



Somerset Council  
Community Services Scrutiny Committee  
11<sup>th</sup> October 2023

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2023/24 Budget Monitoring Report – Month 5 update (end August)  
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Executive Lead Member: Deputy Leader of the Council and Lead Member for Resources and Performance. Lead Member for Communities, Housing & Culture

## **1. Summary**

- 1.1.** The Executive will consider the month 5 budget monitoring update report at its meeting October 2023 meeting. Extracts of the report will be presented to each of the scrutiny committees to allow for scrutiny of them.

## **2. Issues for consideration / Recommendations**

- 2.1.** Scrutiny is asked to consider: -
  1. If there are any general comments or observations that they would wish to make to the Executive on the reports.
  2. 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.** 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 £523.7m against the 2023/24 budget of £493.4m as at the end of August 2023.

#### 4. Report

4. The table below provides a summary of budget, projections, and variances on a service-by-service basis with further detail and mitigations being taken by the responsible director outlined in the body of the report. The significant variances at month 5 are:

- Adult Services has a £14.9m adverse variance against their budget (8% of service budget). This variance is mainly in the Adult Social Care and Learning Disabilities budget areas due to fee levels being higher than anticipated.
- Children's Services have a £11.8m adverse variance against their budget (9.6% of service budget), an unfavourable movement of £3m from month 4. This increase in variance is due to External Placements £1.3m and SEND Transport £1.7m. The overall variance is predominantly in External Placements and is mainly due to increased demand in unregistered and residential placements as a result of complexity of children and lack of sufficiency within fostering.
- Climate and Place has an adverse variance of £2.3m against their budget. This is a reduction of £0.4m since month 4. Adverse variances continue in Waste Services, Infrastructure Programmes and Highways.
- Strategy, Workforce & Localities are forecasting a £1.3m adverse variance (6.4% of service budget). The majority of this adverse variance is in respect of Legal Services (£1.5m) with a small favourable variance of £0.2m anticipated in within the Human Resources & Organisational Development budget.
- Resources and Corporate are forecasting a £0.3m adverse variance (1.4% of service budget). The majority of the adverse variance is in respect of Property Services (£0.4m) with the remainder in Information Communication Technology (£0.1m).

#### 4. Table 1: 2023/24 Budget Monitoring Report as at the end of August 2023 (Month 5)

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Service Area	Original Budget	Current Budget	Full Year Projection	Month 5 Variance	A/(F)	Movement From Month 4	Direction From Month 4
	£m	£m	£m	£m		£m	
Adult Services	186.6	185.5	200.4	14.9	A	2.8	↓
Children & Family Services	123.1	123.1	134.9	11.8	A	3.0	↓
Public Health	1.2	1.2	1.2	0.0	-	0.0	⇒
Community Services	35.2	34.9	34.9	0.0	-	0.0	⇒
Climate & Place	87.1	87.6	89.9	2.3	A	(0.4)	↑
Strategy, Workforce & Localities	20.2	20.2	21.5	1.3	A	(0.2)	↑
Resources & Corporate Services	20.5	22.1	22.4	0.3	A	(1.0)	↑
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	⇒
<b>Total Service Position</b>	<b>487.4</b>	<b>488.0</b>	<b>518.3</b>	<b>30.3</b>	<b>A</b>	<b>4.2</b>	<b>↓</b>
Corporate Contingency	6.0	5.4	5.4	0.0	-	0.0	⇒
<b>Total after Contingencies</b>	<b>493.4</b>	<b>493.4</b>	<b>523.7</b>	<b>30.3</b>	<b>A</b>	<b>4.2</b>	<b>↓</b>
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	⇒
<b>Total Month 5 Position</b>	<b>0.0</b>	<b>0.0</b>	<b>30.3</b>	<b>30.3</b>	<b>A</b>	<b>4.2</b>	<b>↓</b>

**4. Community Services – Director Executive Director Chris Hall, Lead Member Cllr Federica Smith-Roberts**

- 2023/24 net budget £34.7m, no projected variance, no movement.

**Table below: 2023/24 Community Services as at the end of August 2023 (Month 5)**

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Service Area	Current Budget	Full Year Projection	Month 5 Variance	A/(F)	Movement From Month 4	Direction From Month 4
<b>Housing</b>						
Housing Enabling	0.4	0.4	0.0	-	0.0	➔
Housing Strategic	1.3	1.3	0.0	-	0.0	➔
Homelessness	4.2	4.2	0.0	-	0.0	➔
<b>Customer Services</b>						
Customers & Communities	7.6	7.6	0.0	-	0.0	➔
Lifeline	(0.5)	(0.5)	0.0	-	0.0	➔
<b>Cultural Services</b>						
Library Service	3.8	3.8	0.0	-	0.0	➔
Heritage Service	1.7	1.7	0.0	-	0.0	➔
Leisure - Sports Centre	2.0	2.0	0.0	-	0.0	➔
Museum/ Theatres	0.6	0.6	0.0	-	0.0	➔
Visitor Centre	0.1	0.1	0.0	-	0.0	➔
Tourism	0.1	0.1	0.0	-	0.0	➔
(wellbeing) Community Safety	0.5	0.5	0.0	-	0.0	➔
<b>Regulatory &amp; Operational Services</b>						
Scientific Services	0.0	0.0	0.0	-	0.0	➔
Registration	(0.2)	(0.2)	0.0	-	0.0	➔
Environmental Health	4.2	4.2	0.0	-	0.0	➔
Bereavement Services	(1.2)	(1.2)	0.0	-	0.0	➔
Harbours	0.3	0.3	0.0	-	0.0	➔
Ports	0.0	0.0	0.0	-	0.0	➔
Street Cleansing	5.0	5.0	0.0	-	0.0	➔
Open Spaces	3.1	3.1	0.0	-	0.0	➔
CCTV	0.7	0.7	0.0	-	0.0	➔
(wellbeing) Community Grants	1.0	1.0	0.0	-	0.0	➔
<b>Community Services Total</b>	<b>34.7</b>	<b>34.7</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>➔</b>

### Community Services - key explanations, actions & mitigating controls

#### Cultural Services

Freedom Leisure Contract – there may be an under recovery of income from the contracted schedule of payments in 2023/24 due to changes in the business rate policy and pension contributions as well as benchmarking clauses currently being discussed in relation to the dramatically increased utility costs that are placing significant pressure on the contractor's budget position. The service is continuing to work with the contractor to find solutions to reduce the impact to the Council. A bid may be required, as part of the MTFP process, to reflect the impact of any changes in future years.

Octagon Theatre & Westlands Entertainment Venue – the Council currently subsidises the delivery of this provision to the community. The revenue budgets are currently under pressure from the rising cost of inflation. In addition, The Octagon has been closed to complete survey work and preparatory work as part of the proposed redevelopment tender process. The service is working with finance to review the annual budgets and business plan to see where savings could be made and / or income could be increased to mitigate any variance to the net budget.

## **Housing**

Homelessness – the Council has a statutory duty to assist in the prevention and provision of accommodation to those who are at risk of or become homeless. The service is seeing an increase in the number of approaches and the number of cases which the service has a duty to investigate due to the cost-of-living crisis. The cost of temporary accommodation has also increased due to the economic climate and local demand pressures on B&B and private rented accommodation. Whilst the government is providing £1.6m in the form of a Homelessness Prevention Grant and an extra £940k Ukraine Homeless Prevention Grant, there is a risk that the service will overspend above its base budget from the Council to fulfil its statutory duty. The service's current projections suggest that existing earmarked reserves should cover any overspend in this financial year. To reduce any impact on the MTFP, the service's directorate plan includes implementing a consistent approach, improving performance measures and the development of an accommodation strategy. In addition, the government has pledged a further £1.6m Homelessness Prevention Grant in 2024/25.

### **5. Implications**

5. There are no implications from this report. Scrutiny members are asked to note the information and recommend any actions to Executive Committee.

### **6. Background papers**

6. The information within this paper has been taken from the Executive Committee 6<sup>th</sup> September budget monitoring Month 3, and Month 4 update.

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