



Leicestershire Partnership Revenues & Benefits

2018/2019 Proposed Budget

1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the draft budget for 2018/19..

2. RECOMMENDATION

- 2.1 That the 2018/19 budget proposals for the Partnership is approved by the Joint Committee.

3. BACKGROUND

- 3.1 The timetables for budget setting for the Partnership are outlined in the Schedule 3 of the Partnership agreement as follows:

1.2 ...on or before 30 November before the start of each Municipal Year the Operational Board shall prepare a draft budget for the following Municipal Year for the consideration of the Joint Committee and Councils.

1.6 The Councils shall approve the draft budget on or before 31 December in each Municipal Year

- 3.2 Note section 1.6 of the constitution was formally extended to 31st January in 2013/14. The budget for 2018/2019 will therefore be formally approved at the Joint Committee meeting in January 2018.

Budget overview

- 3.3 In preparing this draft budget for 2018/2019 the following factors and assumptions have been taken into account:
- Actual spend for 2017/2018 has been used as an indicator where relevant;
 - A provision has been made on salaries of a 2% pay award 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 3.9% RPI. This assumption has been applied to the budgets for utility & cleaning costs, computer software, telephone & postages/virtual mail room and contributes to £19,980 increase in budget (gross). There are also a number of small savings that amount to £5,170;
 - Salary costs also include additional costs associated to pension contributions, annual pay increments due during 2018/19.
- 3.4 The draft 2018/19 budget shows an increase of £134,190 for the Partnership (net of other body contributions), and is detailed below (Table 1).

3.5 The main cause of the increase in 2018/19 is due to increases in pay and employer costs in relation to increased NI and pension contributions.

TABLE 1 Expenditure / Income Type	2017/2018 Budget (Original)	2017/2018 Budget (Revised)	2018/19 Draft Budget (2% Vacancy Factor)	Increase/ Decrease on 2017/18 Revised	Increase/ Decrease on 2017/18 Original
	£	£	£	£	£
Employees	2,551,100	2,614,718	2,672,160	57,442	121,060
Premises Related Expenditure	81,050	81,050	83,510	2,460	2,460
Transport Related Expenditure	28,000	28,000	24,000	-4,000	-4,000
Supplies & Services	768,300	776,800	784,140	7,340	15,840
Central & Administrative Exp	31,200	31,200	31,200	0	0
Total Expenditure	3,459,650	3,531,768	3,595,010	63,242	135,360
Partner Contributions	-3,429,650	-3,324,400	-3,563,840	-239,440	-134,190
Contributions from Other Bodies	-30,000	-30,000	-31,170	-1,170	-1,170
Contributions from Reserves	0	-105,250	0	105,250	0
Contributions from Reserves - C/fwds	0	-72,118	0	72,118	0
Total Funding	-3,459,650	-3,531,768	-3,595,010	-63,242	-135,360
Net (Income)/Expenditu re	0	0	0	0	0

3.6 After allowing for a 2% vacancy factor, the budget for the Partnership will increase expenditure by £135,360, requiring an increased funding from partners of £134,190, with the remaining £1,170 being recovered from Oadby & Wigston . For the 2018/19 year all the contributions will fall on the general fund expenditure of the partners.

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

3.8 Based on this methodology, the estimated contributions for each partner are detailed below for a budget with a vacancy factors at 2%.

TABLE 2	Total	Contributions from Other Bodies	HBBC	HDC	NWLDC
Allocation method %			37.69%	28.72%	33.59%
	£	£	£	£	£
Total Partnership Contributions excluding Searches and Liability Orders	3,516,240		1,325,270	1,009,860	1,181,110
Searches	8,700		2,070	1,660	4,970
Liability Order Expenses	38,900		13,240	12,730	12,930
Total contribution	3,563,840		1,340,580	1,024,250	1,199,010
Contributions from Other Bodies	31,170	31,170	0	0	0
Total contribution 2018/19	3,595,010	31,170	1,340,580	1,024,250	1,199,010
2017/18 Revised Contribution	- 3,429,650		- 1,288,520	-984,310	- 1,156,820
Contributions from Other Bodies	-30,000	-30,000	0	0	0
Contribution from Reserves	-105,250		-39,670	-30,230	-35,350
Difference – Increase/(Decrease)	30,110	1,170	12,390	9,710	6,840
Actual Increase	134,190	0	52,060	39,940	42,190

3.8.1 The table below gives the overall contribution for the partnership, after adjustments for budget changes, since 2011/12. As can be seen the level of increase is relatively modest since 2011/12 at £118,110, and is still below the pre-restructure costs of 2014/15. The largest contributing factor to the increase in 2018/19 is due to the costs of the national pay award.

	HBBC	HDC	NWLDC	Total	Comment
2011/12	1,320,640	964,680	1,090,410	3,375,730	
2012/13	1,338,560	977,850	1,108,050	3,424,460	
2013/14	1,395,900	1,005,150	1,139,240	3,540,290	
2014/15	1,415,880	1,014,350	1,159,010	3,589,240	
2015/16	1,241,570	948,790	1,115,890	3,306,250	Restructure
2016/17	1,260,838	960,672	1,129,340	3,350,850	Fraud Staff changes
2017/18	1,288,520	984,310	1,156,820	3,429,650	
2018/19	1,340,580	1,024,250	1,199,010	3,563,840	Proposed

3.8.2 The increase in contributions is mainly due to staff cost increases, see table 3 below.

Table 3: Cost pressures		£
Pay Award		41,097
Increase in NI Contribution		7,046
Pension Contribution		62,202
Increments, Spinal point increase year on year		18,223
other salary variances		-7,548
Total		121,020
Vacancy factor savings		
Other Budget Variances		13,170
Total increase		134,190

Appendix 1 – Breakdown of budgets

Detail Code Name	2017/18 Budget (OR)	2017/18 Budget (LA)	2018/19 Budget 2% vacancy Factor	Movement
Salaries - Full Time	2,531,440	2,531,440	2,652,460	121,020
Shared Service Employees- Salaries - FERIS	0	56,618	0	-56,618
Criminal Records Bureau Checks	750	750	750	0
Training Incl Conferences & Seminars	18,000	25,000	18,000	-7,000
Professional Subscriptions	910	910	950	40
Electricity	2,580	2,580	4,550	1,970
Gas	2,060	2,060	1,850	-210
Rent	53,450	53,450	53,450	0
Services Charges	12,450	12,450	13,090	640
NNDR	7,180	7,180	7,190	10
Water Metered	920	920	880	-40
Caretaking & Cleaning	2,410	2,410	2,500	90
Mileage	28,000	28,000	24,000	-4,000
Computer Software Maintenance & Upgrade	413,270	413,270	421,900	8,630
Computer Consumables	5,000	5,000	5,000	0
Flexible Working	45,110	52,110	45,110	-7,000
Clothes & Uniforms	600	600	600	0
Printing & Stationery	16,940	16,940	16,940	0
Library (Other)	1,200	1,200	1,200	0
Consultancy Fees	2,000	2,000	2,000	0
Legal Fees	5,000	5,000	5,000	0
Audit Fees	8,000	8,000	6,360	-1,640
Liability Order Expenses	38,900	38,900	38,900	0
Postages	13,250	13,250	13,770	520
Virtual Mail Room	187,970	187,970	195,300	7,330
Modem & Fax Machines	300	300	0	-300
Telephone	6,070	6,070	6,310	240
Mobile Telephone	1,740	1,740	1,500	-240
Remote Access	5,000	6,500	5,000	-1,500
Subsistence	500	500	500	0
Travel Arrangements	0	0	1,000	1,000
Subscriptions	7,250	7,250	7,250	0
Company Searches	8,700	8,700	8,700	0
Room Hire & Expenses	500	500	500	0
Other - Miscellaneous	1,000	1,000	1,300	300
S151 Officer - Shared Services	12,000	12,000	12,000	0

Accountancy Support - Shared Services	6,000	6,000	6,000	0
Democratic Services - Shared Services	1,200	1,200	1,200	0
Monitoring Officer - Shared Services	12,000	12,000	12,000	0
Total Costs	3,459,650	3,531,768	3,595,010	63,242
Miscellaneous Income	-30,000	-30,000	-31,170	-1,170
Contributions from Outside Bodies	-	-	-	-
	3,429,650	3,324,400	3,563,840	-239,440
Contribution from Reserves	0	-105,250	0	105,250
Use of Reserves for CFwds	0	-15,302	0	15,302
FERIS	0	-56,816	0	56,816