

<b>SUBJECT:</b>	<b>REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 2 2020/21</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS</b>

## 1. Purpose of Report

- 1.1 To present to Members the second 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 £34,462. However, it is anticipated that further New Burdens will be received during the year that will mitigate this overspend.

## 3. Background

- 3.1 The approved budget for 2020/21 was agreed by Revenues and Benefits Joint Committee on 5<sup>th</sup> 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 will be recharged throughout the year for the agreed value of £27,010. At quarter 2 the budget has subsequently been reduced by the sum of £43,500 to reflect the reductions in expenditure arising through a change in operations during the Covid-19 pandemic. In addition, a number of New Burdens grants have been received which have now been reflected in the budgets.

- 3.2 The budget has been revised as follows: -

	<b>City of Lincoln</b>	<b>North Kesteven</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Original Budget</b>	<b>1,293,220</b>	<b>1,133,410</b>	<b>2,426,630</b>
Carry Forward from 19/20	24,930	27,010	51,940
Budget reductions resulting from revised operating model	(21,620)	(21,880)	(43,500)
New Burdens – PSCS Uprating	340	340	681
New Burdens – ESA Changes	688	688	1,375
New Burdens – Capture of IP Addresses	1,135	1,135	2,269
New Burdens – VEP's to 2A	1,876	1,876	3,751
New Burdens – SDP/MSD Trans to UCHP	1,977	1,977	3,954
New Burdens – Extra Postage	681	641	1,322

New Burdens – Northgate Covid19 Changes	328	328	655
New Burdens – HB Award Accuracy Initiative	8,570	4,866	13,437
<b>REVISED BUDGET</b>	<b>1,312,124</b>	<b>1,150,390</b>	<b>2,462,515</b>

#### 4. Quarter Two Financial Performance and Forecast Outturn 2020/21

##### 4.1 Performance Quarter 2

Financial performance for the first quarter of 2020/21 is detailed in Appendix 1 to this report. At quarter 2, there is an overspend against the approved budget of £13,987.

##### 4.2 Forecast Outturn 2020/21

The forecast outturn for 2020/21 predicts that there will be an overspend against the approved budget of £34,462. It is however anticipated that further New Burdens funding will be received during the year which will mitigate this forecast overspend. 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>
<b>Management</b>		
Staffing	5,891	National pay award of 2.75% above budget of 2% and additional hours required as a result of Covid19 pandemic response.
<b>Benefits</b>		
Staffing	(10,080)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Overtime	12,040	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
IT Costs	27,598	New DWP Legislation changes.
New Burdens	(27,445)	New Burdens received to date, details as per para 3.2.
<b>Revenues Local Taxation</b>		
Staffing	6,938	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
IT Costs	19,839	New Software requirements & Cloud managed Telephony service to enable remote working.

<b>Benefits/Money Advice</b>	None	
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## 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. Recommendations

- 7.1 Members are recommended to note the actual position at quarter 2.
- 7.2 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  
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## Appendix 1 Actual Position as at Quarter 2 2020/21

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	101,230	101,190	202,420	103,516	103,516	207,032	2,286	2,326	4,612
Benefits	313,190	227,060	540,255	320,148	231,831	551,979	6,958	4,771	11,729
Revenues Local Taxation	178,260	185,400	363,655	181,110	188,502	369,612	2,850	3,102	5,952
Money Advice	58,670	58,650	117,325	54,507	54,507	109,014	(4,163)	(4,143)	(8,306)
<b>Total 2020/21</b>	<b>651,350</b>	<b>572,300</b>	<b>1,223,655</b>	<b>659,281</b>	<b>578,356</b>	<b>1,237,637</b>	<b>7,931</b>	<b>6,056</b>	<b>13,987</b>

## 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	181,126	181,065	362,191	3,756	3,755	7,511
Benefits	642,294	465,660	1,107,955	641,505	465,088	1,106,593	(789)	(572)	(1,361)
Revenues Local Taxation	374,820	389,830	764,650	388,980	404,557	793,537	14,160	14,727	28,887
Money Advice	117,640	117,590	235,230	117,353	117,303	234,655	(287)	(287)	(575)
<b>Total 2020/21</b>	<b>1,312,124</b>	<b>1,150,390</b>	<b>2,462,515</b>	<b>1,328,964</b>	<b>1,168,013</b>	<b>2,496,977</b>	<b>16,840</b>	<b>17,623</b>	<b>34,462</b>