









## APPENDIX 11 CORPORATE BUDGETS SUMMARY

### Corporate Budgets

	Budget £m	Forecast Actual £m	Projected Outturn £m	Budget Performance  Overspend  Underspend
<b>Corporate Budgets</b>				
Risk Management	21.977	8.014	-13.963	
Debt Charges	49.178	48.735	-0.443	
Interest & Dividend Income	-4.475	-10.087	-5.612	
Levies & Precepts	0.383	0.383	0.000	
Corporate Adjustments	4.493	7.234	2.741	
<b>Total Corporate Outturn</b>	<b>71.556</b>	<b>54.279</b>	<b>-17.277</b>	

There is a net forecast underspend of £17.277m on corporate budgets in 2024-25.

### Risk Management

There is a forecast £13.963m underspend on the Risk Management budget. Based on the National Employers current pay offer, it is anticipated that the budgeted contingency will exceed the required allocation for the Local Government Pay award and other pay related pressures by £5.3m. Further underspends include the receipt of an estimated £3m of additional income in respect of the Council's share of the gain on the 2024-25 Derbyshire Business Rates Pool and £5.7m of additional non-ringfenced grants that had not been announced when the 2024-25 Revenue Budget was approved by Council on 14 February 2024. The allocation of the risk management budget is summarised in the Table below.

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<b><u>Risk Management budget</u></b>	<b>Budget £m</b>	<b>Forecast Expenditure £m</b>	<b>Over / (Under) Spend £m</b>
Pay Pressures	16.271	11.014	(5.257)
Departmental Specific Service Pressures	0.000	0.000	0.000
General Contingency	(0.010)	0.000	0.010
<b>Total Contingency Funding</b>	<b>16.261</b>	<b>11.014</b>	<b>(5.247)</b>
Business Rates Relief Grant Adjustment	5.260	0.000	(5.260)
Business Rates Top-Up Grant Adjustment	0.222	0.000	(0.222)
Extended Rights Home to School Transport Grant	0.234	0.000	(0.234)
<b>Additional Non-ringfenced Grants</b>	<b>5.716</b>	<b>0.000</b>	<b>(5.716)</b>
<b>Business Rates Pool Gain</b>	<b>0.000</b>	<b>(3.000)</b>	<b>(3.000)</b>
<b>Total Risk Management Budget</b>	<b>21.977</b>	<b>8.014</b>	<b>(13.963)</b>

The 2024-25 pay award for Local Government Service Employees (effective from 1 April 2024) was agreed in October 2024. Chief Officer grades (grades 17 and above) were agreed in July 2024. The forecast expenditure for pay pressures is based on the employer offer as agreed.

The National Employers' final one-year offer proposed to the unions representing the main local government workforce was as follows, with effect from 1 April 2024:

- An increase of £1,290 on all pay points covered by the Council's Pay Grades up to and including Grade 13, which is equivalent to a 5.8% increase for employees on pay point 1 and 2.6% for employees on pay point 35.
- An increase of 2.50% on all pay points covered by the Council's Pay Grades on Grades 14 to 16.
- An increase of 2.50% on all pay points covered by the Council's Pay Grades on Grades 17 to 20.
- An increase of 2.50% on all pay points covered by the Council's Pay Grades on Grade 21.
- An increase of 2.50% on all allowances, except for travel rates.

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The final 2024-25 pay offer equates to a total ongoing cost to the Council of £10.734m. For 2024-25 budget purposes a sum of £15.984m was set aside, based on a £1,925 increase on pay points covered by Grades 1 to 13, 3.85% for Grades 14 to 16 and 3.5% for Grades 17 to 21. The National Employers' Offer pay increase for 2024-25 will leave the Council with a surplus ongoing contingency of £5.250m in 2024-25 which is available to offset pressures in other service areas in this and subsequent years. If the final pay award is higher than the employers' offer this surplus will not be achieved.

### Debt Charges (Cost of Borrowing)

The Debt Charges budget is forecast to be underspent by £0.443m in 2024-25 of which £1m related to the Minimum Revenue Provision (MRP) for the repayment of debt principal; this is offset by a £0.6m overspend in respect of interest payable on loans.

Forecast MRP is lower as a result of an updated profile, of the borrowing required to fund the capital programme, since the budget was set.

Forecast interest payable on loans is higher than budgeted, as additional borrowing has been required to maintain working capital than was expected when the budget was set.

Note that the forecast includes interest payable to East Midlands Combined County Authority (EMCCA) on funds received for and being held on behalf EMCCA.

### Interest and Dividend Income

A favourable variance of £5.612m is forecast on the Interest and Dividends budget in 2024-25, of which £3.5m relates to interest from short-term investments in money market funds and loans to the Debt Management Officer (DMO) and £1.5m relates to bank interest. Favourable variances from these two income streams are as a result of better than forecast working capital balances and interest income earned on funds held on behalf of East Midlands Combined County Authority (EMCCA); this interest income is offset by interest which will be payable to EMCCA on release of these funds, recognised in the Debt Charges budget. As at 30 September 2024 £85.057m was held for and on behalf of EMCCA. These funds are forecast to be released at the end of October 2024.

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Furthermore, £1.1m interest receivable is forecast on a loan advanced to an organisation in doubt due to economic conditions (though this is fully offset by an expected credit loss in the Corporate Adjustments budget).

An additional £0.2m of dividend income from pooled funds is forecast compared to budgeted income.

### Corporate Adjustments

There is a forecast overspend of £2.741m on Corporate Adjustments in 2024-25. This is due to an expected credit loss in respect of interest receivable on a loan advanced to an organisation which is now in doubt due to economic conditions (£1.1m) and an anticipated adjustment in respect of schools' balances (£1.7m).