

# SOMERSET COUNCIL

## CONSERVATIVE GROUP BRIEFING SHEET FOR PARISH AND TOWN COUNCILS NOVEMBER 2023

**2023/4 Financial Position:** As at the end of Month5 (September 2023) Somerset Council predicts an end of year overspend of £27.3 million including £14.9m in Adult's and £12m in Children's. Although these figures may be reduced the accepted position is that the budget cannot be achieved, and reserves will have to be used to plug the gap.

**2024/5 Financial Position:** The current expected budget gap for next year is £100m which represents 20% of the total budget. Of these over £70m is within Social Care. This situation has been described by the Finance Director as being 'stark and challenging'. He wrote to the Government in September setting out the dire straight of the Council budget if no changes are made. With General Reserves at £48.9m some of which will be needed to plug 2023/24 then there is insufficient cover to meet the £100m shortfall. As a consequence and unless something drastic changes then a Section 114 notice will be issued. Whilst the Government may allow some capitalisation of revenue costs this will be at an additional 1% above loan rate and will require a comprehensive and approved plan for the future.

**What has gone wrong?:** The loss of momentum, expertise and focus after the election in delivering the Unitary transformation by the new administration, has meant that costs have not been removed and duplication of roles continues. As of 1<sup>st</sup> October of the 330 planned redundancies 29 have been announced and significant numbers of employees remain on interim contracts. In addition rising costs in Adults and Children's Social Care plus the lack of delivery on cost savings planned as part of the budget means that a s114 is looking more and more likely.

**What is a Section 114:** Somerset Council is required by law to have balanced budgets – this means the council's income has to match its projected spending. If the council cannot find a way to finance its budget, then a section 114 notice must be issued. The issuing of a section 114 notice prohibits all new spending with the exception of protecting:

- vulnerable people
- statutory services (although some are left vague in definition)
- pre-existing spending commitments

If a section 114 notice is issued, it means Somerset Council has to stop spending, and cannot enter into new agreements. However all existing grant agreements will be

honoured, and care packages will continue to be paid. Once a section 114 notice is issued, Somerset would have 21 days from the date of the notice to hold a meeting to consider the section 114 report, decide if it agrees with the views contained in the report, and what action to take in consequence of it. A final step would be the appointment by Government of 3 Commissioners at an annual cost of approx. £1m.

**New and Expectant Parents Policy:** The Councils updated New and Expectant Parents Policy (HS17) has attracted considerable national attention by deleting any reference to mothers. In a statement the Council advised that it was changed to 'be inclusive for all employees who are pregnant, have given birth in the last 6 months and those breastfeeding including transgender or non-binary people'.

**Highways Contract:** Somerset Council has signed a new eight-year contract with Kier Transportation Ltd to deliver core maintenance across its road network. The £225m agreement covers key maintenance works – including road repairs, drainage, verge cutting and winter service, such as gritting and other emergency functions in adverse weather. The current contract with Milestone Infrastructure comes to an end at the end of March 2024. Three other multi-million-pound contracts covering resurfacing, surface dressing, and new assets will also be awarded in due course.

**Demolition work at Priorswood recycling centre:** Demolition work has started on the Taunton Recycling site following the major fire which has closed the site since early October. The Material Recovery Facility (MRF) adjacent to the public recycling area is beyond repair and the recycling site is not safe to open until it is demolished. It is not yet known how long it will take to complete the demolition, but it is likely to be up to two weeks. The site in Priorswood will remain closed until demolition is complete.

**Recycling:** Nearly half the content of the average Somerset bin could have been recycled, Somerset Council revealed. The 48% figure found this year is an impressive 11% decrease on 2018 – the last time the 'composition analysis' was carried out in the county. The contents of some 550 households refuse bins were emptied, sorted and weighed, with a representation from across the county. Of the contents that should have been recycled:

- 14% recyclable at the kerbside (e.g. cardboard or drinks cans)
- 21% food waste, recyclable in the food waste bin
- 7% garden waste and pet bedding
- 7% recyclable at a recycling site (e.g. wood and metal)

The 11% reduction on 2018 figure is thought to have been driven by the expanded Recycle More collections, with less plastic pots tubs and trays being put in the refuse.

**Somerset Gritters:** Somerset's fleet of 23 gritters are ready to be mobilised across 900 miles of road as soon as the temperature drops below zero this winter. Last year the gritter fleet went out on 67 occasions when freezing temperatures were forecast.

