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Tuesday, 1 September 2020

To: The Members of the **Performance and Finance Scrutiny Committee**  
(Councillors: Sashi Mylvaganam (Chairman), Shaun Garrett (Vice Chairman), Dan Adams, Graham Alleway, Cliff Betton, Vivienne Chapman, Sarah Jane Croke, Sharon Galliford, Edward Hawkins, Darryl Ratiram, Graham Tapper, Victoria Wheeler and Kristian Wrenn)

**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 Peter Barnett, Rodney Bates, Paul Deach, Tim FitzGerald, Ben Leach, Robin Perry, Pat Tedder and Valerie White

Dear Councillor,

A meeting of the **Performance and Finance Scrutiny Committee** will be held at Virtually - Public Meeting on **Wednesday, 9 September 2020 at 7.00 pm**. The agenda will be set out as below.

Please note that this meeting will be recorded and live streamed on <https://www.youtube.com/user/SurreyHeathBC>

Yours sincerely

Tim Pashen

(Acting) 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 - 8</b>
To receive the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 1 <sup>st</sup> July 2020.	
<b>3 Declarations of Interest</b>	

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.

- |           |   |                |
|-----------|---|----------------|
| <b>4</b>  | <b>Complaints Monitoring 2019/20</b>  | <b>9 - 16</b>  |
|           | To consider a report summarising the outcomes of complaints received by the Council during the 2019/20 municipal year.  |                |
| <b>5</b>  | <b>Expenditure on Legal and Professional Services</b>   | <b>17 - 20</b> |
|           | To receive a report summarising the Council's expenditure on legal and professional services.   |                |
| <b>6</b>  | <b>Zero Based Budgeting</b>   | <b>21 - 26</b> |
|           | To consider a report setting out a proposal to conduct a zero based budgeting exercises in advance of the setting of the Council's budget for the 2021/21 financial year. |                |
| <b>7</b>  | <b>Property Investments for Treasury Management Since 2016</b>  | <b>27 - 38</b> |
|           | To consider a motion originally debated by Full Council relating to the Council's property investment portfolio and to recommend a way forward.                           |                |
| <b>8</b>  | <b>Committee Work Programme</b>   | <b>39 - 42</b> |
|           | To consider the Performance and Finance Scrutiny Committee's work programme for the remainder of the 2020/21 municipal year.  |                |
| <b>9</b>  | <b>Review of Exempt Items</b>   |                |
|           | To consider whether any exempt report annexes should be made public.  |                |
| <b>10</b> | <b>Date of Next Meeting</b>   |                |
|           | The next scheduled meeting of the Performance and Finance Scrutiny Committee will be held on Wednesday 25 <sup>th</sup> November 2020 at 7pm.                             |                |

**Minutes of a Meeting of the Performance  
and Finance Scrutiny Committee held at  
Virtual Meeting on 1 July 2020**

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- + Cllr Sashi Mylvaganam (Chairman)
- + Cllr Shaun Garrett (Vice Chairman)

- |                         |                         |
|-------------------------|-------------------------|
| + Cllr Dan Adams        | + Cllr Sharon Galliford |
| + Cllr Graham Alleway   | + Cllr Edward Hawkins   |
| + Cllr Rodney Bates     | + Cllr Darryl Ratiram   |
| + Cllr Cliff Betton     | + Cllr Graham Tapper    |
| + Cllr Vivienne Chapman | - Cllr Victoria Wheeler |
| + Cllr Sarah Jane Croke | + Cllr Kristian Wrenn   |

- + Present
- Apologies for absence presented

**Non Committee Members in Attendance:**

Cllr Richard Brooks, Cllr Tim FitzGerald, Cllr Robin Perry and Cllr Valerie White,

**Executive Portfolio Holders in Attendance:**

Cllr David Lewis, Executive Portfolio Holder: Finance  
Cllr Alan McClafferty, Leader

**Officers in Attendance:**

Sarah Bainbridge, Senior Organisational Development Advisor  
Adrian Flynn, Chief Accountant  
Daniel Harrison, Executive Head: Business  
Simon Little, Executive Head: Finance  
Louise Livingston, Executive Head; Transformation  
Richard Payne, Executive Head: Corporate  
Tim Pashen, Interim Chief Executive  
Gavin Ramtohal, Head of Legal  
Jenny Rickard, Executive Head: Regulatory

**1/PF Apologies for Absence**

The following substitution was noted:

Councillor Rodney Bates for Councillor Victoria Wheeler

**2/PF Declarations of Interest**

Councillor Adams declared an interest in respect of Item 6: Performance of Major Property Acquisitions as he was a director for a company that rented office space from the Council.

Councillor Deach declared an interest in respect of Item 6: Performance of Major Property Acquisitions as he undertook paid work for the management company of The SQ shopping centre.

### 3/PF Annual Performance Report 2019/20

The Committee considered a report setting out the Council's performance against the targets contained within the Annual Performance Plan for 2019/20. Arising from member's questions and comments the following points were noted:

- Keir continued to work with the Council on the regeneration of the London Road Block however the impact of the Covid-19 pandemic would have an influence over the project and these would need to be better understood before the project was progressed. It was agreed that more information would be circulated to members.
- It was confirmed that the Berkley Homes scheme for the old BHS store was progressing and Berkley Homes had now handed back the premises to the Council in line with contractual agreements.
- Surrey County Council (SCC) had identified a need for two additional transit sites for Gypsies and Travellers in Surrey and work to identify suitable sites was currently underway.
- Locally there was an insufficient number of permanent pitches for the number of Gypsies and Travellers currently living in the Borough and the work to identify suitable additional sites not only to meet the current unmet need but also to accommodate projected future need was being progressed through the Local Plan process. It was confirmed that the Council would be consulting the Gypsy and Traveller community over future pitch provisions and the matter would be raised with the County council in respect of transit sites.
- Contractors had continued to work on the construction of the new Arena Leisure centre during the Covid-19 pandemic period and it was expected that the new facility would be delivered on time and within budget.
- It was confirmed that some recycle was sent to Turkey for processing and the Council did receive money from this. Any low grade plastics unsuitable for recycling were removed from the waste stream before the plastics were sent to their end destination thus reducing the risk of contamination and rejected loads.
- Since Surrey Heath became a full Universal Credit area all claims for help with rent were now made as part of a Universal Credit claim by a working age person. The only exceptions to this were claims from working age persons living in bed and breakfast, temporary or supported living accommodation. The complexity of these claims meant that there were occasions when the 20 day target to assess the claim was exceeded.
- The average number of days taken to assess a new housing benefit claim in January was 13.15 days, February 17.13 days and March 24.77. In March the COVID pandemic impacted the assessment process as the Benefits Team were assigned welfare calls.
- This year, to date, officers had investigated the possibility of acquiring five properties. Of these, it had been decided not to proceed with three because they did not fit the Council's strategic objectives, one property in the London Road Block would be revisited at a later date as decided that 3 would not be invest.
- It was confirmed that SCC had assumed responsibility for the SHAPE project and feasibility work on the Land East of Knoll Road project was continuing as SCC looked to rationalise its property portfolio.
- The committee was informed that community engagement would be incorporated into the development of a Corporate Strategy for the Town Centre which would set out eth Council's planning, economic, property and investment aspirations for Camberley town centre.

The Committee noted the Annual Performance Plan for the 2019/20 municipal year.

#### **4/PF End of Year Finance report**

The Committee received a report summarising the Council's financial performance during the 2019/20 financial year.

Arising from the Committee's questions and comments the following points were noted:

- The Executive had approved due diligence work on 18<sup>th</sup> June 2020. The subsequent decision on 19<sup>th</sup> October 2020 to not proceed had resulted in the -£120,000 variance in the Corporate Management function. Both Executive decisions had been reported to Full Council.
- The -£120,000 variance could be apportioned as follows:
  - Legal Fees - £79,000
  - Structural Survey £22,000
  - Valuation £12,000
  - Financial Advice £7,000
- Camberley Theatre had been set ambitious income targets and had been performing well until the Covid-19 pandemic.
- It had been a Council decision not to increase car park tariffs in line with inflation and consequently tariffs had not increased since 2014/15.
- Corporate Management Team had held initial discussions on a zero based budgeting exercise and it was expected that this work would be developed more over the summer before it was shared with members.
- The -£1.2million variance in the Town Centre investment line represented the difference between the assumptions that had been made when drawing up the budgets in 2018/19 and what had actually happened.
- A Waste Reserve Fund had been set up to meet any unexpected one off costs associated with the 2017 mobilisation of the joint waste contract in Surrey Heath. Due to an oversight, this fund ought to have been included as growth in the 2018/19 accounts and the -£145,000 variance in the waste function reflects a correction of this accounting error.
- The Arena would not be included in the budget until construction had been completed and the new leisure centre re-opened.

The Committee was informed that the Covid-19 pandemic would impact on the Council's budget. It was estimated that the Council would experience a shortfall of £7million in its 2020/21 budget however this figure had been based on a number of assumptions. Whilst the shortfall could be covered, in the short term, through use of the Council's reserves a view would need to be taken on how the reserves would be replenished.

The Committee noted the report.

#### **5/PF Performance of Major Property Acquisitions 2019-20**

The Committee considered a report providing an update on the performance of the Council's major property investments during the 2019/20 financial year.

Arising from the Committee's questions and comments the following points were noted:

- The Council currently received 95% of its expected net rental value from its investment property portfolio.

- In the 2019/20 financial year, the Council had paid Montagu Evans £34,000. It was agreed that details of any fees paid to Montagu Evans through the JPUT would be circulated.
- The marketing of Ashwood House would commence once the public realm works in Princess Way had been completed. The funding for the marketing work had been agreed by the Executive on 26<sup>th</sup> May 2020.
- The Council was currently in discussion with an interested party in relation to renting the vacant space in the Theta building however this work had been delayed due to the Covid-19 pandemic.
- There was no set budget for any due diligence work required and any costs incurred were funded from an investment opportunities budget.

It was noted that the Committee's meeting in September would focus on more in depth discussions of the Council's property portfolio.

The Committee noted the report.

## **6/PF Covid-19 Pandemic Response**

The Committee considered a report providing a summary of the Council's response to the Covid-19 pandemic. The report summarised the Council's response, in its capacity as a Category One responder, from both an emergency response perspective and a business continuity perspective and provided an overview of the key findings and learning points that had been identified following debriefing work with those most involved in the Council's response.

During the pandemic a number of actions had been put in place including: the appointment of deputies, remote working and regular and intensive cleaning of Surrey Heath House to increase the resilience of the Council.

Work was also underway to develop a response to any potential local outbreak and business continuity plans were being updated to take into account the potential impacts of Test and Trace on the Council's workforce. It was agreed that these plans would be shared with Councillors.

Arising from the Committee's questions and comments the following points were noted:

- To date, approximately 90% of residents were continuing to pay Council Tax in line with pre-existing arrangements however it was accepted that this situation could change as the furlough scheme was brought to an end and if, as expected, unemployment rates increased.
- Applied Resilience were contracted to provide the Council with an Emergency Response function on an annual rolling contract at a cost of approximately £28,000 a year.
- 80% of the Council's staff had been involved with the Council's response in one form or another with the majority undertaking this work in addition to their normal contracted duties with many teams continuing to provide a normal service to residents.
- Human Resources was working with the Council's Management Team to ensure that if a similar high level of staff input was required for any potential second wave of infection then business could continue as normally as possible.
- Risk assessments had been carried out in Surrey Heath House and work was underway to ensure that social distancing could be maintained as staff returned to work and the building was reopened to visitors.

- A target date of 13<sup>th</sup> July 2020 had been set for reopening the building to the public however this would be phased and any visits would be by appointment only.

The Committee expressed their thanks to officers and voluntary groups for the work that they had undertaken to support residents and businesses during the pandemic.

#### **7/PF Work Programme**

The Committee received a report setting out a revised draft work programme for the Committee for the remainder of the 2020/21 municipal year.

**RESOLVED** that the revised draft work programme be adopted.

#### **8/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 9<sup>th</sup> September 2020.

#### **9/PF Minutes of Previous Meeting**

**RESOLVED** that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 29<sup>th</sup> January 2020 be approved as a correct record and signed by the Chairman.

**Chairman**

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**Complaints Monitoring 2019/20**

Portfolio:	Leader
Ward(s) Affected:	All

**Purpose**

**To report on the Council’s corporate complaints monitoring arrangements, lessons learned from complaints and Local Government Ombudsman complaints received for the financial year 2019/2020.**

**1. Background**

1.1 The Performance and Finance Scrutiny Committee receive a comprehensive annual report on the Council’s complaints monitoring arrangements, lessons learned from complaints received and complaints received by the Local Government Ombudsman (LGO).

**2. Current Position**

2.1 Most complaints received are dealt with informally under Stage 1 of the Council’s complaints policy.

2.2 Stage 2 complaints are formal complaints normally identified when the complainant is unhappy with the outcome of the informal complaint. These complaints are dealt with by the relevant (Executive) Head of Service. Should a complainant be dissatisfied with the outcome of a Stage 2 complaint, they can request the matter is considered by the Chief Executive under Stage 3 of the complaints policy.

2.3 In 2019/20, 17 formal complaints were made to the Council at Stages 2 and 3.

2.4 The table below details the formal complaints made for the period 1<sup>st</sup> April 2019 – 31<sup>st</sup> March 20, by quarter year and dealt with in accordance with the Council’s complaints policy.

2.5 The figures for the same period in 2018/19 have also been included in the table as a comparison.

	2018/2019	2019/2020
Total for Quarter 1 (April – June)	13	3
Total for Quarter 2 (July – September)	13	4
Total for Quarter 3 (October to December)	5	3
Total for Quarter 4 (January – March)	6	7
Total for year	37	17

2.6 To give some perspective to the number of complaints received against contacts managed. Calls into the Contact Centre, Revenues and Benefits and

Theatre numbered 71173 for the same period. Visitors to Surrey Heath House managed via meet and greet and or by interview were an additional 25047.

- 2.7 The complaints recorded do not include any relating to the former Chief Executive. These would have been managed by the Acting Chief Executive's office.

Complaints by Service Area

Number of complaints received	2018/19	2019/20
Business	5	0
Community	7	1
Finance	4	1
Regulatory	21	12
Corporate	0	1
Legal	0	1
Transformation	0	1
Total	37	17

Complaints by Department within the Service Area

Service Area	Department	Stage 2	Stage 3	Total
Community	Recycling & Refuse	1	0	1
Finance	Revenues & Benefits	0	1	1
Regulatory	Private Sector Housing	1	0	1
Regulatory	Development Control	6	4	10
Regulatory	Family Support	1	0	1
Corporate	Contact Centre	1	0	1
Legal	Building Control	0	1	1
Transformation	ICT/FOI/DP	1	0	1
Totals		11	6	17

- 2.8 There has been a decrease in the number of complaints recorded. I believe this to be due to a number of issues:

- Any Parking complaints would now be managed by Woking.
- Complaints within Business have in the past frequently been about grass cutting, such issues would now be answered by Sodexo.
- Within Regulatory, some past complaints have been about the performance of contract staff. They are no longer in the employ of Surrey Heath Borough Council. In addition, it should be noted, that there has been a vast improvement within Planning in respect of managing dissatisfaction at stage one of the complaints process.

- Finally I have observed a tendency for residents to make direct contact with services, rather than go through the complaints process. This may have allowed an opportunity for complaints to go unrecorded, albeit they are satisfactorily resolved. I shall monitor and address this development as we go forward.

### **3. Service Standard**

#### 3.1 Of the 17 complaints received:

- All were acknowledged within 2 days.
- 14 were resolved within 10 days.
- 3 complaints took longer than 10 days to investigate, however the customers were made aware of the reason for delay.

#### Complaint Status

#### 3.2 Of the 17 complaints received:

- 11 were not justified
- 4 were part justified
- 1 was justified.
- 1 On hold

### **4. Lessons Learned**

#### Community

- 4.1 The stage 2 complaint related to fly tipping within the borough that had been reported previously and not actioned. The issue was resolved through direct conversation with JWS. The value of a representative of JWS being at Surrey Heath House was evident.

#### Finance

- 4.2 The stage 3 complaint raised against Revenues and Benefits was found to be unjustified.

#### Regulatory

- 4.3 There were four Stage 3 complaints. One was for Housing about an HMO licences and was not upheld as there was no fault by the Council. Three were about Planning and in two cases no fault was found. The final case related to an enforcement appeal where the Planning Applications Committee approved an application against officer advice resulting in a last minute withdrawal of the Council from an enforcement appeal. The complainant sought compensation for unnecessary appeal costs incurred due to the actions of the Council. A settlement was reached.

- 4.4 There were six Stage 2 complaints about Planning of which 3 cases were partly upheld. In two cases this was due to a failure to respond in a timely manner and third was due to poor wording of a property description. None of these affected the outcome of the applications involved.
- 4.5 There was one 2 Stage 2 complaint about Housing, this was also about an HMO licence and again was not upheld as there was no fault by the Council. It is, however, worth noting that both this and the Stage 3 complaint above reflect the growing concern of residents about the impact on this use especially due to car parking.
- 4.6 There was one Stage 2 complaint about Family Support, this related to dissatisfaction with health care issues and the equipment funded by the Council. This was not upheld as there was no fault by the Council but it was clear there was a misunderstanding about what is provided by the refugee support scheme by the complainant and other families. Extra support is now being put in to address this and ensure that refugees raise concerns at an earlier stage.

#### Corporate

- 4.7 The stage 2 complaint raised against the Contact Centre was found to be unjustified.

#### Legal

- 4.8 This stage 3 complaint remains on hold. Communication with the customer has been maintained.

#### Transformation

- 4.9 Following this stage 2 complaint, the SHBC Complaints Policy and Procedures were reviewed in line with GDPR guidance, there was a legitimate basis under GDPR for the Council to share the complainants details with JWS and subsequently Amey, however the Council failed in its obligation to inform the complaint in clear terms that this would happen. Therefore to meet this obligation the paragraph 'complainants details may be shared as part of the complaint investigation process with Third Parties contracted by the Council' has been added to the following documents/communication;

- The Complaints Policy and Procedures
- The Complaints website
- Contact Centre and Complaints email acknowledgement auto reply
- Online complaint form before it is submitted

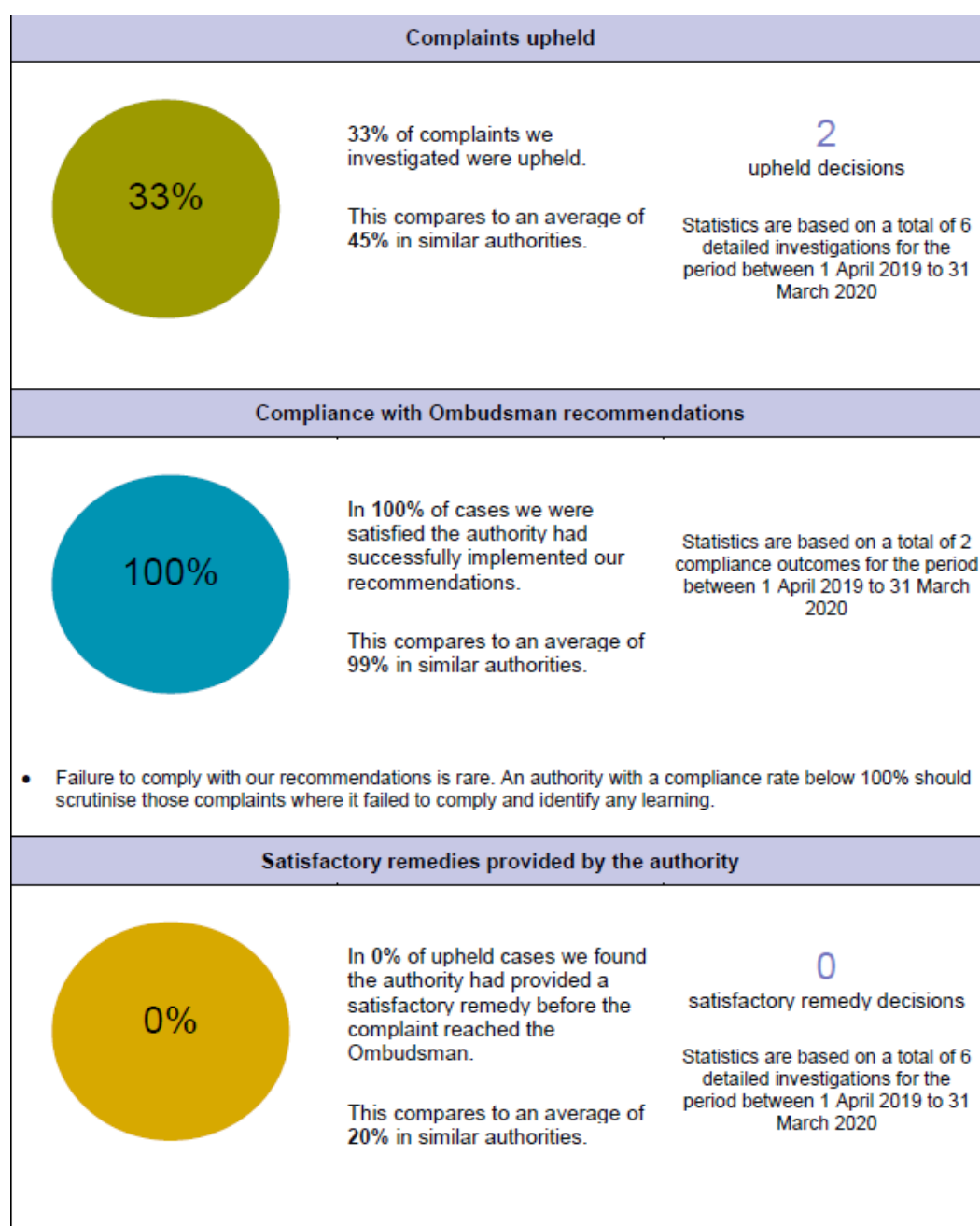
- 4.10 In addition, the following actions were taken;

- A Contact Centre privacy notice was written and uploaded to the main SHBC website, this included the sharing of data with third parties.

- All staff in the call centre were trained to inform callers when complaints are made via telephone calls that their details may be shared with third parties.

## 5. Local Government Ombudsman complaints

- 5.1 Following the response to a Stage 3 complaint, if the complainant remains dissatisfied with the outcome then their recourse is via the Local Government Ombudsman.
- 5.2 In 2019/20 the LGO investigated and concluded 13 complaints and enquiries in respect of Surrey Heath Borough Council services. 2 of the complaints were upheld.



## Local Government Ombudsman Complaints Upheld - Lessons Learned

*Regulatory 19001491 Mrs J Garner*

- 5.3 The partly upheld complaint could have been avoided had the complainant been kept better informed and officers enforced a landscaping requirement in a more timely manner. Other parts of the complaint related to Highways for which the Borough Council is not responsible.

### *Environmental Health*

- 5.4 The decision relates to a delay in putting noise monitors onto a property. This delay was because the noise meter was booked elsewhere and then was sent for a service as it broke down. A second meter has now been sourced thereby eliminating such a delay.

### Comparison Table

Local Government & Social Care OMBUDSMAN		Complaints and Enquiries Decided (by Outcome) 2019-20							
Authority Name	Invalid or Incomplete	Advice Given	Referred Back for Local Resolution	Closed after Initial Enquiries	Not Upheld	Upheld	Total	Uphold Rate (%)	Average uphold rate (%) of similar authorities
Elmbridge Borough Council	0	0	6	6	0	4	16	100	45
Epsom & Ewell Borough Council	4	0	6	12	1	0	23	0	45
Guildford Borough Council	1	1	2	5	4	2	15	33	45
Mole Valley District Council	0	0	5	10	3	0	18	0	45
Reigate & Banstead Borough Council	2	1	2	5	2	1	13	33	45
Runnymede Borough Council	2	0	2	4	2	1	11	33	45
Spelthorne Borough Council	1	0	8	4	1	0	14	0	45
Surrey County Council	13	0	63	63	16	33	188	67	66
Surrey Heath Borough Council	0	0	2	5	4	2	13	33	45
Tandridge District Council	0	3	6	5	2	2	18	50	45
Waverley Borough Council	1	2	4	5	2	2	16	50	45
Woking Borough Council	0	1	4	0	3	0	8	0	45

**Notes**  
 These statistics include all complaints and enquiries that were decided from 01 April 2019 to 31 March 2020.  
 Some cases are received and decided in different business years. This means the number of complaints and enquiries received may not match the number of decisions made.

## 6. Recommendation

- 6.1 The Committee is advised to consider and comment on the complaints figures reported for 2019/20.

Background Papers None

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Head of Service: Richard Payne  
Executive Head of Corporate

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**Consultant and Legal Services spend for 2019/20**

**SUMMARY**

To provide the Performance and Finance committee with the spend on legal services and consultants for 2019/20.

<b>PORTFOLIO</b>	Finance
<b>WARDS AFFECTED</b>	All

**RECOMMENDATION**

The Performance and Finance Committee is advised to **NOTE** the spend on Legal Services and consultants for 2019/20.

**1. KEY ISSUES**

1.1 This report details the spend in 2019/20 on legal services and consultants.

**2. RESOURCE IMPLICATIONS**

**Revenue Budget**

2.1 Actual spend on Legal services was £573k and is detailed in appendix A by service area. Spend on consultants was £999k and is detailed in appendix B.

**3. OFFICER COMMENTS**

3.1 The report details the spend on legal services and consultants for 2019/20.

**4. OPTIONS**

4.1 The report is for noting

**5. PROPOSALS**

5.1 It is proposed that the Performance and Finance committee are advised to note the report.

**6. SUPPORTING INFORMATION**

6.1 None

**7. CORPORATE OBJECTIVES AND KEY PRIORITIES**

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

## 8. RISK MANAGEMENT

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

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

### CONSULTATIONS, IMPLICATIONS AND ISSUES ADDRESSED

	Required	Consulted	Date
<b>Resources</b>			
Revenue	✓		
Capital	✓		
Human Resources			
Asset Management			
IT			
<b>Other Issues</b>			
Corporate Objectives & Key Priorities			
Policy Framework			
Legal			
Governance			
Sustainability			
Risk Management			
Equalities Impact Assessment			
Community Safety			
Human Rights			
Consultation			
P R & Marketing			

Review Date:

Version:

## Legal Services Expenditure 2019/20

<b>Row Labels</b>	<b>Sum of Amount</b>
Community Services	330
Development Control	7370
Finance	295714.95
Fraud and Audit	531.67
Human Resources & PAs	4352.95
Interfaces	3167.63
Investment and Development	20268
Legal Services	127284.1
Planning Policy & Conservation	7750
Recycling & Refuse	103157.17
Revenues & Benefits	3194
<b>Grand Total</b>	<b>573120.47</b>

## Consultants Expenditure 2019/20

Row Labels	Sum of Amount
Building Control	8115.12
Car Parking	13930
Community Services	229089.43
Corporate Land Management	1630
Development Control	107733.68
Environmental Health	-875
Facilities	49396.9
Finance	-51681.05
Green Space	2204
Housing Services	5884
Human Resources & PAs	119970.75
ICT & Corporate Support Team	103231.19
Interfaces	4568.63
Investment and Development	206757.48
Land Charges & Technical Support	163.92
Legal Services	7561.16
Leisure	12145
Media & Marketing	0
Planning Policy & Conservation	127453.53
Private Sector Housing	1882.9
Recycling & Refuse	49616.38
Revenues & Benefits	366.5
Transformation	20
<b>Grand Total</b>	<b>999164.52</b>

**Zero Based Budgeting**

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

**Purpose:** Following the Council's request at its meeting on 26 February 2020, to consider proposals for the undertaking of a Zero Based Budget exercise in time for the setting of the 2021/22 budget and report to the Executive and Council on its recommended option for Zero Based Budgeting for 2021/22.

**1. Background**

- 1.1 Surrey Heath Borough Council, like other local authorities, has faced a particularly challenging financial environment over the last decade. The gradual withdrawal of central government grant (Revenue Support Grant) to support day-to-day spending completed in 2018/19. Central government funding has fallen by £2.7m in 8 years. The Council funds its services with income from Council Tax, Business Rates, Fees, Charges and Investment Income. Some of this income is likely to prove volatile from year-to year, particularly fees, charges, and investments.
- 1.2 The Covid 19 Pandemic has now added a further complication as the Country will come out of the recession during the transition out of the EU and will have to pay for the financial support the Government is giving during the Pandemic. As a result, the need to identify efficiencies, particularly in those areas where the Council relies to a greater or lesser extent on income from service users, is even more pressing.
- 1.3 At its meeting on 26 February 2020, the Council resolved that the Interim Deputy Chief Executive should prepare proposals, within the for consideration by the Performance and Finance Scrutiny Committee, for the undertaking of a Zero Based Budget (ZBB) exercise, and carried out in time for the setting of the 2021/22 budget, on all Council Services which, based upon the latest Budget Book, account for more than 0.75% of the gross Council expenditure. However, Recycling and Refuse was to be excluded from the ZBB process.
- 1.4 Zero Based Budgeting is a tool that can be used to improve an organisation's understanding of cost and provide the opportunity to allocate financial resources more effectively. Its popularity as a tool for budgeting in the UK public sector has declined over the past decade.

**2. Budget Setting in Surrey Heath Borough Council**

- 2.1. The current practice in Surrey Heath for budget-setting is predominantly an incremental approach, year on year, although there will be times when a more fundamental review is applied to certain areas of service on an ad hoc basis.

- 2.2. The incremental approach is probably the most widespread method for budget setting within the public sector as it is built on the underlying assumption that the "business" only changes incrementally from one year to the next.
- 2.3. This methodology is certainly intuitive, and a very practicable approach to building budgets. However, it is not an approach that normally leads to fundamental change, and it can have the disadvantage that, overtime, inaccuracies appear, as what was previously a sensible and relevant structure, is no longer fit for purpose.

### **3. What is Zero Based Budgeting?**

- 3.1. Zero Based Budgeting (ZBB) is an approach to budgeting that starts from the premise that no cost or activity should be factored into a budget just because it was present in a previous period. Rather, everything that is to be included in the budget must be considered and justified.
- 3.2. A method of budgeting in which all expenses must be justified for each new period. Zero-based budgeting starts from a "zero base" and every function within an organisation is analysed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one.
- 3.3. In its pure form, ZBB involves the preparation of operating budgets on the assumption that the organisation is starting out afresh in the new planning period. However, it is usually used most effectively where the activities involved are wholly or mainly discretionary in nature. Understanding the extent that services are discretionary can be challenging and it is easy to assume that something is non-discretionary, for no other reason than the activity has been carrying on at a similar level for a number of years.
- 3.4. ZBB integrates budget proposals with options for service level and predicted outcome. Therefore, the quality of service associated with different resource levels can clearly be seen allowing fund allocation based on best value for money. A good understanding of comparative benchmark performance facilitates this process.
- 3.5. ZBB encourages the questioning of set assumptions, and facilitates systematic review, reprioritising, and, perhaps, withdrawing from long term activities that no longer align properly with an organisation's objectives.

### **4. Benefits and Weaknesses of ZBB**

- 4.1. ZBB can offer several advantages when it is applied intelligently. It is potentially a useful tool in terms of supporting the Council's value for money Agenda and realising efficiencies. ZBB would provide senior management with detailed information to enable decision making and highlight redundant activities or duplications of effort within the council. However, conducting a ZBB exercise across the Council would be a resource intensive process and require the support of senior management.

4.2. The key benefit of ZBB is that it focuses attention on the actual resources required to produce an output or outcome, rather than the percentage increase or decrease compared to the previous year. The process should be more user friendly to managers than the traditional incremental budget model as it delivers a fit for purpose budget with linked outcomes and eliminates historical inaccuracies. ZBB does not necessarily result in reduced budgets but allows the Council to prioritise available funds where they are needed the most. In the present climate, this is likely to be those services where there has been a high dependency on income from fees and charges.

4.3. The other main benefits of ZBB are:

- Questions accepted beliefs.
- Focuses on value for money.
- Clear links between budgets and objectives.
- Is an adaptive approach to changing circumstances.
- Can lead to better resource allocation.

4.4. The main weaknesses of ZBB are:

- Resource intensive process - adds to the time and effort involved in preparing annual budgets.
- ZBB works best where an organisation has clear mission statement and is relatively homogenous, Councils by their very nature, are an amalgamation of many different services.
- Difficulty in identifying suitable performance measures and decision criteria in public sector and not-for-profit organisations.
- Questioning current practice can be seen as threatening – careful management of the “people” element is essential.
- Uncertainty about costs and resources options other than current practice.

4.5. Potential issues specifically at Surrey Heath Borough Council:

- The Council is presently reviewing its vision, corporate plans, and structures, and until these processes are completed, the realisation of ZBB benefits in full are unlikely.
- Lack of officer resources with a need to review skills, to ensure that officers can deal with such a resource technique of budget setting.

## **5. Officer Comments**

5.1. Given the resource intensive nature of ZBB, it is recommended that for financial year 2020/21, the focus of the exercise should be on those services that are particularly reliant of income from fees and charges (e.g., Leisure, Planning). These are priorities in the current financial environment, given the downturn in economic activity and its impact on the local economy. This first tranche of reviews would allow the methodology to be fully tested, provide a valuable analysis of cost drivers in services that need to attract customers,

and assist in the repositioning of the Council's Medium-Term Financial strategy. This 'blended' approach would provide member and senior management support to those services most at risk from the current pandemic and its aftermath i.e. those that are funded from fees and charges for 2020/21, with a roll out to other services from 2021/22.

- 5.2. A separate approach to the Council's investment income is included in another report on tonight's agenda.

## **6. Options**

- 6.1. The Committee has the option to recommend that

- (i) a Zero Based Budget be commenced this Autumn for services that are particularly reliant on income from fees and charges, with incremental budgeting process retained for all other services;
- (ii) a full Zero Based Budget be commenced this Autumn. This would require additional resources and training for officers and members and could only be successfully implemented for the 2021/22 financial year; or
- (iii) the incremental budgeting process be retained. This would potentially lead to inappropriate budgets remaining.

## **7. Proposal**

- 7.1. It is proposed that the Committee considers the options set out in Paragraph 6.1 of this report and recommends that Zero Based Budget be commenced this Autumn for services that are particularly reliant of income from fees and charges, with incremental budgeting process retained for all other services.
- 7.2. The other options set out in (ii) and (iii) are not supported by the Corporate Management Team.

## **8. Resource Implications**

- 8.1. Resource implications for Zero Based budgeting primarily relate to the officer resource required to conduct the ZBB exercise and will vary depending on the option chosen. The recommended option, as set out at paragraph 6.1, is considered to produce the best outcome in terms of the benefits of a ZBB when balanced with the officer resource required to conduct this exercise.

## **9. Recommendation**

- 9.1. The Committee is asked to advise the Executive to RECOMMEND to Full Council that a Zero Based Budget be commenced this Autumn for services that are particularly reliant on income from fees and charges, with incremental budgeting process retained for all other services.



**Annexes:** None

**Background Papers:** None

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## Property Investments for Treasury Management Since 2016

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

**Purpose:** To consider the motion referred by the Council at its meeting on 22 July 2020 and agree the next steps.

### 1. Background

- 1.1. As part of its Corporate Plan ('Great Place, Great Community, Great Future'), in financial year 2016/17 the Council committed to deliver an improved Camberley Town Centre for the benefit of all residents of the Borough. The Council was offered the opportunity to make a major investment in the town by acquiring all the holdings of Capital and Regional PLC in Camberley, which consisted of the Mall Shopping Centre and associated landholdings. The Council also acquired the House of Fraser Building. This meant that the Council became the largest landowner in Camberley and thus was in a better position to further its regeneration plans for the town and support the top priority of the corporate plan. All the assets acquired are held in a Jersey Property Unit Trust (JPUT).
- 1.2. In addition, in the same year the Council acquired an industrial and retail estate within the borough, Albany Park, for £16m to maintain employment and to generate a financial return to support services.
- 1.3. All in all, these purchases contributed £1.5m of revenue to the General Fund in financial year 2017/18. On the advice of treasury advisors (Arlingclose) these acquisitions were financed by short term borrowings from other local authorities to take advantage of low interest rates. This saved £600k in interest charges in 2016/17 alone.
- 1.4. A schedule of the Council's investment property acquisition since 2016 is attached as Annex B to this report.

### 2. Current Position

- 2.1. At its meeting on 22 July 2020, the Council considered a motion (moved by Councillor Sashi Mylvaganam and seconded by Councillor Kristian Wrenn) to note concerns about article in the national press regarding the Councils property investments in Camberley Town Centre; calling for a report to Council detailing purchase costs of property investments for treasury management since 2016 and suggesting further actions in the case of each acquisition in the event that there had been significant impairment of book value since the date of purchase.
- 2.2. The motion also called for the production of a Property Investment Strategy report in time for the 2021/22 Budget setting process, detailing options in

respect of the future management and deployment of the Council's property investments to ensure prudent financial management.

- 2.3. The full text of the motion is set out at Annex A to this report.
- 2.4. The Council was informed that the Performance & Finance Scrutiny Committee had agreed to dedicate its meeting on 9 September 2020 to the scrutiny of the Council's property investments and this might be a more appropriate forum for this matter, and this approach was agreed.
- 2.5. It was also noted that, although the Mall Shopping Centre, Camberley (now known as the SQ) had been acquired primarily for the purposes of regeneration (rather than purely investment purposes) this acquisition would be considered within the scope of the motion.
- 2.6. This report provides the Committee with an update of findings to date and suggests the next steps to be taken in this matter.

### **3. The Jersey Property Unit Trust**

- 3.1. A Jersey Property Unit Trust (JPUT) is a specific type of Jersey trust which is commonly used to acquire and hold interests in UK property. Unlike a company, a JPUT is not a separate legal entity. The assets of the JPUT are held by its trustee on trust for the unitholders of the JPUT. The unitholders hold units in the JPUT, like shareholders holding shares in a company. As the JPUT is a trust, the trustee will be the legal owner of the assets of the JPUT whereas the unitholders (in this case Surrey Heath Borough Council) will be the beneficial owners of those assets. This is different from the position with a company, where shareholders have no direct ownership interest in the company's assets. JPUT activity is very common in the UK private sector, but less common in the public sector.
- 3.2. The benefits of the Council's use of a JPUT to hold and acquire its property investments include:
  - No liability to Jersey taxes;
  - Potential UK tax advantages (subject to changes to UK tax legislation);
  - Relative liquidity compared to other arrangements in terms of ease of getting money or assets into or out of the JPUT;
  - A commonly used structure familiar to advisors, sellers and buyers;
  - Flexibility in relation to unitholder (the Council) rights.
- 3.3. The Trust holds various properties within the Camberley Shopping Centre. The principal activity of the Trust is to invest in real estate for capital appreciation and collection of rental income. The legal form of the Trust does not confer separation from the Council and therefore transactions and balances relating to the Trust are incorporated into the Council's financial statements.

- 3.4. The Trust prepares financial statements which are subject to independent audit by BDO Jersey. The Trust's year end for financial reporting purposes (December) differs from that of the Council (March). The Trust's financial statements are also prepared under FRS102 (the principal accounting standard in the UK financial reporting regime), whereas the Council's financial statements are based on International Financial Reporting Standards (IFRS).
- 3.5. BDO, the Council's external auditors, have examined the recommendations to the Council from Montagu Evans to acquire the Shopping Centre and noted in their 2018/19 Audit Completion Report that the blended yield rate of 6.32% reported by Montagu Evans when valuing the shopping centre at 31 March 2019 was towards the very top an acceptable range, but that this was not unreasonable based on the explanations provided by the valuer (the valuer's view was that local factors such as the quality and strength of the existing leases and tenants, the relative wealth of residents in the area, as well as recent capital expenditure on improvements would make the shopping centre more attractive to investors who would use lower yields when valuing the strength of the rental income).
- 3.6. At the time of acquisition in 2016, Montagu Evans suggested that the net yield on the investment would be no less than 5.38%. The annual rental income at the time of purchase was £5.545m and the price paid was £86.482m, suggesting a gross annual yield of 6.4%.

#### **4. Property investment as part of the Council's overall financial strategy**

- 4.1. Property investment is included a managed as a key corporate issue. The Council's property investment portfolio is primarily held to provide a revenue stream to support the delivery of services across the borough, and generated a rental income of approximately £5.100m in financial year 2019/20. Budgeted income for 2020/21 is ££8.400m (including £3.800m from SQ), and the latest forecast for actual income is £7.3million. A fuller report detailing the causes of the forecast variance in the current financial year (as well as its impact on the Council's Medium-Term Financial Strategy) will be included in the half-yearly financial review reported to the next meeting of this Committee.
- 4.2. Of total long-term assets on the Council's balance sheet at 31 March 2019 (£224.012m), investment properties comprised £82.724m or 37%.
- 4.3. Because some investment properties are held in support of wider council initiatives such as regeneration, job creation, provide additional amenity and other initiatives that have a social value, the Council's investment plans are not entirely focussed on profit maximisation. The Council's financial statements for 2018/19 point out that investments are held for **both** regeneration and for generating income As part of its audit of the Council's 2018/19 financial statements, the auditors noted the following regarding the Council's intentions for its property investments when evaluating the Camberley Town Centre assets:

The Council considers this asset as supporting its long-term regeneration strategy and therefore has classified this as Property, Plant and Equipment (PPE) rather than investment properties... Such assets [can] be classified as PPE where assets are not held 'solely' for income generation or capital appreciation. Whilst it would appear that the net income generated from rents is being used to support the Council's budget, rather than delivery of services, we accept that it may be appropriate to classify this asset as PPE where this forms part of the Council's economic regeneration strategy.

- 4.4. This is an important distinction because comparisons of financial performance between public and private sector portfolios must make allowance for this additional social 'cost' which means that in general, public sector portfolio yields will tend to be lower than in the private sector.
- 4.5. With the gradual withdrawal of general government grant to support Council's day-to-day expenditure (Revenue Support Grant was ended entirely in 2018/19), Council's main sources of income are Council Tax, Business Rates, Fees & Charges (e.g., Planning Applications) and Property Rents. Of these sources, Property Rents carries the highest risk of volatility from year-to-year.
- 4.6. Consistent with other types of investments (cash, shares, bonds, etc.) the expected return on property increases with the level of inherent risk. Because Council's are investing public money, they will often sacrifice potentially higher yields for additional security or liquidity. Again, this will tend to mean that in comparison with private sector property portfolios, the public sector returns will tend to be lower.
- 4.7. Rental and capital values of property can also fluctuate upwards or downwards over time according to market and economic circumstances, as has been seen over the period 2016 to date. Due to these risks property is a long-term investment and suitable for strategic investment funds with a relatively long expected duration. For example, in the case of Camberley Town Centre, the goodwill generated on completion in 2016 is amortised over 50 years (to 2066). The UK economic cycle over the past 50 years has averaged 5.5 years per cycle, so between 2016 and 2066 nine economic cycles could be expected. The first of these has not yet completed, and a major restructuring of the portfolio assembled by the Council from 2016 to date seems premature.

## **5. Current Risk Exposure**

- 5.1. The Council's approach to its risk exposure is robust. In the Annual Governance Statement (examined and approved unqualified by the auditors), apropos of the Camberley Town Centre acquisitions, the Council recognised that the acquisitions of the Town Centre to regenerate the SQ and the London Road development site carried a significant level of commercial and financial risk.

5.2. The Council's main source of risk mitigation is the appointment of professional agents to manage and advise on property acquisition and management.

5.3. The main risk exposures are:

- Failure to progress planned transactions (buying and selling);
- Fluctuations in property capital and rental values due to market or wider economic circumstances;
- Financial failure of tenants;
- Lack of suitable investments for acquisition;
- Property vacancies following lease expiry.

## **6. Additional auditor assurances regarding the Council's approach to managing its current and future investments**

6.1. As part of the additional assurance that the Council has requested, in the Audit Plan for the coming year BDO have agreed the following:

In undertaking their audit of the Council, they plan to place reliance on BDO Jersey's work. In placing reliance on the work of BDO Jersey, they will undertake the following procedures:

- Assess the competence and independence of the BDO Jersey Team;
- Participate in planning meetings with the BDO Jersey Team, and communicate the work they require them to perform for the purposes of the audit of the Council. In doing so, they will communicate details of the financial reporting framework applicable to the Council, their timetable, the significant risks of material misstatement relevant to the audit of the Council, and the materiality levels applicable to the audit. They will also undertake a review of the BDO Jersey team's key audit working papers, and key outputs from their audit including reports to Those Charged with Governance.

6.2. In addition to the reliance the Council's auditors place on the work of the BDO Jersey team, as part of their audit of the Council they will:

- Review the inclusion of the Trust's financial statements into the Council's financial statements;
- Undertake testing of transactions and balances arising in the Trust between January and March 2020;
- Obtain direct confirmation of the cash balances held by the Trust at 31 March;
- Review updated valuations of the investment property held by the Trust; and
- Confirm that any adjustments required to convert transactions and balances from an FRS102 basis IFRS basis.

## **7. Resource Implications**

- 7.1. At the meeting of Council on 22 July 2020, the Executive Head of Finance advised Members that the cost of the work proposed in the motion would be outside the existing budget and, if Members were minded to agree to this investigation, the Council would need to agree a budget for this work. At this meeting it was suggested that the budget required for all stages of work set out in the motion would be in the region of £110,000, which would cover both external costs and officer time.

## **8. Legal Matters**

- 8.1. The Performance and Finance Scrutiny Committee may undertake investigations into matters relating to the functions of the Council and/or external organisations operating in Surrey Heath as may be referred by the Leader, Executive, Portfolio Holder or the Council. This is set out in Article 6.2 (iv) of the Council's Constitution. Accordingly if the Committee considers that an investigation is appropriate as per the motion as set out in Annex A, then it may only proceed to investigate following a referral.
- 8.2. The Committee does not have an allocated budget to commission external services or consultants to support any investigation. Council would need to set a budget to cover the estimated cost of these if it is minded to refer the motion to the Committee to undertake an investigation.
- 8.3. It appears the Council purchased the Mall primarily for the purposes of economic regeneration. It was also envisaged that the acquisition would have financial benefits in terms of generating income, however that does not alter that the purchase was primarily for economic regeneration.

## **9. Officer Comments**

- 9.1. Corporate Management Team has discussed the issues within the Council motion, and given the current financial constraints, the findings contained in this report, and that the auditors over the years since 2016 have made no comment on the yield rates applied by the Council's valuers or on the Council's use of a JPUT to manage its property investments, it is felt that the cost of the investigation set out in the motion would be disproportionate in terms of the cost of undertaking the work and the expected outcomes achieved.
- 9.2. Alternative options to address the matters raised in the motion to Council have been considered and are set out in the proposals below.

## **10. Proposals**

- 10.1. The following steps are proposed for consideration by the Committee:
- 10.2. Increased focus on property and investment by officers



To this end, a Town Centre Officer Group (looking at best practice nationally) has been established and the Property Group will widen its remit to include investment property decisions.

### 10.3. Further scrutiny of investment decisions 2016 to date

Set up a Member/Officer 'Task and Finish group' with a remit to examine the advice provided by professional agents to the Council regarding its property acquisitions and management to feed into the Council's future Property Investment Strategy. The work to comprise:

- Developing an agreed action plan on the key task at hand
- Action the work programme in a timely fashion i.e. doing the work
- Developing measures of evaluation
- Reporting on the impact, learning, and outcomes

The impact, learning, and outcomes from the Group to be reported to Performance & Finance Scrutiny Committee on 25 November 2020 and to Council on 9 December 2020.

The Interim Executive Head of Finance to be the lead officer within the Group.

## 11. **Options**

11.1. The Committee has the option to

- (i) recommend to Council that the investigation proposed in the motion to Council on 22 July 2020 be agreed and a budget be approved to undertake this work;
- (ii) agree that the proposals set out in paragraph 10 of this report be pursued; and/or
- (iii) consider any other actions it considers appropriate.

## 12. **Recommendation**

12.1. The Committee is advised to RESOLVE that

- (i) The proposals to establish a Town Centre Officer Group and widen the remit of the Property Group in order to provide increased focus on property and investment by officers be endorsed;
- (ii) a 'Task and Finish Group' with a remit to examine the advice provided by professional agents to the Council regarding its property acquisitions and management to feed into the Council's future Property Investment Strategy be established; and
- (iii) the membership of the Task & Finish Group be agreed as considered appropriate.

**Annexes:** Annex A – Motion to Council  
Annex B - The Council’s investment property acquisitions since 2016  
Annex C – Information provided by Councillor Mylvaganam (exempt)

**Background Papers:** None

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**Head of Service:** Martin Hone – Interim Executive Head of Finance

**Motion to Council  
22 July 2020**

At its meeting on 22 July 2020, the Council considered the following motion:

It was moved by Councillor Sashi Mylvaganam and seconded by Councillor Kristian Wrenn that

“this Council resolves that

- (i) concern about articles which have appeared in the national press in respect of the Council’s property investments which suggests possible multi-million pound valuation losses in the Council’s property investments in Camberley Town Centre be noted;
- (ii) in order to protect the current and future financial interests of Surrey Heath Borough Council Taxpayers Financial Officers, in conjunction with the Council’s Auditors, and/or other independent organisation, be asked, subject to budget approval, to produce a report, to be presented to the next Full Council Meeting, detailing the purchase costs of property purchased by the Council as investments for treasury management since January 2016, together with independently ratified valuations of those property investments as at the time of purchase and at end of the last financial year and a current valuation, as at the date of this Council meeting;
- (iii) in the event that the valuations as at the end of the last financial year show an erosion of more than 25% of the purchase costs, or 50% of the current valuation, a further independent report be commissioned, subject to budget approval, from the Council’s Auditors or other qualified company or institution (in accordance with the Council’s Contract Standing Orders) into:
  - a) the strategic rationales behind each property investment made since January 2016.
  - b) the procedures followed in respect of each investment to ensure that all Council Standing Orders and protocols were adhered to correctly;
  - c) the amount paid for each property investment made since January 2016 to assess if proper value for money at the time of purchase was obtained for Borough Council Taxpayers in respect of each investment;
  - d) the actual and forecasted rental income, and all other critical financial aspects, to assess whether the full financial costs, risks and benefits were properly evaluated;
  - e) whether the most appropriate financial methods and mechanisms, for both the short and
  - f) long term benefit of Council Taxpayers, were used to fund each property investment made since January 2016; and
  - g) Based upon a), b), c) and d). above, to produce recommendations in respect of procedures to be adopted in future property investments to ensure best practice is followed for the ongoing security and benefit of Council Taxpayers; and

- (iv) Financial Officers, based upon the findings of the independent report(s), and taking further independent advice, as necessary, produce a Property Investment Strategy report in time for the 2021/22 Budget setting process, detailing options in respect of the future management and deployment of the Council's property investments to ensure prudent financial management."

It was noted that, although the Mall Shopping Centre, Camberley, now known as the SQ, had been acquired primarily for the purposes of regeneration rather than purely investment purposes, this acquisition would be considered within the scope of the motion.

The Executive Head of Finance advised Members that the cost of the work proposed in the motion would be outside the existing budget and, if Members were minded to agree to this investigation, the Council would need to agree a budget for this work.

The Council was informed that the Performance & Finance Scrutiny Committee had agreed to dedicate its meeting on 9 September 2020 to the scrutiny of the Council's property investments and this might be a more appropriate forum for this matter. In accordance with Council Procedure Rule 12 (e), it was moved by Councillor Rodney Bates and seconded by Councillor Alan McClafferty that the motion be referred to the Performance & Finance Scrutiny Committee to discuss in more detail. This procedural motion was put to the vote and carried.

**IT WAS RESOLVED that the matters identified in the motion be referred to the Performance and Finance Scrutiny Committee for consideration.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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**Performance and Finance Scrutiny Committee  
Work Programme 2020/21**

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

**To consider the Performance and Finance Scrutiny Committee’s work programme for the 2020/21 Municipal Year.**

**1 Background**

- 1.1 The Performance and Finance Scrutiny Committee was appointed by the Council at its Annual Meeting on 20<sup>th</sup> May 2020.
- 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 The Council’s Constitution, Part 4, Section C paragraph 6, requires the Performance and Finance Scrutiny Committee to approve a work programme on an annual basis. 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 At its meeting on 6 July 2016 (minute 9/PF refers) the Committee agreed that reports at each meeting would, where possible, be themed to the areas covered by the Portfolio Holder attending that meeting.
- 1.6 A draft Work Programme has been developed to take into account items that are regularly reported on to the Committee and this has been attached to this report for the Committee’s consideration.

**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:
  - i. Note the work programme attached as Annex A
  - ii. Make suggestions as to any other matters they would like to add to the work programme.

Background Papers: None

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Service Head: Richard Payne 01276 707150



**Performance & Finance Scrutiny Committee  
Work Programme 2020/21**

**25 November 2020**

1. Portfolio Holder Update: Finance
2. Portfolio Holder Update; Business & Transformation
3. Annual Report 2019-20 & Half Year 2020-21 Report on Treasury Management
4. Half Year Finance Report
5. Half Year Performance Report
6. Committee Work Programme

**27 January 2021**

1. Corporate Risk
2. Portfolio Holder Update: Support & Safeguarding
3. Portfolio Holder Update: Planning & People
4. Committee Work Programme

**17 March 2021**

1. 3rd Quarter Finance Report
2. Portfolio Holder Update: Places & Strategy
3. Portfolio Holder Update: Environment & Health
4. Committee Work Programme

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