2**.

No virements were approved by Portfolio Holders for amounts of £50,000 or less during April to July 2026.

3.3 Reserves balances

A review of earmarked reserves has identified that £306,800 can be repurposed to mitigate the in-year position, while retaining sufficient balances for the purposes for which those reserves are held. The review included the

release of residual balances from a number of historic reserves that are no longer required, together with an assessment of replacement reserves to identify funding above current anticipated requirements. The amounts identified as surplus are proposed to be reallocated to support service delivery. Subject to Cabinet approval, this will reduce the residual forecast overspend to £239,800.

3.4 Pay Award

The Council approved a budget of £561,000 in the 2026/27 Revenue Budget for the 2026/27 pay award, based on an assumed 3% increase. The National Employers have agreed a 3.3% increase for Chief Executives and a 3.3% increase for all other staff on NJC pay points 1 and above, with effect from 1 April 2026. The net impact on the budget is approximately £37,000.

3.5 Interest Rates

At the start of 2026/27 the Bank of England base rate stood at 3.75%; this remained unchanged by the Monetary Policy Committee (MPC) on 30 July 2026. While the Council's forecasts reflect the information currently available, continued volatility in the wider economic environment and the potential impact of global events may place further upward pressure on inflation, interest rates, energy prices and other operating costs. This could adversely affect the Council's budget position and underlying financial assumptions in future periods and will therefore be kept under close review.

4.0 Efficiency programme – Progress Update

The Medium-Term Financial Plan includes efficiency savings required to maintain a balanced budget up to the anticipated vesting day for Local Government Reorganisation (LGR). While LGR affects the Council's longer-term planning horizon, it remains essential that agreed savings are delivered where practicable and that the programme is kept under review to reflect changes in timing, feasibility and service priorities.

The current approved efficiency programme totals £473,000 for delivery across 2026/27 and 2027/28. Of this, £374,800 is due for delivery in 2026/27, comprising £324,100 approved in the Budget Report presented to Council on 4 March 2026 and £50,700 approved in prior years.

Approved Efficiency Programme 2026/27	(374,800)
Efficiencies to be deferred at Period 4:	
Transformation – Service Review	27,000
Review of Waste Service refuse rounds	25,000

Review Mechanical Sweeper & Litter Bin schedules	10,000
Electrification of power tools	2,500
Deferral of efficiencies at Period 4	64,500
Revised efficiency programme delivery for 2026-27	(310,300)
Budget Risk Provision utilised	(64,500)
Net Impact on General Fund	(374,800)

Summary: Deferred efficiencies remain within the programme but will be delivered later than originally planned, primarily in 2027/28.

5.0 Capital Programme and Delivery Impact

Appendix 3 details the current projected position on the Capital Programme and its financing for 2026/27, analysed by Portfolio. The capital programme is a key enabler of service delivery and the Annual Delivery Plan. The position should therefore be considered not only in financial terms, but also in terms of the impact that additions, reductions or deferrals may have on service outcomes, asset condition, statutory compliance, customer experience and future revenue budgets.

The proposed net amendments reduce the 2026/27 capital programme. The most significant movements relate to the deferral of the vehicle replacement programme and Disabled Facilities Grant expenditure, additional fire door replacement works and the rephasing of refurbishment activity. Each movement has been reviewed in the context of delivery requirements, operational capacity and affordability.

Capital Budget 2026/27 - Change Analysis	
	£
Original 2026/27 budget approved by Cabinet on 4 Mar 2026	10,194,000
Council-approved carry-forwards from 2025/26	1,517,500
Approved budget at Period 4 2026/27	11,711,500
Programme amendments approved up to Period 4:	
Leader Report 21/07/26 S106 contributions to Bestwood Parish	10,000
Current approved budget for 2026/27	11,721,500
Proposed Amendments to the Programme	
Additions to capital programme:	
Fire door replacement	116,000
Legal Case Management System cloud migration	22,000
Deferrals of existing scheme:	
Vehicle replacement programme	(1,284,800)

Disabled Facilities Grant	(400,000)
Jubilee House refurbishment	(70,000)
Reductions to existing programme:	
Asset management fund	(116,000)
Total Proposed Amendments	(1,732,800)
Revised Capital Programme 2026/27	9,988,700
Actual Expenditure to Period 4 2026/27	1,830,653
Estimated Expenditure Period 5 to Period 12 2026/27	8,158,047
Projected Outturn	9,988,700

5.1 Capital additions, deferrals and reductions linked to delivery

An additional budget of **£116,000** is required for the fire door replacement programme following the identification of further works after the project commenced. These works will support statutory compliance, improve the safety of Council buildings and enable them to continue operating safely. The additional cost will be funded from the Asset Management Fund.

The Legal Case Management System (**£22,000**) relates to the migration of the software to a cloud server to improve security and performance and is proposed to be funded through Earmarked reserves.

Deferrals of existing schemes:

Vehicle Replacement Programme (**£1,284,800**) is being deferred following a review of the existing fleet and the lead time for new purchases. This includes £686,000 for Food Waste Vehicles which are scheduled for delivery in Quarter 2 of 2027/28. The deferral supports affordability in 2026/27 but should continue to be monitored against operational resilience, environmental objectives, fleet maintenance costs and future delivery of waste-related service changes.

Deferring vehicle replacement may increase revenue expenditure on repairs and replacement parts where vehicles are retained beyond their optimum replacement period.

Disabled Facilities Grant (**£400,000**) expenditure is forecast to be rephased into 2027/28, based on applications received and current processing times. The funding is fully committed and will be carried forward to meet the cost of these approved works. The position should be monitored alongside housing-related performance measures and customer demand to ensure that the timing of delivery does not create wider service, equality or wellbeing impacts.

Reductions to existing schemes are as follows:

The Asset Management Fund (£116,000) will be used to fund the increased costs associated with the fire door replacement works.

The Jubilee House refurbishment budget will be reduced by £70,000. In view of current capacity and the position on Local Government Reorganisation, the scope of the works is being reviewed and a reduced specification is proposed.

5.2 Capital Programme Financing

The projected method of financing the revised capital programme requirement of **£9,988,400** is detailed in Appendix 3 and summarised in the table below.

Financing Source	Amount	Explanation / Financial Impact
Prudential Borrowing	£3,868,100	Used where capital expenditure is not funded from grants, contributions, reserves or capital receipts. Any increase in borrowing requirement should be considered alongside Minimum Revenue Provision, interest costs and treasury management assumptions.
Grants and Contributions	£3,330,800	External funding supporting specific capital schemes, including grant-funded activity such as Disabled Facilities Grants and other contributions where applicable. Any deferral of grant-funded schemes should be monitored against delivery timescales and service outcomes.
Revenue, Reserves and Internal Funds	£2,789,500	Internal financing sources used to support specific schemes. Use of internal funding should be monitored to ensure reserves remain sufficient for their intended purpose and to avoid creating future budget pressures.
Total Financing	£9,988,400	Total financing must agree to the revised capital programme for 2026/27.

This represents the latest forecast capital financing position. It may change during the year depending on the timing and value of capital receipts and any revisions to Minimum Revenue Provision or investment income assumptions. Changes to the financing mix may have implications for both the in-year revenue position and the Council's medium-term financial plans.

5.3 Capital Receipts Monitoring

When the Council sells General Fund assets, it may use the resulting capital receipts to fund capital expenditure or retain them to support projects in future years.

6 Performance, Demand and Financial Exceptions (Appendix 4)

There are 28 performance indicators monitored on a four-monthly basis in 2026/27. In Period 1, 11 indicators met or exceeded target, 8 were below target and 9 were for tracking purposes only. The key issue for Cabinet is the relationship between performance exceptions, demand pressures and the budget position. Where performance is below target, the Budget, Performance and Risk Board will continue to review whether the cause is demand, capacity, system implementation, external factors or budget constraint, and whether corrective action requires operational change, temporary support or longer-term budget planning.

Each performance exception has been reviewed to identify whether there is a direct or indirect financial implication. Some indicators, such as Council Tax collection, Business Rates collection and leisure visits, have an immediate income, cashflow or treasury management relevance.

Collection rates affect the level and timing of cash balances available for short-term investment, and can therefore influence investment income as well as recovery activity and future Collection Fund assumptions.

Other indicators, such as customer contact, benefits processing and sickness absence, affect the financial position through demand, staffing capacity, productivity and avoidable workload. Housing delivery indicators have a longer-term financial relevance through growth, Council Tax base assumptions and future service demand. This enables the Budget, Performance and Risk Board to consider whether each exception creates an immediate budget pressure, a future financial risk or a requirement for service intervention.

Positive performance contributing to financial resilience and the delivery of Council priorities includes:

Performance Indicator	Period 1 April to July 2026	
	Value	Target
Percentage of Business Rates Collected	38.42%	37.12%

LI018 Percentage of invoices paid within 30 days	99.26%	99%
Percentage of calls to the contact centre answered (or call back made) - 12 month rolling total	95.8%	94%
Percentage of Major planning applications processed within 13 weeks	100%	92%
Percentage of other planning applications processed within 8 weeks	90.63%	80%
Number of rented households with health and safety hazards that fall below the minimum legal standard that have been remediated following the council's intervention	59	17
Number of long term (over 12 months) empty homes in the Borough returned to use as a result of Gedling Borough Council intervention	32	23
LI276 Percentage of food premises scoring 4 or 5 in the national food hygiene rating scheme	96%	95%

6.1 Performance indicators currently below target are shown below.

Performance Indicator	Period 1 April to July 2026	
	Value	Target
LI5002 Percentage of Calls to customer service answered within SLA (40 seconds)	61.5%	85%
LI074 Housing Benefits /Council Tax Reduction Scheme processing days	25 Days	15 Days
LI075 Housing Benefit /Council Tax Reduction Scheme time taken to process changes in circumstances	9.5 Days	5 Days
LI027 Number of visits to leisure centres	404,781	450,137
NI154 Net additional homes provided	181	212
NI155 Number of affordable homes delivered (gross)	19	37
LI006 Working Days Lost Due to Sickness	12.87 Days	9 Days

The main messages are that customer contact, benefits processing, leisure visits, housing delivery, Council Tax collection and sickness absence all have identifiable links to the Council's financial position, either through income, cashflow, treasury management, staffing capacity, productivity, avoidable demand or medium-term financial planning. However, action is being taken across the areas where performance is below target.

Customer contact performance is improving following the peak in demand generated by annual billing, Garden Waste renewals and waste bin deliveries, with the new service structure and further transformation activity intended to improve response times; importantly, the wider measure of calls answered or receiving a call back remains above target. In Benefits, recent appointments to vacant team leader and administrative roles are expected to increase capacity and reduce processing times.

For leisure, the Council is progressing targeted marketing to attract new members, strengthening retention activity and continuing to monitor visits, swimming lesson take-up and the number of enquiries that result in bookings.

Housing delivery will be supported through the emerging Local Development Plan, which will allocate sites to meet the Borough's revised housing requirement.

The new sickness absence management process is now in place, supported by manager coaching, additional HR capacity and dedicated HR Business Partner support. Although performance remains above target, the 12-month rolling sickness absence rate has improved slightly to 12.87 days per full-time equivalent employee, and further improvement is expected as these measures become embedded.

These actions sit alongside strong performance in related areas, including Business Rates collection, prompt payment of invoices, planning application processing, private-sector housing interventions, bringing long-term empty homes back into use and food hygiene standards.

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7.0 Customer Contact, Complaints and Demand Pressures

Complaints, compliments and MP letters provide important context for both service performance and resource planning. The increase in complaints and MP correspondence during Period 1 should be considered alongside customer contact volumes, call-handling performance, annual billing activity, garden waste renewal activity and waste bin delivery issues. Understanding the drivers of demand will support better forecasting, service improvement and budget planning.

Complaints and MP correspondence should therefore be treated as an early warning indicator of service and financial pressure. Although complaints do not always create a direct budget variance, increases in complaint volumes

can lead to additional officer time, repeat contact, escalation, investigation work and corrective action. Where complaints relate to services already showing below-target performance, such as customer contact, benefits processing, waste-related demand or leisure centre usage, they provide evidence that performance pressures may also be creating wider resource and financial impacts.

- The Council received 471 complaints in total, 307 more than in the previous four-month period. Complaints peaked in May and June, potentially reflecting the change to garden waste collection rounds as residents adjusted to different collection days and crews became familiar with the new routes and associated assisted collections. Complaint levels reduced in July and August as the new arrangements became established.
- Of all complaints received, 64% were processed within the required timescale, 10 percentage points lower than in the previous four-month period.
- The Council received 122 compliments, 27 more than in the previous four-month period.
- The Council received 130 MP letters, 44 more than in the previous four-month period.

8.0 Annual Delivery Plan 2026/27 Progress and Resource Alignment

In April 2026 Cabinet agreed the Annual Delivery Plan with 50 actions spanning five themes. The Delivery Plan is a key mechanism for ensuring that budget decisions, service activity and performance expectations are aligned to the Council's Legacy Plan priorities.

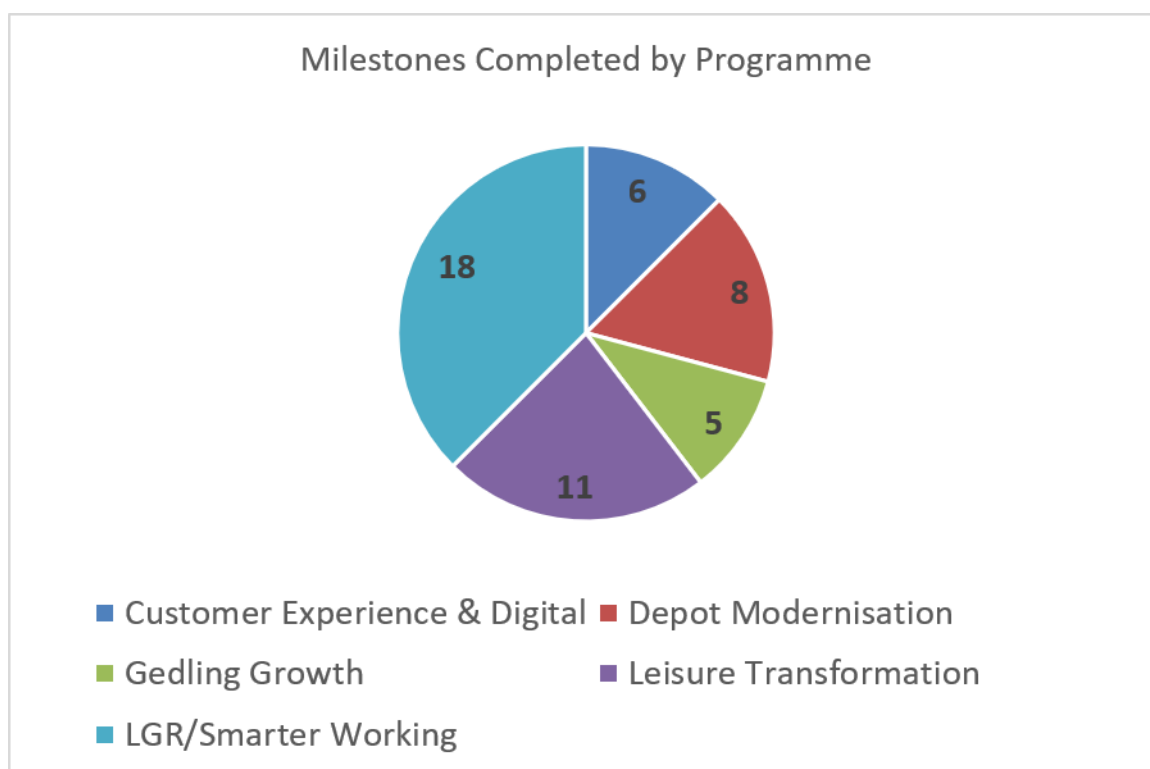
- Customer Experience, Communities and Digital
- Depot Modernisation
- Gedling Growth
- Leisure Transformation
- Local Government Reorganisation/Critical Foundations

Milestones have been identified against the actions to support monitoring. There are 180 milestones due for completion by March 2027. At Period 1, 48 of 52 expected milestones have been completed, representing a completion rate of 92.3%. This is a positive delivery position, but the four off-track milestones should be reviewed alongside any associated budget pressure, capacity constraint, dependency or performance risk.

The table below shows the total number of milestones expected for each reporting period and the current and cumulative progress.

Reporting Period	No. of milestones	Completed	Off Track	Completion rate for Period	Cumulative completion rate
1 Apr – 31 July	52	48	4	92.3%	92.3%

The milestone position is summarised in the table above.



8.1 Annual Delivery Plan Achievements this period

- Successfully planned and delivered the Arnold Summer Fair, supporting community engagement and generating positive feedback.
- Green Flag status maintained for the Council's parks, recognising the continued achievement of national standards for the management and maintenance of public open spaces.
- Made significant progress in preparing the draft Local Plan, providing the evidence and policy framework needed to guide sustainable development across the Borough.
- Prepared for the implementation of the Renters' Rights legislation by delivering initial staff training and adopting revised civil penalties and private sector housing enforcement policies.
- Delivered key waste and depot modernisation milestones, including mapping current waste collection rounds, preparing operational improvement plans,

gathering service data, and appointing an Environmental Projects Implementation Officer.

- Completed the decommissioning of the Richard Herrod Centre, representing a significant milestone in the delivery of the Carlton Active project.
- Advanced strategic asset management by bringing asset and condition information into a single source, developing recommendations for individual assets and approving a wider strategy for Council-owned assets.

9 Alternative Options

Option – Not to update budgets during the year and not to present finance and performance information in an integrated way.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

Budgets would not be aligned to current pressures, service demand or delivery risks, increasing the likelihood that overspends or underperformance are identified too late for effective corrective action.

Performance issues could be considered separately from resource pressures, making it harder for Cabinet and SLT to understand whether corrective action requires changes to budgets, staffing, systems, demand management or service processes.

The effectiveness of medium-term planning would be reduced because recurring financial pressures, delivery risks and performance trends would not be brought together early enough to inform the forward budget process.

Reason for rejection – the option is not likely to result in the best outcomes in financial management or support delivery of priorities.

10. Financial Implications

The report identifies a forecast General Fund overspend of £546,600 before mitigation. The proposed repurposing of £306,819 of earmarked reserves reduces the residual forecast pressure to £239,781. No additional budget or use of General Fund balances is requested at this stage; the residual position will be reviewed at the next monitoring period after further in-year mitigation has been assessed.

11 Legal Implications

None arising directly from this report.

12 Equalities Implications

The Council's Equality Action Plan sets out equality related actions which form part of the Annual Delivery Plan milestones.

13 Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report.

14 Local Government Reorganisation

Following the Government's announcement on 7 September 2026, the Local Government Reorganisation programme for Nottingham and Nottinghamshire has been paused while a national review is undertaken. The Government has confirmed that it remains committed to local government reorganisation, but no revised timetable or further detail has yet been provided. Existing council services will therefore continue to be delivered as normal while the Council works collaboratively with partners, maintains prudent oversight of its budgets and resources, and preserves sufficient flexibility to respond to the outcome of the review and any subsequent transition requirements.

15 Appendices

Appendix 1 - General Fund Revenue Budget 2026/27 – Budgetary Control Report

Appendix 2 - Use of Reserves and Revenue Fund Budgets

Appendix 3 - Capital Programme 2026/27 – Budgetary Control Report

Appendix 4 - Performance Indicators for April to July 2026

16 Background Papers

Detailed Quarterly Budgetary Control Exception Reports

17 Reasons for Recommendations

To ensure that budgets, performance, delivery activity and risk are considered together so that Cabinet can understand the relationship between resources and outcomes, approve required budget changes and support timely action to manage pressures and maintain delivery of Council priorities.

Statutory Officer Approval

Approved by: Chief Financial Officer

Date:

Approved by: **Monitoring Officer**
Date:

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Grand Summary**Revenue Quarterly Budgetary Control Report****Period 202604**

	Current Approved Budget	Profiled Budget	Actual to date	Variance	%	Projected Outturn	Projected Annual Variance
	£	£	£	£		£	£
Community Protection, Communications and Engagement	696,100	175,500	230,835	55,335	32	696,100	0
Lifestyles, Health & Wellbeing	1,963,000	263,639	259,604	-4,034	-2	2,045,600	82,600
Environmental Services (Operations)	5,593,800	1,328,992	22,275	-1,306,717	-98	5,836,300	242,500
Climate Change, Parks and Environmental Health	3,269,800	445,808	440,876	-4,932	-1	3,252,800	-17,000
Sustainable Growth and Economy	1,616,000	-79,247	-1,220,728	-1,141,481	1440	1,668,100	52,100
Corporate Resources and Performance	6,034,900	3,568,570	2,077,116	-1,491,454	-42	6,369,300	334,400
Total Portfolio Budget	19,173,600	5,703,261	1,809,978	-3,893,283	-68	19,868,200	694,600
Transfer to/ -from Earmarked Reserves	-2,291,300	-267,100	0	267,100	-100	-2,439,300	-148,000
	16,882,300	5,436,161	1,809,978	-3,626,183		17,428,900	546,600
Net Council Budget (Cabinets General Fund Maximum Budget)	16,882,300					17,428,900	546,600
Transfer from repurposed reserves						-306,800	-306,800
Net Council Budget (forecast for 31/3/2027)	16,882,300					17,122,100	239,800

LIFESTYLES, HEALTH & WELLBEING**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Leisure Services</u>	£'000	£'000			
Revenue Income	(1,564.4)	(1,533.4)		31.0	Swimming Lessons income lower than initially projected..
<u>Carlton Forum LC</u>					
Supplies & Services	198.5	250.1		51.6	Additional operation budget required to enable safe operation of the facility.
All other budget heads Including items previously reported	3,328.9	3,328.9			
PORTFOLIO TOTAL	1,963.0	2,045.6	-	82.6	Net Portfolio Total £82.6k Adverse

ENVIRONMENTAL SERVICES (OPERATIONS)**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Fleet Vehicles</u>	£'000	£'000			
Transport Related Expenses	362.5	550.0		150.0 37.5	Significant increase in unit price for HVO fuel Deferral of fuel reduction efficiencies
<u>Fleet Management</u>					
Transport Related Expenses	35.0	55.0		20.0	Increased use of Hire vehicles, due to repairs to existing Fleet vehicles
Third Party Payments	10.0	50.0		40.0	Increased use of external garages for repairs to Fleet vehicles
<u>Street Care</u>					
Employee Expenses	674.0	624.0	50.0		Vacancy Savings
<u>Fleet Management</u>					
Employee Expenses	0.0	45.0		45.0	Extension of honoraria arrangements and omission of contractual overtime budget
All other budget heads Including items previously reported	4,512.3	4,512.3			
PORTFOLIO TOTAL	5,593.8	5,836.3	50.0	292.5	Net Portfolio Total £242.5 Adverse

CLIMATE CHANGE, PARKS AND ENVIRONMENTAL HEALTH**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Parks</u>	£'000	£'000			
Employee Expenses	957.0	937.0	20.0		Vacancy savings
<u>In-House Tree Services</u>					
Supplies & Services	0.0	18.3	0.0	18.3	Contract renewal for Tree Plotter software (See earmarked reserves)
<u>Climate Change and Sustainability</u>					
Revenue Income	0.0	(15.3)	15.3		External works of Climate Change officer
All other budget heads Including items previously reported	2,312.8	2,312.8			
PORTFOLIO TOTAL	3,269.8	3,252.8	35.3	18.3	Net Portfolio Total £17k Favourable

SUSTAINABLE GROWTH & ECONOMY**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Planning Policy</u>	£'000	£'000			
Supplies & Services	39.7	119.5		30.0	Inspection of Local Plan by Planning Inspectorate, partially funded from Development & Place reserve (See earmarked reserves)
Revenue Income		(73.7)	56.6	49.8	Gedling Local Plan evidence preparation work Utilisation of MHCLG Legacy Plan grant to fund Local Plan evidence preparation Local Authority contributions to Employment Land Needs Study (Funding the above)
			17.1		
<u>Building Control</u>					
Supplies & Services		114.00		114.0	First year cost following transfer of Building Control service to Erewash Borough Council

SUSTAINABLE GROWTH & ECONOMY**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Economic Development</u>	£'000	£'000			Consultancy and Projects budgets not required 2026/27 due to extension of UKSPF funded projects
Supplies & Services	43.1	68.1	25.0	50.0	
Revenue Income	0.0	(93.0)	93.0		
All other budget heads Including items previously reported	1,533.2	1,533.2			
PORTFOLIO TOTAL	1,616.0	1,668.1	191.7	243.8	Net Portfolio Total £52.1k Adverse

CORPORATE RESOURCES & PERFORMANCE**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Movement in Reserves</u>	£'000	£'000			
Minimum Revenue Provision	1,207.6	1,260.0		52.4	Adjustment to align to 2025-26 Capital Outturn position, increase due to reduced capital receipt financing.
<u>Corp Income & Expenditure</u>					
Revenue Income	(800.0)	(650.0)		150.0	Reduced investment income due to fall in investable balances and delays of capital receipts
<u>Corporate Officers</u>					
Employee Expenses	561.0	598.0		37.0	Adjustment for pay award estimate
Supplies & Services	142.2	77.7	64.5		Risk provision utilised to offset deferred efficiencies
<u>Corporate Resources and</u>					
Supplies & Services	120.0	147.0		27.0	Bank charges higher than budget
<u>Public Land & Buildings</u>					
Premises related expenses	34.4	74.4		40.0	Council Tax & Business Rates arising from empty Council owned properties

CORPORATE RESOURCES & PERFORMANCE**BUDGETARY CONTROL REPORT - July 2026****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Community Centres</u>	£'000	£'000			
Employee Expenses	25.2	0.0	25.2		Vacancy savings
<u>Software Licence & Maintenance</u>					
Supplies & Services	183.5	235.0		51.5	Increase in Civica software costs (See earmarked reserves)
<u>Financial Services</u>					
Employee Expenses	1,452.9	1,519.1		66.2	Additional costs following restructure fully funded from reserves (See earmarked reserves)
<u>Revenues - Local Taxation</u>					
Employee Expenses	600.3	630.3		30.0	Cost of service restructure offset with additional income from secondment arrangement
Revenue Income	(335.0)	(365.0)	30.0		
All other budget heads Including items previously reported	2,842.8	2,842.8			
PORTFOLIO TOTAL	6,034.9	6,369.3	119.7	454.1	Net Portfolio Total £334.4k Adverse

EARMARKED RESERVES

BUDGETARY CONTROL REPORT - July 2026

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Transfer to/from Reserves</u>					
<u>Comm Protection & Dog Control</u>					
Contribution from Community & Crime reserve		(5.0)	5.0		To fund the South Notts DARDRS project
<u>Environmental Protection</u>					
Contribution from Community & Crime reserve		(7.0)	7.0		To fund air quality monitoring equipment
<u>Parks</u>					
Contribution from Asset Management Reserve		(18.3)	18.3		3 year funding for Tree Plotter software
<u>Software Licence & Maintenance</u>					
Contribution from Revenues New Burdens reserve		(51.5)	51.5		Civica Software upgrades
<u>Financial Services</u>					
Contribution from Innovation & Efficiency		(66.2)	42.6		Contribution from Reserves to fund Finance Resructure year 1 cost.
Contribution from New Burdens Transparency Code			23.6		
<u>All other budget heads</u>					
Including items previously reported	(2,291.3)	(2,291.3)			
RESERVES TOTAL	(2,291.3)	(2,439.3)	148.0	-	Net Reserves Total £148k Net Contribution from Reserves

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Virements Approved for the use of Earmarked Reserves
Period End 31st July 2026

Usage of Earmarked Reserves		
		£
	Climate Change, Parks and Environmental Health	
	Reactec HAV's Monitoring System	£3,100
	Contribution from Transformation Reserve	-£3,100
	Corporate Resources and Performance	
	Property Condition Surveys	£37,000
	Contribution from Asset Management Reserve	-£37,000
	Total Expenditure	£40,100
	Total Reserves	-£40,100

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Project	Original Capital Programme	Carry F/wds	Approvals to Period 4	Proposals to Period 4	Revised Capital Programme Period 4
Gym Equipment Replacement	550,000	0	0		550,000
Carlton Active	2,120,000				2,120,000
ALC Plant Room Improvements - UKSPF		24,400			24,400
Lifestyles, Health & Wellbeing	2,670,000.0	24,400.0	-	-	2,694,400.0
Disabled Facilities Grants	2,000,000	222,400		(400,000)	1,822,400
Noise nuisance recorders & sound meters	31,000				31,000
CCTV Developments	27,400	-			27,400
Public Protection	2,058,400.0	222,400.0	-	- 400,000	1,880,800
Vehicle Replacement Programme	1,903,800	422,700		(1,284,800)	1,041,700
Waste Management System - Replacement Devices	18,300				18,300
Waste Management System	-	49,300			49,300
Bentwell Lagoon (Flood Alleviation)	51,400	-			51,400
Flood alleviation works - Rolling Programme	92,000				92,000
Council Street Lighting		37,100			37,100
Carlton Cem - Wall Repairs	45,000				45,000
Environmental Services	2,110,500	509,100	0	(1,284,800)	1,334,800
Church Lane Play Area	111,000	0			111,000
Green Lung Digby Park to GCP Path Construction	0	35,000			35,000
Park View Retaining Wall	0	22,000			22,000
Phoenix Farm Estate repairs	0	10,000			10,000
Green Lung Project - Digby Park Tree Planting & Wild	0	6,600			6,600
Jackie Bells Play Area	0	100,000			100,000
Onchan Park Play Area Refurbishment	111,000	0			111,000
KGV - Public Convenience - Access Control	10,000	0			10,000
					-
Climate Change and Natural Habitat	232,000.0	173,600.0	-	-	405,600.0
Bestwood Village Parish (S106)	0		10,000		10,000
Temporary Accommodation	646,200				646,200
Temporary Accommodation Maintenance Programme	50,000				50,000
Carlton Town - Pride & Place Programme	360,000				360,000
Sustainable Growth & Economy	1,056,200	0.0	10,000	0.0	1,066,200
Legal Case Management System	0	0		22,000	22,000
Depot Works	50,000	56,500			106,500
Fire Door replacement	0	153,300		116,000	269,300
Jubilee House Refurbishment	90,000	0		(70,000)	20,000
Ambition Arnold Front Street Public Realm	395,000	100,000			495,000
Pond Hills Communtiy Centre Repairs	0	34,600			34,600
Gedling Borough Signage - UKSPF	0	23,600			23,600
Anti-Terror Measures - Various Sites - UKSPF	0	60,000			60,000
Changing Places - Carlton - UKSPF	0	130,000			130,000
Arnold Pavillion - Extend Perimeter Fence	10,000	0			10,000
Pavillion renovation and improvements	226,000	0			226,000
IT Licences - Microsoft Office	125,000	0			125,000
Replacement Boards Car Park Machines	0	30,000			30,000
Boundary Repairs at Haywood Road North Car Park	60,000	0			60,000
Car Park Signage & Machine Replacement	90,000	0			90,000
Car Park Maintenance - Rolling Programme	120,000	0			120,000
Digital Transformation	582,500	0			582,500
Payroll/ HR System Upgrade	18,400	0			18,400
Asset Management Fund	300,000	0		(116,000)	184,000
Corporate Resources and Performance	2,066,900	588,000	0	(48,000)	2,606,900
Total Programme	10,194,000	1,517,500	10,000	(1,732,800)	9,988,700

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Performance Indicators report April to July 2026/27

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

Customer Engagement

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI 315 Volume of unique visits to Council website	Corporate Resources and Performance; Leader of the Council	215,000	N/A	215,000	215,000	N/A	215,000			
LI052 Percentage of calls to the contact centre answered (or call back made) - 12 month rolling total	Leader of the Council	93.1%	94.0%	93.1%	93.1%	94.0%	93.1%			
LI411 Number of customers attending outreach hubs	Leader of the Council	377	N/A	377	377	N/A	377			
LI5002 Percentage of Calls to customer service answered within SLA (40 seconds)	Leader of the Council	61.5%	85%	61.5%	61.5%	85%	61.5%	Performance from April to July was below target during a period of particularly high customer demand. This included the annual Council Tax and Business Rates billing cycle, Garden		

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
Page 52								Waste renewals and a significant volume of enquiries relating to waste bin deliveries. At the same time, the service was implementing a new operating structure, which temporarily reduced available capacity while new arrangements were established. A programme of improvement activity is under way, including closer monitoring of call demand and performance, reviewing how resources are deployed at peak times and continuing to strengthen service arrangements. More recent performance is showing improvement, although the position will continue to be monitored closely to ensure that progress is sustained and customers receive a timely response.		
	LI5003 Avoidable contact indicator	15%	N/A	15%	15%	N/A	15%		N/A	

Environment

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI5005 Percentage of collected bins	Environmental Services (Operations)	99.73%	99.5%	99.5%	99.73%	99.5%	99.73%	This indicator remains well within the target across the borough.	N/A	
LI133 Number of fly tipping incidents reported to Gedling Borough Council	Environmental Services (Operations)	662	N/A	662	662	N/A	662			
LI346 Percentage of fly tipping incidents removed within 10 working days	Environmental Services (Operations)		98%			98%		The data collection arrangements for this indicator have recently changed and as such it has not been possible to update this figure to provide an accurate update at this time. Data will be included in the next reported period.		

Financial Services

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI016 Percentage of Council Tax collected	Corporate Resources and Performance	36.33%	37.38%	36.33%	36.33%	98.50%	36.33%	The collection rate is 1.05 percentage points below target. This may reflect wider financial pressures on households, including the continuing cost-of-living pressures, as well as normal month-to-month variations in collection levels against the profiled target. Performance will continue to be monitored closely, and the monthly profile will be reviewed where		

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
								appropriate.		
LI017 Percentage of Business Rates Collected	Corporate Resources and Performance	38.42%	37.12%	38.42%	38.42%	98.90%	38.42%		↑	✓
LI018 Percentage of invoices paid within 30 days	Corporate Resources and Performance; Leader of the Council	99.26%	99.00%	99.26%	99.26%	99.00%	99.26%		↑	✓
P0074 Housing Benefits / Council Tax Reduction Scheme processing days	Corporate Resources and Performance	25 days	15 days	25 days	25 days	15 days	25 days	Processing times for new Housing Benefit and Council Tax Reduction Scheme claims are above target following recent staffing changes. New appointments have been made to increase capacity, and performance is expected to improve as the new arrangements become established.	↑	⬮
LI075 Housing Benefit /Council Tax Reduction Scheme time taken to process changes in circumstances	Corporate Resources and Performance	9.5 days	5 days	9.5 days	9.5 days	5 days	9.5 days	Processing times for changes in circumstances are above target following recent staffing changes. New appointments have been made to increase capacity, and performance is expected to improve as the new arrangements become established.	↓	⬮

Housing and Resettlement

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI086 Average length of time spent in temporary accommodation (in weeks)	Sustainable Growth and Economy	27.4 wks	N/A	27.4 wks	27.4 wks	N/A	27.4 wks			
Li410 Total number of family households in B&B at the end of the month	Sustainable Growth and Economy	3.3	N/A	3.3	3.3	N/A	3.3			

Leisure

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PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI027 Number of visits to leisure centres	Health and Wellbeing Lifestyles	404,781	450,137	404,781	404,781	450,137	404,781	Attendances are below target following a reduction in membership of the leisure scheme since summer 2025. Membership has reduced by 500 over the last year, affecting the number of visits during this period. Work continues to deliver the sales and marketing plan and strengthen customer retention activity.		
LI027f Number of attendances - Bonington Theatre	Health and Wellbeing Lifestyles	14,914	N/A	14,914	14,914	N/A	14,914			

Planning and Planning Policy

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
NI154 Net additional homes provided	Sustainable Growth and Economy	181	212	181	181	638	181	The delivery of new and affordable homes is currently below target following the Government's revision of local authority housing targets in the December 2024 National Planning Policy Framework. This increased the borough's annual housing requirement from 478 to 638 homes. The Council is progressing the Gedling Borough Local Development Plan, which will identify sites to support future housing delivery and help meet the borough's revised requirement.	↑	🛑
NI155 Number of affordable homes delivered (gross)	Sustainable Growth and Economy	19	37	19	19	112	19	The delivery of affordable homes is below the target as a significant proportion of the current Local Plan housing allocations have now been delivered. The development of the housing allocation at Top Wighay Farm has now commenced and will deliver a number of affordable homes. The Council is progressing the Gedling Local Development Plan with allocations that will deliver an appropriate proportion of affordable homes.	↑	🛑
NI157a Percentage of Major planning applications processed within 13 weeks	Sustainable Growth and Economy	100.00%	92.00%	100.00%	100.00%	92.00%	100%	Performance for determining major planning applications is above both the locally set target of 92% and the national target of 60%.	▬	✅
NI157b Percentage of Minor planning applications processed	Sustainable Growth and Economy	95.24%	86.00%	95.24%	95.24%	86.00%	95.24%	Performance for determining minor planning applications is above both the locally set target of 86% and the	↑	✅

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
within 8 weeks								national target of 70%.		
NI157c Percentage of other planning applications processed within 8 weeks	Sustainable Growth and Economy	90.63%	80.00%	90.63%	90.63%	80.00%	90.63%	Performance for determining other planning applications is above both the locally set target of 80% and the national target of 70%.	↓	✓

Public Protection

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI 314 Number of rented households with health and safety hazards that fall below the minimum legal standard that have been remediated following the council's intervention	Public Protection	59	17	59	59	17	59	Performance is ahead of target, with improvements to rented homes secured through the Council's housing enforcement and regulatory activity. The renewal of the selective licensing scheme in Netherfield will support the continued improvement and maintenance of housing standards.	↑	✓
LI081 Level of recorded anti-social behaviour across Gedling Borough (per 1000 population)	Public Protection Portfolio	4.91	N/A	4.91	4.91	N/A	4.91		↓	📊
LI118 Number of long term (over 12 months) empty homes in the Borough returned to use as a result of Gedling Borough Council intervention	Sustainable Growth and Economy	32	23	32	32	70	32	Performance is ahead of target, with good progress made in returning long-term empty properties to use during the first four months of the year.	↑	✓
LI276 Percentage of food premises scoring 4 or 5 in the national food hygiene rating scheme	Climate Change, Parks and Environmental Health	96%	95%	96%	96%	95%	96%	Performance is slightly ahead of target, with 689 businesses currently holding a food hygiene rating of 4 or 5. The Council is also working with a number of newly registered businesses.	▬	✓
LI419 Number of anti-social incidents reported to Council	Environmental Services (Operations)	89	N/A	89	89	N/A	89		↓	📊

Workforce

PI Code & Short Name	Service / Portfolio	April to July 2026/27			2026/27			Latest Note	Trend	Traffic Light Icon
		Value	Target	Year to Date	Value	Target	Year to Date			
LI006 Working Days Lost Due to Sickness Absence (rolling 12 month total)	Corporate Resources and Performance	12.87 days	9.00 days	12.87 days	12.87 days	9.00 days	12.87 days	The new sickness absence management process has been introduced, and the latest figures show a slight reduction in sickness absence to 12.87 days per full-time equivalent employee. Support and guidance will continue to be provided to managers to help them manage more complex cases effectively. As the HR team reaches full capacity, dedicated HR Business Partner support will also be provided to departments to help support further improvements.		

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Report to Cabinet

Subject: Prudential Code Indicator Monitoring 2026/27 and Treasury Activity Report for the Period April to July 2026

Date: 15th October 2026

Author: Financial Services Manager & Deputy S151 Officer

Wards Affected

Borough wide

Purpose

To inform Members of the performance monitoring of the 2026/27 Prudential Code Indicators, and to advise Members of the Treasury activity as required by the Treasury Management Strategy.

Key Decision

This is **not** a key decision.

Recommendation(s)

Cabinet are recommended to:

1. Note the report, together with the Treasury Activity Report 2026/27 for Period 4 at Appendix 1, and the Prudential and Treasury Indicator Monitoring 2026/27 at Appendix 2.
2. Approve the changes to Prudential Indicators detailed at paragraph 2.7 to align with the latest revenue and capital budgets being reported to members as part of the Budget Monitoring and Virement Report for the period April 2026 to July 2026.

1 Background

1.1 The Council is required by regulations issued under the Local Government Act 2003

to report on its Prudential Code indicators and treasury activity. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.2 For 2026/27 the minimum reporting requirements are that the Full Council should receive the following reports:

- An annual Treasury Strategy in advance of the year (the TMSS, considered by Cabinet on 19 February 2026 and subsequently approved by Full Council on 4 March 2026);
- A mid-year treasury update report;
- An annual review following the end of the year describing the activity compared to the Strategy.

1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the position at 31 July 2026 and highlights compliance with the Council's policies.

2 Proposal

2.1 Economic Update

Economic Activity & Inflation

- The UK economy grew by 0.4% between April and June 2026.
- CPI inflation has risen to 2.9% in the 12 months to July, driven by a sharp increase in fuel prices.
- The Bank of England held interest rates at 3.75% in July.
- Retail sales rose by 0.6% in the quarter April to June 2026 compared with the quarter January to March 2026, an increase of 2.8% compared with the three months to June 2025.

Labour Market & Wages

- The labour market unemployment is around 5%, which is the same as at the March 2026 year-end.
- Vacancy number dipped slightly over the May to July 2026 period to 707,000 which is the lowest level in more than five years as smaller businesses cut back on recruitment.

- Regular earnings grew at an overall annual pace of 3.5% in the three months to June 2026.

Public Finances

- The economy performed well in the early stages of the energy shock, with GDP rising by a strong 0.6% between January and March. But that will likely be the high point of the year. Indeed, the 0.1% month on month fall in real GDP in April was the first decline since August 2025 and brought the first signs that the economy is starting to crack.
- Borrowing in June is to £16.0bn, which is a reduction of £7.9bn compared to the previous year.
- Year-to-date borrowing to June 2026 is £57.7bn, which is £3.7bn less than last year but £2.7bn above forecast.
- Public sector debt edged up to 94.9% of GDP (June 2026).

2.2 Interest rate forecast

Our Treasury Management advisors, MUFG, provided their quarterly forecast of interest rates. These are shown in the table below. PWLB rates in the table are based on the Certainty Rate which include a 0.2% reduction on the standard rates.

The Bank Rate at the beginning of the year was 3.75% and remained unchanged at 31 July 2026. MUFG's forecast at the date it was prepared indicated that the Bank Rate would increase 0.25% to 4.00% in December, before reducing to 3.75% by September 2027 and 3.25% by March 2028. However, interest-rate expectations remain volatile and market pricing has subsequently shifted towards a higher-for-longer outlook, reflecting increased inflationary risks. Consequently, there is a risk that rates may rise above the levels included in MUFG's forecast before reductions commence.

Any external borrowing that the Council may need to undertake to finance capital projects could therefore be secured at higher interest rates than currently forecast, increasing the associated financing costs and the impact on the Council's revenue budget. The position will continue to be monitored and updated in future treasury management reports.

MUFG Corporate Markets Interest Rate View 21.09.26												
	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29	Jun-29	Sep-29
BANK RATE	4.00	4.00	4.00	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	4.00	3.80	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.20	4.10	4.00	3.80	3.70	3.50	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.70	3.70	3.70	3.70	3.70
5 yr PWLB	5.60	5.60	5.30	5.10	4.70	4.50	4.50	4.40	4.40	4.30	4.30	4.30
10 yr PWLB	6.00	5.90	5.60	5.40	5.00	4.80	4.80	4.70	4.70	4.60	4.60	4.60
25 yr PWLB	6.50	6.40	6.10	5.90	5.60	5.30	5.30	5.30	5.30	5.30	5.20	5.20
50 yr PWLB	6.10	6.10	5.80	5.50	5.30	5.10	5.00	5.00	5.00	5.00	4.90	4.90

2.3 Treasury Management Strategy

The Treasury Management Strategy Statement (TMSS) for 2026/27, which includes the Annual Investment Strategy, was approved by Council on 4 March 2026, and sets out the Council's investment priorities as:

- Security of capital;
- Liquidity;
- Yield.

Whilst the Council will always seek to obtain the optimum return (yield) on its investments, this will at all times be commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate either to keep investments short term to cover cash flow needs, or to extend the period up to 12 months with highly rated financial institutions, selected by the use of the MUFG creditworthiness methodology (see below) which includes consideration of sovereign ratings.

For 2026/27, the Council's investment counterparty limit remains at **£3m** for each individual counterparty, other than Money Market Funds and the Debt Management Office. With effect from 1 April 2026, the limit for each Money Market Fund was increased from **£4m to £5m**, reflecting the inherent diversification of these investment vehicles. No counterparty limit applies to investments placed with the Debt Management Office (DMO), as these represent lending to the UK Government. The Chief Financial Officer has delegated authority to vary these limits where appropriate, with any changes subsequently reported to Cabinet through the next treasury management report.

Limits with investment counterparties have not exceeded the prevailing levels approved by the CFO during the period 1 April to 31 July 2026.

Credit ratings advice is taken from MUFG and the Chief Financial Officer has adopted the MUFG credit rating methodology for the selection of investment counterparties. This employs a sophisticated modelling approach utilising credit ratings from all three of the main rating agencies to give a suggested maximum duration for investments. Accordingly, it does not place undue reliance on any one agency's ratings.

The methodology subsequently applies an “overlay” to take account of positive and negative credit watches and/or credit outlook information, which may increase or decrease the suggested duration of investments. It then applies a second overlay based on the credit default swap spreads for institutions, the monitoring of which has been shown to give an early warning of likely changes in credit ratings. It also incorporates sovereign ratings to ensure selection of counterparties from only the most creditworthy countries. The current Treasury Strategy permits the use of any UK counterparties subject to their individual credit ratings under the MUFG methodology. It also permits the use of counterparties from other countries with a minimum sovereign rating of AA minus. For information, the UK currently has a rating of AA with S&P Global and AA minus with Fitch.

The MUFG modelling approach combines all the various factors in a weighted scoring system and results in a series of colour coded bands which indicate the creditworthiness of counterparties. The colour bandings are as follows:

- Yellow 5 years (UK Government debt or its equivalent)
- Dark pink 5 years for Ultra Short Dated Bond Funds (credit score 1.25)
- Light pink 5 years for Ultra Short Dated Bond Funds (credit score 1.50)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks only)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Significant downgrades by the Ratings agencies have not materialised since the beginning of the Covid-19 crisis in March 2020. Where changes were made these were generally limited to “outlooks”. However, as economies re-opened some instances of previous reductions were reversed.

Credit ratings are monitored weekly and the Council is also alerted to interim changes by its use of the MUFG creditworthiness service, however ratings under the methodology, including sovereign ratings, will not necessarily be the sole determinant of the quality of an institution. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The ultimate decision on what is prudent and manageable for the Council will be taken by the Chief Financial Officer under the approved scheme of delegation.

2.4 Treasury Activity during Period 1 to 4 of 2026/27

The Treasury Activity Report for the period ended 31 July 2026 is attached at Appendix 1, in accordance with the Treasury Management Strategy.

Members will note that investment interest of £224,042 was generated from MMF activity, term deposits with banks and building societies, and the property fund, during the period from 1 April to 31 July 2026. This represents an overall equated rate for the Council of 3.79% which is marginally lower than the compounded Sterling Overnight Index Average (SONIA) rate, which averaged 3.90%.

During the period from 1 April to 31 July 2026, significant use was made of the Council's three Money Market Funds (MMFs). These are AAA rated investment vehicles which allow the pooling of many billions of pounds into highly diversified funds, thus reducing risk. The current rates of return on these funds are circa 3.8% which remain generally in line with the overnight treasury deposit rates, and the rate obtainable from the Debt Management Office (DMO).

The Council made an investment of £1m in the CCLA Local Authority Property Fund (LAPF) on 1 December 2017. The LAPF is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). Dividends are treated as revenue income and have in previous years averaged around 4%.

The fund decreased by £11,613 between 1 April 2026 and 31 July 2026. A dividend of £10,006 was received in the first quarter of the year.

This investment allows the Council to introduce a property element into its investment portfolio without the risks associated with the direct purchase of assets. It should be noted however that the capital value is **not** guaranteed and can fall as well as rise. The certificated value of the investment at 31 July 2026 was £882,323 which was lower than the original investment of £1m, this represents a £117,677 loss. However, this investment is regarded as a long-term commitment and fluctuations should be expected. The CCLA suggested that the investment is expected to increase over the course of the next few years and dividends continue to be received of approximately £40k per annum.

Interest rates remain relatively favourable for investment returns, although the outlook is uncertain. Bank Rate has remained at 3.75% throughout 2026 and, while MUFG's forecast at the date it was prepared assumed that it would remain at this level for the rest of the financial year, increased inflationary pressures have created a risk that rates may remain higher for longer or rise further. As investments mature, every effort will continue to be made to reinvest funds at favourable rates, with security and liquidity remaining the overriding priorities in the Council's treasury management activities.

At the start of 2026/27 the Bank of England base rate stood at 3.75%, this was maintained by The Monetary Policy Committee (MPC) at its July 2026 meeting. The Council was expecting a large Capital Receipt from the sale of land however this sale has been delayed and this capital receipt has been excluded from the investment income estimate for the 2026/27 financial year.

2.5 New borrowing

At 31 July 2026 no new borrowing had been undertaken.

Advice will continue to be taken from MUFG with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some borrowing in advance of need will also be considered by the Chief Financial Officer. The Council's Capital Financing Requirement (CFR) represents its underlying need to borrow to finance capital investment. Due to favourable interest rates, borrowing in advance of need is sometimes desirable, with the result that the CFR can differ to the actual borrowing planned in the year.

Councils may not borrow in advance of need purely to profit from the investment of the extra sums borrowed. However, prudent early borrowing for a demonstrable service objective is permitted. Serious consideration must be given to the cost of carrying any additional borrowing during the period prior to it being required for the financing of capital expenditure since this places a further burden on the General Fund.

2.6 Debt rescheduling

When the current day PWLB rate for the same term is higher than that being paid on an existing loan there is the potential for a discount to be receivable if the loan is repaid prematurely.

However, debt rescheduling opportunities are limited in the current economic climate, and due to the structure of PWLB interest rates. Advice in this regard will continue to be taken from MUFG. No debt rescheduling has been undertaken during the period from 1 April to 31 July 2026.

2.7 Compliance with Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council's approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Full Council on 4 March 2026.

During the financial year to date, the Council has operated in compliance with its Treasury Management Practices and within the approved treasury limits. Most Prudential Indicators remain within their approved levels; however, the projected ratio of financing costs to the net revenue stream and the projected ratio of internal

borrowing to the Capital Financing Requirement are above their approved indicators, as explained below. The Prudential and Treasury Indicators as at 31 July 2026 are shown at Appendix 2.

The Prudential Indicator relating to capital expenditure remains at the approved level of **£10,194,800**. Any changes in the Capital Programme for 2026/27 are being reported to Members through the Budget Monitoring and Virement Report for the period April to July 2026.

The Prudential Indicator relating to the ratio of financing costs to net revenue stream is currently at 6.12% which is above the approved indicator of 5.45%. This change is mainly driven by the expected full year decrease in investment income.

All treasury limits were complied with during the period April to July 2026. Other than the projected ratio of financing costs to the net revenue stream and the projected ratio of internal borrowing to the Capital Financing Requirement, all Prudential Indicators remain within their approved levels.

- Prudential Indicators:

These indicators are based on estimates of expected outcomes, and are key indicators of “affordability”. They are monitored on a regular basis, and Appendix 2 compares the approved indicators with the projected outturn for 2026/27, and shows variances on the indicators, as described below:

- Capital Expenditure

The latest projected outturn shows that total capital expenditure is expected to be £9,988,700. This is the same as the budgeted projected position.

- Capital Financing Requirement (CFR)

The CFR represents the historic outstanding capital expenditure which has not yet been paid for from capital or revenue resources, and is essentially a measure of the Council’s underlying borrowing need. The CFR does not increase indefinitely since the minimum revenue provision (MRP) is a statutory annual revenue charge for the economic consumption of capital assets.

At 31 July the projected closing CFR for 2026/27 is £21,073,365. This differs to the approved indicator of £22,194,000 due to the slippage of the programme in 2025/26.

- Gearing ratio

The concept of “gearing” compares the total underlying borrowing need (the CFR) to the Council’s total fixed assets and the gearing ratio can provide

an early indication where debt levels are rising relative to long term assets held.

The projected gearing ratio at 31 July 2026 is 43%, which is in line with the approved indicator and is broadly comparable with the average gearing ratio for councils of a similar size.

- Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of borrowing net of investment income against the net revenue stream. Financing costs represent the element of the Council's budget to which it is committed even before providing any services.

The projected outturn of 6.12% is higher than the approved indicator of 5.45%, due to a projected £150,000 reduction in investment income for 2026/27.

- Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2026/27 and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The Council's gross debt at 31 July 2026 was £10.812m, which was within the approved indicator.

2.9 Ratio of internal borrowing to CFR

The Council is currently maintaining an "internal borrowing" position, i.e. the underlying borrowing need (CFR) has not yet been fully funded with loan debt as cash supporting the Council's reserves and balances is being used as a temporary measure.

The current projected outturn for internal borrowing is 49%, which has increased from 45% per the Budget 2026/27. The approved indicator remains at 45%. This is a temporary fluctuation due to last years slippage of the capital programme, and is expected to be back in line later in the year as schemes from the current year are rephased.

At 31 July 2026, Gedling had not undertaken any additional long-term borrowing and had utilised internal borrowing wherever possible to support capital projects. However, depending on the timing of capital expenditure and the Council's cash-flow and liquidity position, external borrowing may be required later in the financial year. Advice will continue to be sought from the Council's Treasury Management advisers on the optimal timing and terms of any new borrowing, with a further

update provided in the next treasury management monitoring report.

- Treasury Management Indicators:

These indicators are based on limits, beyond which activities should not pass without management action. They include two key indicators of affordability and four key indicators of prudence.

Affordability:

- Operational boundary for external debt

This is the limit which external debt is not “normally” expected to exceed. In most cases, this would be a similar figure to the CFR, but it may be lower or higher depending on the levels of actual debt and must allow for unusual cash flow movements.

- Authorised limit for external debt

This limit represents a control on the “maximum” level of borrowing. It is the statutory limit determined under s3 (1) of the Local Government Act 2003 and represents the limit beyond which external debt is prohibited. The Authorised Limit must be set, and revised if necessary, by Full Council. It reflects a level of external debt which, while not desirable, could be afforded in the short term, but is not sustainable in the longer term. The Government retains an option to control either the total of all councils’ plans, or those of a specific council, although this power has not yet been exercised.

Prudence:

- Upper limits for the maturity structure of borrowing

These are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing.

- Maximum new principal sums to be invested during 2026/27 for periods in excess of one year (365 days)

All such investments are classified as “non-specified”. This indicator is subject to the overall limit for non-specified investments set out in the TMSS, and to the overall limit per counterparty.

- Interest rate exposure

The latest Treasury Management Code requires a statement in the TMSS explaining how interest rate exposure is managed and monitored by the Council, and this is repeated below:

The Council has a general preference for fixed rate borrowing in order to minimise uncertainty and ensure stability in the charge to revenue, however it is acknowledged that in certain circumstances, some variable rate borrowing may be prudent, for example if interest rates are expected to fall. The Council's investments are generally for cashflow purposes and accordingly a mix of fixed and variable rates will be used to maximise flexibility and liquidity. Interest rate exposure will be managed and monitored on a daily basis by the Chief Financial Officer.

Local indicators for the proportions of fixed and variable rate loans, have been retained by the Council for information purposes.

Appendix 2 shows the actual position as at 31 July 2026, and demonstrates that all activities are contained within the currently approved limits.

Risk Management:

The CIPFA Prudential Code and Treasury Management Code (both updated in 2021) have placed greater importance on risk management. Where a local authority changes its risk appetite (for example, moving surplus cash into or out of certain types of investment funds or other investment instruments) then this change in risk appetite should be brought to Members attention in treasury management update reports.

There have been no changes in risk appetite and there are no other significant treasury management issues that have arisen since approval of the TMSS on 4 March 2026 that need to be brought to the attention of Members.

There are a number of risks inherent within any treasury management strategy, the most significant risks include:

- Reporting is not compliant with statutory guidelines.
- Investment and borrowing activity is outside the approved TM framework.
- Long term borrowing is taken at rates that are not advantageous.
- Investment of principal sums with insecure counterparties.
- Investment returns are volatile and may not meet budgeted amounts.
- Borrowing is not affordable.

These risks are mitigated by the controls included in the TMSS and are detailed at section 2.3 - Treasury Management Strategy above.

3 Alternative Options

An alternative option is to fail to present a Prudential Code Indicator Monitoring and Treasury Activity Report, however this would contravene the requirement of the Council's Treasury Management Strategy Statement (TMSS).

4 Financial Implications

The financial implications are set out within the report. The projected reduction in investment income has increased the ratio of financing costs to the net revenue stream above its approved indicator. In addition, if external borrowing is required later in the financial year, higher-than-forecast interest rates could increase financing costs and place additional pressure on the Council's revenue budget. These risks will continue to be monitored through the Council's treasury management arrangements and future monitoring reports.

5 Legal Implications

There are no legal implications arising from this report.

6 Equalities Implications

There are no equalities implications arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

There are no carbon reduction/environmental sustainability implications arising from this report.

8 Local Government Reorganisation Implications

- 8.1 On 7 September 2026, the Government announced a national review of the Local Government Reorganisation programme and confirmed that the Nottingham and Nottinghamshire reorganisation would be paused while that review is undertaken. Although the Government remains committed to local government reorganisation, no revised timetable has yet been confirmed. This creates continuing uncertainty for Gedling Borough Council in planning for the medium term, including the future operating model, service alignment, governance arrangements, transition costs and longer-term financial assumptions. Existing council services and responsibilities remain unchanged during the pause.
- 8.2 The Council will therefore continue to manage its current budgets and services prudently, maintain financial and operational flexibility, work collaboratively with partner councils and the Ministry of Housing, Communities and Local Government,

and prepare proportionately for further developments once the outcome of the review is known.

9 Appendices

1. Treasury Activity Report 2026/27 for Period 1 to 4 (31 July 2026).
2. Prudential and Treasury Indicator Monitoring 2026/27 for Period 1 to 4 (31 July 2026).

10 Background Papers

None identified.

11 Reasons for Recommendation

To comply with the requirements of the Council's Treasury Management Strategy Statement.

Statutory Officer approval:

Approved by: Chief Financial Officer
Date:

Approved by: Monitoring Officer
Date:

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TREASURY ACTIVITY REPORT 2026/27

For Period ended 31 July 2026

	<u>Position @ 1 April 2026</u> £	<u>Loans Made During Apr - July</u> £	<u>Loans Repaid During Apr - July</u> £	<u>Position @ 30 July 2026</u> £
<u>Long Term Borrowing</u>				
PWLB	10,811,577	0	0	10,811,577
Total Long Term Borrowing	10,811,577	0	0	10,811,577
<u>Temporary Borrowing</u>				
Local Authorities	0	0	0	0
Central Government	0	0	0	0
Banks & Other Institutions	0	0	0	0
Total Temporary Borrowing	0	0	0	0
TOTAL BORROWING	10,811,577	0	0	10,811,577
<u>Long Term Investment</u>				
CCLA LAPF Property Fund	(1,000,000)	0	0	(1,000,000)
Total Long Term Investment	(1,000,000)	0	0	(1,000,000)
<u>Short Term Investment</u>				
Aberdeen MMF	(3,610,000)	(8,840,000)	7,450,000	(5,000,000)
Lloyds	(1,930,000)	(4,070,000)	3,000,000	(3,000,000)
Barclays	0	0	0	0
Blackrock MMF	0	(23,630,000)	21,740,000	(1,890,000)
CCLA PSDF (MMF)	(3,000,000)	0	0	(3,000,000)
Close Brothers	0	0	0	0
Debt Management Office	0	(17,420,000)	13,330,000	(4,090,000)
Goldman Sachs	(3,000,000)	0	0	(3,000,000)
HSBC Treasury	0	0	0	
Local Authorities & Other	0	0	0	
Nationwide	0	0	0	0
Santander	0			0
Total Short Term Investment	(11,540,000)	(53,960,000)	45,520,000	(19,980,000)
TOTAL INVESTMENT (See below)	(12,540,000)	(53,960,000)	45,520,000	(20,980,000)
NET BORROWING / (INVESTMENT)	(1,728,423)	(53,960,000)	45,520,000	(10,168,423)

Temporary Borrowing & Investment Statistics at 31 July 2026

Investment:

Fixed Rate Investment	(4,930,000)	(21,490,000)	16,330,000	(10,090,000)
Variable Rate Investment	(7,610,000)	(32,470,000)	29,190,000	(10,890,000)
TOTAL INVESTMENT	(12,540,000)	(53,960,000)	45,520,000	(20,980,000)

Proportion of Fixed Rate Investment	48.09%
Proportion of Variable Rate Investment	51.91%
Temporary Investment Interest Receivable	£ 224,042
Equated Temporary Investment	£ 5,918,430
Weighted Average Interest Rate Received (Interest Receivable / Equated Investment)	3.79%
Compounded SONIA (12 month backward looking)	3.90%

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A) Prudential Indicators

Affordability:

i) Capital Expenditure	£ 10,194,000	£ 9,988,700
ii) Capital Financing Requirement	£ 22,194,000	£ 21,073,365
iii) Gearing (CFR to Long Term Assets)	43%	43%
iv) Ratio of Financing Costs to Net Revenue Stream-Services	5.45%	6.12%
v) Maximum Gross Debt	£ 22,194,000	£ 10,811,577
vi) Ratio of Internal Borrowing to CFR	45%	49%

B) Treasury Management Indicators

Affordability:

i) Operational Boundary for External Debt:		
Borrowing	£ 23,200,000	£ 10,811,577
Other Long Term Liabilities	£ 1,500,000	£ -
Total Operational Boundary	£ 24,700,000	£ 10,811,577
ii) Authorised Limit for External Debt:		
Borrowing	£ 24,200,000	£ 10,811,577
Other Long Term Liabilities	£ 1,500,000	£ -
Total Authorised Limit	£ 25,700,000	£ 10,811,577

Prudence:

iii) Investment Treasury Indicator and limit:		
Max. NEW principal sums invested in 2026/27 for periods OVER 365 days (ie. non-specified investments), subject to maximum non specified per counterparty of £3m AND to the prevailing overall counterparty limit, AND to the TOTAL non specified limit of £5m.	£ 3,000,000	£ 5,000,000
iv) Upper & Lower limits for the maturity structure of outstanding Borrowing during 2025/26		
Under 1 Year	40%	0%
1 Year to 2 Years	40%	0%
2 Years to 5 Years	50%	0%
5 Years to 10 Years	50%	6%
Over 10 Years	100%	94%

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