



Leicestershire Partnership Revenues & Benefits

Financial Performance to June 2022

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 2022 to June 2022.

2. RECOMMENDATION

- 2.1 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. As at 30 June 2022, the Partnership had a net overspend on the budget of £671,956 After adjusting for net timing difference of £695,246 the remaining net underspend is £47,546. The timing differences will be billed to partners following the quarter end.

Table 1	Budget June 2022	Actual to June 2022	Variance to Date	Timing Differences	Variance after Timing Differences
INCOME	(£1,110,409)	(£170)	£1,110,239	(£1,074,242)	£35,997
EXPENDITURE	£1,134,495	£671,956	(£462,539)	£378,996	(£83,543)
Over / (Under) Spend	£24,086	£671,786	£647,700	(£695,246)	(£47,546)

- 3.3 The key variances to the end of June 2022 to bring to the attention of the Management Board are:

- Salaries are underspend by ££40,000 due to vacant posts

- 3.6 There is a potential for a large year-end overspend on salaries of £155,000. This is due to the offer the National Employers for local government services have made as a final pay offer to the unions for 2022/23, which has a main clause of all employees getting a minimum of £1,925 pay rise, as opposed to a percentage of pay offer. This has not yet been agreed by the unions, but would indicate a minimum pay pressure expected, which is significantly above the level budgeted for. This will be updated once the final agreed position is finalised. The partner contribution pressures are noted below.

Total	HBBC	HDC	NWL
	37.32%	28.87%	33.81%
£155,000	£57,846	£44,749	£52,406

- 3.4 There is a direct link between partner contributions and expenditure incurred and therefore partner contributions have been adjusted by £36,000 to reflect the actual expenditure to date.
- 3.5 The timing difference are due to the first quarter invoices not being issued and payroll costs not yet transferred for inclusion.

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 30th June 2022

Expenditure / Income Type	2022/23 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2022/23 Total Estimate (Original)	2022/23 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	704,687	277,435	375,479	51,773	2,698,460	2,698,460
Premises Related Expenditure	34,710	30,421		4,289	97,220	97,220
Transport Related Expenditure	3,750	477	1,381	1,892	20,000	20,000
Supplies & Services	383,548	355,948	2,136	25,464	853,190	853,190
Central & Administrative Exp	7,800	7,674		126	31,200	31,200
Revenue Income	-1,110,409	-170	-1,074,242	-35,997	-3,700,070	-3,700,070
Approved Cfws		0		0	0	
Transfer from Reserves		0		0	0	
Transfer from Reserves Covid Grant review	0			0		0
Transfer from reserves to cover ICT Server Costs	0			0		
Transfer from reserves to cover cost of ICT Kit	0			0		
Other Expenditure - FERIS		0		0	0	
Other Income - FERIS	0	0		0	0	0
				0	0	0
Sum:	24,086	671,786	-695,246	47,546	0	0

Timing Differences

	HDC	NWLDC	HBBC	Total
Salaries - Quarter 1 - 2022/23	161,921	213,558		375,479
Mileage & Disturbance Costs - Quarter 1 - 2022/23	143	1,238		1,381
Supplies & Services - Quarter 1 - 2022/23	252	1,884		2,136
Contributions - Quarter 1 - 2022/23	-309,968	-363,932	-400,342	-1,074,242
	-147,652	-147,252	-400,342	-695,246

Explanations

	Variance at 31/06/22(Over) / Under Spend £	Year End £	Explanation £5k+
Salaries	40,000		Underspend due vacant posts which are currently being appointed to
Salaries - Pay Award	12,000	155,000	Underspend due to budgeting for pay award of 1.75% however that hasn't been approved yet, latest proposal is that there will be an award of £1,925 (plus oncosts) per FTE which is likely to result in a large overspend
Premises Related Expenditure	4,000		Variance > £5k
Car Allowances	2,000		Variance > £5k
Computer Software Maintenance & Upgrade	5,000		Variance > £5k
Printing & Stationery	2,000		Variance > £5k
Postages	9,000		Postage costs lower than anticipated due to lower volumes and posting unit costs have not increased as much as anticipated
Liability Expenses	6,000		The Courts have reduced the summons cost fee per case
Minor Variances	4,000		Other Minor Variances
Contributions	-36,000		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.
	48,000	155,000	