



Somerset
Council

Budget consultation

2024 - 2025



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Introduction

Somerset Council provides all your local services from adult and children's social care to rubbish collection and recycling, public health and education, roads, transport and leisure services, as well as support for businesses.

This is a public consultation open to all. We are asking for your views as we look to set a balanced budget for 2024/25.

All councils nationally are facing a challenging financial situation as the cost of delivering services is increasing faster than we can generate income. Factors like inflation, higher energy bills and increased interest rates are pushing up our costs in the same way that everyone's cost of living has risen. Like our residents, we want to live within our means, but our budget is near breaking point.

In November, our Executive voted to declare a financial emergency due to these soaring costs, particularly the cost of providing adult social care where residential care placement costs have risen from around £577 per week in 2022/23 to £850 per week this year.

Almost two thirds of our budget is spent on adults services – looking after people who are older, disabled and with learning difficulties – and children and families – children in care, safeguarding, fostering, education, and those with special educational needs and disabilities.

This information pack explains how our budget is broken down and the costs of providing services. Everyone in Somerset uses council services and everyone in Somerset has a right to have their say on how those services are funded and delivered. You may be affected by what we are proposing. Please help us to understand what these proposals may mean for you so that we can take residents' needs and views into account when considering the way forward.

How you can respond

Our vision for Somerset Council aims to put local people at the heart of everything we do. The way in which we deliver services may need to change but we are committed to being a listening and empowering council, with open decision making.

We want to hear from as many people, businesses, organisations and communities as possible. There are many ways you can share your views.

You can take part in our online survey at www.somerset.gov.uk/consultations

If you need assistance then please visit one of our Customer Access Points found at libraries and offices across Somerset. Paper copies can also be provided.

If you need help or support please call **0300 123 2224** and say 'budget consultation' when prompted.

How your views will be used

All the views put forward as part of this consultation will be fed into a comprehensive final report to help elected members make decisions on savings proposals and ensure we set a balanced budget for 2024/25.

Budget setting takes place in early 2024, with budget reports developed in late January and taken to meetings of **Scrutiny** and **Executive**.

Final decisions and budget setting will take place at Full Council on 20 February 2024.

This consultation will be completed in mid January, in time to allow the report to be considered by councillors, alongside other information, as part of this decision-making process.

Further consultation may be needed on more detailed proposals in the coming weeks and months.

About Somerset Council

Somerset Council is a unitary council. This means it provides all local government services to Somerset's residents and businesses, from collecting and disposing of waste, schools, social care for adults and children, housing, leisure, support for businesses, planning and much more.

The council came into being on 1 April 2023, bringing together Somerset County Council and the four district councils: Mendip, Sedgemoor, Somerset West and Taunton and South Somerset.

There are 110 elected members – two for each of the council's electoral areas or divisions.

Since its creation Somerset Council has set out its aims and ambitions, with four guiding principles:

- **A Greener, More Sustainable Somerset**
- **A Flourishing and Resilient Somerset**
- **A Fairer, Ambitious Somerset**
- **A Healthy and Caring Somerset**

You can read more about our ambitions for Somerset in our **Council Plan**.

How we spend our money

The Council's net budget for the current year (2023-2024) is £493m. Almost two thirds of the budget is spent on social care for adults – looking after people who are older, disabled and with learning difficulties – and children and families – children in care, safeguarding, fostering, education and those with special educational needs and disabilities.

Some £239m is spent on other services including community services including housing, licensing and environmental health, climate and place services including highways, planning and waste, public health and support services.

Increasing costs: Our services

63% of our budget is spent on children and adults who need our care.



Where the money is spent

*We also receive £56m in 2023/24 in special grants

2023/24 budget Current
2024/25 budget Forecast



Adults Services

This includes looking after people who are older, disabled and with learning disabilities



Children and Family Services

This includes safeguarding, children in care, Special Educational Needs and/or Disabilities, fostering and education



Community Services

This includes housing, cultural services, customer services, environmental health and licensing



Climate and Place

This includes highways, planning, economic development, transport, climate and waste services



Support Services

This includes HR, finance and other back office services, as well as property management and governance



Public Health

Funds to improve community safety and reduce and protect those who experience domestic abuse



Corporate Contingency

Funds for use in emergencies, such as flooding



Accountable Bodies

(Funds we hold on behalf of our partner organisations)



Non-service related costs

This includes bank charges, pay award, financing debt and cost of capital

*Figures correct as of month 5 monitoring report

How the council is funded

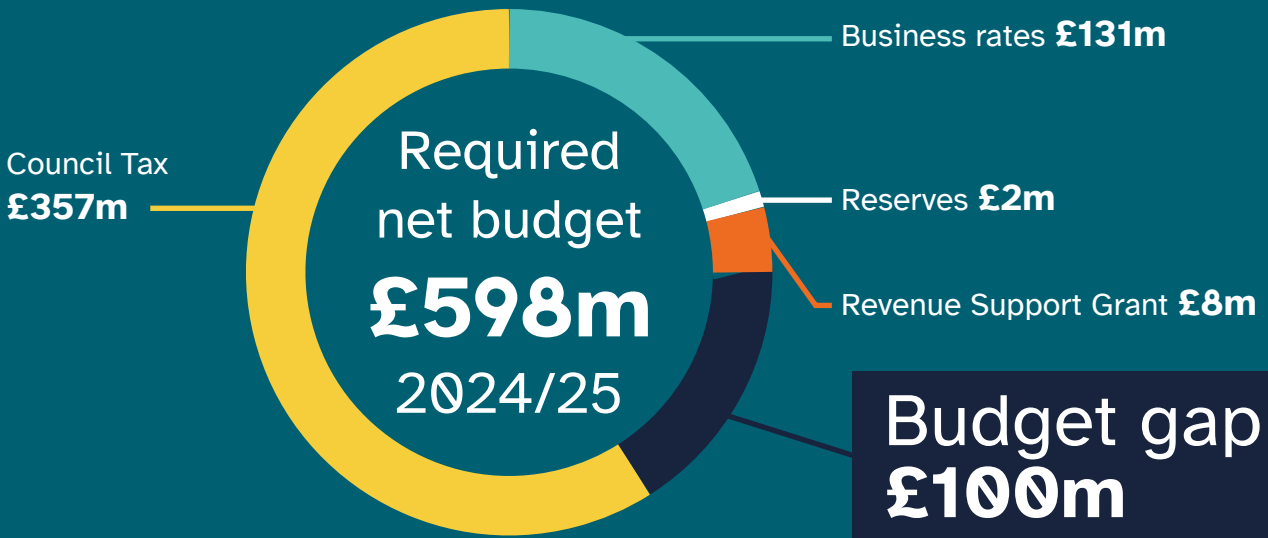
Councils like Somerset have four main sources of income:

- **Council Tax**
- **Government grants**
- **Business rates**
- **Service fees**

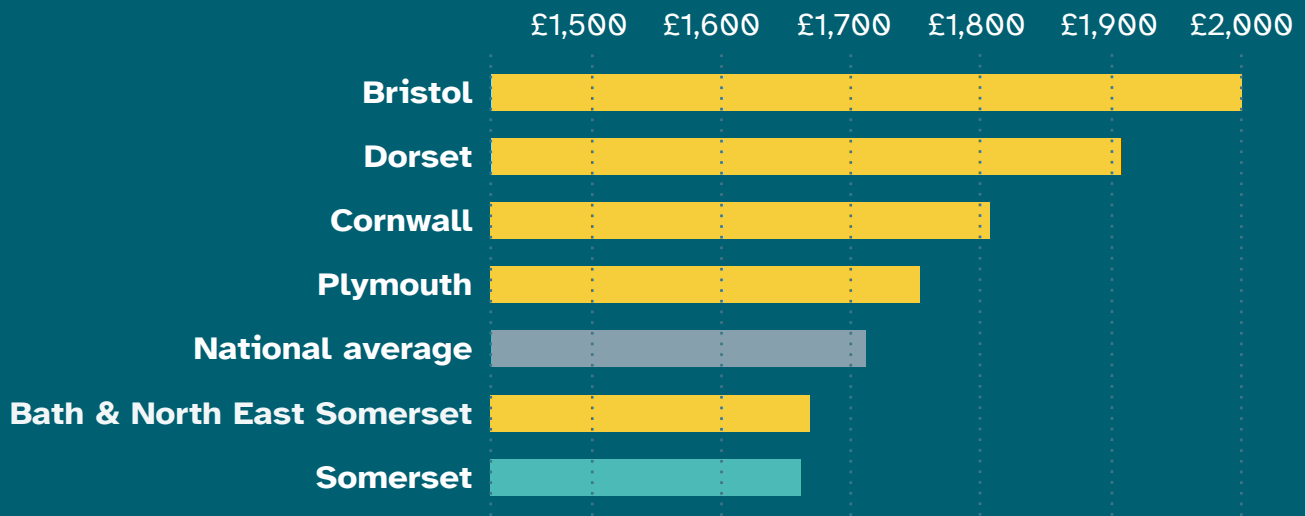
Unlike central Government, we have very little scope to raise other taxes or generate other sources of income. We cannot borrow money to finance day-to-day spending. We use what we call our 'revenue budget' to meet the cost of day-to-day spending such as salaries, supplies and services.

Increasing costs: Income overview

Where the council's money comes from



Council Tax - how Somerset compares:



£ Somerset Council Tax Charge
£1,646.04
Average unitary charge
£1,727.08

↑ £ If we raised council tax to the unitary average we would raise a extra £16.7m a year.



The average Somerset Council Tax charge is lower than the majority of other unitary councils, ranked 49th out of 63

↑ **1% = £3.4m**

Every 1% increase in Council Tax generates an additional £3.4m in income for the council.

Budget challenges

Local authorities must by law deliver a balanced budget and so cannot spend more money than is available. Since the period of national austerity began in 2008, funding from central Government has reduced significantly whilst demands on services and costs have continued to increase.

The Council faces a very stark and challenging financial position with the cost of delivering services increasing significantly faster than the income it receives, particularly for services like social care.

Budget figures which went before Somerset Council's Executive in November showed an estimated £70m increase in expected adult social care costs for 2024/25 and, together with other cost increases due to inflation and interest rates, we have a projected £100M gap in our budget.

The council's income comes from Council Tax, government grants, and fees and charges such as parking charges and planning fees.

We cannot increase Council Tax to address its budget gap because government rules restrict increases to a maximum 2.99% and 2% for the adults social care charge.

Somerset has an historically low level of Council Tax, below the national average and less than neighbouring authorities in Bristol, Dorset, Cornwall, Plymouth, and Bath and North East Somerset.

How costs have increased

Adults Social Care: In the current year, the budget is £187m. This is forecast to increase to £253m next year, an increase of around 35%. The costs of care placements has risen sharply while the number of hours spent caring for people in their own homes has risen by 16%.

Children and Families: The budget is forecast to rise by 14% next year, up from £123m to £140m. There are 565 children in care in Somerset, many with complex needs. There is a lack of foster carers, provider costs are rising while transport costs for children with Special Educational Needs and Disabilities has gone up by a fifth.

Other budget areas: Almost every other area is forecast to see increases in the coming year. Community Services, includes, housing, licensing and environmental health is predicted to increase by £5m; Climate and Place that includes highways, planning and waste services, is forecast to rise by £4m; support services, including bank charges, debt and capital costs, is forecast to go up by £28m.

Increasing costs: Adult Services

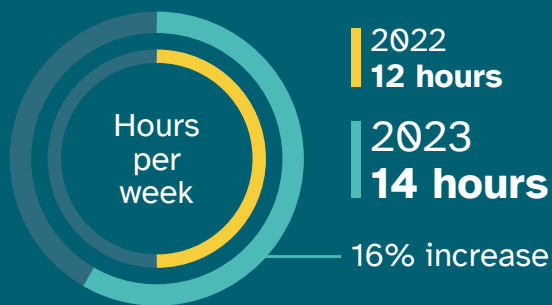
Residential care placement cost
(per week)



Caused by rising costs for

- Food
- Fuel, heating and electricity
- Interest rates
- Abandoned Fair Cost of Care exercise

Average care for a person receiving care at home

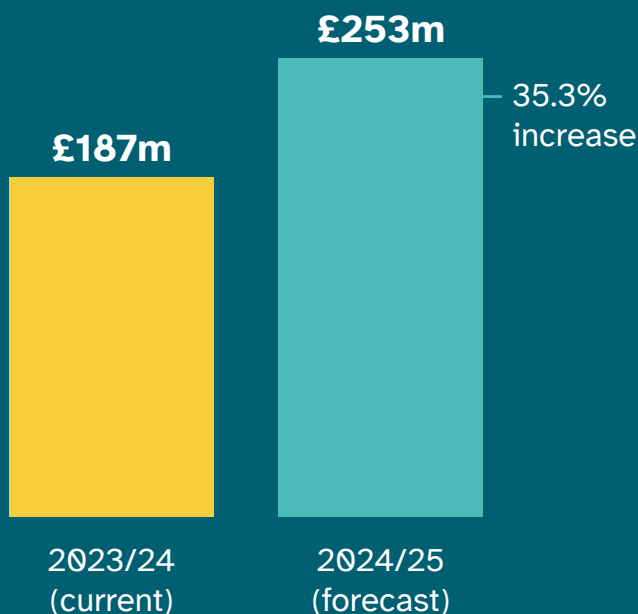


People in Somerset aged 75+



People aged 75+ expected to double over the next 25 years.

Budget overview

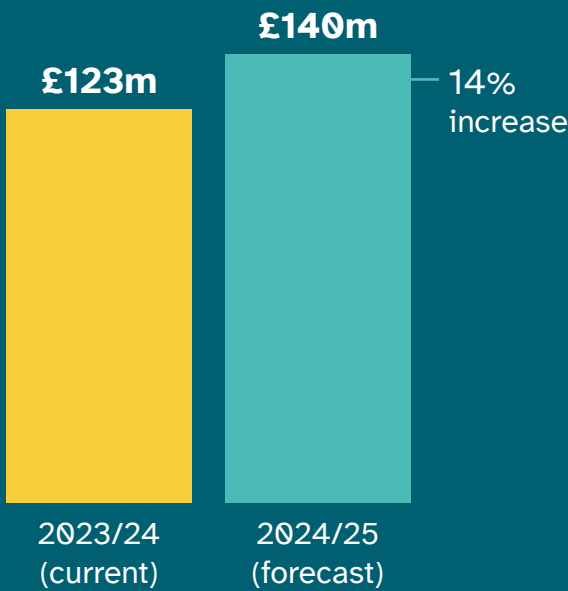


Key causes of increase

- Residential, nursing and at home care fee increases
- Provider inflation
- Ageing population
- Children with complex needs moving to adulthood
- Working age adults

Increasing costs: Children and Family Services

Budget overview



Pressures

- We have around 565 children in care in Somerset
- Stability of care placements
- Lack of foster carers
- More complex family situations
- Complexity of children's needs, which leads to more expensive care
- Provider cost increases

The number of Education, Health and Care Plans (EHCP) has **x3** since covid

Transport demands and cost (average)

2022



SEND (1,112 passengers)

Annual cost per passenger - £6,316



Mainstream (7,825 passengers)

Annual cost per passenger - £1,269

2023



SEND (1,252)

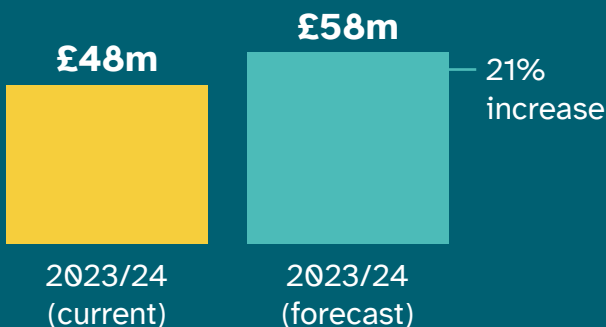
Annual cost per passenger - £7,109



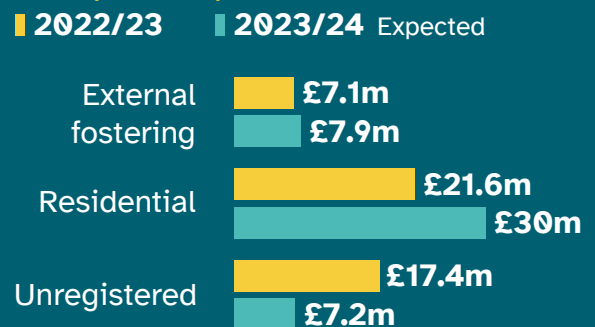
Mainstream (8,212 passengers)

Annual cost per passenger - £1,498

Care and accommodation costs



Examples of placement costs



In just six years national costs for residential care have more than doubled

Options we have

With the costs of many services rising, and very little freedom to raise Council Tax or generate income, our only option is to find savings by reducing or stopping discretionary services. Many of these are hugely important to our residents and communities but are not required by law.

This consultation provides information on discretionary services and asks for your views on which are most important to you.

Increasing Council Tax

The Council has a fundamental budget problem: our costs are increasing at a far greater rate than our income.

The main source of our income is Council Tax, which is £338m in the current year. When Somerset Council came into being in April 2023, the Council Tax charge was evened out across Somerset. The total amount raised is based on the same amount generated in the five predecessor councils – Somerset County, Mendip, Sedgemoor, Somerset West and Taunton and South Somerset - in 2022/23. Therefore, the current band D charge of £1,646.04 reflects past decisions made by those former councils.

Any increases in Council Tax are carefully controlled by government which set the percentage limit Council Tax can be increased. Any increase over that figure would prompt a referendum.

For 2024/25 Council Tax can increase by 2.99% and a further rise of 2% for the adult social care precept – money set aside specifically for this service.

Somerset has one of the lowest levels of Council Tax in the country when compared with other unitary authorities. If Somerset Council charged the national average there would be an extra £16.7 million of income, and if it was at the same level as Dorset Council there would be an additional £53.4million which would more than halve the budget gap.

- Average unitary charge £1,727.08, 4.9% or £81.04 higher than in Somerset
- Charging the same as the highest Council Tax, Nottingham City Council (£2,053) would generate an additional £83.7m per annum.
- Charging the same as the other Southwest unitary councils would generate an additional:
 - Dorset Council (£1,906 – 15.8% higher) - £53.4m per annum
 - Cornwall Council (£1,803 – 9.5% higher) - £32.2m per annum
 - Wiltshire Council (£1,702 – 3.4% higher) - £11.5m per annum

