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Legal and Democratic Services



FINANCIAL POLICY PANEL

Tuesday 1 December 2020 at 6.00 pm

Place: Remote Meeting

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The members listed below are summoned to attend the Financial Policy Panel meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Eber Kington (Chairman)
Councillor John Beckett
Councillor Kate Chinn
Councillor Nigel Collin

Councillor Neil Dallen
Councillor Colin Keane
Councillor Barry Nash
Councillor Clive Smitheram

Yours sincerely

Chief Executive

For further information, please contact Democratic Services, Democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

Public information

Please note that this meeting will be a ‘virtual meeting’

This meeting will be held online and is open to the press and public to attend as an observer using free GoToWebinar software, or by telephone.

A link to the online address for this meeting is provided on the first page of this agenda and on the Council’s website. A telephone connection number is also provided on the front page of this agenda as a way to observe the meeting, and will relay the full audio from the meeting as an alternative to online connection.

Information about the terms of reference and membership of this Committee are available on the [Council’s website](#). The website also provides copies of agendas, reports and minutes.

Agendas, reports and minutes for the Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at Democraticservices@epsom-ewell.gov.uk.

Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government (Access to Information) Act 1985. Should any such matters arise during the course of discussion of the below items or should the Chairman agree to discuss any other such matters on the grounds of urgency, the Committee will wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions from the Public

Questions from the public are not permitted at meetings of the Financial Policy Panel. [Part 4 of the Council’s Constitution](#) sets out which Committees are able to receive public questions, and the procedure for doing so.

AGENDA

1. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting

2. TREASURY MANAGEMENT - INTERIM REPORT 2020/21 (Pages 5 - 12)

This report provides an update on treasury management performance for the first six months of 2020/21.

3. S106 AND CIL UPDATE REPORT (Pages 13 - 20)

This report provides an update on the funds held under Section 106 (S106) planning agreements and CIL (Community Infrastructure Levy).

4. CAPITAL PROGRAMME 2021/22 (To Follow)

5. MINUTES (Pages 21 - 22)

The Panel is asked to confirm the Minutes of the Meeting of the Panel held on 8 September 2020 (attached) and to authorise the Chairman to sign them.

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TREASURY MANAGEMENT - INTERIM REPORT 2020/21

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report provides an update on treasury management performance for the first six months of 2020/21.

Recommendation (s)

The Panel is asked to:

- (1) Receives the presentation from Link Asset Services – Treasury Solutions;**
- (2) Notes the performance on return of investments for the first six months of 2020/21;**
- (3) Notes the current investment decisions being made within the terms sets out in the Treasury Management Strategy.**

1 Reason for Recommendation

- 1.1 The 2020/21 Treasury Management Strategy, agreed by Council in February, aims to ensure maximum return on investments for the Council within reasonable risk constraints. The Strategy requires a mid-year treasury management performance report to be brought before Financial Policy Panel – the recommendations ensure this requirement is met.

2 Background

- 2.1 The Council's Treasury Management Strategy ("the Strategy") is consistent with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management in the Public Services. It supports the achievement of the Council's Medium Term Financial Strategy.
- 2.2 The Strategy requires officers to produce an interim report on investment performance to a meeting of the Financial Policy Panel. This report covers the performance of the treasury management function for the period 01 April 2020 to 30 September 2020.
- 2.3 The CIPFA Code also requires that adequate training be provided to members with responsibility for treasury management. To meet this requirement, an officer from Link Asset Services – Treasury Solutions will attend the meeting to provide a presentation to members on current treasury management issues.
- 2.4 The treasury function deals with the management of cash funds held by the Council. The level of funds held during the year will vary but, on average, currently amounts to around £18 million at September 2020 (£19m at September 2019).
- 2.5 The current average balance is significantly lower than 2017 levels, because the Council has deployed £26m of its cash balances to reduce the borrowing requirement associated with commercial property investments since 2017. By deploying cash balances in this way, the Council has minimised its borrowing with the Public Works Loan Board, which typically attracts interest payable at circa 2.8% in the current environment.
- 2.6 The aim of treasury management is to ensure that funds are invested with institutions that balance the need to maximise investment returns with that of minimising risk on the monies invested. This means not investing in banks/building societies that are offering high investment returns but are at high risk of defaulting (for example the Icelandic Banks in 2008).
- 2.7 Before an investment decision is made, officers will investigate any proposed counterparty to ensure its financial rating makes it eligible for investment. Even if the institution meets the criteria as set out in the financial strategy, independent advice will be sought from our external financial advisors before the investment is made.

3 Security, Liquidity and Yield

- 3.1 The Council's investment strategy and practice is to put security of investment at a higher priority than rate of return/yield. The day to day practice continues to be reviewed and refined, within the boundaries of the approved policy, in response to challenging market conditions. The cornerstones of current policy/practice are:

- 3.1.1 to restrict lending to only those institutions which fit the Council's policy in terms of financial standing, credit ratings etc;
- 3.1.2 generally, to restrict lending to the short-term (typically 3 to 6 months or less) or to cover precept dates for the remainder of the year;
- 3.1.3 to update financial limits to each institution depending the quality of their financial ratings.

4 Current Performance

- 4.1 The average return from investments for 2020/21 was budgeted at 1.0%. This amounted to total budgeted income for the year of £150,000, generated on reserves, working balances and cash flow.
- 4.2 The performance for the first six months of 2020/21 on the Council's investments were as follows;

	Average Investment (Apr-Sept) £'m	Interest Received (Apr-Sept) £'000	Average Rate of Return %
Internally Managed Funds			
Money Market Funds	14.4	10.5	0.15
Fixed Rate Deposits	3.3	21.7	1.30
Interest Bearing Account	0.4	0.3	0.18
Total Internally Managed	18.1	32.5	0.36
Externally Managed Funds			
Aberdeen Asset Management	0.0	0.0	0.00
Grand Total	18.1	32.5	0.36

- 4.3 By the end of September, £32,500 interest had been earned, which falls short of the profiled budgeted income of £75,000 for the same period. Officers currently anticipate that it will be difficult to achieve the budgeted income over the second half of the year, as the Bank of England base rate remains at all-time lows of just 0.10% across the year to date.

- 4.4 However, the average return achieved for the first six months of 2020/21 of 0.36% compares favourably with the benchmark average seven day London Interbank Bid (LIBID) rate of -0.055% (minus 0.055%).
- 4.5 Should interest income remain under budget at year end, a contribution from the Interest Equalisation Reserve to the General Fund may be required.

5 Internally Managed Funds

Money Market Funds

- 5.1 Money market funds are pooled investments that allow instant access to these monies. The benefit of MMFs is that the risk on the investment is very low as the money invested in the fund is spread across a range of counterparties, which limits the exposure of a significant sum being invested with a defaulting counterparty.
- 5.2 The return made on money market funds of 0.15% is higher than the benchmark of -0.055%. Investment in money market funds has been limited to short term investments from surplus funds which will need to be called back with no notice required.

Fixed Rate Term Deposits

- 5.3 The Council had one fixed term deposit of £5,000,000 which matured in July 2020 at a rate of 1.3%.
- 5.4 The market rate for fixed term deposits (up to one year in duration) would currently be around 0.45%. However, the current strategy is to hold cash balances in the more liquid Money Market Funds, to ensure the Council can access its cash balances quickly if required in the current uncertain environment.

Interest Bearing Accounts

- 5.5 Interest bearing accounts offer the same instant access as the money market funds and deliver a rate of return linked to base rate set by the Bank of England.
- 5.6 Rates achievable on this account have been cut significantly in recent years and it is generally now only used for small daily surpluses, or if other investments have reached their counterparty limits. The risk on these investments is higher than the money market funds as money is deposited with one counterparty. Funds invested in this type of investment tend to be surpluses of daily cash flows which need to be called back at short notice.
- 5.7 The return made on interest bearing accounts of 0.18% compared favourably to the benchmark of -0.055%.

6 Externally Managed Funds

- 6.1 Aberdeen Asset Management plc, previously Scottish Widows, has been the Council's external fund manager since October 2007.
- 6.2 Initially, the external fund manager produced some exceptional returns for the Council. Since October 2009 returns have reduced as opportunities to deliver significant returns have become very limited due to difficult market conditions such as the Bank of England base rate remaining at (or very close to) historic lows.
- 6.3 During the pandemic, officers have been using money market funds to hold cash balances instead of the external fund manager, as the money market funds allow the Council to access cash balances more quickly if required to in the current uncertain environment.
- 6.4 Beyond the pandemic, due to its reliable performance over the past thirteen years, officers expect to continue to utilise Aberdeen Asset Management plc as the external fund manager when required.

7 Treasury Management Strategy

- 7.1 In previous years the Council has recognised the increased levels of risk due to the uncertainty in the financial markets and consequently restricted the number of investments held over a fixed term.
- 7.2 The current strategy is to hold cash balances in the more liquid money market funds, to ensure the Council can access its cash balances quickly if required to in the current uncertain environment.
- 7.3 Should a commercial property acquisition, funded through borrowing, materialise during the current year, officers will explore the option of using cash balances to reduce the external borrowing requirement. External borrowing typically attracts interest payable at circa 2.8% in the current environment.
- 7.4 The Council continues to use money market funds for internal investments as they minimise exposure to counterparty risk. These funds also allow for maximising investment of short term cash surpluses during the year and also improve the efficiency of cash flow management.

8 Interest Equalisation Reserve

- 8.1 The interest equalisation reserve was established to enable variations in investment returns to be accommodated within the general fund budget without having an adverse effect on the levels of funds available for the delivery of services in year.

- 8.2 The balance on this reserve at 30 September was £400,000.
- 8.3 Should interest income remain under budget at year end, a compensating contribution from this reserve to the General Fund may be required.
- 8.4 With base rates and investment returns remaining at relatively low levels, and with the Council's cash balances lower than prior years, the funds in this reserve may also be needed to achieve budgeted general fund income in the coming years.

9 Risk Assessment

Legal or other duties

9.1 Impact Assessment

- 9.1.1 The Treasury Management Strategy sets out that investment decisions must be based first and foremost on security, then liquidity and finally yield, in order to minimise risk.

Investments with our external fund manager are considered low risk as the money invested in the fund is spread across a range of counterparties, this limits the exposure of a significant sum being invested with a defaulting counterparty.

9.2 Crime & Disorder

- 9.2.1 None.

9.3 Safeguarding

- 9.3.1 None.

9.4 Dependencies

- 9.4.1 None.

9.5 Other

- 9.5.1 None.

10 Financial Implications

- 10.1 The Council's budget anticipates the equivalent of £92,000 of interest to help fund services in 2020/21 calculated as follows:

	Budgeted £	Forecast £
Interest earned in year	150,000	65,000

Total Interest Available	150,000	65,000
Less Interest credited to specific provisions	58,000	58,000
Interest used to fund General Fund services	92,000	7,000

10.2 The forecast interest at the end of 2020/21 is anticipated to underperform the budgeted income by £85,000. It is therefore anticipated that a contribution from the interest equalisation reserve will be required to fund the deficit in 2020/21.

10.3 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report. The 2021/22 income budget will need to be set to take account of post-Covid economic conditions and market returns.

11 Legal Implications

11.1 There are no particular equalities or other legal implications for the purpose of this report.

11.2 **Monitoring Officer's comments:** None for the purposes of this report.

12 Policies, Plans & Partnerships

12.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council

12.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

12.3 **Climate & Environmental Impact of recommendations:** None.

12.4 **Sustainability Policy & Community Safety Implications:** None.

12.5 **Partnerships:** There is partnership working with the external fund manager and the treasury consultants, but no particular implications arise from this report.

13 Background papers

13.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2019-20 Treasury Management Year-End Performance – Strategy & Resources Committee, 28 July 2020
- Budget Report 2020/21 – Full Council, 13 February 2020

Other papers:

- Treasury Management Strategy 2020/21

- CIPFA Prudential Code
- Code of Practice for Treasury Management in Local Authorities (CIPFA)

S106 AND CIL UPDATE REPORT

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report provides an update on the funds held under Section 106 (S106) planning agreements and CIL (Community Infrastructure Levy).

Recommendation (s)

The Panel is asked to:

- (1) note the current position on S106 funds held by the Council;**
- (2) note the current position on CIL funds held by the Council.**

1 Reason for Recommendation

- 1.1 To provide an update on the section 106 and CIL funds held by the Council.

2 Current position: S106

- 2.1 The Council currently holds funds from S106 agreements totalling approximately £2.245 million. From this balance £90k is committed on small schemes, £675k is earmarked for the Horton Chapel Arts & Heritage society, £110k is proposed to fund two projects on the 2021/22 Capital Programme and £145k will be transferred to Surrey County Council and other organisations, as the authority responsible for utilising these funds.
- 2.2 The current position of Section 106 funds held as at the end of September 2020 is summarised below:

	£'000	£'000
Section 106 funds held as at 1 April 2020		2,245
Section 106 net receipts to 30 September 2020		28
Balance of S106 Funds held as 30 September 2020		2,273
Less:		
Funds held due to SCC and other organisations	(148)	
Funds committed and approved for specific schemes	(90)	
Funds held for Horton Chapel	(675)	
Proposed use of S106 Outdoor Sports Facilities Receipts for the 2021/22 Capital Programme	(110)	
Total		(1,023)
Unallocated S106 funds as at 30 September 2020		1,250

The unallocated funds are held within various categories of expenditure as follows: -

Breakdown of unallocated S106 balances	£'000
Open Spaces	20
Affordable Housing	1,162
Open Space - Park & Gardens	7
Open Space - Outdoor Sports Facilities	29
Environmental Improvements	29
Community Facilities	1
Monitoring Charge	2
Total	1,250

3 S106 Funds for Affordable Housing

- 3.1 The Council has received a total of £4.26 million S106 contributions for affordable housing since the first recorded receipt in 2006. To date £3.1 million has been spent, leaving a balance of £1.16 million. The table below details the expenditure to date:

Scheme	Amount (£'000)	Financial Year
Threshold Housing Association – Livingstone Park	228	2006/07
Mount Green Housing - Rosebank	250	2011/12
33-39 High Street, Epsom	89	2012/13
Hollymoor Lane	93	2012-2019
Orbit Group – Hollymoor Lane	360	2013/14
Defoe Court	500	2013-2016
102 Upper High Street	398	2014/15
24 South Street	112	2016/17
85 Marbles Way	245	2016/17
10 Crane Court	368	2016/17
1-3 Blenheim Road	400	2016/17
Mount Green Housing – Chase Road site	50	2018/19
Total	3,093	

4 Current Position: CIL

- 4.1 The Council currently holds funds from CIL totalling £7.59 million. The balance is split across three funds. 5% is held to fund the administration of the scheme; 15% is reserved for a community fund, split between a Civic Infrastructure Fund and Borough Investment Fund; and the remaining 80% is held for infrastructure provision to support new development in the Borough and can be accessed by both the County Council and the Borough Council.
- 4.2 The current balance of CIL across the three funds, and allocation of amounts committed to date are as follows: -

	Main Fund (80%) £'000	Community Fund (15%) £'000	Admin Fee (5%) £'000	Total £'000
CIL funds held at 1 April 2020	6,350	1,131	196	7,677
CIL invoices raised to 30 Sep 2020	1,355	254	85	1,694
Invoices outstanding at 30 Sep 2020	-1,426	-267	-89	-1,782

Receipt held as charge against property	-1	0	0	-1
CIL Payments made to 30 Sep 2020	0	0	0	0
CIL Funds held at 30 September 2020	6,278	1,118	192	7,588
<i>Less commitments:</i>				
Plan E contribution	-2,515			-2,515
Cemetery Extension	-155			-155
Paving outside Playhouse	-60			-60
Stoneleigh Station	-500			-500
Borough Investment Fund		-71		-71
Civic Infrastructure Fund 2018/19		-36		-36
Civic Infrastructure Fund 2019/20		-156		-156
Civic Infrastructure Fund 2020/21		-250		-250
Monitoring CIL scheme in 2020/21			-98	-98
Proposed Capital Programme 2021/22 (subject to approval)	-500			
Unallocated CIL funds at 30 September 2020	2,548	605	94	3,247

- 1.1 The table above includes £500k of funding for infrastructure projects on the 2021/22 Capital Programme, as detailed in the Capital Programme 2021/22 report on this agenda. This is subject to approval at Council in February 2021.
- 1.2 The Council generated £1.7m of Community Infrastructure Levy (CIL) for the period 1 April 2020 to 30 September 2020. This includes one sum for £1.49m for the Epsom & Ewell High School site development. Large sums are collected in instalments so not all of the cash has been received at this date. Of the £1.78m of invoices raised but not yet collected, £145k relates to previous financial years and £133k of this was recently recovered by the Legal Department, but is not yet showing in the figures below which are to end of September 2020.

- 1.3 A report to S&R Committee in April 2018 agreed a sum of £250k for a Civic Infrastructure Fund in 2018/19 and £100k for a Borough Investment Fund. The report also set out the procedures for applications to the funds. Of the 8 successful bids, 3 completed in 2018/19, 2 completed in 2019/20, and 2 were removed from the programme due to feasibility issues. The final project delivered by Surrey County Council has the real-time data feed outstanding, as such is awaiting financial settlement, as detailed below: -

2018/19 Project	Allocated Budget (£)	Expenditure to 30/09/20 (£)	Notes
Bid 4 Woodcote Green Bus Shelter	35,640	0	Shelter in use, awaiting real-time data feed not yet billed.

- 1.4 No bids for the Borough Investment Fund have been received in 2020/21 to date. There is still £71k of the original £100k allocation remaining.
- 1.5 In April 2019 S&R Committee agreed a further £250k for 2019/20 projects. The Horton Country Park Bridleway Path Restoration project completed last year and the progress of remaining schemes in this programme is detailed below: -

2019/20 Project	Agreed Amount	Expenditure to 30/09/20	Notes
Bid 8 Epsom Common Facilities	£26,000	£15,945	Bid progressing.
Bid 13 2 nd Epsom Scouts Refurbishment of HQ	£27,000	0	Bid progressing.
Bid 15 Clarendon Park Replacement Swing	£11,546	£11,546	Works complete.
Bid 16 Defibrillators across Epsom	£28,800	0	Bid progressing.
Bid 17 Wet Pour across borough playgrounds	£32,995	0	Bid progressing.
Bid 18 Mo-Ichido Martial Arts Club	£30,000	£30,000	All funding has been paid over.
Total	£156,341	£57,491	

- 1.6 A further £250k has been agreed for a 2020/21 scheme, the closing date for bids is 30 September 2020, later than in previous years due to the Covid situation.

2 Proposals for use of uncommitted S106 and CIL balances

- 2.1 The majority of uncommitted S106 balances are within the Affordable Housing category, the level of which currently stands at £1.1 million. This funding is used to facilitate the provision of affordable housing in the Borough where the project is not financially viable without additional funding. Officers work with providers to identify schemes where the affordable housing would not be deliverable without additional support.
- 2.2 Future CIL receipts are currently forecast at a level of £1.3m each year. To be eligible for funding from the CIL Main Fund (80%), schemes must meet the infrastructure types set-out in the Council's Regulation 123 list. The Regulation 123 list is currently being reviewed to ensure it meets the Borough's future needs. The Joint Infrastructure Group (JIG) considers schemes eligible for CIL funding and makes recommendations to Strategy & Resources Committee who approve the funding. The priority for allocating CIL funds will need to take into account future plans for growth across the borough, set out by the Local Plan.

3 Risk Assessment

Legal or other duties

- 3.1 Impact Assessment
 - 3.1.1 None for the purposes of this report.
- 3.2 Crime & Disorder
 - 3.2.1 None for the purposes of this report.
- 3.3 Safeguarding
 - 3.3.1 None for the purposes of this report
- 3.4 Dependencies
 - 3.4.1 None for the purposes of this report.
- 3.5 Other
 - 3.5.1 None for the purposes of this report.

4 Financial Implications

- 4.1 Section 106 and CIL receipts provide an opportunity for additional investment.
- 4.2 The relevant policy committee will need to ensure that there are no additional resource implications for new schemes that would have an adverse impact on budgets for other services. Some schemes may even reduce future maintenance liabilities.

- 4.3 **Section 151 Officer's comments:** All financial implications are reflected in the body of the report.

5 Legal Implications

- 5.1 Agreements under Section 106 of the Town and Country Planning Act 1990 are invariably connected to a grant of planning permission. They are designed to address the impact of a development and any contributions due and paid, are required to be spent in accordance with the terms of the related Agreement.
- 5.2 CIL is a local tax on new development that local authorities can choose to introduce to help fund infrastructure in their area. CIL provides a relatively straightforward mechanism for collecting contributions from new developments. This is guided by the Community Infrastructure Levy Regulations..
- 5.3 The Council maintains an Infrastructure Delivery Plan (IDP) and a draft Regulation 123 list, the latter identifying the types of community infrastructure that the Council envisages using CIL funding for. The IDP identifies the infrastructure improvements required to support growth and demonstrates that there is a sufficient 'infrastructure funding gap' to justify the need to collect CIL.
- 5.4 The establishment of CIL requires partnership working with infrastructure providers and partnership working is fundamental to the success and delivery of the objectives of the Borough.
- 5.5 **Monitoring Officer's comments:** none arising from the contents of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** IT meets the Council's Key Priorities under Effective Council.
- 6.2 **Service Plans:** The matter is/is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** none for the purposes of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** none for the purposes of this report.
- 6.5 **Partnerships:** none for the purposes of this report.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- N/A

Other papers:

- N/A

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)