

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 19 September 2023 at 5.15 pm

Present

Councillors

L Taylor (Leader)
N Bradshaw, J Buczkowski, S Keable, J Lock, J Wright and
D Wulff

Also Present

Councillors

D Broom, E Buczkowski, G Duchesne, R Gilmour, B Holdman,
L Knight and S Robinson

Also Present

Officers:

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Maria De Leiburne (District Solicitor and Monitoring Officer), Richard Marsh (Director of Place), Paul Deal (Corporate Manager for Finance, Property and Climate Change), Matthew Page (Corporate Manager for People, Governance and Waste), Jason Ball (Climate and Sustainability Specialist), Andrew Seaman (Democratic Services Manager) and David Parker (Democratic Services & Policy Research Officer)

46. **APOLOGIES**

Cllrs S Clist, G Czapiewski and A Glover attended via Teams.

47. **PUBLIC QUESTION TIME**

Paul Elstone

Question 1

My first question relates to the Minutes of the last meeting and the promise to provide written answers to my questions. These have not been provided. Can the Leader tell me what has happened to them?

In response, an officer explained that these had been published and circulated.

Question 2

There appears to be no reference to the windfall £3 million leisure services VAT refund in the financial forecast. Has this substantial VAT refund already been incorporated in the forecasting figures or is this still to be done?

Question 3

There is no clear evidence that the 3 Rivers bad debt has been included in any short or medium term financial forecasting. Bad debt currently anticipated at more than £7 million and increasing by an estimated £125,000 per month, this when interest and overhead liabilities are factored in. Has the 3 Rivers bad debt provision been made and if so where is it shown in the papers?

Question 4

The Cabinet Member for Finance is reported as saying Quote: “that no money from Council Tax has been used to support the St Georges Court build”. The S151 Officer has been reported as saying that no loans were taken out to fund 3 Rivers. Therefore who funded the St Georges Court build and who holds the bad debt liability?

Question 5

If Council Tax Payers have not funded St Georges Court then in my business environment and by implication then the same Council Tax Payers have no liabilities for the substantial bad debt. That there should be no reduction in the MDDC Council services resulting. If this statement is not correct can a full explanation be given?

The Leader stated that a written response would be provided to the remaining unanswered questions.

Nick Quinn

Question 1

Why is there no mention anywhere in this report of any impact from the, potentially multi-million pound, losses resulting from the closure of 3 Rivers Developments?

In response the Cabinet Member for Finance noted that it was currently estimated that the soft closure of 3Rivers will be delivered during the remainder of the financial year 23/24 and therefore previous impairment provision and any further write off considerations will be completed in the current year. Therefore, no impact would need to be carried forward to future budgets in the Council’s Medium Term Financial Plan.

Question 2

Does the Cumulative Budget Gap profile, shown at paragraph 5.1 in this report, take account of the purchase of the St George’s Court site, and the potential purchase of the Knowle Lane site, from 3 Rivers Developments - pushing forward the requirement for additional PWLB borrowing and the subsequent increased loan financing costs?

In response the Cabinet Member for Finance noted that any associated losses will be considered in the current financial year, as previously stated, and if a decision is made by the Housing Revenue Account to purchase any 3Rivers assets, it will be considered in its current and future budget planning scenarios.

Question 3

In the Appendix 2, attached to the report, is a table that gives a Summary of the Council’s General Fund MTFP position, with estimates for the coming years. The figures in the Net Interest Costs (Receipts) row shows a reduction of £2,000 (from 2023/24 to 2024/25), then a reduction of £30,000 (from 2024/25 to 2025/26) and then a further reduction of £10,000 (from 2025/26 to 2026/27), when it becomes stable. The note (2) under the table states these reductions “reflects the removal of the possible interest earned from 3 Rivers”.

Therefore, the figures shown in this table indicate that the Council is anticipating that it will continue to receive interest payments from 3 Rivers into the 2025/26 financial year - is this correct?

In response the Cabinet Member for Finance noted that Note 2 explained that we had removed any assumption of interest receipts from 3Rivers. The reason why this didn't then show a corresponding reduction in investment receipts is that they were offset by the current prevailing interest we would receive on normal Council treasury activities.

48. **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

No interests were declared under this item. Members were reminded of the need to make declarations of interest where appropriate.

49. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting, held on 29 August 2023, were approved as a correct record and **SIGNED** by the Leader.

50. **2024/25 - 2028/29 MEDIUM TERM FINANCIAL PLAN UPDATE**

Cabinet had before it a report* which updated Cabinet on the Medium Term Financial Plan (MTFP) which covers the period 2024/25 to 2028/29. This took into account the Council's key strategies (i.e. the Corporate Plan, Business Plans, Treasury Management Plan, Asset Management Plan, Work Force Plan and Capital Strategy) and demonstrated the financial resources to deliver the Corporate Plan. This models potential changes in funding levels, new initiatives, unavoidable costs and proposed service savings.

There was a priority to increase income over cutting services with a priority given to the Council's corporate priorities. At all times borrowing would be minimised and the use of reserves would only be done in a controlled and planned way. It was highlighted that an upcoming general election would impact on financial forecasts.

The following was considered:

- With regard to recommendation 3 of the report, it was encouraged that innovative ideas be welcomed in order to support the Council. The Deputy Chief Executive (S151) agreed and encouraged new ideas, he also encouraged the possibility of working in partnership with third party organisations. An all Member briefing was due to take place in mid-November which would allow Councillors to ask questions on the budget.
- It was asked what the success rate was of funding based on grants and bidding. The Deputy Chief Executive (S151) explained that it was around a 1 in 4 success rate, some funding had been successful. For example, the Council was successful in a £3m bid for the leisure centres. The Government had reduced grant funding and there was mixed success. Bidding for grants was something that this Council aimed to maximise. The Deputy Chief Executive (S151) reassured the Cabinet that all bids were of a high quality.
- Asked what the cost had been to the Council pursuing grants and bids, the Deputy Chief Executive (S151) explained that over the past 5 years the Council had likely spent a 6 figure sum towards bidding.

- Asked if the Rural Services Delivery Grant had been confirmed or whether it was likely to be withdrawn, the Deputy Chief Executive (S151) stated that there was no guarantee that this funding would remain as it was renewed on an annual basis. However, as a sparsity indicator, it is considered more likely that this grant will be continued and hence is included in the calculations.
- The Council's net zero commitments were raised, to which The Deputy Chief Executive (S151) acknowledged that this was a financial challenge for all Councils. He was hopeful that the Council could secure third party funding to work towards the Council's decarbonisation goals. Members are encouraged to attend the Net Zero Action Group and help prioritise the Climate Action Plan.
- It was raised that 2030 was not far off, the Deputy Chief Executive (S151) emphasised the importance of external funding to meet net zero targets and that this could not be achieved independently.
- The Council Tax Base was mentioned as well as long term growth and what this relied upon. There was a commitment not to develop the area for the potential Culm Garden Village, until the relief road was established. It was asked how this might impact long term growth for the Council, if neither of these were achieved. The Chief Executive explained that the planned development was at risk and did not directly impact the wider long term growth of the Council.
- Energy costs were highlighted as an issue within the District and it was asked how mitigating these costs might be achieved. The Corporate Manager for Finance explained that Cabinet had agreed to a contract back in July 2023 which accommodated preferential rates and usage of renewable energy. It was also added that increased level of investments into renewables was being looked into.
- There was a need to future proof the Council so that the Council would not miss potential funding grants. The Deputy Chief Executive (S151) encouraged Parishes to approach the Council should they need help to complete bids.
- Where shared services with other authorities had been considered. The Deputy Chief Executive (S151) explained that there were a few arrangements in place and that other opportunities were welcomed.

RESOLVED: That Cabinet Members:

1. Note the updated MTFP's for the General Fund covering the years 2024/25 to 2028/29
2. Agree the principles and endorse the approach to balancing the General Fund Revenue Budget outlined in paragraph 6.2.

3. Seek recommendations from the Policy Development Groups on the appropriate fees for Services to charge and the services areas where savings should be sought and to what level.

(Proposed by J Buczkowski, seconded by Cllr J Lock)

Reason for the decision:

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan priorities.

Note: * Report previously circulated.

51. **NOTIFICATION OF KEY DECISIONS**

The Cabinet had before it, and **NOTED**, the notification of Key Decisions*.

The Leader highlighted how all areas of Mid Devon were impacted in some way by the recent flooding and emergency planning should be considered a future agenda item. The Deputy Chief executive, highlighted that an emergency planning briefing for Councillors was due to take place which would highlight the responsibilities of the Council when it comes to emergency planning.

The Corporate Manager for Public Health, Regulation and Housing highlighted that the housing team worked during the storm to help those affected.

In addition, it was raised that communication needed to be improved so the Council could be better prepared for next time. There was also encouragement to work closely with the Environment Agency on future emergency planning.

Note: * Notification of key Decisions previously circulated.

(The meeting ended at 6.30 pm)

CHAIRMAN