

<b>SUBJECT:</b>	<b>REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 2 2022/23</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>MARTIN WALMSLEY, ASSISTANT DIRECTOR – SHARED REVENUES AND BENEFITS</b>

## 1. Purpose of Report

- 1.1 To present to Members the second quarter's (ending 30<sup>th</sup> September 2022) performance for the Revenues and Benefits Shared Service for 2022/23.

## 2. Executive Summary

- 2.1 The forecast outturn for 2022/23 predicts that there will be an overspend against the approved budget of £32,770.

## 3. Background

- 3.1 The approved budget for 2022/23 was agreed by Shared Revenues and Benefits Joint Committee on 8<sup>th</sup> February 2022. The Committee set a budget for 2022/23 of £2,516,830 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £22,115, giving a revised budget of £2,538,950.
- 3.3 At quarter two, further new burdens totalling £5,228 were received, as follows:

	<b>CoLC</b>	<b>NK</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Original Budget</b>	<b>1,337,120</b>	<b>1,179,710</b>	<b>2,516,830</b>
New Burdens – Q1 Single Housing Benefit Extract Automation (SHBE)	4,700	4,700	9,400
New Burdens – Q1 Supported and Temporary Accommodation (SA/TA)	4,610	4,610	9,220
New Burdens – Q1 Supported and Temporary Accommodation Change Request (SA/TA CR)	1,750	1,750	3,500
New Burdens – Q2 Scottish Government ADP & SAR Exceptions 2022	2,610	2,610	5,230
<b>REVISED BUDGET</b>	<b>1,350,790</b>	<b>1,193,380</b>	<b>2,544,170</b>

#### 4. Quarter Two Financial Performance and Forecast Outturn 2022/23

##### 4.1 Performance Quarter 2

Financial performance as at the second quarter of 2022/23 is detailed in Appendix 1 to this report. At quarter two, there is an underspend against the approved budget of £2,600, a deterioration of £7,780 since quarter one.

##### 4.2 Forecast Outturn 2022/23

The forecast outturn for 2022/23 predicts that there will be an overspend against the approved budget of £32,770, a deterioration of £43,100 from quarter one. Further details are attached within Appendix 2 of this report.

4.3 A summary of the main forecast year-end variations against the approved budget for 2022/23 is shown in the table below.

4.4 One of the main reasons for the forecast overspend within the Revenues Local Taxation team is due to additional postage and IT costs as a result of administering the Council Tax Energy Rebate payments. Each Council has received a grant to compensate them for this, along with other administration costs associated with these payments, however these grants sit outside of the shared service budget. For the period 1st April 2022 to 30th September 2022, new burdens grants have been received from Central Government as follows – City of Lincoln £59,673 and North Kesteven £64,514.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>R&amp;B Management</b>		
Overtime	3,960	Additional hours as a result of oversight and management of increased workloads due to Covid-19 and other workstreams.
IT Costs	6,750	Increased cost of NEC Software from Q4 as a result of new contract.
<b>Benefits</b>		
Salary costs	(25,640)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	47,150	Additional hours required as a result of vacancies and increased demand due to Covid-19 and increased workloads.
Postage Costs	(24,570)	Reduction in postage costs as a result of changes in distribution.
IT Costs	35,030	New Software requirements, partially funded through New Burdens funding.

New Burdens	(22,120)	Additional grant funding to offset new IT cost pressures.
<b>Revenues Local Taxation</b>		
Staffing Costs	(39,800)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	18,620	Additional hours in response to backlog as a result of vacancies and increased workloads due to Covid-19 and CT Energy Rebate administration.
Postage Costs	19,620	Additional costs as a result of increased requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets).
IT Costs	23,070	New Software requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets).
<b>Benefits/Money Advice</b>		
Staffing Costs	(6,340)	Vacancy savings as a result of part-time hours.

## 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 actual position at quarter two.

**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, Assistant Director – Shared Revenues and Benefits, Telephone 01522 873597

## Appendix 1 - Actual Position as at Quarter 2 2022/23

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	100,030	100,030	200,065	101,607	101,607	203,215	1,577	1,577	3,155
Benefits	317,740	231,950	549,690	328,614	237,962	566,576	10,874	6,012	16,886
Revenues Local Taxation	200,090	208,260	408,345	192,886	200,759	393,645	(7,204)	(7,501)	(14,705)
Money Advice	59,560	59,560	119,120	55,593	55,593	111,186	(3,967)	(3,967)	(7,934)
<b>Total 2022/23</b>	<b>677,420</b>	<b>599,800</b>	<b>1,277,220</b>	<b>678,701</b>	<b>595,921</b>	<b>1,274,622</b>	<b>1,281</b>	<b>(3,879)</b>	<b>(2,598)</b>
<b>Grand total</b>							<b>1,281</b>	<b>(3,879)</b>	<b>(2,598)</b>

## Appendix 2 Forecast Financial Outturn for 2022/23

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	187,300	187,300	374,600	194,229	194,229	388,457	6,929	6,929	13,857
Benefits	643,470	469,730	1,113,200	645,313	471,076	1,116,389	1,843	1,346	3,189
Revenues Local Taxation	400,570	416,910	817,480	411,311	428,099	839,409	10,741	11,189	21,929
Money Advice	119,450	119,440	238,890	116,347	116,338	232,685	(3,103)	(3,102)	(6,205)
<b>Total 2022/23</b>	<b>1,350,790</b>	<b>1,193,380</b>	<b>2,544,170</b>	<b>1,367,200</b>	<b>1,209,740</b>	<b>2,576,940</b>	<b>16,410</b>	<b>16,360</b>	<b>32,770</b>
<b>Grand total</b>							<b>16,410</b>	<b>16,360</b>	<b>32,770</b>