

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2023/24**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

**LEAD OFFICER: MARTIN WALMSLEY, ASSISTANT DIRECTOR SHARED
REVENUES AND BENEFITS**

1. Purpose of Report

- 1.1 To present to Members the first quarter's (ending 30th June 2023) performance for the Revenues and Benefits shared service for 2023/24.

2. Executive Summary

- 2.1 The forecast outturn for 2023/24 predicts that there will be an underspend against the approved budget of £94,240.

3. Background

- 3.1 The approved budget for 2023/24 was agreed by Shared Revenues and Benefits Joint Committee on 7th September 2023. The Committee set a budget for 2023/24 of £2,878,930 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £61,950, detailed as follows:-

	CoLC	NK	Total
	£	£	£
Original Budget	1,524,940	1,353,990	2,878,930
DWP - NEC ICT Costs-HB Stock cases (YE Acc)	8,220	5,190	13,410
DWP - LA-PED IT Costs (IP Address Online Supplier & IP Address IT Supplier)	1,500	1,500	3,000
DWP - Single Housing Benefit Extract Automation (SHBE API)	10,100	10,090	20,190
DWP - Housing Benefit Review (HBR)	240	0	240
DLUCH - Local Council Tax Support Scheme	14,050	11,060	25,110
REVISED BUDGET	1,559,060	1,381,830	2,940,890

4. Quarter One Financial Performance and Forecast Outturn 2023/24

4.1 Performance Quarter 1

Financial performance for the first quarter of 2023/24 is detailed in Appendix 1 to this report. At quarter 1, there is an underspend against the approved budget of £17,251.

4.2 Forecast Outturn 2023/24

The forecast outturn for 2023/24 predicts that there will be an underspend against the approved budget of £94,240. Further detail is attached within Appendix 2 of this report. Please note that although this is the current forecast underspend, there are a number of other assumptions as per paragraphs 4.4 and 4.6 of this report that will impact on the final outturn position.

- 4.3 A summary of the main forecast year-end variations against the approved budget for 2023/24 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Benefits		
Salary costs	(36,190)	Vacancy savings expected for first 6 months pending recruitment.
IT Costs	38,990	New Software requirements, partially funded through New Burdens funding.
New Burdens	(36,600)	Additional grant funding to offset new IT cost pressures.
Revenues Local Taxation		
Staffing Costs	(40,970)	Vacancy savings expected for first 6 months pending recruitment.
IT Costs	26,620	New Software requirements, partially offset by NB funding for the Local Council Tax Support Scheme.
New Burdens	(25,110)	Additional grant funding for administration of the Local Council Tax Support Scheme.
Benefits/Money Advice		
Staffing Costs	(18,360)	Vacancy savings expected for first 6 months pending recruitment.

- 4.4 A job evaluation panel held on 11th July 2023 has evaluated, and approved, the Benefits Appeal Officer role at grade S6 (previously S5). This is not yet reflected in

the current forecast outturn position but will be updated as at quarter 2. The impact of this job evaluation totals £1,485.88, which will be split as follows: City of Lincoln £861.81 and North Kesteven £624.07.

- 4.5 Each Council has received a new burdens grant from Central Government to administer the Energy Support Scheme, for which City of Lincoln received £14,950 and North Kesteven received £21,790, by agreement these grants sit outside of the shared service budget.
- 4.6 The current MTFS assumptions reflect a pay award of 3% in 2023/24, however given the latest nationally proposed pay award is, again, well in excess of this an estimate of the impact has been calculated at £110,610, split between each authority as follows: City of Lincoln £58,370 and North Kesteven £52,240. As this offer is yet to be accepted by the Unions, this pressure is not yet reflected in the current forecast outturn position, and will need to be reflected separately by each authority until an agreement is reached and the pay award implemented.

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 1.

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 - Actual Position as at Quarter 1 2023/24

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	56,180	56,180	112,365	77,319	77,319	154,637	21,139	21,139	42,277
Benefits	194,400	141,390	335,793	170,870	123,734	294,604	(23,530)	(17,656)	(41,186)
Revenues Local Taxation	115,970	120,710	236,680	112,054	116,628	228,682	(3,916)	(4,082)	(7,998)
Money Advice	33,830	33,830	67,668	28,658	28,658	57,315	(5,172)	(5,172)	(10,345)
Total 2023/24	400,380	352,110	752,505	388,901	346,338	735,239	(11,479)	(5,772)	(17,251)
Grand total							(11,479)	(5,772)	(17,251)

Appendix 2 Forecast Financial Outturn for 2023/24

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	225,020	225,020	450,040	224,375	224,375	448,750	(645)	(645)	(1,290)
Benefits	709,930	516,340	1,226,270	689,083	501,177	1,190,260	(20,847)	(15,163)	(36,010)
Revenues Local Taxation	488,210	504,580	992,790	466,652	485,699	952,350	(21,559)	(18,882)	(40,440)
Money Advice	135,900	135,900	271,790	127,650	127,640	255,290	(8,250)	(8,250)	(16,500)
Total 2023/24	1,559,060	1,381,830	2,940,890	1,507,759	1,338,891	2,846,650	(51,301)	(42,939)	(94,240)
Grand total							(51,301)	(42,939)	(94,240)