

Somerset Council
Corporate & Resources Scrutiny Committee
8 August 2023



2023/24 Budget Monitoring Report – Month 3 – End of June 2023

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Executive Lead Member: Deputy Leader of the Council and Lead Member for Resources and Performance

Division / Local Member:

1. Summary

- 1.1.** The Executive will consider the Quarter 1 Budget Monitoring reports at its meeting on 6 September 2023 and the reports will be presented to the scrutiny committee to allow for pre-scrutiny of them.

2. Issues for consideration / Recommendations

- 2.1.** Scrutiny is asked to consider:-

- a. If there are any general comments or observations that they would wish to make to the Executive on the reports.
- b. If the actions set out in the report are appropriate and if there were any further actions, they would wish to see included.

3. Background

- 3.1.** The 2023/24 Budget is the first for the new Somerset Council and it brought together the budgets of the five predecessor councils adjusted for new assumptions and identified savings. It is well documented that there are significant delays in the auditing of local authority accounts and this national issue means that there are a number of statement of accounts from the predecessor councils for prior years that are still outstanding. This brings an amount of uncertainty, as well resourcing implications, and in practical terms means that some of the information for Somerset Council such as the 2022/23 outturn, reserves position, and capital position are still being finalised.

3.2. The Full Council approved the 2023/24 Budget in February 2023. Budget monitoring is delegated to Executive and Scrutiny and revenue service reports will be presented monthly with a full overview of revenue, capital, and reserves quarterly. This report outlines the forecast year-end position of services against the 2023/24 budget of £493.4m as at the end of June 2023.

3.3. After taking into account all service expenditure and contingencies the projected outturn position is £522m against a net budget of £493.4m. This gives a £28.6m adverse variance which represents a variance of 5.8%.

- Adult Services has a £12.1m adverse variance against their budget (6.5% of service budget). This variance is mainly in the adult social care and Learning Disabilities budget areas.
- Children’s Services has a £8.8m adverse variance against their budget (7.2% of service budget). This variance is in External Placements.
- Climate and Place has a £5.1m adverse variance against their budget (5.8% of service budget). This adverse variance is seen in Waste Services, Infrastructure and Transport and Economy, Employment and Planning.
- Strategy, Workforce and Localities has a £1.5m adverse variance against their budget (7.4% of service budget). This variance is seen in Legal Services.
- Resources and Corporate Services has a £1.4m adverse variance against their budget (6.5% of service budget). This variance is seen in Revenues, Housing Benefits, Property, and ICT.

3.4. The Budget Monitoring Report on the Housing Revenue Account (HRA) provides an update on the projected outturn financial position of the Council’s Housing Revenue Account (HRA) for the financial year 2023/24 (as at 30th June 2023) and shows it to be in line with the budget.

3.5. The Capital Programme monitoring report is still being finalised and will also be considered by the Executive at its September meeting.

4. Consultations undertaken

4.1. Internal consultation with ELT.

5. Implications

5.1. As set out in the 2 reports.

6. Background papers

6.1. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive July 2023

2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council February 2023

HRA Budget Setting Report – Full Council 22 February 2023