

On 07/11/2024, I went to Weston-super-Mare to attend a

North Somerset Budget Development Engagement Exercise

and found the information given quite useful.

The event was run by Leader of the Council Cllr. Mike Bell and Cllr. Mark Canniford.

They gave an overview of how the NS budget is raised and spent and answered questions. There was not much of a handout, but I have an A3 sheet which I attach as a photo.

Income

NS Council has an overall budget of £461m, of which 40% comes from the government, 33% from council tax, 13% from charges (e.g from planning, licensing, parking fees etc.), 11% from business rates and 3% from investments, rental income etc.

There are several problems:

20 years ago, the government part was about 75%. Today, the council receives about £34m less than they used to. The reduction is due to cuts in spending, but it does not mean that NSC can spend less. It has always been a “lean” council and there is not much room for further savings.

NSC council tax is lower than the national average. This is for historical reasons. When Avon and Woodspring councils were abolished, nobody knew what the right level of council tax should be, so they set it rather low. Over the years, NSC has sometimes chosen not to raise council tax when they should have. Now they are stuck with a cap and cannot raise it as much as they would need to. The whole council tax system is prone to unjust inequalities anyway, as it is based on 1991 property valuations. Another interesting example he gave is that some boroughs in London can afford to charge just £100 in council tax (due to huge other sources of income) whereas our average is £1300. NSC is lobbying for a reform through the Local Governments Association.

Raising council tax is also not a viable solution because central government will offset any increased income by giving lower grants. So the net budget will stay the same.

NSC is trying to raise more money through introducing higher or new parking fees. But there is a limit in what they can do. For comparison: NSC currently raises £2.5m annually through parking. Neighbouring Bath gets an income of £20m.

Investments and rental income are also a tricky issue. The rules have been tightened about what a council can invest in. NSC is renting out land to Sainsbury's, which is a good investment. But they are now selling off their Castlewood site in Clevedon, which was a “catastrophe”, losing a lot of money.

Expenditure

The most challenging aspect of the budget is the fact that about 80% of the spending is statutory, i.e. it must be met, with no flexibility. 55% have to be spent on social care alone, up from 20% twenty years ago. It can be argued why this has shot up (e.g. due to the pandemic, poor prevention services, more reporting of problems etc.), but Cllr. Bell gave some shocking examples. For instance, just 250 children and 2500 adults take up the majority of care costs. A family has the right to choose where to arrange that care, but getting it from a neighbouring authority drives the cost further up. In one case, they had a child with very complex needs costing them £1m per year.

Cllr. Bell also complained that central government chose to pump £20bn into the NHS without improving the social care budget. No wonder the NHS is in crisis if patients are taking up beds in hospitals who could be cared for elsewhere. Just another £5bn could have made a huge difference. In comparison to all this, the new Labour government only assigned £1.3bn to local governments. (Thank you very much, but not enough.)

Overall, it must be said that local governments are not at the top of any priority list, neither with central government, nor in people's perceptions (Who is going to say: "Can my local council have more money, please?" They all just think of the NHS.)

Some detailed information about potholes:

NSC has 697 miles of roads to maintain. Five years ago, they were able to spend an extra £1m to deal with emergency repairs, but this is no longer possible and now it shows in the state of our roads. There is currently a backlog of £60m. There is a fine line in the calculations: If insurance claims for vehicle damage exceed road repair costs, it will appear that repairs are a more economic solution. But we have not reached that point yet.

If you look at the attached sheet, it is interesting to note that the budget for potholes is the same as for libraries!

One attendant commented that NSC must be careful not to spend unnecessary funds on "vanity projects", especially singling out "net zero" policies. Mike Bell replied that they are aware of that but the decision is often more complex. If, for instance, putting solar panels on leisure centres can achieve considerable savings, then they are worth it.

I sensed a lot of frustration with the current situation where the government sets tight rules and reporting deadlines and often does not provide enough information and foresight for long-term planning. NSC is really running out of ideas how to make ends meet.

Even giving a "section 114 notice", declaring the council bankrupt and letting someone else do this impossible work, is not an option. In such a scenario, central government would appoint "commissioners" (usually business people) who just take some short-term decisions that would not be in our residents' best interests and then leave an even greater mess behind.

Cllr. Bell said that despite all best efforts, the council is not infallible. It needs the input and support from residents and this is why they are holding these engagement sessions. They are calling it "delivering together"

The budget shortfall/overspent is forecast at £24m. On their Website, they have a budget simulator where everyone can try their hand at balancing the budget. But he warned that this is nearly impossible.

<https://northsomersetcouncil.budgetsimulator.com/>

They also have a survey on their Website where people can indicate their spending priorities:

<https://n-somerset.gov.uk/news/have-your-say-councils-budget-priorities>

There is a “citizens panel” to advise the council and they encourage people to sign up. Not sure if I want to take this on myself as well. Is anyone else perhaps willing to do that?

<https://n-somerset.gov.uk/council-democracy/get-involved/north-somerset-citizens-panel-your-voice>

And finally:

The reason why I went to the event was to find out the implications for Dundry. Everyone seemed actually surprised that I “came from so far” and I had to remind them that we are still part of NS and the situation affects us, too.

I pointed out past communications where Cllr. Bell said some essential services might have to be passed on to town and parish level. As we are currently discussing our budget, I wanted to know what they had in mind. I said despite the fact that we are not restricted in increasing our precept, we need to justify such increases to our residents.

Emma Diakou and her colleague Chris Head are working on a list of suggested changes and will forward them to us by the end of the month.

Early indications are that:

- street cleaning might be reduced (I forgot to ask if this includes clearing fly-tipping?)
- taking responsibility for public rights of way (footpaths)
- arranging our own playground inspections (Robin, can you try and get us a quote to show how much this will cost?)

They are also looking at forming “clusters” of smaller parishes to make service acquisition more economical.

This is all I have in my notes for now. Happy to discuss them in the meeting.

Holger