



# Leicestershire Partnership Revenues & Benefits

2023/24 Proposed Budget

**Joint Committee**

## 1. PURPOSE OF THE REPORT

1.1 To inform the Management Board of the draft budget for 2023/24.

## 2. RECOMMENDATION

2.1 That the 2023/24 budget proposals for the Partnership is approved for agreement by the by the Joint Committee.

## 3. BACKGROUND

3.1 The timetables for budget setting for the Partnership is that the budget will normally be approved prior to the 31st January each year.

### Budget overview

3.2 In preparing this draft budget for 2023/24 the following factors and assumptions have been taken into account:

- Actual spend for 2022/23 has been used as an indicator where relevant.
- A provision has been made on salaries for the £1925 pay award for 2022/23 and a 5% pay award for 2023/24 based on the current establishment provided by each Partner.
- In terms of general inflation, no provision has been made other than for contractual increases at RPI.
- Salary costs also include additional costs associated to pension contributions; annual pay increments due during 2023/24.

3.3 The draft 2023/24 budget shows an increase of £229,810 for the Partnership (net of other body contributions) and is detailed below (Table 1).

3.4 The main cause of the decrease in 2023/24 is due to moving from a 2% vacancy factor to a 5% factor and employer costs in relation to increased NI and pension contributions.

| Expenditure / Income Type       | 2022/2023<br>Budget<br>(OR) | 2022/2023<br>Budget<br>(LA) | 2023/24<br>Draft<br>Budget<br>(5%<br>Vacancy<br>Factor) | Increase/<br>Decrease<br>on<br>2022/23<br>Revised |
|---------------------------------|-----------------------------|-----------------------------|---|---|
|                                 |                             | £                           | £   |   |
| Employees                       | 2,826,560                   | 2,826,560                   | 3,092,460   | 265,900   |
| Premises Related Expenditure    | 98,220                      | 98,220                      | 42,310  | (55,910)  |
| Transport Related Expenditure   | 15,000                      | 15,000                      | 15,000  | 0   |
| Supplies & Services             | 922,900                     | 922,900                     | 942,720   | 19,820  |
| Central & Administrative Exp    | 31,200                      | 31,200                      | 31,200  | 0   |
| <b>Total Expenditure</b>        | <b>3,893,880</b>            | <b>3,893,880</b>            | <b>4,123,690</b>  | <b>229,810</b>                                    |
|                                 |                             |                             |   |   |
| Partner Contributions           | (3,874,880)                 | (3,874,880)                 | (4,091,790)   | (216,910)   |
| Contributions from Other Bodies | (19,000)                    | (19,000)                    | (31,900)  | (12,900)  |
| Contributions from Reserves     | 0                           | 0                           | 0   | 0   |
| <b>Total Funding</b>            | <b>(3,893,880)</b>          | <b>(3,893,880)</b>          | <b>(4,123,690)</b>                                      | <b>(229,810)</b>                                  |

3.5 After allowing for a 5% vacancy factor, the budget for the Partnership will increase by £229,810, requiring increased funding from partners of £216,910 with the remaining £12,900 being recovered from other bodies contributions.

### Partner Contributions

3.7 Partner contributions have been calculated on the basis of the budget and split in accordance with the Partnership Agreement: The only exception to this split is:

- Search and liability expenses which are charged to each partner based on activity. Partners will be billed quarterly for actual costs incurred and will receive any recovered income directly into their own General Fund

Based on this methodology, the estimated contributions for each partner are detailed below for a budget with a vacancy factor at 5%. The impact of Covid is still placing pressure on the partnership, there it may mean savings might not be delivered as hoped.

| <b>Table 2</b>  | <b>Total</b>      | <b>Other Bodies</b> | <b>HBBC</b>       | <b>HDC</b>        | <b>NWLDC</b>      |
|---|-------------------|---------------------|-------------------|-------------------|-------------------|
|   |                   |                     | 37.32%            | 28.87%            | 33.81%            |
| Total Partnership Contributions excluding Searches and Liability Orders | 4,062,190         |                     | 1,516,010         | 1,172,750         | 1,373,430         |
| Searches  | 8,700             |                     | 2,070             | 1,660             | 4,970             |
| Liability Order Expenses  | 20,900            |                     | 7,450             | 7,290             | 6,160             |
| <b>Total contribution (A)</b>   | <b>4,091,790</b>  | <b>0</b>            | <b>1,525,530</b>  | <b>1,181,700</b>  | <b>1,384,560</b>  |
| Contributions from Other Bodies   | 31,900            | 31,900              | 0                 | 0                 | 0                 |
| Contribution from Reserves  | 0                 |                     | 0                 | 0                 | 0                 |
| Total contribution 2023/24  | 4,123,690         | 31,900              | 1,525,530         | 1,181,700         | 1,384,560         |
| <b>2020/21 Revised Contribution (B)</b>                                 | <b>-3,874,880</b> | <b>0</b>            | <b>-1,443,648</b> | <b>-1,119,332</b> | <b>-1,311,900</b> |
| Contributions from Other Bodies   | -19,000           | -19,000             | 0                 | 0                 | 0                 |
| Total funding and contribution 2020/21                                  | -3,893,880        | -19,000             | -1,443,648        | -1,119,332        | -1,311,900        |
| <b>Difference – Increase/(Decrease) Partners</b>                        | <b>216,910</b>    |                     | <b>81,882</b>     | <b>62,368</b>     | <b>72,660</b>     |
| Actual Increase from requested contribution in year (A)-(B)             | 229,810           | 12,900              | 81,882            | 62,368            | 72,660            |

3.7.1 The change in contributions is mainly due to staff cost changes, see table 3 below.

| <b>Table 3: Cost pressures</b>  | <b>£</b>        |
|---|-----------------|
|   |                 |
| Pay Award - 2023/24 - 5%  | 58,000          |
| Increase (Decrease) in NI Contribution  | -6,270          |
| Pension Contribution  | 26,510          |
| Increments  | 35,670          |
| Additional costs of £1,925 pay award not budgeted for in 2022/23 - Replaced budget of 1.75% (inc Oncosts)         | 139,090         |
| Increase in due to additional hours funded by BID Partner   | 12,900          |
| <b>Total</b>  | <b>265,900</b>  |
| Reduction in Rental for Office Accommodation due to move to Hub   | -55,910         |
| Court Costs etc reduced split between partners based on the original budgets rather than normal partnership split | -18,000         |
| <b>Other Budget Variances</b>   | <b>37,820</b>   |
| <b>Additional Income from BID Partner</b>   | <b>-12,900</b>  |
| <b>Partner Contributions</b>  | <b>-216,910</b> |
| <b>Total increase</b>   | <b>-265,900</b> |

## Appendix 1 – Breakdown of budgets

| Detail Code Name                        | 2022/2023 Budget (OR) | 2022/2023 Budget (LA) | 2023/24 Draft Budget (5% Vacancy Factor) |
|---|-----------------------|-----------------------|--|
| Salaries - Full Time                    | 2,814,680             | 2,814,680             | 3,080,510                                |
| Shared Service Employees- Salaries      | 0                     | 0                     | 0  |
| Criminal Records Bureau Checks          | 820                   | 820                   | 850                                      |
| Training Incl Conferences & Seminars    | 10,000                | 10,000                | 10,000                                   |
| Professional Subscriptions              | 1,060                 | 1,060                 | 1,100                                    |
| Electricity                             | 4,850                 | 4,850                 | 0  |
| Gas                                     | 2,990                 | 2,990                 | 0  |
| Rent                                    | 53,450                | 53,450                | 42,310                                   |
| Services Charges                        | 15,170                | 15,170                | 0  |
| NNDR                                    | 17,240                | 17,240                | 0  |
| Water Metered                           | 1,780                 | 1,780                 | 0  |
| Caretaking & Cleaning                   | 2,740                 | 2,740                 | 0  |
| Mileage                                 | 15,000                | 15,000                | 15,000                                   |
| Computer Software Maintenance & Upgrade | 535,450               | 535,450               | 565,100                                  |
| Computer Consumables                    | 5,000                 | 5,000                 | 5,000                                    |
| Flexible Working                        | 33,350                | 33,350                | 33,350                                   |
| Clothes & Uniforms                      | 600                   | 600                   | 600                                      |
| Printing & Stationery                   | 16,940                | 16,940                | 16,940                                   |
| Library (Other)                         | 0                     | 0                     | 0  |
| Consultancy Fees                        | 2,000                 | 2,000                 | 2,000                                    |
| Legal Fees                              | 0                     | 0                     | 0  |
| Audit Fees                              | 7,010                 | 7,010                 | 7,290                                    |
| Liability Order Expenses                | 38,900                | 38,900                | 20,900                                   |
| Postages                                | 16,280                | 16,280                | 17,090                                   |
| Virtual Mail Room                       | 230,850               | 230,850               | 242,390                                  |
| Telephone                               | 11,970                | 11,970                | 12,450                                   |
| Mobile Telephone                        | 1,600                 | 1,600                 | 1,660                                    |
| Remote Access                           | 5,000                 | 5,000                 | 0  |
| Subsistence                             | 500                   | 500                   | 500                                      |
| Travel Arrangements                     | 500                   | 500                   | 500                                      |
| Subscriptions                           | 7,250                 | 7,250                 | 7,250                                    |
| Company Searches                        | 8,700                 | 8,700                 | 8,700                                    |
| Room Hire & Expenses                    | 0                     | 0                     | 0  |
| Other - Miscellaneous                   | 1,000                 | 1,000                 | 1,000                                    |
| S151 Officer - Shared Services          | 12,000                | 12,000                | 12,000                                   |
| Accountancy Support - Shared Services   | 6,000                 | 6,000                 | 6,000                                    |
| Democratic Services - Shared Services   | 1,200                 | 1,200                 | 1,200                                    |
| Monitoring Officer - Shared Services    | 12,000                | 12,000                | 12,000                                   |

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>Total Costs</b>                     | <b>3,893,880</b>  | <b>3,893,880</b>  | <b>4,123,690</b>  |
|  |                   |                   |                   |
| Miscellaneous Income                   | -19,000           | -19,000           | -31,900           |
| Contributions from Outside Bodies      | -3,874,880        | -3,874,880        | -4,091,790        |
| Contribution from Reserves             | 0                 | 0                 | 0                 |
| Use of Reserves for CFwds              | 0                 | 0                 | 0                 |
| FERIS                                  | 0                 | 0                 | 0                 |
|  |                   |                   |                   |
| <b>Contributions and funding Total</b> | <b>-3,893,880</b> | <b>-3,893,880</b> | <b>-4,123,690</b> |