



Leicestershire Partnership Revenues & Benefits

Financial Performance to February 2019

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 2019, and update the Board on the review of recharges

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	£	£
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 February 2019, the Partnership had a net overspend on budget of £73,793. After adjusting for timing difference of £240,547, the remaining net underspend is £77,309. The timing differences will be billed to partners following the quarter end.

Table 2	Budget February 2019	Actual to February 2019	Variance to Date	Timing Differences	Variance after Timing Differences
INCOME	(£2,829,855)	(£2,694,107)	£135,748	£0	£135,748
EXPENDITURE	£3,221,503	£2,767,899	(£453,604)	£240,547	(£213,057)
Over / (Under) Spend	£391,648	£73,793	(£317,856)	£240,547	(£77,309)

- 3.4 The key variances to the end of February 2019 to bring to the attention of the Management Board are:

- FERIS is underspent by £74,000, 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. Any underspend will be carried forward as FERIS funding is ring fenced.
- Salaries are underspent by £160,000 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 £219,000 to reflect the actual expenditure to date.
- 3.6 As at 30 February 2019, if the salary saving continue at the same rate, there will be the year-end savings in the region of £165,000 on salaries for the partnership. This is higher than previously reported because posts continue to remain unfilled.
- 3.7 This is has been amended for in the 2019/20 budget with savings created already included. The table below gives the breakdown.

	HBBC	HDC	NWL	Total
FTEs	£70,019	£61,220	£47,527	£178,766
Apprentice	£13,381			£13,381
Used for Other costs	-£13,593		-£13,923	-£27,516
Underspend	£69,807	£61,220	£33,604	£164,631
Total Budget	£86,703	£105,695	£63,369	£255,767
Amount used in year	£16,896	£44,475	£29,765	£91,137
Vacant posts	3.1	2.33	0.25	5.68
Posts no longer needed	3.1		1	4.1
Revised 2019/20 budget	£22,306	£129,361	£0	£151,667
Savings	-£64,398	£23,666	-£63,369	-£104,100

- 3.8 For NWLDC the Revues and Benefits Manager left the organisation in June, for 2019/20 this role has now been removed from the budget, and a realignment of roles to be implemented.
- 3.9 For HBBC the main changes have been that Benefits Officers, and Benefits Support Assistant roles and have now been removed from the 2019/20 budget as no longer required.
- 3.10 The Business Development Assistant role has been recruited to, therefore the underspend in 2018/19 will not be repeated in 2019/20.
- 3.11 There has also been some regarding of staff, so that has led to some increases in costs for those posts involved of £14,763. In addition, the 2019/20 budget included pay inflation adjustments
- 3.12 The following table gives posts that are still vacant at the beginning of 2019/20 and may lead to savings if not filled, but it is hoped that these posts will be filled early in the 2019/20 year:

Benefits Officer - 0.75 FTE	£24,645
Business Development and Support Officer	£36,474
Apprentice	£15,057
Total	£76,175

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 28th February 2019

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	2,453,762	2,045,465	238,273	170,024		2,672,160	2,677,560
Premises Related Expenditure	75,897	72,628	0	3,269		83,510	83,510
Transport Related Expenditure	22,000	13,998	1,982	6,020		24,000	24,000
Supplies & Services	646,444	612,773	292	33,379		784,140	794,800
Central & Administrative Exp	23,400	23,036	0	364		31,200	31,200
Revenue Income	-2,772,673	-2,563,228	0	-209,445		-3,595,010	-3,550,514
Approved Cfwds	-69,951	-69,951	0	0		0	-76,310
Transfer from Reserves	-40,788	-40,788	0	0		0	-44,496
				0			
Other Expenditure - FERIS	53,557	21,146		32,411		0	60,250
Other Income - FERIS	0	-41,286		41,286		0	0
				0		0	0
Sum:	391,648	73,793	240,547	77,309		0	0

Timing Differences

Salaries - January & February 19
 Mileage & Disturbance Costs - January & February 19
 Supplies & Services - January & February 19

	HDC	NWLDC	HBBC	Total
Salaries - January & February 19	99,747	138,526		238,273
Mileage & Disturbance Costs - January & February 19	603	1,379		1,982
Supplies & Services - January & February 19	266	26		292
	100,616	139,931	0	240,547

Explanations

	Variance at 28/02/19 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	160,000	165,000	Underspend is due to a number of vacant posts, the forecasted YE underspend has increased since January as it intended that around £60k would be used to fund agency staff however they have been unable to recruit these staff
Training	10,000	9,000	Underspend due to there being no new IRRV entrants requiring training during the year
Premises Related Expenditure	3,000		Variance > £5k
Car Allowances	6,000		Mileage claims lower than anticipated
Computer Consumables	4,000		Variance > £5k
Flexible working costs	10,000	8,000	Underspend due to fewer homeworkers during the year, however there will be a number of new ones very soon following the completion of 6 month probationary period
Legal Fees	4,000	4,000	Variance > £5k
Liability Expenses	10,000	10,000	The Courts have reduced the summons cost fee per case
Minor Variances	5,000		Variance > £5k
Central & Administrative Exp	0		Variance > £5k
Miscellaneous Income	6,000	6,000	Additional Income receive
Contributions	-215,000		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	74,000		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 bwd from 2017/18
	77,000	202,000	