

Appendix 1 - Update on Month 3 Budget Monitoring Report with Month 4 (end of July 2023) figures:

There have been minimal movements since the month 3 report, therefore an abbreviated report, focusing on the movement in forecast outturn, has been produced in conjunction with the month three report.

As shown in table 1 below, there have been minimal changes since month three.

**Table 1: 2023/24 Budget Monitoring Report as at the end of July 2023
(Month 4)**

Service Area	Original Budget	Current Budget	Full Year Projection	Month 4 Variance	A/(F)	Movement	Direction
	£m	£m	£m	£m		From Month 3	From Month 3
Adult Services	186.6	185.5	197.6	12.1	A	0.0	→
Children & Family Services	123.1	123.1	131.9	8.8	A	0.0	→
Public Health	1.2	1.2	1.2	0.0	-	0.0	→
Communities Services	35.2	34.9	34.9	0.0	-	0.0	→
Climate & Place	87.1	87.6	90.3	2.7	A	(2.4)	↑
Direct Services Position	433.3	432.3	455.9	23.6	A	(2.4)	↑
Strategy, Workforce & Localities	20.2	20.2	21.7	1.5	A	0.0	→
Resources & Corporate Services	20.5	21.5	22.8	1.3	A	(0.1)	↑
Accountable Bodies	3.7	3.7	3.7	0.0	-	0.0	→
Non-Service	9.8	9.8	9.3	(0.5)	(F)	0.0	→
Traded Services	0.0	0.0	0.2	0.2	A	0.0	→
Total Service Position	487.4	487.4	513.5	26.1	A	(2.5)	↑
Corporate Contingency	6.0	6.0	6.0	0.0	-	0.0	→
Total after Contingencies	493.4	493.4	519.5	26.1	A	(2.5)	↑
Reserves	(19.9)	(19.9)	(19.9)	0.0	-	0.0	→
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-	0.0	→
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-	0.0	→
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-	0.0	→
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-	0.0	→
Total Month 4 Position	0.0	0.0	26.1	26.1	A	(2.5)	↑

After taking into account all service expenditure and contingencies, the projected outturn position is £519.5m against a net budget of £493.4m. This gives a £26.1m adverse variance which represents a variance of 5.8%. This is a favourable movement of £2.5m since month three. The majority of this variance is due to waste contract risk liabilities.

Although there has been a favourable movement since month three, it should still be noted that the forecast overspend is of sufficient magnitude and is potentially destabilising to the authority's financial sustainability. If the overspend is not

managed down, it will significantly adversely impact the level of reserves held by the Council. Service Directors have been tasked to take actions within their areas to address their potential overspend. Where the overspend cannot be contained within a service, the Executive Director has been tasked with taking the necessary actions to do this within their Directorate.

The movement in the forecast outturn includes:

Climate & Place – Executive Director Mickey Green, Lead Members – Cllr Dixie Darch, Cllr Mike Rigby, Cllr Ros Wyke

- 2023/24 net budget £87.7m, projected adverse variance of £2.7m. Favourable movement of £2.4m since month three.

Table 2: 2023/24 Climate & Place as at the end of July 2023 (Month 4)

Service Area	Current Budget	Full Year Projection	Month 4 Variance	A/(F)	Movement From Month 3	Direction From Month 3
Climate, Environment & Sustainability						
Civil Contingencies	0.4	0.4	0.0	-	0.0	→
ECI Management	0.4	0.4	0.0	-	0.0	→
Business Support	1.3	1.3	0.0	-	0.0	→
Waste Services	49.4	50.2	0.8	A	(2.6)	↑
Drainage Board Levy	2.3	2.3	0.0	-	0.0	→
Climate Change Costs	0.8	0.8	0.0	-	0.0	→
Infrastructure & Transport						
Highways and Transport Commissioning	1.8	1.8	0.0	-	0.0	→
Community Infrastructure	0.6	0.6	0.0	-	0.0	→
Infrastructure Programmes Group	0.4	0.6	0.2	A	0.0	→
Highways	16.4	17.7	1.3	A	0.2	↓
Traffic Management	1.0	1.0	0.0	-	0.0	→
Transporting Somerset	9.3	9.3	0.0	-	0.0	→
Car Parks	(7.3)	(7.3)	0.0	-	0.0	→
Fleet Management	0.3	0.3	0.0	-	0.0	→
Economy, Employment & Planning						
Economy and Planning	2.2	2.6	0.4	A	0.0	→
Commissioning Development	0.1	0.1	0.0	-	0.0	→
Building Control	0.5	0.5	0.0	-	0.0	→
Development Control	1.5	1.5	0.0	-	0.0	→
Planning Policy	3.5	3.5	0.0	-	0.0	→
Economic Development	2.8	2.8	0.0	-	0.0	→
Climate & Place Total	87.7	90.4	2.7		(2.4)	↑

Waste Services

There is a forecast overspend of £0.8m, with a favourable movement of £2.6m since month three. The movement relates to reviewing the waste contract risk and revising the potential liabilities to the end of the financial year.

Highways

There is a forecast overspend of £1.3m, with an adverse movement of £0.2m since month three. The movement relates to anticipated costs associated with preparing data ready for the new Highways contract.

Resources & Corporate Services – Executive Director Jason Vaughan, Lead Member Cllr Liz Leyshon, Cllr Mike Rigby & Cllr Ros Wyke

- 2023/24 net budget £21.6m, projected adverse variance of £1.4m. Favourable movement of £0.1m since month three.

Table 3: 2023/24 Resources & Corporate Services as at the end of July 2023 (Month 4)

Service Area	Current Budget	Full Year Projection	Month 4 Variance	A/(F)	Movement	Direction
					From Month 3	From Month 3
Finance & Procurement						
Finance	8.3	8.3	0.0	-	0.0	⇒
Director of Resources & Corporate Services	0.2	0.2	0.0	-	0.0	⇒
Commercial & Procurement	1.7	1.7	0.0	-	0.0	⇒
Revenues	1.7	2.4	0.7	A	0.0	⇒
Housing Benefits	1.1	1.2	0.1	A	(0.1)	↑
Property Services						
Property Services	11.9	12.3	0.4	A	0.0	⇒
Commercial Investment Properties	(21.1)	(21.1)	0.0	-	0.0	⇒
Information Communication Technology						
ICT	17.8	17.9	0.1	A	0.0	⇒
Resources & Corporate Services Total	21.6	22.9	1.3	A	(0.1)	↑

Housing Benefits

There is a forecast overspend of £0.1m, with a favourable movement of £0.1m since month three. The resourcing requirements have been reviewed and resources have been reallocated from within the team therefore further funding is not required. The shortfall on the admin grant funding reported at month three is no longer an issue and the budget pressure has now been mitigated.

Children & Family Services – Dedicated Schools Grant (DSG) – Executive Director Claire Winter, Lead Member Cllr Tessa Munt

- 2023/24 net budget £108.9m projected adverse variance of £14.1m. Favourable movement of £1.4m since month three.

Table 4: 2023/24 Children & Family Services (DSG) as at the end of July 2023 (Month 4)

DSG Block	Balance b/fwd at 1 Apr 2023 surplus/(deficit) £m	Total funding for 2023/24 £m	Allocation to Academies and LA Schools £m	Total funding available for services 2023/24 £m	2023/24 Forecast Month 4 £m	Forecast in-year variance surplus/(deficit) £m	Forecast balance c/fwd at 31 Mar 2024 surplus/(deficit) £m
Schools	2.6	370.5	373.0	(2.5)	0.3	(2.8)	(0.1)
Central School	5.6	5.0	-	5.0	5.0	0.0	5.6
Early Years	0.9	30.6	-	30.6	30.6	0.0	0.9
High Needs	(29.8)	85.2	9.5	75.7	87.0	(11.3)	(41.1)
Total	(20.7)	491.4	382.5	108.9	123.0	(14.1)	(34.8)

The DSG is forecast to have an in-year deficit of £14.1m in 2023/24 which is an adverse movement of £1.4m from month three. This gives a forecast cumulative deficit of £34.8m by 31 March 2024.

The adverse movement in the month has resulted from an increase in the forecast number and cost of new or extended placements at Independent and Non-Maintained Schools and a forecast increase in the number of children with Education, Health and Care Plans being supported within mainstream schools.