

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST  
2021/22**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present to Members the Base Budget Forecast for the Revenues and Benefits shared service for 2021/22.

## **2. Executive Summary**

- 2.1 The Delegation and Joint Committee Agreement requires the Base Budget Forecast for the shared to be reported to Members. This report is designed to meet this requirement.
- 2.2 The Base Budget Forecast for 2021/22 is included as Appendix 1 to this report.
- 2.3 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

## **3. Background**

- 3.1 The Revenues and Benefits Shared Service was formed on 1<sup>st</sup> June 2011, with a budget set to deliver savings for both partner authorities.
- 3.2 Despite inflationary cost pressures the Base Budget Forecast for 2021/22 of £2.520m is only £171.6k higher than the initial Base Budget set for 2012/13, demonstrating the ongoing efficiencies being delivered by the Shared Service.

## **4. Base Budget Forecast 2021/22**

- 4.1 The Base Budget Forecast for the shared service has been prepared and is included as Appendix 1 to this report.
- 4.2 A full review of each line of the budget has taken place to ensure a fair representation of the activity of the service. This has led to budgets being transferred between different shared service functions. Although each Authority has a different percentage of each service, across the service as a whole this hasn't led to either Authority significantly paying more.
- 4.3 There has however been an increase each year in the base budget from last year's budget due to factors such as staffing and IT. In the most part these have been offset by reviewing all areas within Revenues and Benefits cost centres – such as printing, as well as aiming to be more accurate on the budgeting of career graded

posts which in the past have been budgeted too prudently. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

- 4.4 Deleting some vacant hours within the Revenues and Benefits shared service is being undertaken – 1 x FTE (full time equivalent) Benefits Appeals Officer, 2 x 0.62 FTE Benefits Officer – these would make savings of approximately £57,416 – with this savings split being £33,290 City of Lincoln, £24,126 North Kesteven. It is recommended these vacant hours are deleted from 1<sup>st</sup> April 2021, with no significant impact on service provision anticipated. The base budget would then reduce accordingly.

## 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 Full financial risk assessments are included within both partner authorities Medium Financial Strategies.

## 7. Recommendation

- 7.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2021/22.
- 7.2 To approve deletion of vacant hours as detailed in paragraph 4.4 and reduce the base budget accordingly.

**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 Base Budget Forecast 2021/22

	2021/22		
	Shared Service £	NKDC £	CoLC £
<b>Management</b>			
Employees	306,960		
Supplies & Services	59,300		
<b>Sub Total</b>	<b>366,260</b>	<b>183,130</b>	<b>183,130</b>
<b>Revenues</b>			
Employees	785,230		
Transport	2,200		
Supplies & Services	192,380		
Recharge to WLDC	(76,000)		
Income	(15,000)		
CoLC only recovery	(90,450)		
<b>Sub Total</b>	<b>798,360</b>	<b>407,160</b>	<b>391,200</b>
<b>Benefits</b>			
Employees	1,054,730		
Transport	3,100		
Supplies & Services	66,810		
<b>Sub Total</b>	<b>1,124,640</b>	<b>472,350</b>	<b>652,290</b>
<b>Money Advice</b>			
Employees	219,640		
Transport	6,160		
Supplies & Services	5,020		
<b>Sub Total</b>	<b>230,820</b>	<b>115,410</b>	<b>115,410</b>
<b>TOTAL</b>	<b>2,520,080</b>	<b>1,178,050</b>	<b>1,342,030</b>

## Appendix 2 – reconciliation to previous Base Budget Forecast (20-25)

	2021/22		
	Shared Service £	NKDC £	CoLC £
Original budget - 2020 – 2025	<b>2,507,580</b>	<b>1,174,370</b>	<b>1,333,210</b>
Increased Staffing (less savings on Agency & Car Allowances Mileage)	13,530	4,830	8,700
Increased IT, Telephones & Mobile Phones Costs	11,730	4,890	6,840
Savings on Postage, Printing, Office Equipment, Stationery & Subscriptions	(9,760)	(4,510)	(5,250)
Increased Income on new Lincoln BIG Contract	(3,000)	(1,530)	(1,470)
<b>Revised budget – 2021 - 2026</b>	<b>2,520,080</b>	<b>1,178,050</b>	<b>1,342,030</b>