

Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at the Council Chamber, Epsom Town Hall on 26 January 2024

PRESENT -

Councillor Neil Dallen (Chair); Councillors John Beckett, Hannah Dalton, Alison Kelly, Steven McCormick and Clive Woodbridge

Officers present: Andrew Bircher (Interim Director of Corporate Services), Brendan Bradley (Head of Finance), Mark Shephard (Head of Property and Regeneration) (Items 12 and 13 only), Sue Emmons (Chief Accountant) and Tony Foxwell (Senior Surveyor) (Items 12 and 13 only)

12 DECLARATIONS OF INTEREST

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

13 ASSET MANAGEMENT PLAN

The Advisory Group noted that the Head of Property and Regeneration and Senior Surveyor were in attendance at the meeting to answer any questions from the Group on the Council's Asset Management Plan. A question was asked as to whether the Streetlights project within the proposed 2024/25 Capital Programme might be eligible for Police funding, and officers confirmed that any external funding opportunities would be investigated. With no further questions, these officers left the meeting.

14 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Strategy Advisory Group meeting held on 24 November 2023 were agreed as a true record to be signed by the Chair.

15 TREASURY MANAGEMENT STRATEGY 2024/25

The Advisory Group received a report outlining the treasury management strategy for 2024/25, which includes prudential indicators for 2024/25 to 2026/27, the minimum revenue provision (MRP) policy, and the investment and borrowing strategy.

Following consideration of the report's contents, the Group discussed the following points:

- That the increase in external debt in 2024/25 is included to reflect the maximum borrowing the Council could undertake in line with its property investment strategy and is included to ensure the Council's operational boundary and authorised debt limits are agreed at a sufficient level to allow for any further property acquisition opportunities that may arise. Any potential acquisitions would still be subject to further assessment and scrutiny procedures.
- Opportunities for choosing sustainable investment options.
- 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.

Following the discussion, the Group 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. the treasury management strategy and the treasury prudential indicators contained therein;

1.2. the capital prudential indicators and limits;

1.3. the borrowing strategy contained within the treasury management statement;

1.4. the annual investment strategy;

1.5. the minimum revenue provision policy statement;

1.6. the treasury management practices.

(2) Agreed to advise that Abu Dhabi and Qatar should be removed from the list of approved investable countries at section 7 of the treasury management strategy.

16 2024/25 BUDGET AND MEDIUM TERM FINANCIAL PLAN 2024-2028

The Advisory Group received a report providing an update on the preparation of the budget for 2024/25. The report sought final guidance from the Group prior to the preparation of the Budget and Council Tax report for the Council on 14 February 2023. The report also sought final guidance on the Medium-Term Financial Plan for 2024-2028.

The following matters were debated by Councillors:

- That the funding is based on the provisional government settlement and any additional grant will reduce the drawdown from the Corporate Projects reserve to reduce the deficit, currently standing at £624k for 2024/25.

- That the fair funding review continues to be delayed but, if implemented, it would be expected to have an adverse impact for the Council so a prudent approach must be taken.
- Council Tax property bandings and that review of these can be initiated by the homeowner.

Following consideration, the Group agreed to:

- (1) Provide the Head of Finance with any further feedback needed to finalise the 2024/25 Budget and Council Tax report;**
- (2) Note the provisional Government financial settlement for 2024/25;**
- (3) Support that the budget gap for 2024/25 should be funded from the Corporate Projects Reserve, as set-out in Section 6 of the report;**
- (4) Support that any surplus/deficit on 2023/24 business rates income, and any change in projected business rates income for 2024/25, will be offset by a transfer to or from the Collection Fund Equalisation Reserve, as set-out in Section 4 of the report;**
- (5) Support a recommendation to Council of a council tax increase of 2.99% (£6.57 for a Band D equivalent property);**
- (6) Confirm support for the Medium-Term Financial Plan 2024-28, which includes the Medium-Term Financial Strategy.**

The meeting began at 2.00 pm and ended at 3.06 pm

COUNCILLOR NEIL DALLEN (CHAIR)