



Somerset Council
Community Services Scrutiny Committee
14th February 2024

2023/24 Budget Monitoring Report – Month 9 update (end December)
Lead Officer: Jason Vaughan, Executive Director Resources and Corporate (S151)
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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 considered the month 9 budget monitoring update report at its meeting February 2024 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 £509.7m against the 2023/24 budget of £492.2 as at the end of December 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 9 are:

- Adult Services have 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 an increase in fee levels for both care home placements and delivery of home care.
- Children's Services have a £15.3m adverse variance against their budget (12.5% of service budget), an unfavourable movement of £1.4m from month seven. The overall variance predominantly relates to external placements, fieldwork (support for children at home), and SEND transport budgets, whilst the unfavourable movement is due to the unachievable MTFP saving of step downs from residential to in-house fostering.
- Community Services have a £0.3m favourable variance against a budget of £36.5m (0.8% of Service budget). The underspend is in relation to the Theatres budget which is due to additional income from ticket sales and underspends on premises budgets.
- Climate & Place (including Accountable Bodies) has a favourable variance of £7.0m against their budget of £93.6m (7.5% of service budget). This is a reduction of £1.6m since month seven. The underspend mainly relates to income received via Connecting Devon and Somerset.
- Strategy, Workforce & Localities have a £0.1m adverse variance (0.4% of service budget) which is a favourable movement of £0.8m from month seven. The overspend relates to external legal costs where specific expertise is required. This overspend is offset by vacancies and reducing Learning and Development costs by focusing on e-learning, statutory and mandatory training.
- Resources & Corporate Services have a £2.4m favourable variance (10.3% of service budget). Most of the favourable variance is seen in Finance & Procurement and Information Communication Technology Services and relates to the holding of vacant posts and additional grant income.
- Non-Service has a favourable variance of £3.5m due to once-off, in-year favourable treasury management activities, together with careful management of the Council's cashflow, which has at times seen higher than anticipated cashflow levels.

4. Table 1: 2023/24 Corporate Budget Monitoring Report as at the end of December 2023 (Month 9)

Service Area	Original Budget £m	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 9 Variance £m	A/(F)	RAG Status	Movement From Month 7 £m
Adult Services									
Adult Social Care Operations:									
Physical Disability/Sensory Loss/65 Plus	111.9	140.8	(26.6)	114.2	119.5	5.3	A	Red	0.0
Mental Health	26.5	28.3	(4.6)	23.7	24.7	1.0	A	Red	0.0
Learning Disabilities	110.4	116.7	(6.9)	109.8	117.3	7.5	A	Red	0.0
Adult Social Care Commissioning	(62.2)	6.7	(68.9)	(62.2)	(61.1)	1.1	A	Red	0.0
Adult Services Total	186.6	292.5	(107.0)	185.5	200.4	14.9	A	Red	0.0
Children, Families & Education Services									
Children & Families	81.8	95.3	(13.3)	82.0	95.1	13.1	A	Red	1.1
Commissioning & Performance	10.5	14.1	(3.5)	10.6	10.5	(0.1)	(F)	Green	(0.0)
Inclusion	12.6	79.8	(64.5)	15.3	17.5	2.2	A	Red	0.1
Education, Partnerships & Skills	17.4	29.7	(15.6)	14.1	14.3	0.2	A	Amber	0.2
Childrens Services	0.7	1.1	(0.4)	0.7	0.6	(0.1)	-	Green	0.0
Children, Family & Education Services Total	123.0	220.0	(97.3)	122.7	138.0	15.3	A	Red	1.4
Community Services									
Housing	5.9	10.3	(4.0)	6.3	6.3	0.0	-	Green	0.0
Customer Services	7.0	9.2	(3.2)	6.0	6.0	0.0	-	Green	0.0
Cultural Services	9.3	13.4	(3.9)	9.5	9.2	(0.3)	(F)	Green	(0.3)
Regulatory & Operational Services	12.4	25.8	(11.1)	14.7	14.7	(0.0)	(F)	Green	(0.0)
Community Services Total	34.6	58.7	(22.2)	36.5	36.2	(0.3)	(F)	Green	(0.3)
Climate & Place									
Climate, Environment & Sustainability	54.6	63.6	(8.7)	54.9	55.0	0.1	A	Amber	(0.5)
Infrastructure & Transport	22.5	49.8	(25.3)	24.5	25.1	0.6	A	Red	(0.4)
Economy, Employment & Planning	10.6	19.1	(8.3)	10.8	10.1	(0.7)	(F)	Green	(0.7)
Accountable Bodies	3.7	6.2	(2.8)	3.4	(3.6)	(7.0)	(F)	Green	0.0
Climate & Place Total	91.4	138.7	(45.1)	93.6	86.6	(7.0)	(F)	Green	(1.6)
Strategy, Workforce & Localities									
Partnership & Localities	0.8	3.4	(0.2)	3.2	3.2	(0.0)	(F)	Green	(0.0)
Strategy & Performance	3.2	8.0	(2.2)	5.8	5.2	(0.6)	(F)	Green	(0.6)
Workforce	6.0	10.9	(4.1)	6.8	6.1	(0.7)	(F)	Green	(0.2)
Governance, Democratic & Legal Services	10.2	10.4	(1.5)	8.9	10.3	1.4	A	Red	(0.0)
Strategy, Workforce & Localities Total	20.2	32.7	(8.0)	24.7	24.8	0.1	A	Amber	(0.8)
Resources & Corporate Services									
Finance & Procurement	11.9	118.8	(104.1)	14.7	13.6	(1.1)	(F)	Green	0.3
Strategic Asset Management	(9.2)	19.4	(28.8)	(9.4)	(9.3)	0.1	A	Amber	0.0
Information Communication Technology	17.8	20.9	(2.9)	18.0	16.6	(1.4)	(F)	Green	0.1
Resources & Corporate Services Total	20.5	159.1	(135.8)	23.3	20.9	(2.4)	(F)	Green	0.4
Public Health	1.2	23.6	(22.6)	1.0	1.0	0.0	-	Green	0.0
Corporate Management	0.5	1.3	0.0	1.3	1.3	0.0	-	Green	0.0
Non-Service	9.3	72.0	(74.1)	(2.1)	(5.6)	(3.5)	(F)	Green	0.0
Traded Services Total	0.0	1.8	(1.8)	0.0	0.4	0.4	A	Red	0.1
Total Service Position	487.3	1,000.4	(513.9)	486.5	504.0	17.5	A	Red	(0.8)
Corporate Contingency	6.0	5.7	0.0	5.7	5.7	0.0	-	Green	0.0
Total After Contingencies	493.3	1,006.1	(513.9)	492.2	509.7	17.5	A	Red	(0.8)
Reserves	(19.9)	0.3	(19.9)	(19.6)	(19.6)	0.0	-	Green	0.0
Transfers to Schools	0.0	0.8	0.0	0.8	0.8	0.0	-	Green	0.0
Council Tax	(345.4)	0.0	(345.4)	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	(116.1)	0.0	(116.1)	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	(7.9)	0.0	(7.9)	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	(4.0)	0.0	(4.0)	(4.0)	(4.0)	0.0	-	Green	0.0
Total Position	0.0	1,007.2	(1,007.2)	0.0	17.5	17.5	A	Red	(0.8)

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

Service Directors:

- Housing: Chris Brown
- Culture: Elizabeth Dawson
- Customers: Jan Stafford
- Regulatory and Operational: Sarah Dowden

- 2023/24 net budget £36.5m, projected favourable variance of £0.3m, a positive movement of £0.3m.

Table below: 2023/24 Community Services as at the end of December 2023 (Month 9)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 9 Variance £m	A/(F)	RAG Status	Movement From Month 7 £m
Housing								
Housing Strategy	0.5	(0.2)	0.3	0.3	0.0	-	Green	0.0
Housing Options	7.4	(2.4)	5.0	5.0	0.0	-	Green	0.0
Housing Enabling	0.6	(0.1)	0.5	0.5	0.0	-	Green	0.0
Private Sector Support/ DFG's (SIP)	0.9	(0.4)	0.5	0.5	0.0	-	Green	0.0
Displaced Person Service	0.8	(0.8)	0.0	0.0	0.0	-	Green	0.0
Other Costs & Income	0.1	(0.1)	0.0	0.0	0.0	-	Green	0.0
sub total	10.3	(4.0)	6.3	6.3	0.0	-	Green	0.0
Customer Services								
Customers & Communities	9.2	(3.2)	6.0	6.0	0.0	-	Green	0.0
sub total	9.2	(3.2)	6.0	6.0	0.0	-	Green	0.0
Cultural Services								
Library Service	5.1	(0.7)	4.4	4.5	0.1	A	Red	0.1
Heritage Service	1.7	0.0	1.7	1.7	0.0	-	Green	0.0
Leisure - Sports Centre	2.6	(0.5)	2.1	2.1	0.0	-	Green	0.0
Museums	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Theatres	3.4	(2.4)	1.0	0.6	(0.4)	(F)	Green	(0.4)
Visitor Centres	0.3	(0.3)	0.0	0.0	0.0	-	Green	0.0
Tourism	0.2	0.0	0.2	0.2	0.0	-	Green	0.0
(wellbeing) Community Grants	0.1	0.0	0.1	0.1	0.0	-	Green	0.0
sub total	13.4	(3.9)	9.5	9.2	(0.3)	(F)	Green	(0.3)
Regulatory & Operational Services								
Registration	2.1	(1.9)	0.2	0.1	(0.1)	(F)	Green	(0.1)
Environmental Health	4.6	(0.3)	4.3	4.3	0.0	-	Green	0.0
Bereavement Services	1.1	(2.3)	(1.2)	(1.3)	(0.1)	(F)	Green	(0.1)
Harbours	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Ports	0.2	(0.1)	0.1	0.1	0.0	-	Green	0.0
Street Cleansing	5.9	(0.9)	5.0	4.8	(0.2)	(F)	Green	(0.2)
Open Spaces	6.9	(3.5)	3.4	3.4	0.0	-	Green	0.0
Public Conveniences	0.6	(0.2)	0.4	0.4	0.0	-	Green	0.0
(wellbeing) Community Safety	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
CCTV	0.8	(0.1)	0.7	0.9	0.2	A	Red	0.2
Licensing	0.8	(1.1)	(0.3)	(0.3)	0.0	-	Green	0.0
Resorts	0.4	(0.2)	0.2	0.3	0.1	A	Red	0.1
Coroners	1.3	0.0	1.3	1.3	0.0	-	Green	0.0
Operational Support	0.7	(0.1)	0.6	0.6	0.0	-	Green	0.0
Scientific Services	0.4	(0.4)	0.0	0.1	0.1	A	Red	0.1
sub total	25.8	(11.1)	14.7	14.7	(0.0)	(F)	Green	(0.0)
Community Services Total	58.7	(22.2)	36.5	36.2	(0.3)	(F)	Green	(0.3)

Community Services - key explanations, actions & mitigating controls

Housing Services

Currently no variance is declared although despite significant challenges with the year relating to demand, process and transition the housing options service believe spend at quarter three is 64% of budget. If this performance continues this will

lead to an in-year underspend. this was significantly helped by a £0.960m additional homeless prevention grant uplift.

The Housing Options service has seen increased use of Bed & Breakfast accommodation and increased reliance on agency staff. Actions are being progressed by the service to mitigate these additional costs in the future through improved process and structural change. There is also an increase in demand for the service due to flooding and winter pressures. Although the service has a core council budget of £4.9m the service has significant grant income increasing its budget to over £9.5m. The significant spend pressures are:

- Additional spend of **£0.960m** projected in respect of homelessness.
- **£0.270m** additional spend in respect of rough sleeping.

The **£1.230m** additional costs are to be fully funded by government grants which are ringfenced to this service area.

The Housing Enabling and Housing Strategy services are expected to generate a small budget saving by quarter four c100k primarily due to in year staffing cost savings and income from grant and fees.

The Displaced Persons Service is 100% grant funded and will break even with underspends carrying forward to support the service in 2024/2025.

The Private Sector Support/SIP service is anticipated to break even plus has been able to reduce its fee income from Adult Social Care for 2023/2024 by £0.250m.

Cultural Services

There is an anticipated underspend in respect of Theatres which is due to additional income from ticket sales for the performances at the Westlands Entertainment Centre, in addition there are expected underspends on premises budgets.

The previously reported pressures in respect of Leisure – Sports Centres have been covered by savings on other budgets within the service.

Regulation & Operations

Open Spaces functions were previously carried out by the district councils, these include services such as ground maintenance. This service is seeing pressures on budgets in the region of £0.9m. This relates to a reduction in budgeted income associated with the loss of income from a ground's maintenance contract provided

by the council to an external client. This contract ended in 2021/22. The service expenditure budget was reduced as part of the budget setting process, but the income budget was not reduced to reflect this change. Therefore, this income target will not be achieved. A growth bid has been submitted to amend this income budget estimate going forwards.

The service has been reviewing all areas to establish in year savings that can be offset against the remaining spend pressures. This work still has some significant lines of enquiry which, it is anticipated, will cover the spend pressures that the service is incurring.

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 February budget monitoring.

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