

SUBJECT:	QUARTER 1 2016/17 FINANCIAL MONITORING
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To present to Members the first quarter's performance for the Revenues and Benefits shared service for 2016/17.

2. Executive Summary

- 2.1 The forecast outturn for 2016/17 predicts that there will be an underspend against the approved budget of £1,553.

3. Background

- 3.1 The approved budget for 2016/17 contains a contingency budget of £20,000 within Revenues and Benefits Management costs to cover unforeseen events.
- 3.2 The budget has subsequently been revised for the following items:

Budget adjustment	CoLC	NK	Total
	£	£	£
RTI	2,821	1,541	4,362
Ferris	22,793	12,437	35,230
Pension Credit Assessed Income Period Reform	692	666	1,358
Local Authority Data Sharing (LADS) Funding	12,389	12,389	24,778
Benefit Cap Changes	25,397	9,036	34,433
TOTAL	64,092	36,069	100,161

4. Quarter 1 Financial Performance and Forecast Outturn 2016/17

4.1 Performance Quarter 1

Financial performance for the first quarter of 2016/17 is detailed in Appendix 1 to this report. At quarter 1, there is an overspend against the approved budget of £8,914.

4.2 Forecast Outturn 2016/17

A contingency budget of £20,000 is included within Revenues and Benefits Management costs to cover unforeseen events. The forecast outturn for 2016/17 predicts that there will be an underspend against the approved budget of £1,553.

Further detail is attached as Appendix 2 to this report.

4.3 A summary of the main forecast year-end variations against the approved budget for 2016/17 is shown below.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Revenues and Benefits Management		
Contingency Budget	(20,000)	Retained budget of £20,000 in 2016/17 and then maintained at £20,000 per year thereafter, which has been set aside to fund any service pressures, interim support and unforeseen circumstances. This underspend is offset against additional resource costs identified below.
Staffing	15,650	Includes regraded staff
Benefits		
Staffing	(84,250)	Career graded posts not progressing as budgeted
Subscriptions	15,000	Various subscriptions not budgeted for.
Postage	(34,250)	Forecast under spend, based on 2015/16
IT Costs	15,000	In line with 2015/16, however this is subject to review as the year progresses.
Office Equipment	4,000	Potential to change depending on needs of the service as the year progresses
Printing	12,590	Dependent on activity throughout the year, however this is the average cost over the last two financial years
Revenues Local Taxation		
Postage	11,800	Forecast in line with 2015/16
Agency	17,000	To meet the needs of the service short term agency cover has been brought in.
IT Costs	13,550	To meet service requirements.
Collection/Tracing Agents	12,700	Forecast based on previous years activity
Printing	(13,000)	Forecast under spend based on 2015/16.
Staffing	18,690	Additional resources to meet work demands

<u>Service Area</u>	£	<u>Reason for variance</u>
Benefits/Money Advice		
Mobile Phones/Lone Working devices	2,100	Budgets needs to be reviewed as part of the next budget round.
Staffing	(7,080)	Reduced hours in the service

5. Strategic Priorities

- 5.1 Growing the local economy: Granting of Business Rates reliefs as appropriate can assist businesses to succeed and grow.
- 5.2 Protecting the poorest people in Lincoln and North Kesteven: The Benefits Service has a key role in reducing poverty and disadvantage; by ensuring residents receive the benefits they are entitled to and providing money/debt advice.

6. Organisational Impacts

- 6.1 Finance: The financial implications are contained throughout the report.
- 6.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 6.3 Equality, Diversity & Human Rights: There are no direct Equality, Diversity or Human Rights implications arising from this report.

7. Risk Implications

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

8. Recommendations

- 8.1 Members are recommended to note the actual position at quarter 1.
- 8.2 Members are recommended to approve the budget adjustments for 2016/17 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?**

Two

**List of Background
Papers:**

None

Lead Officer:

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Appendix 1 Actual Position as at Quarter 1 2016/17

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	53,810	53,810	107,623	46,221	46,221	92,442	(7,589)	(7,589)	(15,178)
Benefits	172,760	120,810	293,576	153,974	111,498	265,472	(18,786)	(9,312)	(28,098)
Revenues Local Taxation	94,740	98,450	193,195	113,724	118,365	232,089	18,984	19,915	38,899
Money Advice	27,030	27,030	54,063	29,478	29,478	58,957	2,448	2,448	4,897
Admin Grant Reduction	(5,433)	(2,963)	(8,395)	0	0	0	5,433	2,963	8,395
Total Q1 2016/17	342,908	297,138	640,061	343,396	305,563	648,959	489	8,425	8,914

Appendix 2 Forecast Financial Outturn for 2016/17

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	176,425	176,425	352,850	160,100	160,100	320,200	(16,325)	(16,325)	(32,650)
Benefits	694,482	485,662	1,180,144	655,578	458,456	1,114,033	(38,904)	(27,206)	(66,110)
Revenues Local Taxation	310,829	322,999	633,827	344,268	357,747	702,014	33,439	34,748	68,187
Money Advice	108,125	108,125	216,250	105,845	105,845	211,690	(2,280)	(2,280)	(4,560)
Admin Grant Reduction	(21,730)	(11,850)	(33,580)	0	0	0	21,730	11,850	33,580
Total 2016/17	1,268,130	1,081,360	2,349,491	1,265,790	1,082,147	2,347,938	(2,340)	787	(1,553)