

Appendix 2a

Financial Estimates 2026/27 – 2028/29
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Resources – Revenue Budgets

Classification	Revised Estimate 2025/26 £	Base Budget 2026/27 £
Employees	6,237,050	6,501,650
Premises	354,350	302,750
Transport	20,300	26,450
Supplies and Services	3,115,050	3,384,850
Transfer Payments	11,307,150	9,629,800
Third Party Payments	109,250	97,500
Corporate Recharges	(2,426,650)	(2,675,700)
Capital Charges	4,697,050	5,770,750
Income	(9,269,200)	(9,426,750)
Income Benefits	(11,044,850)	(9,406,900)
TOTAL	3,099,500	4,204,400

The budget increase for net expenditure in 2025/26 between the original budget and revised estimate is a consequence of the following items:

Resources and Support Services	Change (£)
Add: Budget amendments approved by Cabinet on 3 September 2024 (Temporary C-Cities Project Officer from July 2025)	21
Less: Proposed budget adjustments on salary savings efficiencies from £750k to £1m.	(250)
Less: Budget amendments approved by Cabinet on 26 June 2025 (Senior Officer Pay Review – Net deletion of Head of Administrative Services post).	(6)
Add: Budget amendments approved by GMT (ICT Services restructure) partially funded by other establishment changes	46

Resources and Support Services	Change (£)
Add: Budget amendments approved by Council 9 September 2025 (Consultancy support for appointment of a new Chief Executive)	40
Less: Budget amendments approved by Cabinet on 4 November 2025 (net increase to Civic Affairs/Events budget for provision of additional Freeman and Alderman Ceremony)	(6)
Less: Net movement in revenue developments with allocations from Revenue Contingency (Local Resilience Forum, Chilwell Quarry Tree Management, Domestic Homicide Reviews, Returning Officer Training) with earlier developments (Beeston Town Centre Study) falling out of base budget	(12)
Add: Treasury Management – Interest on Loans/Borrowing	327
Add: Treasury Management – Interest on Investments	(309)
Other budget changes across Resources and Support Services	(10)
Revenue Budget decrease in 2025/26	(159)

The changes in the 2026/27 base budget for total net expenditure when compared with the 2025/26 revised estimate is primarily a consequence of the following items:

Resources and Support Services - Service Area	Change (£)
Employees – An increase in the salaries budget due to an assumed 3% pay award in 2026/27 which is partially offset by decrease in the level of Employer's Pension Fund Contributions. The vacancy rate target has been reduced from £1.0m back to £800k (a £50k uplift on the original estimate 2025/26).	265
Premises – An overall reduction in premises costs due to a fall in energy costs in this portfolio area.	(52)
Transport – Minor net changes.	6
Supplies and Services – A net increase in budgeted costs is due to an increase in the cost of telephones (£97k); audit fees (£92k); software maintenance (£52k); postage (£35k) and Legal Counsel fees (£25k). These increases have been partially offset by a saving of £80k on insurance premiums.	270
Transfer Payments – This budget relates to Rent Allowances and, Rent Rebates. This cost is largely offset by government subsidy. The 2026/27 base budget estimate for transfer payments is based on 15% reduction on the 2025/26 revised budget.	(1,677)

Resources and Support Services - Service Area	Change (£)
Third Party Payments – A reduction on Corporate Communications and Ground Maintenance recharges relating to public buildings.	(12)
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.	(249)
Capital Charges – There has been a significant uplift in borrowing interest 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. There is also an increase in the reversal of depreciation.	1,074
<p>Income – The increase in net income between the 2025/26 revised and 2026/27 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 upon the proportion of debt financed capital schemes related to the HRA, and the proportion related to the General Fund (£305k). • An increase in recharges to the HRA based on a review of the recharge base (£390k). <p>The above increases on income are partially netted off by:</p> <ul style="list-style-type: none"> • Forecast investment interest being reduced by £350k, with the forecast taking into account expected cash flows and prevailing interest rate forecast 2026/27. • A reduction on recharges to capital based on the proposed 2026/7 capital programme (£68k). • Cessation of grant funding towards the increased employers National Insurance Contributions (£111k). 	(158)
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.	1,638
Revenue Budget increase in 2026/27	1,105