



# Leicestershire Partnership Revenues & Benefits

## Financial Performance to November 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 – November 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 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	£	£
<b>Total Expenditure</b>	3,595,010	3,595,010
<b>Partner Contributions</b>	(3,563,840)	(3,519,344)
<b>Contributions from Other Bodies</b>	(31,170)	(31,170)
<b>Contributions from Reserves</b>	0	(44,496)
<b>Total Funding</b>	(3,595,010)	(3,595,010)

- 3.3. As at November 2018, the Partnership had overspent against the profiled budget by £432,656. In addition there were £332,226 of timing differences associated with expenditure to the end of November 2018, which will be billed to partners following the quarter end reconciliation, leaving a net underspend of £86,837.

Table 2	Budget November 2018	Actual to November 2018	Variance to Date	Timing Differences	Variance after Timing Differences
<b>INCOME</b>	(£1,972,626)	(£1,911,332)	£61,294	£0	£61,294
<b>EXPENDITURE</b>	£2,405,282	£2,011,762	(£393,520)	£245,389	(£148,131)
<b>Over / (Under) Spend</b>	£432,656	£100,430	(£332,226)	£245,389	(£86,837)

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

- FERIS is underspent by £51,000, as a further grant of £14,000 has been received in year and there is was £60,000 b/f from the prior year. As posts continue to be filled on a part-time as opposed to full-time basis this is leading to an underspend.
- Salaries are underspent by £115,000 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 £112,000 to reflect the actual expenditure to date.
- 3.6 As at 30 November 2018, if the salary saving continue at the same rate, there will be the year-end savings in the region of £100,000 on salaries for the partnership. This is lower than reported at the end of September of £141,000 as there is going to be increased agency costs incurred by the year end to deal with backlog pressures built up due to vacant posts.

## Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 30th November 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	1,781,435	1,420,479	241,438	119,518		2,672,160		2,677,560
Premises Related Expenditure	62,426	61,240	0	1,186		83,510		83,510
Transport Related Expenditure	16,000	9,136	2,306	4,558		24,000		24,000
Supplies & Services	529,821	505,908	1,645	22,269		784,140		794,800
Central & Administrative Exp	15,600	15,000	0	600		31,200		31,200
Revenue Income	-1,925,564	-1,813,070	0	-112,494		-3,595,010		-3,550,514
Approved Cfwd	-50,873	-50,873	0	0		0		-76,310
Transfer from Reserves	-29,664	-29,664	0	0		0		-44,496
				0				
Other Expenditure - FERIS	33,475	7,003		26,472		0		60,250
Other Income - FERIS	0	-24,727		24,727		0		0
				0		0		0
Sum:	<b>432,656</b>	<b>100,430</b>	<b>245,389</b>	<b>86,837</b>		<b>0</b>		<b>0</b>

### Timing Differences

	HDC	NWLDC	HBBC	Total
Salaries - October & November 18	102,599	138,838		241,438
Mileage & Disturbance Costs - October & November 18	917	1,389		2,306
Supplies & Services - October & November 18	390	1,254		1,645
	<b>103,907</b>	<b>141,482</b>	<b>0</b>	<b>245,389</b>

### Explanations

	Variance at 30/09/18 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	115,000	100,000	Underspend is due to a number of vacant posts, the forecasted YE underspend has reduced since October as there is a need to use some of this underspend to fund agency staff
Training	5,000		Variance > £5k
Premises Related Expenditure	2,000		Variance > £5k
Car Allowances	5,000		Variance > £5k
Postages			Variance > £5k
Computer Consumables	4,000		Variance > £5k
Flexible working costs	5,000		Variance > £5k
Liability Expenses	6,000		Variance > £5k
Minor Variances	5,000		Variance > £5k
Central & Administrative Exp	1,000		Variance > £5k
Contributions	-112,000		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	51,000		Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant. £14K grant has been received so far during 2018/19. A budget of £60k has been bfw'd from 2017/18
	<b>87,000</b>	<b>100,000</b>	