

FINANCIAL MONITORING REPORT: TO END FEBRUARY (P11) 2019
SECTION 1: JOINT OPERATIONAL BUDGET

The table below provides an overview of the shadow operational budget position at the end of February. All partners are forecasting a year end underspend, mainly from staffing. The full year variance is likely to be -£0.9m, a change of -£0.1m since the end of December. External fees expenditure does not form part of the OPL budget so is not included in table 1. The Legal Services (OPL & non-OPL) forecast is shown in Section 4.

Table 1: OPL Summary	Year to Date Actual			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
BHCC						
Staff	2,251	2,236	15	2,439	2,439	0
Temporary Staff	17	0	17	20	0	20
Non-Staff	152	105	47	160	115	45
Income	-388	-369	-19	-688	-618	-70
Net Expenditure	<u>2,032</u>	<u>1,972</u>	<u>60</u>	<u>1,931</u>	<u>1,936</u>	<u>-5</u>
ESCC						
Staff	1,404	1,507	-103	1,532	1,644	-112
Temporary Staff	182	58	124	205	63	142
Non-Staff	50	69	-19	112	75	37
Income	-258	-110	-148	-278	-120	-158
Net Expenditure	<u>1,378</u>	<u>1,524</u>	<u>-146</u>	<u>1,571</u>	<u>1,662</u>	<u>-91</u>
SCC						
Staff	2,759	3,090	-331	3,010	3,371	-361
Temporary Staff	250	0	250	272	0	272
Non-Staff	130	121	9	161	140	21
Income	-585	-379	-206	-615	-414	-201
Net Expenditure	<u>2,554</u>	<u>2,832</u>	<u>-278</u>	<u>2,828</u>	<u>3,097</u>	<u>-269</u>
WSCC						
Staff	2,819	3,234	-415	3,113	3,528	-415
Temporary Staff	139	164	-25	179	179	0
Non-Staff	64	57	7	70	62	8
Income	-422	-288	-134	-422	-314	-108
Net Expenditure	<u>2,600</u>	<u>3,167</u>	<u>-567</u>	<u>2,940</u>	<u>3,455</u>	<u>-515</u>
TOTAL						
Staff	9,233	10,067	-834	10,094	10,982	-888
Temporary Staff	588	222	366	676	242	434
Non-Staff	396	352	44	503	392	111
Income	-1,653	-1,146	-507	-2,003	-1,466	-537
Net Expenditure	<u>8,564</u>	<u>9,495</u>	<u>-931</u>	<u>9,270</u>	<u>10,150</u>	<u>-880</u>

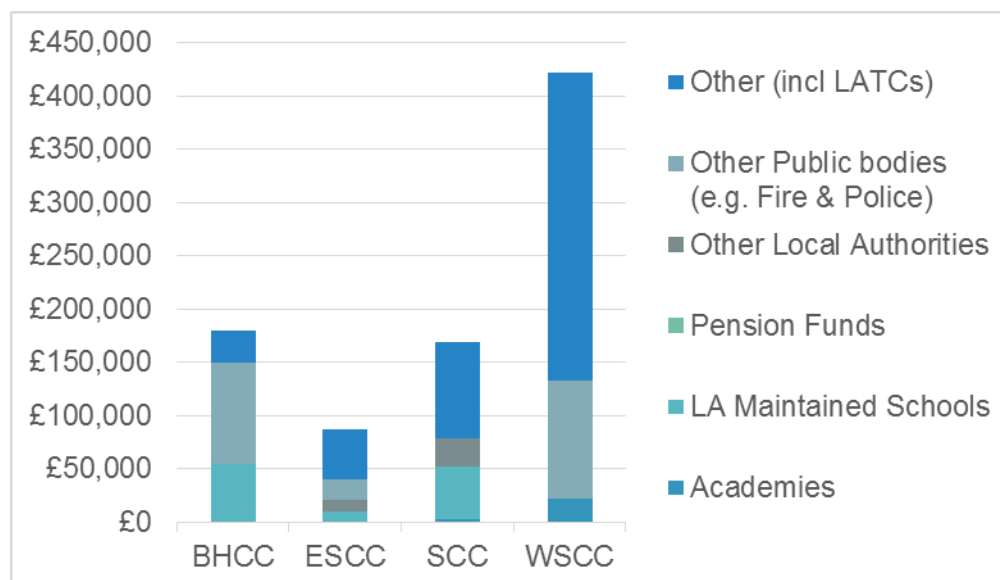
SECTION 2: INCOME

Income is analysed each month to understand the level of likely 'sales' which are managed and controlled by OPL and 'costs awarded' which are largely unplanned for. The position at period 11 is shown in table 2. All partners are forecasting a full year over recovery of income.

Table 2: OPL Income	Year to Date Actual			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
BHCC						
Sales	-180	-149	-31	-232	-162	-70
Costs Recovered	-208	-220	12	-456	-456	0
Costs Awarded	0	0	0	0	0	0
[not yet analysed]	0	0	0	0	0	0
Total Income	-388	-369	-19	-688	-618	-70
ESCC						
Sales	-87	-32	-55	-81	-35	-46
Costs Recovered	-140	-50	-90	-128	-55	-73
Costs Awarded	-16	-28	12	-70	-30	-40
[not yet analysed]	-16	0	-16	0	0	0
Total Income	-259	-110	-149	-278	-120	-158
SCC						
Sales	-169	0	-169	-169	0	-169
Costs Recovered	-358	-376	18	-388	-410	22
Costs Awarded	-57	0	-57	-57	0	-57
[not yet analysed]	0	-3	3	-1	-4	3
Total Income	-584	-379	-205	-615	-414	-201
WSCC						
Sales	-422	-288	-134	-422	-314	-108
Costs Recovered	0	0	0	0	0	0
Costs Awarded	0	0	0	0	0	0
[not yet analysed]	0	0	0	0	0	0
Total Income	-422	-288	-134	-422	-314	-108
TOTAL						
Sales	-858	-469	-389	-904	-511	-393
Costs Recovered	-706	-646	-60	-972	-921	-51
Costs Awarded	-73	-28	-45	-127	-30	-97
[not yet analysed]	-16	-3	-13	-1	-4	3
Total Income	-1,653	-1,146	-507	-2,003	-1,466	-537

The source of the year to date 'sales' are shown in chart 1.

Chart 1: Year to Date Sales



SECTION 3: EXTERNAL LEGAL COSTS

All external legal costs are outside of the joint operational budget as the accountability for them is not consistent across the partnership: in SCC and WSCC these costs are met from the Legal Services budget and in BHCC and ESCC these budgets are in other services. There are certain external costs, such as legal advice (counsel) which OPL can control and manage effectively on behalf of the partner authorities. Table 3 shows these external costs, managed by Legal Services, to the end of February.

Table 3: External Legal Costs managed by Legal	Year to Date Actual				
	BHCC	ESCC	SCC	WSCC	Total
	£000s	£000s	£000s	£000s	£000s
Child Care - Counsel	116	346	885	576	1,923
Child Care - External Solicitors	5	0	0	183	188
Child Care - Expert Fees	0	0	0	0	0
Other External Solicitor / Counsel	136	126	143	134	539
External fees	0	20	-47	0	-27
Total	258	492	981	893	2,623

SECTION 4: LEGAL SERVICES

The table below provides an overview of Legal Services budget which includes OPL and sovereign specific budgets. This is included for clarity as it shows the full year forecast reported to each authority for its Legal Services at the end of February. Both SCC & WSCC are forecasting material overspends on non-OPL budgets, these are partly offset by their OPL underspends.

Table 4: Legal Services	Full Year Forecast		
	Forecast	Budget	Variance
	£000s	£000s	£000s
BHCC			
OPL	1,931	1,936	-5
Sovereign			
Staff	164	164	0
Non-Staff	-36	-36	0
External Fees	0	0	0
Income	-913	-913	0
Total	1,146	1,151	-5
ESCC			
OPL	1,571	1,662	-91
Sovereign			
Staff	8	9	-1
Non-Staff	13	15	-2
External Fees	539	5	534
Income	-489	0	-489
Total	1,642	1,691	-49
SCC			
OPL	2,828	3,097	-269
Sovereign			
Staff	0	0	0
Non-Staff	125	78	47
External Fees	1,415	735	680
Income	0	0	0
Total	4,368	3,910	458
WSCC			
OPL	2,940	3,455	-515
Sovereign			
Staff ¹	0	0	0
Non-Staff	0	0	0
External Fees	1,221	715	506
Income	0	0	0
Total	4,161	4,170	-9

1. Staff in the WSCC non OPL budget are not included in table 4.

SECTION 5: PROJECT COSTS

The total OPL project costs are shown in table 5 below. These costs are funded from existing budgets by the four partners in accordance with the agreed contribution ratio.

Table 5: Project investment costs	2016/17	2017/18	2018/19	Savings	Notes
£000s					
Project staffing	73	85	122		1
IT – Case management database rationalisation	0	24	169	69 over 5 yrs	2
IT – Digital court – software and hardware	0	0	15	90 p.a.	3
Training / workshops / miscellaneous	6	7	5	70 to-date	4
Total	79	116	311		

Notes

1 - Project Manager, Business Development Manager and add'l Project support as required.

2- Case management costs are already included in section 1 (non-staffing). OPL have renegotiated the contract which will total £334.5k over 5 years; a saving of £69k. £169k is the year 1 cost for this new contract. This project brings forward and combines the capital and project investment costs for the new contract, these costs would have had to be met in any event over the next 3 years when current contracts expired.

3 - £15k one off hardware costs for the courts. Ongoing service costs of £173k per annum, a £90k saving per annum on the current spend.

4 - 708 training places provided to-date, if notionally costed at £100 per head, £70k cost avoided.

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