

**Minutes of the Meeting of the FINANCIAL POLICY PANEL held on 2 February 2021**

---

**PRESENT -**

Councillor Eber Kington (Chairman); Councillors John Beckett, Kate Chinn, Nigel Collin, Neil Dallen, Colin Keane, Barry Nash and Clive Smitheram

Officers present: Lee Duffy (Chief Finance Officer), Brendan Bradley (Chief Accountant), Sarah Keeble (Democratic Services Officer) and Tim Richardson (Committee Administrator)

**10 DECLARATIONS OF INTEREST**

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

**11 MINUTES**

The minutes of the Financial Policy Panel meeting held on 1 December 2020 were agreed as a true record to be signed by the Chairman.

**12 2021/22 BUDGET AND COUNCIL TAX REPORT**

The Panel received the report on the budget and proposed council tax increase for 2021/22.

The Chief Finance Officer advised the Panel that since the report publication, there had been a £42,000 favourable increase in business rates funding for next year. As such the contribution from the Corporate Projects Reserve would reduce by £36,000 from £342,000 to £306,000 (report reference paragraph 8.4), and the contribution from the Business Rates Equalisation would reduce by £6,000 from £308,000 to £302,000 (paragraph 10.4).

The following matters were debated by Councillors:

- a) The Council's £950,000 contingency for the impact of Covid-19 in 2021/22, which will be held centrally and apportioned to services as appropriate. The Panel noted that the provision is funded from within EEBC's resources, and not funded by Central Government.
- b) The risks of New Homes Bonus being cut further in future years.

- c) That reduced funding from EEPIC is expected to continue for two and a half years, and reflects the (necessary) lease re-negotiation agreed at Strategy & Resources Committee in December 2020.
- d) The level of capital receipts
- e) The reasons why EEBC's core spending power increase of 1.9% was below the 4.5% national average.
- f) That Surrey County Council is responsible for selecting districts to form the County's business rates pool, and that EEBC had not been selected for next year.
- g) The reasons behind the council tax options presented to the Panel.
- h) That a budget gap of £458k remains for next year, and that it would be funded from reserves.
- i) The ten year forecast and projected deficit/budget outlook by 2030/31.

Following consideration, the Panel resolved to:

- (1) Provide the Chief Finance Officer with any further guidance needed to finalise the 2021/22 Budget and Council Tax report;
- (2) Note the provisional Government financial settlement for 2021/22;
- (3) Support that any remaining budget gap for 2021/22 – after factoring in savings agreed by Policy Committees in January 2021 – should be funded from the Corporate Projects Reserve and Flexible Housing Support Grant, as set-out in Section 8;
- (4) Support that the deficit on business rates income in 2020/21 and the shortfall, in projected income for 2021/22 from Business Rates will be funded from the Business Rates Equalisation Reserve, as set-out in Section 10;
- (5) Support the reduction in the contribution to Property Income Equalisation Reserve for 2021/22 as set-out in Section 9;
- (6) Support a recommendation to Council of a council tax increase of £4.95;
- (7) Note the updated four year Financial Plan and Efficiency Plan.

Decisions (1),(2),(3),(4),(5) and (7) above were agreed unanimously by the Panel. Decision (6) above was agreed with 6 Members voting for, 1 Member voting against and the Chairman not voting.

*The meeting began at 6.00 pm and ended at 6.42 pm*

COUNCILLOR EBER KINGTON (CHAIRMAN)