

## Somerset Council Report to Croscombe Parish Council meeting Tuesday 8<sup>th</sup> April 2025

### Finance

Somerset Full Council has set a Balanced and Legal Budget for year 2025-2026. Council Tax bills have now gone out. The Ministry of Housing Communities and Local Government (MHCLG) agreed to an increase to 7.49% higher than the regular 4.99%. Even with that the remaining budget gap is £43m which has been met by Exceptional Financial Support (EFS) by MHCLG in the form of a Capitalisation Direction. This is a breather only. Despite the proposed Council transformation, we expect that we will need to apply again for EFS in setting the 2026-2027 budget.

None of this addresses “the elephant in the room” which is the overspend on the Dedicated Schools Grant (DSG) forecast to reach a cumulative deficit of £99.125m by 31 March 2026. This is due to the nationwide trend of dramatically rising need affecting children with special educational needs and disabilities. The deficit is projected to rise further over coming years. In 2020 the Government introduced a “statutory override” for a period of three years (up to end of March 2023). The override allowed local authorities’ DSG deficits to be ringfenced from the wider local authority reserves, so that the accumulating deficit was not required to be met by Councils’ General Fund reserves. Subsequently, the Government agreed to extend the DSG statutory override by a further three years and the override is now due to end on 31 March 2026. This was intended to provide more time for the sector to work to find solutions to manage demand and its escalating costs. However, no solution has been found, and many authorities, not just Somerset, continue to experience escalating costs that exceed available grant allocations with the DSG Deficit Reserve continuing to increase year on year. If the override ends on 31 March 2026 the Section 151 Officer (Chief Financial Officer) will have no choice but to issue a Section 114 Notice under Section 114(3) of the Local Government Finance Act 1988 in relation to 2026-2027 as required by statute. We await National Government’s intentions. Where we can influence what happens we are putting in place a deficit management plan.

### Parking Policy Changes

So far changes to parking policy are a line in the 2025-2026 budget. A public consultation will follow, taking each Council car park into consideration.

### Local Government Boundary Commission for England (LGBCE)

Somerset Council has submitted a proposal for new division boundaries. Contrary to what I have advised earlier the submission places Croscombe Parish with Shepton Mallet West Ward. The Boundary Commission is due to publish its first draft on 3<sup>rd</sup> June 2025. A public consultation will follow.

## Devolution

I do not have any updates on other devolution matters relating to smaller parish councils. The tangible in this division is that Shepton Mallet Town Council is taking on the running of its Friday chartered market, in line with the devolution of all the chartered markets in the former Mendip District Council area.

Martin Lovell                      01/04/2025