



Leicestershire Partnership Revenues & Benefits

Financial Performance to February 2018

Joint Committee

1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the financial performance of the Partnership for the period April - February 2018.

2. RECOMMENDATION

- a) That the financial performance of the Partnership be noted.

3. INFORMATION

Budget Position

- 3.1. The financial position of the Partnership has been outlined in **Appendix 1** to this report. The key headlines have been detailed below for information.
- 3.2. The Joint Committee approved a budget for the Partnership for 2017/2018 that indicated that £3,459,650 would be spent on the Partnership, matched by income from the partners and use of reserves. This has since been agreed that reserves of £105,250 will be used to reduce the level of contributions needed in year from partners.
- 3.3. As at February 2018, the Partnership had underspent against the profiled budget by £203,590. In addition there were £232,024 of timing differences associated with expenditure to the end of February 2018, which will be billed to partners following the quarter end reconciliation, leaving a net underspend of £95,311.

	Budget to Feb 2018	Actual to Feb 2018	Variance to Date	Timing Differences	Variance after Timing Differences
INCOME	(£2,732,640)	(£2,749,803)	(£17,163)	£0	(£17,163)
EXPENDITURE	£3,079,940	£2,769,768	(£310,172)	£232,024	(£78,148)
Net Expenditure Over / (Under) Spend	£347,300	£19,965	(£327,335)	£232,024	(£95,311)

- 3.4 The key variances to the end of February 2018 bring to the attention of the Management Board are:
- FERIS is underspent by £56,000, mainly due posts being filled on a part-time basis, rather than fulltime due to the nature of the work.
 - Salaries is underspent by £47,000 due to vacant posts for much of the year.
 - The car allowance budget is also underspend by £6,000, due to a reduction in amount of travel being done.
- 3.5 There is a direct link between partner contributions and expenditure incurred and therefore partner contributions have been adjusted by £40,000 to reflect the actual expenditure to date.
- 3.6 As at 31 February 2018, the Partnership is forecasting saving of £50,000 for salary savings at the year-end, excluding any FERIS underspends.

Liability Orders

- 4.1 It has been noticed that charges for liability order court payments have been based on budget and not actual costs, which are meant to be recharged as needed to partners. This has led to a cumulative position of amounts owing or owed to partners based on the difference between actual and budget dating back to 2013/14. The position is noted in the table below, a negative figure indicates amounts owing to the partnership:

	Amount due to or (from)
Hinckley and Bosworth BC	(11,692)
Harborough District Council	23,990
North West Leicestershire DC	(1,478)
	10,819.30

- 4.2 An amendment will be made for the final quarter of 2017/18 to adjust for the differences noted.

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 28th February 2018

Expenditure / Income Type	2017/18 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2017/18 Total Estimate (Original)	2017/18 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	2,334,046	2,052,871	229,611	51,563	2,551,100	2,558,100
Premises Related Expenditure	73,741	71,218	0	2,523	81,050	81,050
Transport Related Expenditure	25,669	17,609	2,142	5,918	28,000	28,000
Supplies & Services	623,083	605,260	271	17,553	768,300	776,800
Central & Administrative Exp	23,401	22,810	0	591	31,200	31,200
Revenue Income	-2,686,489	-2,647,251	0	-39,238	-3,459,650	-3,354,400
Approved Cfws	0	0	0	0	0	-72,118
Transfer from Reserves	-96,479	-96,479	0	0	0	-105,250
				0		
Other Expenditure - FERIS	50,328	37,089		13,239	0	56,618
Other Income - FERIS	0	-43,161		43,161	0	0
Sum:	347,300	19,965	232,024	95,311	0	0

Timing Differences

	HDC	NWLDC	HBBC	Total
Salaries - February 2018	95,768	133,843		229,611
Mileage & Disturbance Costs - February 2018	948	1,194		2,142
Supplies & Services - February 2018	435	-164		271
	97,150	134,873	0	232,024

Explanations

	Variance at 28/02/18 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	47,000	50,000	Underspend is due to a number of vacant posts, some of which have been vacant since the start of the year but interviews are currently taking place.
Training	5,000		Training delayed.
Premises Related Expenditure	3,000		Variance > £5k
Car Allowances	6,000		Reduction in amount of travel being done
Flexible working costs	5,000		Variance > £5k
Postages	1,000		Variance > £5k
Computer Software Maintenance & Upgrade	5,000		Variance > £5k
Computer Consumables	2,000		Variance > £5k
Printing & Stationery	2,000		Variance > £5k
Liability Expenses	-5,000		Additional Court costs incurred off set against additional each of the partners will receive within the General Fund
Remote Access	3,000		Budget to cover the cost of Key Fobs which are renewed every 3 years, budget has been calculated to run across the 3 year period and therefore any underspend will need to be carried forward to 2018/19
Minor Variances	5,000		Variance > £5k
Central & Administrative Exp	1,000		Variance > £5k
Contributions	-40,000		There is a direct link between partner contributions and expenditure incurred and therefore partner contributions have been adjusted to reflect the actual expenditure to date.
Net Other Expenditure & Income - FERIS	56,000		Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant. £43K grant has been received so far during 2017/18. A budget of £57k has been bfwd from 2016/17
	96,000	50,000	