

<b>SUBJECT:</b>	<b>REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 3 2021/22</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 third quarter's performance for the Revenues and Benefits shared service for 2021/22.

## **2. Executive Summary**

- 2.1 The forecast outturn for 2021/22 predicts that there will be an overspend against the approved budget of £85,807, a deterioration of £23,386 from quarter two.

## **3. Background**

- 3.1 The approved budget for 2021/22 was agreed by Revenues and Benefits Joint Committee on 23<sup>rd</sup> February 2021. The Committee set a budget for 2021/22 of £2,520,080 for the service.
- 3.2 At quarter one, this budget was subsequently reduced by the sum of £60,110, to reflect changes resulting from the deletion of vacant posts as agreed by Joint Committee on 23<sup>rd</sup> February. The budget has then been increased by a further £17,790 as a result of New Burdens funding giving a revised budget of £2,477,760.
- 3.3 At quarter two no further changes were made.
- 3.4 At quarter three further new burdens of £1,650 were received as follows:-

	<b>CoLC</b>	<b>NK</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Original Budget</b>	<b>1,342,040</b>	<b>1,178,040</b>	<b>2,520,080</b>
Deletion of vacant posts	(34,500)	(25,610)	(60,110)
New Burdens:			
Q1: Northgate changes – PDVR, SDP, HBMS & Savings Credit	8,900	8,890	17,790
DWP Legislation - Scottish Child Disability Premium	825	825	1,650
<b>REVISED BUDGET</b>	<b>1,317,260</b>	<b>1,162,150</b>	<b>2,479,410</b>

#### 4. Quarter Three Financial Performance and Forecast Outturn 2021/22

##### 4.1 Performance Quarter 3

Financial performance for the third quarter of 2021/22 is detailed in Appendix 1 to this report. At quarter 3, after the application of the above budget adjustments, there is an overspend against the approved budget of £63,242.

##### 4.2 Forecast Outturn 2021/22

The forecast outturn for 2021/22 predicts that there will be an overspend against the approved budget of £85,807, this is against the previous forecast overspend of £62,421 at quarter two. 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 2021/22 is shown in the table below.

One of the main reasons for the forecast overspend is Benefits overtime which is largely due to the administration of Test and Trace Support Payments. Each Council has received a grant to compensate them for administration of these payments, however these grants currently sit outside the shared service budget. For the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> December 2021, Test and Trace Support Payments administration grants have been requested from central government as follows – City of Lincoln £82,228, North Kesteven £43,471.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>Benefits</b>		
Overtime	55,050	Additional hours required as a result of increased demand due to the Covid-19 pandemic response and TTSP administration.
Recharges	(8,000)	LiNK Housing Benefit Subsidy income.
<b>Revenues Local Taxation</b>		
Staffing Costs	(24,220)	Vacancy savings for first 5 months – recruitment now in place.
Agency Costs	14,830	Anticipated agency costs in response to backlog as a result of vacancies and increased workloads due to Covid-19.
IT Costs	20,870	New Software requirements.
IT Costs	47,090	Empty Homes Review – Sep-21
Recharges	(5,795)	Additional Link HB Subsidy income.
<b>Benefits/Money Advice</b>		
Staffing Costs	(15,540)	Vacancy savings and reduced costs as a result of staff turnover and new junior appointments.

## 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.

**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 2021/22

### Actual Cash Limit as at Q3 - 2021/22

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	134,770	134,770	269,542	134,816	134,816	269,632	46	46	92
Benefits	473,190	344,190	817,388	500,831	362,670	863,501	27,641	18,480	46,121
Revenues Local Taxation	279,360	290,750	570,110	297,608	309,756	607,364	18,248	19,006	37,254
Money Advice	86,200	86,200	172,403	76,087	76,087	152,175	(10,113)	(10,113)	(20,225)
<b>Total 2021/22</b>	<b>973,520</b>	<b>855,910</b>	<b>1,829,442</b>	<b>1,009,342</b>	<b>883,329</b>	<b>1,892,672</b>	<b>35,822</b>	<b>27,419</b>	<b>63,242</b>
Adjustment for Agency pressure:							(7,267)	(7,563)	(14,830)
							9,887	4,943	14,830
<b>Grand total</b>							<b>38,442</b>	<b>24,799</b>	<b>63,242</b>

## Appendix 2 Forecast Financial Outturn for 2021/22

### Projected Cash Limit Outturn - 2021/22

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	183,130	183,130	366,260	184,152	184,152	368,303	1,022	1,022	2,043
Benefits	627,520	456,450	1,083,970	655,835	477,046	1,132,881	28,315	20,596	48,911
Revenues Local Taxation	391,200	407,160	798,360	416,583	433,579	850,162	25,383	26,419	51,802
Money Advice	115,410	115,410	230,820	106,935	106,935	213,870	(8,475)	(8,475)	(16,950)
<b>Total 2021/22</b>	<b>1,317,260</b>	<b>1,162,150</b>	<b>2,479,410</b>	<b>1,363,505</b>	<b>1,201,712</b>	<b>2,565,217</b>	<b>46,245</b>	<b>39,562</b>	<b>85,807</b>
Adjustment for Agency pressure:				(7,267)	(7,563)	(14,830)	(7,267)	(7,563)	(14,830)
				9,887	4,943	14,830	9,887	4,943	14,830
<b>Grand total</b>				<b>1,366,125</b>	<b>1,199,092</b>	<b>2,565,217</b>	<b>48,865</b>	<b>36,942</b>	<b>85,807</b>