

Rt Hon Michael Gove MP  
Secretary of State for DHLUC  
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**Please ask for:** Cllr Bill Revans  
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**Date:** 10<sup>th</sup> November 2023

Dear Secretary of State

I am writing to you in my role as Leader of Somerset Council with an urgent message.

This week our Executive voted to declare a financial emergency as we face up to a £100m funding blackhole for 2024/25. This is mainly due to an estimated £70m increase in adult social care costs.

We are taking our own actions to address these pressures but it is clear we are facing unprecedented challenges and are at risk of needing to issue a Section 114 notice at the point of setting next year's budget in February.

We are not alone in this situation. You will be aware of the growing evidence nationally highlighting the perilous financial position many Councils face.

My colleague Cllr Dean Ruddle, Lead Member for Adult Social Care at Somerset Council, recently wrote to Helen Whately, Minister of State for DHSC, to ask for urgent assistance in securing additional funding for adult social care. I have attached his letter where he explains how numerous factors beyond our control have contributed to rising costs.

I must reiterate and escalate his appeal.

Our overspend position is not because of poor control or oversight, nor policy decisions or legal action – rather it is simply an exceptionally large increase in our costs for demand-led services, set against our constrained ability to raise additional income. The model for funding social care is broken and we urgently need your support to ensure we can continue to care for those most in need.

This is not a new debate.

Somerset sounded the alarm back in 2019. We were not the first to do this but, thanks to our bold work with the BBC Panorama team, we sounded it the loudest on behalf of all local authorities and everyone receiving social care.

Successive Governments have failed to heed many warnings from many different sources about the fundamentally broken system of funding that was nowhere near keeping pace with the spiralling costs of care. Thousands of people signed a petition calling for all political parties to work together to find a solution. The time for talking has passed and we now need an urgent solution.

We are managing our finances prudently and responsibly. We are already streamlining public services in Somerset by implementing a Unitary Council for Somerset and delivering significant savings and efficiency measures in line with Government-approved business case. We are developing partnerships to reduce spending, working closely with Somerset NHS to collaborate on making the health and social care systems work together better. We are working with our City, Town and Parish Councils to devolve services and assets. We are working with our voluntary sector to improve the prevention agenda and community response. We are also selling assets and reviewing all areas of spending, but this will not be enough to close the gap between our income and our spending on demand-led services.

The current funding formula for local government does not reflect the actual needs and costs of providing essential public services to our communities. But it also does not take into account the distribution of council tax charges (with nearly £1,000 difference between the lowest charging average Band D unitary council and the highest), which are historic, arbitrary and unfair.

Our only remaining option to generate additional income is to increase Council Tax beyond the current cap of 4.99% (including the social care precept). However, even this is not simple with a referendum required to increase more than the cap. A referendum will be costly and time-consuming, it also takes time which will delay any income and impact on service delivery. A referendum may also disadvantage the poorer and more vulnerable residents, who are more likely to suffer from the cuts in public services if the council tax increase is rejected, but who may also be less likely to vote or to afford the higher council tax if it is approved.

Furthermore, a referendum would do nothing to solve the underlying problem of the local government finance system, which is the lack of adequate and sustainable funding from the central government. A referendum may only provide a short-term and partial solution, which may not be enough to meet the rising demands and costs of public services.

I hope you will understand and support our position, and that you will acknowledge the impact of the abandoned Fair Cost of Care exercise on local councils like Somerset.

My asks are clear – please take urgent and meaningful steps to ensure that the issue of adult social care funding is addressed as part of the forthcoming Autumn Statement and Local Government Finance Settlement; please ensure you provide the legislative freedom and flexibility for us to ensure we can do all we can to address this matter locally; and

please set out a clear plan which will deliver a better and more sustainable solution for the future of local government finance.

I would be very happy to meet with you to discuss how we can work together to resolve this difficult situation.

I look forward to hearing from you soon.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bill Revans', with a long horizontal flourish underneath.

**Clr Bill Revans**  
Leader of Somerset Council