



Member Peer Conference

The Somerset Financial Journey

David Fothergill – Leader, Somerset County Council
14TH November 2019

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APPENDIX 1



Corporate Peer Challenge **Somerset County Council**

12 -15 March 2018

Feedback Report



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To address its financial challenges SCC must ensure there is a clear and strong accountability framework owned corporately and consistently applied.

In doing so it should:

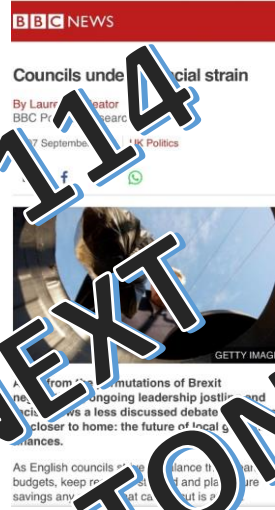
- take immediate action to reduce any overspend during 2018/19
- develop a comprehensive set of achievable savings plans as part of its budget setting for 19/20 and equally for its MTFP
- address the children's base budget so that it is challenging but realistic and is in line with the council's overall budget
- ensure there is strong financial accountability in all areas of the organisation supported by appropriate guidance, training and support as well as measures in place to address any non – compliance
- ensure members have sufficient financial and performance information on which to make informed decisions and deliver challenge
- make clear the roles and accountability for senior officers and members and consider the appointment of a cabinet portfolio holder to provide a single point of oversight.

“take immediate action to reduce any overspend during 2018/19”

GET A GRIP



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Three Conservative councils slip into bankruptcy danger zone

Henry Zeffman, Political Reporter, Gareth Davies
March 9 2018, 12:01am, The Times



Somerset County Council has announced plans to close two thirds of its services in a bid to save cash.

Three Conservative-run counties have been added to the list of those showing signs of financial stress because of funding cuts.

Somerset, Norfolk and Lancashire county councils



LAMIAI SABIN
MONDAY, SEPTEMBER 10, 2018

Somerset County Council teeters on brink of bankruptcy

TORY-RUN Somerset County Council will vote tomorrow on major cuts to services to save itself from bankruptcy.

Having warned residents during the summer that the local authority is at risk of going bust, Somerset county councillors will vote on the raft of cuts they hope will save about £13 million.

Conservative-run Northamptonshire County Council has already filed for bankruptcy twice this year.

SECTION 114
THE NEXT
NORTHAMPTONSHIRE



Somerset's Financial Journey

2018/19 Financial Year

- Significant forecast overspend of £11.4m
- Change of Cabinet Member for Finance and Resources
- Interim S151 appointed - July 2018
- Recovery strategy agreed
- Additional in-year savings to avoid overspend – Sept 14th 2018
 - 72 lines of savings
 - £14 million pounds



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Somerset's Financial Journey

2018/19 Financial Year

- CEO/Leaders staff roadshows
- Children's budget re-based
- Greater financial reporting
- Weekly review meeting
- RAG reports on all savings
- 'Adverse' VFM opinion tracked at every Audit Committee

Outturn

Forecast overspend of £12m moved to delivered underspend of £6m

Reserves replenished by £20m (to total of £44m)

Somerset's Financial Journey

2019/20 Financial Year

- Qtr 2 (month 6) - balanced budget (around £6m contingency unallocated)
- General and earmarked reserves further strengthened (total £53m forecast end of year)
- 99% of savings delivered or on-track
- VFM conclusion – improved to ‘qualified, except for’ – up-dated VFM tracker progress reported to each Audit Committee



Somerset's Financial Journey

2020/21 Financial Year

- Balanced MTFP budget virtually agreed
- Over £10m of contingency
- Further building of reserves

2020/23 Financial Year

Three year balanced budget to be presented to Full Council in February with no additional cost savings expected



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SOMERSET GOT A GRIP!



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