

Minutes of the Meeting of the FINANCIAL POLICY PANEL held at the Council Chamber, Epsom Town Hall on 31 January 2023

PRESENT -

Councillor Neil Dallen (Chair); Councillors John Beckett, Kate Chinn, Alex Coley, Nigel Collin, Hannah Dalton and Colin Keane

In Attendance: Councillor Steven McCormick

Absent: Councillor Jan Mason

Officers present: Andrew Bircher (Interim Director of Corporate Services), Brendan Bradley (Head of Finance) and Sue Emmons (Chief Accountant)

1 DECLARATIONS OF INTEREST

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

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Policy Panel meeting held on 1 February 2022 were agreed as a true record to be signed by the Chair.

3 BUDGET AND COUNCIL TAX REPORT 2023/24

The following matters were debated by Councillors:

- That income generation and 'invest to save' opportunities can be pump-primed using reserves based on a costed business case.
- Funding in the government settlement for 2024/25 is currently expected to be broadly stable. After the next general election forecasting is more challenging.
- The deliverability of the Homelessness saving is considered medium to high risk as it is a statutory service and demand is, in part, outside the control of the Council. Officers continue to monitor the service regularly and are progressing initiatives to control costs. Some homelessness prevention grant is held in reserve to support the service to ensure continuity of provision.

- The use of reserves to fund the revenue budget for 2023/24.
- The proposed level of Council Tax for 2023/24.
- The proposed revenue contribution to capital and that when the IT Strategy is presented to members, this may form a source of funding.
- Inflationary pressures and provision within the budget to manage these.
- That members wish officers to review the capital programme setting process and role of Capital Member Group for 2024/25, and the budget setting framework.

Following consideration of the above matters and the report's contents, the Panel moved to consider the report recommendations, which were agreed as follows:

- (1) Provide the Chief Finance Officer with any further guidance needed to finalise the 2023/24 Budget and Council Tax report;**
- (2) Note the provisional Government financial settlement for 2023/24;**
- (3) Support that the budget gap for 2023/24 should be funded from the Corporate Projects Reserve as set-out in Section 9 of the report;**
- (4) Support that the deficit on 2022/23 business rates income and any change in projected business rates income for 2023/24 will be offset by a transfer to or from the Collection Fund Equalisation Reserve, as set-out in Section 11 of the report;**
- (5) Support a recommendation to Council of a council tax increase of 3 percent (£6.39 for a Band D equivalent property);**
- (6) Note the updated four-year Financial Plan and Efficiency Plan.**

*** recommendations 1-4 and 6 were unanimous; recommendation 5 had 6 votes for and 1 vote against.**

4 TREASURY MANAGEMENT STRATEGY 2023/24

The following matters were debated by Councillors:

- That the risk profile of Treasury Management is low in line with CIPFA's priority principles of Security, then Liquidity then Yield.
- Whether any countries should be removed from the Approved Countries for Investments list in section 7 of the strategy. It was proposed that Abu Dhabi (UAE) and Qatar be removed.
- That the annual Treasury Management training presentation be scheduled for a future FPP meeting.

Following consideration of the above matters and the report's contents, the Panel moved to consider the report recommendations, which were agreed as follows:

(1) Recommend to Full Council that the treasury management strategy, which includes the following, be approved:

- 1.1.1 The treasury management strategy and the treasury prudential indicators contained therein;
- 1.1.2 The capital prudential indicators and limits;
- 1.1.3 The borrowing strategy contained within the treasury management statement;
- 1.1.4 The annual investment strategy;
- 1.1.5 The minimum revenue provision policy statement;
- 1.1.6 The treasury management practices.

(2) Advise whether any countries should be removed from the list of approved investable countries at section 7 of the treasury management strategy.*

*** It was agreed that Abu Dhabi and Qatar be removed from the list.**

5 REVIEW OF RESERVES

The following matters were debated by Councillors:

- That commuted sums are held to deliver grounds maintenance services to specified areas in perpetuity.

Following consideration of the above matters and the report's contents, the Panel moved to consider the report recommendations, which were agreed as follows:

- (1) Consider and review whether the overall level of reserves and contingencies are appropriate for the sound management of the Council's finances;**
- (2) Review the individual reserve and contingency balances and consider whether to support the recommended minimum balances in the report.**

The meeting began at 6.00 pm and ended at 7.58 pm

COUNCILLOR NEIL DALLEN (CHAIR)