

APPENDIX 2a

FINANCIAL ESTIMATES 2023/24 - 2025/26**RESOURCES – REVENUE BUDGETS**

Classification	Revised Estimate 2022/23 £	Base Budget 2023/24 £
Employees	5,189,540	5,558,300
Premises	275,730	312,750
Transport	32,650	31,900
Supplies & Services	2,589,980	2,767,150
Transfer Payments	14,950,910	12,344,400
Third Party Payments	266,020	266,650
Corporate Recharges	(1,734,940)	(1,874,900)
Capital Charges	3,300,753	3,476,350
Income	(6,798,450)	(7,009,390)
Income Benefits	(14,587,440)	(12,089,450)
TOTAL	3,484,753	3,778,760

The changes in the 2023/24 base budget for total net expenditure when compared with the 2022/23 revised estimate is primarily a consequence of the following items:

Classification	Change (£)
Employees – The increase in the budget for employee expenses in 2023/24 is due to the higher than anticipated pay award in 2022/23 and an assumed 5% pay award in 2023/24. There is also a 1% increase in Pension Fund primary contributions in 2023/24, offset on these budget lines by the reversal of the increase in National Insurance contributions.	368,760
Premises – This increase is primarily due to expected increases in utility and energy costs in this portfolio area.	37,020

Classification	Change (£)
<p>Supplies and Services – A net increase in costs which is largely due to the following changes:</p> <ul style="list-style-type: none"> • A budget of £101k relating to Covid-19 Track and Trace grants will drop out of the 2023/24 base budget along with a budget of £16k relating to public protection work associated with Covid-19. • A net increase in printing and postage costs of £15k. • An increase in software maintenance recharges of £67k. • Revenue growth submission of £181k in respect of the Borough Council elections in May 2023. This will be offset by a contribution from Earmarked Reserves (see below). 	172,170
<p>Transfer Payments – This relates to Rent Allowances, Rent Rebates and Discretionary Housing Payment costs. This cost is largely offset by Government subsidy. The 2023/24 base budget estimate for transfer payments, which is based on mid-year estimates, shows a reduction in budget which is also reflected in the decrease in the Income Benefits budget below.</p>	(2,606,510)
<p>Corporate Recharges – A net increase in recharges for services within the General Fund and HRA for costs including ICT and Business Transformation, Finance, Legal, Human Resources, Health and Safety, Payroll, Creditors, Debtors, Support Services and Internal Audit. This increase reflects the cost of pay and price inflation which is then charged into front-line services.</p>	(139,960)
<p>Capital Charges – Additional Minimum Revenue Provision (MRP) charged to the General Fund, an increase in overall external borrowing costs along with other general increases in capital depreciation charges.</p>	175,597
<p>Income – the increase in net income between the 2022/23 revised and 2023/24 base budgets is primarily due to:</p> <ul style="list-style-type: none"> • A net increase on Central Support Recharges, primarily to the HRA, of around £171k. • New Homes Bonus grant funding has moved to 'Financing' for budget setting for both revised and base. • An anticipated increase in investment interest of £115k; and • Other reductions in income forecasts of around £70k, primarily in relation to reduced income from subsidiaries (Liberty Leisure), land registry fees (migration to the Land Registry in 2023/24) and reductions in expected rental income in this portfolio. 	(210,940)

Classification	Change (£)
Income Benefits partly offset the expenditure included in Transfer payments above. As this expenditure is expected to reduce the related grants are also reduced.	2,497,990

Revenue Developments

In addition to the budget above, a revenue development has been requested. This has been provisionally added to the budgets above, pending approval.

Borough Elections 2023 (£181,000)

A one-off budget of £181,000 is required in 2023/24 to fund all associated costs relating to the Borough Council Elections which will be taking place on 4 May 2023. These costs will include costs of election staff, premises costs (e.g. hire of facilities/venues), printing, postage and equipment costs, along with any other associated costs such as security, transport, etc.

This cost will be financed by a contribution from the Elections Earmarked Reserves.