

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

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

+ Cllr Graham Alleway	+ Cllr Edward Hawkins
+ Cllr Stuart Black	+ Cllr Darryl Ratiram
- Cllr Vivienne Chapman	+ Cllr Morgan Rise
+ Cllr Sarah Jane Croke	+ Cllr Graham Tapper
+ Cllr Paul Deach	+ Cllr Victoria Wheeler
+ Cllr Sharon Galliford	

+ Present

- Apologies for absence presented

Members in Attendance: Cllr Colin Dougan, Cllr David Mansfield, Cllr Adrian Page,
Cllr Robin Perry and Cllr Helen Whitcroft

Officers Present: Sarah Bainbridge, Organisational Development Manager
Gavin Chinniah, Head of Planning
Amanda Fahey, Strategic Director of Finance & Customer Service
Adrian Flynn, Chief Accountant
Anna Godleman, Climate Change Officer
Teresa Hogsbjerg, Economic Development Manager
Louise Livingston, Head of HR, Performance & Communications
Sue McCubbin, Recreation & Business Service Manager
Gavin Ramtohal, Head of Legal & Democratic Services
Damian Roberts, Chief Executive
Stephen Wilkinson, Head of Investment & Development

16/PF Minutes of Previous Meeting

RESOLVED that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 8th September 2021 be approved as a correct record and signed by the Chairman.

17/PF Declarations of Interest

There were no declarations of interest.

18/PF Six Month Performance Report

The Committee received a report summarising the performance of the Council in the first six months of the 2021/22 municipal year against the corporate objectives, priorities and success measures set out in the Annual Plan. Arising from the Committee's questions and comments the following points were noted:

- It was confirmed that the targets and expectations for the new leisure centre had been exceeded. Officers were waiting for full performance figures from the contractor and these would be shared when they were available.

- It was clarified that alternative ways of managing the theatre had been explored in the past however these had been rejected. It was stressed that the majority of community based theatres required some level of subsidy to keep them operational; Camberley's theatre currently had a strong management team in place who had worked hard to develop an attractive offer for customers and the subsidies provided to the theatre had reduced over time.
- Information as to the end destinations for any food waste collected in the Borough was requested.
- An update with regard to when the garden waste collections would be resumed was requested.
- More information on the work to reduce contamination of dry mixed recycling collections at flats was requested.
- It was suggested that monitoring of air quality should take in a wider area than just the Blackwater Valley Relief Road.
- Clarity was sought on whether the attendance figures for the Camberley Theatre were cumulative or the number for just that particular quarter. It was clarified that the theatre ticket figures reported represented that tickets sold in each separate quarter and the target represented the cumulative annual total.

The Committee expressed concern that the RAG rating used to indicate the progress of projects was not always helpful, and that it would be more helpful to state whether the target would be achieved or was on track, whether it was within the timescales or whether it was unlikely to be achieved. It was also felt that some ratings, for example the amber rating for the Local Plan project, did not reflect the significant volume of work had been done to meet the stated aims and objectives. Similarly, the Committee considered that indicators relating to waste collection service should not all be green or amber when the garden waste collections had been suspended.

It was requested that future performance reports include a more nuanced approach to ascertaining whether the Council was on track to meet its targets and include details as to whether the project was on track and on time or if the target was unlikely to be achieved. It was agreed that the approach to measuring progress would be reviewed. It was noted that the Committee would have an opportunity to review and comment on the draft Annual Plan for 2022/23 at its meeting in January 2022.

The Committee noted the report.

19/PF Treasury Management Update

The Committee considered the Treasury Management Mid-Year report for 2021/22.

The report summarised the performance of the Council's investments and borrowing for the first six months of the 2021/22 financial year and demonstrated the Council's compliance with agreed Treasury Management Indicators.

The Committee was informed that on the 30th September 2021 the Council held £175million of borrowing, a decrease of £5million on the borrowing levels on 31st March 2021. Of this £78million was in the form of loans from the Public Works Loan Board and £97million was in the form of short term Local Authority Loans. This put the Council well within the approved upper operational borrowing limit of £230million.

It was noted that the Council was required, by Government guidance and the CIPFA Code, to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return or yield on its investments. It was reported that on 30th September 2021, a total of £27,286,000 was held by the Council in investments,

compared to £22,394,000 on 1st April 2021. Of this, the Council had invested £2million in the CCLA Property Fund (A long term investment) while the remainder had been invested in a number of short term money market funds.

The Committee noted the report.

20/PF Revenue Budget Update

It was reported that the Covid-19 pandemic had continued to impact the Council's finances during the second quarter of the 2021/22 financial year, either due to increased expenditure or lower than expected revenues, a trend which was expected to continue for the remaining lifetime of the current financial year.

The main variances of note, to date, were car parking which was under budget by £368,000, Camberley Theatre which had a forecast deficit of £104,000 and the loss of income from subscriptions to the Garden Waste Collection Service which were refunded following the suspension of the service. There had also been a drop in the income received from the property portfolio with income from retailers being particularly impacted due to closures during Government imposed restrictions during the pandemic.

The Committee noted that the accounts showed four areas where there were significant variances between the agreed budgets and the current financial position and it was requested that written updates as to the actions being take to address these variances be provided for the following areas:

- Car parking
- Town centre investment and the JPUT
- Theta
- Albany Park

The impacts of the pandemic were noted however it was stressed that the 2021/22 budget had been set during the pandemic and it was questioned why this did not appear to have been taken into during the budget setting process.

Whilst it was acknowledged that there would be a need to utilise a portion of the Council's reserves to deliver services in the coming years; the Committee expressed concern over the Council's strategy for managing its finances over the coming years so that services could continue to be delivered to residents. It was questioned whether the Council's financial management strategies were sufficiently robust and the Committee requested that they receive regular oversight of these documents.

21/PF Capital Budget Update

It was noted that at the end of the second quarter of the 2021/22 financial year, £2.067million had been spent from the agreed capital budget of £13.934million. Oversight of the progress of capital projects was carried out by the Capital Monitoring Programme Board who ensured that projects were property scoped, costed and delivered as per the project specifications and that any delays were dealt with and reported at the earliest opportunity.

22/PF Portfolio Update: Finance

The Committee received a report summarising the Council's work over the past twelve months which were encompassed by the Finance Executive Portfolio.

The Committee was informed that work by BDO, the external auditors, to audit the Council's Financial Statements for the 2019/20 financial year was still ongoing. It was clarified that the fees that local authorities paid external audit firms were set by the PSAA; any variations to the agreed base fee had to be submitted to the PSAA for approval and the Council had no control over these additional fees.

It was noted that the Capital Project Board, which had been set up to monitor major capital programmes and projects, had held its first meeting in June and would be meeting on a quarterly basis going forward. The Council's Section 151 Officer and Capital Accountants fed into the Board with any matters arising being taken through the appropriate financial reporting processes.

So that members were fully able to scrutinise financial decision making, the Committee requested that training focusing on the accounts and financial matters be provided to all members.

It was noted that the new Head of Finance would be taking up the post in January 2022.

The Committee noted the update.

23/PF Portfolio Update: Business and Transformation

The Committee received a report summarising the Council's work over the past twelve months which were encompassed by the Business and Transformation Executive Portfolio; a portfolio which included Camberley Theatre, Car Parking, Communications and Engagement, Corporate Property, Data Protection and Freedom of Information, Economic Development, Heritage Services and ICT and Digital.

The Committee was informed that two methods of calculating footfall through the town centre and the car parks were used, a system that used anonymised data collected from smart phones and one that physically counted people moving through an area. A report on footfall data will be discussed at future meetings of the Property Investment and Town Centre Working Groups and the data collected would be used to inform the development of the Town Centre Strategy.

It was reported that Surrey County Council would be reinstating the parking restrictions on the High Street the week commencing 16th November 2021. The Committee acknowledged the increase in the number of delivery drivers waiting for take away pickups in the High Street over the past year and it was questioned whether an area off the High Street could be provided to enable them to park for free.

The Knoll Road Car Park made a significant contribution to the Council's finances, the decision to provide 2 hours of free parking had had a significant impact on the Council's income which was not sustainable and this would be reviewed before the end of the financial year.

It was confirmed that when the budgets had been set at the start of the financial year it had been expected that there would be a variance in the car park income as residents and

visitors readjusted following the pandemic restrictions and a more realistic budget would be set going forward into the new financial year.

The success of recent initiatives to support the development of small business in the borough was acknowledged; however there had been disappointment that of the 120 organisations supported by the Pop up Business School only 35 had been based in Surrey Heath and the concept would now be expanded using a new provider.

It was clarified that the processes for claiming pandemic related grant support from the Government were laid out in Government guidelines and it was confirmed that all applications had been submitted in line with these guidelines and by the deadlines stated.

The Committee was informed that there was approximately £108,000 left in the Council's Welcome Back Fund, a Government initiative which aimed to support businesses and encourage residents to return to high streets after the pandemic. To date, money had been used to support the Freedom of the Borough event and Squish in the Square and it was requested that any suggestions for what the funds might be spent on be forwarded to the Economic Development Team.

The Committee noted the update.

24/PF 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 oversight of financial management strategies would be added to the work programme.

25/PF Public Realm Task and Finish Group Update

It was reported that a report on the review of the public realm work would be brought to the Committee's next meeting. A written update would be circulated.

26/PF Date of Next Meeting

It was agreed that the next meeting of the Performance and Finance Scrutiny Committee would be rescheduled to Wednesday 19th January 2021 at 7pm.

Chairman

This page is intentionally left blank