

Appendix 2a

Financial Estimates 2025/26 – 2027/28
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Resources – Revenue Budgets

Classification	Revised Estimate 2024/25 £	Base Budget 2025/26 £
Employees	6,149,030	6,376,510
Premises	382,810	373,050
Transport	24,550	25,950
Supplies & Services	2,864,850	3,126,950
Transfer Payments	12,549,550	11,307,150
Third Party Payments	101,200	110,100
Corporate Recharges	(2,027,350)	(2,426,650)
Capital Charges	3,554,400	4,369,360
Income	(7,803,740)	(8,959,220)
Income Benefits	(12,258,150)	(11,044,850)
TOTAL	3,537,150	3,258,350

The budget increase for net expenditure in 2024/25 between the original budget and revised estimate is a consequence of the following items:

	Change (£'000)
Add: General Fund Revenue items carried forward from 2023/24 approved by Cabinet on 27 July 2024 (Civic Affairs – Mayoral Entertainment)	13
Add: Budget amendments approved by Cabinet on 9 January 2024 (New Head of Health, Safety and Emergency Planning £4k (GF); New Compliance Post £13k (GF); New Senior Health, Safety and Emergency Planning Officer £43k; Head of ICT and Corporate Services re-designation £10k)	70
Add: Budget amendments approved by Cabinet on 23 July 2024 (Purchase of Civica Property Management Software £17k; Income Management System £5k; Microsoft Enterprise Agreement (EA) Licence £28k)	50

	Change (£'000)
Add: Budget amendments approved by Cabinet on 3 September 2024 (Civic and Events Officer – increased hours)	9
Add: Allocation from Revenue Contingency (Improvements to office toilets and the painting of public conveniences in town centres)	10
Less: Allocations from General Fund Revenue Contingency (Deputy Chief Executive delegation)	(15)
Revenue Budget increase in 2024/25	137

The changes in the 2025/26 base budget for total net expenditure when compared with the 2024/25 revised estimate is primarily a consequence of the following items:

Classification	Change (£)
Employees – The increase in the salaries budget is due to an assumed 3% pay award in 2025/26 and the increase in the level of employer's National Insurance Contributions.	227
Premises – The overall fall in cost is due to reduction of programme maintenance being offset by predicted increases in utility and energy costs in this portfolio area.	(10)
Transport – Nominal increase for travelling expenses.	2
Supplies and Services – A net increase in budgeted costs is largely due to the following: <ul style="list-style-type: none"> • An increase in software maintenance costs £139k. • A new budget for expert procurement consultancy £60k which is offset by freezing the budget of an established Procurement Officer post which has been vacant for some time. • An increase in Members' Allowances of £35k. • An increase in banking charges of £25k. • These increases have been partially offset by a £53k reduction on ICT hardware maintenance and computer equipment supplies. 	262
Transfer Payments – This budget relates to Rent Allowances, Rent Rebates and Discretionary Housing Payment costs. This cost is largely offset by government subsidy. The 2025/26 base budget estimate for transfer payments is based on 10% reduction on the 2024/25 revised budget.	(1,242)

Third Party Payments – This mainly relates to an expected increase in the price of the Government Delivery Contract and the cost of shared Business Rates Inspectors with two local authorities.	9
Corporate Recharges – A net reduction in recharges for services within the General Fund and HRA for costs including ICT, Finance, Legal, Human Resources, Health and Safety, Payroll, Creditors, Debtors and Business Support.	(399)
Capital Charges – There has been a significant uplift in external interest borrowing costs, initially charged to the General Fund, based on current and forecast borrowing levels and interest rates. There has also been an increase on Minimum Revenue Provision as a result of capital expenditure. This is partially netted off by an increase in the reversal of depreciation.	815
<p>Income – The increase in net income between the 2024/25 revised and 2025/26 base budgets is primarily due to:</p> <ul style="list-style-type: none"> • An new Section 31 grant that the Council is expecting to receive from the government to support the increased cost of employer's National Insurance Contributions, although assumed not to be fully funded (£200k). • 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 upon the proportion of debt financed capital schemes related to the HRA and the proportion related to the General Fund (£718k). • An increase in recharges to the HRA based on a review of the recharge base (£186k). • An increase in recharges to capital based upon the proposed 2025/26 capital programme (£20k). <p>The above increases on income are partially netted off by:</p> <ul style="list-style-type: none"> • Forecast investment interest being reduced by £140k, with the forecast taking into account expected cash flows and prevailing interest rate forecast 2025/26. 	(1,155)
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.	1,213
Revenue Budget decrease in 2025/26	(278)