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Tuesday, 19 November 2019

To: The Members of the **Performance and Finance Scrutiny Committee**  
(Councillors: David Lewis (Chairman), Shaun Garrett (Vice Chairman),  
Graham Alleway, Cliff Betton, Sarah Jane Croke, Colin Dougan, Edward Hawkins,  
Sam Kay, David Mansfield, Sashi Mylvaganam, Darryl Ratiram, Kristian Wrenn and  
Victoria Wheeler)

**In accordance with the Substitute Protocol at Part 4 of the Constitution,  
Members who are unable to attend this meeting should give their apologies and  
arrange for one of the appointed substitutes, as listed below, to attend.  
Members should also inform their group leader of the arrangements made.**

Substitutes: Councillors Rodney Bates, Tim FitzGerald, Rebecca Jennings-Evans,  
Alan McClafferty, Graham Tapper, Pat Tedder and Valerie White

Dear Councillor,

A meeting of the **Performance and Finance Scrutiny Committee** will be held at Council Chamber, Surrey Heath House, Knoll Road, Camberley, GU15 3HD on **Wednesday, 27 November 2019 at 7.00 pm**. The agenda will be set out as below.

Please note that this meeting will be recorded.

Yours sincerely

Karen Whelan

Chief Executive

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## AGENDA

	<b>Pages</b>
<b>1 Apologies for Absence</b>	
<b>2 Minutes of Previous Meeting</b>	<b>3 - 6</b>

To receive, and confirm as being a correct record, the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 4 September 2019.

- 3 Declarations of Interest**
- Members are invited to declare any interests they may have with respect to matters which are to be considered at the meeting. Members who consider that they may have an interest are invited to consult the Monitoring Officer or Democratic Services Officer prior to the meeting.
- 4 Portfolio Holder Update - Finance 7 - 12**
- To receive an update from Councillor Charlotte Morley on her work during 2019/20 in her capacity as Portfolio Holder for Finance.
- 5 Annual Report on the Treasury Management Outturn 13 - 26**
- To consider the Council's Treasury Management report for 2018/19.
- 6 Council Finances as at 31st July 20109 27 - 34**
- To consider a report setting out the Council's finances as at 31<sup>st</sup> July 2019.
- 7 Surrey Heath Borough Council Annual Plan: Mid Year Performance 35 - 58**
- To consider a report setting out the Council's performance against the targets and objectives contained within the Surrey Heath Borough Council's Annual Plan for 2019/20.
- 8 Performance and Finance Scrutiny Committee Work Programme 59 - 62**
- To consider the Performance and Finance Scrutiny Committee's work programme for the remainder of the 2019/20 municipal year.
- 9 Date of Next Meeting**
- The next scheduled meeting of the Performance and Finance Scrutiny Committee will take place on Wednesday 29 January 2020 at 7pm

**Minutes of a Meeting of the Performance and Finance Scrutiny Committee held at Council Chamber, Surrey Heath House, Knoll Road, Camberley, GU15 3HD on 4 September 2019**

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+ Cllr David Lewis (Chairman)  
+ Cllr Shaun Garrett (Vice Chairman)

+ Cllr Graham Alleway	+ Cllr David Mansfield
+ Cllr Cliff Betton	+ Cllr Sashi Mylvaganam
+ Cllr Sarah Jane Croke	+ Cllr Darryl Ratiram
+ Cllr Colin Dougan	+ Cllr Kristian Wrenn
+ Cllr Edward Hawkins	+ Cllr Victoria Wheeler
- Cllr Sam Kay	

+ Present  
- Apologies for absence presented

Members in Attendance: Councillors Chapman, Deach, Galliford, Morley, Page, Perry and White

Officers Present: Julia Hutley-Savage, Interim Head of Legal  
Kelvin Menon, Executive Head: Finance  
Tim Pashen, Executive Head: Community  
Jenny Rickard, Executive Head: Regulatory  
Lynn Smith, Customer Relations Manager

**8/PF Minutes of Previous Meeting**

**RESOLVED** that the minutes of the meeting of the Performance and Finance Committee held on 17<sup>th</sup> July 2019 be approved as a correct record and signed by the Chairman.

**9/PF Portfolio Holder Update: Planning and People**

Councillor Adrian Page presented an update on the work carried out to date during the 2019/20 municipal year in his capacity as Executive Portfolio Holder for Planning and People.

The portfolio covered a number of areas including: planning policy and conservation, planning enforcement, drainage, land charges, building control and development management. Arising from the subsequent questions and comments the following points were noted:

- Although there had been an overall shortfall in the number of net housing completions against targets, long term projections predicted that the Council was on track to meet the Government targets.
- It was acknowledged that the proposed route for the new Esso pipeline had been a surprise and the Council's full response to the consultation would be circulated.
- The need for additional Gypsy and Traveller pitches was acknowledged however it was stressed that the Council should take steps to ensure that the Borough's current provision was fit for purpose.
- As a result of ongoing difficulties experienced in the recruitment of a dedicated Planning Enforcement Officer the Council's Corporate Enforcement Team had

assumed responsibility for conducting initial visits and investigations and specialist external resources were then used to prepare enforcement notices and reports. It was acknowledged that this was not an ideal situation and officers were exploring a range of potential solutions to solve the recruitment problem including the possibility of an apprenticeship route.

- It was clarified that the term District Centre was defined as a group of shops which were supported by a variety of non-retail facilities and services, which are laid out to collectively form a coherent sustainable centre.
- Clarification would be provided on what progress had been made in relation to a question raised about the management charges in private developments at a previous meeting.
- The Committee repeated its request for specific officer contact telephone numbers that could be used in the event of an out of hours emergency occurring. It was agreed that this would be followed up.

The Committee thanked officers in the Planning Policy Team for the considered approach that they were taking with the development of a new Local Plan for the Borough.

The Committee thanked Councillor Page for his update.

## **10/PF Portfolio Holder Update: Environment and Health**

Councillor Vivienne Chapman presented an update on the work carried out to date during the 2019/20 municipal year in her capacity as Executive Portfolio Holder for Environment and Health.

The portfolio covered a number of areas including air quality, community transport, older people's services, emergency planning, Environmental Health, waste collection and street cleansing and health and wellbeing. Arising from Members' questions and comments the following points were noted:

- An audit of the Borough's buildings, following the Grenfell Tower fire, had found that there were no externally clad buildings in the Borough that exceeded the height limits set out by the Government at which action was required.
- New regulations relating to fire control measures would be coming into force imminently and these would be monitored by Building Control.
- Clarification was sought on whether missed bin collections were being mapped to identify if there were any patterns to the missed collections.
- Data relating to the number of fly tipping prosecutions in the past year and how these compared to previous years would be circulated.
- It was noted that a new cross Surrey Fly Tipping Strategy had been developed.
- Details of the training provided to hospital staff on the Home Safe service would be circulated.
- It was clarified that Home Safe care packages were free for two weeks following discharge
- The Surrey Waste Partnership had developed a Single Use Plastic Strategy and the Borough was supporting a number of initiatives including the installation of water refill points in Camberley town centre and giving out reusable water bottles at events.
- It was agreed that concerns raised about the difficulties that a homeless resident had recently experienced when trying to access Community Transport services would be investigated.

- Reports that Amey had refused to collect bins from a prearranged alternative collection points whilst gas mains replacement work was ongoing in Heatherside would be followed up with Amey.
- Information about which materials could and couldn't be recycled was on the Council's website and a leaflet was distributed to all households on an annual basis. In addition, an app, developed to enable residents to easily check whether an item could be recycled, was also available.
- The possibility of exploring bio-recycling would be raised with Surrey County Council in its capacity as the waste disposal authority.

The Committee requested that all future Portfolio Holder update reports contained more detailed statistical evidence and performance information so that year on year trends could be analysed and performance monitored effectively.

The Committee thanked Councillor Chapman for her update.

### **11/PF Annual Complaints Monitoring Report 2018/19**

The Committee received a report summarising the outcome of complaints received by the Council at either Stage 2 or Stage 3 of the Council's complaints policy.

During the 2018/19 municipal year 37 formal complaints had been dealt with at either stage 2 or stage 3. Of these, 27 had been found to be not justified, eight were found to be partly justified and two had been found to be justified. The majority of complaints had been caused, or exacerbated, by the Council's failure to either respond to a resident in good time or because residents had not been kept informed. This had been followed up with Executive Heads.

Members were reminded that any emails sent to them by residents should be forwarded to the Councillor Enquiry email address soon as practicable to ensure that they were not contributing unwittingly to a delayed response to resident.

During 2017/18, the Local Government Ombudsman had received 15 complaints relating to Surrey Heath Borough Council. Of these five had been closed following initial enquiries, two had been referred back to the Council for local resolution and two were considered to have been invalid or incomplete. Detailed investigations had been held into five complaints and of these four were not upheld and one was upheld. It was noted that the Service concerned had taken the Ombudsman's recommendations on board and new processes were now in place in order to prevent a repeat situation occurring.

The Committee noted the report.

### **12/PF Performance and Finance Scrutiny Committee Work Programme**

The Committee considered a report setting out the proposed work programme for the Performance and Finance Scrutiny Committee for the remainder of the 2019/20 municipal year.

It was agreed that the proposed work programme would be kept under review to ensure that there was sufficient time to fully scrutinise the work of the Council.

The Committee noted the report.

**13/PF Date of Next Meeting**

It was noted that the next scheduled meeting of the Performance and Finance Scrutiny Committee would take place on Wednesday 27<sup>th</sup> November 2019 at 7pm.

**Chairman**

**PERFORMANCE AND FINANCE SCRUTINY COMMITTEE**

Portfolio	Corporate
Ward(s) Affected:	All

**Portfolio Holder Update: Finance**

**Purpose**  
**To provide a progress report on the Finance Services Portfolio**

**1. Background**

1.1 The Finance Portfolio covers the following areas as set out below:

- Finance
- Procurement
- Revenues and Benefits

**2. Finance Function**

2019/20 Budget

2.1 The finance report, which is coming to Executive next month, shows that the Council is broadly on budget for this year. Although there have been some variances these have been covered. The main adverse variance arises from a shortfall in parking income. This is because footfall is falling, although not as fast as it is in other south east centres, and an historical increase in charges was retained but not implemented. A potential shortfall is likely on the SQ rents due to the unprecedented number of CVA and rent reviews in the retail market. However, the performance of the SQ is still better than most other comparable centres.

2020/21 Budget

2.2 Colleagues are currently working on putting the Budget together for the coming year. This will be done in time for presentation to members in February 2020. This will be the 2<sup>nd</sup> year that a new budget module has been used which makes the number crunching aspect of budget setting that much easier. Early indications are that there are financial pressures in a number of areas across the Council. Income is being squeezed and yet costs coupled with demand for services in increasing. This will make budget setting particularly challenging as there is very little new money to spend. A full 2% Council tax increase will generate about £140k pa and there is an inflationary increase in business rates income but otherwise there is very little scope for additional funding. Whilst this can be managed through reserves for the short term further investment in income generating assets coupled with greater efficiency/partnership working will need to be undertaken during the coming year if the issue is to be addressed.

2.3 A key component of the budget will be the Local Government settlement which is usually announced in December. The outgoing Conservative Government announced an increase of £2.9bn for Local Government. When this was broken down is £1.1bn was grants (of which £1bn to social care), £0.5bn Adult social care precept, £1bn Council Tax increase and £0.3bn inflation in business rates. Hence it is likely that if this settlement is

implemented there will be no increase for Districts other than Council Tax and inflation in business rates.

- 2.4 The General Election leads to its own budget challenges as it is taking place so late in the year. It would appear that if the Conservative Government is re-elected then the original settlement as announced at the Budget would stand. However, if this is not the case then it would be for the incoming Government to decide its funding priorities including capping levels on Council Tax. This information may not be known until budget setting in late February.

### Capital

- 2.5 During the year the Council has made a number of capital acquisitions. These have been reported to members on a quarterly basis. All these purchases have been funded from a combination of capital receipts, grants, revenue and debt. The budget for the 2020/21 capital program is being drawn up at the moment and will be presented to members in the new year.

### Treasury and Investment

- 2.6 The Council continues to invest surplus funds as well as borrow to fund its acquisitions. At the end of September, the Council had around £14m invested and borrowings of £151m. In addition, around a further £20m has been funded using internal borrowing. Further details are included in the treasury paper that is going to Executive next month.
- 2.7 Over the last 6 months the staff in finance have placed and redeemed around £150m of short term investments so as to take advantage of low interest rates. Although this is a significant amount of work for the team placing the money with other Councils and negotiating the rates this is likely to generate at least £1m in interest savings over 12 months. Following the Governments unilateral decision to add a 1% tariff on PWLB rates earlier this month meeting are being held with the Council's advisors, Arling Close, to see whether there are other avenues for refinancing some of the Council's short term debt and future capital projects.

### Transactions

- 2.8 The transactions team in finance work hard to ensure that the financial records of the Council are kept up to date and suppliers are paid promptly. In the last year the team has:
- Paid £33m on 5,369 invoices with 98.9% of payments within 30 days
  - Received 5,052 cheques with a value of £1.9m. In addition, the Kiosk had 5,330 transactions totalling £851k.
  - 5,014 debtors invoices were raised with a total value of £33m.
  - 0 cheques issued – we have no book! However, 3,000 bacs payments made annually excluding benefits.

### Other matters

- 2.9 During the year the Civica financial system has been upgraded to version 19.5 and a new capital module installed. Currently the team are working on putting software in place to cope with the implications of tax going digital. Civica have also recently been awarded a contract to move the finance

system in to the Cloud to improve resilience and accessibility – this will take place over the next 12 months.

#### External audit and Accounts

- 2.10 The Council on the instructions of the PSAA changed its auditors to BDO doing 2018/19. Due to resourcing issues at BDO no audits in Surrey were signed by the deadline of the 30<sup>th</sup> September 2019 however we are hopeful that Surrey Heath's will be signed by the end of this month. Most of the audit issues have arisen from the treatment of properties and valuations. It is anticipated that with adequate resourcing by the auditors next year the process will be much smoother.

### **3 Revenues and Benefits Function**

- 3.1 The Revenues and Benefits team are responsible for the billing and collection of Council Tax and Business Rates as well as the awarding and payment of Council Tax benefit and Housing Benefit. The team also manage the billing and collection of BID levies. Without the team's efforts to get the money in there would be no funding available for many of this Council's services that residents rely on not only provided by Surrey Heath but also Surrey County Council and the Police.
- 3.2 The following statistics have been provided to show how this area has performed:

#### Council Tax

- % collected 2018/19 of the 2018/19 debt raised in year: 99.25%. Best in Surrey and 5<sup>th</sup> best in country – best manages to collect 99.4%.
- Total billed £71.793m and collected £71.251m.
- In 2018/19 8099 reminders issued, 786 final notices, 2,888 summons leading to 1,707 liability orders some of which go to enforcement
- In the last 6 months 5,606 reminders issued, 299 final notices, 866 summons and 1,169 liability order granted.
- For 2019/20 36707 annual bills issued of which 32068 paper and 4639 e-bill. The service is keen to increase the level of e billing and self service and is looking in to this with its software supplier. In the last six months a further 16,599 ad hoc bills have also been issued.
- In 2019/20 28,665 accounts paid by Direct Debit. This is 78.1% one of the highest in the country
- In 2019/20 £3.095m of Council Tax Reduction awarded
- Council tax collected on behalf of the Police, County and Parishes. However, no funding for collection is provided by these bodies. Surrey however does voluntarily pay for initiatives to improve collection, such as checking single persons discounts, as they are the largest benefactor of any additional income

#### Business Rates

- 99.58% collected in 2018/19 of the 2018/19 debt raised. This makes Surrey Heath 12<sup>th</sup> in the country
- Total billed £38.872m and paid £38.708m as at 31 March 2019.
- In 2018/19 860 reminders issued, 68 final notices, 350 summons leading to 228 liability orders.

- In the last 6 months 715 reminders issued, 25 final notices, 239 summons issues leading to 146 liability orders.
- In 2019/20 2,664 annual bills issued (1900 paper and 766 e-bill) and a further 2,093 ad hoc bill have been issued this year.
- 1,025 accounts pay by Direct Debit or 38.5%
- Business Rates are shared between SHBC, SCC and the Government who then redistribute them. The Government provides an allowance of £120k per year towards the cost of collection

#### Collectively Camberley Business Improvement District

The BID year runs 19 October to 18 October in the following year.

- % collected in 2018/19 of the 2018/19 debt raised in year: 97.15%
- Total billed £233k, total paid £227k.
- In 2018/19 196 reminders issued, 101 summons and 60 liability orders
- 403 annual bills issued (250 paper and 153 e-bill) and 75 accounts paid by DD representing about 86% of the total amount due

#### Housing Benefit

- 2,496 live cases as at the 31 March 2019. This has fallen to 2,296 by the 30th September 2019. On average caseload falling by 38 per month due to transfer to Universal Credit.
- Working Age claimants 792 and State Pension Age claimants 1474. At the moment there are no plans to transfer pension age claimants to Universal Credit
- In 2018/19 656 New claims were processed in an average of 23.69 days. For the 6 months to September 154 claims have been processed in an average of 18.62 days
- In 2018/19 10,672 Change events were processed taking an average of 3.21 days. For the last 6 months 3,651 changes processed in an average of 2.74 days
- Total Housing Benefit expenditure in 2018/19 was £15.597m all of which is reimbursed by Government. This makes it the Council's single largest service by budget
- The Government provides a grant of £170k a year towards the cost of providing this service

#### HB Debtors (Recovery of overpaid Housing Benefit)

The Council is responsible for collecting overpayments of Housing benefit from claimants. Overpayments can arise due to changes in employment or circumstances that are not communicated to the Council quickly enough. A significant proportion of overpayments are being recovered on payment plans, although these can last many years.

- In 2018/19 337 invoices issued with a value of £378,581.95
- In 2018/19 cash collected £173,443.81
- Outstanding Debt 31 March 2018 : £632,580.65
- Outstanding Debt 31 March 2019 : £549,123.29

#### Council Tax Reduction

- Live caseload at 31 March 2019 2,508 falling to 2,446. This benefit does not transfer in to Universal Credit and so SHBC retains these claimants.

- Working Age claimants 1346, State Pension Age claimants 1100
- In 2018/19 1,306 New claims processed taking an average time of 22.92. In the last 6 months 643 have been processed in an average of 24.67 days
- In 2018/19 10,280 Change events processed taking an average time to process of 3.03 days. In the last 6 months 4,777 have been processed in an average of 3.31 days
- In 2018/19 total CTR expenditure budgeted to be £3.130m. Although when CTR was introduced to replace Council Tax Benefit the Government did provide funding this has been progressively withdrawn and now no funding is given. The share for Surrey Heath is about £325k. In addition, no funding is provided by Government for the administration of this relief.

## **Procurement**

There have been fewer large scale high profile procurements undertaken within the Council this past year (2019) in comparison to last year (2018), however there have been a number of smaller procurements made in order to support the key projects underway.

The table below shows the key procurements undertaken for the Surrey Heath area with a value greater than £50,000.

The newly placed Grounds Maintenance Services Contract has also been having performance difficulties in its first year with the Business Service team now looking to procure a new Provider should the situation not improve.

The procurement for site clearance works for Swift Lane enabled a professional and ethical company to be engaged which made a huge difference to the smooth running of the operation.

<b>Tender Exercise Name</b>	<b>Service</b>	<b>Procurement Status</b>
Citizens Advice (Cat B Office Refurbishment)	Property	Completed
Camberley High Street Construction PM	Regulatory	Completed
Old Dean Playground Refurbishment	Business	Completed
Lightwater Country Park Play Area	Business	Completed
Frimley Lodge Live 2019	Business	Completed
ITQ for Car Parking Needs Assessment	Business	Completed
Camberley High Street Regeneration Construction	Regulatory	Completed
Provision of Site Clearance works	Transformation	Completed
LRD QS/Cost Consultancy	Chief Executive Office	Completed

A significant number of procurements valued below £50,000 have been undertaken in the last year with a number being in relation to improvement works in support of the larger Camberley based projects such as:

1. The rehoming of some of the Arena leisure services in the Theatre therefore requiring works to be done to the Theatre to accommodate this

2. The removal of the canopies on Princess Way to enable the High Street regeneration works to begin, have been low value but of great importance.
3. Project Blue – Legal services, Valuation services and structural surveys supported the Council in making an informed decision regarding the acquisition.
4. Camberley Food Festival; and,
5. A concept design for the Vacant spaces project, enabling the Council to better consider options for utilising the vacant retail spaces within the Camberley Town Centre.

Other Surrey Heath wide procurements of a value below £50,000 include:

1. A housing needs survey
2. A survey to support the revision of the Local Plan
3. The purchase a minibus for Community Services
4. Bespoke adaptation of bins to support recycling and other waste policies in apartments and other building occupied by multiple users.

**Annual Report on the Treasury Management Service and Actual Prudential Indicators for 2018/19**

**Summary**

**Report to advise members of the Treasury Management Service performance and to illustrate the compliance with the Prudential Indicators for 2018/19**

**Portfolio - Finance**

**Date signed off: 17 September 2019**

**Wards Affected**

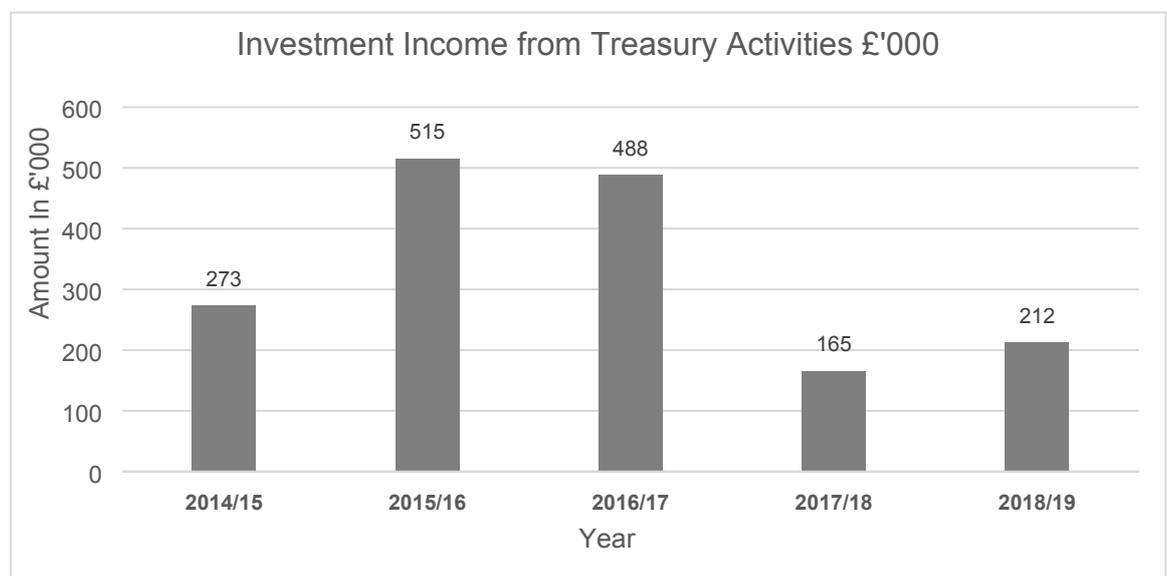
**All**

**Recommendation**

The Performance and Finance Scrutiny Committee is asked to NOTE the report on Treasury Management including compliance with the 2018/19 Prudential Indicators

**1. Resource Implications**

- 1.1 None directly as a result of this paper however the management of investments and borrowings does have an impact on the Council's resources. The graph below shows investment income from treasury activities from 2014/15 to 2018/19.



- 1.2 Treasury income returns increased in 2018/19 due to an increase in the level of investments in 2018/19 coupled with the Bank of England's decision to increase Bank Rate to 0.75% from 0.50% in August 2019. The increased level of investments at the year-end was because the Authority took out a number of PWLB loans just before the end of the financial year to take advantage of low interest rates. These loans were then used to repay short term borrowing that became due in the first part of the financial year 2019/20.

- 1.3 Borrowing costs have increased over the year as the Council has invested further money in to property.

## **2. Key Issues**

- 2.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 2.2 Treasury management is defined as: "The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.3 The Authority's treasury management strategy for 2018/19 was approved at a meeting on 21st February 2018. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.
- 2.4 This report is the annual report for the 2018/19 financial year. It includes both a summary of treasury management performance during the year as well demonstrating compliance with the 2018/19 Prudential Indicators.

## **3. Supporting Information**

### **Treasury Management Strategy 2018/19**

- 3.1 The Authority approved the 2018/19 Treasury Management Strategy, which includes the investment strategy, at its meeting on the 21st February 2018. All treasury management activity undertaken during the year complied with the approved treasury management strategy, the CIPFA Code of Practice and the relevant legislative provisions, except as shown in note 5.26.

### **Investment Strategy 2018/19**

- 3.2 The approved investment strategy for 2018/19 adopted a view to investment that sought to balance risk against return. It maintained a policy, on the advice of our treasury advisors Arlingclose, of diversifying investments in line with the agreed strategy. The Authority maintained its longer term investment in the CCLA Property Fund.
- 3.3 The Authority continued to use local authorities, the Government and money markets with investments being placed generally for short periods only.

### **Approved Counterparties**

- 3.4 The Council's Treasury advisors have advised that the Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Building Societies	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£3m 10 years	£2m 3 years	n/a	£2m 20 years	£2m 20 years
AA+	£2m 5 years	£3m 10 years	£2m 3 years	n/a	£2m 10 years	£2m 10 years
AA	£2m 4 years	£3m 5 years	£2m 3 years	n/a	£2m 5 years	£2m 10 years
AA-	£2m 3 years	£3m 4 years	£2m 3 years	n/a	£2m 4 years	£2m 10 years
A+	£2m 2 years	£3m 3 years	£2m 2 years	n/a	£2m 3 years	£2m 5 years
A	£2m 13 months	£3m 2 years	£2m 12 months	n/a	£1m 2 years	£2m 5 years
A-	£2m 6 months	£3m 13 months	£1m 6 months	n/a	£1m 13 months	£2m 5 years
BBB+	£3m next day only	£3m 6 months	£1m 100 days	n/a	n/a	£1m 2 years
None	£1m 6 months	n/a	£1m 6 months	n/a	n/a	n/a
Pooled funds	£2m per fund					
Supranational Banks	£3m for up to 5 years where rated A or above					
UK Local Authorities	£2m per authority for up to 5 years					

### **Borrowing Strategy 2018/19**

- 3.5 The Authority's chief objective when borrowing has been to strike a balance between achieving cost certainty and securing low interest costs. This has been achieved by Council borrowings being a mixture of fixed and variable loans. In addition the Council has entered in to a forward loan agreement, on the advice of its treasury advisors, which guarantees a fixed loan rate at a point in the future, thereby fixing the risk of interest rate changes on a portion of the short term variable loans.

### **Treasury Advisors**

- 3.6 The Authority uses Arlingclose Limited as its treasury management advisors to provide advice on all aspects of treasury management including interest rate forecasts, counterparty lists, management advice and borrowing strategy. They have provided an Economic Review, counterparty update and market data by way of background information and this is included in Annex C.

### **Borrowing and Investment Activity in 2018/19**

#### **Borrowing Activity 2018/19**

- 3.7 At 31/03/2019 the Authority's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £189.7m, while usable reserves and working capital which are the underlying resources available for investment were £41.0m on an accruals basis.

- 3.8 The Authority's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR arises directly from the capital activity of the Authority and the resources applied to fund the capital spend, and represents the unfinanced element of capital expenditure.
- 3.9 At 31/03/2019, the Authority had £175.7m (£119.7m at 31 March 2018) of actual borrowing and £30.3m (£14.9m at 31 March 2018) of treasury investments. The net of borrowing and investments was £145.4m (£104.8m at 31 March 2018). This is less than the CFR of £189.7m above and working capital as the Authority is able to use "Internal borrowing" to fill this gap subject to holding a minimum short-term investment balance of £5m.
- 3.10 Working capital is money available to the Authority for its day-to-day operations and is calculated as the current assets less the current liabilities. Internal borrowing is a treasury management practice whereby an authority delays the need to borrow externally by temporarily using cash it holds for other purposes.
- 3.11 A large proportion of the Authority's borrowing consisted of short term loans. This enabled the Authority to reduce borrowing costs by taking advantage of low interest rates. However, in order to manage interest rate risk, the Authority arranged in 2017/18, £50million of forward starting loans. Loan 1 which is for the £25m will commence in 2020/21 at a rate of 2.853% and Loan 2 will commence in 2021/22 at a rate of 2.908% Both loans will be repayable over 40 years.
- 3.12 Based on the current capital programme, the Authority is predicted to have an increasing CFR over the next year.
- 3.13 During the year the Authority entered in to £41m of new long term borrowing and £15m of new short term borrowing mainly to fund property acquisitions. The details are given in the table below:

	<b>31.03.18 Balance £m</b>	<b>2018/19 Movement £m</b>	<b>31.03.19 Balance £m</b>	<b>31.03.19 Rate %</b>
Public Works Loan Board	(16)	(41)	(57)	2.54%
Local authorities (long term)	(1)	0	(1)	0.00%
Local authorities (short term)	(103)	(15)	(118)	0.90%
<b>Total Borrowing</b>	<b>(120)</b>	<b>(56)</b>	<b>(176)</b>	<b>1.15%</b>

- 3.14 The outturn for debt interest paid in 2018/19 was £1.6m on an average debt portfolio of £175.7m. The budgeted interest was £3.2m on an average debt portfolio of £120m.

#### **Investment Activity 2018/19**

- 3.15 The Authority held investments which consisted of income received in advance of expenditure, balances and reserves. During 2018/19 the Authority's average investment balance was £15 million. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim in its investment strategy is to achieve a yield commensurate with these principles.

3.16 The table below shows a summary of the investment activity for 2018/19:

Investment Counterparty	Balance on 01/04/18	Investments Made	Maturities/ Investments Sold	Balance on 31/03/19	Average Rate at 31st March
	£000s	£000s	£000s	£000s	%
<b>UK Central Government</b>					
- Short Term	0	235,860	-208,360	<b>27,500</b>	0.50
- Long Term	0	0	0	<b>0</b>	-
<b>UK Local Authorities</b>					
- Short Term		6,500	-6,500	<b>0</b>	0.00
- Long Term	<b>2,000</b>	0	-2,000	<b>0</b>	0.00
<b>Banks, Building Societies &amp; Other Organisations</b>					
- Short Term	<b>1,032</b>	54,575	-54,961	<b>646</b>	0.20
- Long Term	<b>0</b>	0	0	<b>0</b>	-
<b>AAA-rated Money Market Funds</b>					
- Short Term Cash Equivalents	<b>9,752</b>	47,370	-57,122	<b>0</b>	0.00
- Long Term	<b>2,151</b>	33	0	<b>2,184</b>	4.40
<b>Total Investments</b>	<b>14,935</b>	<b>344,338</b>	<b>-328,943</b>	<b>30,330</b>	<b>0.91</b>

3.17 In 2018/19 the Authority increased its investment activity with the UK Government (Debt management Office - DMO), which is considered to be the safest depositor, when compared to the previous year for the following reasons:

- Following guidance from our Treasury Advisors excess funds above a minimum in the Council's bank Natwest were transferred to the DMO due to the poor credit rating of the bank.
- PWLB and short term borrowing taken in advance to secure low interest rates are placed in the DMO for security. This is on average for 10 days until required.

3.18 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.19 Security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy for 2018/19.

3.20 Counterparty credit quality was assessed and monitored by our advisors with reference to credit ratings (the Authority's minimum long-term counterparty rating is A across the 3 main credit rating agencies).

3.21 Investments held during the year included:

- Deposits with the Debt Management Office
- Deposits with Other Local Authorities
- Investments in AAA-rated constant and variable net asset value Money Market Funds
- Call accounts and deposits with Banks and Building Societies in the UK
- Longer Term Property Fund

## **Credit Risk**

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2016	4.26	AA-	2.35	AA
31/03/2017	4.99	A+	3.06	AA
31/03/2018	4.42	AA-	3.65	AA-
31/03/2019	3.01	AA	3.00	AA

### **Scoring:**

*-Value weighted average reflects the credit quality of investments according to the size of the deposit*

*-Time weighted average reflects the credit quality of investments according to the maturity of the deposit*

*-AAA = highest credit quality = 1*

*-D = lowest credit quality = 26*

*-Aim = A+ or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security*

## **Budgeted Income and Outturn**

- 3.22 The average cash balance during the year was £15m. The externally managed CCLA Property Fund continued to be the Authority's best performing investment in 2018/19. The Authority maintained its investment of £2m in the fund in 2018/19 generating a total return of £0.14m (5.96%), comprising £0.11m (4.40%) income return used to support services in year, and £0.03m (1.56%) of capital growth. Because this fund has no defined maturity date, but is available for withdrawal after a notice period, its performance and continued stability in meeting the Authority's investment objectives is regularly reviewed. In light of its strong income generation performance, investment in this fund has been maintained for the 2018/19 financial year. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.
- 3.23 The Authority's budgeted investment income for the year was £0.30m and the outturn was £0.21m. Although this fell short of the budgeted investment income for 2018/19, the actual income received represented an increase of 28.30% compared to 2017/18. The shortfall was due to the fact that surplus cost was used to reduce borrowing rather than being invested.

## **Externally Managed Funds**

- 3.24 The Authority maintained its investment in the CCLA Property fund. The property fund which is operated on a variable net asset value (VNAV) basis offers diversification of investment risk, coupled with the services of a professional fund manager; it also offers enhanced returns over the longer term but is more volatile in

the short-term. The Authority's CCLA property fund is in the distributing share class which pays out the income generated.

#### **Readiness for Brexit:**

- 3.25 With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 31<sup>st</sup> October, the Authority ensured there were enough accounts open at UK domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Office (UK Government) remained available for use in an emergency.

#### **Non-Treasury Investments**

- 3.26 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return. The performance of the Authority's non-treasury investments are reported separately to members twice a year.

#### **Compliance with Prudential Indicators**

- 3.27 The Authority can confirm that it has complied with its Prudential Indicators for 2018/19 with the exception of the breach noted below. These indicators were approved on 21st February 2018 by Full Council as part of the Authority's Treasury Management Strategy Statement.
- 3.28 There was only one breach of the Treasury Strategy during the year. On 7th January 2019 £6m was invested with Thurrock Council. The limit on Local Authority investments was assumed to be the same limit as the Debt Management Office i.e. unlimited rather than £2m. The money was repaid on the 7th February 2019 and the Authority suffered no loss. Procedures have being changed to prevent this happening again in the future by the introduction of a treasury management monitoring system to detect any potential breach before a deal is agreed.

#### **4. Corporate Objectives and Key Priorities**

- 4.1 This report demonstrates how treasury management supports Key priority 2.

#### **5. Policy Framework**

- 5.1 The 2018/19 Annual Investment Strategy together with the Treasury Management Strategy was approved by Full Council on 21st February 2018. These set out the parameters under which Treasury Management operates including the Prudential Indicators.
- 5.2 The Authority fully complies with the requirements of the CIPFA Code of Practice on Treasury Management. The relevant criteria and constraints incorporated into the Treasury Management Policy Statement are:

- New borrowing is contained within the limits approved by the Authority, in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities, and the Authority's Prudential Indicators.
- Investments are made in accordance with the MHCLG guidance on Local Authority Investments, on the basis of the three main credit ratings agencies and as detailed in the Treasury Management Policy statement and approved schedules and practices.
- Sufficient funds are available to meet the Authority's estimated outgoings for any day.
- Investment objectives are to maximise the return to the Authority, subject to the overriding need to protect the capital sum.

## 6. Legal Issues

- 6.1 The Authority is required to comply with the Prudential Code as laid down by the Government.

## 7. Risk Management

- 7.1 The Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The key treasury risks being managed are:

- credit risk,
- liquidity risk,
- interest rate risk,
- refinancing risk, and
- operational risk

The techniques employed to manage these risks are covered in detail in the Authority's Treasury Management Practices, and include:

- robust counterparty monitoring and selection criteria,
- prudent cash flow forecasting,
- a range of exposure limits and indicators, and
- procedures designed to prevent fraud and error.

- 7.2 The Authority's primary objectives for the management of its investments are to give priority to the security and liquidity of its funds before seeking the best rate of return.
- 7.3 The limits applied in respect of counterparties and investments are the overall limits approved by Council in the annual Treasury Management Strategy. However from time to time these may be tightened temporarily by the Executive Head of Finance in consultation with the Portfolio Holder for Finance to reflect increased uncertainty and increase in perceived risk in financial institutions and the economy. This will usually be at the cost of lower returns.
- 7.4 It should be noted that the investments ratings provided by credit ratings agencies are only a guide and do not give 100% security. There is always a risk that an institution may be unable to repay its loans whatever the credit rating.

- 7.5 The Authority measures its exposures to treasury management risks using a range of indicators as recommended by the CIPFA Code of Practice on Treasury Management.
- 7.6 The Authority is exposed to interest rate risk on its borrowings. Although steps have been taken to mitigate this risk, through the use of forward starting loans, for example, the risk still remains. However, based on advice from our Treasury Advisors, the risk is considered to be low for the current year.

## 8. Recommendations

- 8.1 That the Performance and Finance Scrutiny Committee note the report on Treasury Management including compliance with the 2018/19 Prudential Indicators;

<b>Annexes</b>	Annex A – Investments as at 31 <sup>st</sup> March 2019 Annex B - Compliance with Prudential Indicators Annex C – Economic and other background information from Arlingclose Limited.
<b>Background Papers</b>	CIPFA Code of Practice: Treasury Management in the Public Services – 2018 Edition CIPFA Code of Practice: Treasury Management in the Public Services – 2017 Edition
<b>Author/Contact Details</b>	Nahidah Cuthbert <a href="mailto:Nahidah.cuthbert@surreyheath.gov.uk">Nahidah.cuthbert@surreyheath.gov.uk</a>
<b>Head Of Service</b>	Kelvin Menon – Executive Head of Finance

### Treasury Related Investment Balances as at 31st March 2019

Investments	Notes	Maturity Date	Interest Rate %	Principal £
<b><u>Cash and Cash Equivalents</u></b>				
<u>Banks</u>				
NatWest Business Reserve Account	On call		0.21	101,912
NatWest Central Account			0.10	543,821
<b>Total Cash and Cash Equivalents</b>				<b>645,732</b>
Debt Management Office		Apr-2019	0.50	27,500,000
<b><u>Long Term Investments</u></b>				
CCLA Property Fund		Long term	5.96	2,184,425
<b>Total Long Term Investments</b>				<b>2,184,425</b>
<b>Total Investments</b>				<b>30,330,157</b>

### Compliance with Prudential Indicators

The Authority confirms compliance with its Prudential Indicators for 2018/19 which were set in February 2018.

#### Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed:

	<b>31.3.19 Actual</b>	<b>2018/19 Limit</b>
Upper limit on fixed interest rate exposure	£0.8m	£3.2m
Upper limit on variable interest rate exposure	£0.2m	£190m

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	<b>31.3.19 Actual</b>	<b>2018/19 Target</b>
Portfolio average credit rating	AA	A+

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing. The Authority also has the option to borrow on a daily basis on the open market.

	<b>31.3.19 Actual</b>	<b>2018/19 Target</b>
Total cash available within 3 months	£8m	£5m

**Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	<b>31.3.19 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	68%	100%	100%
12 months and within 24 months	2%	100%	100%
24 months and within 5 years	2%	100%	100%
5 years and within 10 years	3%	100%	100%
10 years and above	25%	100%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Actual principal invested beyond year end	£2m	£2m	£2m
Limit on principal invested beyond year end	£15m	£15m	£15m

**External Context provided by the Authority's Treasury Advisors, Arlingclose Limited**

Economic background:

UK Consumer Price Inflation (CPIH) was 2.0% year/year in July 2019, slightly stronger than the consensus of 1.8% but in line with the Bank of England's target. The most recent labour market data for the three months to June 2019 showed the unemployment rate edged up to 3.9% while the employment rate of 76.1% was the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.9% and 3.6% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 1.8% including.

The first estimate of Q2 GDP growth showed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.5% as Brexit uncertainties impacted on business planning and decision-making.

Politics, both home and abroad, continued to be a big driver of financial markets over the last quarter. Boris Johnson won the Conservative Party leadership contest and has committed to leaving the EU on 31st October regardless of whether a deal is reached with the EU. Mr Johnson prorogued Parliament which led some MPs to seek to block the UK from leaving without a deal and at the time of writing Number 10 is apparently considering seeking an early general election if such a block is attempted.

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut interest rates in a pre-emptive move to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced a global slowdown. These elevated concerns have caused government yield curves in the US and UK to invert, something seen by many commentators as a predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and the European Central Bank likely to add more monetary stimulus from September.

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.

Financial markets: After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. The 5-year benchmark gilt yield fell to 0.28% at the start of September from 0.63% at end of June. There were falls in the 10-year and 20-year gilts over the same period, dropping to 0.43% from 0.83% and to 0.84% from 1.35% respectively. 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.65%, 0.75% and 1.00% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker

economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently trading around -0.94% and -0.93% respectively.

Credit background:

Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ringfenced bank NatWest Markets plc fell back to around 82bps at the start of September, while for the ringfenced entity, National Westminster Bank plc, the spread fell from 40bps to 34bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 34 and 66bps at the end of the period.

There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

**Council Finances as at the 31<sup>st</sup> July 2019****Summary**

**To provide the Performance and Finance Scrutiny Committee with a high level view as to the Financial Performance for the period to 31<sup>st</sup> July 2019. To Recommend additions to the capital programme for 2019/20 and additional budget carry forwards for 2019/20.**

**Portfolio - Finance**

Signed off: 27 September 2019

**Wards Affected**

All

**1. Key Issues**

- 1.1 This report covers the first four months of the financial year to the 31<sup>st</sup> July 2019. Its purpose is to give members a high level view of the financial performance of services for the period, highlighting any significant variances against 2019/20 approved budget which may impact the year end outturn. It also provides an update on the Capital budget position as well as Debtors and Treasury as at the 31<sup>st</sup> July 2019.
- 1.2 As it is still early in the year, it is difficult to provide an accurate forecast as to the outturn at year end. However at the moment services are forecasting that they will be broadly on budget overall at the end of the financial year. Income for garden waste and parking are currently falling behind budget and so these areas are being monitored closely to see whether there is likely to be any impact as the year progresses.

**2. Resource Implications****Revenue Budget**

- 2.1 Actuals against Budget for the first four months are shown in the attached Annex A. Overall corporately, it is forecast that spending will be on budget at the end of the financial year.

**Additional Revenue Budget Carry Forwards for 2019/20**

- 2.2 Members approved revenue budget carry forwards as the July Executive. However a number of items were not included as clarification was required on costs for 2018/19. These additional items are now presented for approval and are listed in annex B.

**Capital Budget**

- 2.3 As at the 31<sup>st</sup> July 2019, £1.8m had been spent on capital projects. This included £800k on the new Arena project, £353k on property acquisition for the the London Road Block, £260k on renovation grants and £160k on Playgrounds.

**Additions to the Capital Programme for 2019/20**

2.4 Members are asked to recommend to Council the following additions to the capital program for 2019/20:

a) £16k – Additional module for the Civica Financial system

HMRC procedures around Vat accounting and making tax digital affect local authorities from the 1<sup>st</sup> October 2019. The Module will ensure that we comply with the legislation. The sum requested also include further implementation costs for the asset management module.

b) £179k - Renovation grants

An additional grant has been received from the government and so the budget can be increased accordingly.

c) £35k – ICT Switches

Additional Switches are required following a review of our existing network infrastructure which will provide improved network visibility and the ability to segregate network traffic for different workloads, this will improve both network performance and security.

### **Treasury Investments**

2.5 The Council currently has £5.9M in cash investments and £151.6m in borrowings. Based on the advice of our Treasury advisers, £57m is made up of longer term loans from the Public Works Loans Board with the remainder being shorter term loans from the other local authorities.

## **3. Debtors**

### ***Sundry Debts***

3.1 Sundry debts include all debts except those relating to housing benefits. At the 31<sup>st</sup> July 2019 these amounted to £4.4m compared with £2.3m for the same period last year. The increase of £2.1m relates mainly to joint waste recharges to the other three partners, Community Infrastructure levy (CIL) payments and property rental invoices all raised in the period. Although the balance of debts has increased this is due to timing of invoices rather than an underlying debt collection issue.

### ***Housing Benefit Debts***

3.2 These debts arise when an overpayment in housing benefit has been made and thus have to be recovered. At the 31<sup>st</sup> July 2019 the balance was £538k compared with £562k at the end of the last March 2019. During the last 4 months £130k was collected and £106k of new debts was raised. 24 debtors, or around 9% of the total, account for over half of the debt.

## **4. Officer Comments**

4.1 The performance of the first four months has been encouraging however a number of income streams will need to be monitored as the year progresses.

**5. Supporting Information**

5.1 None

**6. Corporate Objectives and Key Priorities**

6.1 This item addresses the Council's Objective of delivering services efficiently, effectively and economically.

**7. Risk Management**

7.1 Regular financial monitoring enables risks to be highlighted at an early stage so that mitigating actions can be taken.

**8. Recommendations**

8.1 It is proposed that the Performance and Finance Scrutiny Committee note the report.

<b>BACKGROUND PAPERS</b>	<b>None</b>
<b>AUTHOR/CONTACT DETAILS</b>	<b>Adrian Flynn - Chief Accountant</b> <a href="mailto:Adrian.Flynn@surreyheath.gov.uk">Adrian.Flynn@surreyheath.gov.uk</a>
<b>HEAD OF SERVICE</b>	<b>Kelvin Menon - Executive Head of Finance</b>

## Summary Information on the Revenue Budget Position at 31st July 2019

Services are asked to explain significant variances between their profiled budget and actual expenditure to date and comment on areas of concern.

The statements below show the actual position against profiled budget as at the 31<sup>st</sup> July 2019 excluding pensions, redundancy and asset recharges as these are not in control of the services themselves.

### Finance

At the end of the first quarter, there are no issues to report and all areas are on track to meet budget targets at the year end.

Interest received is expected to be ahead of the budget forecast at year end, based on the returns received to the 31<sup>st</sup> July 2019.

### Transformation

All budgets are on track to meet their year-end targets except for telephones which is forecasting an overspend relating to both landline and mobile charges.

### Corporate

Corporate expenditure budgets are predicted to be on budget at year end.

### Business

The vast majority of the expenditure budgets are on track to be on or around budget at year end, but there are a couple of issues that may cause issues as the year progresses.

Car Parking Income below budget at the moment. This is because there are fewer spaces available in the car parks at peak times due to the relining and Ashford House coupled with a decrease in the town centre compared to last year. The town centre working group are currently looking into car parking provision in the town centre including fees and charges.

In respect of the Theatre, sales and room hire income are forecasted to be above budget at year end based on activity so far. Artists fees have exceeded the budget and so may result in an overspend. The theatre is working to ensure that this is managed during the year.

### Regulatory

The majority of budgets are forecast to be on track to meet budget targets at year end, planning income is well above budget but is expected that activity may reduce as the year progresses. Housing has also received a large unbudgeted homelessness grant during the period, however it is anticipated that this will be spent by year end.

### Legal and Property

As the purchase of Theta did not take place until the year end, the net rental income was not included in the 2019/20 budget. Some of this income will be used to offset

increased expenditure in business rates, service charges and planned maintenance costs but will however still generate a surplus at the year end.

**Investment & Development**

Our town centre investments are on track to meet budget expectations at year end.

**Community**

All budgets are on track to meet budget targets at year end, other than the variable element of the waste contract which may report an adverse variance of £100k due to issues with Amey around garden waste income. There is a considerable amount of uncertainty with this figure until the dispute has been resolved.

**Annex B**

**Carry forward Requests**

<b>Service</b>	<b>Officer</b>	<b>Value Requested</b>	<b>Reason Requested</b>
Planning	Jenny Rickard	£34,800	This expenditure is principally used to commission evidence base studies for the development of the local plan.
Investment & Development	Karen Whelan	£32,000	External Support to enable the development of the extensive town centre projects and funding identified within the strategic plan.
Investment & Development	Karen Whelan	£32,000	Consultants to support the development of schemes identified within the strategic plan with feasibility studies etc.
Investment & Development	Karen Whelan	£30,000	Ongoing support / Marketing of existing and future commercial opportunities to support SHBC.
Planning Appeals	Jenny Rickard	£12,700	Legal & consultants fees to support the on-going work at Swift Lane. The work needs to follow the correct legal process which is why not all the work was completed in 2018/19.
Counter Fraud	Louise Livingston	£47,000	Balance of DCLG fraud grant.
Economic Development	Louise Livingston	£51,000	Continuance of the Economic development officer's role for 1 year as the team's role has expanded and the manager is working on a part

			time basis.
Community Development	Louise Livingston	£25,000	Community development assistant role for 1 year to provide resilience and help to launch new schemes & projects.
Transformation	Louise Livingston	£65,000	Summer placement scheme and a one year fixed term post to coordinate the events programme for the town centre and sponsorship packages for the Council.
<b>TOTAL</b>		<b>£329,500</b>	

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## Surrey Heath Borough Council Annual Plan 2019/20: Mid-Year Performance Report

### Summary:

This Mid-Year Report summarises the performance of the Council in the first six months of 2019/20 against the corporate objectives, priorities and success measures set out in the Annual Plan.

**Portfolio:** Leader / Transformation

**Date Portfolio Holder signed off report:**

**Wards Affected:** All

### Recommendation

The Committee is asked to note the 2019/20 Mid-Year Report and make any comments or recommendations as appropriate.

### 1. Key Issues

- 1.1 The Annual Plan 2019/20 was agreed by the Executive on 19 March 2019, and set out the key targets, projects and success measures for the year, under the Five Year Strategy themes of Place, Prosperity, People and Performance.
- 1.2 The attached report at Annex A summarises the Council's performance and achievements against these targets for the first six months of the year. This report was also be considered by the Executive at its meeting on 19 November 2019.
- 1.3 Progress against this plan is monitored regularly by Executive Heads of Service and reported on a quarterly basis to the Corporate Management Team.

### 2. Resource Implications

- 2.1 There are no resource implications arising from this report.

### 3. Proposals

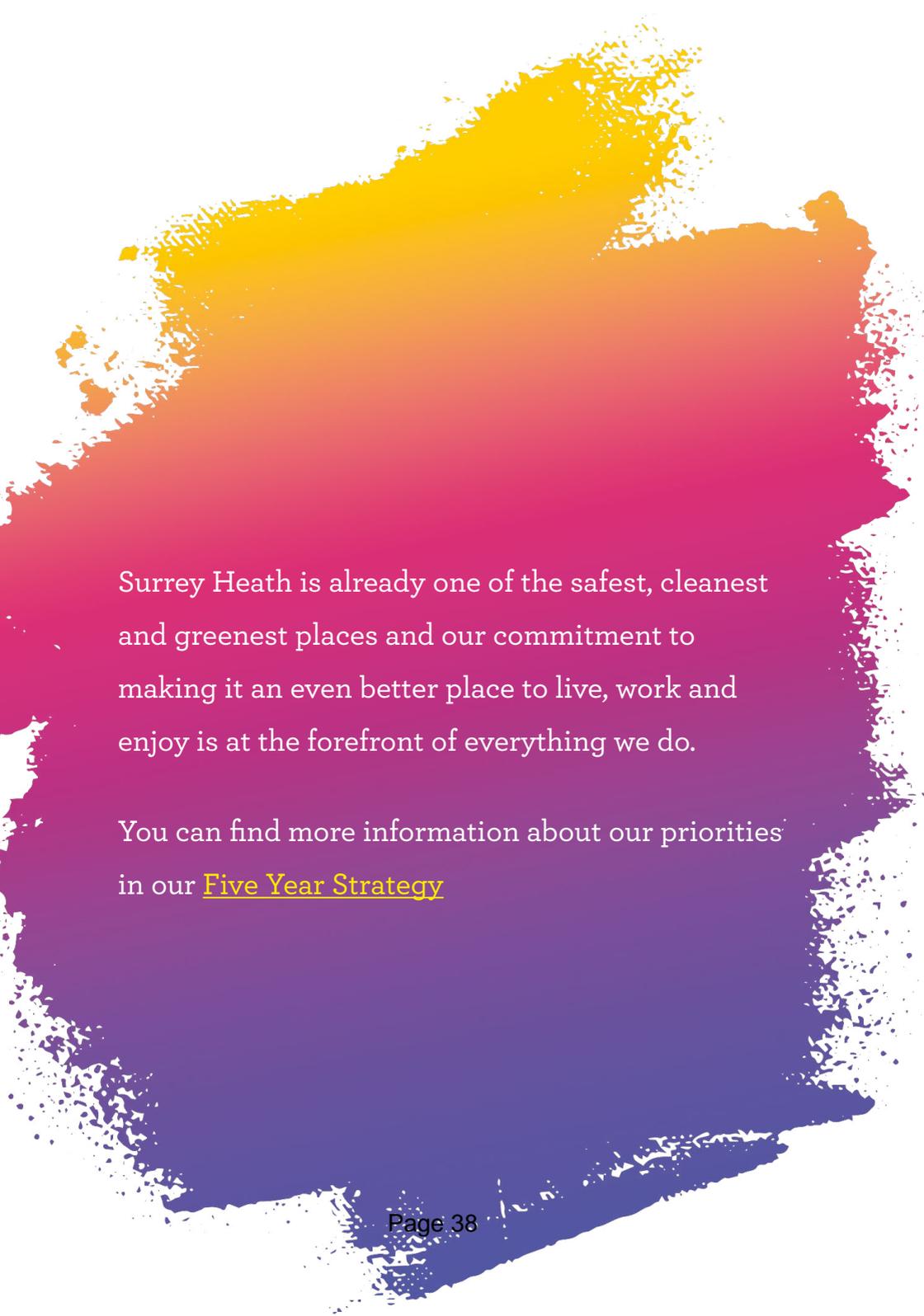
- 3.1 The Committee is asked to note the attached Mid-Year Report 2019/20 and make any comments or recommendations as appropriate.

<b>Annexes</b>	Annex A – Mid-Year Performance Report – 2019/20
<b>Background Papers</b>	Annual Plan 2019/20 Five Year Strategy
<b>Author/Contact Details</b>	Sarah Bainbridge, Senior Organisational Development Advisor <a href="mailto:sarah.bainbridge@surreyheath.gov.uk">sarah.bainbridge@surreyheath.gov.uk</a>
<b>Head of Service</b>	Louise Livingston – Executive Head of Transformation

# Surrey Heath Mid Year Update

APRIL 2019 - SEPTEMBER 2019





Surrey Heath is already one of the safest, cleanest and greenest places and our commitment to making it an even better place to live, work and enjoy is at the forefront of everything we do.

You can find more information about our priorities in our [Five Year Strategy](#)

# Welcome

In March 2019 we published our Annual Plan for 2019/20 and our vision for making Surrey Heath an even better place to live, work and enjoy. This Report details our progress over the first six months of the year.

An important focus under our PLACE objective is working with partners to assist our vibrant villages. Our newly formed Villages Working Group has identified future challenges, aspirations and work-streams which will inform our priorities in the future. The project to deliver a new Leisure Centre for the Borough has moved forward considerably with a planning application approved in August and demolition of the old centre underway. A fantastic new playground opened in Frimley Lodge Park in time for the school summer holidays. The regeneration of Camberley town centre continues to progress, notwithstanding some delays to timescales, as we work to improve the area for residents, businesses and visitors.

Under our PROSPERITY objective, we continue to support and promote our local economy so that people can work and do business across Surrey Heath. We have secured Government grant funding to support the future vitality of the town centre, and continue to safeguard the future of local services by monitoring closely the performance of our investments and looking for future purchase opportunities.

Help for those across Surrey Heath who need additional support to live happily and healthily remains a key priority under our PEOPLE objective. We are moving towards a sustainable future for our community services in light of funding reductions and increased need in our population by working in partnership with others. We launched “Home Safe” at Frimley Park Hospital and Farnham Hospital to allow older patients to be discharged to a “safe” home. Our social prescribing project, which supports people across the Borough to reduce feelings of loneliness and social isolation, is being extended as funding has been secured for two more social prescribers.

We have sustained our focus on our PERFORMANCE by being more efficient and pursuing opportunities for partnership working. Citizens Advice Surrey Heath is now operating and supporting residents from our offices at Surrey Heath House. Our Community Lottery which will support our community grants launched in July. We continue to deliver a number of our key services such as Community Services, Joint Waste Solutions and Family Support in partnership with neighbouring authorities.

This report provides more details on our performance and the success measures against the objectives we set ourselves for the year.

# Place

## Objective

To make Surrey Heath an even better place where people are happy to live

## Priorities

Deliver an improved Camberley Town Centre for the benefit of all residents of the Borough

Protect, manage and maintain our parks and open spaces including the provision of quality leisure facilities

Encourage sustainable living and construction by promoting high quality building and design standards

To reduce waste and increase the proportion of waste recycled and recovered

Work with key partners to continue to keep the borough a very safe place to live

**Develop a new Local Plan to guide development in the Borough and address Housing need. Consult with the public, businesses and partners on the draft local plan in January and February 2020.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Council is on track to hold a Local Plan consultation on Draft Planning Policies for the Borough in early 2020. Progress is reported regularly to the Members' Local Plan working group.

**Reduce our environmental impact by ending the sale and provision of single-use plastics across our estate and operations wherever possible.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Council has adopted a "Single Use Plastics" Strategy. Actions so far include removing single use plastics from the Council Chamber and a change to compostable 'veg-ware' for cups, lids and stirrers at Camberley Theatre since Summer 2018. The Theatre is about to launch re-usable containers to reduce waste.

In the town centre, we have a new water station to help reduce the need to purchase single-use water bottles.

**Monitor and manage the new Grounds Maintenance Contract**

**for the Borough to deliver a consistent, flexible and responsive service. Monitor key performance indicators with the contractor on a monthly basis.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Council is in the first year of a five year contract. We continue to monitor contract Key Performance Indicators (KPIs) and challenge performance.

**Work towards the construction of a new Leisure Centre to deliver a modern and efficient community facility to promote improved wellbeing and healthy lifestyles, with a planning application submitted during 2019.**

**STATUS**

Current  *On Track*

Expected  *On Track*

A contract to design, build, operate and maintain a new leisure centre started in April. The Arena Leisure Centre closed at the end of August and demolition started immediately. Planning permission for the replacement leisure centre was granted in August 2019.

A number of fitness classes have relocated to Camberley Theatre while the new centre is being built. The current programme features 30 weekly classes including group cycling, Pilates and HIIT.

The new centre will open in 2021.

**Refurbish play areas across the Borough including at Frimley Lodge Park, Lightwater Country Park and the Old Dean.**

**STATUS**

Current  *On Track*

Expected  *On Track*

A new £150k Frimley Lodge Park playground opened on 18 July 2019 in time for the school summer holidays. The new play area design was developed through a public consultation involving park users, local schools and residents, and chosen via a public vote.

The Lightwater Country Park playground is being installed and is due to be opened (weather-permitting) in early November.

The consultation on the Old Dean playground is underway.

**Camberley Town Centre: Create vibrant and high quality public spaces by starting work on enhancements in the High Street, Princess Way and Pembroke Broadway. Main construction works will start in July 2019 with a view to completing enhancements by the end of 2021.**

**STATUS**

Current  *Delay*

Expected  *On Track*

The works are due to start in January 2020. The reschedule has been due to a delay in the delivery of materials.

The expected completion of the enhancements is on target.

**Finalise contractual discussions with the developer by September 2019 for the regeneration for the London Road Development Site (along the A30 between Park Street and High Street). Aim for a planning application to be submitted by March 2020 to deliver a mixed-use site.**

**STATUS**

Current  *Delay*

Expected  *Delay Revise Targets*

Negotiations with developer underway.

Pre-planning application discussions are in progress. The revised targets for this objective are for a planning application to be submitted mid-2020, with development anticipated to be underway in early 2021.

Meetings have been held with tenants and interested parties to keep them updated on progress and transition arrangements.

**Complete capital works to the vacant unit (formerly BHS) in Camberley by September 2019 to allow it to be re-let.**

**STATUS**

Current  Delay

Expected  Delay Revise Targets

The contract with Berkley Homes specifies that Berkley Homes will handover the unit to the Council on 20 November 2019.

The Council has considered options for use of the space including opportunities to let or find alternative uses. Proposals for future use will be considered by the Executive before the end of 2019.

**Promote high quality town centre events for the benefit and enjoyment of all, including the Camberley International Festival, Camberley Carnival and Christmas events. Attract visitors and income to Camberley and increase community engagement.**

**STATUS**

Current  On Track

Expected  On Track

The White Elephant Film Festival attracted over 3,000 entries from across the world. Workshops were attended by 100 local students.

The first Camberley Comedy Festival in May 2019 was a sell-out. Free Children’s Workshops took place in the tee pee in the park before a show

by emerging artists of the UK comedy scene.

The Camberley Carnival took place on 22 June 2019 featuring a live music stage, an acrobatic comedy act, a circus art installation, together with a host of displays from local community groups and a parade through the town centre. 17 parade entries containing 441 entrants took part in the parade. An estimated 1,500 people attended the carnival.

**We will work with partners to assist our vibrant villages looking for every opportunity to help them evolve and add to the community they serve.**

**STATUS**

Current  On Track

Expected  On Track

A cross-party Villages Member Working Group has been set up and an initial workshop session held 8 October to identify potential challenges, aspirations and work-streams. A further meeting to agree next steps is being held 18 November 2019, including themes such as community transport, health & wellbeing and economic development.

# Place

	Target	Quarter 1 Result	Quarter 2 Result
Percentage of household waste being sent for recycling, reuse and composting	63%	62.80%	61.80%
Percentage of food premises that achieve a hygiene rating of 3 stars or above	95%	96.50%	96.73%
Percentage of food premises that are inspected within 28 days of being due	100%	93.00%	97.00%

\* Please note that this figure is estimated and based on the recycling rate of the same quarter from the last financial year, as this should help account for any seasonal variations. This figure may however be subject to change.

**KEY:**

GREEN On track or above

AMBER Within 5% of target

RED Between 6% - 10% of target

# Prosperity

## Objective

We will support and promote our local economy so that people can work and do business across Surrey Heath

## Priorities

Work with partners to support our urban and rural economy through strategic development planning and economic growth

Support local businesses by encouraging economic development and improvements to local transport and other infrastructure

Strengthen the Council's financial independence by increasing our own income

Encourage inward investment by promoting Surrey Heath as a great place to live and work

Deliver new development in the borough to strengthen the local economy

**Identify projects that will deliver appropriate construction-led growth across the Borough by making the best use of our assets. Prepare a business case by June 2019 for setting up a Development Company.**

**STATUS**

Current  Delay

Expected  Delay

Feasibility studies undertaken to identify which assets have potential for construction-led growth.

The agreement of next steps with potential sites is integral to the business case of setting up the company.

**Continue to invest in sound property acquisitions to sustain the local economy and Council services as opportunities arise during the year.**

**STATUS**

Current  On Track

Expected  On Track

The Council continues to be active in the property market, assessing investment opportunities as they arise. 22 potential acquisitions have been considered since April.

The Treasury Strategy for 19/20 was agreed by the Executive in February 2019. The Treasury Outturn report for 2018/19 was reported to the Executive in October 2019.

**Support the ‘SHAPE’ programme of 31 projects across Surrey. This involves using Government funding and working in partnership to deliver housing using already developed publicly owned land.**

**STATUS**

Current  On Track

Expected  At Risk

The Council continues to support the SHAPE programme. The next round of bids to One Public Estate (OPE) will take place shortly and there are 11 projects in this tranche with approval for five which was highest in region.

Surrey County Council has advised of their withdrawal from the programme, which means the programme is under review.

**Help businesses across the whole of Surrey Heath to grow and expand ensuring that every opportunity is made to make connections right across the Borough from village to town and beyond. Review and relaunch the Kevin Cantlon fund by June 2019 to meet a wider business need.**

**STATUS**

Current  On Track

Expected  On Track

The review of the Kevin Cantlon fund has been completed. The fund has continued to be available to local businesses to improve shop fronts across the Borough. Four applications

were approved this year from businesses in Frimley, Camberley, Chobham and Windlesham.

A 'Med Tech' group to support a key local business sector was set up and handed over to a business support organisation to continue.

The Economic Development team is working with the EM3 Local Enterprise Partnership (LEP) and the Department for International Trade (DIT) to support their roll-out of Brexit preparation workshops.

**Introduce a Corporate Social Responsibility project by Autumn 2019 across Surrey Heath to benefit the community and local business.**

**STATUS**

Current  On Track

Expected  On Track

The Council is working to deliver this with the Community Matters Partnership Project (CMPP); a charity that runs corporate social responsibility schemes for business to support communities and schools. Surrey Heath businesses are already able to apply.

**Develop detailed proposals for land east of Knoll Road, Camberley, and proposals for office accommodation relocation and a community hub.**

**STATUS**

Current  On Track

Expected  On Track

Secured grant funding from OPE (One Public Estate). Feasibility plans are being considered linked to wider town centre projects.

**Open a Log In café / co-working facility by March 2020 to support agile working.**

**STATUS**

Current  On Track

Expected  On Track

Options for delivering a co-working facility are being reviewed. On track to deliver by March 2020.

# Prosperity

	Target	Quarter 1 Result	Quarter 2 Result
Non-major planning applications determined within 8 weeks (Government target 70%)	84%	89%	84%
Major planning applications determined within 13 weeks (Government target 60%)	72%	67%	50%*

\* Two major planning applications issued in quarter 2, with one out of time. The cumulative result over the last two years is 88%.

## KEY:

GREEN On track or above

AMBER Within 5% of target

RED Between 6% - 10% of target

# People

## Objective

We will build and encourage communities where people can live happily and healthily

## Priorities

**Work with partners to improve the health and wellbeing of our community**

**Use our green space to deliver a programme of sport and leisure activities supporting community engagement with all people**

**Support older and more vulnerable people to live independently in their own homes and remain active in the local community**

**Address housing needs within the community**

**Move towards a sustainable future for our community services in light of funding reductions and increased need in our population by working in partnership with others.**

**Support older and vulnerable people to remain independent in their homes by operating services such as Meals at Home, Community Transport, Community Alarm & Telecare and our Windle Valley Centre in Bagshot.**

**STATUS**

Current  *On Track*

Expected  *On Track*

Surrey Heath and Runnymede Borough Councils have worked in partnership to deliver services to older and vulnerable residents in both boroughs enabling them to remain independent in their own homes. Achievements include:

- 1) Extending the range of technology for helping people remain safe in their homes
- 2) Increasing the number of community alarm customers by 33% between 2015 and 2019
- 3) Increasing the number of meals at home customers by 36% between 2015 and 2019
- 4) Launched “Home Safe” at Frimley Park Hospital and Farnham Hospitals to allow older patients to be discharged to a “safe” home and releasing beds for other patients.

Committee reports are being considered by both authorities to

propose a new structure of working across the partnership area.

The Council is reviewing a number of commercial opportunities which will raise additional income and sustain and improve the service. This includes the use of Community Transport buses to deliver Special Educational Needs and Disability (SEND) transport contracts and to extend the meals service into neighbouring areas.

**Work with Frimley Park Hospital and other partners to prevent unnecessary hospital admissions and facilitate timely discharges.**

**STATUS**

Current  *Delay*

Expected  *Delay*

Re-tendering of the ‘Home from Hospital’ contract at Frimley Park Hospital has been delayed. Adult Social Care is setting up a ‘Surrey Heath’ ward at the hospital as a pilot to support timely discharges.

SHBC is providing Homesafe Plus and a hospital discharge transport service as part of the pilot. It is hoped this service could be extended in the future.

**Work with partners to improve air quality along the A331 (Blackwater Relief Road) to respond to a Government directive.**

**STATUS**

Current  *On Track*

Expected  *On Track*

A 50 mph speed limit on A331 Blackwater Relief Road was delivered in summer 2019 ahead of schedule. The monitoring of air quality improvements is ongoing.

**Continue to work with statutory and voluntary sector partners to support people in Surrey Heath to improve their health and wellbeing and reduce feelings of loneliness and social isolation through the established social prescribing service, especially in rural areas.**

**STATUS**

Current  *On Track*

Expected  *On Track*

Funding for the service was approved for a further 12 months and discussions about longer term funding are underway. Surrey Heath Federation of GPs has secured funding from NHS England for two Social Prescriber posts (bringing total across Surrey Heath to five) which are hosted and managed by the Council.

In the first two quarters of this year, 250 referrals have been received. There have been 246 wellbeing surveys completed to measure the changes in an individual's wellbeing

following the intervention. All surveys demonstrated a positive improvement.

**Use our assets such as Camberley Theatre and our parks to hold a range of community, cultural and sporting events for people living in and visiting the Borough, including Theatre in the Park, Frimley Lodge Live, GoTri and the Surrey Heath show.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Surrey Heath Show was held on 18 May 2019 with an estimated attendance of around 7,000. Almost £3,000 surplus was raised to be awarded to local good causes.

The Treasure Island Panto in the Park was held on 6 July with over 100 attendees.

The Second Camberley Beer Festival was held 26 - 27 July, exceeding the target of breaking even in year two and generating profit of over £3,000.

Frimley Lodge Live was held 3 & 4 August. 2,948 tickets were sold across the 2 day event.

The Council is planning a 'Duathlon' format (cycle and running) for the GoTri event in March 2020 due to the closure of the Arena swimming pool.

**Continue to prevent homelessness and support those at risk of losing their home through our private sector access scheme, Rent Choice. Work in partnership and commission services that meet local needs of our community such as the Hope Hub.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Homelessness and Rough sleeping strategy 2019/23 was agreed by the Executive 16 July.

There has been a 200% increase in homelessness applications since the introduction of the Homelessness Reduction Act. The Housing Team continue to work to prevent homelessness in partnership with organisations such as the Hope Hub. 69 cases of homelessness have been prevented so far in 2019/20.

A successful bid has been made for Government funding from the Rough Sleeper Initiative to support single homeless people in the Borough.

**Establish a Handyperson service in Surrey Heath, undertaking minor jobs, aids and adaptations to residents in need of support from April 2019.**

**STATUS**

Current  *Delay*

Expected  *On Track*

Confirmation of funding for the Handyperson service has now been received from the Better Care Fund. The intention is to deliver this service in partnership with Woking Borough Council and a service level agreement is being agreed.

Woking is currently recruiting for personnel to extend the service. In the interim, arrangements are being discussed for the existing resource to cover the Surrey Heath area for Homesafe+ referrals and key safes required through Community Alarm and Meals at Home services.

# People

	Target	Quarter 1 Result	Quarter 2 Result
People reached by the Heritage Service	6,500 (Annual Target)	2,302	2,285
Reduction in the percentage of inactive Surrey Heath residents taking part in less than 30 minutes' physical activity a week (according to Sports England 'Active Lives' survey)	23%	22.70% (Nov 17 - Nov 18 data)	21.00%* (Nov 18 - Nov 19 data)
People attending events at Camberley Theatre	55,000 (Annual Target)	10,951	10,934**
Number of journeys by community bus	24,000 (Annual Target)	4,812 (6,082 booked)	4,884 (6,233 booked)
Meals at Home delivered Cancellation must be made by 10am otherwise clients are charged	28,500	12,284	12,147

\* Sports England's Lives Survey data is published twice a year in April and October covering a rolling years' worth of data

\*\* Up from 6065 from same period in 2018. Currently at 21,885 for the year

## KEY:

GREEN On track or above

AMBER Within 5% of target

RED Between 6% - 10% of target

# Performance

## Objective

We will deliver effective and efficient services better and faster

## Priorities

Provide excellent customer service delivery

Improve access to services through the use of technology

Maximise every opportunity to improve the use of our land and buildings

Regularly review our services and processes to ensure they continue to offer value for money

Maintain services by working collaboratively with partners in the public, private and voluntary sectors

Demonstrating our performance through monitoring and reporting

**Work effectively and efficiently in partnership to improve our joint waste collection service, reduce waste, increase recycling, reducing contamination and reduce waste management costs. Agree proposals for improving recycling facilities in blocks of flats in summer 2019.**

#### **STATUS**

Current  *On Track*

Expected  *On Track*

The restructure of the Joint Waste Solutions team is complete and now fully staffed.

61.9% of household waste was recycled in 2018/19 up from 61.4% in 2017/18.

Funding has been agreed by the Surrey Environment Partnership for improvement work at flats to start in 2020. Trialling of food waste collections will also take place in nominated blocks of flats.

Talks to community groups about recycling have taken place to help improve recycling rates. A contract-wide contamination improvement project is underway which includes a communication campaign which will be delivered in November 2019 and again in the New Year.

**Deliver full Borough elections in May 2019.**

#### **STATUS**

Current  *Complete*

Expected  *Complete*

Borough elections were held 2 May 2019 and European elections held 23 May 2019.

**Enhance digital access to services to improve the customer experience and by encouraging self-service and making them more accessible. Communicate the range of ways that people can access our services efficiently in ways to meet their needs.**

#### **STATUS**

Current  *On Track*

Expected  *On Track*

Uniform (a new system covering a range of Council services including Planning, Land Charges, Enforcement and Environmental Health) is in the process of being rolled out. For Planning this includes a new public access self-service portal which went live in October 2019. This includes the potential for the public to sign up for an alert system, e.g. for new planning applications.

Recently rolled out internal tools including 'Box' document management, 8x8 phone system and new hardware increase agile working for staff to improve service delivery.

**Continue to work collaboratively with other partners to minimise the impact of funding challenges on services for people who live and work in Surrey Heath.**

**STATUS**

Current  *On Track*

Expected  *On Track*

On-going collaboration via the Surrey Chief Executives' Surrey Next Programme and Transformation Lead cluster group.

On-going partnerships with other Surrey Authorities increases resilience and lowers costs; for example the Joint Waste Solutions partnership, shared Family Support Team and the Community Services partnership.

**Take an active part in discussions about the transformation of public services in the Borough and respond to consultation that affect Surrey Heath residents.**

**STATUS**

Current  *On Track*

Expected  *On Track*

The Council continues to respond to consultations as they are received, including the recent Fire Service Consultation, Heathrow Consultation and The Southampton to London Pipeline Project.

The Surrey Heath Partnership continues to meet on a quarterly basis including representatives from the public, private, voluntary and

community sectors. The 2019/20 Surrey Heath Community Safety Partnership Plan includes targets for Safeguarding & Health, Business, Crime and Shared Policies & Procedures.

**Relocate the Citizens Advice Surrey Heath (CASH) into Surrey Heath House in April 2019 and the Hope Hub into the former CAB building in May 2019.**

**STATUS**

Current  *Complete*

Expected  *Complete*

CASH relocated to Surrey Heath House in April 2019 and the Hope Hub charity relocated in May 2019. Positive feedback has been received from both partners.

# Performance

	Target	Quarter 1 Result	Quarter 2 Result
New housing benefit claims processed within 20 days and changes to benefits within 10 days	<b>20 days</b> (New)	<b>20.0</b>	<b>17.2</b>
	<b>10 days</b> (Changes)	<b>2.6</b>	<b>2.9</b>
Council Tax collected	<b>99.25%</b> (Annual Target)	<b>29.12%</b>	<b>27.81%</b> (56.93% year to date)
Business Rates collected	<b>99.25%</b> (Annual Target)	<b>29.00%</b>	<b>26.49%</b> (55.49% year to date)

**KEY:**

GREEN On track or above

AMBER Within 5% of target

RED Between 6% - 10% of target

## Comments & Feedback

We always welcome comments, suggestions and feedback on our plans and the way we write our documents and communicate them.

Email: [contactcentre@surreyheath.gov.uk](mailto:contactcentre@surreyheath.gov.uk)

Tel: 01276 707100

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Surrey GU15 3HD

You can speak to your local Councillor who will be able to pass your comments back if you wish. Contact details for your Councillor can be found on our website [www.surreyheath.gov.uk](http://www.surreyheath.gov.uk)

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**Performance and Finance Scrutiny Committee  
Work Programme 2019/20**

Portfolio: Corporate
Ward(s) Affected: n/a

**Purpose**

**To consider the Performance and Finance Scrutiny Committee's work programme for the 2019/20 Municipal Year.**

**1 Background**

- 1.1 The Performance and Finance Scrutiny Committee was appointed by the Council at its Annual Meeting on 15 May 2019.
- 1.2 The Council's Constitution sets out the terms of reference for the Performance and Finance Scrutiny Committee and these can be found in Part 3 Section E of the Constitution.
- 1.3 At their meeting on 4 September 2019, the Performance and Finance Scrutiny Committee agreed their work programme as set out in Annex A to this report, as per the requirements at Part 4, Section C paragraph 6 of the Council's Constitution.
- 1.4 The work programme is developed through the year, to meet new demands and changing circumstances and the Committee will be expected to review its work programme regularly and make amendments as required.
- 1.5 The Committee agreed on 6 July 2016 (minute 9/PF refers) that reports at each meeting would, where possible, be themed to the areas covered by the Portfolio Holder attending that meeting.

**2 Resource Implications**

- 2.1 Subject to any decisions relating the work programme, there are no resource implications which have not already been factored in, with those mainly involving officer time.

**3 Recommendations**

- 3.1 The Performance and Finance Scrutiny Committee is advised to consider:
  - i. the work programme for the remainder of the 2019/20 municipal year, attached at Annex A;
  - ii. whether any task and finish groups should be established.

Background Papers: None

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Service Head: Richard Payne 01276 707150



**Performance and Finance Scrutiny Committee**  
**Work Programme 2019-20**

Date	Topic	Lead
<b>29 January 2020</b>		
1.	Corporate Risk	Kelvin Menon
2.	Annual Performance Report	Louise Livingston
3.	Portfolio Holder Update: Places & Strategy	Councillor Adams
4.	Portfolio Holder Update: Customer Experience & Digital	Councillor Deach
5.	Committee Work Programme	Katharine Simpson
<b>18 March 2020</b>		
1.	3 <sup>rd</sup> Quarter Finance Report	Adrian Flynn
2.	Portfolio Holder Update: Support & Safeguarding	Councillor Hawkins
3.	Committee Work Programme	Katharine Simpson

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