

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST  
2025/26**

**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 2025/26.

## **2. Background**

- 2.1 The Revenues and Benefits Shared Service was formed on 1<sup>st</sup> June 2011, with a budget set to deliver savings for both partner authorities.
- 2.2 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.
- 2.3 The Base Budget Forecast for 2025/26 is included as Appendix 1 to this report.
- 2.4 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

## **3. Base Budget Forecast 2025/26**

- 3.1 The Base Budget Forecast for the shared service has been prepared and is included as Appendix 1 to this report.
- 3.2 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.
- 3.3 As a result of inflationary pressures there has been an increase in the base budget from last year, in the main, due to increasing salary costs resulting from the higher than anticipated pay award in 2024/25, as agreed nationally, the pay award reflected the higher of either, a flat rate increase of £1,290, or 2.5% to all employees, equivalent to a 5.72% increase for the lowest paid members of staff and with the majority of officers receiving pay rises above the original budgeted estimate of 3%.

Additionally, in the 2024 Autumn Budget, the Government announced a change to employers' NICs with effect April 2025, which will see rates increase by 1.2%, from 13.8% to 15%, along with a reduction in the secondary threshold from £9,100 to

£5,000 which means more employers will become eligible to pay NICs. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

#### **4. Organisational Impacts**

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

#### **5. Risk Implications**

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

#### **6. Recommendation**

- 6.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2025/26.

<b>Key Decision</b>	No
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<b>Do the Exempt Information Categories Apply?</b>	No
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<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
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<b>How many appendices does the report contain?</b>	Two
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<b>List of Background Papers:</b>	None
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<b>Lead Officer:</b>	Martin Walmsley, Assistant Director Shared Revenues and Benefits <a href="mailto:Martin.walmsley@lincoln.gov.uk">Martin.walmsley@lincoln.gov.uk</a>
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## Appendix 1 Base Budget Forecast 2025/26

	2025/26		
	Shared Service	NKDC	CoLC
	£	£	£
<b>Management</b>			
Employees	398,290		
Supplies & Services	98,670		
<b>Sub Total</b>	<b>496,960</b>	<b>248,480</b>	<b>248,480</b>
<b>Revenues</b>			
Employees	1,063,020		
Transport	4,500		
Supplies & Services	231,550		
Recharge to WLDC	(81,800)		
Income	(15,000)		
CoLC only recovery	(97,910)		
<b>Sub Total</b>	<b>1,104,360</b>	<b>563,220</b>	<b>541,140</b>
<b>Benefits</b>			
Employees	1,300,610		
Transport	600		
Supplies & Services	46,360		
Income	(8,910)		
<b>Sub Total</b>	<b>1,338,660</b>	<b>562,240</b>	<b>776,420</b>
<b>Money Advice</b>			
Employees	302,540		
Transport	2,750		
Supplies & Services	6,790		
<b>Sub Total</b>	<b>312,080</b>	<b>156,040</b>	<b>156,040</b>
<b>TOTAL</b>	<b>3,252,060</b>	<b>1,529,980</b>	<b>1,722,080</b>

## Appendix 2 – Reconciliation to previous Base Budget Forecast (2024-29)

	2025/26		
	Shared Service £	NKDC £	CoLC £
Original budget - 2024 – 2029	3,153,980	1,483,350	1,670,630
Increased Salary cost related to Pay Award	34,050	16,450	17,600
Increased Salary cost related to NIC Increase	68,270	32,090	36,180
Other minor variances	580	300	290
<b>Revised budget – 2025 – 2030</b>	<b>3,252,060</b>	<b>1,529,980</b>	<b>1,722,080</b>