

<b>SUBJECT:</b>	<b>REVENUES AND BENEFITS - FINANCIAL OUTTURN 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 provide Members with the financial outturn for the Revenues and Benefits shared service for 2021/22.

## 2. Executive Summary

### 2.1 2021/22 Outturn

The 2021/22 financial outturn for the Revenues and Benefits shared service resulted in an overspend of £41,927, a variance of 1.7% of the revised budget. This is prior to a recharge for new IT Kit totalling £38,914.62 split on the agreed proportions between both authorities as follows £20,795.48 Lincoln /£18,119.14 North Kesteven.

## 3. Background

### 3.1 2021/22 Outturn

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 2021. 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 3 the budget was further increased to reflect additional New Burdens grants totalling £1,650.
- 3.5 At quarter 4 the budget has been increased by a further £9,010 to reflect additional New Burdens grants as detailed in paragraph 3.6.

3.6 The budget has been revised as follows: -

	<b>CoLC</b>	<b>NKDC</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 (detailed in previous report)	8,900	8,890	17,790
New Burdens – Q2 (detailed in previous report)	-	-	-
New Burdens – Q3 (detailed in previous report)	820	830	1,650
New Burdens – Q4 Incapacity Benefit Reassessment (IBR)	1,410	750	2,160
New Burdens – Q4 Specified Accommodation	5,830	1,020	6,850
<b>REVISED BUDGET</b>	<b>1,324,510</b>	<b>1,163,910</b>	<b>2,488,420</b>

**4. Financial Outturn 2021/22**

- 4.1 Financial performance for the year 2021/22 is detailed in Appendix 1 to this report. At outturn, quarter 4, after the application of the above budget adjustments, there is an overspend against the approved budget of £41,927, an improvement against the forecast overspend of £85,807 as at quarter 3.

The outturn position of £41,927 is prior to recharges for new IT Kit totalling £38,914.62.

- 4.2 A summary of the main 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 (TTSP). Each Council has received a grant to compensate them for administration of these payments, however these grants sit are outside the shared service budget. For the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, Test and Trace Support Payments administration grants have been requested from central government as follows – City of Lincoln £107,516, North Kesteven £57,015.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>Benefits</b>		
Overtime	53,110	Additional hours required as a result of increased demand due to the Covid-19 pandemic response and TTSP administration.
Postage	(31,880)	Reduction in postage costs as a result of changes in distribution.
IT Costs	12,430	Increased IT costs partially funded through New Burdens funding.
Recharges	(8,000)	LiNK Housing Benefit Subsidy Partnership income.
<b>Revenues Local Taxation</b>		
Staffing Costs	(51,510)	Vacancy savings for first 5 months – recruitment now in place.
Overtime & Agency Costs	14,050	Overtime & agency costs in response to the backlog as a result of vacancies and increased workloads due to Covid-19.
Postage Costs	12,830	Overspend as a result of increased requirements in year.
IT Costs	20,510	New Software requirements.
IT Costs	47,090	Empty Homes Review – Sep-21
Recharges	(5,795)	Additional Link NNDR Service Provision income.
<b>Benefits/Money Advice</b>		
Staffing Costs	(15,510)	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. Recommendation

7.1 Members are recommended to note the financial outturn for 2021/22, including the budget adjustments as set out in paragraph 3.6.

**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?** One

**List of Background Papers:** None

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## Appendix 1 Financial Outturn for 2021/22

### Running Costs

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	183,130	183,130	366,260	184,306	184,306	368,613	1,176	1,176	2,353
Benefits	634,760	458,220	1,092,980	646,451	466,659	1,113,110	11,691	8,439	20,130
Revenues Local Taxation	391,200	407,160	798,360	408,717	425,391	834,108	17,517	18,231	35,748
Money Advice	115,410	115,410	230,820	107,259	107,259	214,517	(8,151)	(8,151)	(16,303)
Adjustment for Agency Expenditure:				(5,702)	(5,934)	(11,636)	(5,702)	(5,934)	(11,636)
				7,757	3,879	11,636	7,757	3,879	11,636
<b>Outturn 2021/22</b>	<b>1,324,500</b>	<b>1,163,920</b>	<b>2,488,420</b>	<b>1,348,788</b>	<b>1,181,560</b>	<b>2,530,347</b>	<b>24,288</b>	<b>17,640</b>	<b>41,927</b>
<u>Final Adjustments</u>									
New M365 IT Kit				20,796	18,119	38,915	20,796	18,119	38,915
<b>Final Outturn 2021/22</b>	<b>1,324,500</b>	<b>1,163,920</b>	<b>2,488,420</b>	<b>1,369,584</b>	<b>1,199,679</b>	<b>2,569,262</b>	<b>45,084</b>	<b>35,759</b>	<b>80,842</b>