

SUBJECT: REVENUES AND BENEFITS - FINANCIAL OUTTURN 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 provide Members with the financial outturn for the Revenues and Benefits shared service for 2023/24.

2. Executive Summary

- 2.1 The 2023/24 financial outturn for the Revenues and Benefits shared service resulted in an underspend of £82,720, a variance of 2.8% of the revised budget.

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.
- 3.3 No further New Burdens were issued in quarter two.
- 3.4 At quarter three, further new burdens totalling £13,300 were received.
- 3.5 At quarter four, the budget has been increased by a further £12,730, to reflect additional new burdens grants as detailed in paragraph 3.6 giving a revised budget of £2,966,910.
- 3.6 The budget has been revised 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 Q1/3 – DWP - Housing Benefit Review (HBR)	240	240	480
New Burdens Q1 – DLUCH - 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
New Burdens Q4 – DWP - Data Sharing Programme: Payment for IT costs	0	12,730	12,730
REVISED BUDGET	1,565,580	1,401,330	2,966,910

4. Financial Outturn 2023/24

- 4.1 Financial performance for the year 2023/24 is detailed in Appendix 1 to this report. At outturn, quarter 4, after the application of the above budget adjustments, there is an underspend against the approved budget of £82,720, an improvement against the forecast underspend of £34,940 as at quarter 3.
- 4.2 A summary of the main year-end variations against the approved budget for 2023/24 is shown in the table in paragraph 4.8.
- 4.3 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.
- 4.4 The most significant variance against the approved budget is the ongoing staffing vacancies. These savings are partially offset by the National Pay Award, which was significantly higher than the budgeted pay award estimate of 3% assumed within the MTFS, alongside overtime costs which have been incurred due to the volume vacancies that remain within the teams.
- 4.5 The main driver for the improvement since quarter three is as a result of savings on postage costs, within the Revenues Local Taxation team, which was previously forecast to budget, prudently, following an overspend last year due to additional costs for administering the Council Tax Energy Rebate payments.
- 4.6 Main variances:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
R&B Management		
Pay Award	12,210	Budgetary impact of the National pay award over and above MTFS assumptions.
Benefits		

Pay Award	42,750	Budgetary impact of the National pay award over and above MTFS assumptions.
Salary costs	(96,720)	Vacancy savings pending recruitment. Partially offset by overtime costs.
Overtime	51,680	Additional hours required as a result of vacancies.
Postage	17,360	Additional costs as a result of increased requirements.
IT Costs	63,010	New Software requirements, partially funded through New Burdens funding.
New Burdens	(75,600)	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	(65,790)	Vacancy savings pending recruitment, now not expected until the new financial year, partially offset by overtime costs.
Overtime	36,540	Additional hours required as a result of vacancies.
Postage Costs	(39,890)	Reduction in postage costs as a result of changes in distribution.
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	(39,940)	Vacancy savings pending recruitment.

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 four.

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

Lead Officer: Martin Walmsley
Assistant Director, Shared Revenues and Benefits
Martin.walmsley@lincoln.gov.uk

Appendix 1 Financial Outturn for 2023/24

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	225,020	225,020	450,040	229,350	229,350	458,700	4,330	4,330	8,660
Benefits	716,450	535,840	1,252,290	722,430	540,310	1,262,740	5,980	4,470	10,450
Revenues Local Taxation	488,210	504,580	992,790	450,640	469,030	919,670	(37,570)	(35,550)	(73,120)
Money Advice	135,900	135,890	271,790	121,540	121,540	243,080	(14,360)	(14,350)	(28,710)
Total 2023/24	1,565,580	1,401,330	2,966,910	1,523,960	1,360,230	2,884,190	(41,620)	(41,100)	(82,720)
Grand total							(41,620)	(41,100)	(82,720)