

CORPORATE AND SUPPORT SERVICES

1. Financial Outturn

Service	Total budget approval	2017/18 Outturn	Variance Underspend (-) / Overspend	Earmarked Reserves	Underspend (-) / Overspend	Use of Capital Receipt Flexibility	Local Authority Variance Underspend (-) / Overspend
	£m	£m	£m	£m	£m	£m	£m
Corporate Affairs	4.148	3.954	(0.194)		(0.194)		(0.194)
Finance, Legal and Governance	7.389	7.922	0.533	(0.681)	(0.148)		(0.148)
Commercial and Business Services	15.147	18.746	3.599	0.072	3.671	(2.081)	1.589
Total	26.684	30.622	3.938	(0.609)	3.329	(2.081)	1.248

Overall Summary:

Overall, Corporate and Support Services were overspent by £1.248m following the net draw on earmarked reserves (£0.609m) and approved use of capital receipt flexibility (£2.081m)

Summary by Service**Corporate Affairs: (-) £0.194m underspend**

The Corporate Affairs budget was underspent by **£0.111m**, mainly as a result of one-off additional income, savings from staff vacancies and an underspend on the Fostering & Adoption Campaign and the Community Development Fund. Of this underspend, £0.035m is the Somerset Fund match funding agreed, for which additional funds have been approved to be given at Quarter 1. Approval is sought to carry forward £0.020m to support the preparation for the SEN Inspection/Service.

£0.025m of the £0.108m Community Invest-to-Save Scheme was spent in 2017/18 leaving a balance of **£0.083m**. Approval is sought to carry forward this balance to 2018/19 to support and fund any future successful applications.

Finance, Legal and Governance: (-) £0.148m underspend**Finance: (-) £0.140m underspend**

Additional LEP income resulted in an underspend in Finance

There was a surplus of £0.011m on the Supply Mutual Fund. This amount has been transferred to the earmarked Supply Mutual Fund Reserve at year-end.

There was a small (£0.031m) underspend on the **Legal Services and Coroners** budget and a small (£0.022m) overspend on the **Community Governance** budget

Commercial and Business Services: (+) £1.589m overspend

Commercial and Procurement: (+) £0.005m overspend

Within Commercial and Procurement itself, the budget was balanced. Also in this area, the Building Schools for the Future (BSF) budget underspent by £0.912m. This amount is transferred to the earmarked BSF Equalisation Reserve at year-end.

Cross-Cutting Third Party Spend Targets: £2.013m overspend

Some of the MTFP savings aimed at reducing third party and agency expenditure have not been possible given the market and service requirements. The target savings was allocated to this budget area, and is therefore shown as an overspend here when effectively it is an overspend across the whole council.

Business Support: (-) £0.057m underspend

The underspend within Business Support was mainly due to staff vacancy savings and reduced supplies and services spend.

Core Council Programme (Including Business Change): (+) £2.002m Funding Requirement

Core Council Programme expenditure in 2017/18 was £2.002m which has been funded from approved use of capital receipt flexibility.

HR and OD: (-) £0.317m underspend

The HR and OD underspend of £0.216m is from savings within the 17/18 Pathway to Employment Scheme, staff vacancy saving, additional income and reduced supplies and services spend. Approval is sought to carry forward grant income of £0.078m received in March from the DfE to fund SEND Preparation for Employment in 2018/19.

The Learning & Development underspend of £0.121m is mainly due to the Adult Social Care training plan for 2017/18 being reassessed, resulting in an underspend of £0.085m, together with a further saving of £0.036m as a result of the spending freeze applied to all other areas

ICT: (+) £0.279m overspend

An overall overspend of £0.246m on staff costs, together with an under-recovery of income of £0.087m was offset by savings on ICT supplies and services of £0.054m. Work is continuing to review the cost of ICT contracts which are above budget following the return of the service from SWOne

Strategic Property: (-) £0.330m underspend

The Strategic Property operational budget was underspent by £0.330m, as a result of increased income, staff vacancy savings and a reduction in non-staff costs

Costs in 2017/18 relating to the now closed BMIS R&M scheme for schools resulted in a £0.503m overspend. This overspend has been transferred to the earmarked reserve.

The Corporate Repairs and Maintenance budget was overspent by £0.384m. The cost of providing the service has risen since the introduction of the single contractor and is partly due to an increase in the number of assets being recorded, and being included in the contract. This overspend has been transferred to the earmarked reserve.

Business Cases for Carry Forwards (Annex A): £0.181m

A carry forward of **£0.020m** is requested for **Customer & Communities** to fund a temporary Business Intelligence post which has already been recruited to and straddles two financial years. Without this funding development of SEN data and intelligence currently required for the service and its preparation for the SEN inspection will cease.

A carry forward of **£0.083m** is requested for the **Communities Invest-to-Save Scheme** to support and fund further successful applications in 2018/19.

A carry forward of **£0.078m** is requested for **HR and OD** for the Preparation for Employment grant received from the Department for Education late in 17/18. This will be used to promote supported internships and other preparation for employment activity for young people with special educational needs and disabilities (SEND) in 2018/19. An additional request is made to carry forward **£0.014m** of the underspend to cover previously unforeseen costs associated with the Car Loan scheme.

Drawdown from and transfer to Reserves (Annex B)

Earmarked Reserves Movement

The overall **£0.692m** cost of **Elections** in 2017/18 was transferred to the Elections earmarked reserve which accumulated over the course of the May 2013 to May 2017 quadrennium, reducing the reserve to £0.042m .

The surplus of **£0.011m** on the **Supply Mutual Fund (SMF)** has been transferred to the SMF earmarked reserve at the end of 2017/18, increasing the reserve to £0.523m

The non-schools **Repairs and Maintenance** overspend of **£0.384m** was transferred to the earmarked reserve at year-end. This has increased the cumulative liability to £1.370m

The **BMIS** overspend of **£0.504m** was transferred to the earmarked reserve. This has increased the cumulative liability to £2.019m.

The **£0.912m** underspend on **Building Schools for the Future (BSF)** was transferred to the BSF earmarked reserve at year-end.

Futures for Somerset is now the responsibility of Property Services. At year-end the **£0.028m** underspend for that area was transferred to the earmarked reserve, increasing the reserve to £0.084m.

General Reserves Movement

Approval is sought for the clearance of the Land Management account overspend (**£0.002m**) to General Reserves at year-end, as an off-target area.

Approval is also sought to write off **£2.380m** to General Reserves to cover overspends in Communications (**£0.061m**), Committee Services (**£0.022m**), Commercial Advisory and Procurement (**£2.018m**) and ICT (**£0.279m**)

Offsetting this, residual balances of **£0.939m** are available to transfer to General Reserves from underspends in Chief Executive (**£0.004m**), Customers and Communities (**£0.151m**), Business Support (**£0.057m**), HR and OD (**£0.225m**), Property operating budgets (**£0.330m**), County Farms (**£0.007m**), Legal Services and Coroners (**£0.030m**). The residual balance from the Finance underspend (£0.140m) is also available to transfer to General Reserves

Debt

Debts owed to the service at 31st March 2018 are summarised below.

Aged Debt Analysis:

31 March 2017 £m	Age of Debt	31 March 2018 £m
0.045	Not Overdue	0.028
1.499	0-30 days	1.335
0.066	1-3 months	0.034
0.605	3-12 months	0.063
0.087	Over 12 months	0.055
2.302	Total	1.515
(0.009)	Unassigned Cash	(0.000)
2.293	TOTAL	1.515

Of the outstanding debt of £1.515m, £0.028m is not overdue and £1.335m is within 0-30 days, leaving an aged debt balance of £0.152m.

The 1-3 months debt totals £0.034m. The largest debt in this category is for £0.005m, where the debtor is Futures for Somerset. There are 45 other debts in this category, all smaller than £0.005m.

The 3-12 months debt at year-end was £0.063m. This incorporated a part-paid invoice to Strongvox, with an outstanding balance of £0.035m. The balance on that

invoice was received on 5th April 2018. An invoice to Dimensions Somerset for £0.011m is also outstanding. There are a further 37 smaller debts in this aged debt group.

The over-12 months total of £0.055m includes a £0.012m charge to Maltravers Properties that is on hold due to a dilapidation claim dispute. Three invoices totalling £0.025m in this category relate to Academy property services debts that are in dispute. The remainder is made up of 26 small debts, the biggest of which is £0.004m.

Bad debt provision of £0.012m was made at financial year-end in relation to the Maltravers Properties debt listed above.

Support Services wrote off 17 small value debts during the year, with a total value of £0.001m.

For further information please contact:

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