



Leicestershire Partnership Revenues & Benefits

‘Financial Performance to
February 2016’

1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the financial performance of the Partnership for the period April-February 2016.

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 29th February 2016 against the profiled budget to that date is summarised below. As 29th February 2016, the Partnership had under spent against the profiled budget by £482,728. In addition there were £224,783 of timing differences associated with February expenditure which will be billed to partners following the quarter end, leaving a net under spend of £257,945.

	Budget to Feb 16	Actual to Feb 16	Variance to Date (Over) / Under Spend	Timing Differences	Variance after Timing Differences (Over) / Under Spend
	£	£	£	£	£
TOTAL EXPENDITURE	3,041,964	2,654,155	387,809	224,783	163,026
INCOME	-2,615,354	-2,710,273	94,919	0	94,919
	426,610	-56,118	482,728	224,783	257,945

- 3.4 The key variances to bring to the attention of the Management Board are:
- Salaries: Salary savings of £116,000 resulting from current vacancies
 - Postage and virtual mailroom: £113,000 overspends on postage due to delays in implementation of the virtual mailroom. This is offset by a £86,000 saving on the virtual mailroom cost centre
 - Fraud and Error Reduction Incentive Scheme unspent funding of £74,000, this was funded by a grant, which was for 2015/16, but has not been spent so will be carried forward (subject to approvals).
 - 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 £99,000 variance therefore represents the transfer relating to the year to February 2016.
- 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 29th February 2016, the Partnership is forecasting a year end saving of £234,000 made up as follows:

- £130,000 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.
- Fraud and Error Reduction Incentive Scheme unspent funding of £74,000, this was funded by a grant, which was for 2015/16, but has not been spent so will be carried forward.
- 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.
- Mileages claims reduced by £11,000 following restructure.
- £10,000 due to new internal Audit Contract.
- £9,000 due to reduced mileage claims following restructure.

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

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Expenditure / Income Type	2015/16 Latest Budget to Date	Actual to Date	Variance to Date	Timing Differences	Variance after Timing Differences	2015/16 Total Estimate (Original)	2015/16 Total Estimate (Revised)
	£	£		£	£	£	£
Employees	2,288,235	1,952,497	335,738	219,749	115,988	2,780,820	2,544,750
Premises Related Expenditure	70,183	66,622	3,561	0	3,561	87,760	76,720
Transport Related Expenditure	37,585	23,791	13,794	3,248	10,547	41,000	41,000
Supplies & Services	622,559	588,382	34,177	1,786	32,391	757,360	757,360
Central & Administrative Exp	23,402	22,863	539	0	539	31,200	31,200
Revenue Income	-2,615,354	-2,537,202	-78,152	0	-78,152	-3,648,140	-3,333,260
Other Income	0	-74,282	74,282	0	74,282	0	0
Approved Cfws	0	0	0	0	0	0	-10,000
Transfer from Reserves	0	-98,789	98,789	0	98,789	-50,000	-107,770
Sum:	426,610	-56,118	482,728	224,783	257,945	0	0

Timing Differences

Salaries - January & February 2016	HDC	101,742
	NWLDC	118,008
Mileage & Disturbance Costs - January & February 2016	HDC	1,739
	NWLDC	1,509
Supplies & Services - January & February 2016	HDC	333
	NWLDC	1,453

224,783

Explanations

	Variance at 31/12/15 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	116,000	130,000	Saving arising from vacancies.
Premises Related Expenditure	4,000	0	Variance > £5k
Car Allowances	11,000	11,000	Mileage claims reduced following restructure
Postages	-86,000	10,000	Timing differences due to delay in implementing the Virtual Mail Room. Yearend forecast reflects saving on the new contract
Computer Consumables	-4,000		
Printing & Stationery	-4,000		
Virtual Mail Room	113,000		
Audit Fees	0	9,000	Year End variance due to new audit contract
Liability Expenses	1,000	0	Variance > £5k
Computer Software & Maintenance	4,000	0	Variance > £5k
Legal Fees	5,000	0	Variance > £5k
Consultancy fees	4,000	0	Variance > £5k
Minor Variances	-1,000	0	Variance > £5k
Contributions	-78,000	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	74,000	Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant for 2015/16, but has been confirmed by DWP as available for carry forward.
Transfer from reserves	99,000		Transfer from reserves for redundancy payments
	258,000	234,000	