

## **Joint Press Release from the Uttlesford DC Liberal Democrat and Green Groups**

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### **Uttlesford District Council cash flow crisis despite repeated warnings**

Uttlesford's Green and Liberal Democrat councillors have challenged the ruling Residents for Uttlesford (R4U) Leader, Cllr Petrina Lees, to own up about future budget cuts, for which the two parties blame R4U.

In an urgent meeting last week, councillors were alarmed to hear of a £4 million black hole in the council's budget in future years.

Reacting to the announcement by Cllr Lees, leader of the Lib Dem opposition group, Cllr Melvin Caton said, "It is disappointing that Cllr Lees has failed to own up that these cuts are the result of a deliberate decision by the R4U administration not to follow the national Prudential Code on borrowing by local authorities. The code said that councils should not borrow money to invest in commercial deals solely to generate income for day-to-day council expenditure. Yet the R4U-led council has borrowed £275 million to do exactly that!

Once again, R4U cynically blames the Government for this financial debacle instead of acknowledging their own reckless mismanagement. In the same way, R4U blamed the Government over the Stansted Airport appeal they lost, instead of acknowledging that they had failed to defend their own planning committee decision.

Liberal Democrat and Green councillors have regularly expressed their concerns over the way the council's investment programme has been run and called for transparency and governance in the process. These concerns were dismissed as playing politics. Green councillor, Paul Fairhurst, who had set up the Investment Board, resigned from the Board because of these governance weaknesses.

Councillor Vere Isham, co-leader of the Council's Green Group, added, "The council leadership ignored clear signals from the Government starting in October 2019, when the government raised interest rates on borrowing by Local Authorities. The National Audit Office published a study in February 2020 on the potential risks of Local Authorities investing in Commercial Property, but R4U ploughed ahead regardless. The government has now finally acted by saying that councils may not do this".

Cllr Alan Dean said, "The Lib Dems and Greens are very concerned at the inevitable cutting of services and the staff job losses that this budget black hole will bring and we are calling for an independent forensic audit to be conducted and an explanation why no assessment of the risk of the government changing the rules was undertaken until it was too late."

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