

**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
<b>Total Management Fee</b>		<b>32,724</b>	<b>33,401</b>	<b>34,363</b>	<b>35,150</b>

**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.

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