
FULL COUNCIL SUMMARY OF DECISIONS

Wednesday, 5 March 2025

Item No.	Title
6	<p>Housing Revenue Account (HRA) Revenue Budget for 2025/26, Capital Budget for 2025/26 to 2029/30, Medium Term Financial Plan Update and 30-Year Business Plan Update</p>
	<p>DECISION</p> <p>Councillor Federica Smith-Roberts proposed the recommendations, which were seconded by Councillor Suria Aujla.</p> <p>Having been duly proposed and seconded, the Council Resolved to agree:-</p> <ol style="list-style-type: none"> 1) The HRA Annual Revenue Budget for 2025/26 as set out in Section 3 and in Appendix A. 2) The Capital Programme of £304.638m including new additions of £213.587m and budget deletions of £4.738m as detailed in Section 4 and Appendix B. 3) Delegated authority to the Chief Finance Officer (Section 151 Officer) to approve the final capital financing of the capital programme annual spend. 4) Delegated authority to the Chief Finance Officer (Section 151 Officer) and the Executive Director of Community, Place and Economy, in conjunction with the Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance and the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity to approve the tenure (social vs affordable rents) of each social housing scheme. 5) Delegated authority to the Executive Director of Community, Place and Economy and the Chief Finance Officer (Section 151 Officer), in conjunction with the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity, to acquire dwellings in accordance with the HRA Capital Programme for 2025/26 to 2029/30 and updated Business Plan 2025/26. 6) The minimum balance for the HRA General Reserves at

	<p>£5.863m, the equivalent of 10% of revenue for 2025/26 and approximately £600 per property.</p> <p>7) To note the updated Medium Term Financial Plan 2025/26 to 2029/30.</p> <p>8) To note the updated 30-Year Business Plan in Section 7 and Appendix C.</p>
7	<p>Section 25 Report - Section 151 Officer Report on the Robustness of the Budget Estimates and the Adequacy of Reserves</p>
	<p>DECISION</p> <p>Councillor Liz Leyshon proposed the recommendations, which were seconded by Councillor Bill Reavns.</p> <p>Having been duly proposed and seconded, the Council Resolved to consider and acknowledge:-</p> <ol style="list-style-type: none"> a) The advice of the Council's Interim Chief Finance Officer (Section 151 Officer) in their Section 25 report (Appendix A) in relation to the robustness of the Budget estimates and the adequacy of the level of Reserves for 2025/26, as required by Section 25 of the Local Government Act 2003. b) The Section 151 Officer's warning about the critical financial position of the Council, the £101.384m 2026/27 Budget gap increasing to £190.041m over the medium term, inadequate reserves and the lack of financial sustainability over the period 2026/27 to 2029/30. c) The minimum level of Reserves was set at 5% of the Net Revenue income stream on 1 April 2025 which was £33.254m (excluding the use of EFS to meet the Net Revenue Budget). The appropriate level of General Fund Balance be set at £60.000m for 2025/26. d) The responsibility of Council Members under Section 31A of the Local Government Finance Act 1992, to have regard to this report when making decisions on agreeing the Budget and setting the Council Tax for the financial year 2025/26. <p>(NB – recommendation (c) amended at the meeting)</p>
8	<p>Revenue and Capital Budget and Council Tax 2025/26 and Medium Term Financial Strategy 2025/26 - 2029/30</p>
	<p>DECISION</p> <p>Councillor Liz Leyshon proposed the recommendations, which were seconded by Councillor Bill Revans.</p> <p>Having been duly proposed and seconded, the Council Resolved to:-</p> <p>In respect of the Robustness of the Budget</p> <ol style="list-style-type: none"> a. Confirm that it has had regard to the report of the Council's Interim Chief Finance Officer (Section 151 Officer) (Appendix

A) as to the robustness of the estimates made for the purposes of the calculations of the budget in making the calculation of its budget requirement confirming the robustness of the Budget estimates and the adequacy of the financial reserves, noting in particular their warning about the forecast deficits and the lack of Financial Sustainability over the period 2026/27 to 2029/30, as required by Section 25 of the Local Government Act 2003;

In respect of the General Fund Revenue Budget 2025/26

- b. Having considered the detailed Equalities Impact Assessments **Appendix L**, approve the Savings and Income generation plans outlined in **Appendices B(i) B(ii) and B(iii)**.
- c. Approve the additional funding for new Growth requirements set out in **Appendix C**.
- d. Approve the General Fund Net Revenue Budget for 2025/26 of £622.089m and the individual Executive and Service Directorate Budgets for 2025/26 as outlined in **Appendix D**.
- e. Note the MTFP Movements set out in **Appendix E** from the report that was presented to Executive in October 2024.
- f. Approve the MTFP for the next five years set out in **Appendix F** and the MTFS 2025/26 – 2029/30 Strategy Document set out in **Appendix G**.
- g. Approve the changes to the Fees and Charges schedule for 2025/26 set out in **Appendix H**.
- h. Note the Specific Revenue Grants Schedule 2025/26 set out in **Appendix I**
- i. Note the Parking Account for 2025/26 set out in **Appendix K**
- j. Note the MTFP Cumulative Equalities Impact Assessment set out in **Appendix L**
- k. Note the 2025/26 Budget Consultation Feedback set out in **Appendix M**
- l. Note and agree that the 2025/26 Budget had been balanced. The budget includes £43.000m of Exceptional Financial Support from MHCLG in the form of a Capitalisation Direction which enabled operational expenditure to be capitalised as set out in **Appendix AA** and **Appendix D**.
- m. Note and accept the conditions set out in the Minister's 'minded to approve' Exceptional Financial Support letter dated 20 February 2025 set out in **Appendix A, Annex A(i)**, that Somerset Council would need to accept and fulfil in order to secure the Capitalisation Direction of up to £43.000m.

In respect of the Dedicated Schools Grant (DSG)

- n. Note that the forecast spending on the Dedicated Schools Grant, set out in **Appendix J(i)** was forecast to exceed the funding provided by government by £33.914m in 2025/26 and was projected to reach a cumulative deficit of £99.125m by 31 March 2026.
- o. Note the overall Dedicated Schools Grant allocation of £481.393m for 2025/26 and breakdown by block set out in

Appendix J(ii).

- p. Approve the distribution of the Schools Block of £416.883m in compliance with the National Funding Formula and as recommended by Schools Forum on 15 January 2025 and agree that any changes to the budget reasonably required as a result to the 2025/26 DSG settlement were delegated for decision to the Chief Finance Officer (Section 151 Officer)

Appendix J(i) and J(ii).

In respect of the Earmarked Reserves

- q. Note the annual review of reserves and that the level of General Reserves was maintained within the risk-based assessment range of £33.254m minimum to £60.000m appropriate level.
- r. Note the Earmarked Reserves reprofiling as set out in **Appendix N**.
- s. Note the overall estimated position of Earmarked Reserves outlined in **Appendix AA, Table 17** and the proposed use of reserves detailed in **Appendix N** which included the estimated use of Earmarked Reserves during the year.

In respect of the General Fund Capital

- t. Consider and approve the Capital Investment Strategy for 2025/26 to 2029/30 set out in **Appendix O**
- u. Approve the £235.103m new Capital proposals 2025/26 to 2029/30 set out in **Appendix P**
- v. Approve the revised Capital Programme of £1,077.384m 2024/25 to 2029/30, as set out in **Appendices Q(i) and Q(ii)**
- w. Approve the Flexible use of Capital Receipts Strategy 2024/25 and 2025/26 as set out in **Appendix S**.

In respect of the Treasury Management Strategy and Prudential Indicators 2025/26

- x. Approve the Treasury Management Strategy 2025/26, the Treasury Management Policy Statement 2025/26, the Prudential Indicators and the Annual Investment Strategy 2025/26 as set out in **Appendix R(i)**
- y. Approve the Minimum Revenue Provision 2024/25 & 2025/26 set out in **Appendix R(ii)**
- z. Approve the Non Treasury Investment Strategy 2025/26 set out in **Appendix T**

In respect of Council Tax

- aa. Approve the calculations for determining the Council Tax requirement for the year 2025/26 in accordance with the Local Government Finance Act 1992 set out in the Council Tax Resolution in **Appendix U**.
- bb. 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 for 2025/26). This resulted in a Council Tax Requirement of £3,112,887 for the Somerset Rivers Authority.
- cc. Approve the increase in Council Tax for a Band D property for

Somerset Council, including the Somerset Rivers Authority Precept, by £129.43 for 2025/26, giving a Band D Council Tax of £1,857.61 per year, being:

- i) The General Band D Council Tax by 5.49%, £94.87, being the maximum 2.99% permitted without a referendum and the additional 2.5% permitted by the Ministry of Housing Communities and Local Government as part of the Local Government Finance Settlement for 2025/26; and
- ii) The Adult Social Care Precept by 2.00%, £34.56.

- dd.** Approve a Special Expenses rate of £151,509 as detailed in **Appendix U**.
- ee.** Approve the precept requirement of £394,863,503 (including Special Expenses Rate) £394,711,994 (excluding Special Expenses Rates).
- ff.** Approve the 7.49% increase formal Council Tax resolution, in **Appendix U**, for Council Tax incorporating:
 - 5.49% General Council Tax (including an additional 2.5% EFS) and
 - 2.00% Adult Social Care Precept and
 - Note the precepting bodies precepts as below:

	2024/25 £	2025/26 £	Increase %
Somerset Council	1,498.80	1,593.67	5.49
Somerset Council – Social Care	229.38	263.94	2.00
Somerset Council Total	1,728.18	1,857.61	7.49
Police and Crime Commissioner	279.20	293.20	5.01
Devon and Somerset Fire Authority	99.68	104.68	5.02
Sub-Total	2,107.06	2,255.49	7.04
Special Expenses Average	1.11	0.71	(36.04)
City, Town and Parish Council (average)	158.86	182.42	14.84
Total	2,267.03	2,438.62	7.57

- gg.** Note the Council Tax Scenarios set out in **Appendix V**
- hh.** Approve the formal Council Tax resolution below:
 - The Council Tax Base for the year 2025/26 was calculated in accordance with the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 1992 as amended and made under Section 33 (5) of the Local Government Finance Act 1992, (referred to hereinafter as “the Act”).

			Legislation	Plain English
1	a	212,483.78	The Council Tax Base 2025/26 for the whole Council area [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (the "Act")] and, for dwellings in those parts of its area to which a Parish precept related as in Appendix U(iii) .	The Tax Base for the whole District and the Tax Base for each City/Town/Parish .

- Calculate that the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) was:

		£	Council Tax Requirement
2	a	391,599,107	(excluding Parish precepts)
		3,112,887	with an additional requirement for the Somerset Rivers Authority

- That the Council calculated the following amounts for 2025/26 in accordance with Sections 31B and 34 to 36 of the Act (as amended by the Localism Act 2011 and Local Government Regulations 2012).

		£	Legislation	Plain English
3	a	1,375,125,232	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act, taking into account all precepts issued to it by Parish	The estimated gross revenue expenditure (including transfers to reserves and deficits on the collection fund) for the General Fund, Special Expenses account, other General Fund revenue reserves

			Councils.	and Parish/City/Town precepts
	b	941,500,138	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act	The estimated gross revenue income (including the transfer of the surplus on the Collection Fund, formula grant and transfers from reserves) for the same funds as mentioned above.
	c	433,625,094	Being the amount by which the aggregate expenditure at 3(a) above exceeds the aggregate income at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act; as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act.]	The net (expenditure less income) funding requirement for the General Fund and Special Expenses accounts plus the Parish precepts issued for the year.
	d	2,040.74	Being the amount at 3(c) above (Item R), all divided by Item T (1(a)	The average Band D Council Tax across Somerset inclusive of

			above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of it's Council Tax for the year.	parish precepts and Special expenses. It is not actually charged anywhere in Somerset but must be calculated by law as part of the Council Tax setting process.
	e	38,913,100	Being the aggregate amount of all special items referred to in Section 34(1) of the Act.	The total of Parish precepts received for the year and the net Special expenses.
	f	1,857.61	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (2 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates.	This is the Band D Council Tax for Somerset Council (including the Somerset Rivers Authority) only.
<ul style="list-style-type: none"> To note that the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below. 				

	<ul style="list-style-type: none"> • That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby set the aggregate amounts shown in Appendix U as the amounts of Council Tax for 2025/26 for each part of its area and for each of the categories of dwellings.
9	Regional Devolution Proposals
	<p>DECISION</p> <p>Councillor Bill Revans proposed the recommendations, which were seconded by Councillor Mandy Chilcott.</p> <p>Having been duly proposed and seconded, the Council Resolved to:-</p> <ol style="list-style-type: none"> endorse the principle of Somerset Council working with partner local authorities (including Dorset, Wiltshire and BCP Councils) to secure a devolution settlement for the Wessex area and the ambition of the partners to be part of Government's Devolution Programme, while remaining open to working with other authorities outside the Wessex area where it was demonstrably beneficial to Somerset. accept that Wessex had agreed to be available to Swindon Borough Council and North Somerset Council should they wish to join Wessex at a later stage. recognise that the geographies of authorities within the Devolution Programme were identified as areas for the creation of a new MSA. note the potential opportunities to promote economic growth, skills and prosperity alongside the financial benefits and strategic and operational implications for Somerset Council arising from a devolution settlement and the creation of a MSA. <p>(NB – recommendation (i) amended at the meeting)</p>
10	Somerset Council Redundancies Requiring Full Council Approval
	<p>DECISION</p> <p>Councillor Theo Butt-Philip proposed the recommendations, which were seconded by Councillor Bill Revans.</p> <p>Having been duly proposed and seconded, the Council Resolved to:-</p> <ol style="list-style-type: none"> 2.1 Approve the redundancy costs for the 12 posts as set out in Appendix A, as Full Council approval was required for costs that exceeded £100,000. 2.2 Delegate authority to the Chief Executive to agree the final date of dismissal and the final redundancy packages, noting that such settlements would not exceed contractual redundancy pay or the payment required under statute to the Local Government Pension Scheme.

11	Member Scheme of Allowances
	<p data-bbox="411 210 571 241">DECISION</p> <p data-bbox="411 282 1369 353">Councillor Bill Revans proposed the recommendations, which were seconded by Councillor Mandy Chilcott.</p> <p data-bbox="411 394 1406 425">Having been duly proposed and seconded, the Council Resolved to:-</p> <ul data-bbox="437 432 1406 757" style="list-style-type: none"><li data-bbox="437 432 1406 504">i. Thank the Panel for its report and recommendations set out in Appendix 1;<li data-bbox="437 510 1406 649">ii. Consider the Panel's recommendations prior to determining the Scheme of Members' Allowances 2025/26 and the draft Scheme of Members' Allowances 2025/26 (set out in Appendix 2);<li data-bbox="437 656 1406 757">iii. Authorise the Monitoring Officer to finalise and publish the Scheme of Members' Allowances 2025/26 to reflect the Council's decision.