

Somerset Council Balance Sheet Review

Lead Member(s): Deputy Leader of the Council and Lead Member for Resources and Performance, Cllr Liz Leyshon

Local Member(s) and Division: Resources & Corporate Services

Lead Officer: Executive Director Resources & Corporate Services, Jason Vaughan

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Summary

1. As part of the Financial Strategy approved by the Executive was an action to complete a financial sustainability and resilience review for Somerset Council in the light of 2022/23 statement of accounts for the five-predecessor councils. The purpose of this review was to provide some assurance by comparing Somerset's opening Balance Sheet position against the nine neighbouring unitary authorities that are most similar to Somerset in terms of population size and location.
2. The review has been undertaken independently and was report to the Audit Committee at its December 2023 meeting.
3. The report contained 27 recommendations and the suggested action plan has now been populated with the Councils response, owner expected delivery date and which committee it will be reported to.

Recommendations

4. The Audit Committee reviews the action plan and Councils response to it.

Financial and Risk Implications

5. It is clear that the scale of financial challenges facing the Council are significant. There is also more risk and uncertainty for the new Council until all the external audits of the 2022/23 accounts from the predecessor councils are finalised. Given the size of the updated budget gap, Strategic Risk ORG0057 Sustainable MTFP has the highest score possible.

Likelihood	5	Impact	5	Risk Score	25
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Implications

6. As set out in the Balance Sheet Review.

Legal Implications

7. There are no direct legal implications of this report.

Background Papers

8. Balance Sheet Review Report to December 2023 Audit Committee
9. Monthly budget monitoring reports to Scrutiny & Executive
10. Financial Strategy report to July 2023 Executive

Appendices

Appendix 1 – Balance sheet review with action plan