

**SUBJECT: REVENUES AND BENEFITS - QUARTER 3 2018/19
MONITORING**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the third quarter's performance for the Revenues and Benefits shared service for 2018/19.

2. Executive Summary

- 2.1 The forecast outturn for 2018/19 predicts that there will be an underspend against the approved budget of £165,248.

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, and this report shows the progress against this budget for quarter three and shows a projected outturn for the full year.
- 3.2 The budget, as mentioned in paragraph 3.1, has subsequently been revised for the following New Burdens Grants notified to each Authority in quarter three: -

| Budget adjustment | CoLC | NK | Total |
|--------------------------------------------------|---------------|---------------|---------------|
| | £ | £ | £ |
| Universal Credit Support 2018/19 – Adjustment | (8,412) | (4,069) | (12,481) |
| LA Data Sharing Programme: IT Costs | 11,318 | 11,318 | 22,636 |
| UC LA Universal Support Grant Funding Q2 2018/19 | 15,189 | 1,372 | 16,561 |
| Retail Discounts – New Burdens | 1,725 | 1,725 | 3,450 |
| TOTAL | 19,820 | 10,346 | 30,166 |

4. Quarter three Financial Performance and Forecast Outturn 2018/19

4.1 Performance Quarter

Financial performance for the third quarter of 2018/19 is detailed in Appendix 1 to this report. At quarter 3, there is an underspend against the approved budget of £78,316.

4.2 Forecast Outturn 2018/19

The forecast outturn for 2018/19 predicts that there will be an underspend against the approved budget of £165,248. 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 2018/19 is shown below.

| <u>Service Area</u> | <u>£</u> | <u>Reason for variance</u> |
|-----------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenues and Benefits Management | | |
| IT Costs | 19,950 | Increased cost of Northgate System. |
| Benefits | | |
| Salaries (Including Career Grades) | (58,660) | Vacant hours together with career graded posts budgeted at top of scale however not all officers are at the top of the scale. Additional agency staff costs assumed for February – March 2019. |
| New Burdens Grants | (160,400) | New Burdens Funding, offset against specific IT costs incurred, but cost of additional activities contained within current staffing structure. |
| Printing/Posting/Stationery | (16,750) | Savings from production and dispatch of correspondence. |
| Revenues Local Taxation | | |
| Subscriptions | 11,550 | Analyse Local Annual Fees included within this. |
| Printing/Postage/Stationery | 48,890 | Activity Level estimated to be the same as previous years. |

4.4 A forecast underspend of £165,248 represents a variance of 7% 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. The impact being that existing Shared Services officers are then required to focus on the new work areas which can be to the detriment of 'core' workloads. This forecast underspend should therefore be considered alongside the quarterly performance report elsewhere on this Committee's agenda.

4.5 Subject to the final outturn position it will be proposed that a significant proportion of the underspend be carried forward to 2019/20. Member's initial comments are therefore sought on how any 'carry forward' of underspend could be utilised in 2019/20.

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 actual position at quarter 3 and consider this alongside the Quarter 3 Performance report elsewhere on this agenda.
- 7.2 Members are recommended to approve the budget adjustments for 2018/19 as per para 3.2.
- 7.3 Members are asked to provide any initial comments on how any underspends 'carried forward' to 2019/20 could be utilised.

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

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Appendix 1 Actual Position as at Quarter 3 2018/19

| | Profiled Budget | | | Actual | | | Variance | | |
|--------------------------------|------------------|----------------|------------------|----------------|----------------|------------------|-----------------|----------------|-----------------|
| | CoLC | NK | Combined | CoLC | NK | Combined | CoLC | NK | Combined |
| Revenues & Benefits Management | 128,870 | 128,870 | 257,733 | 157,719 | 157,719 | 315,438 | 28,849 | 28,849 | 57,698 |
| Benefits | 589,030 | 400,780 | 989,811 | 445,360 | 322,502 | 767,862 | (143,670) | (78,278) | (221,948) |
| Revenues Local Taxation | 247,240 | 257,270 | 504,513 | 290,976 | 302,853 | 593,829 | 43,736 | 45,583 | 89,319 |
| Money Advice | 83,850 | 83,850 | 167,700 | 82,157 | 82,157 | 164,315 | (1,693) | (1,693) | (3,385) |
| Total 2018/19 | 1,048,990 | 870,770 | 1,919,757 | 976,213 | 865,231 | 1,841,444 | (72,777) | (5,539) | (78,316) |

Appendix 2 Forecast Financial Outturn for 2018/19

| | Annual Budget | | | Forecast Outturn | | | Variance | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| | CoLC | NK | Combined | CoLC | NK | Combined | CoLC | NK | Combined |
| Revenues & Benefits Management | 158,600 | 158,600 | 317,200 | 170,730 | 170,730 | 341,460 | 12,130 | 12,130 | 24,260 |
| Benefits | 785,056 | 534,152 | 1,319,208 | 636,601 | 433,143 | 1,069,744 | (148,455) | (101,009) | (249,464) |
| Revenues Local Taxation | 315,495 | 328,295 | 643,790 | 347,449 | 361,545 | 708,994 | 31,954 | 33,250 | 65,204 |
| Money Advice | 111,800 | 111,800 | 223,600 | 109,176 | 109,176 | 218,352 | (2,624) | (2,624) | (5,248) |
| Total 2018/19 | 1,370,951 | 1,132,847 | 2,503,798 | 1,263,955 | 1,074,595 | 2,338,550 | (106,995) | (58,253) | (165,248) |