

Appendix I – Other Service Areas (including Collection Fund)

Corporate Management

Lead Member for Corporate Management: Cllr Liz Leyshon

Interim Chief Finance Officer (Section 151 Officer): Maria G. Christofi

Chart 1: Budget versus forecast outturn graph

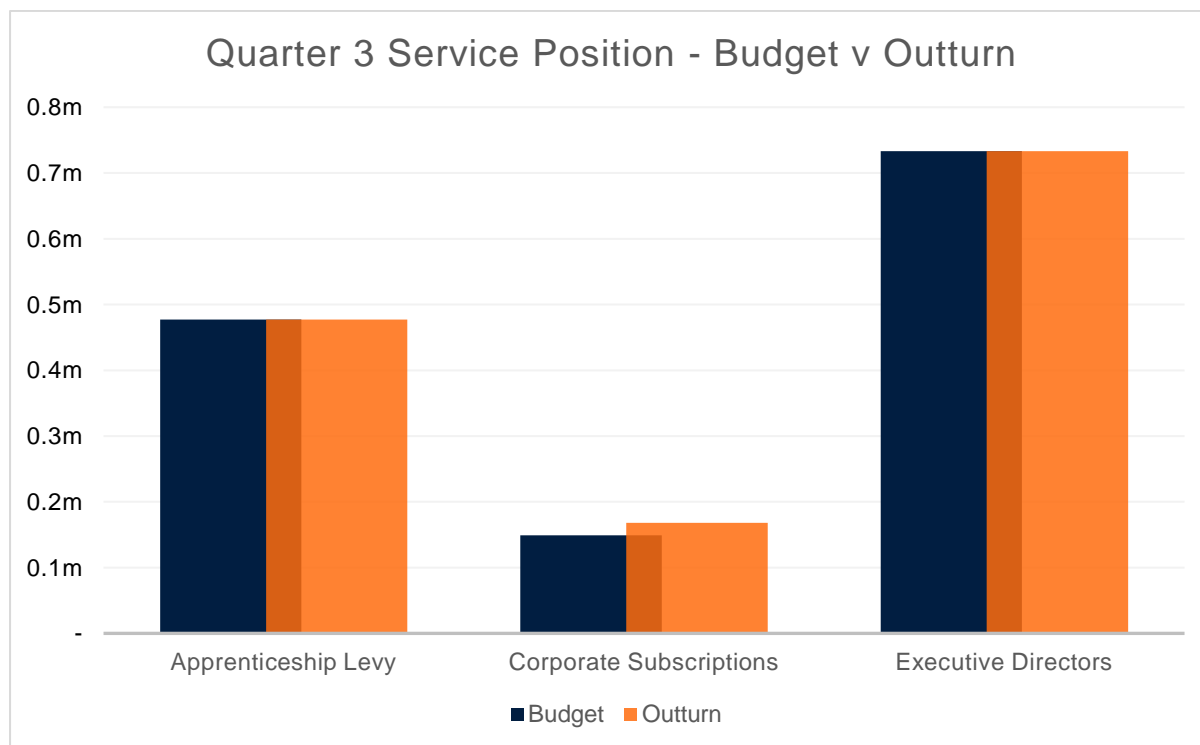


Table 1: 2024/25 Corporate Management as at the end of December 2024 (Quarter 3)

- 2024/25 net budget £1.359m, forecasting an overspend of £0.019m, no change from Month 7
- 2023/24 net budget £0.8m, outturn overspend £0.8m

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Quarter 3 Variance £m | Overspend / (Underspend) | RAG Status | Ongoing Pressure £m | One-off Pressures £m | Movement From Month 8 £m |
|-----------------------------------|----------------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------|------------------------|-------------------------|-----------------------------|
| Apprenticeship Levy | 0.477 | - | 0.477 | 0.477 | - | On-budget | Green | - | - | - |
| Corporate Subscriptions | 0.149 | - | 0.149 | 0.168 | 0.019 | Overspend | Red | - | 0.019 | - |
| Executive Directors | 0.836 | (0.103) | 0.733 | 0.733 | - | On-budget | Green | - | - | - |
| Corporate Management Total | 1.462 | (0.103) | 1.359 | 1.378 | 0.019 | Overspend | Amber | - | 0.019 | - |

Corporate Management - Key explanations of variances

The Corporate Subscriptions budget is forecast to be £0.019m overspent due to inflationary increases on combined subscription costs for Somerset Council.

Corporate Management – Actions and mitigations

Table 2: Service Management Actions included in the forecast outturn

| Service Management Actions | Month 7 £m | Quarter 3 £m | Movement £m | Comments |
|-----------------------------------|-----------------------|-------------------------|------------------------|-----------------|
| None | - | - | - | |
| Total Management Actions | - | - | | |

Table 3: Mitigating actions identified, not yet included in the forecast outturn

| In-Year Mitigation Proposed | Month 7 £m | Quarter 3 £m | Movement £m | One-Off Mitigation £m | Ongoing Mitigation £m | Comments |
|--|-----------------------|-------------------------|------------------------|----------------------------------|----------------------------------|---|
| To be Mitigated | 0.019 | 0.019 | - | | | Overspend in Corporate Subscriptions |
| Non-Service | (0.019) | (0.019) | - | (0.019) | - | Underspends in Non-Service will be held to ensure it covers this small overspend. |
| Total Mitigations Identified to be Actioned | (0.019) | (0.019) | - | (0.019) | - | |
| Still to be Mitigated | - | - | - | | | |

Non-Service

Lead Member for Non-Service: Cllr Liz Leyshon

Interim Chief Finance Officer (Section 151 Officer): Maria G Christofi

Chart 2: Budget versus forecast outturn graph

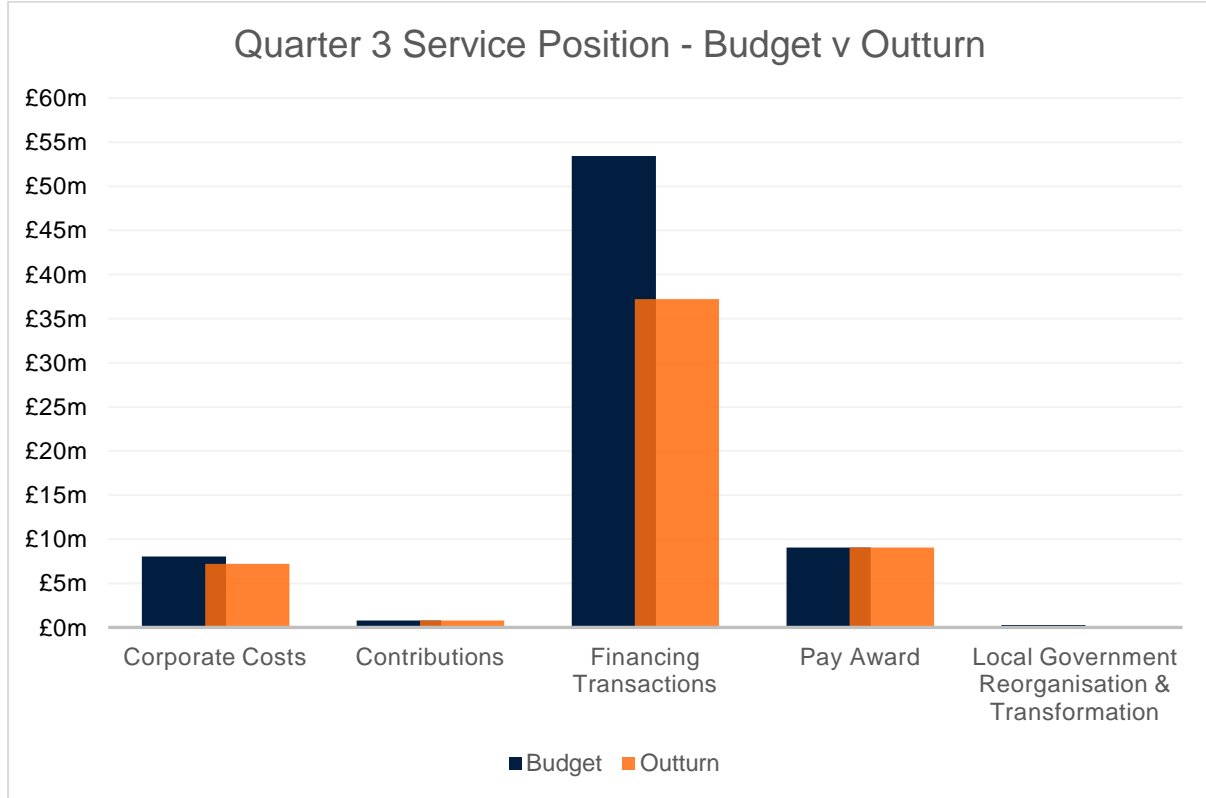


Table 3: 2024/25 Non-Service as at the end of December 2024 (Quarter 3)

- 2024/25 net budget £71.610m, forecasting an underspend of £17.351m, increase of £10.028m from Month 7.
- 2023/24 net budget £55.3m, outturn underspend £10.1m

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Quarter 3 Variance £m | Overspend / (Underspend) | RAG Status | Ongoing Pressure £m | One-off Pressures £m | Movement From Month 7 £m |
|--|-------------------------------|--------------------------|-----------------------|-------------------------|-----------------------|--------------------------|--------------|---------------------|----------------------|--------------------------|
| Corporate Costs | 8.220 | (0.172) | 8.048 | 7.207 | (0.841) | Underspend | Green | - | 0.208 | (0.030) |
| Contributions | 0.902 | (0.134) | 0.768 | 0.768 | - | On-budget | Green | - | - | - |
| Financing Transactions | 59.695 | (6.251) | 53.444 | 37.224 | (16.220) | Underspend | Green | 0.049 | 0.424 | (9.708) |
| Pay Award | 9.060 | - | 9.060 | 9.060 | - | On-budget | Green | - | - | - |
| Local Government Reorganisation & Transformation | 4.645 | (4.355) | 0.290 | - | (0.290) | Underspend | Green | - | - | (0.290) |
| Non-Service Total | 82.522 | (10.912) | 71.610 | 54.259 | (17.351) | Underspend | Green | 0.049 | 0.632 | (10.028) |

Non-Service - Key explanations of variances

Financing Transactions

Financing Transactions are forecasting an underspend of £16.220m, an increase of £9.708m from Month 7. This is due to the Council’s debt charges forecast to be lower than anticipated at budget setting, whilst investment income is expected to be higher by the end of the financial year. A further fall in interest rates has been included in the forecasts. Investment income is expected to reduce towards the end of financial year

Appendix I – Other Service Areas (including Collection Fund)

due to lower cash balances as many people pay their Council Tax over 10 months and so less income is received in February and March.

Local Government Reorganisation (LGR) is forecasting an underspend of £0.290m, an increase of £0.290m from Month 7. This relates to the part-year saving for the Voluntary Redundancy programme and the final LRG restructures prior to the initiation of the Workforce Transformation programme being higher than the £4.355m saving.

The Minimum Revenue Provision 2024/25 forecast for the Council has been revised to take into account the unfinanced capital expenditure through 2023/24, in line with the capital programme. This has resulted in an underspend of £3.5m compared to the 2024/25 original budget estimate.

Corporate Costs

Corporate Costs is forecasting an underspend of £0.841m, an increase of £0.030m from Month 7. This is due to the general fund proportion of the Pension Deficit charge being lower than anticipated at budget setting, leading to a £1.016m underspend. This underspend is partly offset by an overspend of £0.208m within the Discontinued Services budget, due to increased costs arising from a variation in the number of individuals for whom the Somerset County Council Pension Fund charges Somerset Council for compensation for loss of office.

Traded Services

Lead Member for Traded Services: Cllr Heather Shearer

Executive Director: Claire Winter

Table 4: 2024/25 Traded Services as at the end of December 2024 (Quarter 3)

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

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Quarter 3 Variance £m | Overspend / (Underspend) | RAG Status | Ongoing Pressure £m | One-off Pressures £m | Movement From Month 7 £m |
|------------------------------|----------------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------|------------------------|-------------------------|-----------------------------|
| Dillington | - | - | - | - | - | On-budget | Green | - | - | - |
| Traded Services Total | - | - | - | - | - | On-budget | Green | - | - | - |

Traded Services - Key explanations of variances

The Traded Services budget is forecasting a balanced position at outturn.

Appendix I – Other Service Areas (including Collection Fund)

Contingencies

Lead Member for Contingencies: Cllr Liz Leyshon

Interim Chief Finance Officer (Section 151 Officer): Maria G. Christofi

Table 5: 2024/25 Contingencies as at the end of December 2024 (Quarter 3)

- 2024/25 net budget £6.000m, forecasting an underspend of £6.000m, no change from Month 7
- 2023/24 net budget £6.000m, outturn underspend £0.600m

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Quarter 3 Variance £m | Overspend / (Underspend) | RAG Status | Ongoing Pressure £m | One-off Pressures £m | Movement From Month 7 £m |
|----------------------------|----------------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------|------------------------|-------------------------|-----------------------------|
| Corporate Contingency | 6.000 | - | 6.000 | - | (6.000) | Underspend | Green | - | - | - |
| Contingencies Total | 6.000 | - | 6.000 | - | (6.000) | Underspend | Green | - | - | - |

Contingencies - Key explanations of variances

The contingency budget is unutilised at Quarter 3 but has been released to support the Council overall.

Core Revenue Funding

Lead Member for Core Revenue Funding: Cllr Liz Leyshon

Interim Chief Finance Officer (Section 151 Officer): Maria G. Christofi

Table 6: 2024/25 Core Revenue Funding as at the end of December 2024 (Quarter 3)

- 2024/25 net budget (£639.611m), forecasting a reduced draw on reserves of £20.065, a decreased draw of £11.823m from Month 7
- 2023/24 net budget (£651.300m), outturn overachievement of £0.500m

| Service Area | Current Expenditure Budget £m | Current Income Budget £m | Current Net Budget £m | Full Year Projection £m | Quarter 3 Variance £m | Reduction / Increase in Funding | RAG Status | Ongoing Pressure £m | One-off Pressures £m | Movement From Month 7 £m |
|-----------------------------------|----------------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|---------------------------------|------------|------------------------|-------------------------|-----------------------------|
| Use of Reserves | (39.499) | - | (39.499) | (19.434) | 20.065 | Reduced draw | Red | - | 20.065 | 11.283 |
| Council Tax | - | (361.071) | (361.071) | (361.071) | - | On-budget | Green | - | - | - |
| Business Rates | - | (128.447) | (128.447) | (128.447) | - | On-budget | Green | - | - | - |
| Grants | - | (65.997) | (65.997) | (66.057) | (0.060) | Increase | Green | - | - | - |
| Collection Fund (Surplus)/Deficit | - | (7.713) | (7.713) | (7.713) | - | On-budget | Green | - | - | - |
| Capitalisation Direction | - | (36.884) | (36.884) | (36.884) | - | On-budget | Green | - | - | - |
| Core Revenue Funding Total | (39.499) | (600.112) | (639.611) | (619.606) | 20.005 | Reduced draw | Red | - | 20.065 | 11.283 |

Core Revenue Funding - Key explanations of variances

Use of Reserves

At 2024/25 budget setting, a planned one-off use of Earmarked Reserves of £36.800m was included to support the budget. This planned use of reserves is forecast to reduce by £20.065m to £16.735m (£39.499m overall, down to £19.434m), due to the forecast underspend within service budget lines.

Appendix I – Other Service Areas (including Collection Fund)

Grants

The overachievement of £0.060m forecast for grants is due to receiving confirmation that the 2024/25 Services grant will be more than budgeted as the grant confirmation was received after the budget setting process.