

Somerset Council
Scrutiny for Corporate & Resources Committee
28 August 2024



2024/25 General Fund Revenue Budget Monitoring Report – Month 3 – End of June 2024

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

Lead Officer: Maria G Christofi – Interim Chief Finance Officer (s151)

Author: Nicola Hix, Director of Finance & Procurement

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

Summary

1. This report is the General Fund revenue monitoring report for the end of June 2024, quarter one (month three) with the forecast being an underspend of £0.2m for the 2024/25 financial year.
2. The main variances are: -
 - Adults Services favourable variance of £2.1m due to the commissioning work carried out with the market to reduce residential and nursing weekly fees.
 - Children, Families & Education Services adverse variance of £5.4m, predominantly relating to external placements.
 - Climate & Place adverse variance of £4.3m relating to an increase in Waste Services contract costs, as well as pressures in highway safety defects, capitalisation of salary costs and unachievable income targets.
 - Community Services adverse variance of £1.1m due to pressures within Open Spaces and Coroners.
 - Non-Service favourable variance of £2.6m largely relating to higher investment income and lower debt charges than anticipated.
 - Contingency budget of £6m remains unallocated at month 3.

Recommendations

3. That the Executive:
 - a) Notes the forecast underspend of £0.2m for the year.
 - b) Agree to draw £0.025m from the Hurlstone Bothy Earmarked Reserve for the Coastal Revival Fund. (£0.017m to Property Services under Strategic Asset Management, and £0.008m to Communities Services under Regulatory & Operational Services.)

Reasons for recommendations

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

Other options considered

5. 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

6. The 2024/25 Budget was approved by Council in February 2024 as part of the Medium-Term Financial Plan (MTFP) and is the financial resourcing plan to deliver the Council Plan.

Financial and Risk Implications

7. There are two relevant Strategic Risk which are ORG0070 Budget Overspend in the current financial year and ORG0057 Sustainable Medium Term Financial Plan.

ORG0057 Sustainable Medium Term Financial Plan					
Likelihood	4	Impact	5	Risk Score	20
This has a current risk score of 20 which is a reduction from the previous score of 25. The reduction in the score is in recognition of the fact that at its April 2024 meeting Council approved a financial strategy that would enable the 2025/26 budget gap to be closed. However, this could increase if there are any delays to the delivery of any the various activities set out in the financial strategy.					

ORG0070 Budget Overspend in the 2024/25 financial year					
Likelihood	3	Impact	2	Risk Score	6
This has a risk score of 6 and reflects the fact that there the forecast figures show a minor underspend for 2024/25.					

8. The financial impact of a £0.2m underspend would result in a slight increase in the level of General Reserves from £52.4m to £52.6m This remains above the £30m minimum risk-based assessment of the reserves approved by Council in February 2024.

Legal Implications

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

HR Implications

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

Other Implications:

Equalities Implications

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

Community Safety Implications

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

Climate Change and Sustainability Implications

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

Health and Safety Implications

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

Health and Wellbeing Implications

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

Social Value

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

Scrutiny comments/recommendations:

17. This report was presented to Scrutiny for Corporate & Resources Committee, on 28 August 2024.

Background

18. The Full Council approved the 2023/24 Budget in February 2024, and **Table 1** provides a summary of budget, projections, and variances on a service-by-service basis as at the end of June 2024. This table shows a breakdown of the budget into expenditure and income to get the net budget for each service. Further details and mitigations being taken by the responsible director are outlined in **Appendices 1 to 8**.

19. **Table 1: 2024/25 Budget Monitoring Report as at the end of June 2024 (Month3)**

(Corporate & Resources Scrutiny Committee – 28 August 2024)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 3 Variance £m	A/(F)	RAG Status	Movement From Month 2 £m
Adult Services								
Adult Social Care Operations:								
Physical Disability/Sensory Loss/65 Plus	166.1	(27.9)	138.2	135.8	(2.4)	(F)	Green	(2.4)
Mental Health	43.3	(6.3)	37.0	35.8	(1.2)	(F)	Green	(1.2)
Learning Disabilities	145.3	(7.7)	137.6	136.7	(0.9)	(F)	Green	(0.9)
Adult Social Care - Commissioning	21.7	(94.9)	(73.2)	(70.8)	2.4	A	Red	2.4
Adult Services Total	376.4	(136.8)	239.6	237.5	(2.1)	(F)	Green	(2.1)
Children, Families & Education Services								
Children & Families	114.2	(16.2)	98.0	103.1	5.1	A	Red	5.1
Commissioning & Performance	18.3	(7.3)	11.0	10.6	(0.4)	(F)	Green	(0.4)
Education	58.8	(26.3)	32.5	33.2	0.7	A	Red	0.7
Childrens Services	0.4	0.0	0.4	0.4	0.0	-	Green	0.0
Children, Family & Education Services Total	191.7	(49.8)	141.9	147.3	5.4	A	Red	5.4
Community Services								
Housing	10.7	(4.1)	6.6	6.7	0.1	A	Amber	0.1
Customer Services	9.1	(3.3)	5.8	5.8	0.0	-	Green	0.0
Cultural Services	12.7	(3.6)	9.1	9.1	0.0	-	Green	0.0
Regulatory & Operational Services	24.5	(11.5)	13.0	14.0	1.0	A	Red	1.0
Community Services Total	57.0	(22.5)	34.5	35.6	1.1	A	Red	1.1
Climate & Place								
Climate, Environment & Sustainability	66.7	(8.7)	58.0	61.0	3.0	A	Red	3.0
Infrastructure & Transport	50.1	(26.9)	23.2	24.2	1.0	A	Red	1.0
Economy, Employment & Planning	18.1	(9.9)	8.2	8.5	0.3	A	Red	0.3
Accountable Bodies	4.1	(0.5)	3.6	3.6	(0.0)	(F)	Green	(0.0)
Climate & Place Total	139.0	(46.0)	93.0	97.3	4.3	A	Red	4.3
Strategy, Workforce & Localities								
Partnership & Localities	3.1	(0.2)	2.9	2.9	0.0	-	Green	0.0
Strategy & Performance	7.6	(1.1)	6.5	6.5	0.0	-	Green	0.0
Workforce	10.1	(3.9)	6.2	6.2	0.0	-	Green	0.0
Governance, Democratic & Legal Services	11.2	(1.4)	9.8	9.8	0.0	-	Green	0.0
Strategy, Workforce & Localities Total	32.0	(6.6)	25.4	25.4	0.0	-	Green	0.0
Resources & Corporate Services								
Finance & Procurement	119.3	(104.9)	14.4	14.6	0.2	A	Amber	0.2
Strategic Asset Management	19.3	(24.0)	(4.7)	(4.4)	0.3	A	Red	0.3
Information Communication Technology	20.1	(2.9)	17.2	16.5	(0.7)	(F)	Green	(0.7)
Resources & Corporate Services Total	158.7	(131.8)	26.9	26.7	(0.2)	(F)	Green	(0.2)
Public Health	24.0	(23.0)	1.0	1.0	0.0	-	Green	0.0
Corporate Management	1.5	(0.1)	1.4	1.4	0.0	-	Green	0.0
Non-Service	79.7	(10.8)	68.9	66.3	(2.6)	(F)	Green	(2.6)
Traded Services Total	1.8	(1.8)	0.0	0.0	0.0	-	Green	0.0
Total Service Position	1,061.8	(429.2)	632.6	638.5	5.9	A	Red	5.9
Corporate Contingency	6.0	0.0	6.0	0.0	(6.0)	(F)	Green	(6.0)
Total After Contingencies	1,067.8	(429.2)	638.6	638.5	(0.1)	(F)	Green	(0.1)
Reserves	0.0	(38.5)	(38.5)	(38.5)	0.0	-	Green	0.0
Council Tax	0.0	(361.1)	(361.1)	(361.1)	0.0	-	Green	0.0
Business Rates	0.0	(128.4)	(128.4)	(128.4)	0.0	-	Green	0.0
Grants	0.0	(66.0)	(66.0)	(66.1)	(0.1)	(F)	Green	(0.1)
Collection Fund Surplus/Deficit	0.0	(7.7)	(7.7)	(7.7)	0.0	-	Green	0.0
Capitilisation Direction	0.0	(36.9)	(36.9)	(36.9)	0.0	-	Green	0.0
Total Position	1,067.8	(1,067.8)	0.0	(0.2)	(0.2)	(F)	Green	(0.2)

Background Papers

- Medium Term Financial Strategy (MTFS) 2025/26 to 2029/30 report to Executive and Council April 2024.
- 2024/25 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council February 2024.
- 2024/25 General Fund Revenue Budget Monitoring Outturn Report to Scrutiny for Corporate & Resources August 2024 and to Executive September 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: Debtor Management