



Leicestershire Partnership Revenues & Benefits

Financial Performance to March 2021

Joint Committee

1. PURPOSE OF THE REPORT

1.1 To inform the Joint Committee of the financial performance of the Partnership for the year to 31 March 2021.

2. RECOMMENDATION

2.1 The Joint Committee is asked to:

- Note the draft financial performance of the Partnership for the year to 31 March 2021, and
- Give consideration to the suggested use of savings of £144,438 at paragraph 4.3.

3. INFORMATION

Budget Position

3.1. The outturn position of the Partnership has been outlined in **Appendix 1** to this report. The key headlines have been detailed below for information.

3.2. As at 31 March 2021, the Partnership had a net underspend on budget of £194,438.

Table 2	Budget December2020	Actual to December 2020	Variance to Date	Timing Differences	Variance after Timing Differences
INCOME	(£3,792,790)	(£3,824,362)	(£31,572)	£0	(£31,572)
EXPENDITURE	£3,792,790	£3,629,924	(£162,866)	£0	(£162,866)
Over / (Under) Spend	£0	(£194,438)	(£194,438)	£0	(£194,438)

3.3 The key variances to 31 March 2021 to bring to the attention of the Joint Committee are:

- Salaries are underspent by £46,000 due to vacant posts, and the following mainly due to the impact of Covid 19:
 - £12,000 on postage as reminder letters have not been going out as normal, due the pandemic response to have a hold on formal statutory recovery and enforcement activity during the lockdown period
 - £13,500 on flexible working costs
 - £15,000 on IT and computer software costs, and
 - £11,000 on car allowance

3.4 There is a direct link between partner contributions and expenditure incurred and therefore partner contributions have been adjusted by £34,000 to reflect the actual expenditure to date.

- 3.5 There are carry forwards of £50,000, being £45,000 for FERIs and £5,000 for remote working costs.
- 3.6 After adjusting for carry forwards, there remains £141,000 of in year savings. These have been placed in reserves until the Joint Committee has reviewed the final outturn and considered what action to take in terms of holding in reserves, or reducing contributions needed.
- 3.7 Other issues to note, are audit costs of £48,000 to cover post payment assurance, matched by income from partners from new burdens funding.

4 Reserves Position

Table 2: Reserves	General	Earmarked	Total
Balance b fwd from 2019/20	£307,793	£123,099	£430,892
Transfers from Reserves to reduce contributions	-£145,903		-£145,903
Set aside COVID post payment review work	-£50,000	£50,000	0
Transfers from Earmarked Reserves (IT costs)		-£18,157	-£18,157
Carry forwards used in 2020/21	-£61,890		-£61,890
Transfers to Reserves	£144,292		£144,292
Expenditure Carry forwards to 2021/22	£50,146		£50,146
Closing Balance 2020/21	£244,438	£154,942	£399,380

- 4.1 The Earmarked Reserves are £50,000 for Covid pressures, still needed for post payment assurance work. £104,942 for capital investment in IT equipment and support.
- 4.2 The General fund position includes the £50,000 agreed minimum balance, and carry forwards of £50,146, which leaves £144,438 as unallocated. Investment in automation and agency costs to clear the backlog due to Covid could be a potential earmarked reserve. Also, some could be used to reduce contributions in 2021/22
- 4.3 Suggested position is noted below:
- Review of Automation possibilities, set aside a reserve of £25,000
 - Agency costs back fill reserve, set aside £40,000
 - Leaving £79,292 to reduce contributions in 2021/22 (see Table 3)

Table 3: Contributions reduction				
Allocation method %	Total	HBBC	HDC	NWL
		37.32%	28.87%	33.81%
Partner Share.	£79,292	£29,592	£22,892	£26,809

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 31st March 2021

Expenditure / Income Type	2020/21 Latest Budget to Date	Actual to Date	Variance to Date	Timing Differences	Variance after Timing Differences	2020/21 Total Estimate (Original)	2020/21 Total Estimate (Revised)
	£	£		£	£	£	£
Employees	2,733,910	2,679,633	54,277		54,277	2,733,910	2,733,910
Premises Related Expenditure	90,940	91,118	-178	0	-178	90,940	90,940
Transport Related Expenditure	20,000	9,235	10,765		10,765	20,000	20,000
Supplies & Services	872,114	819,787	52,327		52,327	854,850	872,114
Central & Administrative Exp	31,200	30,150	1,050	0	1,050	31,200	31,200
Revenue Income	-3,584,997	-3,602,749	17,752		17,752	-3,730,900	-3,584,997
Approved Cfws	-61,890	-61,890	0	0	0	0	-61,890
Transfer from Reserves	-145,903	-145,903	0	0	0	0	-145,903
Transfer from Reserves to cover ICT Costs		-13,820	13,820		13,820		
Other Expenditure - FERIS	44,626	0	44,626		44,626	0	44,626
Other Income - FERIS	0	0	0		0	0	0
			0		0	0	0
Sum:	0	-194,438	194,438	0	194,438	0	0

Less Carry Forwards

-50,146

144,292

Carry Forwards

50,146

Total Underspend/ Contribution to reserves

144,292

Explanations

	Variance at 28/02/21(Over) / Under Spend £		Carry Forwards	Explanation £5k+
Salaries	46,000			Underspend due to a number of Vacant Posts
Training	8,000			Less training due to COVID
Premises Related Expenditure	0			Variance > £5k
Car Allowances	11,000			Travelling expenses lower than anticipated due to reduced travel relating to COVID
Flexible working costs	13,500			Costs lower than anticipated
Computer Software & Maintenance	5,000			Variance > £5k
Postages	12,000			Reminder letters for Ctax and NNDR have not been going out and are unlikely to go out until later in the year
Computer Consumables	4,000			Variance > £5k
Printing & Stationery	8,000			Printing Costs lower than anticipated as fewer letters have been sent out
Audit Fees	-48,000			Additional Audit Fees incurred relating to Grant verifications - Income received from partners to cover costs - see below
Liability Expenses	34,000			The Courts have reduced the summons cost fee per case
Subscriptions	7,000			Costs lower than anticipated
Legal Fees	5,000			Variance > £5k
Remote Access	5,000		5,000	Budget to be carried forward to 2021/22
Travel Arrangements & Subsistence	1,500			Variance > £5k
Minor Variances	5,000			Variance > £5k
Central & Administrative Exp	1,000			Variance > £5k
Miscellaneous Income	48,000			Income received from partners to cover additional audit costs above
Other Miscellaneous income	4,000			Variance > £5k
Contributions	-34,000			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.
Transfer from Earmarked Reserves to cover Capital ICT Cost	14,000			Agreed cost of ICT capital costs to be transferred from reserves
Net Other Expenditure & Income - FERIS	45,000		45,000	Fraud and Error Reduction Incentive Scheme (FERIS) A budget of £45k has been bfwd from 2019/20 - budget to be carried forward to 2021/22
	195,000		50,000	