

SLHD Management Fee

	Note	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Management fee		31,931	32,724	33,401	34,363
Growth items					
Inflationary increases					
Pay award	1	747	720	745	770
Pay award adjustment from previous year	1	-65			
Superannuation	2	0	0	200	0
Increments	3	59	50	50	50
Inflation	4	202	300	300	300
Arboriculture	5	-60	-60		
Building Safety Manager posts	6	160			
Efficiencies delivered	7	-250	-333	-333	-333
Total Management Fee		32,724	33,401	34,363	35,150

Details of the growth bids are;

1. Pay award - 2.75% pay award with effect from 1 April 2021 and then 2.0% in each of the following years.

1. Pay award adjustment - 3% was budgeted for and 2.75% was agreed.

2. Superannuation - The pension fund was revalued in 2019. Employers contribution increased from 13.9% in 2019/20 to 16.0% in 2020/21. It has been assumed that there will be a further 1% increase in 2023/24.

3. Increments - the overall net increase paid to staff.

4. Inflation - the increase costs for contracted goods and services. Total non pay budgets are £16.9m. Inflation is calculated on individual budget lines and the vast majority of budgets have not been inflated, examples of some of the inflationary increases are materials at 0.5% (£32k) and SLAs at 4% (£165k). The inflation figure is reduced for reductions in utilities and fuel 12% (£36k). The net figure is shown in the table. There is quite a lot of uncertainty about the costs of some goods and services in 2021/22.

5. Arboriculture - It was agreed at Cabinet in June 2019 that £240k of the surplus from 2018/19 would be returned to SLHD to be spent on Arboriculture, this funding has been split over three years to enable DMBC to be able to deliver the work.

6. Building Safety Manager - estimated cost based on two posts at £60k basic salary plus oncosts. The Government has published a draft building safety bill which is expected to become an Act during 2021, there are a number of statutory requirements within it and one of those is the establishment of the role of building safety manager.

7. Efficiencies Delivered - efficiency targets agreed to repay the cost of investment in new IT systems.