

Appendix 8 – Other Service Areas (including Collection Fund)

Corporate Management

Lead Member for Non-Service: Cllr Liz Leyshon

Executive Director: Jason Vaughan

Corporate Management - key explanations, actions, & mitigating controls

The majority of the adverse variance in Corporate Management can be attributed to Central Redundancies where the budget was removed during a previous MTFP process. Various non-LGR related MTFP savings, which have not yet been attributed to a service, were allocated here resulting in a £0.6m overspend.

Apprenticeship Levy budget is £0.1m overspent due to the Somerset Council funded share of the costs being higher than anticipated at budget setting.

Non-Service

Lead Member for Non-Service: Cllr Liz Leyshon

Executive Director: Jason Vaughan

Non-Service - key explanations, actions, & mitigating controls

Financing Transactions

The outturn for the year in relation to Financing Transactions is an underspend of £9.9m. This is largely due to the level of borrowing being less than anticipated when the budget was set enabling a saving of £9.6m offset by an under achievement of investment income of £0.9m, due to using cash balances rather than borrowing, therefore having less cash to invest. The Minimum Revenue Position budget is expected to be underspent by £1.2m.

Corporate Costs and Non-Distributed Costs (CDC/NDC):

The outturn position for Corporate Costs and Non-distributed Costs is a £0.3m favourable variance. This is mainly due to the pension deficit budget being underspent by £0.7m because the general fund proportion of the charge was lower than first anticipated at budget setting. This is offset by a repayment of the Covid-19 Sales, Fees and Charges Compensation Scheme grant relating to 2020-21.

Traded Services

Lead Member for Traded Services: Cllr Heather Shearer

Executive Director: Claire Winter

Traded Services are required to set a net nil budget with full costs offset by income generated.

Traded Services - key explanations, actions, & mitigating controls

Dillington's deficit for the year is £2.6m due to operating costs and closure costs. Funding was set aside in an earmarked reserve to cover the costs of Dillington and therefore this overspend will be funded from the earmarked reserve.

Contingencies

Lead Member for Contingencies: Cllr Liz Leyshon

Executive Director: Jason Vaughan

Contingencies - key risks, mitigations, future issues, and opportunities

£0.1m has been allocated to the Strategic Asset Management budget to cover the costs associated with work on Reinforced Autoclaved Aerated Concrete (RAAC) surveys. A further £0.9m has been allocated for Tiers 1-3 costs, with the remaining £4.4m allocation to cover the remaining pay award costs which were over and above the pay award budget for 2023-24. This leaves the contingencies budget £0.6m underspent.

Core Revenue Funding

Lead Member for Core Revenue Funding: Cllr Liz Leyshon

Executive Director: Jason Vaughan

Core Revenue Funding - key explanations, actions, & mitigating controls

Grants

The favourable variance of £0.5m for Grants is due to receiving confirmation that the Rural Services Delivery grant and the 2023/24 Services grant will be higher than budgeted. The grant confirmation was received after the budget setting process.

Collection Fund

The collection fund has a small favourable variance which will be contributed to reserves.