



Leicestershire Partnership Revenues & Benefits

2022/23 Proposed Budget

Joint Committee

1. PURPOSE OF THE REPORT

1.1 To inform the Management Board of the draft budget for 2022/23.

2. RECOMMENDATION

2.1 That the 2022/23 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 2022/23 the following factors and assumptions have been taken into account:

- Actual spend for 2021/22 has been used as an indicator where relevant.
- A provision has been made on salaries of a 1.75% 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 RPI.
- Salary costs also include additional costs associated to pension contributions and annual pay increments due during 2022/23.

The draft 2022/23 budget shows an increase of £193,810 for the Partnership (net of other body contributions) and is detailed below (Table 1).

3.3 The main cause of the changes in the 2022/23 budget is due to moving from a 2% vacancy factor to a 5% factor and employer costs in relation to increased pay costs including NI and pension contributions. There is also pressure from the IT service costs. These are given in table 3.

TABLE 1 Expenditure / Income Type	2021/2022 Budget (Original Budget)	2021/2022 Budget (Revised)	2022/23 Draft Budget (5% Vacancy Factor)	Increase/ Decrease on 2021/22 Original Budget	2021/2022 Budget (Revised Budget)
		£	£		
Employees	2,698,460	2,743,086	2,826,560	128,100	83,474
Premises Related Expenditure	97,220	97,220	98,220	1,000	1,000
Transport Related Expenditure	20,000	20,000	15,000	-5,000	-5,000
Supplies & Services	853,190	858,710	922,900	69,710	64,190
Central & Administrative Exp	31,200	31,200	31,200	0	0
Total Expenditure	3,700,070	3,750,216	3,893,880	193,810	143,664
Partner Contributions	-3,647,720	-3,568,428	-3,874,880	-227,160	-306,452
Contributions from Other Bodies	-49,000	-49,000	-19,000	30,000	30,000
Contributions from Reserves	-3,350	-88,162	0	3,350	88,162
Contributions from Reserves - C/fwds		-44,626		0	44,626
Total Funding	-3,700,070	-3,750,216	-3,893,880	-193,810	-143,664
Net (Income)/Expenditure	0	0	0	0	0

3.4 After allowing for a 5% vacancy factor, the budget for the Partnership will increase expenditure by £193,810.

Partner Contributions

3.7 Partner contributions have been calculated based on 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.

Table 2 <i>Allocation method %</i>	Total	Other Bodies	HBBC 37.32%	HDC 28.87%	NWL 33.81%
Total Partnership Contributions excluding Searches and Liability Orders	3,827,280		1,428,338	1,104,942	1,294,000
Searches	8,700		2,070	1,660	4,970
Liability Order Expenses	38,900		13,240	12,730	12,930
Total contribution (A)	3,874,880		1,443,648	1,119,332	1,311,900
Contributions from Other Bodies	19,000	19,000	0	0	0
Contribution from Reserves	0		0	0	0
Total contribution 2022/23	3,893,880	19,000	1,443,648	1,119,332	1,311,900
2021/22 Revised Contribution (B)	-3,568,428		-1,329,289	-1,030,848	-1,208,291
Contributions from Other Bodies	-49,000	-49,000	0	0	0
Contribution from Reserves	-3,350		-1,250	-967	-1,133
Additional Contribution from Reserves	-79,292		-29,591	-22,892	-26,809
Total funding and contribution 2021/22	-3,700,070	-49,000	-1,360,130	-1,054,707	-1,236,233
Difference – Increase/(Decrease)	193,810	-30,000	83,518	64,625	75,667
Actual Increase from requested contribution in year (A)-(B)	306,452	0	114,359	88,484	103,609

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

3.7.2

Table 2: Cost pressures	£
Pay Award	36,610
NI & Pension Contribution	62,740
Increments, Spinal point increase year on year	6,500
1.75% pay award not budgeted for in 2021/22 - Replaced £250 Lump Sum	22,200
Contributions Reserves/other	3,350
Change in ICT Arrangements (Under review)	64,000
Loss of Income from Oadby & Wigston to cover Capita Costs	30,000
Estimated Reduction in Capita Costs as Oadby & Wigston no longer included in cost	-20,000
Other Budget Variances (Mostly inflation pf 3%)	21,760
Net	227,160
Loss of contributions from reserves	79,292
Invoiced contributions pressure	306,452
Partner Contributions (Actual increase)	-227,160

Appendix 1 – Breakdown of budgets

Detail Code Name	2021/2022 Budget (OR)	2021/2022 Budget (LA)	2022/23 Budget 5% vacancy Factor
Salaries - Full Time	2,686,630	2,686,630	2,814,680
Shared Service Employees- Salaries	0	44,626	0
Criminal Records Bureau Checks	800	800	820
Training Incl Conferences & Seminars	10,000	10,000	10,000
Professional Subscriptions	1,030	1,030	1,060
Electricity	4,700	4,700	4,850
Gas	2,900	2,900	2,990
Rent	53,450	53,450	53,450
Services Charges	14,540	14,540	15,170
NNDR	17,240	17,240	17,240
Water Metered	1,730	1,730	1,780
Caretaking & Cleaning	2,660	2,660	2,740
Mileage	20,000	20,000	15,000
Computer Software Maintenance & Upgrade	482,970	482,970	535,450
Computer Consumables	5,000	5,000	5,000
Flexible Working	33,360	33,360	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	6,800	6,800	7,010
Liability Order Expenses	38,900	38,900	38,900
Postages	15,500	15,500	16,280
Virtual Mail Room	219,860	219,860	230,850
Telephone	6,760	6,760	11,970
Mobile Telephone	1,550	1,550	1,600
Remote Access	5,000	10,520	5,000
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

Total Costs	3,700,070	3,750,216	3,893,880
Miscellaneous Income	(49,000)	(49,000)	(19,000)
Contributions from Outside Bodies	(3,647,720)	(3,568,428)	(3,874,880)
Contribution from Reserves	(3,350)	(82,642)	0
Use of Reserves for CFwds	0	(5,520)	0
FERIS	0	(44,626)	0
Contributions and funding Total	(3,700,070)	(3,750,216)	(3,893,880)