

LGA Management Accounts

AUGUST 14

At a Glance - Overview

Overall, there is a projected under spend of **£680k** at year-end.

This is due to:

Projected under spends on: Workforce, Leadership & Productivity - £59k, Cities Board - £25k, Directors' expenses - £6k and the agreed contingency budget of £2,115k.

Dividends received from Local Partnerships - £286k and additional contribution to overheads from ring-fenced activity - £527k

This is off-set by a payment for future pension contributions to Merseyside Pension Fund - £1,893k and an overspend for Corporate services - £440k.

100% of Subscriptions have been collected for 2014/15.

Core Activities

RAG Status Key

- Corporate services overspend - £440k;

due to an additional VAT payment, £30k; EC Harris Review - £60k; Audit Transitional Body development costs - £100k; Commercial Manager - £50k; Commercial Review - £106k; ICT Development costs - £20k and Layden House development costs - £100k. This is slightly offset by additional income from Legal Services - £20k.

- Future pension contribution - £1,893k;

to reduce our pension deficit with the Merseyside Pension Fund an advance payments of £1,893k has been paid to cover 2014 - 2016 financial years. This is covered by the agreed contingency budget.

- Cities Board under spend - £25k;

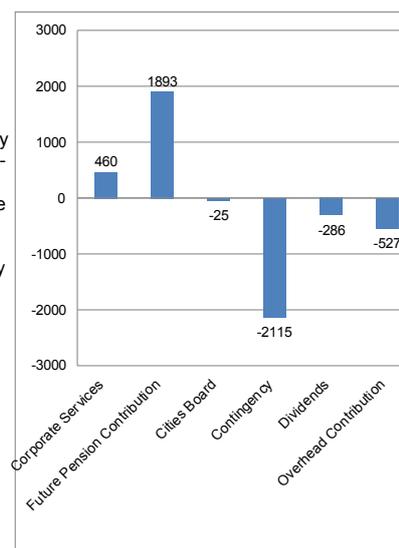
costs are expected to be lower than budget in view of work already commissioned in 2013/14.

- Dividends received - £286k

£286k dividend received from Local Partnerships not budgeted for.

- Workforce, Leadership & Productivity - £59k;

due to Workforce, Strategy & Consultancy additional income - £20k and Negotiations savings - £25k & additional income - £15k.



LG inform Plus has increased its business income and expenditure by £20k.

Ring-fenced Activity

Additional funding is due to be received in the region of **£2,810k**.

There are 11 new programmes; the final budgets will be confirmed in P6 some are still in negotiations. The current projections are:

Open Data Release Funding - £1,000k; Open Data Incentives Programmes - £721k; One Public Estate - £392k; Integration & Better Care - £290k; Be a Councillor for Disabled People - £100k; Amenity Assets - £100k; Inspire - £40k; Arts Council - £35k; Fire fighter pension scheme - £30k; Informatics for Adult Social Care - £8k and Sport for England - £4k;

Carried forward grants from 2013/14 not budgeted for: POP group - £200k and Gypsy & Traveller Programme - £3k.

Additional costs have been incurred for Property Searches - £373k and Icelandic Banks - £50k. This will all be recovered from councils.

This additional funding is offset by a reduction in the Police Grant - £124k; Health Improvement - £206k; and Winterbourne View - £206k.

This additional funding is projected to generate further contribution to overheads of **£527k**.

Risks**Opportunities**

Although the Budget Managers' projections show a small underspend; current YTD expenditure is £1,900k below YTD budget. A detailed review will happen in P6.

LG COMPANY REPORT - TOP LEVEL CONSOLIDATION - AUGUST 2014

RAG Status Key	
G	Within 5% of budget
A	Between 5% - 10% of budget.
R	10% under /over budget

As at Period 5								
AUGUST 14								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s		
INCOME:								
Subscription Income (Net of discounts)	(9,468)	(9,468)	(0)	(9,468)	(9,468)	-	100% of subscriptions have now been collected	G
RSG Income	(10,700)	(10,825)	(125)	(25,980)	(25,980)	-	On budget	G
Welsh RSG Income	(129)	(129)	-	(310)	(310)	-	On budget	G
Income from Direct Services	(1,518)	(1,502)	16	(2,426)	(2,535)	(109)	The year-end variance is due to additional income from: Political Offices - £6k; Finance & Policy - £16k; LG Inform - £21k; LG support team - £8k; Negotiations - £15k; Workforce, Strategy & Consultancy - £20k and Research & Information - £23k.	G
Shared Services - 3rd Party Income	(13)	(14)	(2)	(51)	(51)	-	On budget	G
Rental Income	(364)	(658)	(294)	(1,327)	(1,327)	-	The in-year variance is due to timing on invoices.	G
Other Income	(73)	(165)	(92)	(209)	(226)	(17)	The in-year variance is due to timing on invoices. Year-end variance is due to additional income in Legal Services.	G
Dividends	-	(661)	(661)	(1,500)	(1,786)	(286)	The in-year and year-end variance is due to the Geoplace dividend being received earlier than expected; and an unbudgeted dividend from Local Partnerships.	G
Total Core Income	(22,264)	(23,421)	(1,157)	(41,270)	(41,682)	(412)		

As at Period 5								
AUGUST 14								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s		
EXPENDITURE:								
Core Employee Costs	6,316	6,400	84	14,518	14,518	-	On budget. Year to date variance is 1.3% of budget.	G
RSG payments to 3rd parties	879	879	-	1,871	1,871	-	On budget	G
Programme Costs	3,672	2,713	(958)	9,515	9,534	19	The in-year variance is due to low programme spend. The year-end variance is due to forecast overspends: Political Offices - £6k; Finance & Policy - £16k; LG inform Plus - £21k; Research Information - £23k and LG Support team - £9k all of which are offset by income. Year-end underspends include: Cities Board - £25k; Negotiations - £25k and Directors' expenses - £6k.	R
Liberata Contract	1,889	1,797	(93)	4,459	4,459	-	The in-year variance is due to timing on invoices.	G
Other running costs	452	674	222	3,704	2,049	(1,655)	The in-year variance is due to timing on invoices. This budget includes the agreed contingency budget - £2,115k. This is off-set by an additional VAT payment - £24k; EC Harris Review - £60k; Commercial Review - £106k; Audit Transitional Body - £100k; Commercial manager - £50k; IT development budget - £20k and Layden House development costs - £100k.	G
Property Costs	1,304	1,052	(253)	3,581	3,581	-	The in-year variance is due to lower than expected repair & maintenance costs in quarter 1.	G
Pensions - Past employees	338	69	(269)	930	930	-	The in-year variance is due to timing on invoices.	G
Pension Deficits Reduction Payments	1,244	1,708	464	3,420	3,420	-	The in-year variance is due to timing on invoices.	G
Total Core Expenditure	16,130	15,412	(718)	41,998	40,362	(1,636)		
NET CORE POSITION (Surplus) Deficit	(6,135)	(8,009)	(1,875)	728	(1,320)	(2,048)		

							As at	Period 5
							AUGUST 14	
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s	2014/15 £000s		
Ring Fenced income	(5,123)	(6,396)	(1,273)	(10,479)	(13,289)	(2,810)	Additional funding is due to be received from: POP Group - £200k; One Public Estate - £392k; Open Data Release Funding - £1,000k; Sport for England - £4k; Gypsy & Traveller - £3k; Integration & Better Care - £327k; Open Data Incentives Programmes - £730k; Be a Councillor for Disabled People - £100k; Informatics for Adult Social Care - £8k; Inspire - £40k; Amenity Assets - £100k; Arts Council - £35k; Fire fighter pension scheme - £30k and invoices need to be raised for Property Searches - £373k and Icelandic Banks - £50k. This is offset by a reductions for: the Police Grant - £124k; Health Improvement - £206k and Winterbourne View - £206k.	G
Ring-fenced expenditure	4,325	3,717	(607)	10,479	13,289	2,810	Adjustments have been made to expenditure in response to all of the changes in income above, to achieve the same net position.	R
Ring-fenced overhead recovery	(182)	(301)	(119)	(728)	(1,255)	(527)	Increased overhead is expected due to additional grants for 2014/15.	G
Net Ring Fenced Position	(980)	(2,980)	(2,000)	(728)	(1,255)	(527)		
NET LGA POSITION (Surplus) Deficit	(7,115)	(10,990)	(3,875)	-	(2,575)	(2,575)		
LGA Pensions								
Future years pension deficit contribution; paid in advance	-	1,893	1,893	-	1,893	1,893	The year-end variance is due a payment to Merseyside Pension Fund due to an advanced payment to cover the requirement additional contribution for the next 3 years. This is offset partly by the agreed budget for the 2014/15 deficit contribution.	R
NET LGA POSITION (Surplus) Deficit	(7,115)	(9,097)	(1,982)	-	(682)	(682)		