

**Minutes of a Meeting of the Performance
and Finance Scrutiny Committee held
virtually on 9 September 2020**

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

- Cllr Dan Adams	- Cllr Edward Hawkins
- Cllr Graham Alleway	+ Cllr Robin Perry
+ Cllr Rodney Bates	+ 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

Executive Portfolio Holders in Attendance:

Cllr Colin Dougan, Executive Portfolio Holder: Business & Transformation

Cllr David Lewis, Executive Portfolio Holder: Finance

Cllr Alan McClaffery, Leader

Cllr Adrian Page, Executive Portfolio Holder: Planning & People

Officers in Attendance:

Daniel Harrison, Executive Head: Business

Martin Hone, Interim Head of Finance

Louise Livingston, Executive Head: Transformation

Tim Pashen, Interim Chief Executive

Richard Payne, Executive Head: Corporate

Gavin Ramtohal, Head of Legal

Gina Robinson, Assistant Customer Relations Manager

Jenny Rickard, Executive Head: Regulatory

10/PF Apologies for Absence

The following substitutions were noted:

Councillor Rodney Bates for Councillor Graham Alleway

Councillor Robin Perry for Councillor Dan Adams

Councillor Valerie White for Councillor Edward Hawkins

11/PF Minutes of Previous Meeting

RESOLVED that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 1st July 2020 be approved as a correct record and signed by the Chairman.

12/PF Complaints Monitoring 2019/20

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

During the 2019/20 municipal year, 17 formal complaints had been dealt with at either stage 2 or stage 3 of the Corporate Complaints Procedure. Of these, 11 had been found to be not justified, 4 were found to be partly justified, one had been found to be justified and one complaint was currently on hold.

It was noted that in previous years parking had given rise to a number of complaints however in 2019/20 no complaints had been received relating to parking services. Although responsibility for the parking service had been transferred to Woking Borough Council in 2018/19 enquiries had found that the number of parking related complaints dealt with through Woking Borough Council's complaints process had fallen from 7 in 2018/19 to 4 in 2019/20.

It was noted that currently ward councillors were not automatically notified when a complaint was received from a resident of the ward they represented. It was agreed that the possibility of sharing complaints with relevant ward councillors, should the complainant wish the matter to be shared, would be explored.

During 2019/20, the Local Government Ombudsman had considered 13 complaints and enquiries relating to Surrey Heath Borough Council and of these two had been upheld. It was agreed that the learning arising from the complaints that had been upheld would be shared with the Committee.

The Committee noted the report.

13/PF Expenditure on Legal and Professional Services

The Committee considered a report providing a summary of the Council's spend on legal services and consultants during the 2019/20 financial year.

The Committee was informed that all spending was within agreed budgets and that expertise was often bought in to enable specific projects to be completed and consequently costs would vary from year to year.

It was clarified that the negative spend of -£51,681.05 on finance consultancy services had been a result of a correction of expenditure on an air quality project which had originally been coded incorrectly to Finance instead of Community Services.

It was agreed that a more detailed breakdown of expenditure and a comparison with the 2018/19 financial year would be circulated.

The Committee noted the report.

14/PF Zero Based Budgeting

The Committee considered a report setting out a proposal to undertake a zero based budgeting exercise as part of the budget setting process for the 2021/22 financial year.

It was noted that the Council currently adopted an "incremental" approach to budget setting, whereby the budget for the new financial year was prepared by taking the current year's budget or actual performance as a base, with incremental amounts then being added for the new budget period. It was considered a practical approach to building a budget that did not normally result in fundamental change year on year. In contrast a zero based budget (ZBB) approach started from the premise that no cost or activity should be factored into a budget just because it had been present in the previous period and that

anything that was to be included in the budget had to be justified and every function analysed for its needs and costs.

ZBB was a resource intensive process and consequently it was proposed that a three year rolling ZBB programme be implemented with resources focused during the first year on those services which were particularly reliant on income from fees and charges including leisure and planning. This three year rolling programme would enable the methodology to be thoroughly tested, provide an analysis of the cost drivers in those services which needed to attract customers and provide member and senior management support to those services most at risk from the current Covid-19 pandemic and the associated economic downturn.

It was confirmed that the Executive was in the process of developing a new Five Year Strategy and Vision for the Council and Members would have the opportunity to agree the Council's political priorities e.g. poverty and climate change as part of this process.

The budget setting timetable for the 2021/22 financial year was currently under development and would include opportunities for members to be involved in the challenge process. It was agreed that the budget setting timetable would be circulated.

RESOLVED that the Performance and Finance Scrutiny Committee 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.

15/PF Property Investments for Treasury Management Since 2016

The Committee considered a report setting out a motion relating to the Council's property investments in Camberley town centre which had been referred to the Committee by Full Council at their meeting on 22nd July 2020. The motion had expressed concern about articles in the national press regarding the Council's property investments, sought information pertaining to the purchase costs of property investments since 2016 and suggested further actions in the event that there had been a significant impairment of book value since the date of a property's purchase.

It was acknowledged that a number of those involved in the decision to pursue the purchase of the Mall Shopping Centre in 2016 were either no longer employed by the Council or were no longer elected members and there would therefore be little benefit in revisiting their actions at the time. Notwithstanding this, it was agreed that the concerns that there had been insufficient information available at the time for members to make a fully informed decision on the Mall's purchase did warrant further investigation and that the information provided in the relevant reports and workshops ought to be reviewed in order to inform future decision making. It was agreed that a Member Task and Finish Group should be established to review the information available at the time of the decision. It was noted that the membership of Task and Finish Groups should be broadly politically proportionate and it was agreed that members wishing to participate in the Task and Finish Group would forward their names to their Group leaders in the first instance.

It was clarified that the projected £110,000 cost of the budget required for all stages of the work set out in the Motion was made up of a mix of external consultant costs and officer time. Of this it was felt that officer time would take up approximately £50,000. It was suggested that a funding request for up to £40,000 be made to Council to pay for the services of an external consultant to complete a desk top review of the property acquisitions set out in Annex B of the report.

Concern was raised that the documentation relating to the decision to purchase the Mall in 2016 remained exempt leading to a perception that the decision had not be subject to adequate scrutiny. It was agreed that the possibility of making the documentation public would be followed up with the Monitoring Officer.

RESOLVED that:

- i. A Task and Finish Group be established to review the advice provided to members in relation to the purchase of the Mall Shopping Centre.
- ii. A progress update be given to the Performance and Finance Scrutiny Committee at its meeting on 25th November 2020 and the next meeting of Full Council.

RECOMMENDED that:

- i. Full Council be recommended to allocate a budget of up to £40,000 for the provision of an external consultant to complete a desk top review of the property acquisitions set out in Annex B of the report.

16/PF Committee Work Programme

The Committee considered a report setting out the Committee's proposed work programme for the remainder of the 2020/212 municipal year.

It was agreed that an update from the Property Investment Task and Finish Group would be added to the Committee's meeting on 25th November 2020.

RESOLVED that subject to the amendment set out above the Performance and Finance Scrutiny Committee's work programme, as set out at Annex A to the report be agreed.

17/PF Review of Exempt Items

It was agreed that the exempt annexes B and C at Item 7 would remain exempt for the current time to be reviewed periodically as the matter progressed.

18/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 25th November 2020 at 7pm.

Chairman