

Somerset County Council

Scrutiny Committee

- Scrutiny for Policies and Place Committee
 - Extraordinary Meeting on 1 February 2023
-

2023/24 Budget and MTFP

Lead Officer: Jason Vaughan, Director of Finance & Governance

Author: Jason Vaughan, Director of Finance & Governance

Contact Details: Jason.Vaughan@somerset.gov.uk

Executive Member: Councillor Liz Leyshon, Deputy Leader of the Council and Lead Member on Finance and Human Resources

Division and Local Member:

1. Summary

- 1.1. The attached report outlines the details of the proposals for the 2023/24 Revenue Budget and Capital Programme and was presented to the Executive on the 19 January 2023. This will be the first budget for the new Somerset Council and consolidates the budgets across the Somerset Districts and the County into one.
- 1.2. The Executive has not yet reviewed fees and charges nor has the Committee been able to review the Equalities Impact Assessments where required for savings proposals. Final proposals will be made to the Executive on the 13th February 2023 and the Scrutiny Committee for Policies and Place is being requested to review the budget and budget proposals and outline any comments you would like the Executive to consider as they finalise their proposals for Council on the 22 February.
- 1.3. The schools allocations were agreed by the Executive on the 19 January under delegated authority.

2. Issues for consideration / Recommendations

- 2.1. **That the Scrutiny Committee for Polices and Place considers the budget report as attached at Appendix A as requested by Executive on the 19 January 2023 and comments back to them on the 13 February 2023 including the following:**
 - (i) **The overall proposals to balance the 2023/24 budget**
 - (ii) **The savings proposals in Appendix 2 (within Appendix A) in conjunction with the Equalities Impact Assessments attached at Appendix B and**
 - (iii) **The fees and charges proposals attached at Appendix C.**

3. Background

- 3.1. The size of the financial challenge facing the new council is well documented

with the Executive receiving reports in July and then November where the gap was estimated to be £74.2m but with savings options that could bring this down to £38.2m. The attached report to Executive in January sets out how a balanced budget can be achieved but it requires members to make some difficult choices.

3.2. The provisional Finance Settlement was published on 19 December 2022 and recognised the very difficult financial challenge that councils are facing particularly with increasing social care costs but did not provide any longer-term solution. In addition to this the pressures of additional demand, inflation, and rising interest rates extended the financial gap for the new Council. Somerset Council is in the almost unique position of having 110 new members, a new Senior Leadership Team, implementing a new Target Operating Model, and developing a new Corporate Plan.

3.3. The attached report (**Appendix A**) outlines:

- The current position of all Somerset Authorities 22/23 budget positions
- The combined budgets for the new Executive Director Structure
- Proposals for Transformation, Savings, and Income Generation (these include savings outlined in the Local Government Reorganisation Business Case **Appendix 1**)
- Assumptions included within the budget estimates
- An outline of grants announced as part of the Provisional Government Settlement
- A Fees and Charges Policy (**Appendix 2**)
- Proposals for Council Tax
- New Capital Bids proposals (**Appendix 4 and 5**)
- The inherited capital programme for 2023/24 for all Somerset Authorities (**Appendix 6**)
- An outline of the budget gap for future years
- A summary of general fund and Earmarked Reserves
- An assessment of the key risks to the budget

In addition to this **Appendix C** outlines the proposed fees and charges for Somerset Council and **Appendix B** outlines the Equalities Impact Assessments for the Transformation, Savings, and Income Generation proposals. Individual proposals that currently have clear details have completed equality impact assessments. These are attached to the decision-making documents and decision makers are requested to review these to help inform agreeing the budget.

Some proposals do not currently contain detail explanation on how budget savings will be achieved. These Equality Impact Assessment will need to follow. When further decisions are taken on these more details proposals Equality Impact Assessments will be provided to support these decisions

4. Consultations undertaken

4.1. As outlined in the attached report

5. Implications

5.1. Implications are outlined in the attached report

6. Background papers

6.1. Reports to the Executive in July and November 2022

Note For sight of individual background papers please contact the report author