

**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)