



Minutes of a Meeting of the Executive held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Wednesday, 7 February 2024 at 10.00 am

**Present:**

Cllr Bill Revans (Chair)  
Cllr Liz Leyshon (Vice-Chair)

Cllr Theo Butt Philip  
Cllr Heather Shearer  
Cllr Richard Wilkins

Cllr Dixie Darch  
Cllr Federica Smith-Roberts  
Cllr Ros Wyke

**In attendance:**

Cllr Steve Ashton  
Cllr Bob Filmer  
Cllr Mark Healey  
Cllr Diogo Rodrigues  
Cllr Sarah Wakefield

Cllr Mandy Chilcott  
Cllr David Fothergill  
Cllr Frances Nicholson  
Cllr Jo Roundell Greene

**Other Members present remotely:**

Cllr Suria Aujla  
Cllr Nicola Clark  
Cllr Martin Dimery  
Cllr Ross Henley  
Cllr Dawn Johnson  
Cllr Val Keitch  
Cllr Christine Lawrence  
Cllr Martin Lovell  
Cllr Sue Osborne  
Cllr Tony Robbins  
Cllr Mike Stanton  
Cllr Martin Wale  
Cllr Gwil Wren  
Cllr Alan Bradford

Cllr Simon Carswell  
Cllr Peter Clayton  
Cllr Andy Dingwall  
Cllr John Hunt  
Cllr Helen Kay  
Cllr Andy Kendall  
Cllr Tony Lock  
Cllr Dave Mansell  
Cllr Leigh Redman  
Cllr Gill Slocombe  
Cllr Claire Sully  
Cllr Rosemary Woods  
Cllr Brian Smedley

**97 Apologies for Absence - Agenda Item 1**

**Meeting suspended from 10.05am – 10.20am due to a disturbance to proceedings in the meeting room**

The Monitoring Officer, David Clark, advised that he had agreed and issued a dispensation for all 110 councillors to enable them to fully participate at Scrutiny, Executive and Full Council meetings in debating, setting and agreeing the Council's budget 2024/25 (including setting council tax), Housing Revenue Account budget and the Members Allowances Scheme 2024/25.

Apologies were received from Cllr Adam Dance (virtual online attendance), Cllr Val Keitch (virtual online attendance), Cllr Fran Smith (virtual online attendance).

**98 Minutes from the Previous Meeting - 15 January 2024 - Agenda Item 2**

The minutes of the Executive meeting held on 15 January were agreed upon and signed by the Chair.

**99 Declarations of Interest - Agenda Item 3**

Cllr Theo Butt-Philip - Wells City Council  
Cllr Adam Dance - South Petherton Parish Council  
Cllr Heather Shearer – Street Parish Council  
Cllr Federica Smith-Roberts – Taunton Town Council  
Cllr Richard Wilkins – Curry Rivel Parish Council  
Cllr Ros Wyke - Westbury-sub-Mendip Parish Council

**10 Public Question Time - Agenda Item 4**

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Public Questions were received from:

Taken during Public Question Time:

David Orr  
Eva Bryczkowski  
Nigel Behan  
Cllr Thomas Daw, North Somerset Council

Considered under Agenda Item 13 - 2024/25 General Fund Budget and Medium-Term Financial Plan:

Alan Debenham

The questions and responses provided are attached to the minutes in Annex A.

**10 Executive Forward Plan - Agenda Item 5**

**1**

The Executive noted the Forward Plan.

**10 2023/24 Budget Monitoring Report - Month 9 - End of December 2023 Q3 -**

**2** Agenda Item 6

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the report is the General Fund Revenue Monitoring Report for the end of December 2023, quarter three; that the Council is now projecting an overspend of £17.5m for 2023/24, which is an improvement of £0.8m from the previous forecast overspend of £18.3m; and the Adult and Children Services overspend and that the Council continues to have its control boards in place, resulting in a reduction of the forecast overspend each month.

The Service Director - Finance and Procurement, Nicola Hix, added to the above points, highlighting: the continued updating, adapting and amending of the report to provide relevant and useful information for Members; the Adults and Childrens Service budget, including an increase in forecast overspend in the Children Service areas, offset by a further forecast underspend in the remainder of the Council; and that the Council has now enforced its 'no purchase order no pay policy' ensuring services follow the correct procedure for procuring goods and services, whilst accurately budgeting for forecasting purposes.

The Lead Member for Children, Families and Education, Cllr Heather Shearer, further added to the above points, highlighting: the challenges and mitigations to address the adverse variance in the Children Services budget, including the external placements, fieldwork (support for children at home); and SEND transport budgets, and that the unfavourable movement is due to the unachievable MTFP saving of step

downs from residential to in-house fostering.

The Leader of the Council, Cllr Bill Revans, commented on the importance of future key work with the wider community, including the City, Town and Parish Councils and VCSFE to support the vulnerable residents of Somerset and address the associated financial challenges. Cllr Revans proceeded to invite comments from other Members present, questions and points raised included: the financial emergency response, actions and mitigations and the risks faced by the Council; the national Local Authority funding situation; the work of control boards, implementation actions and the consequences of not following process and procedures; the Adult Services year end forecast projection challenges and mitigations, including one off payments, international recruitment, domiciliary care, the commissioning approach, and the impacts and issues affecting successful international recruitment, including risk to Adult Social Care services and the work across South West to raise the issue with central government; the differences in Commissioning in Adult and Children Services and the positives of local commissioning; local and national school transport provision; the Childrens residential and independent fostering market, including the impact of the large national providers; the capacity of care providers; and foster care recruitment, including the Children's Services fostering campaign, the number of foster carers coming forward; and on-going external work to develop in placement support services.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive noted the forecast overspend of £17.5m (3.6%) for the year and the recovery action being taken and mitigations put in place to address this.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

## **10 2023/24 Capital Budget Monitoring Report - Q3 - Agenda Item 7**

**3**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance introduced the report, highlighting: the projected outturn for 2023/24 is £199.8m against an

original budget of £314.2m, with a forecasted underspend of £114.5m for the year of which, £105.7m has been reprofiled into future years, with £8.7m as a forecast underspend; the different set of figures within the report due to the Capital programme running across more than one year; and summarised additional funding and the Octagon Project position.

The Executive Director - Resources and Corporate Services, Jason Vaughan, added to the above points, highlighting: the future work to improve capital programme reporting, including transparency and monitoring.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the requirement for more detail regarding accurate reporting of variances; the £2m Bridgwater Town Deal; Central Government grant funding: the impact on borrowing, constraints on the funding provided and the significant time and resources needed to apply for funding.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. **Approved the changes to the capital programme approvals, as detailed in Section 42 of the report.**
- b. **Noted the revised capital forecast spend for the financial year 2023/24 of £199.8m and the key risks, future issues detailed in the report.**
- c. **Agreed to move the slippage of £105.7m from 2023/24 into 2024/25.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**10 2023/24 Housing Revenue Account Capital and Revenue Budget Monitoring**  
**4 Report Q3 - Agenda Item 8**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, to introduce the report.

The Lead Member for Communities, Housing and Culture introduced the report, highlighting: that Somerset Council has inherited two landlord operating models (formerly Somerset West and Taunton and Sedgemoor District Council) which now sit under one Housing Revenue Account (HRA); that the report provides an update on the projected outturn financial position of the Council's HRA for the financial year 2023/24 (as at 31<sup>st</sup> December 2023); that the forecast outturn variance position has improved since the Q2 position (of an overspend of £2.074m) mainly due to a new projected underspend on interest payments and reduced forecast spend on repairs and voids maintenance; that the HRA is a ring-fenced account which must abide by the accounting regulations and ensure that cross subsidy does not occur; and that whilst self-financing has provided some flexibilities, the HRA is heavily regulated which restricts income growth and increase cost pressures and the regeneration and build programme to continue to provide good quality homes to look to address the housing crisis in areas of Somerset.

The Leader of the Council, Cllr Bill Revans, commented on the quality of the North Taunton Woolaway project and progressive work to build future proof housing to enable residents to maintain independence and live in own homes for as long as possible, and invited comments from other Members present, questions and points raised included: progress of projects including Seaward Way (Minehead), North Taunton, and work on damp and mould issues; Homefinder criteria, waiting times and the progression of applicant's challenges; the use, review of and management of unearmarked reserves and the plan to reduce borrowing; the request of an all Member Briefing Homefinder briefing.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive noted:**

- a. The HRA's forecast financial performance and projected reserves position for 2023/24 financial year as at 31 December 2023. Including key risks and future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.**
- b. The forecast outturn position of the Capital Programme.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**10 2024/25 HRA Budget setting report - Agenda Item 9**

**5**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, to introduce the report.

The Lead Member for Communities, Housing and Culture introduced the report, highlighting: that the report presents the proposed Housing Revenue Account (HRA) Annual Revenue Budget and Capital Programme for 2024/25, including the proposed Rent Setting and Fees and Charges for 2024/25; that the report provided an update on the 5-Year Medium Term Financial Plan (MTFP) and the 30-Year Business Plan Review; summarised the increases and rent flex, fees and charges and capital programme including, bespoke homes schemes that will deliver some new homes for the most vulnerable residents; and the work with the VCFSE sector to help to continue to provide high quality homes that help address the housing crisis.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the challenges in meeting the increased and significant demand pressure on housing and homelessness, including building challenges of increased construction costs, increased costs of phosphates mitigation and the national funding crisis; future work on maximising opportunities; diversity of planning in areas of Somerset; the Right to Buy scheme, the net zero ambition and the effect of develop viability claims; the significant uplift in workers at the Hinkley Point C site ; the statutory obligations and the collaborative work of housing and Adult and Children's Services; the bespoke homes cost, development programme and investment; the work on a sustainable HRA budget and business plan; that HRA housing is not available in all areas of Somerset; the building of innovative, affordable and accessible homes inline with national standards; and the significant pressures and impact on the local housing market and stock as a result of the . Hinkley Point C workforce uplift.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive agreed:**

2.1 To endorse and recommend the recommendations below for approval by the Council, which include changes for rents and service charges to be used to prepare the necessary notices to tenants ready for dispatch following the Council

meeting on 20 February 2024 to ensure the 28 days, notice period is met.

2.2 That Full Council approve the following:

### **Revenue Budget for 2024/25**

2.3 The HRA Annual Revenue Budget for 2024/25 as shown in Appendix A of the report.

### **Rent Setting for 2024/25**

2.4 An increase of 7.7% to Dwelling Rents in line with the Governments 2019 (and updated 2023) Rent Standard.

2.5 An increase of 7.7% for Sheltered and Extra Care housing rents in line with the dwelling rents increase.

2.6 An increase of 7.7% for Shared Ownership properties.

2.7 An increase of 7.7% on affordable rental tenures, with the rent being reviewed at relet based on 80% of open market rent capped at the LHA rate.

2.8 The continuation of rent flex at relet for new tenants within the West of the Council for tenants' part of the in-house service (dwelling stock inherited from the legacy Somerset West and Taunton Council) as included in the Rent Charging Policy. This will be levied at basic rent plus 5% for general needs tenants and 10% for sheltered and extra care tenants.

2.9 The introduction of rent flex at relet for new tenants within the North of the Council for tenants' part of Homes In Sedgemoor (dwelling stock inherited from the legacy Sedgemoor District Council) as included in the Rent Charging Policy. This will be levied at basic rent plus 5% for general needs tenants and 10% for sheltered and extra care tenants.

### **Fees & Charges for 2024/25**

2.10 An increase in Service Charges for tenants in the North, managed by Homes In Sedgemoor, based on predicted costs in line with the service charging policy. The introduction of a transparent 10% service charge management fee. The service charges are contained in Appendix B of the report.

2.11 An increase in Service Charges for tenants in the West, managed by the In-House Service, of



- (a) 7.7% for Grounds Maintenance and the Support / Sheltered Housing and Extra Care accommodation services
- (b) 6.8% for the Piper Lifeline service
- (c) other charges based on actual costs incurred for laundry, heating, communal areas, communal door entry systems
- (d) no change to the communal utilities charge
- (e) a new charge for exceptional street cleaning
- (f) sewerage will increase in line with the Wessex Water increases for 2024/25 once known. The service charges are contained in Appendix C of the report.

2.12 An increase of 7.7% for garage rents.

2.13 An increase of 6.7% on temporary accommodation daily rates.

2.14 An increase of 6.7% for Meeting Hall hourly rental rates.

2.15 An increase of 6.7% for Guest Room charges.

### **Capital Programme from 2024/25**

2.16 The HRA Major Works and Improvement Capital Programme for 2024/25 of £8,834,500 for HiS and £19,189,200 for the In-House Service.

2.17 To approve **a capital budget of £940,000** for the delivery of the **Bespoke Homes Phase 2** scheme (North of Somerset). This scheme will deliver 2 large and fully adapted new homes that will be built to low carbon standards in excess of building regulations and extend two existing council dwellings to create larger adapted homes. The proposal is to finance this using an appropriate combination of up to 29.78% subsidy from Homes England and the remainder funded by borrowing. These homes will be let at social rents.

2.18 To approve **a capital budget of £968,000** for the delivery of the **Rochester Road Step Down / Move on Accommodation** (West of Somerset). This scheme will deliver 8 new homes and let to vulnerable adults or children such as low complex homeless or children leaving care. The homes will use Modern Methods of construction and be of built to low carbon standards in excess of building regulations. The proposal is to finance this scheme using a combination of Better Care Funding and the remainder funded by borrowing. These new homes will be let at affordable rents and discounted if appropriate.

2.19 To approve **a capital budget of £2,000,000** for the delivery of the **Step Down**

**/ Move On Accommodation** scheme (West of Somerset). This scheme will deliver 16

new homes for vulnerable adults or children such as low complex homeless or children leaving care. The homes will be built to low carbon standards in excess of building regulations and use Modern Methods of construction. The proposal is to finance this scheme using a combination of Better Care Capital Funding and the remainder funded by borrowing. These new homes will be let at affordable rents and discounted if appropriate.

2.20 To approve a **capital budget of £2,615,430** for the delivery of the **Taunton Road** scheme (North of Somerset). This scheme will deliver 11 new homes that will be built to low carbon standards in excess of building regulations. The proposal is to finance this using an appropriate combination of up to 40% subsidy from RTB receipts and the remainder funded by borrowing. These new homes will be let at affordable rents.

2.21 To approve a **supplementary budget of £656,760** for the current **Cricketers** scheme (North of Somerset) to fund the projected overspend to complete the scheme. This scheme is delivering 16 new homes and will be built to low carbon standards in excess of building regulations. The proposal is to finance this using Homes England capital grant, Hinkley Point C funding and the remainder funded by borrowing. These new homes will be let at affordable rents.

2.22 To approve a **supplementary budget of £375,000** for the current **Oxford Inn** scheme (West of Somerset) to fund the projected overspend to complete the scheme.

This scheme is delivering 8 new homes will be built to low carbon standards in excess

of building regulations. The proposal is to finance this using an appropriate combination of up to 40% subsidy from RTB receipts and the remainder funded by borrowing. These new homes will be let at affordable rents.

2.23 To approve a **budget return of £20,274,207** for the **North Taunton Woolway Project Phase D** (West of Somerset).

2.24 To approve a **budget return of £10,499,189** for the Zero **Carbon Affordable Homes** scheme (West of Somerset).

2.25 To approve a **budget return of £950,000** for the **Tuckerton Lane** scheme (North of Somerset).

2.26 To approve a **budget return of £500,000** for the Purchase of **Properties for RTB** scheme (North of Somerset).

### **Medium Term Financial Plan 2024/25 – 2029/30**

2.27 To note the reviewed and updated assumptions in the 2024/25 5-Year Medium Term Financial Plan (MTFP).

2.28 To approve the transfer of four dwellings from the General Fund to the Housing Revenue Account and delegate authority to the Lead Member for Communities, Housing and Culture and the Section 151 Officer to approve the final land transfer value.

2.29 To approve an increase in the HRA's strategic approach to generate capital receipts of approximately £1.225m through the sale of uneconomical assets on the open market.

### **30-Year Business Plan**

2.30 The updated assumptions and figures in the 2024 HRA 30-Year Business Plan as summarised in section 7 of the report.

2.31 That members note the challenges and next steps for the HRA and landlord services.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

## **10 2024/25 Treasury Management Strategy - Agenda Item 10**

**6**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance introduced the report, highlighting: that the Treasury Management Strategy (TMS) is a key element of the budget framework that effective treasury management underpins the achievement of its business and service objectives and is essential for maintaining a sound financial reputation; that the report sets out proposed TMS for Somerset Council for 2024-25.

The Principal Investment Officer, Alan Sanford, further added to the above points; Borrowing and the relationship with the disposal of Council assets and the commercial investment portfolio; that it is envisaged that new treasury investments will be made primarily to manage day-to-day cash flows using short term low risk instruments; and that the report had been updated prior to the Full Council meeting to reflect the latest position regarding the capital strategy.

The Leader of the Council, Cllr Bill Revans, emphasised that no stone would be left unturned in terms of being able to find a resolution for the difficult financial times, and invited comments from other Members present, questions and points raised included: the significant reduction of the investment balances; the reporting of Audit Committee comments to the Executive; the reporting of useable and unusable reserves; and commercial and partner investment.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

Following consideration of the officer report, appendices and discussion, the Executive:

**Following consideration of the officer report, appendices and discussion, the Executive endorsed and the recommended approval by Full Council on 20 February 2024:**

- a. The adoption of the Treasury Borrowing Strategy and Treasury Investment Strategy for 2024-25 as set out in the report.**
- b. The adoption of the Prudential Treasury Indicators set out in the report.**
- c. The adoption of Appendix A of the report as part of the Councils Financial regulations.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

## **10 2024/25 Capital Strategy - Agenda Item 11**

**7**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and

Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance introduced the report, highlighting: the Capital Strategy governance pathway; that the Capital Strategy is a key element of the Council's Budget Framework which must be considered and approved by Full Council prior to the start of each financial year; and that the report covers the HRA and General Fund, disposal of commercial investment portfolio, the Minimum Revenue Provision (MRP) policy for 2024/25 and also revised policy for 2023/24 alongside the flexible use of capital receipts policy.

The Independent Consultant, Peter Robinson, further added to the above points, highlighting: the update to the MRP policy to ensure full compliance with Statutory MRP guidance and provide prudent MRP; that DLUHC is currently consulting on proposed changes to the MRP mechanism and the underlying requirements for the calculation each year; the that the report would updated to ensure the latest figures were being considered at full Council on 20 February 2024.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the amendments commented on at the Audit Committee meeting held 25 January 2024; strong governance and the need to note comments and recommendations from both Scrutiny and Audit Committees; the calculation of MRP provision; the Council's engagement with and guidance from Central Government; and comparator Councils MRP provision.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive approved and recommended to Full Council:**

- a. The Capital Strategy including the key prudential indicators for 2024/25.**
- b. The Flexible Use of Capital Receipts Policy for 2024/25**
- c. The Minimum Revenue Provision (MRP) Policy for 2023/24 and 2024/25.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**10 2024/25 General Fund Capital Budget - Agenda Item 12**

**8**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance introduced the report, highlighting: that the report was considered at Scrutiny Committee – Corporate and Resources on 2 February 2024; the significant work undertaken across Somerset Council to complete a full review of its current Capital Programme; that for the current 2023/24 Capital Programme (at the end of December 2023), approximately 62% of expenditure was externally funded with the remaining 38% funded by capital receipts and other local resources; summarised the appendices of the report, A, B, C; and summarised the Capital Grants and Contributions 2024/25 to 2026/27 noting that the Capital Programme runs over more than one financial year.

The Service Director - Finance and Procurement, Nicola Hix, further added to the above points, highlighting: that the report details suggested amendments to the current Capital Programme for 2023/24; and a recommended Programme for 2024/25 and beyond.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the removal of Saltlands solar park and phosphates; future report inclusion of background information and expansion of narratives to explain decisions; reduction of car parking provision; and the work taking place on Octagon Project; and school conditioning programme and school access initiatives.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive approved and recommended to Full Council to:**

- a. Approve the removal of the already approved schemes as detailed in Appendix A of the report.**
- b. Approve the revised capital programme for 2024/25 as detailed in Appendix B of the report.**
- c. Approve the inclusion of the new capital bids for 2023/24 and 2024/25**

**onwards as detailed in Appendix C of the report for inclusion in the programme.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**10 2024/25 General Fund Budget and Medium-Term Financial Plan - Agenda Item**  
**9 13**

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance introduced the report, highlighting: that the report sets out for the Executive consideration and recommendations to Council regarding the proposed Revenue Budget for 2024/25 and Council Tax setting based on implementing the Financial Strategy and avoiding the need to issue a Section 114 Report; summarised the published report Financial Distress in Local Authorities including national and local financial challenges and Local Authorities' reliance on income from Council Tax to fund service delivery; that significant and on-going financial support from government will be required due to the cost of delivering services and inflationary costs; the national scale of work and engagement of the Leader of the Council to fully understand the financial challenges; the feedback and comments considered following the Scrutiny Committee - Corporate and Resources meeting on 2 February 2024; the transformation of the new Council into a leaner organisation; and the complexity of the information to be considered at full Council on 20 February 2024.

The Executive Director Resources and Corporate Services, Jason Vaughan, further added to the above points, highlighting: the changes to the published report following the announcement of the central government financial settlement, including the less than an inflationary increase in Public Health funding; thanked the Scrutiny Committees for the work through meetings and workshops; the impact of not being able to increase Council Tax beyond pre-set thresholds; the Section 25 statement and concern regarding the budget gap for 2025/26 which had now increased £104m, and that the size of the challenge going forward cannot be understated; the focus and actions taken to avoid issuing a Section 114 Report; the work of the Audit Committee to 'sign off' the predecessor Council accounts.

The Executive Director Public and Population Health, Professor Trudi Grant, further

advised the Executive of the disappointing and worrying implications of receiving a below inflation Public Health grant.

The Leader of the Council, Cllr Bill Revans, expressed his thanks and appreciation and highlighted on-going work to deliver a sustainable Somerset Council. The Leader further advised Executive Lead Members of the due regard to be taken to the cumulative impact assessments and the individual equalities impact assessments when considering savings proposals.

Cllr Revans further thanked the Scrutiny Committee - Corporate and Resources, for the work and valuable contribution throughout the budget setting process, and invited the Chair of the Scrutiny Committee – Corporate and Resources, Cllr Bob Filmer to comment on the process and recommendations.

The Chair, Scrutiny Committee – Corporate and Resources thanked Officers for their work; thanked Members for their engagement in the meetings and the workshop; thanked Executive members for their attendance at the Committee meeting 2 February 2024; and advised of the circulated addendum of recommendations for consideration.

The Chair, Scrutiny Committee – Communities, Cllr Gwil Wren, thanked the Community Services directorate for their work towards continuing services and expressed the concern for the long term financial future of the Council.

The Chair, Scrutiny Committee – Adults and Health, Cllr Gill Slocombe, commented on the positive and helpful Scrutiny process.

The Executive Director Community Services, Chris Hall and The Executive Director Climate and Place, Mickey Green, provided an update on the savings proposals. Points raised in relation to the Community Services service area included: wording and savings type amendments to: CMS021 overnight locking of Wellington, Blenheim and Vivary Parks; CMS026 Taunton Visitor Information Centre; and CMS041 Parish Ranger Scheme. Points raised in relation to the Climate and Place service Area included new savings: contractual changes related to the guaranteed minimum annual tonnage for residual waste in Somerset to our Contractor (Viridor) or seeking alternative EfW disposal routes above the current minimum annual tonnage floor; and Funding of one Grade 10 post and one Grade 7 post using time-limited external Levelling up front grant provided by DHLUC to support us in delivering LUF schemes; the removal of CAP004 Funding for Community Rail Partnership; a reduction in CAP027 transport policy costs; the deferral until 2025/26 of CAP032 reduction in highways maintenance and devolution of service (including removing savings regarding gully emptying, deferring savings regarding reducing reactive budgets for hedge trimming, noxious weeds treatment, gully emptying, ditches and



grips and reduced planned grass-cutting); and a amendment of the title (wording only) of CAP010 to Make Savings from the Core Contract for Household Waste Recycling Centre.

Following consideration of the Scrutiny Committee recommendation, members comments and public consultation, the Deputy Leader and Leader Member for Resources and Performance, Cllr Liz Leyshon, proposed the following amendments, which were seconded by Cllr Bill Revans:

- The creation of a reserve titled 'Devolution of Assets and Services', to be created by combining existing relevant reserves to the value of £600k.
- The removal of savings proposals CMS015 regarding the RNLI, CAP032 reductions to highways maintenance, CAP007 regarding the size of Council committees, SWL010 reducing Scrutiny Committee task and finish group work SWL006 the proposed creation of a combined Audit and Governance Committee, SWL007 reducing committee sizes, SWL008 centralising the location of executive meetings and SWL012 the reduction of member special responsibility allowances.

These amendments were agreed by the Executive.

The Executive Director – Resources and Corporate Services, Jason Vaughan, advised the Executive of the total cost of the proposed amendments was £260K per annum.

The Leader of the Council, Cllr Bill Revans, invited The Leader of the Opposition Cllr David Fothergill to speak on the budget proposals

The Leader of the Opposition , Cllr David Fothergill welcomed movement on the saving proposals and queried the legal risk in setting a balanced budget following correspondence with DLUHC. Cllr Fothergill requested that clarification be provided on the legal implications and advice to members in being able to set a budget without the Capitalisation Direction from DLUHC being approved.

The Interim Head of Legal, Jill Bryon, advised of the constant review work in addressing the situation, and undertook to provide advice to Members in writing ahead of the Full Council meeting on 20 February.

The Leader of the Council, Cllr Bill Revans, highlighted that the Council had listened through feedback, workshops and consultation and found a way forward in a very difficult situation. The Leader proceeded to invite comments from other Members present, questions and points raised included: comparator Councils Council tax figures and the differences in services provided; the difficulties in undertaking a referendum to increase Council Tax and associated costs and risks; the pressure on services which discretionary but remain hugely valuable to residents and the future

challenges to protect those services; gratitude to City, Town and Parish councils; highways maintenance savings; the residual waste contract and minimum tonnage risks; bus subsidy budget proposals and bus networks; the independent Scrutiny process and recommendations to Scrutiny; the importance of the scrutiny process; CCTV and contributions from City, Town and Parish Council and budget contributions in 2025/26; the difficult Adult Social Care budget savings; Bridgwater Carnival budget savings, the link to Somerset Council and tourism; the capitalisation directive, including the correspondence received from DLUHC, redundancy and the total cost; utilising the mobile library service as community hubs, statutory Library services and consultation with DCMS; Bus route 28 information; the reserves minimum position; the pathway to employment scheme; the increase in precepts for City, Town and Parish Councils and the variable increase in cost to residents across Somerset; and the need for national solution for Local Government funding.

The Executive Director – Resources and Corporate Services, Jason Vaughan, advised the Executive that Members must have regard to the report of the Chief Finance (Section 151) Officer, as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

The Executive proceeded to vote on the recommendations as amended, which were agreed unanimously.

**Following consideration of the officer report, appendices including individual and cumulative impact assessment and discussion the Executive:**

- a) Considered the feedback on the public consultation set out in Appendix 8.
- b) Considered the comments from the five business sector engagement events set out in Appendix 8.
- c) Considered and endorsed the comments from Scrutiny Committee Corporate & Resources on the budget proposals.
- d) Noted that a formal request has been submitted to DLUHC for Exceptional Financial Support in the form a Capitalisation Direction to balance the budget, an additional 5% in council tax (*request subsequently refused*) and £40m for the 're-sizing' of the council and associated redundancy costs and that as part of this process there will an external assurance review by CIPFA.
- e) Noted that the conclusions of the Council's Section 151 Officer (Chief Finance Officer) confirming the robustness of the budget estimates and the adequacy of the level of reserves, will be a separate report to Council.
- f) The Executive agreed the removal of savings proposals: CMS015 regarding the RNLI, CAP032 reductions to highways maintenance, CAP007 regarding

the size of Council committees, SWL010 reducing Scrutiny Committee task and finish group work SWL006 the proposed creation of a combined Audit and Governance Committee, SWL007 reducing committee sizes, SWL008 centralising the location of executive meetings and SWL012 the reduction of member special responsibility allowances.

g) The Executive agreed the following updates/revisions:

**Communities Service Area** - wording and savings type amendments to: CMS021 overnight locking of Wellington, Blenheim and Vivary Parks; CMS026 Taunton Visitor Information Centre; and CMS041 Parish Ranger Scheme. Resulting in no financial changes.

**Climate and Place Service Area** – new savings: Contractual changes related to the guaranteed minimum annual tonnage for residual waste in Somerset to our Contractor (Viridor) or seeking alternative EfW disposal routes above the current minimum annual tonnage floor; and Funding of one Grade 10 post and one Grade 7 post using time-limited external Levelling up front grant provided by DHLUC to support us in delivering LUF schemes – resulting in a combined £243,000 saving, And: the removal of CAP004 Funding for Community Rail Partnership; a reduction in CAP027 transport policy costs; the deferral until 2025/26 of CAP032 reduction in highways maintenance and devolution of service (including removing savings regarding gully emptying, deferring savings regarding reducing reactive budgets for hedge trimming, noxious weeds treatment, gully emptying, ditches and grips and reduced planned grass-cutting; and a amendment of the title (wording only) of CAP010 to Make Savings from the Core Contract for Household Waste Recycling Centre. In total resulting in a savings reduction of £243,000.

**Furthermore the Executive agreed to recommend to full Council approve:**

#### Revenue Budget

- a. Note the conclusions of the Council's Section 151 Officer (Chief Finance Officer) in his Section 25 report confirming the robustness of the budget estimates and the adequacy of the level of reserves for 2024/25 and his warning about the 2025/26 financial year.
- b. Approves the additional funding for pressures requirements set out in

## **Appendix 6.**

- c.** Approves the savings and income generation plans outlined in **Appendix 7**, considering the detailed Equalities Impact Assessments
- d.** Notes the MTFP Cumulative Impact Assessment in **Appendix 15**
- e.** Approves the General Fund net revenue budget for 2024/25 of £601.775m and the individual service budgets for 2024/25 as outlined in **Appendix 2**.
- f.** Notes that in order to balance the 2024/25 budget, that revenue spend will be capitalised in accordance with the Capitalisation Directive from DLUHC of £36.9m
- g.** The delegation of any amendments within the final Government Financial Settlement and the final Business Rates amendments to the Executive Director of Resources and Corporate Services (Section 151 Officer) in consultation with the Leader of the Council.

## Reserves

- a.** Notes that the level of General Reserves is maintained within the risk based assessment range of £30m minimum to £60m maximum level.
- b.** Approves that £36.8m from the Medium-Term Financial Plan Support Reserve is used to help balance the 2024/25 budget.
- c.** Notes the overall estimated position of Earmarked Reserves outlined in **Table 14** and the proposed use of reserves detailed in **Appendix 10** which includes the estimated use of Earmarked Reserves during the year.

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## Dedicated Schools Grant (DSG)

- a.** Note the forecast spending on the Dedicated Schools Grant is forecast to exceed the funding provided by government by £23.4m in 2024/25 and is projected to reach a cumulative deficit of £96.2m by 31 March 2026.
- b.** Notes the overall Dedicated Schools Grant allocation of £533.3m for

2024/25 and breakdown by block as set out in **Appendix 12**.

### Council Tax

- a. Approves the calculations for determining the Council Tax requirement for the year 2024/25 in accordance with the Local Government Finance Act 1992 as set out in the Council Tax Resolution in **Appendix 16**.
- b. Agree to continue the Council Tax precept of £14.65, included in the overall band D Council Tax for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of £3,058,900 for the Somerset Rivers Authority.
- c. Approves the Council increase the Council Tax for a band D property for Somerset Council, including the Somerset Rivers Authority Precept, by £82.14 for 2024/25, giving a band D Council Tax of £1,728.18 per year,
  - i. The general band D Council Tax by 2.99%, £49.22, the maximum permitted without a referendum; and
  - ii. The Adult Social Care Precept by 2.00%, £32.92.
- d. Approves a Special Expenses rate of £230,977 as detailed in **Appendix 5**.
- e. Approves the precept requirement of £361,071,003 (including Special Expenses Rate) £360,840,026 (excluding Special Expenses Rates).
- f. Approves the formal Council Tax resolution, in **Appendix 16a**, which incorporates the precepts of all the precepting bodies.

	2023/24 £	2024/25 £	Increase %
Somerset Council	1,449.58	1,498.80	4.99
Somerset Council – Social Care	196.46	229.38	
Police and Crime Commissioner	266.20	279.20	4.88
Devon and Somerset Fire Authority	96.79	99.68	2.99
<b>Sub-Total</b>	<b>2,009.03</b>	<b>2,107.06</b>	<b>4.88</b>
Special Expenses Average	1.07	1.11	3.74
City, Town and Parish Council (average)	105.99	158.86	49.88
<b>Total</b>	<b>2,116.09</b>	<b>2,267.03</b>	<b>7.13</b>

Note – all reference to appendices above relate to the Full Council papers for 20 February 2024.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

## **11 Developing the Approach to Transformation - Agenda Item 14**

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The Leader of the Council, Cllr Bill Revans, invited the Lead Member for Transformation and Human Resources, Cllr Theo Butt Philip, to introduce the report.

The Lead Member for Transformation and Human Resources, Cllr Theo Butt Philip, introduced the report highlighting: that Somerset Council faces a challenging financial situation, marked by increased service delivery costs outpacing income growth; that the Council needs a clear and robust plan to support long-term financial stability, and as part of this plan, the pace and scale of current local government reorganisation transition and transformation would need to be rapidly accelerated to deliver a radically different model and way of working; the focus on the Workforce Reduction Programme, due to this being an early enabler of organisational redesign; and that organisational design and innovation, and Partnerships and devolution, along with the original vision of the LGR strategy, will shape what a good Council looks like.

The Executive Director Strategy, Workforce and Localities, Alyn Jones, further added to the above points, highlighting: that the report sets out the approach to redesign the Somerset Council moving forward, the need to consider a smaller, leaner, and more agile Council; that as an organisation the first key step is through a voluntary redundancy programme; the awareness of the approach to transformation, noting the structure of the programme and to seek support for the initial phase of workforce reduction, as an enabler for wider whole Council transformation and innovation and to support long term financial sustainability; that as part of the workforce reduction programme the Council will strive to mitigate compulsory redundancies, with the Council actively pursuing lines of enquiry including removal of budgeted vacancies, reduction of agencies interims and consultants, voluntary reduction of contract hours and review of fixed term contracts.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the impact of voluntary redundancy, including: the financial cost; the lost of knowledge, skills and experience; the health and wellbeing of staff; the support for staff and the effect on the organisation culture; the management of risk; lessons learned locally, nationally and the planned robust programme management and clear accountabilities; mitigations for

unintended consequences of constraints of Local Government transformation; change management and the development of organisational values; the impact on apprentices and the Council's apprentice scheme, including the impact on and wellbeing of apprentices;; devolution and partnership working; the capacity of staff and risk associated with the pace of work; and maximising the opportunities a Unitary Council for Somerset

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

Following consideration of the officer report, appendices and discussion, the Executive:

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. **Noted the new approach to whole Council transformation.**
- b. **Approved the launch of the Voluntary Redundancy (VR) scheme, and the 45-day consultation period on 9 February 2024, as part of the Workforce Reduction programme.**
- c. **Noted that the delivery of the VR scheme will be dependent on the current financial strategy.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

#### **111 Heart of the South West LEP Transition - Agenda Item 15**

The Leader of the Council, Cllr Bill Revans, invited the Lead Member for Lead Member for Economic Development, Planning & Assets, Cllr Ros Wyke, to introduce the report.

The Lead Member for Lead Member for Economic Development, Planning & Assets, Cllr Ros Wyke, presented the report, highlighting: that the report is seeking the Council's approval of the Heart of the South West Local Enterprise Partnership (HotSW LEP) Integration Plan and the transfer of LEP functions to the Council as set out in the plan by 1 April 2024; that the preparation of this plan was required by Government as part of the process of transferring LEP functions to local authorities;

The process for agreement on the transfer of assets and resources has been undertaken collaboratively by the Council and its local authority partners; the setting up and voice of the Somerset Economic Growth Board; and the required production of a Somerset Economic plan, and the challenges to produce this within the 6 months timeframe.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included the support for the decision from the former Chair of HotSW Joint Committee, Cllr Val Keitch.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive:**

- a. Approved the proposed Integration Plan for the Heart of the South West Local Enterprise Partnership (HotSW LEP) and the transfer of the LEP functions into the Council.**
- b. Delegated responsibility to the Service Director – Economy, Employment and Planning, in consultation with the Lead Member for Economic Development, Planning and Assets for establishing the Somerset Economic Growth Board and the implementation of the Integration Plan.**
- c. Delegated to the Executive Director – Resources & Corporate Services (Section 151 Officer) to finalise a transfer arrangement and agreements with Devon, Plymouth and Torbay councils that cover operational implementation of the LEP functions; allocations of LEP residual funding, resources, and assets as set out in the finance and risk section.**
- d. Agreed the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential Appendix 01 in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.



REASON FOR DECISION: As set out in the officer report.

**11 Determination of 2025/26 Somerset Council Admission Arrangements -**  
**2 Agenda Item 16**

The Leader of the Council, Cllr Bill Revans, invited the Lead Member for Children, Families and Education, Cllr Heather Shearer, to introduce the report.

The Lead Member for Children, Families and Education, Cllr Heather Shearer, introduced the report highlighting that Admission Authorities are required by the School Admissions Code and associated legislation to determine their admission arrangements annually and the Executive, acting as the Admission Authority for all Somerset Voluntary Controlled and Community schools is required to fulfil this function in relation to the 2025/26 admission arrangements.

The Strategic Manager, Head of Education Places, Phil Curd, added to the above points, highlighting: that the admission arrangements affect 94 schools - 92 schools in primary phase and two secondary places; the six week period of public consultation.

The Leader of the Council, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the support for the amendments to the report and the challenges in recruiting teachers.

The Lead Member for Children, Families and Education, Cllr Heather Shearer, proposed and the Lead Member for Transformation and Human Resources, Cllr Theo Butt Philip, seconded an amendment to Appendix 1:

- Priority at an infant school for pupils with siblings attending the linked junior school remains in the primary over-subscription criteria for community and voluntary controlled schools.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

**Following consideration of the officer report, appendices and discussion, the Executive agreed:**

**1. To the proposed changes to the over subscription criteria for Local Authority Voluntary Controlled and Community Primary Schools.**

**2. To the proposed changes to the over subscription criteria for Local Authority Voluntary Controlled and Community Secondary Schools.**

**3. To determine the Admission Arrangements for all Local Authority Voluntary Controlled and Community Primary Schools for 2025/26.**

**4. To determine the Admission Arrangements for all Local Authority Voluntary Controlled and Community Secondary Schools for 2025/26.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.

REASON FOR DECISION: As set out in the officer report.

**(The meeting ended at 5.15 pm)**

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**CHAIR**