

SUBJECT:	REVENUES AND BENEFITS - FINANCIAL OUTTURN 2018/19
REPORT BY:	CHIEF EXECUTIVE & TOWN CLERK
LEAD OFFICER:	JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide Members with the financial outturn for the Revenues and Benefits shared service for 2018/19.

2. Executive Summary

- 2.1 The 2018/19 financial outturn for the Revenues and Benefits shared service resulted in an underspend of £214,405, a variance of 8% of the revised budget.

3. Background

- 3.1 The approved budget for 2018/19 was agreed by Revenues and Benefits Joint Committee on 20th February 2018. The Committee set a budget for 2018/19 of £2,285,710 for the service, which has since been increased after receipt of New Burdens Grants, totalling £262,645.
- 3.2 The budget, as mentioned in paragraph 3.1, has subsequently been further revised for the following New Burdens Grants notified to each Authority in quarter four: -

Budget adjustment	CoLC	NK	Total
	£	£	£
UC LA Universal Support Grant Funding Q3 2018/19	£15,112	£3,739	£18,851
Mixed Aged Couples	£2,602	£2,342	£4,944
Severe Disability Premium and Pension Credit Child Addition	£3,085	£2,626	£5,711
TOTAL	20,799	8,707	29,506

4. Financial Outturn 2018/19

- 4.1 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £165,248 against the revised budget, after taking into account New Burden grants. The 2018/19 financial outturn for the Revenues and Benefits shared service resulted in an underspend of £214,405, a variance of 8.4% of the revised budget.
- 4.2 A summary of the main year-end variations against the approved budget for 2018/19 is shown below.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Benefits		
Salaries (Including Career Grades)	(67,372)	Vacant hours, together with career graded posts budgeted at top of scale however not all officers are at the top of the scale.
New Burdens Grants	(262,645)	New Burdens Funding
IT Costs	58,713	Northgate system costs
Printing	17,994	
Revenues Local Taxation		
Agency staff	18,647	To cover vacant roles in the service
Postage	41,417	Should decrease moving forward due to outsourced correspondence solution
IT Costs	11,688	Northgate system costs
Subscriptions	11,333	Analyse Local Annual Fees included within this.

4.3 The underspend of £214,405 represents a variance of 8% against the total Shared Service budget. As set out above the primary reason for this significant underspend is the allocation of in-year, annual, new burdens funding. The nature of this funding is such that it is difficult to forecast or have any assurance that funding will continue beyond one financial year, making it difficult to recruit permanent staff to perform the additional work required.

4.4 Further to discussions at the last meeting of this Committee on 19th February 2019, it was proposed that a significant proportion of the underspend be carried forward to 2019/20. Following consideration and agreement through each partner Council's end of year financial procedures; North Kesteven has agreed to a carry-forward £45,000, and City of Lincoln has proposed a carry-forward of £45,000.

5. Organisational Impacts

5.1 The financial implications are contained throughout the report.

5.2 There are no legal implications arising from this report.

5.3 There are no equality and diversity implications as a direct result of this report.

6. Risk Implications

6.1 A full financial risk assessment is included in the Council's Medium Financial Strategy.

7. Recommendation

7.1 Members are recommended to note the financial outturn for 2018/19.

7.2 Members are recommended to approve the budget adjustments for 2018/19 as per para 3.2.

Key Decision No

Do the Exempt Information Categories Apply? No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? One

List of Background Papers: None

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Appendix 1 Financial Outturn for 2018/19

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	158,600	158,600	317,200	172,250	172,250	344,500	13,650	13,650	27,300
Benefits	820,855	546,360	1,367,215	639,376	425,568	1,064,944	(181,479)	(120,792)	(302,272)
Revenues Local Taxation	313,770	326,570	640,340	346,607	360,747	707,354	32,837	34,177	67,014
Money Advice	111,800	111,800	223,600	108,576	108,576	217,152	(3,224)	(3,224)	(6,448)
Total 2018/19	1,405,025	1,143,330	2,548,355	1,266,809	1,067,141	2,333,950	(138,216)	(76,189)	(214,405)