

Public Agenda Pack



EXECUTIVE

Monday, 2 September 2024

10.00 am

**John Meikle Room, The Deane House,
Belvedere Road, Taunton TA1 1HE**

SUPPLEMENT TO THE AGENDA

To: The members of the Executive

We are now able to enclose the following information which has been corrected since the agenda was published:

Agenda Item 11 2023/24 General Fund Revenue Budget Monitoring Report - Outturn
(Pages 3 - 24)

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Decision Report - Executive Decision

Forward Plan Reference: FP/24/06/13

Decision Date - 2 September 2024

Key Decision - No



2023/24 General Fund Revenue Budget Monitoring Report - Outturn - End of March 2024

Executive Member(s): Cllr Liz Leyshon Deputy Leader of the Council and Lead Member on Resources and Performance

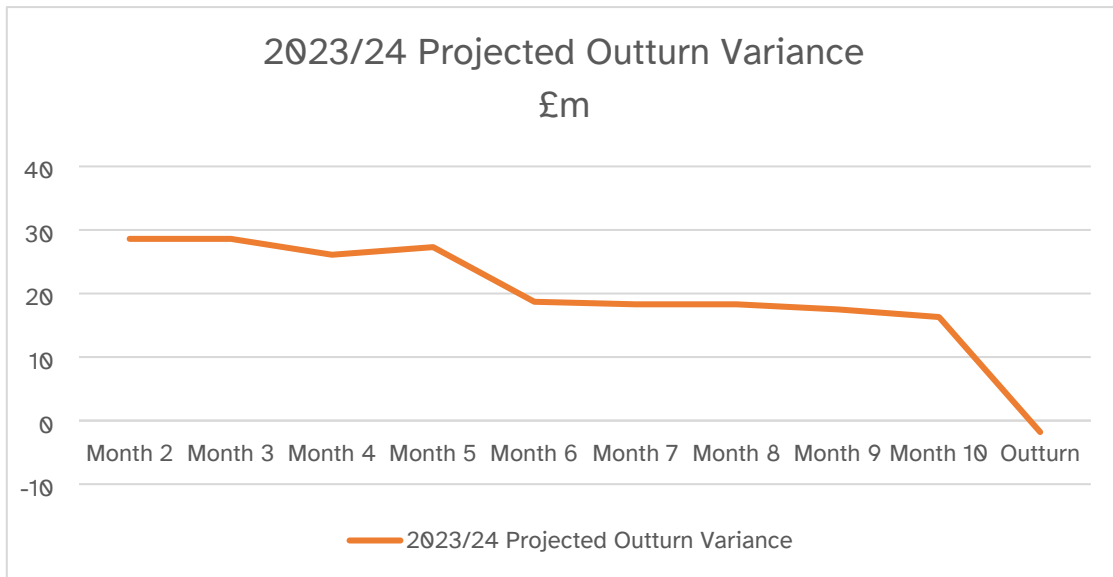
Local Member(s) and Division: All

Author: Nicola Hix, Director of Finance & Procurement

Contact Details: nicola.hix@somerset.gov.uk

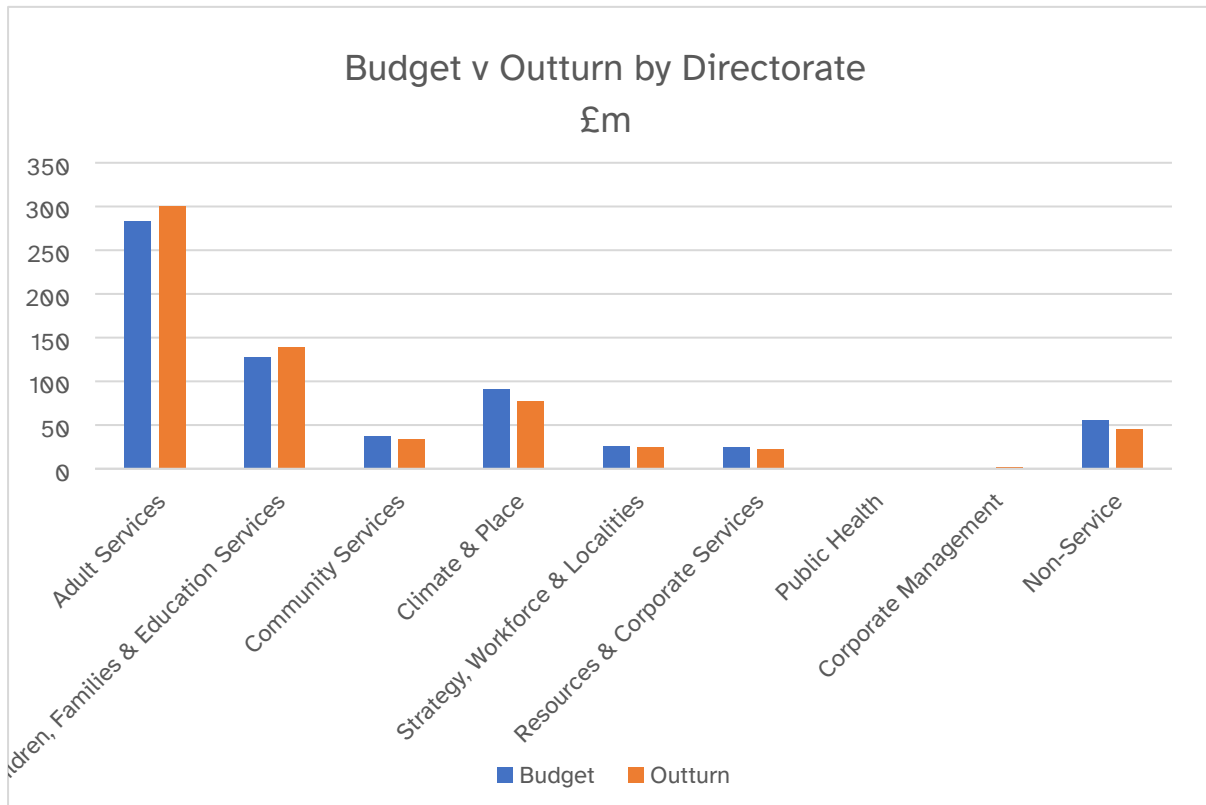
Summary

1. This is the final General Fund Revenue Budget Monitoring report for the financial year 2023/24 and outlines the outturn position including overall delivery on savings, transformation, and additional income plans, and reserves. The last report the Executive received was for the 2024/25 Emerging Issues & 2023/24 Provisional Outturn, on the 15 July, which forecast a net underspend of £1.6m for 2023/24.
2. After accounting for all service expenditure and contingencies, the final outturn position is £647.3m against a net budget of £649.1m. This equates to a £1.8m underspend, which represents a favourable variance of 0.3%. This favourable variance is a small improvement of £0.2m from the previous forecast underspend of £1.6m reported in July.
3. The turnaround in the figures shows the positive impact all the interventions and actions that have been taken to bring the budget back on track. The council faced a huge challenge with a considerable forecast overspend in Month 3 of £28.6m. After taking various actions to address this, including the establishment of several spend control boards, the Council has ended the financial year just under £2m underspend. This outturn position demonstrates the importance of regular budget monitoring during the year and confirms the Council has successfully tackled the problem. **Chart 1** reflects how the forecast outturn variance has moved month by month.

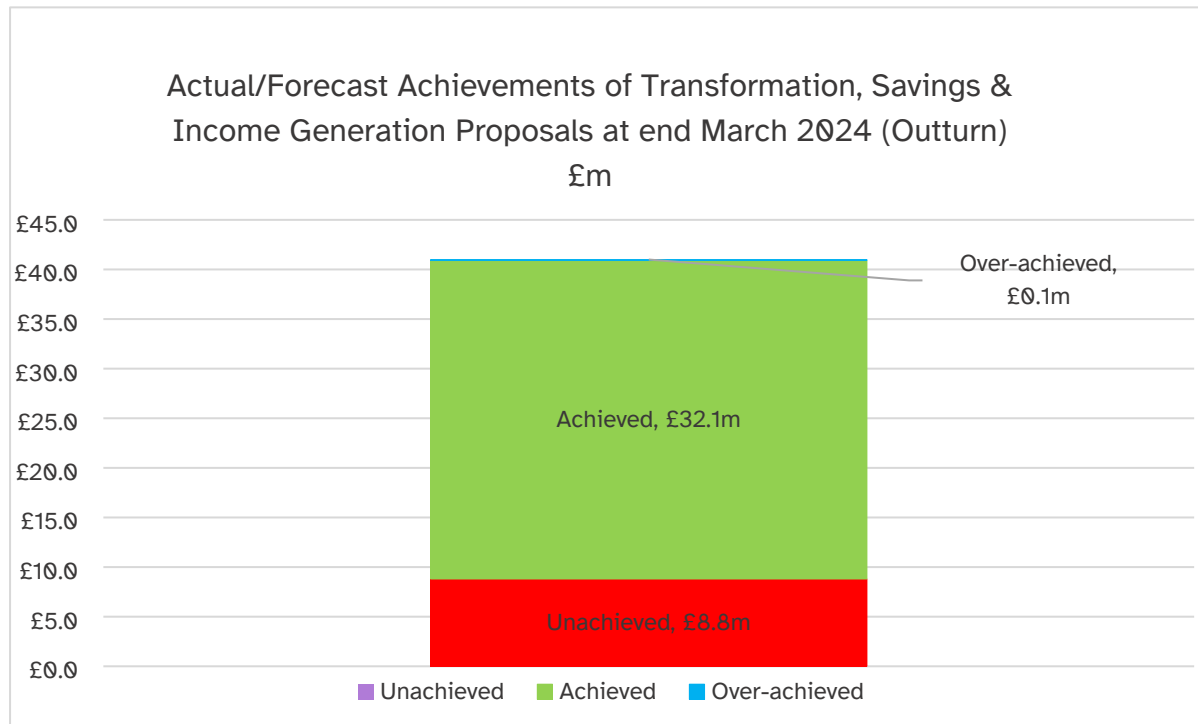


4. Adult Services and Children, Families & Education Service had a joint overspend of £29.7m, this was offset by the rest of the authority ending the year with a £31.5m underspend. The large overspend across the two services mainly relates to higher demand and fee levels across social care. All services responded promptly to the financial emergency, leading to a £1.8m underspend at the end of the year.

Chart 2 shows the budget versus outturn position for each directorate.



5. The Council approved £40.9m of savings, income generation, and transformation in February 2023. At outturn, £32.2m (78.6%) have been either achieved or over-achieved, and £8.8m (21.6%) of these were not achieved. Any ongoing non-achievement will have an impact on the Medium-Term Financial Plan and future years. Where known, these impacts have been fed into the 2024/25 approved budget.



6. **Table 2** provides a summary of budgets, and variances on a service-by-service basis as at the end of March 2024. This table has been updated to breakdown the budget into expenditure and income to get the net budget for each service.

**Table 2: 2023/24 Budget Monitoring Report as at the end of March 2024
(Outturn)**

Service Area	Original Budget £m	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 12 Variance £m	A/(F)	RAG Status	Movement From Month 10 £m
Adult Services									
Adult Social Care Operations:									
Physical Disability/Sensory Loss/65 Plus	111.9	140.9	(26.6)	114.3	122.2	7.9	A	Red	2.6
Mental Health	26.5	28.1	(4.6)	23.5	26.4	2.9	A	Red	1.9
Learning Disabilities	110.4	116.7	(6.9)	109.8	118.1	8.3	A	Red	0.8
Adult Social Care Commissioning	(62.2)	25.1	(78.3)	(53.2)	(54.9)	(1.7)	(F)	Green	(2.8)
Somerset System-Wide Funding	0.0	88.6	0.0	88.6	88.6	0.0	-	Green	0.0
Adult Services Total	186.6	399.4	(116.4)	283.0	300.4	17.4	A	Red	2.5
Children, Families & Education Services									
Children & Families	81.8	100.8	(16.1)	84.7	96.6	11.9	A	Red	(0.9)
Commissioning & Performance	10.5	15.7	(3.5)	12.2	11.7	(0.5)	(F)	Green	(0.2)
Inclusion	12.6	26.3	(9.7)	16.6	18.0	1.4	A	Red	(0.7)
Education, Partnerships & Skills	17.4	29.3	(16.3)	13.0	12.4	(0.6)	(F)	Green	(1.1)
Childrens Services	0.7	1.0	(0.4)	0.6	0.7	0.1	A	Red	0.3
Children, Family & Education Services Total	123.0	173.1	(46.0)	127.1	139.4	12.3	A	Red	(2.6)
Community Services									
Housing	5.9	11.3	(3.9)	7.4	6.9	(0.5)	(F)	Green	(0.8)
Customer Services	7.0	8.8	(2.8)	6.0	5.6	(0.4)	(F)	Green	(0.3)
Cultural Services	9.3	13.4	(3.9)	9.5	7.2	(2.3)	(F)	Green	(1.4)
Regulatory & Operational Services	12.4	22.4	(7.9)	14.5	13.8	(0.7)	(F)	Green	(0.8)
Community Services Total	34.6	55.9	(18.5)	37.4	33.5	(3.9)	(F)	Green	(3.3)
Climate & Place									
Climate, Environment & Sustainability	54.6	60.8	(8.1)	52.7	52.2	(0.5)	(F)	Green	(0.5)
Infrastructure & Transport	22.5	46.1	(23.9)	22.2	20.0	(2.2)	(F)	Green	(2.5)
Economy, Employment & Planning	10.6	21.5	(8.7)	12.8	9.4	(3.4)	(F)	Green	(2.8)
Accountable Bodies	3.7	6.1	(2.9)	3.2	(4.8)	(8.0)	(F)	Green	(1.0)
Climate & Place Total	91.4	134.5	(43.6)	90.9	76.8	(14.1)	(F)	Green	(6.8)
Strategy, Workforce & Localities									
Partnership & Localities	0.8	3.2	(0.1)	3.1	2.7	(0.4)	(F)	Green	(0.4)
Strategy & Performance	3.2	8.0	(2.1)	5.9	5.6	(0.3)	(F)	Green	0.3
Workforce	6.0	10.8	(4.1)	6.7	5.6	(1.1)	(F)	Green	(0.4)
Governance, Democratic & Legal Services	10.2	11.4	(1.4)	10.0	11.1	1.1	A	Red	(0.1)
Strategy, Workforce & Localities Total	20.2	33.4	(7.7)	25.7	25.0	(0.7)	(F)	Green	(0.6)
Resources & Corporate Services									
Finance & Procurement	11.9	118.1	(104.2)	13.9	13.5	(0.4)	(F)	Green	0.4
Strategic Asset Management	(9.2)	20.2	(27.3)	(7.1)	(7.6)	(0.5)	(F)	Green	(0.5)
Information Communication Technology	17.8	21.0	(2.9)	18.1	16.7	(1.4)	(F)	Green	0.2
Resources & Corporate Services Total	20.5	159.3	(134.4)	24.9	22.6	(2.3)	(F)	Green	0.1
Public Health	1.2	23.4	(22.6)	0.8	0.7	(0.1)	(F)	Green	(0.1)
Corporate Management	0.5	0.8	0.0	0.8	1.6	0.8	A	Red	0.8
Non-Service	58.7	71.4	(16.1)	55.3	45.2	(10.1)	(F)	Green	(7.1)
Traded Services Total	0.0	4.1	(1.5)	2.6	2.6	0.0	-	Green	(0.5)
Total Service Position	536.7	1,055.3	(406.8)	648.5	647.8	(0.7)	(F)	Green	(17.6)
Corporate Contingency	6.0	0.6	0.0	0.6	0.0	(0.6)	(F)	Green	(0.6)
Total After Contingencies	542.7	1,055.9	(406.8)	649.1	647.8	(1.3)	(F)	Green	(18.2)
Reserves	(19.9)	0.0	(125.7)	(125.7)	(125.7)	0.0	-	Green	0.0
Transfers to Schools	0.0	2.2	0.0	2.2	2.2	0.0	-	Green	0.0
Grants	(57.3)	0.0	(57.4)	(57.4)	(57.9)	(0.5)	(F)	Green	0.0
Flexible Use of Capital Receipts	(4.0)	0.0	(6.7)	(6.7)	(6.7)	0.0	-	Green	0.0
Business Rates	(122.2)	0.0	(122.2)	(122.2)	(122.2)	0.0	-	Green	0.0
Collection Fund (Surplus)/Deficit	(0.6)	0.0	(0.6)	(0.6)	(0.6)	0.0	-	Green	0.0
Council Tax Requirement	(338.7)	0.0	(338.7)	(338.7)	(338.7)	0.0	-	Green	0.0
Total Position	0.0	1,058.1	(1,058.1)	0.0	(1.8)	(1.8)	(F)	Green	(18.2)

Recommendations

7. That the Executive:
 - a) Notes the underspend of £1.8m (0.3%) for the 2023/24 financial year which will be added to the General Fund balance.
 - b) Approves the draws and contributions to earmarked reserves set out in appendix 11.
 - c) Approves to release £0.7m of available earmarked reserves funding to the General Fund balance.
 - d) Agrees to continue to receive monthly budget monitoring reports in 2024/25 which sets out the forecast outturn for the year with details of any mitigations and actions being taken to address any forecast variances.
 - e) To note that the Collection Fund outturn position is still being finalised. Any over/underspend will be funded from/contributed to reserves. Any material changes to the reserve position will be noted in a future report.
 - f) Approve the amendment to the Flexible Capital Receipts Strategy to include the Adult Social Care transformation programme, My Life, My Future (section 34/**appendix 12**).

Reasons for recommendations

8. To ensure that the Council continues to maintain tight financial control over its budget.

Other options considered

9. No other options were considered as continuing to monitor the budget on a monthly basis is considered best practice.

Links to Council Plan and Medium-Term Financial Plan

10. The 2023/24 Budget was approved by Council in February 2023 as part of the Medium-Term Financial Plan (MTFP) and is the financial resourcing plan to deliver the Council Plan.

Financial and Risk Implications

11. There are two relevant Strategic Risk which are ORG0070 Budget Overspend in the current financial year and ORG0057 Sustainable Medium-Term Financial Plan. For both of these risks the current scores are:

Likelihood	5	Impact	5	Risk Score	25
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12. The financial impact of the final underspend of £1.8m, has resulted in a slight increase in the level of General Reserves. The balance of General Reserves is now £52.4m, still comfortably within the risk-based assessment of £30m-£60m.
13. The variances causing any final net overspends are a mixture of on-going and once-off items. The on-going items will have a financial impact upon the 2024/25 budget and future years if they are not addressed.

Legal Implications

14. There are no specific legal implications arising from this report.

HR Implications

15. There are no specific HR implications arising from this report.

Other Implications:

Equalities Implications

16. There are no specific equalities implications arising from this report.

Community Safety Implications

17. There are no community safety implications arising from this report.

Climate Change and Sustainability Implications

18. There are no climate change and sustainability implications arising from this report.

Health and Safety Implications

19. There are no health and safety implications arising from this report.

Health and Wellbeing Implications

20. There are no health and wellbeing implications arising from this report.

Social Value

21. There are no Social Value implications arising from this report.

Scrutiny comments/recommendations:

22. This report will be presented to Scrutiny for Corporate & Resources Committee, on 28 October 2024.

Background

2023/24 Budget Monitoring and Outturn Position

23. Full Council approved the 2023/24 Budget in February 2023, the first budget for Somerset Council. Budget monitoring was delegated to Executive and Scrutiny and revenue service reports have been presented monthly with a full overview of revenue, capital, and reserves quarterly. This report outlines the year-end position of £647.8m for all services against the 2023/24 budget of £649.1m as at the end of March 2024.

24. **Table 2** provides a summary of each service budget, with final variances for the year shown against them. Further details and mitigations being taken by the responsible director are outlined in appendices one to eight. The significant variances at outturn are:

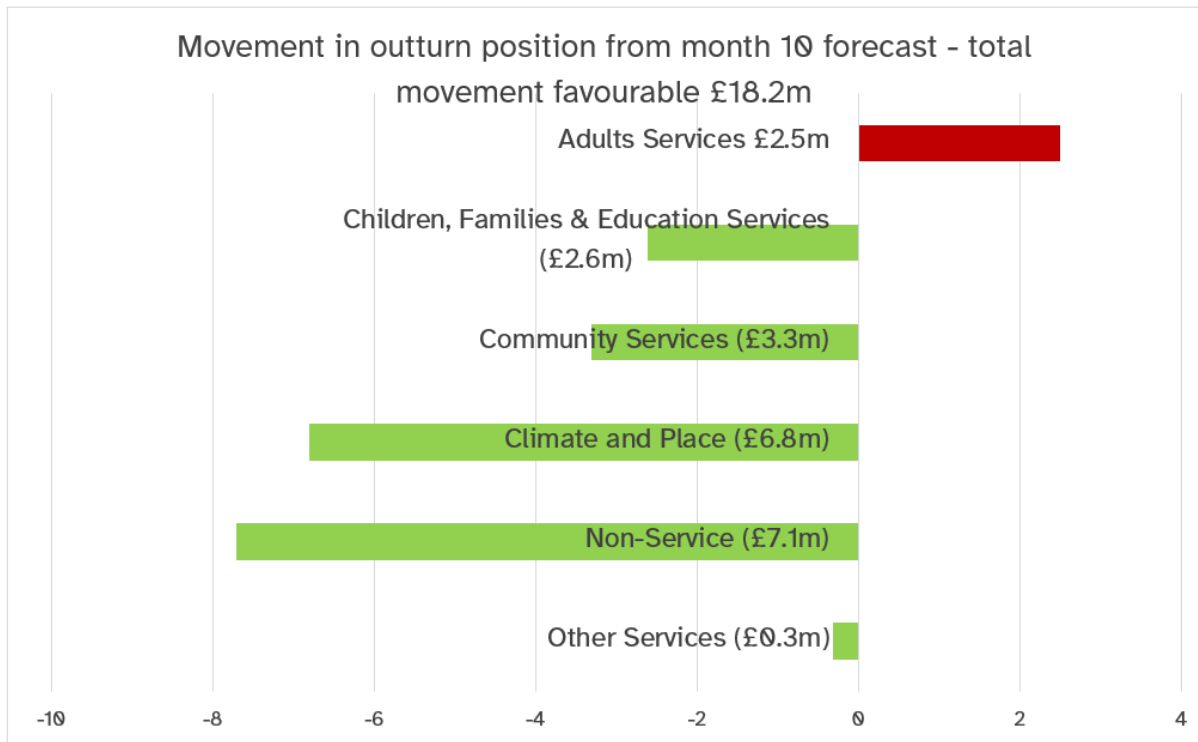
- Adult Services have ended the year with a £17.4m adverse variance against their budget (6.1% of service budget). This variance is mainly in the Adult Social Care and Learning Disabilities budget areas due to an increase in fee levels for both care home placements and delivery of home care. The adverse movement from month 10 is due to an increase in the use of direct payments, increasing numbers, and high unit costs.
- Children's Services have a final outturn adverse variance of £12.3m (9.7% of budget). This is largely due to an overspend of £10.4m on the external placements budget due to additional numbers of children in residential care and in unregistered placements. The favourable movement from month 10

is due to the service being able to move children out of unregistered placements to residential care placements, which is less expensive.

- Community Services have ended the year with a £3.9m favourable variance against a budget of £37.4m (10.4% of Service budget). The underspend is due to services minimising expenditure throughout the year in light of the financial emergency. The favourable movement since month 10 is due to delaying works, and maintenance where it is not a statutory requirement.
- Climate & Place (including Accountable Bodies) has a final favourable variance of £14.1m against their budget of £90.9m (15.5% of service budget). The underspend mainly relates to income received via Connecting Devon and Somerset and to the services minimising expenditure throughout the year in light of the financial emergency. The movement from month 10 mainly relates to higher income levels and changes in legislation within the waste budget, lower than anticipated street lighting and energy costs within the Highways budgets, and improved income recovery and the impact of staff vacancies within the Economic Development and Development Control budgets.
- Strategy, Workforce & Localities have a £0.7m favourable variance (2.7% of service budget). The underspend relates to savings due to vacancy management in Workforce, offset by an overspend in Legal due to reliance on locum/agency lawyers because of recruitment challenges. The movement from month 10 mainly relates to vacancies and additional income within the Localities budget, and savings in staffing and training costs within the Workforce budget.
- Resources & Corporate Services have a £2.3m favourable variance (9.2% of service budget). Most of the favourable variance is due to a reduction in employment costs due to vacant positions, savings across software and property running costs and Mendip 5c contract underspend. The adverse movement from month 10 relates to unachievable income budgets from legacy councils, and additional agency costs partly offset by lower than budgeted salaries and property running costs, and improved levels of income.
- Non-Service has an outturn favourable variance of £10.1m and favourable movement of £7.1m to that reported at month 10. This is due to once-off,

in-year favourable treasury management activities, and an underspend in the Minimum Revenue Position budget of £1.1m.

25. **Table 3**, is a graph showing the largest changes in forecast outturn position from Month 10, reported to the Executive on the 6 March 2024, and outturn (month 12).



Reserves

26. The Council holds reserves in two forms:

- The General Fund to mitigate against unforeseen spends or major unexpected events.
- Earmarked reserves which are amounts set aside for specific purposes. For each reserve established the purpose and usage must be clearly defined.
 - Resilience reserves are held to mitigate against future known or predicted liabilities and resilience.
 - Other earmarked reserves are held for specific purposes. This may be purposes agreed by the Council or grants which have no return conditions and where expenditure has yet to take place.
 - Funds held for other bodies that do not have Somerset Council as the lead decision making body. An example of this reserve are funds held by the Somerset Rivers Authority.

Table 4: Somerset Council Reserves Position under MHCLG headings

Somerset Council Reserves (MHCLG Reporting Categories)	01/04/2023 £m	Forecast Use £m	31/03/2024 £m	Forecast Use £m	31/03/2025 £m
Contractual commitments	13.7	2.0	15.7	(0.0)	15.7
Planned future revenue and capital spending	32.1	(8.4)	23.7	(3.9)	19.8
Specific risks	17.6	(4.6)	12.9	(0.2)	12.7
Budget stabilisation	42.2	2.7	44.9	(39.5)	5.4
Public Health	2.4	0.0	2.4	(1.8)	0.6
Other	137.2	(100.7)	36.4	(23.4)	13.0
Total Earmarked Reserves	245.1	(109.1)	136.0	(68.8)	67.2
General Fund Reserves	49.8	2.5	52.4	0.0	52.4
Total Reserves	294.9	(106.5)	188.4	(68.8)	119.6

Table 5: Planned contribution of 2023/24 underspend

Somerset Council Reserve	Balance at 01/04/2023 '£000	Net transfers to/from '£000	Balance as at 31/03/2024 '£000
General Fund Balance	49,842	2,526	52,368

Use of Earmarked Reserves

27. The recommended use of earmarked reserve movements during the 2023/24 financial year can be seen in **appendix 11**. This also includes an updated forecast use of reserves for 2024/25 to show the estimated balance as at 31 March 2025. If any of the recommended movements in reserves for 2023/24 are not approved the £1.8m underspend position would have to be adjusted accordingly.

2023/24 Flexible Capital Receipts Strategy

28. The Flexible Capital Receipts Strategy was approved by Full Council in February 2023. When the strategy was approved it did not specify the use of capital receipts to fund My Life, My Future. It was initially agreed that the costs of £3.5m each year for the next two years would be funded initially from earmarked reserves and review the position later in the financial year. Now this review has taken place it is proposed that the project costs for the whole project will be funded from flexible use of capital receipts. The figures contained in this paper assume the programme has been funded by capital receipts. The full strategy can be seen in **appendix 12**.

Background Papers

29. 2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting report to Full Council 22 February 2023.
30. 2024/25 General Fund Revenue Budget and Medium-Term Financial Plan, 2024/25 Housing Revenue Account (HRA) Revenue and Capital Budget Setting 2024/25 including Dwelling Rent Setting and Fees and Charges for 2024/25, MTFP and 30-Year Business Plan Update report to Corporate & Resources Scrutiny, Executive and Full Council February 2024.
31. Section 25 Report from Section 151 Officer to Council 20 February 2024.
32. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive July 2023.
33. Month 3 to Month 10 Monthly Budget Monitoring reports to Executive & Corporate & Resources Scrutiny Committee (August 2023 to March 2024).
34. Medium-Term Financial Strategy (MTFS) 2025/26 to 2029/30 report to Executive and Full Council April 2024.
35. 2024/25 General Fund Revenue Budget Monitoring 2024/25 Emerging Issues & 2023/24 Provisional Outturn report to Executive July 2024

Appendices

Appendix 1: Adults Services

Appendix 2: Children, Families & Education Services

Appendix 3: Community Services

Appendix 4: Climate and Place (including Accountable Bodies)

Appendix 5: Strategy, Workforce and Localities

Appendix 6: Resources and Corporate Services

Appendix 7: Public Health

Appendix 8: Other service areas (including Collection Fund)

Appendix 9: MTFP Savings Monitoring

Appendix 10: Treasury Management

Appendix 11: Use of Earmarked Reserves

Appendix 12: 2023/24 Flexible Capital Receipts Strategy

Report Sign-Off (if appropriate) (internal use only - not for publication)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	16/08/2024
Communications	Peter Elliot	16/08/2024
Finance & Procurement	Ben Bryant on behalf of Nicola Hix	16/08/2024
Workforce	Dawn Bettridge	15/08/2024
Asset Management	Oliver Woodhams	16/08/2024
Executive Director / Senior Manager	Jason Vaughan	15/08/2024
Strategy & Performance	Alyn Jones	16/08/2024
Executive Lead Member	Cllr Liz Leyshon	15/08/2024
Consulted:		
Local Division Members	All	
Opposition Spokesperson	Cllr Mandy Chilcott Deputy Leader of the Opposition and Opposition Spokesperson for Resources and Performance	Report sent 15/08/2024
Scrutiny Chair	Cllr Bob Filmer, Chair - Scrutiny Corporate & Resources Committee	Report sent 15/08/2024

Appendix 5 – Strategy, Workforce and Localities

Lead Members:

- Governance and Communications: Cllr Bill Revans
- Resources and Performance: Cllr Liz Leyshon
- Transformation and Human Resources: Cllr Theo Butt Philip

Executive Director: Alyn Jones

Service Directors:

- Partnership and Localities: Sara Skirton
- Strategy and Performance: Sara Cretney
- Governance, Democratic and Legal Services: David Clark
- Workforce (interim): Dawn Bettridge

2023/24 net budget £25.7m, favourable outturn variance £0.7m, £0.6m favourable movement from month ten.

2023/24 Strategy, Workforce & Localities as at the end of March 2024 (Month 12)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 12 Variance £m	A/(F)	RAG Status	Movement From Month 10 £m
Partnership & Localities								
Localities	1.5	(0.1)	1.4	0.7	(0.7)	(F)	Green	(0.5)
Partnerships	1.7	0.0	1.7	2.0	0.3	A	Red	0.1
sub total	3.2	(0.1)	3.1	2.7	(0.4)	(F)	Green	(0.4)
Strategy & Performance								
Communications	1.8	(0.3)	1.5	1.4	(0.1)	(F)	Green	(0.1)
Transformation & Change	5.0	(1.0)	4.0	3.9	(0.1)	(F)	Green	0.5
Digital Team	(0.1)	0.3	0.2	0.0	(0.2)	(F)	Green	(0.3)
Land Charges	0.5	(1.1)	(0.6)	(0.3)	0.3	A	Red	0.3
Performance	0.8	0.0	0.8	0.6	(0.2)	(F)	Green	(0.1)
sub total	8.0	(2.1)	5.9	5.6	(0.3)	(F)	Green	0.3
Workforce								
Human Resources & Organisational Development	7.7	(2.2)	5.5	5.0	(0.5)	(F)	Green	(0.1)
Learning & Development	3.1	(1.9)	1.2	0.6	(0.6)	(F)	Green	(0.3)
sub total	10.8	(4.1)	6.7	5.6	(1.1)	(F)	Green	(0.4)
Governance, Democratic & Legal Services								
Democratic Services	4.5	(0.4)	4.1	3.9	(0.2)	(F)	Green	0.0
Legal Services	5.1	(0.8)	4.3	5.9	1.6	A	Red	(0.1)
Info Governance	0.8	(0.2)	0.6	0.4	(0.2)	(F)	Green	0.0
Elections	1.0	0.0	1.0	0.9	(0.1)	(F)	Green	0.0
sub total	11.4	(1.4)	10.0	11.1	1.1	A	Red	(0.1)
Strategy, Workforce & Localities Total	33.4	(7.7)	25.7	25.0	(0.7)	(F)	Green	(0.6)

Strategy, Workforce & Localities – key explanations, actions, & mitigating controls

Partnership and Localities

The outturn position for the service is £0.4m underspend this is a favourable movement of £0.4m from the reported position at month 10.

The service has seen a reduction in employment costs due to holding positions vacant, unbudgeted income and an underspend against grant income for the establishment of the Local Community Networks. These savings were part offset by the service bearing a one-off cost to honour a grant payment of a legacy council.

Strategy and Performance

The overall outturn position for the service is £0.3m underspend, this is an unfavourable movement of £0.3m from the position reported at month 10. The change from month 10 results from several factors such as additional staff savings offset by lower internal recharges, and reduced income from Land Charges.

There is ongoing analysis work on Land Charges income, reviewing both income and expenditure budgets. The Land Charges service is moving to Planning in 2024/25.

Workforce

The outturn position for Workforce is £1.1m underspend. Further savings within staffing and training budgets accounts for the favourable movement of £0.4m to the position reported at month 10.

The underspend in Human Resources & Organisational Development relates to savings within staffing through in year vacancy management, in-year reduction of expenditure relating to Pathway to Employment placements, reduction in software costs and increased income from traded services and grants.

With the focus in the first year of Somerset Council being on essential induction, statutory and mandatory training and maximising the use of the apprenticeship levy to upskill employees resulted in £0.6m underspend in Learning and Development.

Governance, Democratic & Legal Services

The outturn position for Governance, Democratic & Legal Services is a £1.1m overspend. This is a favourable movement of £0.1m to the position reported at month 10 and is a result of further staffing savings.

Democratic Services £0.2m underspend is from vacancies not appointed to ahead of the restructure planned for 2024/25, reduced expenditure in other areas and increased income.

Legal Services £1.6m overspend is due to the reliance on locum and agency lawyers to fill establishment positions because of recruitment challenges, principally in respect of the childcare team. The service is developing a strategy to aid successful permanent recruitment going forward.

An underspend of £0.2m in Information Governance (IG) is due to in year savings within staffing through vacancies.

An underspend of £0.1m in Elections relates to reduced expenditure, and the release of some budgets not required in 2023/24.

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Appendix 7 - Public Health

Lead Member for Public Health, Equalities and Diversity: Cllr Bill Revans (interim)
 Executive Director: Professor Trudi Grant
 Deputy Director Public Health: Lou Woolway

2023/24 Public Health as at the end of March 2024 (month 12)

- 2023/24 Net Budget £0.8m, £0.1m favourable variance, £0.1m favourable movement from month ten
- 2022/23 Net Budget £1.3m, no variance at outturn

2023/24 Public Health as at the end of March 2024 (Month 12)

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 12 Variance	A/(F)	RAG Status	Movement From Month 10
	£m	£m	£m	£m	£m			£m
Public Health Grant	22.6	(22.6)	0.0	0.0	0.0	-	Green	0.0
Somerset Council Budget	0.8	0.0	0.8	0.7	(0.1)	(F)	Green	(0.1)
Public Health Total	23.4	(22.6)	0.8	0.7	(0.1)	(F)	Green	(0.1)

Public Health - key explanations, actions & mitigating controls

A number of vacant posts within the service has resulted in savings on employee budgets funded from the Public Health Grant, resulting in an £0.1m underspend. Contractual spend has diminished as we strive towards a new targeted operating model to improve the health of our residents across the county. The Somerset Council funding managed by Public Health is anticipated to remain on budget.

Public Health - key risks, future issues & opportunities

Both the Public Health Grant and the Somerset Council funding managed by Public Health are facing significant future pressure caused by contract and pay inflationary increases. This pressure will intensify following an early indication of a 1% increase to the Public Health Grant for the 2024/25 financial year which is again significantly below inflation.

There is a systemic underfunding of public health in Somerset. The Public Health Grant is significantly below the national average being 141st out of 153 local authorities nationally. Improvements in whole population health are not achievable within the constraints of the public health budget. A new operating model for public health is underway in order to focus the activity of the Public Health Team towards

influencing policy, commissioning and spend right across the Somerset system towards improving health and tackling inequalities.

Appendix 8 – Other Service Areas (including Collection Fund)

Corporate Management

Lead Member for Non-Service: Cllr Liz Leyshon

Interim Chief Finance Officer (s151): Maria G Christofi

Corporate Management as at the end of March 2024 (Month 12)

- 2023/24 net budget £0.8m, outturn adverse variance £0.8m, adverse movement of £0.8m from month ten.

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 12 Variance	A/(F)	RAG Status	Movement From Month 10
	£m	£m	£m	£m	£m			£m
Apprenticeship Levy	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Central Redundancies	0.0	0.0	0.0	0.6	0.6	A	Red	0.6
Corporate Subscriptions	0.1	0.0	0.1	0.2	0.1	A	Red	0.1
Executive Directors	0.7	0.0	0.7	0.8	0.1	A	Red	0.1
Corporate Management Total	0.8	0.0	0.8	1.6	0.8	A	Red	0.8

Corporate Management - key explanations, actions, & mitigating controls

The majority of the adverse variance in Corporate Management can be attributed to Central Redundancies where the budget was removed during a previous MTFP process. Various non-LGR related MTFP savings, which have not yet been attributed to a service, were allocated here, resulting in a £0.6m overspend.

Apprenticeship Levy budget is £0.1m overspent due to the Somerset Council funded share of the costs being higher than anticipated at budget setting.

Non-Service

Lead Member for Non-Service: Cllr Liz Leyshon

Interim Chief Finance Officer (s151): Maria G Christofi

Non-Service as at the end of March 2024 (Month 12)

- 2023/24 net budget £55.3m, outturn favourable variance £10.1m, favourable movement of £7.1m from month ten.

Service Area	Current	Current	Current Net	Full Year	Month 12	A/(F)	RAG	Movement					
	Expenditure	Income							Budget	Projection	Variance	Status	From
	Budget	Budget							Budget	Projection	Variance	Status	Month 10
	£m	£m	£m	£m	£m		£m						
Local Government Reorganisation	5.3	(1.3)	4.0	4.0	0.0	-	Green	0.0					
Contributions	0.8	(0.1)	0.7	0.7	0.0	-	Green	0.0					
Corporate Costs	8.7	(0.2)	8.5	8.4	(0.1)	(F)	Green	(0.1)					
Financing Transactions	56.6	(14.5)	42.1	32.1	(10.0)	(F)	Green	(7.0)					
Special Grants	0.0	0.0	0.0	0.0	0.0	-	Green	0.0					
Pay Award	0.0	0.0	0.0	0.0	0.0	-	Green	0.0					
Non-Service Total	71.4	(16.1)	55.3	45.2	(10.1)	(F)	Green	(7.1)					

Non-Service - key explanations, actions, & mitigating controls

Financing Transactions

The outturn for the year in relation to Financing Transactions is an underspend of £10m. This is largely due to the level of borrowing being less than anticipated when the budget was set enabling a saving of £9.6m offset by an under achievement of investment income of £0.7m, due to using cash balances rather than borrowing, therefore having less cash to invest. The Minimum Revenue Position budget is expected to be underspent by £1.1m.

Corporate Costs:

The outturn position for Corporate Costs and Non-distributed Costs is £0.1m favourable variance. This is mainly due to the pension deficit budget being underspent by £0.7m because the general fund proportion of the charge was lower than first anticipated at budget setting. This is offset by a repayment of the Covid-19 Sales, Fees and Charges Compensation Scheme grant relating to 2020-21.

Traded Services

Lead Member for Traded Services: Cllr Heather Shearer
Executive Director: Claire Winter

Traded Services are required to set a net nil budget with full costs offset by income generated.

2023/24 Traded Services as at the end of March 2024 (Month 12)

Service Area	Current	Current	Current Net	Full Year	Month 12	A/(F)	RAG	Movement					
	Expenditure	Income							Budget	Projection	Variance	Status	From
	Budget	Budget							Budget	Projection	Variance	Status	Month 10
	£m	£m	£m	£m	£m		£m						
Dillington	4.1	(1.5)	2.6	2.6	0.0	-	Green	(0.5)					
Traded Services Total	4.1	(1.5)	2.6	2.6	0.0	-	Green	(0.5)					

Traded Services - key explanations, actions, & mitigating controls

Dillington's deficit for the year is £2.6m due to operating costs and closure costs. Funding was set aside in an earmarked reserve to cover the costs of Dillington and therefore this overspend will be funded from the earmarked reserve.

Contingencies

Lead Member for Contingencies: Cllr Liz Leyshon

Interim Chief Finance Officer (s151): Maria G Christofi

Contingencies as at the end of March 2024 (Month 12)

- 2023/24 net budget £6.0m, outturn favourable variance £0.6m, favourable movement of £0.6m from month ten.

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 12 Variance	A/(F)	RAG Status	Movement From Month 10
	£m	£m	£m	£m	£m			£m
Corporate Contingency	0.6	0.0	0.6	0.0	(0.6)	(F)	Green	(0.6)
Contingencies Total	0.6	0.0	0.6	0.0	(0.6)	(F)	Green	(0.6)

Contingencies – key risks, mitigations, future issues, and opportunities

£0.1m has been allocated to the Strategic Asset Management budget to cover the costs associated with work on Reinforced Autoclaved Aerated Concrete (RAAC) surveys. A further £0.9m has been allocated for Tiers 1-3 costs, with the remaining allocation £4.4m allocation to cover the remaining pay award costs which was over and above the pay award budget for 2023-24. This leaves the contingencies budget £0.6m underspent.

Core Revenue Funding

Lead Member for Core Revenue Funding: Cllr Liz Leyshon

Interim Chief Finance Officer (s151): Maria G Christofi

Core Revenue Funding as at the end of March 2024 (Month 12)

- 2023/24 net budget (£651.3m), outturn favourable variance £0.5m, nil movement from month ten.

2023/24 Core Revenue Funding as at the end of March 2024 (Month 12)

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 12 Variance	A/(F)	RAG Status	Movement From Month 10
	£m	£m	£m	£m	£m			£m
Use of Reserves	0.0	(125.7)	(125.7)	(125.7)	0.0	-	Green	0.0
Grants	0.0	(57.4)	(57.4)	(57.9)	(0.5)	(F)	Green	0.0
Flexible Use of Capital Receipts	0.0	(6.7)	(6.7)	(6.7)	0.0	-	Green	0.0
Business Rates	0.0	(122.2)	(122.2)	(122.2)	0.0	-	Green	0.0
Collection Fund (Surplus)/Deficit	0.0	(0.6)	(0.6)	(0.6)	0.0	-	Green	0.0
Council Tax Requirement	0.0	(338.7)	(338.7)	(338.7)	0.0	-	Green	0.0
Core Revenue Funding Total	0.0	(651.3)	(651.3)	(651.8)	(0.5)	(F)	Green	0.0

Core Revenue Funding - key explanations, actions, & mitigating controls

Grants

The favourable variance of £0.5m for Grants is due to receiving confirmation that the Rural Services Delivery grant and the 2023/24 Services grant will be higher than budgeted. The grant confirmation was received after the budget setting process.

Collection Fund

The collection fund has a small favourable variance which will be contributed to reserves.