

**Minutes of a Meeting of the Performance  
and Finance Scrutiny Committee held at  
Council Chamber, Surrey Heath House,  
Knoll Road, Camberley, GU15 3HD on 27  
November 2019**

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

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|-------------------------|-------------------------|
| 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

In Attendance: Cllr Charlotte Morley, Executive Portfolio Holder: Finance  
Sarah Bainbridge, Senior Organisational Development Advisor  
Adrian Flynn, Chief Accountant  
Robert Fox, Head of Revenues and Benefits  
Julia Hutley-Savage, Interim Head of Legal  
Louise Livingston, Executive Head: Transformation  
Kelvin Menon, Executive Head: Finance  
Jenny Rickard, Executive Head: Regulatory

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

**RESOLVED** that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 4<sup>th</sup> September 2019 be agreed as being a correct record and signed by the Chairman.

#### **15/PF Portfolio Holder Update - Finance**

Councillor Charlotte Morley presented an update on the work carried out to date during the 2019/20 municipal year in her capacity as Executive Portfolio Holder for Finance.

##### Audit of Accounts

The Committee was informed that it was recommended best practice that at the end of each financial year local authority accounts were fully audited by an external auditor and the audit signed off by 30<sup>th</sup> September. Local authorities in England were allocated an external auditor as part of a national procurement exercise which took place every five years to ensure that a Council's external audit function remained independent and objective and in 2018 the Council's appointed auditor changed from KPMG to BDO.

It was reported that the Council's allocated External Auditor, BDO, had not yet signed off the Council's accounts for the 2018/19 financial year. It was reported that this situation was not unique to Surrey Heath and approximately 40% of local authorities in England and Wales were in a similar position. Officers had been pressing BDO as to when the audit would be complete and BDO had intimated in a letter to the Council dated 30<sup>th</sup> July 2019 that the delay had been caused by a lack of resources; a factor that was impacting on all the Surrey authorities in BDO's portfolio. Councillor Morley and Councillor

McClafferty, Chairman of the Audit and Standards Committee, would be meeting with representatives from BDO on 6<sup>th</sup> December 2019 try and bring the matter to a conclusion. If there was no resolution at this meeting then the matter would be reviewed by the Audit and Standards and Executive Committees.

The Committee was informed that the Head of Finance had written to Public Sector Audit Appointments (PPSA), the body responsible for the procurement and appointment of external audit firms, to provide feedback on the poor performance that the Council had experienced.

It was agreed that if the audit had not been concluded by the end of January 2020 then further representations would be made to the PSAA to express the Council's dissatisfaction with the situation and seek appropriate redress.

### Benefits

It was reported that the Council's performance when processing housing benefits claims was monitored by the Department of Work and Pensions (DWP) and the Council was currently performing in the top quartile. Further benchmarking of the service was carried out against over local authorities and the most recent benchmarking had concluded that the authority's performance fell within the expected range and that performance had improved over the past twelve months following a recruitment exercise and reduction in the number of complicated claims being received.

The Committee thanked Councillor Morley for her update.

## **16/PF Annual Report on the Treasury Management Outturn**

The Committee received a report summarising the performance of the Council's Treasury Management function.

It was noted that at the end of the 2018/19 financial year, the Council's Capital Financing Requirement for capital expenditure projects was £189.7million and there had been usable reserves and working capital of 341million available for investment. At the end of 2018/19, there had been £175.7million of actual borrowing and £30.3million of treasury investments.

The Committee was informed that details of any income received by the Council from its investments fell outside the remit of this report however the Council's investments did currently make a positive contribution to the Council's finances although at a lower level than in previous years due to the ongoing financial difficulties faced by House of Fraser. The industrial estates continued to perform well and the income received from The Square shopping centre continued to hold up despite the current financial climate. It was confirmed that all the Council's commercial assets were covered by service charges and these would contain an element which would be ring-fenced to contribute to a sinking fund for any major works. It was agreed that more specific information would be provided outside the meeting.

It was acknowledged that rising interest rates on Public Works Loan Board (PWLB) loans were likely to impact on the Council and officers were in talks with the PWLB about the implications of any interest rate changes. The Committee was informed that early repayment of PWLB loans incurred large penalties and as a consequence if money was borrowed and not required many local authorities lent the excess funds to other local authorities at a lower interest rate than they might get for loans from the PWLB.

The Committee noted the report.

#### **17/PF Council Finances as at 31st July 20109**

The Committee considered a report setting out a summary of the Council's financial performance between 1<sup>st</sup> April 2019 and 31<sup>st</sup> July 2019.

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. The income for garden waste and car parking were currently falling behind budget and these areas were being monitored closely to see whether there was likely to be an impact as the year progressed.

It was considered that the decline in car parking income was due to a combination of factors including a fall in footfall in the town centre and work in the car parks to increase the size of parking spaces to accommodate larger cars.

The expected Garden Waste collection income was approximately £100,000 below projected figures and was subject to discussions between Joint Waste Solutions and Amey.

The Committee noted the report.

#### **18/PF Surrey Heath Borough Council Annual Plan: Mid Year Performance**

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 2019/20 municipal year.

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

- Four options had been developed for the redevelopment of the Old Dean Playground and these would be subject to public consultation over the coming months before a planning application was submitted. It was expected that the works would be completed by Spring 2020.
- The Town Centre Working Group received regular updates on the progress of the redevelopment of the London Road Development Site. The Committee's request for more specific dates and timescales in documents discussing the development was noted and it was agreed that the project plan would be shared with members.
- It was reported that the review of the Kevin Cantlon Shop Front Improvement Scheme had streamlined and simplified the application process. It was stressed that the Scheme's full name must be used in any public arena to ensure that awareness of the scheme and its purpose was raised amongst the local business community. It was agreed that the revised criteria would be circulated to members.
- Information sessions had been put in place, following reports that staff at Frimley Park Hospital were unaware of the Council's Home Safe service. It was agreed that information about the take up of the sessions would be circulated.
- It was clarified that the Council's contract with Berkleys stated that the Ashwood House site would be handed back by November and as such the October handover had met these requirements.
- The Committee was informed that regular meetings with tenants of London Road Block properties to keep them abreast of redevelopment progress would be scheduled and an initial meeting would take place on 4<sup>th</sup> December 2019.

- Clarification would be sought on whether the figures given for theatre ticket sales related to both shows and fitness classes or just fitness classes.
- Information on the performance of the Grounds Maintenance Contract would be provided outside the meeting.
- Rates of household recycling being sent for composting, reuse and recycling rates were subject to a significant time lag of many months. It was agreed that actual tonnage figures would be circulated.
- The Committee commended the team responsible for marketing Camberley Town Centre.
- It was agreed that future performance reports would, wherever possible, contain specific dates and time frames rather than vague references like early summer or mid 2021.
- It was agreed that future red, amber, green performance ratings would be based on actual figures and not rounded figures.

The Committee noted the report.

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

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

### **20/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 29<sup>th</sup> January 2019 at 7pm.

**Chairman**