

Public/Member Questions – Cabinet 11.3.19

PQ/MQ	From	Topic	Question/statement	Response
PQ1	Nigel Behan	Agenda Item 10 – Revenue Budget Monitoring	<p>http://democracy.somerset.gov.uk/ieListDocuments.aspx?CId=134&MId=733</p> <p>i) Whilst it is noted that the forecast underspend for 2018/19 has increased it is also noted (see paragraph 1.7) that:</p> <p>“As part of preparations for the Statement of Accounts we have identified that £1m of Collection Fund surplus was incorrectly accounted for in the setting of the net revenue budget for 2018/19. This surplus forms part of the overall financing of the authority and should not be included within the Net Budget Requirement which as a result should have been reported as £317,881,900. The proposed change to the net revenue budget aligns to the budget monitoring reports which have been reported to Cabinet and various committees throughout 2018/19 and it is therefore considered to be a technical amendment. This error does not impact any other part of the budget setting process or any other financial reporting.”</p> <p>What impact would this movement have had on the under/overspend if it was part of the Net Budget Requirement?</p> <p>ii) In Section “2.2 Adults Services (Net budget £133.623m, £0.000m projected on budget, no change from month 9).</p> <p>Adult Services: on budget £0.000m; movement £nil</p> <p>There have been two notable, favourable movements in the anticipated outturn figures, although there are plans for applying these further underspends hence the projection is for no change from month 9.</p> <p>The first change is that further efficiencies have been achieved through the latest contract change in Discovery, which do not impact on access to services or the delivery of services to clients. It is proposed that the resultant underspend will be attributed to the outstanding balance (£0.910m) on the equalisation reserve, reducing it to £nil. (£4.000m was reported in month 9).”</p>	Response from Cllr Mandy Chilcott

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			Can you explain what are these “further efficiencies” (by Discovery-Dimension (UK) Limited) are and is the net result that the Equalisation Reserve which started off (as minus £4.9 million?) in deficit (and always has been) – will, in effect, become redundant (and/or deleted/removed/closed down/terminated)?	
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Response from Cllr Mandy Chilcott:

Thanks for the questions Nigel. In relation to your first point, this would have made no difference at all. This is a technical adjustment and staff were working to the corrected figure throughout the financial year.

In relation to the second point, there has been a reduction in expenditure within the contract. This is linked to the changes in the crisis service, the respite service and some minor day service changes.

Finally I can confirm that this means that the equalisation reserve has now been paid in full.