

SUBJECT:	REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 3 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 third 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, following the receipt and application of New Burdens grants, there will be an underspend against the approved budget of £89,197.

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 will be recharged throughout the year for the agreed value of £27,010.

At quarter 2 the budget was subsequently reduced by the sum of £16,050, being the net of a £43,500 reduction to reflect the expenditure reductions arising through a change in operations during the Covid19 pandemic and a £27,450 increase relating to New Burdens grants.

At quarter 3 the budget has been further increased to reflect additional New Burdens grants totalling £48,660.

- 3.2 The budget has been revised as follows: -

	CoLC	NK	Total
	£	£	£
Original Budget	1,293,220	1,133,410	2,426,630
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 – Q2 (detailed in previous report)	15,600	11,850	27,450
New Burdens – Business Rates Admin Grant	25,740	20,930	46,670
New Burdens – SDP Final Funding	1,250	740	1,990

REVISED BUDGET	1,339,120	1,172,060	2,511,180
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4. Quarter Three Financial Performance and Forecast Outturn 2020/21

4.1 Performance Quarter 3

Financial performance for the third quarter of 2020/21 is detailed in Appendix 1 to this report. At quarter 3, there is an underspend against the approved budget of £66,323.

4.2 Forecast Outturn 2020/21

Following the application of additional New Burdens grants and a reduction in anticipated expenditure levels for the remainder of the year, the forecast outturn for 2020/21 predicts that there will be an underspend against the approved budget of £89,197. 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>
Management Staffing	8,940	National pay award of 2.75% above budget of 2% and additional hours required as a result of Covid19 pandemic response.
Benefits Staffing	(18,570)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Overtime	12,970	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
Supplies & Services	(18,820)	Underspends related to changes in working during the pandemic - predominantly Car Mileage, Training, Stationery & Office Equipment.
Recharges to Other Local Authorities	(12,650)	Income in excess of budget for recharges to other Local Authorities.
IT Costs	28,800	New DWP Legislation changes.
New Burdens	(29,440)	New Burdens received to date, details as per para 3.2.
Revenues Local Taxation Staffing	(7,880)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.

IT Costs	20,400	New Software requirements & Cloud managed Telephony service to enable remote working.
Supplies & Services	(7,680)	Underspends related to changes in working during the pandemic - predominantly Training & Collection/Tracing Agent fees.
Recharges to Other Local Authorities	(6,870)	Income in excess of budget for recharges to other Local Authorities.
New Burdens	(46,670)	New Burdens received to date, details as per para 3.2.
Benefits/Money Advice		
Staffing	(9,020)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Supplies & Services	(2,710)	Underspends related to changes in working during the pandemic - predominantly Car Mileage savings offset by increased Mobile Phone expenditure.

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 3.
- 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:

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Appendix 1 Actual Position as at Quarter 3 2020/21

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	133,030	132,980	266,010	136,739	136,739	273,478	3,709	3,759	7,468
Benefits	485,780	352,060	837,843	473,946	343,202	817,148	(11,834)	(8,858)	(20,692)
Revenues Local Taxation	292,360	299,810	592,168	269,427	280,424	549,852	(22,933)	(19,386)	(42,318)
Money Advice	88,010	87,980	175,992	82,605	82,605	165,209	(5,406)	(5,376)	(10,781)
Total 2020/21	999,180	872,830	1,872,012	962,717	842,970	1,805,687	(36,463)	(29,860)	(66,323)

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	181,843	181,782	363,625	4,473	4,472	8,945
Benefits	643,550	466,400	1,109,950	621,689	450,557	1,072,246	(21,861)	(15,843)	(37,704)
Revenues Local Taxation	400,560	410,760	811,320	376,510	386,098	762,608	(24,050)	(24,662)	(48,712)
Money Advice	117,640	117,590	235,230	111,776	111,728	223,504	(5,864)	(5,862)	(11,726)
Total 2020/21	1,339,120	1,172,060	2,511,180	1,291,818	1,130,164	2,421,983	(47,302)	(41,896)	(89,197)