



Leicestershire Partnership Revenues & Benefits

Financial Performance to September 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 – September 2018, and update to the contribution split needed for 2019/20

2. RECOMMENDATION

- a) That the financial performance of the Partnership be noted, and
b) The changes to the contribution percentages are agreed for 2019/20

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 for 2018/19 approved a expenditure budget of £3,595,010 for the partnership, to be funded by £3,563,840 of contribution income from the partners and £31,170 from other bodies. It has since been agreed to use reserves of £44,496 to reduce the level of contributions needed in year from partners (See table 1 below).

Table 1	2018/19 Budget	2018/19 Budget (Revised)
Expenditure / Income Type	£	£
Total Expenditure	3,595,010	3,595,010
Partner Contributions	(3,563,840)	(3,519,344)
Contributions from Other Bodies	(31,170)	(31,170)
Contributions from Reserves	0	(44,496)
Total Funding	(3,595,010)	(3,595,010)

- 3.3. As at September 2018, the Partnership had overspent against the profiled budget by £198,391. In addition there were £235,439 of timing differences associated with expenditure to the end of September 2018, which will be billed to partners following the quarter end reconciliation, leaving a net underspend of £19,344.

Table 2	Budget September 2018	Actual to September 2018	Variance to Date	Timing Differences	Variance after Timing Differences
INCOME	(£1,865,920)	(£1,179,432)	£686,488	(£593,330)	£93,158
EXPENDITURE	£1,848,216	£1,377,823	(£470,393)	£357,891	(£112,502)
Over / (Under) Spend	(£17,704)	£198,391	£216,095	(£235,439)	(£19,344)

- 3.4 The key variances to the end of September 2018 to bring to the attention of the Management Board are:

- FERIS is underspent by £27,000, as a further grant of £14,000 has been received in year and posts continue to be filled on a part-time as opposed to full-time basis.
- Salaries are underspent by £84,000 due to vacant posts for much of the year.

- 3.5 There is a direct link between partner contributions and expenditure incurred and therefore partner contributions have been adjusted by £120,000 to reflect the actual expenditure to date.
- 3.6 As at 30 September 2018, if the salary saving continue at the same rate, there will be the year-end savings in the region of £141,000 on salaries for the partnership. The table below gives the potential savings by partner.

	Total	HBBC	HDC	NWLDC
Allocation method %	100%	37.69%	28.72%	33.59%
	£	£	£	£
Potential year end salary savings	140,989	53,139	40,492	47,358

Review of contributions

- 3.7 The basis for the level of contributions for each partner is based on caseload information. This is periodically updated to ensure the correct contribution level is maintained to reflect the level of work required to service each partners needs. The last review was completed four years age and is overdue. The current positions is that there is a small adjustments required to the contribution levels to correct the 2019/20 positions. The table below give the impact that this would have had on the 2018/19 position if it had been in place, to demonstrate the potential level of impact on each partner.

	HBBC	HDC	NWL	Total
Current split	37.69%	28.72%	33.59%	100%
Updated split	37.32%	28.87%	33.81%	100%
	-0.37%	0.15%	0.22%	0%
	Saving	Cost	Cost	
Change in contribution	-£10,390	£4,564	£5,826	£0

Further information is available in appendix 2

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 30th September 2018

Expenditure / Income Type	2018/19 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2018/19 Total Estimate (Original)	2018/19 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	1,337,233	895,158	353,092	88,983	2,672,160	2,677,560
Premises Related Expenditure	39,671	35,495	0	4,176	83,510	83,510
Transport Related Expenditure	12,000	5,913	2,442	3,645	24,000	24,000
Supplies & Services	443,712	426,257	2,358	15,097	784,140	794,800
Central & Administrative Exp	15,600	15,000	0	600	31,200	31,200
Revenue Income	-1,825,604	-1,112,074	-593,330	-120,200	-3,595,010	-3,550,514
Approved Cfws	-38,155	-38,155	0	0	0	-76,310
Transfer from Reserves	-22,248	-22,248	0	0	0	-44,496
				0		
Other Expenditure - FERIS	20,087	7,003		13,084	0	60,250
Other Income - FERIS	0	-13,957		13,957	0	0
				0		0
Sum:	-17,704	198,391	-235,439	19,344	0	0

Timing Differences

	HDC	NWLDC	HBBC	Total
Salaries - Quarter 2 - 2018/19	153,791	199,301		353,092
Mileage & Disturbance Costs - Quarter 2 - 2018/19	611	1,831		2,442
Supplies & Services - Quarter 2 - 2018/19	576	1,782		2,358
Contributions - Quarter 2 - 2018/19	-163,201	-200,508	-229,620	-593,330
	-8,223	2,405	-229,620	-235,439

Explanations

	Variance at 30/09/18 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	84,000	141	Underspend is due to a number of vacant posts
Training	4,000		Variance > £5k
Premises Related Expenditure	4,000		Variance > £5k
Car Allowances	4,000		Variance > £5k
Postages	4,000		Variance > £5k
Computer Consumables	4,000		Variance > £5k
Flexible working costs	5,000		Variance > £5k
Minor Variances	2,000		Variance > £5k
Central & Administrative Exp	1,000		Variance > £5k
Contributions	-120,000		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	27,000		Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant. £14K grant has been recieved so far during 2018/19. A budget of £60k has been bfwd from 2017/18
	19,000	141	

Appendix 2 – contribution level proposed for 2019/20

<u>Proposed New % Split from April 2019</u>				
<i>(Based on Caseload @ 01/04/2018)</i>				
	Total	HBBC	HDC	NWLDC
<u>Benefit claims</u>				
	14,867	5,783	3,388	5,696
%age of Benefit Claims		38.90%	22.79%	38.31%
<u>Revenues</u>				
CT	133,202	49,906	39,089	44,207
NNDR	9,619	3,162	3,040	3,417
	142,821	53,068	42,129	47,624
%age of Revenue Cases		37.16%	29.50%	33.35%
<u>Joint</u>				
	157,688	58,851	45,517	53,320
%age of Combined Benefits & Claims		37.32%	28.87%	33.81%
Current % Split		37.69%	28.72%	33.59%
Change in %age Split		-0.37%	0.15%	0.22%
2018/19 Budget Based on Original Split		1,323,809	1,011,471	1,184,064
2018/19 Budget Based on New Split		1,313,419	1,016,035	1,189,890
Change in Contribution - 2018/19		10,390	-4,564	-5,826