

**Minutes of a Meeting of the Performance
and Finance Scrutiny Committee held
virtually on 25 November 2020**

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

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

+ Present

- Apologies for absence presented

Substitutes: Cllr Valerie White for Cllr Shaun Garrett

Members in Attendance: Cllr Rodney Bates

Executive Portfolio Holders in Attendance:

Cllr Colin Dougan, Executive Portfolio Holder: Business and Transformation

Cllr David Lewis, Executive Portfolio Holder: Finance

Cllr Alan McClafferty, Leader

Officers in Attendance:

Sarah Bainbridge, Senior Organisational Development Advisor

Robert Fox, Revenues and Benefits Manager

Daniel Harrison, Executive Head: Business

Martin Hone, (Interim) Executive Head: Finance

Louise Livingston, Executive Head: Transformation

Tim Pashen, (Interim) Chief Executive

Richard Payne: Executive Head: Corporate

Jenny Rickard: Executive Head: Regulatory

19/PF Minutes of Previous Meeting

RESOLVED that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 9th September 2020 be approved as a correct record and signed by the Chairman.

20/PF Portfolio Holder Update: Business & Transformation

The Committee received a report summarising the work of the Council which was encompassed by the Business and Transformation Portfolio.

The Portfolio covered a number of areas including: building control, Camberley Theatre, car parking, communications and marketing, corporate property, data protection and freedom of information, economic development and ICT and digital services.

It was reported that the restrictions arising from the Covid-19 pandemic had impacted significantly on the Theatre's revenue which between 17th March 2020 and 17th August

2020 had seen a year on year fall in gross sales of 98% with sales falling from £342,614.40 in 2019 to £7,040.50 in 2020.

Revenue from the town centre car parks, which had seen parking fees suspended during the spring and summer had fallen by approximately 85% when compared to the same period in 2019. However approximately 70% of this lost income would be recoverable under the Government's Sales, Fees and Charges Reimbursement Scheme. During the first and second lockdowns income from the car parks had been almost back to their usual levels and it was expected that income from car parking would recover fully once restrictions were lifted.

Initial figures of 11,000 job losses in the Borough over the past year had been queried with the Office of National Statistics (ONS) as being exceptionally high and they were subsequently reduced to 4,000 job losses. Although this was still a significant reduction in job numbers the fall was attributed to a small number of job losses across a number of companies rather than large number of job losses from a small number of companies. Over the course of the Covid-19 pandemic to date, there had been a 300% increase in the number of Universal Credit claims being made within the Borough and analysis of these had found that 48% of new claims were being made by those who had been self-employed.

The Council had repurposed the Kevin Cantlon Fund to provide funding for a number of measures to support those who were self-employed and small businesses. Officers were working with the DWP and Job Centre Plus to develop a Youth Hub in the Borough which would deliver careers support, interview advice and job application support to 18-24 year olds in the Borough who had found themselves out of work or education. The first tier of the Government's tiered system of grants to support businesses through the pandemic had now been established in the Borough and officers were waiting for guidance on the tier 2 and 3 support packages before these were rolled out.

The Committee commended the Council's newsletter Heathscene. It was acknowledged that it was difficult to ascertain the size of the publication's impact however there was anecdotal evidence to support that it was valued for example the number of enquiries about the meals at home service increased significantly following the publication of an article about the service. Furthermore, it was stressed that Heathscene enabled the Council to communicate key messages to those residents who did not use social media.

The Committee commended the quality of the Council's social media output which had improved in both quality and quantity in recent years.

Other areas of note included:

- The emerging Local Plan would set out how the Council proposed to encourage new technologies including fibre broadband into the Borough.
- It was clarified that the Eli Lily site had been sold to an organisation that was projected to bring approximately 650 jobs into the borough.
- Reports that a number of the TiksPac stands were currently empty would be followed up.

The Committee noted the update.

21/PF Portfolio Holder Update: Finance

The Committee received a report summarising the work of the Council encompassed by the Finance Portfolio.

It was reported that the Council currently had a gross service expenditure of approximately £44million which was funded by a mix of income from investments, grants, Business Rates, Council Tax and chargeable fees. Although Government funding had fallen by £2.7million in cash terms since 2010/11 the Council had managed to maintain services by increasing efficiency and generating income through its investments.

The timing of the pandemic meant that there had been minimal impact on the 2019/20 financial year however there would be significant implications for the 2020/21 financial year not only because of reduced income through the lower collection of rents from commercial property fees and charges, for example car parking and theatre, but also because of increasing demands for services.

To date, 66.63% (£52.7million) of the expected income from Council Tax had been collected. It was expected that by the end of the financial year 99% of income expected from Council Tax would have been collected. During the first lockdown period there had been a 298% increase in the number of applications received for Council Tax Support and 2,562 new claims were processed between 1st April and 30th September 2020 (Compared to 1,234 applications for the whole of the 2019/20 financial year). In addition, to this increase in new claims, 8,071 Local Council Tax Support changes were processed in the first six months of the 2020/21 financial year compared to 9,951 changes for the whole of the 2019/20 financial year.

To date, the Council had collected 61.73% (£13.6million) of the Business rates expected against a projected total of £22.1million. The Council's Revenues and Benefits Section had paid out a total of £15.2million in Small Business and Retail, Leisure and Hospitality Grants to 1,189 local business to support them through the pandemic. Following the closure of the Magistrates Court on 23rd March, statutory reminders for non-payment of council tax or business rates had not been sent out. Instead soft reminders and text messages had been sent signposting residents and businesses to sources of support if they were struggling financially. The statutory reminder process had restarted in early October 2020.

Work to develop the budget for the 2021/22 financial year was underway. The budget setting process would involve an element of zero based budgeting techniques which would focus on services which were particularly reliant on income from fees and charges.

The Committee noted the update.

22/PF Treasury Management

The Committee received a report setting out the performance of the Council's Treasury Management Strategy as at 30th September 2020.

It was reported that the Council currently had £11.746million in cash investments and held £170million of borrowing, which was being used to fund a range of capital programmes. The borrowing was made up of £53million of longer term loans from the Public Works Loans Board with the remainder of shorter term loans from other local authorities. It was noted that borrowing had increased by £10million on the previous year's borrowing due to the construction of a new leisure centre.

It was reported that, in April and June, the Council had received £23million of central government funding to support small and medium sized businesses impacted by the pandemic. This had been temporarily invested and to date, £15million of the funding had been disbursed to the Borough's business community.

The Committee noted the report.

23/PF Half Year Finance Report

The Committee received a report setting out a summary of the Council's financial performance during the second quarter (July to September 2020) of the 2020/21 financial year.

It was noted that at this stage in a new financial year it was difficult to provide an accurate forecast as to the outturn at year end and this situation had been exacerbated by the pandemic and it was projected that there would be a £1.4million overspend on the budget at the end of the financial year.

It was reported that rental income from the commercial, industrial and office properties owned by the Council was holding up well however rents from retail units were down and it was anticipated that there would be a shortfall against budgeted income at the end of the financial year.

The Committee noted the report.

24/PF Half Year Performance Report

The Committee considered a report summarising the performance and achievement of the Council against its stated objectives, priorities and success measures in the first six months of the 2020/21 municipal year.

It was noted that a number of projects or targets had been delayed because it had been necessary to divert staff away from their usual work to provide welfare support to residents during the pandemic and initial lock down restrictions however these were expected to be back on track by the end of the year.

Due to the number of constraints on the site, the Land East of Knoll Road regeneration project had been put on hold and resources had been redirected into projects that were already progressing.

Concerns about Japanese Knotweed in Heatherside and Surrey County Council's decision to classify its removal as weed control and therefore not their responsibility would be followed up.

It was agreed that ward members would be included in any consultation work when the Physical Activity Strategy was reviewed and revised.

The work to improve recycling rates and reduce contamination of dry mixed recycling at flats was noted and it was suggested that ward councillors could provide a useful source of information to help identify problem areas.

The Committee expressed their thanks to all staff for their work to continue delivering services and maintaining the Borough's green spaces during the pandemic.

The Committee noted the report.

25/PF Infrastructure Funding Statement 2019-20

The Committee received a report setting out the Council's Annual Infrastructure Funding Statement for 2019/20.

The statement was an annual report which summarised all the financial and non-financial developer contributions relating to Section 106 (S106) Legal Agreements and the Community Infrastructure Levy (CIL) received by the Council during the year. The statement also listed the infrastructure projects which would be wholly or partly funded by either CIL or S106 funding.

The Committee was informed that there were currently four applications for projects that were to be funded via CIL which had been received during the 2019/20 financial year and which had not yet been approved predominantly because the projects had not been fully costed.

In order to ensure that the Borough achieved the most effective use of the CIL monies received possible new spending arrangements were under development. If approved it would enable more residents to benefit from the infrastructure provided through CIL.

The Committee noted the report.

26/PF Property Investment Task and Finish Group

It was reported that the work of the Property Investment Task and Finish Group was progressing. It was expected that the report would be brought to the Committee's meeting on 27th January 2021 for consideration.

27/PF Work Programme

The Committee noted a report setting out the Committee's proposed work programme for the remainder of the 2020/21 municipal year.

CHAIRMAN