

APPENDIX 2a

FINANCIAL ESTIMATES 2024/25 – 2026/27**RESOURCES – REVENUE BUDGETS**

Classification	Revised Estimate 2023/24 £	Base Budget 2024/25 £
Employees	5,613,700	6,000,180
Premises	312,750	372,810
Transport	31,900	24,550
Supplies & Services	2,734,150	2,820,300
Transfer Payments	12,344,400	12,549,550
Third Party Payments	266,650	101,200
Corporate Recharges	(1,874,900)	(2,027,350)
Capital Charges	3,476,350	3,554,400
Income	(7,056,140)	(7,737,020)
Income Benefits	(12,089,450)	(12,258,150)
TOTAL	3,759,410	3,400,470

The changes in the 2024/25 base budget for total net expenditure when compared with the 2023/24 revised estimate is primarily a consequence of the following items:

Classification	Change (£)
Employees – The increase in the salaries budget in 2024/25 is due to a pay award in 2023/24 and an assumed 4% pay award in 2024/25.	386,480
Premises – This increase is primarily due to expected increases in utility and energy costs in this portfolio area and programme maintenance.	60,060
Transport – This slight reduction in budgeted costs is linked to the Mayor's Chauffeuring service arrangements.	(7,350)

Classification	Change (£)
<p>Supplies and Services – A net increase in budgeted costs is largely due to the following:</p> <ul style="list-style-type: none"> • An increase in external audit fees of £88,500 • A net increase of £59,200 in postage costs. • An increase in the Revenue Contingency of £25,000. • An increase in software maintenance recharges of £54,000. <p>This is partially offset by the fall out of 2023/24 development budgets including a one-off £181,000 for the Borough Election (funded from earmarked reserves).</p>	86,150
<p>Transfer Payments – This budget relates to Rent Allowances, Rent Rebates and Discretionary Housing Payment costs. This cost is largely offset by Government subsidy. The 2024/25 base budget estimate for transfer payments is based on 10% reduction on the 2023/24 revised budget.</p>	205,150
<p>Third Party Payments – This reduction mainly relates to the end of the East Midlands Development Corporation three-year funding agreement.</p>	(165,550)
<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 Audit and Control.</p>	(152,450)
<p>Capital Charges – Additional external interest borrowing costs charged to the General Fund based on current a forecast borrowing levels and interest rates.</p> <p>This is partially netted off by a decrease in depreciation charges, due to some assets becoming fully depreciated in 2023/24, and a decrease in Minimum Revenue Provision as 2023/24 is the final year of MRP for a number of assets.</p>	78,050

Classification	Change (£)
<p>Income – The increase in net income between the 2023/24 revised and 2024/25 base budgets is primarily due to:</p> <ul style="list-style-type: none"> • An increase in the external borrowing interest recharged to the HRA due to the borrowing related to the HRA capital programme. This charge is based on the proportion of debt financed capital schemes related to the HRA and the proportion related to the GF (£536k). • Forecast investment interest has increased. The forecast takes into account expected cash flows and interest rates for 2024/25 (£165k). • An increase in recharges to other service areas (£75k). • Recovered court costs are forecast to increase (£33k). <p>The above increases on income are partially netted off by:</p> <ul style="list-style-type: none"> • A decrease in recharges to capital based upon the proposed 2024/25 capital programme (£16k). • An increase in investment interest transferred to the HRA, which is calculated using the proportional balances between the GF and HRA (£93k). • A net decrease in recharges to the HRA based on a review of the recharge base (£28k). 	(680,880)
<p>Income Benefits – These partly offset the expenditure included above in Transfer Payments. As this spend is expected to reduce the related grants will also be reduced.</p>	(168,700)