



Leicestershire Partnership Revenues & Benefits

Financial Performance Year end 2015/16

1. PURPOSE OF THE REPORT

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

2. RECOMMENDATION

- 2.1 That the financial performance of the Partnership be noted.
2.2 That a reserve of £100,000 be set aside out of savings achieved after carryforwards for future development of the Partnership.
2.3 That a decision is made on the use of the remaining savings after carryforward of £98,000.

3. INFORMATION

Budget Position

- 3.1 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.
- 3.2 The final position as at 31st March 2016 against the profiled budget to that date is summarised below (Table 1).

Table 1	Budget to Mar 16	Actual to Mar 16	(Over) / Under Spend
Total	£	£	£
Expenditure	3,451,030	3,254,688	196,342
Income	-3,343,260	-3,417,283	74,023
Reserves Transfer	-107,770	-107,770	0
Net savings	0	-270,365	270,365

- 3.3 As 31st March 2016, the Partnership had underspent against the budget of £270,365. After carry forwards noted at paragraph 3.4, this represents savings to the partnership of £197,697. Of these savings we recommend that £100,000 is placed into a reserve to meet future potential development costs of the partnership. This leaves £97,697 which can, if agreed, be used to reduce the level of contributions required from partners in 2016/17. The savings being split on the usual Partnership contribution percentages (Table 2). This table shows the individual reductions in 2016/17 contributions by partner body.

Table 2	HBBC 37.69%	HDC 28.72%	NWLDC 33.59	Total
	£	£	£	£
2016/17 budgeted contributions	1,306,820	995,710	1,170,320	3,472,850
Savings (reduction in contributions)	-36,822	-28,059	-32,816	-97,697
Net contributions	1,269,998	967,651	1,137,504	3,375,153

3.4 At the request of the Management Board, the forecast outturn position of the Partnership is reviewed on a monthly basis. As noted above, at 31st March 2016, the Partnership has year end variances that represent savings of £270,365, the main savings are noted below with further detail in appendix 1.

Savings including carry forward (£270,000)

- £136,000 salary savings due to various vacancies resulting from the restructure being recruited to later or officers leaving earlier than planned.
- Fraud and Error Reduction Incentive Scheme unspent funding of £66,000, this was funded by a grant, which was for 2015/16, but has not been spent.
- Virtual mail room/postage has delivered net savings of £29,000. Which is a £134,000 underspend on postage due to delays in implementation of the virtual mailroom, offset by a £105,000 overspend on the virtual mailroom cost centre
- Mileages claims reduced by £12,000 following restructure.
- Savings of £10,000 due to new internal Audit Contract.
- Other minor savings of £17,000

3.5 As noted at the last Joint Committee meeting, there are carry forwards required to meet expenditure now expected to fall in 2016/17. The final position on these carry forwards is noted below:

- Fraud and Error Reduction Incentive Scheme unspent funding of £66,000, this was funded by a grant, which was for 2015/16, but has not been spent so will be carried forward.
- Other carry forwards of £6,000 covering training and consultancy costs.

3.6 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.

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

Leicestershire Revenues & Benefits Partnership Monitoring Report to 31st March 2016

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	2,544,750	2,406,578		138,172	2,780,820	2,544,750
Premises Related Expenditure	76,720	77,187		-467	87,760	76,720
Transport Related Expenditure	41,000	29,009		11,991	41,000	41,000
Supplies & Services	757,360	711,106		46,254	757,360	757,360
Central & Administrative Exp	31,200	30,808		392	31,200	31,200
Revenue Income	-3,333,260	-3,341,462		8,202	-3,648,140	-3,333,260
Approved Cfws	-10,000	-10,000		0	0	-10,000
Transfer from Reserves	-107,770	-107,770		0	-50,000	-107,770
Other Expenditure - FERIS	0	8,461		-8,461		
Other Income - FERIS	0	-74,282		74,282	0	0
Sum:	0	-270,365	0	270,365	0	0

Less Carry Forwards

-72,000

198,365

Explanations

	Variance at 31/03/16 (Over) / Under Spend £	Proposed Carry Forward £	Explanation £5k+
Salaries	136,000		Saving arising from vacancies
Training	2,000	2,000	Variance > £5k - It is hoped that this unerspend can be carried forward to cover additional fees in 16/17 for IRRV students
Car Allowances	12,000		Mileage claims reduced following restructure
Postages	-96,000		Underspend reflects saving on the new contract - further work needs to be done on this to ensure all costs are included in 2015/16
Computer Consumables	-5,000		
Printing & Stationery	-4,000		
Virtual Mail Room	134,000		
Audit Fees	10,000		Variance due to new audit contract
Liability Expenses	-1,000		Variance > £5k
Legal Fees	5,000		Variance > £5k
Consultancy fees	4,000	4,000	Variance > £5k - Carryforward requested to cover costs for further work required in 2016/17
Minor Variances	-1,000		Variance > £5k
Other Income	8,000		£7k Income from Hinckley Town Centre Partnership to cover admin costs for work relating to BIDs, £1k other income
Net Other Expenditure & Income	66,000	66000	Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant that was initially received by each of the individual partners but was then transferred into the Partnership, £85k was received and to date £8k has been spent this monies can be carried forward and therefore we request that this budget be carried forward to be spent in 2016/17
	270,000	72,000	