

Report to Cabinet

Subject: Budget Outturn and Budget Carry Forwards 2025/26

Date: 25 June 2026

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

This report presents the Budget Outturn and Budget Carry Forwards for 2025/26.

Cabinet is asked to note the final outturn position for 2025/26 and to:

- 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 2025/26 as additions to the 2026/27 budget in accordance with Financial Regulations.
- d) Recommend that Council approve the method of financing the 2025/26 capital expenditure which includes making the determinations required for the minimum revenue provision.

Key Decision

This is a key decision because the proposals include financial implications above the £0.5m threshold determined by Council for decisions to be regarded as Key Decisions.

Recommendation(s)

Members are recommended to:

- 1) Note the Budget Outturn figures for 2025/26;**
- 2) Approve the movements in Earmarked Reserves and Provisions as detailed in paragraphs 2.7 and 2.8, including the repurposing of reserves identified in paragraph 2.7.3;**
- 3) Note the capital carry forwards approved by the Chief Financial Officer included in Appendix 6, being amounts not in excess of £50,000 and committed schemes above £50,000.**
- 4) Approve the capital carry forwards of £1,517,500 included in Appendix 6 for non-committed schemes in excess of £50,000.**
- 5) Refer to Council for approval:**
 - i) The overall method of financing of the 2025/26 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 is committed to closely aligning budget and performance management in line with recognised good practice.
- 1.2** To support this commitment, systems for monitoring performance against revenue and capital budgets, improvement activity and performance indicators have been brought together and embedded within the Council's management arrangements. A Budget and Performance Board has also been established to provide additional focus. Although the budget and performance information is presented in two separate reports, both are reported to Cabinet together and will appear on the same agenda.
- 1.3** This report highlights the continued sound management of the Council's revenue and capital budgets.

- 1.4 During 2025/26, Cabinet received monitoring reports at Period 4 (July) and Period 8 (November) and approved a number of budget amendments to align resources with identified budget pressures, while remaining within the overall maximum revenue budget of £15,584,200 approved by Council. Capital budgets were also monitored by Cabinet to ensure schemes were appropriately profiled, with the current estimate for 2025/26 approved at £7,180,500.
- 1.5 The Council's Financial Regulations allow for the carry forward of capital and revenue budgets into the new financial year where there is an underspend against the approved budget. Cabinet approval is required for schemes that are not contractually committed and have a value above £50,000 for capital and £10,000 for revenue. There are seven capital schemes requiring 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 proposed use of the carry forward to the relevant Portfolio Holder.

2 General Fund Revenue Budget Outturn 2025/26

- 2.1 The actual net revenue expenditure for each Portfolio during 2025/26 is detailed in Appendix 1, together with explanations of the major variances in expenditure and income.

The table below summarises the actual net expenditure for each Portfolio in 2025/26 compared with the current estimate. The current estimate is that approved by Cabinet in February 2025. 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 £15,584,200.

The table shows a nil variance against the current approved Net Council Budget. Material variances between the outturn and the revised budget are set out at paragraph 2.4.2.

General Fund Revenue Outturn 2025/26

General Fund Outturn Position 2025/26			
	Current Estimate 2025/26 £	Actual 2025/26 £	Variance to Current Estimate £
Communities and Place	69,700	65,078	(4,622)
Lifestyles, Health & Wellbeing	2,616,100	2,154,356	(461,744)
Public Protection	1,447,800	1,745,275	297,475
Environmental Services	4,952,800	5,432,045	479,245
Climate Change and Natural Habitat	2,137,900	2,571,895	433,995
Sustainable Growth and Economy	1,821,800	1,260,027	(561,773)
Corporate Resources and Performance	4,489,000	3,027,705	(1,461,295)
Net Portfolio Budget	17,535,100	16,256,380	(1,278,720)
Transfers to/(from) Earmarked Reserves	(1,950,900)	(672,180)	1,278,720
Net Council Budget	15,584,200	15,584,200	(0)
Less Financing:			
Business Rates (net of coll. fund surplus)	(5,891,000)	(6,185,000)	(294,000)
Council Tax (net of coll. fund deficit)	(7,770,000)	(7,770,000)	0
Extended Producer Responsibility	(1,017,000)	(1,157,200)	(140,200)
Revenue Support Grant	(146,100)	(146,100)	0
National Insurance	(114,500)	(114,500)	0
Recovery Grant	(49,000)	(49,000)	0
Funding Floor	(14,600)	(14,600)	0
New Homes Bonus	(525,000)	(525,400)	(400)
Transfer (to)/from General Fund Balance	(57,000)	377,600	(434,600)

- 2.2 While the delivery of a balanced Net Council Budget is a positive outcome, there were a number of significant service variances against the original budget approved by Council on 5 March 2025 during 2025/26. Of particular note is Environmental Services, including Waste, Street Care, and Transport and Fleet, this had a £333,681 controllable overspend at outturn against latest approved budget however this equates to an overspend of £820,197 when compared to the original budget.

The key variances are shown in the table below:

Service	Income / Expenditure	Original	Current	Budget	Actual	Variance to
	Type	Budget (£)	Budget (£)	Movement (£)	(£)	Original
		2025/26	2025/26	2025/26	2025/26	Budget (£)
Fleet	Employees	383,700	431,200	47,500	481,882	98,182
	Running Costs - Fuel	500,000	450,000	(50,000)	453,548	(46,452)
	Running Costs - Parts, Hire, Other	293,800	293,800	0	357,577	63,777
	Operational Equipment	33,600	41,000	7,400	92,145	58,545
	External Contractors	0	13,200	13,200	50,301	50,301
Waste & Street Care	Employees	3,485,200	4,058,400	573,200	4,126,371	641,171
	Income - Garden Waste	(881,000)	(937,000)	(56,000)	(926,327)	(45,327)
Total		3,815,300	4,350,600	535,300	4,635,497	820,197

Environmental Services, and in particular the Waste Service, continued to experience budget pressure during 2025/26 while progressing through a period of service transformation. Employee costs remained above budget during the year, reflecting the continued use of agency cover to maintain service delivery in response to sickness absence and wider staffing challenges. However, these costs reduced towards the end of the year as management actions began to take effect. The waste management system has now been implemented and round optimisation is underway, which is expected to support improved service efficiency and budget management. The service will continue to be closely monitored during 2026/27 as these changes become embedded.

Whilst a variance of £297,475 shows under public protection this is an accounting entry which represents Disabled Facilities Grants in the capital programme.

2.3 General Fund Balance at 31 March 2026

The General Fund Balance at 31 March 2026 is **£5,670,700**.

Details of movements on the General Fund balance and total usable reserves held at 31 March 2026 are shown in **Appendix 2**.

2.4 Major General Fund Revenue Variances from Current Estimate

2.4.1 Financing Variances 2025/26

Business Rates

The outturn for Business Rates exceeded the current estimate by £293,842. This was due to retained Section 31 grants being higher than estimated when completing the NNDR1 government return for 2025/26.

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 any levy payments into the Nottinghamshire Pool that would otherwise have been payable to central government had the Pool not been in operation. The Pool surplus is then distributed by Nottinghamshire County Council, as lead authority, to Pool members in accordance with a Memorandum of Understanding. This ensures that no member is worse off through participation in the Pool, by providing an equivalent safety net mechanism to that available from central government for authorities outside a pool, and by sharing any remaining surplus.

The Pool surplus for 2025/26 has been allocated to Pool members in accordance with the Memorandum of Understanding.

The Pool outturn figures for 2025/26 have been estimated, with a sum of £507,500 identified for redistribution to Gedling. This income is recognised within 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 2025/26

An underspend against the current Net Portfolio Budget of (£1,278,720) is offset by a net variance on earmarked reserve contributions of £1,278,720, resulting in a balanced Net Council Budget. The underspend 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 set out below:

General Major Variances

Sales, Fees and Charges Income

- An increase in Leisure Centre income of (£150,100), primarily from DNA memberships and swimming lessons.

Expenditure

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

- An overspend within Fleet Management of £207,100 due to additional agency and overtime costs of £50,700, additional vehicle hire costs of £67,400, higher expenditure on equipment, parts and repairs of £51,100, and external vehicle servicing and repairs of £37,100;
- External Audit Fees of £113,300 due to higher than expected fees from backdated fees;
- An overspend of £68,900 on employee costs within Waste Services and Street Cleansing due to high levels of agency staff cover for sickness absence and unmet efficiencies;
- An increase in banking charges of £41,600;
- Reduced investment interest of £50,800 due to lower balances and reduced interest rates;
- An increase in housing benefit subsidy claim income of (£110,800) due to a reduction in the cohort receiving a reduced subsidy;
- Lower running costs at Civic Centre and Jubilee House totalling (£71,900) due to lower energy prices.

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

2.5 Supporting Vulnerable Residents

- 2.5.1 The Council also made provision to help mitigate the impact of financial pressures on the most vulnerable residents and delivered support of £124,400 to care leavers, together with £14,200 of hardship relief to council taxpayers in receipt of Council Tax Reduction Scheme (CTRS).

The cost of Care Leavers council tax support falls 100% on Gedling with no contributions from major preceptors.

2.6 Efficiency Programme – Outturn Position

Since 2014/15, Council has 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 the budget reductions achieved have broadly aligned with the profiled estimate. Of the total programme, £842,000 was planned for delivery over 2025/26 to 2026/27.

In 2025/26, the original programme for the delivery of efficiencies totalled **£703,200**. The outturn position is set out below:

Movements on Efficiencies 2025/26	
	£
Approved Efficiency Programme 2025/26	(703,200)
September Cabinet amendments (April to July)	77,000
January Cabinet amendments (August to November)	247,000
Revised Total at January Cabinet	(378,500)
Proposed Amendments Outturn:	
Deferred efficiencies	
Pest Control (Partially met)	35,000
Total deferrals at Outturn	35,000
Non deliverable efficiencies	
Revenues & Welfare Service Review	35,500
Efficiencies removed from programme	35,500
Total Outturn Amendments	70,500
Revised Total Delivered 2025/26	(308,000)

The **£70,500** outturn amendments are included within the variances detailed in Appendix 1. In summary, the outturn position for the efficiency programme reflects the deferral of **£147,700** of anticipated savings, together with the removal of **£247,000** of non-deliverable efficiencies. This was mainly due to delays in the implementation of the new waste management system and the Environmental Services restructure. Any deferred efficiencies will be carried forward into 2026/27 for delivery, and some are already in progress.

2.7 Movement in Earmarked Reserves

Reserve requirements have been reviewed and the relevant transactions reflected within the portfolio analysis. Earmarked reserves are sums set aside to provide funding for future service expenditure plans and include specific external grants and contributions received.

The balance on earmarked reserves at 31 March 2026 is £7,921,414, which is £1,278,720 higher than the current estimate of £6,642,694. A full schedule of movements on earmarked revenue reserves is included in Appendix 3 and is proposed to Cabinet for approval. The 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 2026/27;
- Additional contributions from reserves to fund budget pressures arising during the year.

The tables below provide a summary of the total movements in earmarked reserves compared with the current approved estimate.

2.7.1 New Contributions to Earmarked Reserves

Included within the earmarked reserves proposed for approval are new contributions to reserves of £833,166, comprising:

Increases Due to Receipt of New Grants and Additional Income		
Reserve	Reason for Movement	Amount
Community and Crime Reserve	Renters' rights Act enforcement	(£31,003)
Insurance Reserve	Income from insurance provider	(£5,240)
Sinking Fund Reserve	Housing needs - Temporary Accommodation	(£41,000)
NNDR Pool Reserve	Pool Surplus 25/26	(£507,500)
Earmarked Reserves - Grants	DEFRA Air Quality	(£25,274)
Earmarked Reserves - Grants	Gedling Lotto contributions	(£4,218)
Earmarked Reserves - Grants	Additional New Burdens funding	(£137,130)
Earmarked Reserves - Grants	Settlement of Legal Claim	(£61,801)
		(£813,166)

Increases for Future Projects Arising from Service Underspends		
Reserve	Reason for Movement	Amount
Financial Transparency Reserve	Agency costs	(£20,000)
		(£20,000)

2.7.2 Variances in Planned Usage of Earmarked Reserve

Contributions from reserves in excess of the current estimate of £445,553 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	£52,633
IT Replacement Reserve	Reduced contribution to reserve	£50,000
Insurance Reserve	Additional contributions required for claims under the excess limit	£74,525
Asset Management Reserve	Reduced surplus on car parks	£22,155
Efficiency & Innovation Reserve	Waste Management system	£2,189
CCTV Reserve	Reduced contribution to reserve	£52,300
Pub/Shop Mob Radio Replacement Reserve	Funding not required in current year	£3,500
Transformation Fund Reserve	Staff redundancies	£9,500
Selective Licensing Reserve	Selective Licensing Project	£49,112
Asset Management Reserve	Asbestos Surveys	£2,835
		£318,748

Reduced Contributions from Reserves		
Reserve	Reason for Movement	Amount
IT Replacement Reserve	Reduced funding required	(£151,947)
IT Replacement Reserve	Re-purpose drawdown not fully required	(£64,001)
Efficiency & Innovation Reserve	Re-purpose drawdown not fully required	(£39,400)
Economic Development Fund Reserve	Re-purpose drawdown not fully required	(£80,400)
S106 Revenue Reserve	Lower maintenance costs on S106 sites	(£8,486)
Asset Management Reserve	Property Surveys & Depot works ongoing	(£68,792)
NNDR Pool Reserve	Projects ongoing including Transformation & RV Finder	(£196,614)
Transformation Fund Reserve	Carlton Active project ongoing	(£95,299)
Earmarked Reserves - Grants	Housing needs schemes deferred	(£55,000)
Earmarked Reserves - Grants	Planning Officer	(£4,345)
Other minor adjustments		(£18)
		(£764,301)

2.7.3 Review of Earmarked reserves

A full review of earmarked reserves has been undertaken as part of the 2025/26 outturn process. This reflects the fact that a number of reserves have been held for a considerable period of time and, in the context of Local Government Reorganisation, it is important that the Council's reserves are aligned to current priorities and directed to where they are most likely to be required. As a result of this review, this report proposes that reserves are repurposed where appropriate, with £453,000 being transferred to the Transformation Fund Reserve to support future change activity and £305,100 being returned to the General Fund where the original purpose for which the reserve was established is no longer required. These proposed movements are subject to Cabinet approval and enacted accordingly.

2.8 Movement in Provisions

Provision requirements have been reviewed and the relevant transactions reflected within the outturn analysis. Provisions are made where an event has taken place that gives rise to an obligation for the Council that is likely to require settlement, but where the timing and precise amount remain uncertain. The table below sets out the movements in provisions for 2025/26, which are now proposed to Cabinet for approval.

Description	Balance B/fwd 01/04/25	Movement in Year	Actual Balance 31/03/26
	£	£	£
Business Rates Appeals	608,000	734,000	1,342,000
Transferred Housing Stock – Environment Warranties	50,000	0	50,000
Transferred Stock Repairs	50,000	0	50,000
Total	708,800	734,000	1,442,000

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. An increase in the provision of £734,000 has been made, representing the Council's estimated share of such liabilities at 31 March 2026.

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 2025/26 which are now proposed to Cabinet for approval.

Description	Balance B/fwd (£) 01/04/25	Movement in Year (£)	Actual Balance (£) 31/03/26
Sundry Debts	296,200	(104,800)	191,400
Housing Benefit Debts	1,610,500	(121,400)	1,489,100
Business Rates Debts (GBC Share)	251,200	61,300	312,500
Council Tax Debts (GBC Share)	256,400	53,000	309,400
Total	2,414,300	(111,900)	2,302,400

2.9 Building Regulations Fee Earning Trading Account

There is a statutory requirement for the Building Regulation Fee Earning account to break even, to ensure that the service is not subsidised by the council taxpayer. The outturn position for 2025/26 on the Building Regulations fee earning account was a deficit of £74,915. A service review was undertaken in 2025/26 following a deficit position over a number of years.

From 1 June 2026, all building control services previously undertaken by Gedling Borough Council, with the exception of Street Naming and Numbering, are being provided by the Erewash and West Nottinghamshire Building Consultancy hosted by Erewash Borough Council. This partnership will provide greater resilience and help ensure that statutory duties continue to be met.

2.10 Community Infrastructure Levy (CIL)

In 2025/26, the Council raised 36 Liability Notices totalling £5,910,583 and issued 13 Demand Notices totalling £3,719,737 for payment. During the year, 17 receipts were collected totalling £1,190,361. Of the receipts collected, £888,226 is to be spent on strategic infrastructure projects identified within the Council's annual Infrastructure Funding Statement, £242,617 is to be spent in the locality in which it was collected as the neighbourhood portion, and £59,518.07 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 2025/26 financial year is £2,901,453.

2.11 Members Pot Outturn 2025/26 and Community Grants

In 2025/26 the Members Pot budget was £41,000 of which £39,905 has been spent on grants to third parties as detailed in Appendix 4.

Despite ongoing financial pressures, the Council continued to provide financial support to voluntary and charitable organisations.

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

Detailed explanations of the major variations at individual Portfolio Holder level are included in Appendix 1. Changes in the treatment of support services and capital financing can mask the detail of performance in individual areas, and these non-controllable costs are therefore also highlighted separately in the 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 variances between the central support budgets and actual recharges have therefore arisen as a result of this reappraisal. These variances have occurred across a range of services, but the entries themselves do not affect the budget requirement or the amount to be raised through Council Tax. Overall, support services overspent against the current estimate by £633,057 in 2025/26, comprising an overspend of £455,800 relating to Central Support and an overspend of £177,257 on Fleet.

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 2025/26

- 3.1 A summary of the capital outturn is presented in the table below. Capital outturn totals £5,440,683 compared with an approved budget of £7,180,500, representing a net underspend of £1,739,817. Of this amount, there are carry forward requests of £1,517,500.
- 3.2 The details of the outturn for individual schemes by Portfolio area are included at Appendix 5.

Capital Outturn and Proposed Carry Forwards 2025/26

Portfolio	Current Estimate	Actual Expenditure	Variance	Proposed Carry Forward
	2025/26	2025/26		
	£	£	£	£
Lifestyles, Health & Wellbeing	72,900	44,505	(28,395)	24,400
Public Protection	1,228,500	1,006,133	(222,367)	222,400
Environmental Services	1,754,000	1,258,812	(495,188)	509,100
Climate Change and Natural Habitat	400,800	222,516	(178,284)	173,600
Sustainable Growth and Economy	1,663,400	1,664,833	1,433	0
Corporate Resources & Performance	2,060,900	1,251,384	(809,516)	588,000
TOTAL	7,180,500	5,448,183	(1,732,317)	1,517,500

3.3 Proposed Capital Carry Forwards

The capital carry forward requests total £1,517,500 against the current approved capital programme of £7,180,500, representing 21% re-profiling for 2025/26. The level of funding available to finance the carry forwards is projected to be sufficient. The majority of the capital re-profiling relates to the following:

- Vehicle replacement programme £422,700, partly due to delivery lead times, although the programme is kept under continual review.
- Disabled Facilities Grant (DFG) £222,400, committed expenditure on adaptations for delivery in 2026/27.
- Carlton Changing Places facility £130,000, scheduled for completion early in 2026/27 using UKSPF funding.
- Fire Door Replacement £153,300. These are enhanced fire mitigation measures and include an additional budget requirement of £27,400 due to bids being higher than anticipated, with funding provided from unspent Asset Management Fund resources in 2025/26. The project is scheduled for completion in 2026/27.
- Jackie Bells Play areas refurbishment £100,000, scheduled to be completed in May 2026.

Appendix 6 details:

- (a) The carry forward requests authorised by the Chief Financial Officer in line with the delegation arrangements total £495,000. This relates to a number of schemes, including Disabled Facilities Grants, implementation of the Waste Management System and other projects detailed in the appendix.

- (b) The carry forward requests totalling £1,022,500 for non-committed schemes above £50,000 require Cabinet approval. This mainly reflects vehicle replacement lead times, fire door replacement and Carlton Changing Places, together with other projects detailed in the appendix.

3.4 Capital Financing 2025/26

The proposed method of financing the £5,448,183 capital expenditure incurred in 2025/26 is detailed in Appendix 7 and summarised below:

	£
Capital Receipts	600,612
Capital Grants and Contributions	1,415,660
S106 & CIL	183,801
General Fund Revenue Contributions	131,397
Borrowing	3,116,713
Total Capital Financing	5,448,183

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 2026 is as follows:

Description	Balance (b/fwd)	Received	Use In Year	Balance
	01/04/25	In Year		31/03/26
	£	£	£	£
Usable Capital Receipts	250,320	423,137	(600,612)	72,844
Capital Grants Unapplied	1,474,506	2,158,804	(1,415,660)	2,217,650
S106 Contributions (conditions satisfied)	4,586,630	1,196,010	(366,942)	4,515,698
Community Infrastructure Levy	2,763,662	2,821,799	(90,379)	5,495,083
Total	9,075,118	6,599,750	(2,473,593)	12,301,275

3.5 Determination of Minimum Revenue Provision 2025/26

The Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003/3146 require each local authority to determine the amount to be set aside from revenue as provision for the repayment of debt, known as the Minimum Revenue Provision.

For 2025/26, the proposed Minimum Revenue Provision has been calculated in accordance with the MRP Policy for 2025/26 approved by Council on 5 March 2025 and amounts to £966,600.

4. Statement of Accounts

4.1 Technical Adjustments to Revenue

The Council is required to comply with International Financial Reporting Standards (IFRS) in the preparation 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, including holiday pay and pensions, as well as impairments arising from asset revaluations, and further details are provided below. These adjustments do not affect the budget requirement or the amount to be raised through Council Tax and therefore do not impact the General Fund Balance. No budgets are set for these items and managers do not have direct control over the costs. They are therefore not included within the Outturn Portfolio balances at paragraph 2.1.

Pension Benefits

IFRS requires recognition in the accounts of the pension benefits earned by employees during the period, rather than the actual employer pension contributions payable on which charges to Council Tax are based. Adjustments will therefore be made to the service revenue accounts within the Net Cost of Services to remove the actual pension contributions payable and replace them with the benefit entitlements earned, as advised by the Actuary.

Asset Impairment

A capital asset impairment review is undertaken at each year end by the Council's valuer. This assessment considers whether the asset values currently held in the Council's Balance Sheet reflect current physical and market conditions and whether an adjustment is required. Where an asset is impaired, meaning its value is assessed as lower than that currently held, the asset value is written down and the accounting loss is charged to the Comprehensive Income and Expenditure Statement.

4.2 Pensions

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. In addition, the latest triennial valuation of the Pension Fund has resulted in a reduction in the employer contribution rate from 19.6% to 16.5% with effect from 1st April 2026, which is expected to reduce the Council's employer overall pension contributions by £133,500 in 2026/27.

5 Alternative Options

This report provides a statement of financial performance against the approved budget for 2025/26 and, as such, there are no alternative options. The proposals for budget carry forwards are in accordance with the requirements of the Financial Regulations and are submitted for Member consideration.

Approval of the Minimum Revenue Provision determination is a statutory requirement and, given the limited resources available for capital financing, there are no alternative options.

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 Local Government Reorganisation Implications

8.1 Local Government Reorganisation continues to create uncertainty for Gedling Borough Council in planning for the medium term, as the Council does not yet know which future unitary arrangement it will become part of. The Government's decision is expected in July 2026 and until that is confirmed, there remains limited clarity over the future operating model, service alignment, governance arrangements and longer-term financial assumptions. In the meantime, the Council is continuing to manage its current budgets and services prudently while seeking to maintain flexibility and prepare for transition as far as possible.

9 Equalities Implications

9.1 None arising directly from this report.

10 Carbon Reduction/Environmental Sustainability Implications

10.1 None arising directly from this report.

11 Appendices

Appendix 1	General Fund Revenue Outturn 2025/26 Variance Analysis
Appendix 2	Summary General Fund Balance and Earmarked Reserves
Appendix 3	Movement in Earmarked Reserves
Appendix 4	Members Pot 2025/26
Appendix 5	Capital Outturn 2025/26
Appendix 6	Budget Carry Forward Summary
Appendix 7	Capital Financing Summary 2025/26

12 Background Papers

Gedling Plan and Budget 2025/26 and Quarterly Budget Monitoring Reports

13 Reasons for Recommendations

13.1 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: 12 June 2026

Approved by: Monitoring Officer
Date: 12 June 2026