

SUBJECT: SHARED REVENUES AND BENEFITS - FINANCIAL OUTTURN 2024/25

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 2024/25.

2. Executive Summary

- 2.1 The 2024/25 financial outturn for the Revenues and Benefits shared service resulted in an overspend of £15,270, a variance of 0.49% of the revised budget.

3. Background

- 3.1 The approved budget for 2024/25 was agreed by Revenues and Benefits Joint Committee on 22nd 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.
- 3.3 No further New Burdens were issued in quarter two.
- 3.4 At quarter three, further new burdens totalling £11,440 were received.
- 3.5 At quarter four, further new burdens totalling £11,100 were received.
- 3.6 The budget has been revised as follows:

	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
DWP - Verify Earnings and Pensions service	2,610	1,090	3,700
DWP - Additional costs incurred for terminating Employment Support Allowance with Housing Benefit claims	5,540	2,200	7,740

BR Relief – NNDR Multiplier costs	5,910	5,190	11,100
REVISED BUDGET	1,656,970	1,468,700	3,125,670

4. Financial Outturn 2024/25

- 4.1 Financial performance for the year 2024/25 is detailed in Appendix 1 to this report. At outturn, quarter 4, after the application of the above budget adjustments, there is an overspend against the approved budget of £15,270, a deterioration against the forecast underspend of £16,880 as at quarter 3.
- 4.2 A summary of the main year-end variations against the approved budget for 2024/25 is shown in the table in paragraph 4.4.
- 4.3 The main driver for the deterioration since quarter three is due to increased postage costs within the Revenues Local Taxation team, which was previously forecast to budget. However, increased annual billing costs have been identified, and officers are currently reviewing in advanced of next year's budget setting.
- 4.4 It should be noted that through Household Support Fund wave 5 (HSF5) and Household Support Fund wave 6 (HSF6) 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 and HSF6 coming from Department for Work and Pensions); City of Lincoln £18,618 & £15,075, North Kesteven £19,175 & £10,767. These amounts will however not come into the Revenues and Benefits shared service budget and will stay in the individual local authorities' budgets.
- 4.5 Main variances:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
R&B Management		
Pay Award	2,040	Impact of the Nationally agreed Pay Award for 2024/25.
Salary Costs	24,930	Temporary contract for the Cost-of-Living Co-Ordinator, which is offset against staffing savings within Benefits.
Benefits		
Pay Award	15,460	Impact of the Nationally agreed Pay Award for 2024/25.
Salary costs	(180,920)	Vacancy savings pending recruitment. Partially offset by overtime costs.
Overtime	64,760	Additional hours required as a result of vacancies.

Postage	55,570	Additional costs as a result of increased requirements.
IT Costs	25,600	New Software requirements, offset by NB funding below.
New Burdens	(38,920)	Additional grant funding to offset new IT cost pressures and staffing costs.
Revenues Local Taxation		
Pay Award	18,910	Impact of the Nationally agreed Pay Award for 2024/25.
Staffing Costs	(33,380)	Vacancy savings pending recruitment. Partially offset by overtime costs.
Overtime	50,620	Additional hours required as a result of vacancies.
Postage Costs	46,340	Additional costs as a result of increased requirements.
Collecting/Tracing Agents	(7,960)	Saving on required spend.
Subscriptions	(5,030)	Saving on required spend.
IT Costs	6,040	New Software requirements, offset by NB funding below.
New Burdens	(£11,100)	Additional grant funding to offset new IT cost pressures
Benefits/Money Advice		
Pay Award	4,770	Impact of the Nationally agreed Pay Award for 2024/25.
Staffing Costs	(23,690)	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 The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination

- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

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 2024/25

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	237,270	237,270	474,540	251,695	251,695	503,390	14,425	14,425	28,850
Benefits	759,240	550,960	1,310,200	727,392	527,848	1,255,240	(31,848)	(23,112)	(54,960)
Revenues Local Taxation	514,120	534,130	1,048,250	542,587	564,733	1,107,320	28,467	30,603	59,070
Money Advice	146,340	146,340	292,680	137,495	137,495	274,990	(8,845)	(8,845)	(17,690)
Total 2024/25	1,656,970	1,468,700	3,125,670	1,659,169	1,481,771	3,140,940	2,199	13,071	15,270
Grand total							2,199	13,072	15,270