

**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at the Council Chamber, Epsom Town Hall on 31 January 2025**

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**PRESENT -**

Councillor Neil Dallen (Chair); Councillors Hannah Dalton, Liz Frost, Alison Kelly and Clive Woodbridge

Absent: Councillor Peter O'Donovan

Officers present: Peter Sebastian (Director of Corporate Services (S151)) and Sue Emmons (Chief Accountant)

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**14 DECLARATIONS OF INTEREST**

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

**15 MINUTES OF THE PREVIOUS MEETING**

The minutes of the Financial Policy Panel meeting held on 22 November 2024 were agreed as a true record to be signed by the Chair.

**16 BUDGET AND COUNCIL TAX REPORT 2025/26**

Members discussed the following issues:

- The Business Rates pool and why EEBC is not included for 2025/26.
- The increased costs of NIC for 2025/26 and the estimated government funding support for this.
- The postponed Fair Funding Review.
- The occupancy status of some of the Council's investment properties.
- The Extended Producer Responsibility funding for 2025/26 and future assumptions.
- Potential costs of the Local Government Reorganisation and the potential for urgent decisions.
- The level of Council Tax increase for 2025/26.

- Action 4 of the Corporate Peer Challenge Action Plan relates to training. The level of budget for Member Development has been benchmarked against other Surrey districts and it was suggested that the current budget of £3.5k be uplifted within the 2025/26 financial year by £2.5k (final figure to be agreed with the Chair and Deputy Chair of Strategy & Resources Committee) to bring in line with the average figure per Member. The Director of Corporate Services confirmed that the inflationary contingency budget could be used to increase this budget to the required level, as the budget had not been uplifted for some years. The authority to allocate contingency budgets sits with the S151 Officer as per the financial regulations.

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

- (1) Provide the Chief Finance Officer with any further feedback needed to finalise the 2025/26 Budget and Council Tax report;**
- (2) Note the provisional Local Government financial settlement for 2025/26 announced on 18 December;**
- (3) Support that any surplus/deficit on 2024/5 business rates income, and any change in projected business rates income for 2025/26, will be offset by a transfer to or from the Collection Fund Equalisation Reserve, as set-out in Section 4 of the report;**
- (4) Support a recommendation to Council of a council tax increase of 2.98% (£6.75 per annum for a Band D equivalent property) for 2025/26.**

## 17 TREASURY MANAGEMENT STRATEGY 2025/26

Members discussed the following issues:

- The approved countries for investment on the list in section 5.17 of the Treasury Management Strategy and proposed that Abu Dhabi (UAE) and Qatar be removed from the list to go to Full Council. USA was discussed and agreed it should remain for this year but requested that the Finance team provide advice on the potential impact of removing the USA from the list of approved countries for investment, for review in advance of the 2026/27 financial year and an assessment, from the Council's Treasury advisors, on whether there are any bitcoin investment opportunities that might fit within the Council's agreed risk profile for investments.
- It was highlighted that recommendation 2 should say section 5.17 and not section 7 which was included in the report.

Following consideration of the report's contents, 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) Advise whether any countries should be considered for removal from the list of approved investable countries at section 5.17 of the treasury management strategy.**

*The meeting began at 2.00 pm and ended at 2.36 pm*

COUNCILLOR NEIL DALLEN (CHAIR)