

## **Questions from a member of the public from the meeting 24th January 2025**

Q: Please clarify the timeline in which the damaging financial decisions were made.

*A: The minutes on our website for December 2024 and January 2025 have full and detailed information about the reasons for the council's current financial position. A key point was the January 2024 council decision to raise a precept for the financial year 2024/2025 of £156k against a budget of £186k leaving a funding gap, with no Council reserves available to fill this, coupled with a lack of clarity or understanding around ring fenced funds at the start of the year in April 2024. Month by month overspending from April 2024 onwards, which was not being meaningfully monitored by the Council to ensure funds were being maintained to support spending and a lack of any general reserve funds to call on have further contributed to the situation.*

Q. Please identify the decisions that are the root cause of current problems

*A: Please refer to the full and transparent minutes for December 2024 and January 2025 which are on our website which detail various factors that have led to the current position. (as well as the detailed answer to Q1 above) It is an amalgamation of many actions taken by the Council over a period of time, including budget/precept setting processes, lack of budgetary control leading to overspending and poor governance and decision making processes.*

Q. Please justify the apparent excessive precept increase stated to be necessary to avoid bankruptcy.

*Please refer to the December 2024 and January 2025 minutes. There was never any statement about bankruptcy and there was never any plan or intention to increase the Precept for this reason. For the main part the proposed increase was to provide financial support to the Community Centre for one year to enable it to employ staff and remain open, following unpaid volunteers stepping down, plus a sum of £20000 to start to build a general reserve for the Council to comply with audit recommendations. At their meeting on 24th January 2024, the Council approved a final budget which shows a reduction on operating costs from the financial year 2024/2025 and the contribution to the Community Centre is no longer needed as East Suffolk District Council are providing that financial support. As the precept was kept artificially low last year (24/25) providing only £156k of the funding needed for the £186k budget, a modest increase to £190k for 25/26 precept requirement has translated into a 17% increase to accommodate the shortfall from 24/25 budget/precept setting.*

Q. What brought about the financial issues apart from poor management and decision making.

*A. The issues were brought about by poor management, poor budgetary controls and lack of governance and decision making processes but were compounded by the fact that the Council have had numerous HR issues to deal with over several years and have had no permanent*

*Clerk or RFO in place for 18 months prior to October 2024. Also, the Council has not had its full complement of councillors for some time, often operating with just 5 or 6 councillors and high turnover in terms of councillors joining and resigning leaving a lack of continuity and a lack of skills, training, knowledge and experience amongst those councillors remaining.*