



Leicestershire Partnership Revenues & Benefits

Financial Performance to July 2016

1. PURPOSE OF THE REPORT

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

2. RECOMMENDATION

- a) That the financial performance of the Partnership be noted,
- b) That a budget amendment is made to reduce salary costs by £122,000,
- c) That contributions from partners are reduced by £122,000 based on the agreed partnership percentages

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 2016/2017 which indicated that £3,505,850 would be spent on the Partnership, matched by income from the partners and use of reserves.

3.3 Actual spend as at 31 July 2016 against the profiled budget to that date is summarised below. As 31 July 2016, the Partnership had over spent against the profiled budget by £179,610. In addition there were £118,325 of timing differences associated with July expenditure which will be billed to partners following the quarter end reconciliation, leaving a net under spend of £61,285.

	Budget to July 2016	Actual to July 2016	Variance to Date (Over) / Under Spend	Timing Differences	Variance after Timing Differences (Over) / Under Spend
	£	£	£	£	£
TOTAL EXPENDITURE	1,248,279	1,041,370	206,909	118,325	88,583
INCOME	-1,034,387	-1,007,089	-27,298	0	-27,298
	213,892	34,282	179,610	118,325	61,285

3.4 The key variances to bring to the attention of the Management Board are:

- Salary savings of £41,000 as a result of fraud investigator posts being budgeted for, but following confirmation of the posts being transferred to the DWP at the beginning of March 2016, there will now be recurring savings.
- Salary savings of £24,000 as a result of current vacancies

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 31 July 2016, the Partnership is forecasting a year end saving of £122,000 made up as follows:

- £122,000 salary savings due to fraud investigator posts being transferred to the DWP

3.7 At the time the Joint Committee agreed the 2016/17 budget on 28 January 2016, the details of the staff being transferred to the DWP in relation to fraud investigation had not been agreed. Therefore the potential salary costs were retained within the proposed 2016/17 budget. Now the transfer has been agreed and actioned, the budget for these costs is no longer needed. Therefore the budget can be amended to take out these costs and the contributions required reduced. Table 1 below has the partner reductions.

Table 1	Total	HBBC	HDC	NWLDC
Allocation method %		37.69%	28.72%	33.59%
	£	£	£	£
Proposed contributions reduction.	122,000	45,982	35,038	40,980

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

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

Expenditure / Income Type	2016/17 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2016/17 Total Estimate (Original)	2016/17 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	852,696	668,371	116,863	67,462	2,604,010	2,606,010
Premises Related Expenditure	26,080	23,610	0	2,470	79,530	79,530
Transport Related Expenditure	11,676	6,031	1,356	4,290	35,000	35,000
Supplies & Services	350,025	335,458	107	14,460	750,110	754,110
Central & Administrative Exp	7,802	7,900	0	-98	31,200	31,200
Revenue Income	-1,001,821	-963,017	0	-38,804	-3,499,850	-3,402,153
Approved Cfwd	0	0	0	0	0	-72,000
Transfer from Reserves	-32,566	-32,566	0	0	0	-97,697
				0		
Other Expenditure - FERIS	0	170		-170	0	66,000
Other Income - FERIS	0	-11,676		11,676	0	0
Sum:	213,892	34,282	118,325	61,285	0	0

Timing Differences

Salaries - July 2016	HDC	54,360
	NWLDC	62,503
Mileage & Disturbance Costs - July 2016	HDC	732
	NWLDC	624
Supplies & Services - July 2016	HDC	107
	NWLDC	

118,325

Explanations

	Variance at 30/06/16 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries - Relating to budgeted Fraud posts transferred to DWP	41,000	122,000	Fraud posts were included in the budget but later transferred to DWP and as a result no expenditure is being incurred
Salaries	24,000		Variance is due to vacant post
Training	2,000		Variance > £5k
Premises Related Expenditure	2,000		Variance > £5k
Car Allowances	4,000		Variance > £5k
Postages	2,000		Variance > £5k
Liability Expenses	5,000		Variance > £5k
Flexible working costs	4,000		Variance > £5k
Minor Variances	4,000		Variance > £5k
Contributions	-39,000		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.
Net Other Expenditure & Income - FERIS	12,000		Fraud and Error Reduction Incentive Scheme (FERIS) this is a ring fenced grant. £12K grant has been recieved so far during 2016/17. A budget of £66k has be bwd from 2015/16
	61,000	122,000	