

SUBJECT:	REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 2 2024/25
REPORT BY:	CHIEF EXECUTIVE & TOWN CLERK
LEAD OFFICER:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To present to Members the first quarter's (ending 30 September 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 £29,390, as set out in Appendix 2.
- 2.2 The current Medium Term Financial Strategy (MTFS) assumptions reflect a pay award of 3% in 2024/25, however the nationally agreed pay award is in excess of this, and whilst the offer had since been accepted by the Trade Unions it was not paid until November 2024, as such an estimate of the impact had been calculated at £41,180, split between each authority as follows; City of Lincoln £21,640 and North Kesteven £19,540.

3. Background

- 3.1 The approved budget for 2024/25 was agreed by Shared 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, with no further changes at quarter two.

	CoLC	NK	Total
	£	£	£
Original Budget	1,629,170	1,446,480	3,075,650
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
REVISED BUDGET	1,642,910	1,460,220	3,103,130

4. Quarter Two Financial Performance and Forecast Outturn 2024/25

4.1 Performance Quarter 2

Financial performance as at the second quarter of 2024/25 is detailed in Appendix 1 to this report. At quarter 2, there is an overspend against the approved budget of £1,837, including the nationally agreed 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 £29,390, including the nationally agreed pay award. Further detail is attached within Appendix 2 of this report.

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

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Management		
Pay Award	2,040	Impact of the Nationally agreed Pay Award for 2024/25.
Salary Costs	23,080	Temporary contract for the Cost-of-Living Co-Ordinator, which is offset against staffing savings within Benefits.
Benefits		
Salary costs	(135,110)	Vacancy savings expected for first 9 months pending recruitment.
Overtime	56,720	Additional hours required as a result of vacancies.
Pay Award	15,460	Impact of the Nationally agreed Pay Award for 2024/25.
Postage	28,600	Additional costs as a result of increased requirements.
IT Costs	33,940	New Software requirements, partially funded through New Burdens funding.
New Burdens	(27,480)	Additional grant funding to offset new IT cost pressures.
Revenues Local Taxation		
Staffing Costs	(11,760)	Vacancy savings expected for first 9 months pending recruitment.
Overtime	36,610	

Pay Award	18,910	Additional hours required as a result of vacancies.
Subscriptions	(4,320)	Impact of the Nationally agreed Pay Award for 2024/25. Expected savings on required subscriptions.
Benefits/Money Advice		
Staffing Costs	(7,780)	Vacancy savings expected for first 9 months pending recruitment.
Pay Award	4,770	Impact of the 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 £18,618, North Kesteven £19,175. These amounts will however not come into the Revenues and Benefits shared service budget, and will stay in the individual local authorities' budgets. Also, it is likely that internal administrative costs will also be claimed through Household Support Fund wave 6 (HSF6), in respect of 2024/25.

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. Recommendation

- 7.1 Members are recommended to note the actual position at quarter 2.

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:

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Appendix 1 - Actual Position as at Quarter 2 2024/25

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	118,350	118,350	236,700	126,668	126,668	253,336	8,318	8,318	16,636
Benefits	372,830	271,860	644,690	339,170	245,606	584,775	(33,661)	(26,255)	(59,915)
Revenues Local Taxation	244,820	254,810	499,625	263,467	274,221	537,689	18,647	19,411	38,059
Money Advice	72,390	72,390	144,770	65,624	65,624	131,248	(6,766)	(6,766)	(13,532)
Total 2024/25	808,390	717,410	1,525,785	794,929	712,118	1,507,047	(12,879)	(4,974)	(17,853)
National Pay Award							(13,461)	(5,292)	(18,753)
Grand total							(2,643)	4,480	1,837

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	248,395	248,395	496,790	11,125	11,125	22,250
Benefits	751,090	547,670	1,298,760	730,462	532,628	1,263,090	(20,628)	(15,042)	(35,670)
Revenues Local Taxation	508,210	528,940	1,037,150	512,589	533,511	1,046,100	4,379	4,571	8,950
Money Advice	146,340	146,340	292,680	142,680	142,680	285,360	(3,660)	(3,660)	(7,320)
Total 2024/25	1,642,910	1,460,220	3,103,130	1,634,126	1,457,214	3,091,340	(8,784)	(3,006)	(11,790)
National Pay Award							21,638	19,542	41,180
Grand total							12,853	16,537	29,390

Appendix 3 Impact of 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
Total 2024/25	2,851,000	2,900,190	41,180	21,640	19,540	41,180