

## **Report to Council**

**Subject:** Budget Outturn and Budget Carry Forwards 2024/25

**Date:** 23 July 2025

**Author:** Senior Leadership Team

### **Wards Affected**

Borough-wide

### **Purpose**

This report presents the Budget Outturn and Budget Carry Forwards for 2024/25.

Cabinet noted the final outturn position for 2024/25 and:

- a) Approve the movements on earmarked reserves and provisions.
- b) Note the capital carry-forward budgets approved by the Chief Financial Officer in accordance with Financial Regulations.
- c) Approve the carry forward of non-committed capital budgets from 2024/25 as additions to the 2025/26 budget in accordance with Financial Regulations.
- d) Recommend that Council approve the method of financing the 2024/25 capital expenditure which includes making the determinations required for the minimum revenue provision.

### **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)**

**Members are recommended to approve:**

- i) The overall method of financing of the 2024/25 capital expenditure as set out in paragraph 3.4;**
- ii) The determination of the minimum revenue provision for the repayment of debt as set out in paragraph 3.5.**

## **1 Background**

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have all been brought together and are embedded in the way the Council works. A Budget & Performance Board has also been setup to further focus these activities. Whilst the budget and performance information is presented in two separate reports, they are reported to Cabinet together and will appear on the same agenda.
- 1.3 This report highlights continued good management of the Revenue and Capital budgets.

- 1.4 During 2024/25 Cabinet received monitoring reports at Period's 4 (July) and 8 (November) and approved a number of budget amendments to align resources to meet identified budget pressures, managing within the overall maximum revenue budget of £14,937,900 approved by Council. Capital budgets have also been monitored by Cabinet to ensure schemes are appropriately profiled, with the current estimate for 2024/25 being approved at £9,467,200.
- 1.5 The Council's Financial Regulations allow for the carry forward of capital and revenue budgets to the new financial year where there is an underspend against the approved budget. Approval of Cabinet is required for schemes, which are not contractually committed, with a value over £50,000 for Capital and £10,000 for Revenue. There are twelve capital schemes that require Cabinet approval. The Chief Financial Officer has delegated authority to approve all other carry forwards subject to reporting the source of the underspend and the subsequent use of the carry forward to the Portfolio Holder.

## **2 General Fund Revenue Budget Outturn 2024/25**

- 2.1 The actual net revenue expenditure for each Portfolio during 2024/25 is detailed in Appendix 1, together with explanations of major variances in expenditure and income.

The table below summarises the actual net expenditure for each Portfolio in 2024/25 compared to the current estimate. The current estimate is that approved by Cabinet in February 202, adjusted by budget virements in the fourth quarter. During the financial year Cabinet approved a number of budget amendments as part of the quarterly monitoring process all of which were contained within the revised budget of £14,937,900.

The table shows a nil variance against the current approved Net Council Budget. Material variances in relation to the outturn and the revised budget are detailed at paragraph 2.4.2.

## General Fund Revenue Outturn 2024/25

General Fund Outturn Position 2024/25			
	Current Estimate 2024/25 £	Actual 2024/25 £	Variance to Current Estimate £
Communities and Place	334,300	362,156	27,856
Lifestyles Health and Wellbeing	1,728,700	1,591,911	(136,789)
Public Protection	1,250,700	1,593,820	343,120
Life Chances and Vulnerability	1,868,300	1,649,727	(218,573)
Environmental Services	4,279,300	4,585,688	306,388
Climate Change and Natural Habitat	2,108,700	2,015,346	(93,354)
Sustainable Growth and Economy	1,490,000	1,681,569	191,569
Corporate Resources and Performance	3,050,200	1,467,584	(1,582,616)
<b>Net Portfolio Budget</b>	<b>16,110,200</b>	<b>14,947,801</b>	<b>(1,162,399)</b>
Transfers to/(from) Earmarked Reserves	(1,172,300)	(9,901)	1,162,399
<b>Net Council Budget</b>	<b>14,937,900</b>	<b>14,937,900</b>	<b>(0)</b>
Less Financing:			
Business Rates (net of coll. fund surplus)	(6,538,900)	(6,747,669)	(208,769)
Council Tax (net of coll. fund deficit)	(7,332,800)	(7,332,800)	0
Revenue Support Grant	(125,300)	(125,300)	0
Service Grant	(21,500)	(21,500)	0
Funding Guarantee	(225,700)	(225,700)	0
New Homes Bonus	(709,900)	(709,900)	0
<b>Transfer (to)/from General Fund Balance</b>	<b>(16,200)</b>	<b>(224,969)</b>	<b>(208,769)</b>

2.2 Although the achievement of a balanced Net Council Budget is a positive result, it should be noted that there have been some considerable service overspends to the Original Budget (approved by Council on the 6 March 2024) during 2024/25. Of particular note is Environmental Services which includes Waste, Parks & Street care and Transport & Fleet which had a controllable budget overspend of £301,058 against the original budget, key variances to this are shown in the table below:

Income / Expenditure Type	Original Budget 2024/25 (£)	Current Budget 2024/25 (£)	Budget Movement 2024/25 (£)	Actual 2024/25 (£)	Variance to Original Budget (£)
Agency Staff	306,800	604,800	298,000	721,441	414,641
Cemeteries Income	(503,600)	(503,600)	0	(471,430)	32,170
Offsetting Underspends (Fuel, additional Garden Waste Income)					(145,573)
<b>Total</b>	<b>-196,800</b>	<b>101,200</b>	<b>298,000</b>	<b>250,011</b>	<b>301,058</b>

Whilst the Environmental Services position has improved from 2023/24, there are still considerable overspends particularly with Agency staff. A zero-based budget exercise was carried out in 2024/25 which identified waste staffing had not increased in line with service demand and new housing, this was having a direct impact on the number of agency staff needed to cover waste rounds. Revised budgets have been put in place and recruitment to permanent posts have been carried out in the latter half of the year, these measures in addition to the introduction of the new waste management system will enable real time data and performance information and should enable the service to remain within its budget envelope going forward. Budgets will continue to be monitored closely in 2025/26.

### 2.3 General Fund Balance at 31 March 2025

The General Fund Balance at 31 March 2025 is **£5,137,734**

Details of movements on the General Fund balance and total usable reserves held at 31 March 2025 are shown at **Appendix 2**.

### 2.4 Major General Fund Revenue Variances from Current Estimate

#### 2.4.1 Financing Variances 2024/25

##### Business Rates

The outturn for Business Rates exceeded the current estimates by £208,769 this was due to retained section 31 grants being higher than estimated when completing the government return (NNDR1) for 2024/25.

##### Business Rates Pooling

Gedling is a partner in a pooling arrangement with the other Nottinghamshire authorities (excluding the City). Under this arrangement each Member makes the levy payments, if applicable, into the Nottinghamshire Pool that would ordinarily have been required to be paid to central government had the Pool not been in operation. The Pool surplus funds are then distributed by Nottinghamshire County Council (as lead authority) to Pool Members on the basis of a Memorandum of Understanding. This ensures no Member is worse off by being in the Pool by offering an equivalent “safety net mechanism” to that offered by central government for authorities not in a Pool, and then sharing any remaining surplus.

The Pool surplus for 2024/25 has been allocated to Pool Members in accordance with the Memorandum of Understanding.

The Pool outturn figures for 2024/25 have been estimated with a sum of £791,794 identified for redistribution to Gedling. A redistribution of the Pool’s volatility fund was also received in year of £179,225. This income is

recognised in the Portfolio outturn figures and has been transferred to earmarked reserves, to support Economic Regeneration and Transformation projects.

#### 2.4.2 Net Council Budget Variances 2024/25

An underspend against the Current Net Portfolio 2024/25 of (£1,162,399) is offset by a net variance on Earmarked Reserve contributions of £1,162,699 resulting in a balanced net council budget. The underspend variances can be split between general variances and those relating specifically to proposed movements in Earmarked Reserves (paragraph 2.7) Details of the major variances are detailed below:

##### General Major Variances

##### **Sales, Fees and Charges Income**

- An increase in Leisure Centre Income of (£168,000) from Swimming Lessons.
- Increase in Garden Waste income of (£40,000)
- A decrease in Development Control income of £70,000, due to a reduction in major planning application income, this will be funded by reserves in year and the reserve replenished in future years when major planning applications are realised.
- A shortfall in Cemeteries income of £32,200.

##### **Expenditure**

The increase in controllable expenditure relates to the material variances detailed below:

- Additional Audit fees of £272,165, these are still estimates, relates to 2024-25 Audit. The additional costs are a result of Governmental Audit backlog and additional work following the fraud investigation
- Overspend relating to Overtime, agency staff and unmet efficiencies across Waste services and Street care £165,000.
- Staffing savings at Leisure Centre (£115,000) due to reduced spend on casual workers
- Underspend against Fleet Fuel budget (£95,600) due to a reduction in HVO Fuel prices
- Reduction in Leisure Centre utility bills (£90,000), due to new contracted rates at joint use sites
- Staffing restructure costs of £79,500
- Increase in workshop parts and repairs £46,900
- Reduction in investment interest due to a fall in rates and investment amount £45,000.

Whilst a variance of £343,120 shows under public protection this is an accounting entry which represents Disabled Facilities Grants in the capital

programme, this variance has no net effect on the overall position as it is offset with an a transaction in movement in accounts.

Other variances under £50,000 are shown in a more detailed analysis of variances to the revised budget set out at Appendix 1.

#### 2.4.3 Digital Transformation Programme

Approval was received on the 17<sup>th</sup> July 2024 by Cabinet for the Flexible use of Capital Receipts for the Digital Transformation Programme which is permitted under the direction for flexible use of capital receipts as set out in *the Local Government Act 2003 sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure*, with the appropriate approvals.

The Digital Transformation programme has incurred £321,900 of expenditure in 2024/25. This spend is primarily staffing related, with minimal spend incurred on hardware, software or implementation. Key areas of the programme such as the Customer Experience and Waste Transformation have made good progress. The variance on spend does not reflect savings, this is due to the programme phasing with other emerging priorities and timing of when posts were recruited to. Any underspends will be carried over into 2025-26.

<b>Transformation Programme Costs</b>	<b>Budget 2024/25</b>	<b>Actuals 2024/25</b>	<b>Variance 2024/25</b>
Digital Transformation (Revenue)	200,700	66,900	(133,800)
Digital Transformation (Capital)	805,200	112,600	(692,600)
<b>Total Digital Transformation</b>	<b>1,005,900</b>	<b>179,500</b>	<b>(826,400)</b>
Management Costs(Capital)*	182,200	142,400	(39,800)
<b>Total Costs</b>	<b>182,200</b>	<b>142,400</b>	<b>(39,800)</b>
	<b>1,188,100</b>	<b>321,900</b>	<b>(866,200)</b>
<b>Funding Source</b>			
Flexible Use of Capital Receipts	(987,400)	(255,000)	732,400
NNDR Pool Reserve	(200,700)	(66,900)	133,800
	<b>0</b>	<b>0</b>	<b>0</b>

*\*Management restructure above relates to proportion of time spent on transformation activities by senior management*

#### 2.5 Supporting Vulnerable Residents

- 2.5.1 The Council also made provision to alleviate the impact of some of the pressures for the most financially vulnerable residents and delivered support of £90,700 to care leavers, and £6,100 of Hardship relief to council taxpayers who are in receipt of Council Tax Reduction Scheme (CTRS), no budget is allocated to this.

#### 2.6 Efficiency Programme – Outturn Position

Since 2014/15 Council have approved seven separate budget reduction programmes totalling £7.6m net of risk provision, including the current year's programme of £833,200 approved during the 2024/25 budget process. Previous progress has been positive and budget reductions achieved have been in line with the profiled estimate. Of the total programme, £1,258,500 was planned for delivery over 2024/25 to 2026/27.

In terms of 2024/25, the original programme for the delivery of efficiencies totalled **£410,300**. The outturn position indicates the following:

<b>Movements on Efficiencies 2024/25</b>	
	<b>£</b>
<b>Approved Efficiency Programme 2024/25</b>	<b>(833,200)</b>
Cabinet 1 Amendments (April to July)	57,000
Cabinet 2 Amendments (August to November)	215,400
<b>Revised Total at Cabinet 2</b>	<b>(560,500)</b>
<b>Proposed Amendments Outturn:</b>	
<b>Deferred efficiencies</b>	
Pay & Display Car Parking Income	50,000
Richard Herrod Review of Operation	45,000
Pest Control service review	29,500
Property Services Service Review	19,000
Service Review of Parks/Waste	14,600
Increase in Bulky Waste Charges	10,000
Sponsorship of Flowerbeds	5,000
Remembrance Tree Leaf income	5,000
Food Hygiene Revisits	700
<b>Total deferred at Outturn (Outturn)</b>	<b>178,800</b>
<b>Non deliverable efficiencies</b>	
Communications – Advertising reductions	19,700
Communications – Website Software change	6,500
<b>Efficiencies removed from programme</b>	<b>26,200</b>
<b>Total Outturn Amendments</b>	<b>205,000</b>
<b>Revised Total Delivered 2024/25</b>	<b>(355,500)</b>
<b>Variance 2024/25 Programme</b>	<b>477,700</b>

The **£205,000** Outturn amendments are included in the variances detailed in Appendix 1. In summary, the outturn of the efficiency programme delivery was a deferral of **£477,700** anticipated savings. This was mainly due to the delay in implementation of the new waste management system and Environmental services restructure. Any deferred efficiencies will be carried forward into 2025/26 for delivery of which some are in progress.

Deferred efficiencies are currently being considered by The Senior Leadership Team to assess deliverability in the context of the overall transformation programme and to ascertain whether some of the historical deferrals are still

deliverable in their current state or if they need to be repurposed or delivered by other means. All potential future movements in efficiencies will be brought to cabinet for approval as part of the budget monitoring reporting process.

## 2.7 Movement in Earmarked Reserves

Reserves requirements have been reviewed and transactions completed within the portfolio analysis. Earmarked Reserves are sums of money set aside to provide financing for future service expenditure plans and include specific external grants and contributions received.

The balance on Earmarked Reserves at 31 March 2025 is £8,593,594, being £1,162,399 higher than the current estimate of £7,431,195. A full list of movements on Earmarked Revenue Reserves is included in Appendix 3 and these are proposed to Cabinet for approval. Reasons for the variance between the estimated and actual earmarked reserves are included in the portfolio analysis at Appendix 1 and include:

- New contributions to reserves due to new grants and additional income, or underspends in one-off budgets for specific projects and contingency funds;
- Variances on planned contributions from reserves mainly due to projects that have been deferred to 2025/26;
- Additional contributions from reserves to fund budget pressures arising during the year.

The tables below show a summary of total movements in earmarked reserves from the current approved estimate.

### 2.7.1 New Contributions to Earmarked Reserves

Included in the Earmarked Reserves proposed for approval are new contributions to reserves of £1,654,408 made up of:

Increases Due to Receipt of New Grants and Additional Income		
Reserve	Reason for Movement	Amount
Financial Transparency Reserve	New Burdens Transparency Code	(£24,309)
S106 Revenue Reserve	Teal Close/Magenta Way Maintenance Contribution	(£131,926)
Housing Benefits Reserve	HB Admin Grant received	(£54,400)
NNDR Pool Reserve	NNDR Pool Surplus 24/25	(£967,244)
Transformation Fund Reserve	Grant contributions for staffing costs	(£92,700)
Earmarked Reserves - Grants	DEFRA Food Waste funding	(£233,708)
Earmarked Reserves - Grants	Gedling Lotto contributions	(£4,391)
Earmarked Reserves - Grants	Additional New Burdens funding	(£95,200)
Earmarked Reserves - Grants	Grant funding for a Gedling Country Park project	(£7,000)
		<b>(£1,610,878)</b>

Increases for Future Projects Arising from Service Underspends		
Reserve	Reason for Movement	Amount
Earmarked Reserves - Grants	Migration to HM Land registry on going	(£39,567)
Earmarked Reserves - Grants	Arnold Local Area Forum on going	(£3,963)
		<b>(£43,530)</b>

## 2.7.2 Variances in Planned Usage of Earmarked Reserve

Contributions from reserves over the current estimate of £492,008 can be analysed as follows:-

Additional Contributions from Reserves		
Reserve	Reason for Movement	Amount
Joint Use Reserve	Maintenance expenditure at the joint use leisure centres	£6,330
Insurance Reserve	Additional contributions required for claims under the excess limit	£102,733
Asset Management Reserve	Contribution to works to car parks	£8,280
Local Development Framework Reserve	Additional contributions required for Pathfinder and Plan Policy projects	£100,334
CCTV Reserve	Reduced contribution to reserve	£20,000
Pub/Shop Mob Radio Replacement Reserve	Funding not required in current year	£3,500
Transformation Fund Reserve	Ongoing transformation project	£360,191
Selective Licensing Reserve	Selective Licensing Scheme	£59,025
Earmarked Reserves - Grants	Hackney Carriage driver refunds	£12,321
Earmarked Reserves - Grants	Planning income	£29,456
Earmarked Reserves - Grants	Community Development ongoing projects	£39,487
Earmarked Reserves - Grants	UKSPF Project	£252,161
Earmarked Reserves - Grants	Flooding Feasibility Study	£6,175
Earmarked Reserves - Grants	Gedling CP ramp repairs	£4,854
Earmarked Reserves - Grants	Care Leavers & Council Tax relief	£11,743
		<b>£1,016,589</b>

Reduced Contributions from Reserves		
Reserve	Reason for Movement	Amount
Community & Crime Reserve	Funding no longer required as post made permanent	(£38,000)
Community & Crime Reserve	Expenditure on events less than estimated	(£3,000)
Risk Management Reserve	Emergency planning project complete	(£16,686)
S106 Revenue Reserve	Lower maintenance costs on S106 sites	(£7,091)
Efficiency & Innovation Reserve	Plastic Clever project completed	(£15,000)
Asset Management Reserve	Schemes deferred to 2025/26 including, Property Survey , Depot works and Car park resurfacing	(£169,968)
Asset Management Reserve	Apple Tree Lane project complete	(£8,000)
Apprentice Reserve	Fewer apprentices in current year	(£7,500)
NNDR Pool Reserve	Projects ongoing including Ambition Arnold, RV Finder	(£215,389)
Economic Development Fund Reserve	Market Supplement no longer required following vacancy	(£6,700)
Earmarked Reserves - Grants	Parish Flood Relief Spend	(£19,968)
Earmarked Reserves - Grants	Resettlement Officer cost	(£13,457)
Other minor adjustments		(£3,822)
		<b>(£524,582)</b>

## 2.8 Movement in Provisions

Provision requirements have been reviewed and transactions completed within the outturn analysis. Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement but where the timing and precise amounts are uncertain. The table below details the movements in Provisions for 2024/25 which are now proposed to Cabinet for approval.

Description	Balance B/fwd 01/04/24	Movement in Year	Actual Balance 31/03/25
	£	£	£
Business Rates Appeals	716,500	(107,695)	608,805
Transferred Housing Stock – Environment Warranties	50,000	0	50,000
Transferred Stock Repairs	50,000	0	50,000
<b>Total</b>	<b>816,500</b>	<b>(107,695)</b>	<b>708,805</b>

Business Rate Appeals - the Business Rate Retention regime places a liability on the Council to refund ratepayers who successfully appeal against the rateable value of their properties on the rating list. A reduction in the provision

of £107,695 has been made, representing the Council's estimated share of such liabilities at 31 March 2025.

Transferred Stock Environmental Warranties - to provide for the payment of excesses under the Environmental Warranty provided to Gedling Homes under the Large-Scale Voluntary Transfer (LSVT) arrangement. An excess of £25,000 makes it likely that the Council will be required to meet certain expenses over the life of the policy.

Transferred Stock Repairs - to provide for work required under warranties on the transferred properties referred to above.

#### Provisions for Bad Debts

Bad debts provisions are an estimate of the amount that will remain uncollectable after a certain time period and will require write off in the future accounts of the Council. They are calculated on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt the greater the likelihood of non-collection. The table below details the movements in Bad Debts Provisions for 2024/25 which are now proposed to Cabinet for approval.

<b>Description</b>	<b>Balance B/fwd (£) 01/04/24</b>	<b>Movement in Year (£)</b>	<b>Actual Balance (£) 31/03/25</b>
Sundry Debts	361,900	(65,800)	296,200
Housing Benefit Debts	1,750,300	(139,900)	1,610,500
Business Rates Debts (GBC Share)	275,400	(141,000)	134,400
Council Tax Debts (GBC Share)	266,500	(10,100)	256,400
<b>Total</b>	<b>2,654,100</b>	<b>(356,800)</b>	<b>2,297,500</b>

#### 2.9 Building Regulations Fee Earning Trading Account

There is a statutory requirement to break even on the Building Regulation Fee Earning account to ensure the service is not subsidised by the council tax payer.

The outturn position for 2024/25 on the Building Regulations fee earning account was a deficit of £42,785. Any deficits are held on the balance sheet and offset against any surpluses generated in future years.

## 2.10 Community Infrastructure Levy (CIL)

In 2024/25 the Council raised 40 Liability Notices totalling £4,166,420 and issued 15 demand notices totalling £1,685,598 for payment. During this time 16 receipts were collected totalling the sum of £495,288. Of the receipts collected, £363,783 is to be spent on Strategic Infrastructure Projects that are identified within the Council's annual Infrastructure Funding Statement, £106,741 is to be spent in the locality it has been collected as the Neighbourhood portion and £24,764 is to fund administration costs as permitted under the Regulations.

The remaining balance available to spend on strategic infrastructure projects in the Borough at the end of the 2024/25 financial year is £2,013,027.

## 2.11 Members Pot Outturn 2024/25 and Community Grants

In 2024/25 the Members Pot budget was £61,500 of which £59,000 has been spent on grants to third parties as detailed in Appendix 4.

Despite ongoing financial pressures the Council was still able to provide financial support to voluntary and charitable organisations.

## 2.12 Support Service Recharges and Capital Financing Variations (Non Controllable)

Detailed explanations of major variations at individual portfolio holder level are included at Appendix 1. Changes in respect of the treatment of support services and capital financing can mask the detail of performance in individual areas and these 'non controllable costs' are also highlighted separately (see paragraphs below).

### Support Service Recharges

The budgets of all central support, service administration and fleet providers have been monitored and updated as part of the budget monitoring process. Reallocation of support costs has been undertaken as part of the accounts closedown process based on actual outturn figures and therefore variances between the central support budgets and actual recharges have occurred because of this reappraisal. Variances resulting from the reappraisal of central support and service administration have occurred across the board, but the entries themselves do not impact on the budget requirement or the amount to be raised by Council Tax. Overall, support services have overspent compared to the current estimate by £675,419 (made up of an overspend of £406,510 relating to Central Support and an overspend on Fleet of £268,909) in 2024/25.

### Capital Financing Charges

Capital financing charges reflected in the Council's service department

budgets include amortisation and depreciation.

Amortisation charges relate to the cost of Capital schemes where no asset is created and the capital expenditure is therefore charged to revenue in the year it occurs e.g. disabled facilities grants. Budget variances may occur because of capital scheme under and overspends and carry forwards/slippage. Depreciation reflects the usage of capital assets within the services and budget variances can occur due to the revaluation of assets.

### **3 Capital Outturn 2024/25**

- 3.1 A summary of the Capital outturn is presented in the table below. Capital outturn totals £6,055,809 compared to an approved budget of £9,467,200 being a net underspend of £3,403,513. Of this amount, there are carry forward requests of £3,204,400.
- 3.2 The details of the outturn for individual schemes by Portfolio area are included at Appendix 5.

#### Capital Outturn and Proposed Carry Forwards 2024/25

Portfolio	Current Estimate	Actual Expenditure	Variance	Proposed Carry Forward
	2024/25	2024/25		
	£	£	£	£
Lifestyles, Health & Wellbeing	226,000	173,670	(52,330)	0
Public Protection	2,003,500	1,835,795	(171,837)	161,000
Environmental Services	1,105,600	612,607	(491,128)	445,500
Climate Change and Natural Habitat	607,400	333,282	(263,429)	284,000
Sustainable Growth and Economy	3,547,800	2,485,110	(1,062,689)	978,100
Corporate Resources and Performance	1,976,900	623,221	(1,353,679)	1,335,800
<b>TOTAL</b>	<b>9,467,200</b>	<b>6,063,687</b>	<b>(3,403,513)</b>	<b>3,204,400</b>

### **3.3 Proposed Capital Carry Forwards**

The capital carry forward requests total £3,204,400 against the current approved capital programme of £9,467,200 which represents 34% re-profiling for 2024/25. The level of funding available to finance the carry forwards is projected to be sufficient. The majority of the capital re-profiling is in relation to the following:

- Digital Transformation (£709,700), project underway carryover due to phasing of payments and project profile.

- Temporary Accommodation (£521,200), the identification and purchase of appropriate properties will continue into 2025/26.
- Hillcrest Industrial Units (£456,900), construction commenced in August 2024, and completed in May 2025.
- Vehicle replacement programme (£277,000), this is partially due to lead time of delivery however the programme is to be fully reviewed in 2025/26
- Economic Regeneration Land Assembly (£170,200) The budget will be carried forward into 2025/26 to enable the next stages of Ambition Arnold project.
- Disabled Facilities Grant (DFG) (£133,600), committed expenditure on adaptations for delivery in 2025/26.
- Fire Door Replacement (£125,900), Waiting to go out to tender, project scheduled for completion in 2025/26.
- Ouse Dyke Repairs (£110,000), contract for works signed scheduled to commence and complete in 2025/26.
- Valley Road Play Area Refurbishment (£110,000), completed in April 2025.

Appendix 6 details:

- (a) The carry forward requests authorised by the Chief Financial Officer in line with the delegation arrangements total £1,994,600. This is due to several projects spanning financial years including the expansion of Hillcrest Industrial Units, Conway Road tennis court refurbishment, flood alleviation works around Ouse Dyke and Kneeton Close amongst other projects detailed in appendix.
- (b) The carry forward requests totalling £1,209,800 for non-committed schemes in excess of £50,000, which require Cabinet approval. This is mainly a result of the phasing of Digital Transformation payments, the Vehicle Replacement programme, the purchasing of Temporary Accommodation properties, Disabled Facilities grant amongst some other projects detailed in appendix.

### 3.4 Capital Financing 2024/25

The proposed method of financing the £6,063,700 capital expenditure incurred in 2024/25 is detailed in Appendix 7 and summarised below:

	£
Capital Receipts	372,500
Capital Grants and Contributions	3,627,600
S106 & CIL	289,300
General Fund Revenue Contributions	194,600
Borrowing	1,579,700
<b>Total Capital Financing</b>	<b>6,063,700</b>

### Usable Capital Reserves

A reserve is created for a specific purpose or to cover contingencies. In accordance with the accounting code, these usable reserves must be separately identified between those that are retained for Capital purposes, and those that are retained for Revenue purposes.

Capital reserves are used to fund the capital programme within the year and the position as at 31 March 2025 is as follows:

Description	Balance (b/fwd) 01/04/24	Received In Year	Use In Year	Balance 31/03/25
	£	£	£	£
Usable Capital Receipts	561,947	60,906	(372,534)	250,320
Capital Grants Unapplied	447,843	4,654,236	(3,627,573)	1,474,506
S106 Contributions (conditions satisfied)	3,895,962	1,342,788	(652,489)	4,586,261
Community Infrastructure Levy	1,726,184	1,114,134	(76,656)	2,763,662
<b>Total</b>	<b>6,631,936</b>	<b>7,050,252</b>	<b>(4,729,252)</b>	<b>9,074,749</b>

### 3.5 Determination of Minimum Revenue Provision 2024/25

The Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003/3146 requires each Local Authority to determine the amounts set aside from revenue as a provision for repayment of debt known as the minimum revenue provision.

For 2024/25 the proposed Minimum Revenue Provision is calculated in accordance with the MRP policy for 2024/25 as approved by Council on 6 March 2024 and equates to £1,015,700.

## 4. Statement of Accounts

### 4.1 Technical Adjustments to Revenue

The Council is required to comply with International Financial Reporting Standards (IFRS) in the production of its Statement of Accounts. This requires a number of technical adjustments to be made to portfolio totals. The adjusted totals are then presented in the Comprehensive Income and Expenditure Statement within the Statement of Accounts.

Adjustments will be made in respect of Employee Benefits i.e. holiday pay and pensions as well as impairments arising from asset revaluations and further details are provided below. The adjustments themselves do not impact on the

budget requirement or the amount to be raised by Council Tax and therefore do not affect the General Fund balance. No budgets are set for these and managers do not have direct control of the costs. They are therefore not included within the Outturn Portfolio balances at paragraph 2.1.

#### Pension Benefits

IFRS require recognition in the Accounts of the benefit entitlements earned by employees during the period rather than the actual amount of employer's pension contributions payable upon which charges to council tax are based. Adjustments will be made to the service revenue accounts in the Net Costs of Services to remove the actual pension contributions payable and replace them with the benefit entitlements earned as provided by the Actuary.

#### Asset Impairment

A capital asset impairment review is undertaken each year end by the Council's valuer. An assessment is made of whether the asset values currently held in the Council's Balance Sheet reflect both the current physical and market conditions and determine if an adjustment is required. If an asset is impaired i.e. the value is assessed to be lower than that currently held, then the asset value is written down with the accounting loss being charged to the Comprehensive Income and Expenditure Statement.

### 4.2 Pensions

The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at Appendix 8.

Barnett Waddingham are the Pension Fund's appointed Actuary, and their report sets out the assumptions used to prepare the IAS19 pension figures which are reported in Gedling's accounts. It is required that these assumptions are reviewed prior to agreeing their use and inclusion in the Statement of Accounts, and this review is currently underway.

## **5 Alternative Options**

This report provides a statement of financial performance against the approved budget for 2024/25 and as such there are no alternative options. The proposals for budget carry forwards are in accordance with requirements of Financial Regulations and are submitted for Member consideration.

The approval of the Minimum Revenue Provision determination is statutorily required and as resources available for capital financing are severely restricted there are no alternative options available.

## **6 Financial Implications**

6.1 As detailed in the report.

## **7 Legal Implications**

7.1 The legal implications are detailed in the body of the report.

## **8 Equalities Implications**

8.1 None arising directly from this report.

## **9 Carbon Reduction/Environmental Sustainability Implications**

9.1 None arising directly from this report.

## **10 Appendices**

Appendix 1	General Fund Revenue Outturn 2024/25 Variance Analysis
Appendix 2	Summary General Fund Balance and Earmarked Reserves
Appendix 3	Movement in Earmarked Reserves
Appendix 4	Members Pot 2024/25
Appendix 5	Capital Outturn 2024/25
Appendix 6	Budget Carry Forward Summary
Appendix 7	Capital Financing Summary 2024/25

## **11 Background Papers**

Gedling Plan and Budget 2024/25 and Quarterly Budget Monitoring Reports

## **12 Reasons for Recommendations**

12.1 To ensure members are informed of the financial performance against the Gedling Plan and to comply with statutory requirements for capital financing.

### **Statutory Officer Approval**

**Approved by:** Chief Financial Officer  
**Date:** 27 May 2025

**Approved by:** Monitoring Officer  
**Date:** 28 May 2025