

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

Climate & Place

Lead Members:

- Public Health, Climate Change and Environment: Cllr Graham Oakes
- Transport and Waste Services: Cllr Richard Wilkins
- Economic Development, Planning & Assets: Cllr Mike Rigby

Executive Director: Mickey Green

Service Directors:

- Climate, Environment & Sustainability: Kirsty Larkins
- Infrastructure & Transport: Mike O'Dowd-Jones
- Economy, Employment & Planning: Paul Hickson

Accountable Bodies

Lead Members:

- Transport and Waste Services: Cllr Richard Wilkins
- Economic Development, Planning & Assets: Cllr Mike Rigby
- Public Health, Climate Change and Environment: Cllr Graham Oakes

Executive Director: Mickey Green

Service Directors:

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

2024/25 Climate & Place, (including Accountable Bodies) as at the end of July 2024 (Month 4)

- 2024/25 Current net budget £93.0m, forecast overspend of £4.4m, an increase of forecast overspend of £0.1m from month 3.
- 2023/24 Final net budget £90.9m, outturn favourable variance of £14.1m

Service Area	Current	Current	Current	Full Year	Month 4	A/(F)	RAG Status	Movement
	Expenditure Budget	Income Budget	Net Budget	Projection	Variance			From Month 3
	£m	£m	£m	£m	£m			£m
Climate, Environment & Sustainability								
Climate & Place Management	0.3	0.0	0.3	0.3	0.0	-	Green	0.0
Business Support	1.4	0.0	1.4	1.4	0.0	-	Green	0.1
Somerset Waste	58.3	(6.8)	51.5	54.6	3.1	A	Red	0.1
Drainage Board Levy	2.3	0.0	2.3	2.3	0.0	-	Green	0.0
Climate Change Costs	3.2	(1.9)	1.3	1.3	0.0	-	Green	0.1
Emergency Planning	1.3	0.0	1.3	1.3	0.0	-	Green	0.0
Flood & Water	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Countryside	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Mendips AONB	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Quantock AONB	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Ecology	0.0	0.0	0.0	0.0	0.0	-	Green	(0.2)
sub total	66.8	(8.7)	58.1	61.2	3.1	A	Red	0.1
Infrastructure & Transport								
Highways & Transport Commissioning	1.7	(0.7)	1.0	1.0	0.0	-	Green	0.0
Infrastructure Programmes Group	1.3	(1.1)	0.2	0.5	0.3	A	Red	0.0
Highways	18.1	(0.8)	17.3	18.0	0.7	A	Red	0.0
Traffic Management	6.9	(4.7)	2.2	2.2	0.0	-	Green	0.0
Transporting Somerset	15.4	(6.3)	9.1	9.1	0.0	-	Green	0.0
Car Parks	6.0	(13.0)	(7.0)	(7.0)	0.0	-	Green	0.0
Fleet Management	0.8	(0.3)	0.5	0.5	0.0	-	Green	0.0
sub total	50.2	(26.9)	23.3	24.3	1.0	A	Red	0.0
Economy, Employment & Planning								
Development Control	6.8	(5.4)	1.4	1.4	0.0	-	Green	0.0
Planning Policy	3.4	0.0	3.4	3.4	0.0	-	Green	0.0
Economic Development	5.1	(1.8)	3.3	3.3	0.0	-	Green	0.0
Building Control	1.8	(1.5)	0.3	0.3	0.0	-	Green	0.0
Regeneration and Major Projects	0.1	0.0	0.1	0.1	0.0	-	Green	0.0
Land Charges	0.6	(1.1)	(0.5)	(0.2)	0.3	A	Red	0.0
sub total	17.8	(9.8)	8.0	8.3	0.3	A	Red	0.0
Accountable Bodies								
Somerset Rivers Authority	3.1	0.0	3.1	3.1	0.0	-	Green	0.0
Local Enterprise Partnership	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Connecting Devon & Somerset (CDS)	1.0	(0.5)	0.5	0.5	0.0	-	Green	0.0
sub total	4.1	(0.5)	3.6	3.6	0.0	-	Green	0.0
Climate & Place Total	138.9	(45.9)	93.0	97.4	4.4	A	Red	0.1

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

Climate and Place (including Accountable Bodies) outturn position is currently forecasting an adverse variance of £4.4m, an adverse movement of £0.1m since month 3.

The variances across Climate and Place are due to the following:

Climate, Environment and Sustainability

Waste Service is forecasting to be £3.1m overspent at outturn, this is due to the pressure on the service via the negotiations with the Waste collection contract. The settlement will include increased contractor payments for the remaining six years of the contract totalling £47.0m, this is currently an unfunded pressure for the service. Work will continue to understand how this will be funded moving forward.

It is worth noting that the service is volatile and is subject to fluctuating demands with outside influences such as the weather, impacting the volumes of waste presented at both the kerbside and recycling centres.

It is important to note that the Waste Services budget includes an MTFP saving of £0.9m, work is ongoing to identify this saving and it is currently unknown if the full saving will be achieved in this financial year. If this is not achieved the forecasted overspend will increase, finance will continue to work with the service and will highlight the additional pressure as early as possible.

Ecology is forecast as on budget at month 4. This is a favourable movement of £0.2m from month 3.

Climate Change is forecast as on budget at month 4. This is an adverse movement of £0.1m from month 3.

Infrastructure and Transport

Highways is forecasting an overspend of £0.7m, there is no change from month 3. In the main this is due to forecasted overspends with in safety defects (£0.6m), an increase in vehicle costs (£0.1m). The service also has had an increase to the Insurance Premium for Public Liability (£0.2m). The pressures in the service can be off set slightly due to forecasted underspends in Street Lighting costs, and a reduction in staff costs.

The service is currently forecasting that the winter maintenance, salt purchase and emergency budgets will come in on budget. At present it is difficult to know the true impact on these budgets as these will be impacted by extreme weather throughout the year. Finance will continue to monitor these with the service and will adjust forecasts accordingly.

Infrastructure Programmes Group is forecasting an overspend of £0.3m. The service currently has an MTFP saving of this value to capital salary costs against project. The service and Finance are currently reviewing what salary costs can be truly capitalised and until the work is completed it is not possible to confirm how much of this MTFP is achievable.

Economy, Employment and Planning

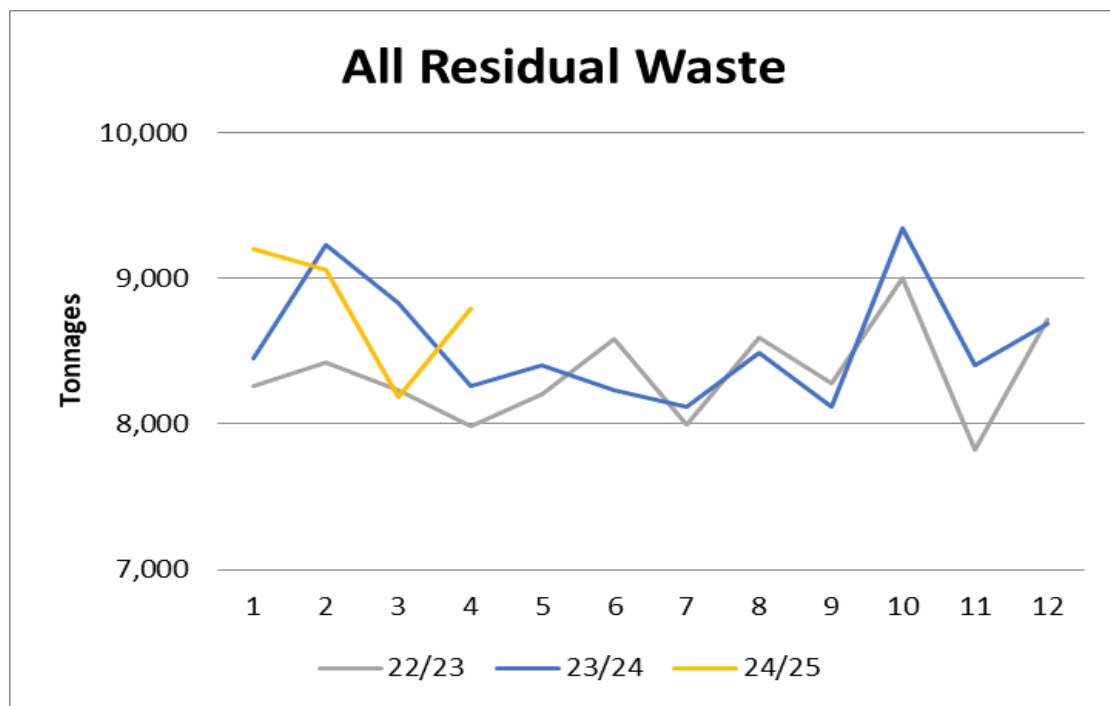
Land Charges is currently forecasting an overspend of £0.3m, this is due a recurring structural pressure in the budget resulting from over-estimation of income for the service. Land Charges has moved into the service from April 2024 and had a similar under recovery of income in 2023/24 which was mostly likely due to Covid-19 and the artificial inflation of the housing market. Work has started to look at this area, but it is dependent on the number of applications received so it is difficult to increase income easily.

All other areas within Economy, Employment and Planning are reporting to be within budget, however it is important to note that there are risks associated with them which will impact the outturn position of the service:

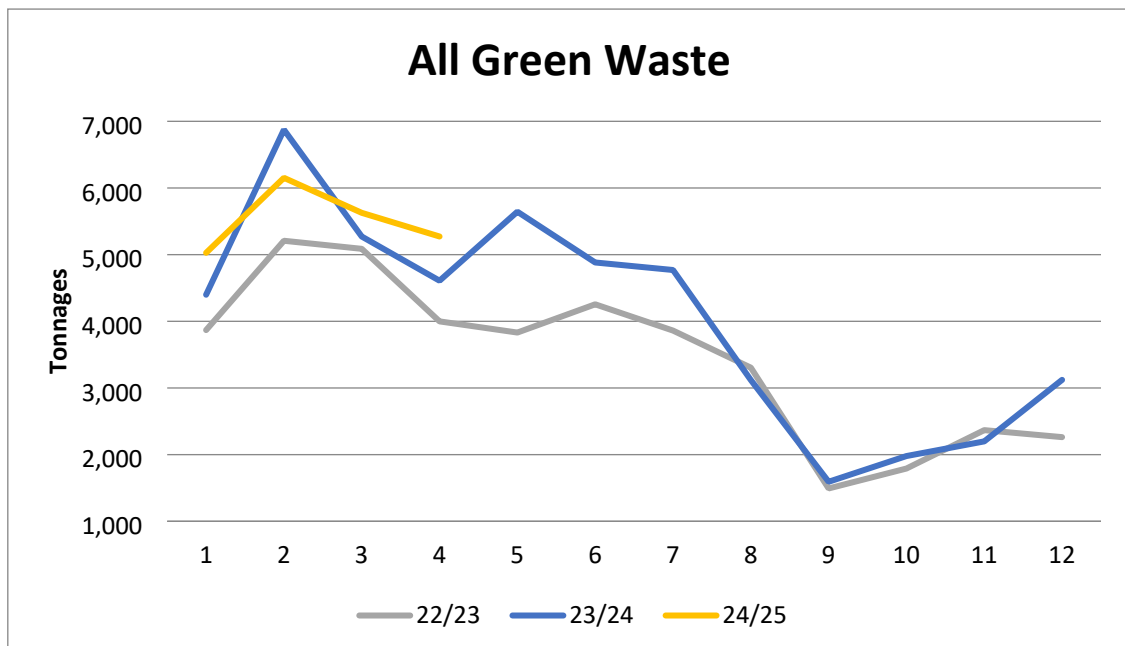
Building Control - fee income is slightly lower than the anticipated budget for the period, if this continues it may be possible to mitigate this by reducing expenditure within the building control service.

Development management – at present the service has achieved its target for the first four months of 2024/25. It is important to note that this budget area is dependent on numbers of applications submitted, therefore this will be monitored carefully and should applications reduce the impact will be seen in the outturn position. Agency costs are increasing due to the staff turnover within the service.

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 shows a reduction in tonnages for June with a “bounce back” in July.



The above graph shows the green waste (per tonnage) per month. Green waste volumes are significantly impacted by the weather conditions during the growing season. The trends for the current year are higher than budgeted.

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.
- **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 fill 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 several sectors.
- **Income generation.** Many Climate and Place services are financed wholly or in part by fees and charges. Throughout the MTFP process savings have been based on additional income projections. These services are typically demand driven and dependant and, in many cases, influenced by the economic cycle and construction rates. In some cases, changes to government policy have given users and customers of the services additional powers to seek the return of income linked to service delivery timescales. All these factors imply risks for climate and place services meeting income targets.
- **Commercial viability of public transport services.** The future financial sustainability of public transport bus services remains uncertain. Any reduction

in public transport grants by the incoming Government could trigger significant withdrawal of commercial services and increase pressure on the council to subsidise services that are no longer commercially viable.

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)

Current forecasts suggest that the SRA are to be within budget, any overspends will be funded from the SRA reserve.

Local Enterprise Partnership (LEP)

The LEP disbanded in April 2024 and will now report under Economy, Employment and Planning, and will no longer be reported for separately under Accountable Bodies

Connecting Devon & Somerset (CDS)

The Connecting Devon and Somerset (CDS) programme expects to be on budget. CDS are continuing to monitor and review their position as the Superfast Contracts move forward:

- The contract with Wessex Internet is continuing to move at pace with most of the remaining milestones planned for technical and financial assurance in this financial year. 2 milestones are currently in financial assurance with a further 12 expected to go through Technical and Financial assurance in the next 6-8 weeks.
- Our contractor Airband has been through a period of restructure and the CDS team are working with Airband to determine the timeline for this contract. 1 milestone is currently in financial assurance with a further 3 expected to go through Technical and Financial assurance in the next 6-8 weeks.
- Build recently completed on the Openreach contract and it is going through the final closure process, CDS are working with the contractor and BDUK on this process. The final position on the clawback position from this contract will be known shortly as we move towards closure.
- The next phase of the Mobile Booster scheme has launched and is expected to run until late 2024/25.

- The CDS Team continue to work closely with the external funders as the contracts move forward.