

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST
2023/24**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the Base Budget Forecast for the Revenues and Benefits shared service for 2023/24.

2. Executive Summary

- 2.1 The Delegation and Joint Committee Agreement requires the Base Budget Forecast for the shared to be reported to Members. This report is designed to meet this requirement.
- 2.2 The Base Budget Forecast for 2023/24 is included as Appendix 1 to this report.
- 2.3 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

3. Background

- 3.1 The Revenues and Benefits Shared Service was formed on 1st June 2011, with a budget set to deliver savings for both partner authorities.
- 3.2 Over the past decade costs have increased due to inflationary and other service pressures, with the Base Budget Forecast for 2023/24 of £2.879m, £530.4k higher than the initial Base Budget set in 2012/13, equivalent to an average increase of 2% p.a. Despite inflationary increases, ongoing efficiencies continue to be delivered by the Shared Service.

4. Base Budget Forecast 2023/24

- 4.1 The Base Budget Forecast for the shared service has been prepared and is included as Appendix 1 to this report.
- 4.2 A full review of each line of the budget has taken place to ensure a fair representation of the activity of the service. This has led to budgets being transferred between different shared service functions. Although each Authority has a different percentage of each service, across the service as a whole this hasn't led to either Authority significantly paying more than the other.
- 4.3 As a result of inflationary pressures there has been a significant increase in the base budget from last year, in the main, due to the significantly higher than

anticipated pay award in 2022/23 (as agreed nationally, all pay scales were increased by a flat rate £1,925) compounded by an increased pay award forecast for 2023/24, alongside this City Council's primary pension contribution rate has increased from 17.3% to 23.4% increasing employee costs further. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

5. Organisational Impacts

- 5.1 The financial implications are contained throughout the report.
- 5.2 There are no legal implications arising from this report.
- 5.3 There are no equality and diversity implications as a direct result of this report.

6. Risk Implications

- 6.1 Full financial risk assessments are included within both partner authorities Medium Financial Strategies.

7. Recommendation

- 7.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2023/24.

Key Decision No

Do the Exempt Information Categories Apply? No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? Two

List of Background Papers: None

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Appendix 1 Base Budget Forecast 2023/24

	2023/24		
	Shared Service £	NKDC £	CoLC £
Management			
Employees	355,460		
Supplies & Services	94,570		
Sub Total	450,030	225,020	225,020
Revenues			
Employees	920,560		
Transport	4,500		
Supplies & Services	233,530		
Recharge to WLDC	(81,800)		
Income	(15,000)		
CoLC only recovery	(94,110)		
Sub Total	967,680	493,520	474,150
Benefits			
Employees	1,155,120		
Transport	600		
Supplies & Services	42,200		
Income	(8,490)		
Sub Total	1,189,430	499,560	689,860
Money Advice			
Employees	260,900		
Transport	2,750		
Supplies & Services	8,140		
Sub Total	271,790	135,900	135,900
TOTAL	2,878,930	1,354,000	1,524,930

Appendix 2 – Reconciliation to previous Base Budget Forecast (2022-27)

	2023/24		
	Shared Service £	NKDC £	CoLC £
Original budget - 2022 – 2027	2,576,600	1,207,710	1,368,890
Increased Salary cost related to Pay Award & Increase in Pension Contributions	260,890	122,540	138,370
Increased costs of IT (new NEC Contract)	39,540	19,850	19,690
Increased costs for Postage & Training	2,390	4,120	(1,730)
Increased Income on LiNK HB Subsidy Partnership	(490)	(210)	(280)
Revised budget – 2023 – 2028	2,878,930	1,354,000	1,524,950