



Leicestershire Partnership Revenues & Benefits

‘Financial Performance to
November 2015’

1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the financial performance of the Partnership for the period April-November 2015.

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 The Joint Committee approved a budget for the Partnership for 2015/2016 which indicated that £3,451,030 would be spent on the Partnership, matched by income from the partners, customers and use of reserves.
- 3.3 Actual spend as at 30th November 2015 against the profiled budget to that date is summarised below. As 30th November 2015, the Partnership had under spent against the profiled budget by £283,284. In addition there were £223,345 of timing differences associated with November expenditure which will be billed to partners following the quarter end, leaving a net under spend of £61,939.

	Budget to Nov 2015	Actual to Nov 2015	Variance to Date (Over) / Under Spend	Timing Differences	Variance after Timing Differences (Over) / Under Spend
	£	£	£	£	£
TOTAL EXPENDITURE	2,269,664	1,936,375	333,289	223,345	109,945
INCOME	-1,822,138	-1,922,696	-48,006	0	-48,006
	447,526	13,678	285,284	223,345	61,939

- 3.4 The key variances to bring to the attention of the Management Board are:
- Salaries: Salary savings of £75,000 resulting from current vacancies
 - Postage and virtual mailroom: £65,000 overspend on postage due to delays in implementation of the virtual mailroom. This is offset by a £84,000 saving on the virtual mailroom cost centre
 - Transfer from reserves: As approved by the Joint Committee, a contribution of £107,770 will be made from reserves to reduce partner contributions towards voluntary redundancy payments. The £74,000 variance therefore represents the transfer relating to the year to October 2015.
- 3.5 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.
- 3.6 At the request of the Management Board, the forecast outturn position of the Partnership is reviewed on a monthly basis. As at 30th November 2015, the Partnership is forecasting a year end saving of £110,000 made up as follows:

- £100,000 salary savings due to various vacancies resulting from the restructure being recruited to later or officers leaving earlier than planned, although this is being reviewed further to confirm.
- Virtual mail room/postage – following the procurement of the new virtual mail room a reforecasting exercise has been performed to establish the cost of the new contract once in place and interim arrangements to this point. A £10,000 saving on these costs has been calculated for the year, though this is dependent on volumes

3.7 All forecast variances have been reviewed and agreed by the Head of Partnership

Leicestershire Revenues & Benefits Partnership Monitoring Report to 30th November 2015

Expenditure / Income Type	2015/16 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2015/16 Total Estimate (Original)	2015/16 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	1,665,152	1,371,351	218,153	75,648	2,780,820	2,544,750
Premises Related Expenditure	53,780	50,490	0	3,290	87,760	76,720
Transport Related Expenditure	27,340	16,619	4,264	6,458	41,000	41,000
Supplies & Services	507,788	482,552	927	24,308	757,360	757,360
Central & Administrative Exp	15,604	15,363	0	241	31,200	31,200
Revenue Income	-1,822,138	-1,776,568	0	-45,570	-3,648,140	-3,333,260
Other Income	0	-74,282	0	-74,282	0	0
Approved Cfwd	0	0	0	0	0	-10,000
Transfer from Reserves	0	-71,847	0	71,847	-50,000	-107,770
Sum:	447,526	13,678	223,345	61,939	0	0

Timing Differences

Salaries - October & November - 2015	HDC	102,335
	NWLDC	115,818
Mileage & Disturbance Costs - October & November - 20	HDC	2,844
	NWLDC	1,420
Supplies & Services - October & November - 2015	HDC	288
	NWLDC	640

223,345

Explanations

	Variance at 30/09/15 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	75,000	100,000	Saving arising from vacancies
Training	1,000		Variance > £5k
Premises Related Expenditure	3,000	0	Variance > £5k
Car Allowances	6,000	0	Mileage claims reduced following restructure
Postages	-65,000	10,000	Timing differences due to delay in implementing the Virtual Mail Room.
Virtual Mail Room	84,000		Yearend forecast reflects saving on the new contract
Computer Software & Maintenance	4,000	0	Variance > £5k
Minor Variances	1,000	0	Variance > £5k
Contributions	-45,000	0	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.
Other Income	-74,000	0	Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant that needs to be spent during 2015/16
Transfer from reserves	72,000		Transfer from reserves for redundancy payments
	62,000	110,000	