

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING  
QUARTER 1 2024/25**

**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 first quarter's (ending 30 June 2024) performance for the Revenues and Benefits shared service for 2024/25.

## 2. Executive Summary

- 2.1 The forecast outturn for 2024/25 predicts that there will be an overspend against the approved budget of £84,580, as set out in Appendix 2.
- 2.2 The current MTFS assumptions reflect a pay award of 3% in 2024/25, however given the latest nationally proposed pay award is in excess of this, an estimate of the impact has been calculated at £41,180, split between each authority as follows; City of Lincoln £21,640 and North Kesteven £19,540. As this offer is yet to be accepted by the Unions, it is still subject to change., but is for forecasting purposes included in the forecast above.

## 3. Background

- 3.1 The approved budget for 2024/25 was agreed by Revenues and Benefits Joint Committee on 22 February 2024. The Committee set a budget for 2024/25 of £3,075,650 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £27,480, detailed as follows:-

	CoLC	NK	Total
	£	£	£
<b>Original Budget</b>	<b>1,629,170</b>	<b>1,446,480</b>	<b>3,075,650</b>
DWP - LA IT Changes	1,010	1,010	2,020
DWP - LA IT Changes	730	730	1,460
DWP - LA IT Changes	12,000	12,000	24,000
<b>REVISED BUDGET</b>	<b>1,642,910</b>	<b>1,460,220</b>	<b>3,103,130</b>

#### 4. Quarter One Financial Performance and Forecast Outturn 2024/25

##### 4.1 Performance Quarter 1

Financial performance for the first quarter of 2024/25 is detailed in Appendix 1 to this report. At quarter 1, there is an overspend against the approved budget of £6,882, including the nationally proposed pay award.

##### 4.2 Forecast Outturn 2024/25

The forecast outturn for 2024/25 predicts that there will be an overspend against the approved budget of £84,580, including the nationally proposed pay award. Further detail is attached within Appendix 2 of this report. It should be noted that at the end of quarter 2 postage for Revenues Local Taxation is to be reviewed, as there is potential for an reduction/underspend in this area which would significantly reduce the projected overall overspend.

4.3 A summary of the main forecast year-end variations against the approved budget for 2024/25 is shown in the table below:

<b><u>Service Area</u></b>	<b><u>£</u></b>	<b><u>Reason for variance</u></b>
<b>Management</b>		
Proposed Pay Award	2,040	Impact of the proposed Nationally agreed Pay Award for 2024/25
<b>Benefits</b>		
Salary costs	(39,090)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	39,120	Additional hours required as a result of vacancies.
Proposed Pay Award	15,460	Impact of the proposed Nationally agreed Pay Award for 2024/25
Postage	18,600	Additional costs as a result of increased requirements.
IT Costs	35,050	New Software requirements, partially funded through New Burdens funding.
New Burdens	(27,480)	Additional grant funding to offset new IT cost pressures.
<b>Revenues Local Taxation</b>		
Staffing Costs	(11,050)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	26,610	Additional hours required as a result of vacancies.

Proposed Pay Award	18,910	Impact of the proposed Nationally agreed Pay Award for 2024/25
IT Costs	14,740	New Software requirements.
<b>Benefits/Money Advice</b>		
Staffing Costs	(7,060)	Vacancy savings expected for first 6 months pending recruitment.
Proposed Pay Award	4,770	Impact of the proposed Nationally agreed Pay Award for 2024/25

- 4.4 It should be noted that through Household Support Fund wave 5 (HSF5) 2024/25, the following internal administrative costs to the Revenues and Benefits Shared Service have been claimed for, to be paid by Lincolnshire County Council (with national funding for HSF5 coming from Department for Work and Pensions); City of Lincoln £12,618, North Kesteven £8,675. These amounts will however not come into the Revenues and Benefits shared service budget, and will stay in the individual local authorities' budgets.

## 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?**

Three

**List of Background  
Papers:**

None

**Lead Officer:**

Martin Walmsley, Assistant Director, Shared Revenues  
and Benefits

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## Appendix 1 - Actual Position as at Quarter 1 2024/25

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	81,160	81,160	162,323	80,902	80,902	161,804	(258)	(258)	(516)
Benefits	192,920	140,670	333,588	164,098	118,830	282,928	(28,822)	(21,840)	(50,662)
Revenues Local Taxation	124,500	129,580	254,078	150,450	156,591	307,042	25,950	27,011	52,962
Money Advice	36,400	36,400	72,805	33,802	33,802	67,603	(2,598)	(2,598)	(5,197)
<b>Total 2024/25</b>	<b>434,980</b>	<b>387,810</b>	<b>822,793</b>	<b>429,252</b>	<b>390,125</b>	<b>819,377</b>	<b>(5,728)</b>	<b>2,315</b>	<b>(3,413)</b>
Proposed National Pay Award							5,409	4,886	10,295
<b>Grand total</b>							<b>(318)</b>	<b>7,200</b>	<b>6,882</b>

## Appendix 2 Forecast Financial Outturn for 2024/25

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	237,270	237,270	474,540	236,925	236,925	473,850	(345)	(345)	(690)
Benefits	751,090	547,670	1,298,760	769,029	560,751	1,329,780	17,939	13,081	31,020
Revenues Local Taxation	508,210	528,940	1,037,150	517,548	538,672	1,056,220	9,338	9,732	19,070
Money Advice	146,340	146,340	292,680	143,340	143,340	286,680	(3,000)	(3,000)	(6,000)
<b>Total 2024/25</b>	<b>1,642,910</b>	<b>1,460,220</b>	<b>3,103,130</b>	<b>1,666,842</b>	<b>1,479,688</b>	<b>3,146,530</b>	<b>23,932</b>	<b>19,468</b>	<b>43,400</b>
Proposed National Pay Award							21,638	19,542	41,180
<b>Grand total</b>							<b>45,570</b>	<b>39,010</b>	<b>84,580</b>

### Appendix 3 Impact of Proposed National Pay Award for 2024/25

	Annual Budget			Shared Service Impact		
	Original	Revised	Pressure	CoLC	NK	Combined
Revenues & Benefits Management	375,220	377,260	2,040	1,020	1,020	2,040
Benefits	1,211,310	1,234,770	15,460	8,970	6,490	15,460
Revenues Local Taxation	985,000	1,003,910	18,910	9,270	9,640	18,910
Money Advice	279,470	284,250	4,770	2,390	2,380	4,770
<b>Total 2024/25</b>	<b>2,851,000</b>	<b>2,900,190</b>	<b>41,180</b>	<b>21,640</b>	<b>19,540</b>	<b>41,180</b>