



Leicestershire Partnership Revenues & Benefits

Financial Performance to March 2023 (Final Outturn)

Joint Committee

1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the financial performance of the Partnership for the year to 31 March 2023.

2. RECOMMENDATION

- 2.1. That the Joint Committee:
- a) note the financial performance of the Partnership, and
 - b) Approve that earmarked reserves are increased as noted at paragraph 3.4 below.

3. INFORMATION

Budget Position

- 3.1. The financial position of the Partnership for the year is at **Appendix 1** to this report. The key headlines have been detailed below for information.
- 3.2. As at 31 March 2023, the Partnership had a net underspend on the budget of £138,135. There may be some changes as part of the year end close process.

| Table 1 | Budget to 31 March 2023 | Actual to 31 March 2023 | Variance to Date | Year End Variance |
|----------------------|----------------------------|----------------------------|---------------------|----------------------|
| INCOME AND RESERVES | (£3,893,880) | (£3,882,179) | £11,701 | £11,701 |
| EXPENDITURE | £3,893,880 | £3,744,044 | (£149,836) | (£149,836) |
| Over / (Under) Spent | £0 | (£138,135) | (£138,135) | (£138,135) |

- 3.3 The key variances to the end of March 2023 to bring to the attention of the Joint Committee are:

- Salaries are underspend by £100,000 due to vacant posts.
- Premises savings of £37,000 due to the move to the Hinckley Hub
- Car allowances underspend £7,000 and Printing underspend £10,000.
- Use of reserves to cover It automation costs £14,000.

- 3.4 There is a year-end underspend overall of £138,135. Future pressures are the need to invest in Automation to make savings, with associated ICT requirements, and the and movement to a single employer status. Therefore it is recommended that the surplus is added to earmarked reserves to allow these projects to be progressed and adequately funded. This would require a transfer to earmarked reserves of the following:

- Review on Automation £50,000
- ICT Reserve £38,135
- Single employer project management £50,000

Reserves

- 3.5 Table 2 and 3 give a breakdown of reserves, after proposed transfers at the end of 2023, which total £355,369. The joint committee has agreed to keep £50,000 as a general balance, with the rest moved to earmarked reserves.

| Table 2: Reserves | General | Earmarked | Total |
|--------------------------------|----------------|------------------|-----------------|
| Balance b/fwd from 2021/22 | £50,000 | £181,234 | £231,234 |
| Review on Automation | | -£14,000 | -£14,000 |
| Carry forwards used in 2022/23 | £0 | | £0 |
| Underspend in year | £138,135 | | £138,135 |
| Transfer to Reserves | -£138,135 | £138,135 | £0 |
| Closing Balance 2022/23 | £50,000 | £305,369 | £355,369 |

| Table 3: Earmarked Reserves at 31/03/2023 | Opening | Transfers out | Transfers In | Closing |
|--|-----------------|----------------------|---------------------|-----------------|
| Review on Automation | £25,000 | -£14,000 | £50,000 | £61,000 |
| Agency Cost Back Fill | £40,000 | | | £40,000 |
| Transfer to FERIS Reserve | £44,626 | | | £44,626 |
| ICT Reserve - ICT Kit & Server | £22,592 | | £38,135 | £60,727 |
| Single employer project management costs | £49,016 | | £50,000 | £99,016 |
| Total | £181,234 | -£14,000 | £138,135 | £305,369 |

- 3.6 Without these reserves and the proposed actions in terms of Single employer status, automation, with associated IT pressures, then these pressures would have to be invoiced for on top of the current expected contributions. The earmarked reserves help to protect from partners general fund position from these future costs.

Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 31st March 2023

| Expenditure / Income Type | 2022/23 Latest Budget to Date | Actual to Date | Variance after Timing Differences | | 2022/23 Total Estimate (Original) | | 2022/23 Total Estimate (Revised) |
|---|-------------------------------|-----------------|-----------------------------------|--|-----------------------------------|--|----------------------------------|
| | £ | £ | £ | | £ | | £ |
| Employees | 2,826,560 | 2,724,649 | 101,911 | | 2,698,460 | | 2,698,460 |
| Premises Related Expenditure | 98,220 | 61,329 | 36,891 | | 97,220 | | 97,220 |
| Transport Related Expenditure | 15,000 | 7,789 | 7,211 | | 20,000 | | 20,000 |
| Supplies & Services | 922,900 | 919,790 | 3,110 | | 853,190 | | 853,190 |
| Central & Administrative Exp | 31,200 | 30,488 | 712 | | 31,200 | | 31,200 |
| Revenue Income | -3,893,880 | -3,868,179 | -25,701 | | -3,700,070 | | -3,700,070 |
| Use of Reserves to Cover Automation Costs | | -14,000 | 14,000 | | 0 | | 0 |
| | | | | | | | |
| Sum: | 0 | -138,135 | 138,135 | | 0 | | 0 |

Explanations

| | Variance at 31/03/23(Over) / Under Spend £ | Explanation £5k+ |
|---|---|---|
| Salaries | 100,000 | After allowing for Large pay award the underspend is due to vacant posts which are currently being appointed to |
| Training & Other Employee costs | 2,000 | Variance > £5k |
| Premises Related Expenditure | 37,000 | Savings as a result of moving to the Hub |
| Car Allowances | 7,000 | Fewer Miles being done than previously anticipated |
| Computer Software Maintenance & Upgrade | -15,000 | £6k cost of Ascendant CARF software application not covered original budget, £14k Cost of Digital Eclaim to be covered by reserve |
| Printing & Stationery | 10,000 | Costs lower than anticipated |
| Audit Fees (Additional Fees) | -37,000 | Additional Audit Fees incurred relating to Grant verifications |
| Postages | 7,000 | Postage costs lower than anticipated due to lower volumes and posting unit costs have not increased as much as anticipated |
| Liability Expenses | 27,000 | The Courts have reduced the summons cost fee per case |
| Subscriptions | 5,000 | Variance > £5k |
| Flexible working | 3,000 | Variance > £5k |
| Minor Variances | 3,000 | Other Minor Variances |
| Central & Administrative Exp | 1,000 | Variance > £5k |
| Contributions | -26,000 | 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. |
| Use if Reserves | 14,000 | to cover cost of Automation |
| | 138,000 | |