

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 3 2023/24**

DIRECTORATE: 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 third quarter's (ending 31st December 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 £34,940, which includes the newly confirmed 2023/24 pay award, which was paid in December 2023.

3. Background

- 3.1 The approved budget for 2023/24 was agreed by Revenues and Benefits Joint Committee on 23rd February 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, giving a revised budget of £2,940,890.
- 3.3 No further New Burdens were issued in quarter two.
- 3.4 At quarter three, further new burdens totalling £13,300 were received, as follows:

	CoLC	NK	Total
	£	£	£
Original Budget	1,524,940	1,353,990	2,878,930
New Burdens Q1 – DWP – NEC ICT Costs-HB Stock cases (YE Acc)	8,220	5,190	13,410
New Burdens Q1 – DWP – LA-PED IT Costs (IP Address Online Supplier & IP Address IT Supplier)	1,500	1,500	3,000
New Burdens Q1 – DWP - Single Housing Benefit Extract Automation (SHBE API)	10,100	10,090	20,190
New Burdens Q1 – DWP - Housing Benefit Review (HBR)	240	240	480
New Burdens Q1 – DLUHC - Local Council Tax Support Scheme	14,050	11,060	25,110

New Burdens Q3 – DWP – LA Data Sharing Programme: Payment for IT costs	5,790	5,790	11,580
New Burdens Q3 – DWP – LA Data Sharing Programme: Payment for IT costs	740	740	1,480
REVISED BUDGET	1,565,580	1,388,600	2,954,180

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

4.1 Performance Quarter 3

Financial performance as at the third quarter of 2023/24 is detailed in Appendix 1 to this report. At quarter three, there is an underspend against the approved budget of £9,000.

4.2 Forecast Outturn 2023/24

The forecast outturn for 2023/24 predicts that there will be an underspend against the approved budget of £34,940, including the impact of the National Pay Award paid in December 2023, which reflects an improvement of £35,250 from quarter two. 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 2023/24 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Management Team		
Pay Award	12,210	Budgetary impact of the National pay award over and above MTFS assumptions.
Salary costs	(5,960)	Vacancy savings pending recruitment.
Benefits		
Pay Award	42,750	Budgetary impact of the National pay award over and above MTFS assumptions.
Salary costs	(78,080)	Vacancy savings pending recruitment, now not expected until the new financial year, partially offset by overtime costs.
Overtime	35,500	Additional hours required as a result of vacancies.
IT Costs	42,720	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		
Pay Award	38,380	Budgetary impact of the National pay award over and above MTFS assumptions.
Staffing Costs	(57,800)	Vacancy savings pending recruitment, now not expected until the new financial year, partially offset by overtime costs.
Overtime	24,530	Additional hours required as a result of vacancies.
IT Costs	19,760	New Software requirements, offset by NB funding for the Local Council Tax Support Scheme below.
New Burdens	(25,110)	Additional grant funding for administration of the Local Council Tax Support Scheme.
Benefits/Money Advice		
Pay Award	10,200	Budgetary impact of the National pay award over and above MTFS assumptions.
Staffing Costs	(40,250)	Vacancy savings 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 reflected in the current forecast outturn position. The impact of this job evaluation totals £1,485.88, which has been 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 key factor behind the improved position as at quarter three is the ongoing staffing vacancies which, as at quarter two, were expected to be recruited to during the second half of the year but are now expected to remain vacant until the end of the financial year. These savings are partly offset by the National Pay Award, which was significantly higher than the budgeted pay award estimate of 3% assumed within the Medium Term Financial Strategy (MTFS), alongside overtime costs which have been incurred due to the volume vacancies that remain within the teams.

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 Term Financial Strategy.

7. Recommendations

- 7.1 Members are recommended to note the actual position at quarter three.

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 3 2023/24

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	172,620	172,620	345,240	174,225	174,225	348,449	1,605	1,605	3,209
Benefits	535,320	390,860	926,178	547,517	396,478	943,995	12,197	5,618	17,815
Revenues Local Taxation	357,090	371,670	728,755	354,012	368,461	722,473	(3,078)	(3,209)	(6,287)
Money Advice	68,100	68,090	136,195	56,229	56,229	112,458	(11,871)	(11,861)	(23,732)
Total 2023/24	1,133,130	1,003,240	2,136,368	1,131,982	995,393	2,127,375	(1,148)	(7,847)	(8,995)
Grand total							(1,148)	(7,847)	(8,995)

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	227,085	227,085	454,170	2,065	2,065	4,130
Benefits	716,460	523,110	1,239,570	716,102	522,848	1,238,950	(358)	(262)	(620)
Revenues Local Taxation	488,210	504,580	992,790	482,013	501,687	983,700	(6,197)	(2,893)	(9,090)
Money Advice	135,900	135,890	271,790	121,219	121,211	242,430	(14,681)	(14,679)	(29,360)
Total 2023/24	1,565,590	1,388,600	2,954,190	1,546,419	1,372,831	2,919,250	(19,171)	(15,769)	(34,940)
Grand total							(19,171)	(15,769)	(34,940)