

**Minutes of a Meeting of the Performance
and Finance Scrutiny Committee held at
Council Chamber, Surrey Heath House,
Knoll Road, Camberley, GU15 3HD on
7 July 2021**

+ Cllr Sashi Mylvaganam (Chairman)
+ Cllr Valerie White (Vice Chairman)

- Cllr Graham Alleway	- Cllr Edward Hawkins
+ Cllr Cliff Betton	+ Cllr Darryl Ratiram
- Cllr Vivienne Chapman	+ Cllr Morgan Rise
- Cllr Sarah Jane Croke	+ Cllr Graham Tapper
+ Cllr Paul Deach	+ Cllr Pat Tedder
+ Cllr Sharon Galliford	+ Cllr Victoria Wheeler*

+ Present

- Apologies for absence presented

* In attendance virtually

Substitutes: Councillor Tedder for Councillor Alleway

Members in Attendance:

Councillors Peter Barnett and Rodney Bates,

Executive Portfolio Holders in Attendance:

Councillor Shaun Garrett, Support and Safeguarding

Councillor David Mansfield, Environment and Health

Councillor Alan McClafferty, Leader

Officers Present:

Sarah Bainbridge, Senior Organisational Development Advisor

Robert Baldwin, Avison Young

Alan Harris, Montagu Evans

Daniel Harrison, Executive Head: Business

Martin Hone, Executive Head: Finance

Damien James, Chief Executive

Louise Livingston, Executive Head Transformation

Tim Pashen, Executive Head: Regulatory

Richard Payne, Executive Head: Corporate

1/PF Minutes of Previous Meeting

RESOLVED that the minutes of the Performance and Finance Scrutiny Committee meeting held on 17th March 2021 be approved as a correct record and signed by the Chairman.

2/PF Declarations of Interest

Councillor Deach declared an interest in respect of Item: Property Investment Task and Finish Group Final Report in that his company provided services to The Squ Shopping Centre.

3/PF Annual Performance Report

The Committee received a report summarising the performance of the Council during the 2020/21 financial year against the corporate objectives, priorities and success measures set out in the Annual Plan.

The Committee was informed that the Covid-19 pandemic and its associated Government restrictions had had a significant impact on the Council's services during the year however no adjustments had been made to the agreed project targets and success measures to take these into account. Notwithstanding this, 70% of the projects contained within the plan had either been achieved or were on track to be achieved. 16% of projects had not been fully achieved or were delayed due to Covid-19. Of the success measures in the plan, 56% had met the agreed targets and 39% had missed the agreed target due to Covid-19.

Key areas of success during 2020/21 had included the delivery of a new leisure centre, the installation of three new playgrounds and a fourth in progress, the successful delivery of the Community Services Partnership with Runnymede Borough Council, collection of 98.70% of the Council Tax owed, the collection of 99.8% of business rates owed and the number of meals at homes served had exceeded its agreed target of 35,000 meals by 75% delivering 61,346 meals over the course of 2020/21.

The restrictions due to the pandemic had impacted significantly on Camberley Theatre, the Heritage Service and Community Transport with restrictions on openings and social distancing measures meaning it had not been possible to operate fully.

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

- Although there had been no additional new support available to help residents struggling to pay Council Tax due to the pandemic, the collection rates had held up well. Where a resident did contact the Council seeking assistance officers were being as accommodating as possible.
- During 2020/21 there had been a 217% increase in the number of applications for housing benefit due to the pandemic a situation which had initially overwhelmed the Benefits Team assessing claims which had resulted in a substantial increase in workload and this had in turn impacted on the time taken to determine each claim. Notwithstanding this the Team had responded well to the challenge and the length of time that it took to assess a new claim was now back on target although the number of new claims being received was still double that received in previous years.
- Whilst there were no Government grants available to support residents struggling to pay their Council Tax bills during the pandemic the Council was taking a proportionate approach with residents who reported problems.
- The review of the Local Council Tax Support Scheme would be carried out over the summer and would be brought to the Executive in October.
- It was clarified that the Refugee resettlement programme was a joint scheme run in partnership with Runnymede Borough Council. Currently 4 families had been rehomed through the scheme and a further family was in the process of being resettled.
- Information relating to enforcement actions taken in respect of planning breaches would be reported to the Planning Applications Committee on a regular basis.
- The consultation to help inform that Physical Activity Strategy had commenced and would be continuing over the summer. It was expected that the Strategy would be brought to the Executive for adoption later in 2021/22.

- It was agreed that data relating to the number of environmental health complaints received broken down by type and ward would be circulated.
- It was expected that Community Transport usage would recover following the lifting of the Covid-19 restrictions.
- The Windle Valley Day Centre would be reopened as soon as possible after the Government lifted the Stage 4 restrictions on the 19th July. The exact date for reopening would be circulated.

The Committee noted the report.

4/PF A New Five Year Strategy for Surrey Heath Borough Council

The Committee received a report providing an update on the development of a new Five Year Strategy for the Council.

It was noted that workshops had taken place with both members and partners and the key issues that had been identified for consideration as part of the Strategy's development had included:

- Provision of sufficient housing that was truly affordable and the importance of a decent, safe home on people's life chances
- Congestion and the impacts that development has on this.
- Addressing poverty and inequalities across the Borough, including supporting those who had found themselves in need for the first time.
- Focusing on young people and families, including upskilling families, providing facilities for young people, supporting mental health and addressing issues such as knife crime.
- Tackling isolation and loneliness
- Supporting businesses across the Borough to be resilient and grow.
- The importance of climate change, biodiversity and the environment

It was proposed that the Strategy's issues and objectives would be grouped together under three overarching themes: Health & Quality of Life, Economy and the Environment.

Public consultation on the proposed themes and priorities would commence the week commencing 12th July 2021. The consultation would take a range of formats including online and paper surveys for the public, council partners and businesses, online focus groups with members of the public and a survey of Council staff. Officers would also attend public events to gather people's views and opinions and materials would be produced to help councillors facilitate discussions with residents. Members were asked to suggest any suitable events that could be attended in the coming months.

Arising from the subsequent discussion the following points were noted:

- The consultation should actively seek out residents views on the future direction of the Borough and not just direct respondents to select from a pre-agreed set of priorities.
- The Strategy should have a singular goal which would be reinforced by actions set out in the strategy not just a list of actions and ideas.
- It was suggested that a postal survey, posted to 100 or 150 randomly selected addresses, should be added to the consultation process.
- A number of focus groups would be held virtually and in person at a range of times, together with attendance at public events, so that as wide a cross section of residents could be involved in the consultation as possible.

- Wording in relation to climate change should be made stronger.

A report setting out the outcomes of the consultation would be brought to the Performance and Finance Scrutiny Committee's meeting in September. It was expected that the final strategy would be taken to Full Council for adoption in October.

5/PF End of Year Finance Report

The Committee received a report summarising the Council's financial performance during the 2020/21 financial year.

The pandemic and its associated restrictions had placed significant pressure of the Council's income from its commercial investments and fees and charges. The Government had put significant measures in place to assist local authorities and the Council had received grants totalling approximately 75% of service delivery income lost. At the end of the 2020/21 financial year the Council's overall expenditure had exceeded the agreed budget by approximately £1million. A sum that would be covered by drawing down on the Council's reserves.

It was clarified that the £46,000 variance in the finance budget had been due to a number of adjustments from 2019/20 that had been made to the accounts at the end of the financial year and that these had had no impact on the Council's overall budget.

It was agreed that updated budget tables showing both the budgeted costs and the actual costs as well as the budget variances would be circulated to members.

It was confirmed that the Council's budget for 2021/22 was balanced and that as restrictions lifted further on the 19th July it was expected that income levels would recover when the Theatre reopened and income from the newly opened Places Leisure Centre were received.

The Committee noted the report.

6/PF Corporate Capital Programme 2020/21 and Capital Prudential Indicators for 2020/21

The Committee received a report summarising the Council's capital expenditure for 2020/21.

It was reported that capital expenditure during the 2020/21 financial year had been £24.162million which was 64% of the allocated £34.991million budget originally allocated. The majority of the underspend was attributed to projects being delayed due to the pandemic and the funding allocated to these projects would be carried forward into the 2021/22 financial year. Any requirements to increase the budget for these delayed projects would be brought to the Executive for approval.

The Committee noted the report.

7/PF Property Investment Task and Finish Group Final Report

The Committee considered a report setting out the outcomes of an investigation by a Task and Finish Group established by the Committee to review the decision making processes which lead to the Council's purchase of The Squ shopping centre in 2016.

Avison Young had been engaged to review the reports that had formed the basis of the Council's decision making at the time, paying particular attention to any legal and risk management advice provided at the time of the decision, to provide a critical appraisal of the commercial property market in 2016, the purchase process and to review the original valuation of the shopping centre.

The review had concluded that the price paid by the Council had been at the top end of the valuation scale for a premises of this type and in approaching the owner directly, the Council had lost any competitive market tension that might have been there had the shopping centre been put on the open market.

The review had noted that prior to the purchase there had been no significant investment in the town centre and had the Council not purchased the shopping centre there was a risk that the shopping area would continue to decline and become less attractive to shoppers and acquiring the property would help to support the Council's objective of regenerating Camberley town centre.

A review of the legal and financial advice provided at the time of the purchase had concluded that the advice given had been proportionate and whilst the valuation was in line with what was expected the Council had not obtained a third party valuation before the final purchase price had been agreed. It was also considered that the transaction had been progressed with a sense of urgency that was not warranted due to the lack of market competition for the premises at the time. The review had also concluded that members had not been given sufficiently detailed information in relation to alternative options when they had been asked to make a decision.

The report set out six recommendations to ensure that future decision making with regard to property purchases were robust, transparent and based on best practice and sound legal and financial advice. To date, the majority of these recommendations had either already been implemented or were in the process of being implemented.

The Committee stressed that a holistic view must be taken of any future property purchases and that the Council must ensure that strong guidance was in place, alongside the necessary associated procedures, decision making was robust and based on a strong evidence base. It would also be essential to ensure that there was a clear delineation between the organisation responsible for selling a property and the organisation providing the Council with financial and legal advice on the any potential property purchase.

The Committee noted the findings of the review and the associated recommendations.

8/PF Performance and Finance Scrutiny Committee Work Programme

The Committee received a report setting out the work programme for the Performance and Finance Scrutiny committee for the remainder of the 2021/22 municipal year.

It was agreed that the following items would be added to the work programme:

- Local Plan Programme of Work (September 2021)
- Climate Change Working Group Update including an update on the progress of the Climate Change Action Plan (Date to be confirmed)

The Committee agreed that a Task and Finish Group should be established to review the public realm works.

9/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 8th September 2021 at 7pm.

Chairman