

**Minutes of a Meeting of the
Performance and Finance Scrutiny
Committee held at Council Chamber,
Surrey Heath House, Knoll Road,
Camberley, GU15 3HD on 13
September 2023**

- + Cllr Shaun Garrett (Chair)
- + Cllr Liz Noble (Vice Chair)

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|-------------------------|-------------------------|
| - Cllr Louise Ashbery | + Cllr Jonathan Quin |
| + Cllr Nirmal Kang | + Cllr Bob Raikes |
| + Cllr Lewis Mears | + Cllr Victoria Wheeler |
| - Cllr Sashi Mylvaganam | - Cllr David Whitcroft |
| - Cllr Jacques Olmo | + Cllr Richard Wilson |
| + Cllr David O'Mahoney | |

- + Present
- Apologies for absence presented

Substitutes: Cllr Sarbie Kang (In place of Cllr Louise Ashbery) and Cllr Rob Lee (In place of Cllr Jacques Olmo)

Members in Attendance: Cllr Kevin Thompson and Cllr Valerie White

Officers Present: Natalie Annalls, Keiran Bartlett, Karolina Bazyluk, Gavin Chinniah, Mike Cummings, Damian Roberts, Eddie Scott, Lynn Smith, Nick Steevens, Alice Theobald, Joe Walsh, Bob Watson

9/PF Minutes of the Previous meeting

The minutes of the meeting held on 13 July 2023 were confirmed and signed by the Chair, following a minor amendment to correct the list of attendees.

10/PF Treasury Management Activity Report - Quarter 1

The Committee considered a report which set out the performance of the treasury management service for the first quarter of 2023/24 as of 30 June 2023 and confirmed compliance with the Treasury Management Indicators for 2023/24. This was in line with the Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code), which required that local authorities reported on the performance of the treasury management function at least quarterly.

The Council's total borrowing totalled at £176 million. £76 million of the debt sat as short term debt at an average interest rate of 3.45%; whilst the remaining £100 million was longer term debt which had a weighted average rate of 2.73%. The Council's total treasury investments sat at £15.3 million.

It was suggested that the Council would have benefitted from a decision to commit a higher percentage of its debt to longer term loans, when interest rates were at previously historic lows. Whilst, it was acknowledged that such a decision would have reduced the Council's susceptibility to interest rate volatility, there was a need to keep a balanced debt portfolio so it could act agilely and make use of any opportunities to dispose of a significant asset.

Members picked up on the Council's policy to invest funds in the most ethical way possible. In practice, this was often tied up with central government's and other Council's investment practices; and the ethics behind money market fund investments, which were primarily used because of the security of the funds, as shown by their Triple A credit ratings.

RESOLVED to note the report.

11/PF Executive Portfolio Update: Economic & Income Development

The Committee considered a report summarising the Council's work over the past twelve months which was encompassed by the Economic and Income Development Executive Portfolio; a portfolio which covered asset management, corporate property management, economic development, inspiring places development, new income streams and service development.

The key missions for the Property and Economic Development service included the delivery of budget net income from the property portfolio, the progression of key regeneration projects, in particular the London Road Block and the House of Fraser Building, as well as the production of a business case for the potential relocation of the Surrey Heath Borough Council offices and the redevelopment of the 'Land East of Knoll Road'. As it stood the targets for the service set out in the Short Term Plan, and Annual Plan were either 'on track', or completed. Recent, notable successes and progress, included the collection of feedback from 28 developers, which now informed a revised tactical plan for the progression of the development partner for the London Road Block, and a recent large letting of office space in the Theta Building to Surrey Heath Community Providers.

Following Members' questions, it was acknowledged that The Workshop, which operated at a cost of £115,000 per annum was due to have its funding run-out when UK Prosperity Fund Monies expired in 2024^[1]. It was advised that future funding streams were currently being explored and any proposal to fund the scheme directly would be considered in conjunction with an evaluation of the service's outcomes. Furthermore, it was clarified that the action referenced in the agenda report to 'Establish a function to attract and retain new businesses', fell under the remit of the Town Centre Management Operational Management Group and was a focus of the existing Economic Development Team.

The Committee recognised the success of the recent inaugural Children's Business Fayre. However, the Committee noted the lack of diversity in the schools, which took part. It was acknowledged that there was room to look at opportunities to develop a mechanism to allow a wider demographic of pupils to take part, including those from low-income backgrounds.

In addition, the Committee were informed that, with the ongoing success of the Pop-up shop scheme, there was a third operator lined-up, and Legacy Sportswear, who were the first operator under the scheme, were in discussions to fill a unit within the Town Centre.

RESOLVED that the report be noted.

[11](#) Please note that following the meeting it was subsequently advised that The Workshop was funded by Contain Outbreak Management Fund (COMF) funds which were due to expire in March 2024.

12/PF Complaints Monitoring Annual Report

The Committee received a comprehensive annual report on the Council's complaints monitoring arrangements, lessons learned from complaints and complaints received by the Local Government Ombudsman (LGO).

Within the past year, there had been a slight overall increase in the number of complaints received in comparison to 2021/22. This could partially be attributed to the receipt of a small amount of complaints relating to inward facing services, Legal and Democratic Services and the Investment and Development Directorate, which did not normally receive complaints. However, the significant majority of complaints were dealt with under Stage 1 of the complaints process, and concerns were dealt with informally or complaints triaged to the relevant partner organisation.

It was noted following Members' questions that the staged complaints procedure, and the ability for dissatisfied complainants to take their complaint to the next stage, inevitably meant a high proportion of Stage 2 complaints were escalated to Stage 3 Complaints. Furthermore, it was confirmed that it was very rare for LGO complaints to be taken to judicial review.

It was recognised by the Committee that a common thread throughout the agenda was that the Council was currently carrying less vacant Officer posts than previously experienced, which had translated to a better customer experience. Moving forward, it was noted that in order for the Council to remain competitive in its recruitment and retention of staff in specialist progressions, where there were national shortages, there was a need to continue to promote the Council as an attractive place to work through its culture, pay and conditions, and learning and development opportunities.

Where the Council's performance fell short, it was correct for members of the public to make a formal complaint and such a process allowed an opportunity for resolution. In addition, bodies external to the Council, such as Parish Councils or businesses, were not precluded to making a formal complaint.

RESOLVED that the report be noted.

13/PF Executive Portfolio Update: Sustainable Transport and Planning

The Committee received a report which outlined the current performance and the key projects which had been undertaken within the Sustainable Transport & Planning Portfolio.

The key piece of work for the planning policy and conservation team was the production of the new local plan which would cover the period 2019-38. The identification of suitable sites for housing within the borough's environmental constraints and appropriate sites for Gypsy and Traveller pitches continued to be challenges.

Overall performance within the Development Management Team was high, and 93% of major applications were determined in time or with an agreed extension. This was against the Council target of 80%. In addition, in January 2023 there was a backlog of 145 applications waiting to be determined. However, by June/July 2023 this had been cut to only 19 applications.

In other areas of the portfolio, the planning service had ensured all Council watercourse maintenance obligations had been met during 22/23. Moreover, the planning enforcement function, which framed part of the wider corporate enforcement team had formulated an action plan to introduce fundamental improvements to practices and processes across the service.

The Committee were firm in its assertions that from its scrutiny and analysis of their casework enquiries that the move away from use of contractors and towards fully-staffing of the Development Management and Corporate Enforcement Service had resulted in increased service performance and a much improved customer experience.

However, discussions still picked up on specific points, and areas for improvement, within the Council's flood mitigation activities, planning enforcement service and a number of hurdles still to be overcome in relation to the Local Plan.

Moreover, there was shared appreciation of the aim for the Fast-Track Planning Applications Service to effectively enable the planning applications service to become self-funding. It was noted from informal feedback that there was relative distrust of the service amongst members of the public in respect of whether use of the Fast-Track service had relation to the outcome of an application. Members were reassured that prospective applicants for the service had a clear process to follow before an application could be considered for the Fast-Track Services, and the Government were now encouraging local authorities to provide a Fast-Track Service as a method to increase income. It was reaffirmed that at present the service was a pilot, and any feedback would go towards the evaluation of the pilot.

It was acknowledged by Members that there was an ongoing national issue relating to viability of housing developments, which resulted in lower levels of affordable housing, that those aimed for in the Council's Planning Policies. Reduced levels of viability were a product of higher land values and increased build costs.

Some Members expressed their frustration about the slow progress in relation to flood mitigation work and matters which related to biodiversity. It was felt that the Council could be stronger at holding partners responsible for the management and preservation of the sites of Special Scientific Interests in the borough to account. Furthermore, it was suggested that the Council could be more proactive in coordination of partners, including Surrey County Council and the Environment Agency, in relation to flood mitigation works with a specific focus on the rural parts of the borough. It was agreed to explore the potential for a working group between partners to accelerate the various ongoing flood related projects. It was also agreed by the Deputy Leader to explore whether there was a role for the portfolio holder to lobby the relevant organisations on specific cases.

On consideration of the Authority Monitoring Report, Members asked for clarity on the methods used to track Special Protection Area (SPA) visitor numbers, in relation to the objectives in relation to biodiversity, set out in the Authority Monitoring Report (AMR). It was clarified that the data included in the AMR was collected from Natural England reports, where visitor numbers had been observed during a set window. It was noted that technology was allowing for increased accuracy of the data. There was also a formal request for any Natural England data in respect of Chobham Suitable Alternative Natural Greenspace (SANG), in order to see whether visitor numbers had been affected from the reduction of the level of free parking at Chobham High Street Car Park which sat adjacent to Chobham Water Meadows SANG.

RESOLVED that the report be noted.

14/PF Work Programme

The Committee considered its work programme for the remainder of the municipal year and noted several minor changes since its last meeting.

Resolved that the Work Programme, as included in the agenda reports pack be agreed.

Chair