

Minutes of the Meeting of the FINANCIAL POLICY PANEL held on 8 September 2020

PRESENT -

Councillor Eber Kington (Chairman); Councillors Kate Chinn, Neil Dallen, Hannah Dalton (as nominated substitute for Councillor Barry Nash), Colin Keane, Phil Neale (as nominated substitute for Councillor Nigel Collin) and Clive Smitheram

In Attendance: Councillor Bernie Muir

Absent: Councillor John Beckett, Councillor Nigel Collin and Councillor Barry Nash

Officers present: Lee Duffy (Chief Finance Officer), Brendan Bradley (Chief Accountant), Alex Awoyomi (Trainee Solicitor) and Tim Richardson (Committee Administrator)

1 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

2 MINUTES

Subject to the following amendment to Minute 11 (4), the minutes of the meeting of the Financial Policy Panel held on 29 January 2020 were agreed as a true record to be signed by the Chairman:

- To note that the Council was **successful** in its attempt to be part of a Surrey Pool for Business Rates income for 2020/21.

3 BUDGET TARGETS 2021/22

The Panel received the report on the proposed budget targets for 2021/22.

The following matters were debated by Councillors:

- The operation of MHCLG's Income Compensation Scheme
- The margin for error within the forecasts
- The level and purposes for which reserves are earmarked, and whether reserves could be replenished in future
- How the forecasts are derived and linked to Appendices 1 and 2.

- The appropriateness of a CPI pay award in the current climate
- How New Homes Bonus has prudently been set-aside in previous years and could now be used to part fund the Council's in year budget deficit, via a transfer from the Corporate Projects Reserve.
- How the Council must take an enterprising approach to income generation and delivering services
- That proposed savings must be realistic and deliverable

Following consideration of the above matters and the report's contents, the Panel agreed to recommend to the Strategy and Resources Committee:-

- (1) The following overall revenue budget target for 2021/22:-
 - I. That estimates be prepared including the delivery of savings already identified in the Financial Plan for 2021/22 totalling £336,000.
 - II. That estimates include options to reduce organisational costs by £1,290,000 subject to government grant announcement, in order to minimise the use of working balances and maintain a minimum working balance of £2.5 million in accordance with the medium term financial strategy. The £1,290,000 should be funded as set out in Section 9 of this report.
 - III. That at least £210,000 additional revenue is generated from an increase in discretionary fees and charges;
 - IV. That a provision for pay award is made of £408,000 that would allow for a 2% cost of living increase;
 - V. That a £950,000 contingency is provided for within the 2021/22 budget to mitigate the potential impact of Covid-19 on the Council's finances in 2021/22.
- (2) That officers are tasked in delivering a list of costed options that can be implemented to address any budget shortfall for 2021/22.
- (3) The budget reporting timetable as set out in section 10 of the report.
- (4) That 2020/21's projected deficit be funded as set-out at paragraph 6.7 of the report.

The meeting began at 6.00 pm and ended at 6.50 pm

COUNCILLOR EBER KINGTON (CHAIRMAN)