

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2020/21**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

**LEAD OFFICER: 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 2020/21.

2. Executive Summary

- 2.1 The forecast outturn for 2020/21 predicts that there will be an overspend against the approved budget of £10,737.

3. Background

- 3.1 The approved budget for 2020/21 was agreed by Revenues and Benefits Joint Committee on 5th February 2020. The Committee set a budget for 2020/21 of £2,426,630 for the service, which has since been increased by the agreed carry forward budget from 2019/20, totalling £51,940. North Kesteven District Council (NK) will be recharged throughout the year for the agreed value of £27,010. In addition, a number of New Burdens grants for NK are still to be reflected which will offset their proportion of the forecast overspend.
- 3.2 The budget, as mentioned in paragraph 3.1, has been revised for the following agreed carry forward by each Authority in 2019/20: -

Budget adjustment	CoLC	NK	Total
	£	£	£
Agreed 2019/20 Budget C/fwd	£24,930	£27,010	£51,940
TOTAL	£24,930	£27,010	£51,940

4. Quarter One Financial Performance and Forecast Outturn 2020/21

4.1 Performance Quarter 1

Financial performance for the first quarter of 2020/21 is detailed in Appendix 1 to this report. At quarter 1, there is an underspend against the approved budget of £2,590.

4.2 Forecast Outturn 2020/21

The forecast outturn for 2020/21 predicts that there will be an overspend against the approved budget of £10,737, prior to the addition of NK's New Burden grants. 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 2020/21 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Revenues and Benefits Management		
Recharges to Other Local Authorities	(15,000)	Unbudgeted income for the provision of Management support to SKDC.
Benefits		
Overtime	11,540	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
IT Costs	15,417	New DWP Legislation changes to be partially offset in Q2 by the application of New Burden grants.
Postage & Franking Costs	14,650	Increased volume.
Revenues Local Taxation		
Agency	(20,000)	No expected expenditure on agency staffing due to a full establishment.
IT Costs	10,450	New Software requirements.
Benefits/Money Advice		
Car Allowances Mileage	(4,000)	Reduced expenditure due to WFH and limited outreach appointments.

4.4 A number of savings have been suggested as part of the Emergency Budget response, if agreed these will be actioned in Quarter 2 2020/21, and will impact on the current forecast outturn position.

5. Strategic Priorities

5.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: "Let's reduce all kinds of inequality".
- North Kesteven: "Our Communities", "Our Economy".

6. Organisational Impacts

6.1 The financial implications are contained throughout the report.

6.2 There are no legal implications arising from this report.

6.3 There are no equality and diversity implications as a direct result of 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 2020/21 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: Martin Walmsley
Telephone 01522 873597

Appendix 1 Actual Position as at Quarter 1 2020/21

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	64,130	64,110	128,230	62,612	62,612	125,224	(1,518)	(1,498)	(3,016)
Benefits	158,150	114,520	272,675	161,517	116,961	278,478	3,367	2,441	5,808
Revenues Local Taxation	92,900	96,940	189,840	93,186	96,990	190,176	286	50	336
Money Advice	29,290	29,280	58,575	26,426	26,426	52,853	(2,864)	(2,854)	(5,717)
Total Q1 2020/21	344,470	304,850	649,320	343,742	302,989	646,730	(728)	(1,861)	(2,590)

Appendix 2 Forecast Financial Outturn for 2020/21

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	177,370	177,310	354,680	171,268	171,210	342,479	(6,102)	(6,100)	(12,201)
Benefits	632,930	458,330	1,091,260	645,062	467,115	1,112,177	12,132	8,785	20,917
Revenues Local Taxation	390,210	407,190	797,400	391,194	408,217	799,411	984	1,027	2,011
Money Advice	117,640	117,590	235,230	117,645	117,595	235,240	5	5	10
Total 2020/21	1,318,150	1,160,420	2,478,570	1,325,169	1,164,138	2,489,307	7,019	3,718	10,737