

Appendix 4 – Climate and Place, (including Accountable Bodies)

Climate and Place

Lead Members:

- Environment and Climate Change: Cllr Dixie Darch
- Transport and Digital: Cllr Mike Rigby
- Economic Development, Planning & Assets: Cllr Ros Wyke

Executive Director: Mickey Green

Service Directors:

- Climate, Environment and Sustainability: Kirsty Larkins
- Infrastructure and Transport: David Carter
- Economy, Employment and Planning: Paul Hickson

Accountable Bodies

Lead Members:

- Transport and Digital: Cllr Mike Rigby
- Economic Development, Planning & Assets: Cllr Ros Wyke
- Environment and Climate Change: Cllr Dixie Darch

Executive Director: Mickey Green

Service Directors:

- Somerset Rivers Authority: Kirsty Larkins
- Local Enterprise Partnership and Connecting Devon & Somerset: Paul Hickson

Table 1: 2023/24 Climate & Place (including Accountable Bodies) as at the end of September 2023 (Month 6)

- Climate and Place 2023/24 net budget £88m, projected adverse variance £1.7m, favourable movement £0.6m from month five.
- Accountable Bodies 2023/24 net budget £3.7, no projected variance, favourable movement £7m from month five.

Service Area	Current Budget	Full Year Projection	Month 6 Variance	A/(F)	RAG Status	Movement From Month 5
	£m	£m	£m			£m
Climate, Environment & Sustainability						
Climate & Place Management	0.6	0.6	0.0	-	Green	0.0
Business Support	1.3	1.3	0.0	-	Green	0.0
Somerset Waste	49.4	50.0	0.6	A	Red	(0.2)
Drainage Board Levy	2.3	2.3	0.0	-	Green	0.0
Climate Change Costs	0.8	0.8	0.0	-	Green	0.0
Emergency Planning	0.0	0.0	0.0	-	Green	0.0
Flood & Water	0.6	0.6	0.0	-	Green	0.0
Countryside	0.4	0.4	0.0	-	Green	0.0
Mendips AONB	0.0	0.0	0.0	-	Green	0.0
Quantock AONB	0.1	0.1	0.0	-	Green	0.0
sub total	55.5	56.1	0.6	A	Red	(0.2)
Infrastructure & Transport						
Highways & Transport Commissioning	1.8	1.8	0.0	-	Green	0.0
Infrastructure Programmes Group	0.4	0.4	0.0	-	Green	(0.2)
Highways	16.4	17.5	1.1	A	Red	(0.2)
Traffic Management	0.3	0.3	0.0	-	Green	0.0
Transporting Somerset	9.3	9.3	0.0	-	Green	0.0
Car Parks	(6.5)	(6.5)	0.0	-	Green	0.0
Fleet Management	0.4	0.4	0.0	-	Green	0.0
sub total	22.1	23.2	1.1	A	Red	(0.4)
Economy, Employment & Planning						
Development Control	2.0	2.0	0.0	-	Green	0.0
Planning Policy	3.2	3.2	0.0	-	Green	0.0
Economic Development	4.7	4.7	0.0	-	Green	0.0
Building Control	0.5	0.5	0.0	-	Green	0.0
sub total	10.4	10.4	0.0	-	Green	0.0
Accountable Bodies						
Somerset Rivers Authority	3.0	3.0	0.0	-	Green	0.0
Local Enterprise Partnership	0.0	0.0	0.0	-	Green	0.0
Connecting Devon & Somerset (CDS)	0.7	(6.3)	(7.0)	(F)	Green	(7.0)
sub total	3.7	(3.3)	(7.0)	(F)	Green	(7.0)
Climate & Place Total	91.7	86.4	(5.3)	(F)	Green	(7.6)

Climate & Place - key explanations, actions, & mitigating controls

Climate and Place is currently forecasting an outturn variance of £1.7m, a favourable movement of £0.6m since month five. The forecasted overspends are due to the following:

Climate, Environment and Sustainability

- Waste Services is forecasting an overspend of £0.6m at outturn a reduction of £0.2m since month five. The favourable movement is due to additional contract defaults received for the collection contract and lower growth in residual waste tonnage. The overall overspend can be explained by the following:
 - An increase in residual waste has been seen at both the kerbside and recycling centres. The budgeted increase was estimated to be 0.7%, however tonnages figures to the end of month five shows that the actual

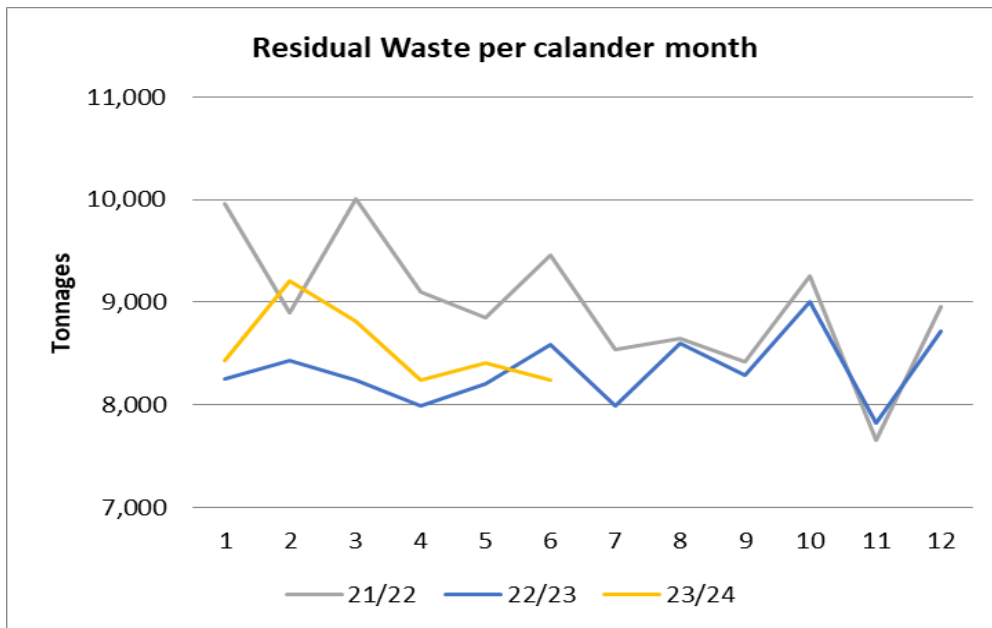
increase for this period is 5.0%. Residual tonnages have reduced but the overall tonnage growth across all waste streams remains high. This trend has been forecast to continue for the remainder of the year for budget monitoring. The impact of increased waste volumes has been partially offset by a lower than budgeted inflationary increase to contractor rates.

- The additional bank holiday for the King's coronation, meant that there was an impact on waste collections and was not anticipated in budgets.
- Legislation change for the treatment of POPs (persistent organic pollutants, typically fire-retardant coatings in furniture) has increased contractor costs.
- An anticipated change of legislation due in January 2024 regarding DIY waste (removing charges at recycling centres) adds further pressures to the waste budget.
- Waste services have been able to negotiate an improved pay award shared with Suez, however this has provided a further unbudgeted pressure within the service. This however has avoided any strike action which would have caused disrupted waste collections across the County and resulted in significant costs.

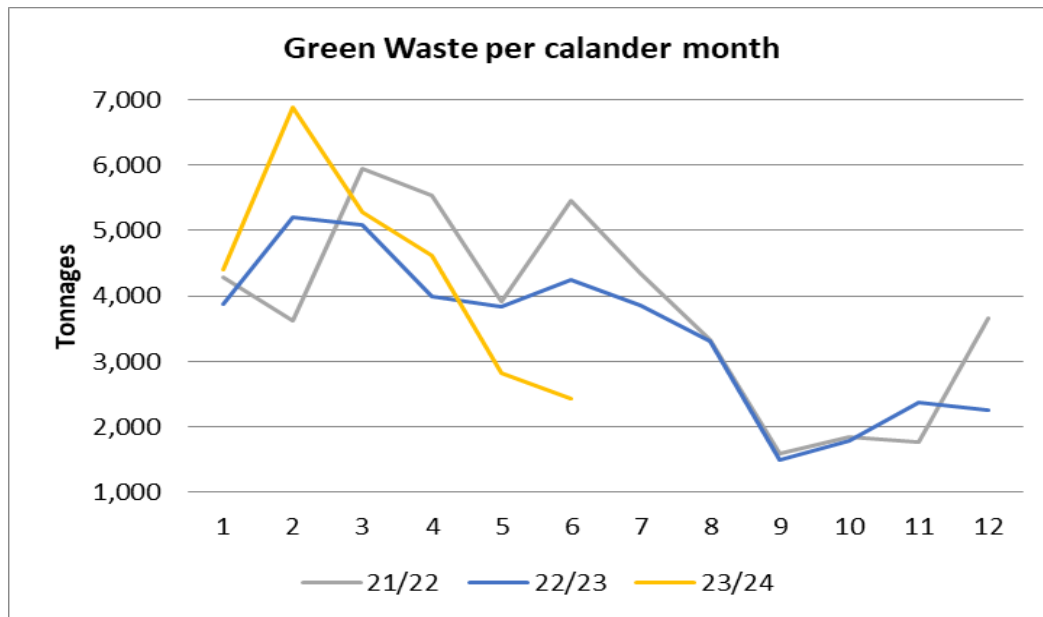
Infrastructure and Transport

- Highways is currently forecasting an overspend of £1.1m at outturn, this is a favourable movement of £0.2m since month five. The favourable movement is due to vacant posts, one off income in Rights of Way and funding from Commuted Sums. As many authorities are finding this is due to an increase in Safety defects across the road network. The service continues to work hard to successfully complete the investigation and repair works. This pressure is a continuation of the situation that Somerset County Council reported in 2022/23.
- Infrastructure Programmes Group had highlighted pressures of £0.2m in month five relating to allocating salary costs against capital schemes. Since month five the service has been able to absorb the pressure into existing budgets and therefore is showing a favourable movement of £0.2m at month six.

Climate & Place - key performance cost drivers



The above graph shows the residual waste (per tonnage) per month. The residual waste includes Kerbside collected waste and waste deposited at the recycling centre. The graph currently shows the reduction of waste in 2022/23 compared to 2021/22, however this highlights the unexpected increase in tonnages for 2023/24. An additional bank holiday collection due to the Kings Coronation in May and a subsequent alteration to waste collection days (that lead to a temporary relaxation inside waste policy), increased tonnage, and pressure on the Recycling Centres. Further pressures on the residual waste service during May and June arose from the disposal of flood damaged materials. Residual Waste during from July to September have reduced and are more aligned to 2022 levels.



The above graph shows the green waste (per tonnage) per month. It is expected to see a downwards trend between month 6-12 (September to April) due to the seasonality of garden waste. The graph currently highlights a higher tonnage of green waste compared to 2021/22 and 2022/23 for the early months of 2023/24, this has been driven by the unusually mild, damp, weather this year propagating plant growth and increasing the moisture content of the material. Volumes have dropped significantly for August and September.

Climate & Place - key risks, future issues & opportunities

Due to the current economic climate, there are several key risks and future issues that need to be taken into consideration:

- **Contract inflation** is applied at various times throughout the year, as the increase in contract could be led by RPI or CPI it is currently difficult to predict accurately what the impact for each contract might be. In addition, there are a number of contractual disputes which are being worked through. It is anticipated that these can be resolved in a timely matter, but in resolution may see increased costs agreed.
- **Impact of cost-of-living crisis.** As costs continue to rise, spending habits may change therefore it is possible that services across Economic and Community Infrastructure will see a decrease in income budgets.
- **Staff vacancy levels.** Difficulties in recruiting permanent staff across Climate and Place continue to impact on the ability to deliver services, where possible

agencies have been used to fulfil critical roles. However, this has a financial impact as generally the cost of these staff is higher than budgeted for. This reflects the national picture and is the same across a number of sectors.

- **Road Safety.** There has been an increase of killed or seriously injured accidents across the authority. The role of the Council is to educate and prevent accidents on the network, therefore with an increase of accidents it is likely that there will be some intervention needed to prevent further instances.
- **Systems and Reporting.** Finance is continuing to work with service to bring together and understand five legacy authority budgets. There is a great deal of work to do to understand, relocate and align the legacy information to make one budget for Climate and Place. This work runs alongside the implementation of the new MS Dynamics finance system and Solver budget monitoring interface. It is there important to note that this may result in unknown under or overspends for the service.

Risks can be identified due to the change in climate. It is exceedingly difficult to be able to identify financially what the impact of climate change will be year on year, but risks with a potential financial impact include:

- Icy conditions will see a high demand on the Highways service to grit primary and secondary routes.
- Increased rainfall which has raised the risk of flooding across the County. This will require input from the Emergency Planning department, Highways and Traffic Management to help ensure residents can safely navigate around the affected areas.
- The extreme changes in weather will impact the road surfaces which continues to increase the safety defects reported and increases the costs of investigation and corrective action for potholes.

Accountable Bodies

Somerset Rivers Authority (SRA)

Somerset Rivers Authority is currently reporting to be within budget and are not anticipating any draws from or to reserves.

Local Enterprise Partnership (LEP)

LEP is currently reporting to be within budget and are not anticipating any draws from or to reserves.

Connecting Devon & Somerset (CDS)

The Connecting Devon and Somerset (CDS) programme included a phase one contract with British Telecommunications plc. To meet state aid requirements that contract included provisions which allowed for "clawback" of public subsidy where take up of services exceeded the levels which the supplier had modelled. Delivery has completed and the contractual monitoring period to calculate amounts of clawback is now operational. The supplier is contracted to provide its calculation of the final clawback amount as of 31 March 2024, after which date relevant clawback funds are to be returned to CDS. The CDS collaboration will process any clawback so that collaborating public sector funders receive a proportionate return based on their original investment. At this initial stage it is estimated that the sum accruing to Somerset council is likely to be in the region of £7 million although this is subject to potential change.

Accountable Bodies - key risks, future issues & opportunities

Somerset Council acts as the accountable body for the Heart of the Southwest LEP, providing a service across the core functions of the LEP and its programmes. This is in the context of an assurance framework for this programme funding meeting Government principles and expectations. In performing these functions, Somerset Council works closely with the LEP core team, and the services Somerset Council provides are specified and resourced via a service level agreement between the LEP and Somerset Council.

LEP performance is subject to periodic assessment and an annual formal review by Government – the most recent of these for 2022/23 looked positively on Somerset Council's accountable body services to the LEP.

The Government is ceasing funding of LEPs from April 2024 and expects their functions to be integrated into local authorities post that date. Somerset Council is working with the other local authorities in the Heart of the Southwest area and the LEP to plan for this transition – and integration plan is being developed as required by Government for this. The Council is also working with the LEP and partner Local Authorities to agree how residual budgets and LEP assets are apportioned at this point.