

**Minutes of a Meeting of the Performance
and Finance Scrutiny Committee held at
Council Chamber, Surrey Heath House,
Knoll Road, Camberley, GU15 3HD on 13
July 2022**

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

+ Cllr Graham Alleway	+ Cllr Liz Noble
+ Cllr Stuart Black	+ Cllr Darryl Ratiram
- Cllr Vivienne Chapman	+ Cllr Morgan Rise
+ Cllr Paul Deach*	+ Cllr Victoria Wheeler
- Cllr Sharon Galliford	+ Cllr Helen Whitcroft
+ Cllr Edward Hawkins	

+ Present

- Apologies for absence presented

* Committee member in attendance virtually

Portfolio Holders in Attendance: Cllr Alan McClafferty, Leader
Cllr Robin Perry, Portfolio Holder: Finance

Non Committee Members in Attendance: Cllr Peter Barnett and Cllr Tim Fitzgerald

Officers Present: Sarah Bainbridge, Senior Organisational Development Advisor
Gavin Chinniah, Head of Planning
Robert Fox, Revenues & Benefits Manager
Louise Livingston, Head of HR, Performance & Communications
Damian Roberts, Chief Executive
Nick Steevens, Strategic Director: Environment & Community
Bob Watson, Strategic Director: Finance & Customer Services
Stephen Wilkinson, Head of Investment & Development

1/PF Minutes of Previous Meeting

RESOLVED that the minutes of the meeting of the Performance and Finance Scrutiny Committee held on 9th March 2022 be approved as a correct record and signed by the Chairman.

2/PF Annual Performance Report

The Committee received the Annual Performance Report for the 2021/22 municipal year. The report summarised the performance of the Council against the corporate objectives, priorities and success measures set out in the Annual Plan and which were, in turn, reflective of the Council's agreed Five Year Strategy.

The Committee was informed that as at 31st March 2022, 74% of the agreed objectives or projects in the Annual Plan were either complete or had been achieved, 23% had been partly achieved and 3% were either on hold or at significant risk of not being achieved. In respect of the agreed performance indicators, 62% had achieved their agreed targets, 19% were less than 10% away from meeting their targets and 19% were more than 10% off target.

It was clarified that elements of the Climate Change actions had been classified as being amber because the in year target for the provision of electric vehicle charging points had

not been met. In addition the amber rating reflected a prudent perspective recognising that the long term target was ambitious and would require tangible implementation of initiatives to achieve it. The Committee was informed that Surrey County Council would be prioritising the roll out of a county wide network of on-street charging points however it was not yet clear how areas would be prioritised. Surrey Heath Borough Council was pressing forward with its plans for electric vehicle (EV) charges in car parks and was currently evaluating bid from potential providers. The variables around the different types of charging points were complex and it was confirmed that payback and profitability would form part of the review. It was noted that parish councils were exploring the possibility of installing electric vehicle charges and the learning from the Council's work could be shared.

It was confirmed that officers had met with Accent to discuss the quality of repairs and the maintenance of the Borough's social housing and the use of refurbishment grants to improve the energy efficiency of the Borough's social housing stock was also under discussion.

Members' frustrations over the progress on the target to develop social housing in the Borough were acknowledged. It was confirmed that the Council had an active dialogue with Accent Housing, with intent to progress on both sides and were looking at every opportunity to move this forward recognising that they were an independent organisation with their own separate decision making arrangements..

It was confirmed that fly tipping was examined to try and identify those responsible and where the perpetrators were identified then prosecutions were pursued. A suggestion that that more could be done to publicise successful prosecutions would be followed up. The Council was also expecting to introduce mobile CCTV to increase the work in this area.

It was noted that the Council was currently on track to deliver the new Local Plan in line with the agreed timetable although the provision of sufficient numbers of Gypsy and Traveller sites, and any changes in approach from the Government could be an issue.

Comments about the readability of the table of Success Measures were noted and it was agreed that this would be reviewed.

The Committee noted the report.

3/PF Capital Outturn Report 2021/22

The Committee received a report providing an overview of the Council's capital Outturn for the 2021/22 financial year.

The Committee was informed that at the end of the 2021/22 financial year, £4.490million had been spent from the agreed capital programme budget of £14.024million. Of the remaining Capital budget, £9.224million would be carried forward into the 2022/23 financial year; this left an overall underspend on the 2021/22 budget of £0.310million.

Over the course of 2021/22 a number of projects had been reviewed to ensure that the recent increases in inflation and the increased costs of material and labour were accurately reflected. As a consequence of this work, a number of projects had been put on hold while their viability was reassessed and the budgets had subsequently been re-profiled to take this into account.

It was questioned whether the £25,000 allocated to the refurbishment of the Whitmoor Road playground would be sufficient to bring it up to the same standards as those

elsewhere in the Borough. It was clarified that if additional funding was required then this would need to be subject to a supplementary capital bid.

It was clarified that the £127,000 allocated to Gypsy and Traveller Site Contributions was the Borough Council's contribution to the transit site developments that were being co-ordinated by Surrey County Council on behalf of all the Boroughs and Districts. Funding to support the provision of permanent sites would be available through the Local Plan process.

The proposed refurbishment of the Bowls Club was noted and it was questioned whether this money would be recharged through the lease.

It was agreed that the methodology for calculating the ratio of financing cost to net revenue stream would be circulated.

RESOLVED that:

- (i) Actual capital expenditure for 2021/22 of £4.490 million against a budget of £14.024 million be noted;
- (ii) A request to the Executive to approve the budget provision of £8.492 million be reprofiled from 2021/22 into 2022/23, as previously identified in the budget report in February to Council, and included in Annex 1, be noted;
- (iii) The additional reprofiling of £0.732 million further identified at year-end (31 March 2022), as set out in Annex 1 of the report, be noted.
- (iv) The additional expenditure of £35,000 for urgent health and safety remedial works at the Camberley Theatre, as detailed in Annex 1 of the report be noted.
- (v) The revised 2022/23 Capital Programme of £10.360 million comprising the £1.101 million of new budget agreed at the Council meeting in February 2022 plus £9.259 million of previously agreed budget reprofiled into 2022/23, be noted;
- (vi) The final capital prudential indicators for 2021/22 be noted.

4/PF End of Year Finance and Budget Outturn

The Committee received a report summarising the revenue outturn for the 2021/22 financial year and setting out the budget carry forwards from 2021/22 to 2022/23.

It was noted that at the end of the 2021/22 financial year the Council's services were reporting an overspend on its agreed budget of £0.453million. Notwithstanding the significant amount of work that had taken place to reduce expenditure through the year, the Council's finances had continued to be impacted by the Governments Covid-19 restrictions with lower than expected returns from major income producing services including car parking and rental income on its property portfolio and higher expenditure in other areas.

It was reported that a number of projects had either not been started or had not been completed during 2021/22 and £283,489 would be carried forward from the 2021/22 budget into the 2022/23 budget to enable these pieces of work to be completed.

It was clarified that the £174,000 variance in the Places Leisure Camberley budget had been due to the omission of the management fee for the new leisure centre when the budget was set in February 2021. It was noted that the management fee had been set up in such a way that the Council paid Places Leisure at the start of the contract's lifetime, then as the contract progressed the amount paid by the Council tapered off and Places Leisure started to pay increasing amounts to the Council. This arrangement was

considered to be a standard arrangement that was done to help a management company offset the costs incurred in building a facility of this type.

It was requested that a breakdown of how the £785,000 variance in the Town Centre Investment budget was split between the JPUT and lower rental income was provided.

It was noted that the cost line attributed to the Chief Executive covered a number of elements, including centralised costs arising from the Corporate Management Team, and was not a reflection of the Chief Executive's salary. It was stressed that this had needed to be clarified in 2020/21 and it was requested that this be clarified in future reports and publications.

The Committee noted:

- i. The spend against the approved revenue budget for the period 1st April 2021 to 31st March 2022.
- ii. The requests for carry forward of revenue budgets amounting to £283,489 from the 2021/22 financial year to the 2022/23 financial year.

5/PF Revenue Budget Monitoring Report - Quarter 1 (April to June 2022)

The Committee received a report summarising the financial position of the Council at the end of the first quarter (April to June 2022) of the 2022/23 financial year.

The Committee was informed that due to a fundamental review of the Council's budget setting processes a number of projects initially scheduled to take place in the early part of 2022/23 had been temporarily put on hold. Consequently, a significant underspend was being reported at the end of quarter one; this would be reduced and the budgets reprofiled as the year progressed.

It was noted that the carry forward budget of £283,500 related either to projects which had been started in 2021/22 and would be completed in the current financial year or was Government grant funding which had to be repaid if it was not used or carried forward.

It was clarified that the overspend in the Finance and Customer Services budget was due to accountancy services which were provided centrally which were then recharged to the appropriate department which would be done through the year.

It was agreed that the Budget Book would be published on the Council's website.

The Committee noted the report.

6/PF Update on the Use of Enforcement Agents in the Collection of Council Tax

The Committee received a report setting out the methodologies used by the Council to maximise the collection of council tax in the Borough.

The Committee was informed that council tax was levied on 37,947 domestic properties in the Borough, with a total net collectible debt of £86.804million being due in 2022/23 with the money being collected on behalf of the Borough Council, Surrey County Council, Surrey Police and Crime Commissioner and the Parish Councils. In 2021/22 the Council's Revenues Team had collected 99.7% of the council tax owed by residents, this compared to a national average collection rate of 95.9%.

Where a resident failed to make a payment on an instalment due then the following process was followed in an effort to recoup the arrears:

- i. Where a mobile phone number is held a SMS (text) message reminder is sent.
- ii. A first Reminder letter is sent giving the liable party 14 days to bring payments up to date
- iii. If the account is brought up to date but a subsequent instalment is not made then a second reminder letter is sent
- iv. If the liable party defaults for a third time then a Final Notice is issued
- v. If no payment is made after the Final Notice then a Summons is issued and a Liability Order is sought through the Magistrates' Court.
- vi. Once a Liability Order is granted, the liable party is given 7 days to make arrangements to pay the outstanding amount. If an acceptable payment plan is not made with the Council then recovery action would be pursued using a range of options including:
 - Making an attachment to earnings order
 - Applying for deductions to be made from benefits payments
 - Applying a charging order against the dwelling in respect of the debtor's liability
 - Applying for a bankruptcy order
 - The use of Enforcement Agents

Analysis of the point at which arrears were settled had found that the majority of residents who have missed a payment would rectify the situation before the Council goes to court for a Liability Order. However, there was a small minority of residents who would engage with the Council only when they were visited by Enforcement Agents

It was clarified that where debts were passed on to Enforcement Agents for collection, any costs incurred by the Enforcement Agency were recouped through the agency's levying of statutory fees, currently £75 per letter, on the liable party, with none of the costs being passed on to the Council.

It was stressed that the Council would prefer to work with residents to reach an agreement at every stage of the arrears recovery process and the Revenues Team worked with Surrey Heath Citizens Advice and Frontline Debt Service to support residents struggling to meet household expenditure. It was agreed that data relating to the number of residents who had been provided with additional support or advice would be provided.

Members' discomfort at the use of Enforcement Agents was acknowledged. However it was stressed that the use of Enforcement Agents was considered to be a last resort and removing the option to pass the debts on to an Enforcement Agency would result in a higher level of defaulting.

It was clarified that the automated telephone calls from Voicescape software, which enabled those in arrears to be directly connected to the Council's Revenues Team, registered on telephones as being calls that were coming directly from the Council. It was agreed that more information about this system would be circulated.

It was noted that the in 2021, Surrey Heath Borough Council were the highest performing local authority in the country for the collection of National Non Domestic Rates (NNDR or Business Rates) with 99.8% of NNDR collected, compared to a national average of 95.5%. It was agreed that comparator data would be shared.

The Committee noted the update.

7/PF Public Realm Task and Finish Group Update

The Committee was informed that an initial draft of the Task and Finish Group's report on the public realm works in Camberley High Street was under development; the report would be shared with the Task and Finish Group before it was presented to the Performance and Finance Scrutiny Committee for consideration.

8/PF Performance & Finance Scrutiny Committee Work Programme

The Committee considered its proposed work programme for the remainder of the 2022/23 municipal year.

It was agreed that an update from the Climate Change Working Group would be added to the work programme for the Committee's meeting in January 2023.

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 14th September 2022 at 7pm.

Chairman