

Appendix E – 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 September 2024 (Quarter 2)

- 2024/25 Current net budget £94.202m, forecast overspend of £3.213m, a decrease of £1.082m from Month 5.
- 2023/24 Final net budget £90.9m, outturn underspend of £14.1m

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 6 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 5 £m
Climate, Environment & Sustainability										
Climate & Place Management	0.304	-	0.304	0.304	-	On-budget	Green	-	-	-
Business Support	0.946	(0.018)	0.928	0.928	-	On-budget	Green	-	-	-
Waste Services	58.103	(6.769)	51.334	54.434	3.100	Overspend	Red	-	3.100	-
Drainage Board Levy	2.295	-	2.295	2.295	-	On-budget	Green	-	-	-
Climate & Natural Environment	4.089	(2.071)	2.018	1.980	(0.038)	Underspend	Green	-	-	0.000
Resilience & Adaptation	1.248	(0.041)	1.207	1.247	0.040	Overspend	Amber	-	0.040	0.040
sub total	66.985	(8.899)	58.086	61.188	3.102	Overspend	Red	-	3.140	0.040
Infrastructure & Transport										
Highways & Transport Commissioning	2.167	(0.735)	1.432	1.182	(0.250)	Underspend	Green	-	-	(0.250)
Infrastructure Programmes Group	1.293	(1.061)	0.232	0.507	0.275	Overspend	Red	0.275	-	-
Highways	18.604	(0.832)	17.772	18.416	0.644	Overspend	Red	0.965	-	(0.016)
Traffic Management	5.167	(4.668)	0.499	0.099	(0.400)	Underspend	Green	-	-	(0.400)
Transporting Somerset	15.568	(6.277)	9.291	9.291	-	On-budget	Green	-	-	-
Car Parks	6.008	(13.042)	(7.034)	(7.335)	(0.301)	Overachievement	Green	-	-	(0.301)
Fleet Management	0.881	(0.345)	0.536	0.536	-	On-budget	Green	-	-	-
sub total	49.688	(26.960)	22.728	22.696	(0.032)	Underspend	Green	1.240	-	(0.967)
Economy, Employment & Planning										
Development Control	7.849	(5.351)	2.498	2.498	-	On-budget	Green	-	-	-
Planning Policy	3.313	(0.139)	3.174	3.174	-	On-budget	Green	-	-	-
Economic Development	5.724	(2.005)	3.719	3.663	(0.056)	Underspend	Green	-	-	-
Building Control	2.187	(1.533)	0.654	0.653	(0.001)	Underspend	Green	-	-	(0.000)
Regeneration and Major Projects	0.389	(0.157)	0.232	0.287	0.055	Overspend	Red	-	0.055	-
Land Charges	0.645	(1.132)	(0.487)	(0.287)	0.200	Underachievement	Red	-	0.200	(0.100)
sub total	20.107	(10.317)	9.790	9.988	0.198	Overspend	Amber	-	0.255	(0.100)
Accountable Bodies										
Somerset Rivers Authority	3.079	(0.020)	3.059	3.059	-	On-budget	Green	-	-	-
Connecting Devon & Somerset (CDS)	1.078	(0.539)	0.539	0.484	(0.055)	Underspend	Green	-	-	(0.055)
sub total	4.157	(0.559)	3.598	3.543	(0.055)	Underspend	Green	-	-	(0.055)
Climate & Place Total	140.937	(46.735)	94.202	97.415	3.213	Overspend	Red	1.240	3.395	(1.082)

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

Climate and Place (including Accountable Bodies) is a forecast overspend of £3.213m at Quarter 2, a decrease of £1.082m from Month 5. The climate and place budget have on-going pressures which total a value of £1.240m. These are currently found within Infrastructure and Transport and are explained below.

The key explanation, actions and mitigating controls are as follows:

Climate, Environment and Sustainability

Resilience and Adaptation has a forecast an overspend of £0.040m due to consultants' costs but offset by vacant posts in Flood Defence and Land Drainage.

Waste Service is forecasting an overspend of £3.100m, there is no change from Month 5.

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. The value of recycled materials can be impacted by the market and therefore may impact income generation within the service.

Infrastructure and Transport

Highways and Transport Commissioning is forecasting an underspend of £0.250m, an increase of £0.250m from Month 5. This is due to updated forecasts across the service. This included a review of forecast for salary costs, these have now been updated as recruitment to vacant posts have been delayed until January 2025.

Infrastructure Programmes Group – is forecasting an overspend of £0.275, there has been no change from Month 5. This is due to an undelivered saving relating to recharging eligible salary costs to capital schemes.

Highways is forecasting an overspend of £0.644m, a decrease of £0.016m from Month 5 which is due to holding vacant posts. The ongoing pressures within Highways remain the same, this is due to forecast overspends within the safety defects budget, increased vehicle costs, and an increase to the Insurance Premium for Public Liability. The service will be taking action to hold underspends in Street Lighting, and holding vacant posts to mitigate some of the overspend.

It is important to note that winter maintenance, salt purchase, and emergency budgets are all currently forecast as on budget. The budgets are impacted by extreme weather throughout the year, and it is difficult to know the true impact until later in the year. Finance will continue to monitor these budgets with the service and will adjust forecasts accordingly.

Traffic Management is forecasting an underspend of £0.400m, an increase of £0.400m from Month 5. Forecasted salary costs have been reviewed and updated as recruitment within the services has been delayed until January 2025. The income forecasts for Temporary Traffic Regulation Order (TTRO) income have also been reviewed and is currently higher than anticipated. This will be monitored closely throughout the rest of financial year to ensure the higher anticipated levels of income remain consistent.

Carparks is forecasting an underspend of £0.301m, an increase of £0.301m from Month 5. There has been some extensive work undertaken by the service and finance to review the budgets within this area. This has enabled forecasts to be reviewed and updated, which shows that income for carparking is higher than previously forecast. Finance will continue to work with the service to monitor the income closely over the next 6 months to ensure that forecasts are as accurate as possible.

Economy, Employment and Planning

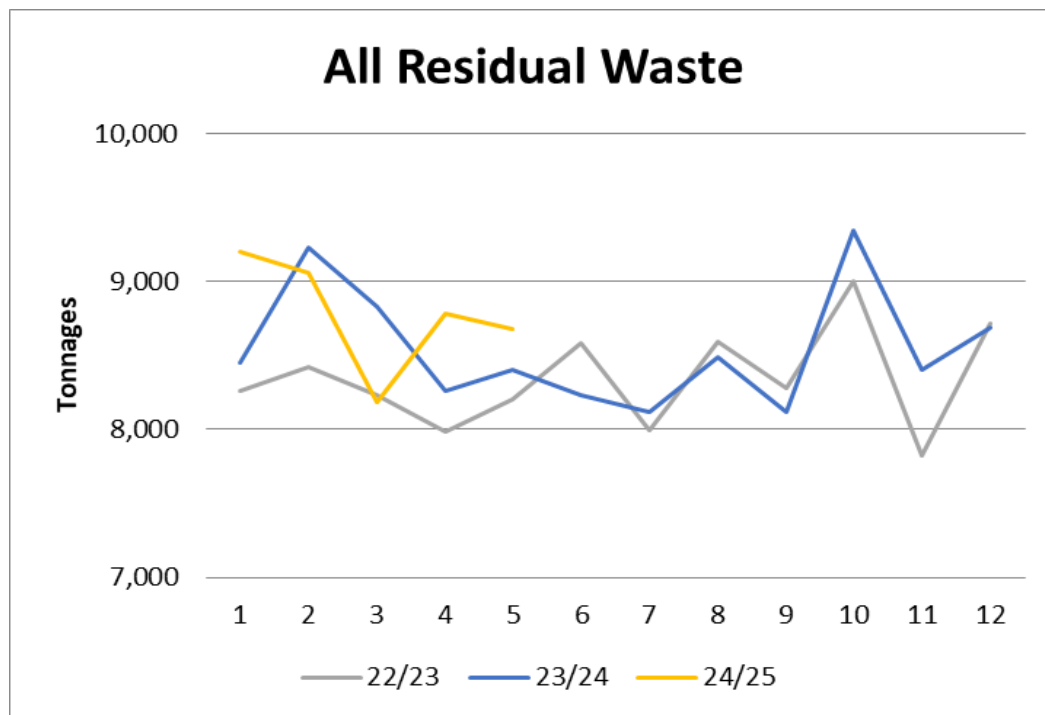
Land Charges are forecasting an overspend of £0.200m, an increase of £0.100m from Month five. The pressure in the budget resulting from over-estimation of income for the service is still an issue, and finance will continue to monitor.

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:

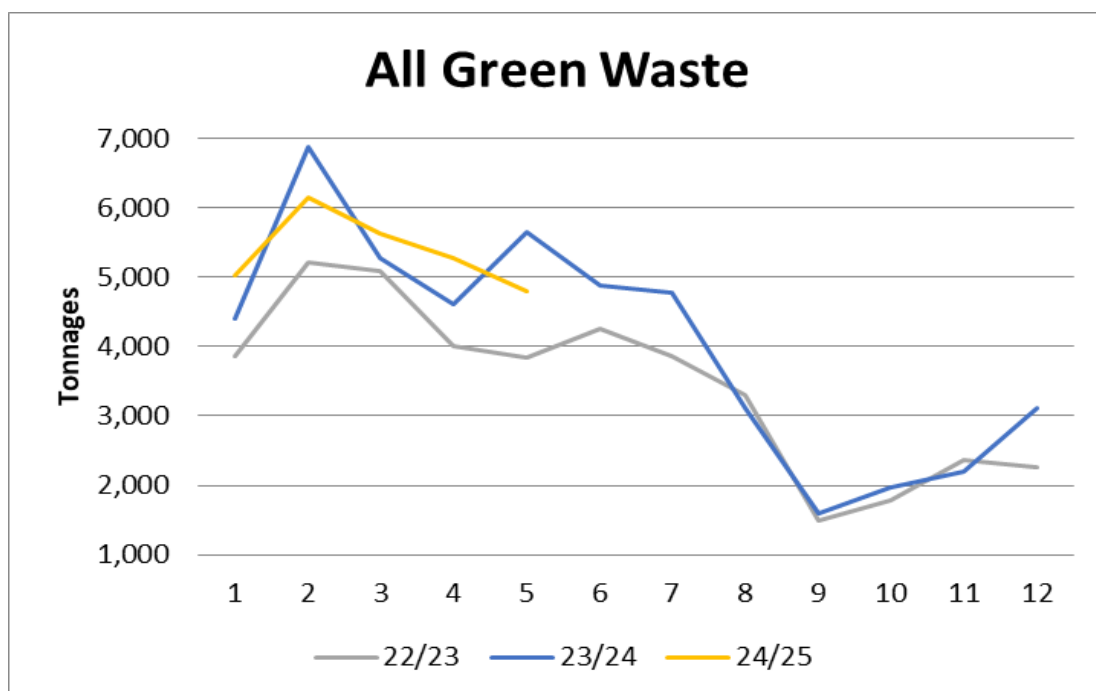
Building Control - fee income is still slightly lower than the anticipated budget for the period, if this continues it may be possible to mitigate this by reducing expenditure within the building control service.

Development management – at present the service has achieved its target for the first 6 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 decrease 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.

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:

- **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 forecasts. 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 achieving income budgets.
- **Commercial viability of public transport services.** The future financial sustainability of public transport bus services remains uncertain. Any decrease 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 poor weather which can affect many areas in climate and place.

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.

Connecting Devon & Somerset (CDS)

The Connecting Devon and Somerset (CDS) programme expects to underspend by £0.056m. The underspend is largely due to the reduced use of consultants and internal staff recharges. CDS are continuing to monitor and review contractors' performance.

Performance of agreed savings proposals

There are 43 agreed savings for 2024/25 across climate and place totalling £5.634m. As at Quarter 2 Climate and Place £2.171m or 39% of the savings have been achieved. A further £2.183 or 39% of the savings have been reported as on track. In the main this is due to the saving being reliant on income from Fees and Charges or through Grants being received.

As at Quarter 2 there are 5 savings being reported as at risk, and 1 saving as not being achievable. This is 23% of the savings totalling £1.283m. Three of these savings (£0.977m) relates to changes within Waste Services, negotiations are on going and are being closely monitored. Further work is needed to be able to move the at-risk savings into on-track or achieved. If this is not possible Climate and Place will look for alternative was to achieve these savings as much as possible.

Mitigating actions

In-Year Mitigation Proposed	Quarter 2	Comments
	£m	
To be mitigated	-3.302	
Economy, Employment and Planning - Land Charges	TBC	Economy Employment and Planning is overspending due to underachieving income within the service; however, the Executive Director for Community Place and Economy has directed that the other services in the directorate hold underspend to help mitigate the overspend. Mitigations will continue to be sought for Economy, Employment and Planning and fed into future budget monitoring reports as applicable.
Climate, Environment & Sustainability - Waste Services	TBC	Climate, Environment & Sustainability is overspending due to an increase in contractual costs for Waste Services; however, the Executive Director for Community Place and Economy has directed that the other services in the directorate hold underspend to help mitigate the overspend. Mitigations will continue to be sought for Environment & Sustainability and fed into future budget monitoring reports as applicable.
Mitigations Identified	0.000	