

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL OUTTURN 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 provide Members with the financial outturn for the Revenues and Benefits shared service for 2020/21.

## 2. Executive Summary

### 2.1 2020/21 Outturn

The 2020/21 financial outturn for the Revenues and Benefits shared service resulted in an underspend of £154,544, a variance of 2.4% of the revised budget. This is prior to a recharge for new IT Kit totalling £13,460.92 split 50/50 between both authorities.

## 3. Background

### 3.1 2020/21 Outturn

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.

- 3.2 The budgets for 2020/21 were increased by £111,740, over and above the base budget assumption. At Q1 the budget was increased by the agreed carry forward budget from 2019/20 totalling £51,940. North Kesteven District Council has been 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.

At quarter 4 the budget has been increased by a further £27,180 to reflect additional New Burdens grants.

3.3 The budget has been revised as follows: -

	<b>CoLC</b>	<b>NK</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 – Q2 (detailed in previous report)	15,600	11,850	27,450
New Burdens – Q3 (detailed in previous report)	26,990	21,670	48,660
New Burdens – Q4 Discount for Family Annexe	3,650	19,400	23,050
New Burdens – Q4 Savings Credit Uplift	2,070	2,060	4,130
<b>REVISED BUDGET</b>	<b>1,344,840</b>	<b>1,193,520</b>	<b>2,538,360</b>

**4. Financial Outturn 2020/21**

- 4.1 The financial performance quarterly monitoring report for the 3<sup>rd</sup> quarter predicted an underspend of £66,323 against the revised budget, after considering the above budget adjustments year-to-date.
- 4.2 A summary of the main year-end variations against the approved budget for 2020/21 is shown below.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>Management Staffing</b>	10,190	National pay award of 2.75% above budget of 2% and additional hours required as a result of Covid19 pandemic response.
<b>Benefits Staffing</b>	(20,300)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Overtime	23,310	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
Postage – Direct	(24,930)	Underspend on postage as a result of Covid-19.
Supplies & Services	(19,490)	Underspends related to changes in working during the pandemic - predominantly Car Mileage, Training, Stationery & Office Equipment.

Recharges to Other Local Authorities	(12,580)	Income in excess of budget for recharges to other Local Authorities.
IT Costs	34,190	New DWP Legislation changes.
New Burdens	(33,570)	New Burdens received to date, details as per para 3.2.
<b>Revenues Local Taxation</b>		
Staffing	(10,150)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
IT Costs	17,420	New Software requirements & Cloud managed Telephony service to enable remote working.
Postage – Direct	(23,910)	Underspend on postage as a result of Covid-19.
Supplies & Services	(5,920)	Underspends related to changes in working during the pandemic - predominantly Training & Collection/Tracing Agent fees.
Recharges to Other Local Authorities	(10,170)	Income in excess of budget for recharges to other Local Authorities.
New Burdens	(69,720)	New Burdens received to date, details as per para 3.2.
<b>Benefits/Money Advice</b>		
Staffing	(8,840)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Supplies & Services	(2,670)	Underspends related to changes in working during the pandemic - predominantly Car Mileage savings offset by increased Mobile Phone expenditure.
New M365 IT Kit	13,460	Split 50/50 between NKDC & CoLC (billed separately alongside Q4 Outturn recharges – See Appendix 2)

## 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 financial outturn for 2020/21, including the budget adjustments as set out in paragraph 3.3.

**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 Financial Outturn for 2020/21

### Running Costs

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	177,370	177,310	354,680	183,875	183,813	367,688	6,505	6,503	13,008
Benefits	645,620	468,460	1,114,080	614,691	446,018	1,060,709	(30,929)	(22,442)	(53,371)
Revenues Local Taxation	404,210	430,160	834,370	354,535	377,296	731,831	(49,675)	(52,864)	(102,539)
Money Advice	117,640	117,590	235,230	111,818	111,770	223,588	(5,822)	(5,820)	(11,642)
<b>Outturn 2020/21</b>	<b>1,344,840</b>	<b>1,193,520</b>	<b>2,538,360</b>	<b>1,264,919</b>	<b>1,118,897</b>	<b>2,383,816</b>	<b>(79,921)</b>	<b>(74,623)</b>	<b>(154,544)</b>
<u>Final Adjustments</u>									
Money Advice - New M365 IT Kit				6,730	6,730	13,461	6,730	6,730	13,461
<b>Final Outturn 2020/21</b>	<b>1,344,840</b>	<b>1,193,520</b>	<b>2,538,360</b>	<b>1,271,649</b>	<b>1,125,627</b>	<b>2,397,277</b>	<b>(73,191)</b>	<b>(67,893)</b>	<b>(141,083)</b>

## Appendix 2 Money Advice & Welfare Team - New M365 IT Kit 2020/21

Welfare Officer	Chief Executive Directorate	Type 4	£1,223.72
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	<b>£13,460.92</b>
<b>50% Recharge NKDC:</b>	<b>£6,730.46</b>