

## MDDC CABINET MEETING 17<sup>TH</sup> OCTOBER 2023

### QUESTIONS: PAUL ELSTONE (A local resident).

My questions relate to Agenda Item 8 – Medium Term Financial Plan Update and associated financials.

#### Question 1

Appendix 1 - Savings Options Summary Lists Parks and Open Spaces, shows a £50K saving. This amount it is believed to be the money required to keep both the Westexe, Tiverton, and Crediton paddling pools open and maintained over a year, plus perhaps the children's play equipment.

Additionally, the Pannier Market is showing a saving of £100K.

Appendix 2 Headline Savings Options Round 1, Row 5 says and specifically against these budget items.:

Quote:

"Therefore, as indicated previously some services will cease" and "Reputational risk are likely".

Unquote:

Will the Council Leader provide categorical assurance, this evening, that he fully supports both the Westexe Tiverton and Crediton Paddling pools being fully open for use next summer and in the 2024/25 budget year and that he is not in agreement with officer recommendations ?

Currently there are ongoing discussions with the relevant Town Councils as to how these activities could be funded in 2024/25. This will be fed in to the budget setting process along with all other considerations in order to reduce the estimated budget gap. This administration made a commitment to leisure services across the District and understand the need to residents of leisure items such as the paddling pools. Whilst savings need to be made to ensure a balanced budget, the Council will continue to work with Town and Parish Councils to ensure these vital services remain. We have no plans to close the paddling pools or any of our amenity facilities/services.

#### Question 2

Also, will the Council Leader also state that he is against the Tiverton Pannier Market being impacted irrespective of any Tiverton Town Council Funding decision ?

It would be inappropriate to reflect on current discussions/decisions of the Town Council that may directly or indirectly impact this Council's budget position.

As already indicated all budget decisions will be taken through the Policy Development Group meetings, which will reflect on affordability of service levels and overarching budget prioritisation before any formal decisions are taken by the Cabinet.

### Question 3

It has been stated, in answer to a previous question, that all 3 Rivers funding came from temporary cash flow treasury lending.

How precisely is this Treasury Account funded ?

All Councils receive income and incur expenditure over irregular timing patterns during the financial year. If, and more often when, a Council has a surplus temporary funding position, it will invest these monies via treasury deposits, usually with banks, building societies and other public sector organisations (in accordance with an agreed treasury management policy).

### Question 4.

The previous 3 Rivers loan impairment of £790,000 was required to be written off over a 5-year period. This despite the S151 Officer initially saying it was not necessarily a loss but prudent accounting.

How long will the additional £4.5 million 3 Rivers loan impairment take to be written off ?

This will be a decision for the Council to make at year end as part of its annual accounts process and will then be subject to review by the external auditors.

### Question 5.

When setting the budget for 2023/24 there was a requirement to draw down General Fund reserves by around £500K. This was justified by officers stating there was a requirement to compensate for lost interest payments due from 3 Rivers - given the then Full Councils decision not to approve future new developments.

Can it be explained, and in simple terms, that while the 3 Rivers receive loans from a Treasury Account, the interest is paid to support the General Fund.

Surely interest should be paid back to loan source account. If not, why not ?

All interest earned from treasury lending is credited to the Council's General Fund. It is only the principle of a loan that is credited back to clear the loan account upon its maturity.