**Ref: 04**

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| **From:** | **Executive Committee Updates** |

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| **To:** | **All Somerset Clerks** |

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| **Date:** | **17 January 2024** |

**Executive Committee updates:**

**Council Tax, recycling sites, next steps, and Scrutiny**

On Monday, Somerset Council’s Executive Committee discussed important Budget Update papers. This was a key milestone in the difficult budget setting process for 2024/25 and will be of interest to all parishes,

The authority faces a budget gap of around £100m, driven largely by the increasing costs of care services which are affecting councils around the country.

The approach set out in the Budget Update report is to bridge the gap through reserves (£37m), significant savings (£35m - of which £24m are new savings and yet to be approved), increased Council Tax, and a £20m capitalisation direction which would allow the Council to borrow money or sell assets to fund running costs.

**Council Tax**

The Executive Committee agreed the recommendation to request from the Department for Levelling Up, Housing and Communities (DLUHC), the flexibility to increase Council Tax by more than then level that triggers the need for a referendum – by an extra 5%.

If this request is granted and the proposal then approved at Full Council on 20 February, it would mean a 9.99% increase in total (including the 2% social care precept).

This increase would generate an additional £17m and the Council’s proportion of a Band D charge would rise to £1,810.48 (below the unitary average of £1,815).

**Recycling site savings**

Executive was able to receive an update on savings option CAP010 (Climate and Place) relating to savings of around £960k over two years linked to the potential closure of a number of the county’s 16 recycling sites.

Somerset’s recycling sites are managed on the Council’s behalf by its contractor, Biffa Ltd. Any substantial changes to the terms of the contract, such as a closure of sites, requires commercial negotiations to understand the operational and financial implications of closing different sites. These negotiations are complex and ongoing.

The savings option was modelled on the closure of five sites and what we understand that will deliver in savings. Based on cost (per visit and per tonne of material deposited) five ‘at risk’ sites were shared with Executive in the interests of transparency.

These are **Castle Cary, Cheddar, Crewkerne, Dulverton and Williton.**

However, the Executive was told that there are ongoing commercial negotiations which could change things. When we have firm proposals, there will be further consultation. When negotiations are concluded, it is possible that different sites may need to be considered.

**For clarity. At the 20 February Full Council, the decision will be about making the £960k saving *only*, as part of the wider Budget Plan.**

**No decision will be made at that point to close any sites.**

When there are firm proposals, there will be further consultation and plenty of opportunity for members and residents to share their views before decisions about which sites and what closures are made.

The Council is open to conversations about community involvement in providing recycling sites, though it should be understood that these operations, and the contractual basis in which they are managed, are complex and expensive.

**Yeovil Recreation Centre**

Residents representing the Yeovil Recreation Centre staged a protest outside the meeting venue, raising concerns about savings option CMS020. This is a £165k saving to be achieved over two years by reducing sports and leisure facilities at the centre, with the closure of managed sport and leisure facilities. An online petition was ‘presented’ to the meeting.

The committee acknowledged that the facilities are well-used and well-loved, with benefits for health and wellbeing. Talks are taking place with a number of local partners about alternative funding models and options for others to take control of the assets and service.

**Scrutiny Committee**

The Executive agreed to consult with the Corporate & Resources Scrutiny Committee on the 2024/25 budget proposals – including the savings options and Council Tax increase – when it meets on 1 February.

The Scrutiny Committee is asked to feedback at the next meeting of the Executive Committee on 7 February.

**Online Budget Consultation**

Please encourage residents to share their views through the Council’s online [Budget Consultation](https://somersetcouncil.citizenspace.com/comms/budget-consultation-2024-2025/) which is open until 22 January. The information and views provided will help inform councillors when they eventually have to make their decisions.

**Next steps**

* 22 January. Budget consultation closes.
* 25 January. Audit Committee to discuss technical budget papers.
* 1 February. Meeting of the Corporate and Resources Scrutiny Committee. Due to discuss Budget Update report, including savings options.
* 7 February. Meeting of Executive Committee. Consider feedback from Scrutiny and results of budget consultation. To recommend budget for decision at Full Council.
* 20 February. Full Council meets to agree final budget for 2024/25.

**ENDS**

**Next Parish Clerk Working Group Meeting:**

**Extended session**

**Topic:** Budget impacts

**Date:** Wednesday 24 January, 10.30-11.30am

**Details to follow.**