



Surrey Heath Borough Council
Surrey Heath House
Knoll Road
Camberley
Surrey
GU15 3HD
www.surreyheath.gov.uk

Cllr Shaun Macdonald
Leader of the Council

shaun.macdonald@surreyheath.gov.uk

Dr Al Pinkerton MP
Member of Parliament for Surrey Heath
House of Commons
London
SW1A 0AA

10th March 2025

Open letter by email

Dear Al,

Thank you for your recent letter, raising several concerns from your constituents, who are our shared and valued residents. I want to take this opportunity to address the matters raised, outline our transformation programme and correct some misinformation circulating.

Residents will be aware that our administration was elected in May 2023, committing in our new strategy to “Deliver Effective Services with Sustainable Finances”. We inherited a set of challenges, particularly due to the £113mIn Camberley town centre retail property purchases in 2016, including:

- 4 years of no financial accounts or external audits and under-resourced finance team
- Backlog of critical property maintenance, including all car parks and The Square
- Online shopping changes, reducing retail footfall, especially during cost of living crisis

Our actions to date have addressed the first 2 of these issues which were in our control, however it has for the first time exposed the full magnitude of our financial challenges, which are:

- ~£16mIn fall in real usable reserves, ~1/3rd of total, restated to election day
- Core council services expenditure exceeding income by ~£3mIn/year
- Net loss of additional ~£5mIn/year from all historic property investment due to high interest rates

Overall this ~£8mIn/yr deficit means we will run out of specific earmarked usable reserves by the end of 2026, despite the budget actions planned, and are likely to require additional financial flexibility from the government to continue operation through into the new unitary structure in May 2027.

It is our responsibility as elected councillors to address the financial challenges faced in the best interest of the whole community by delivering statutory services effectively and

efficiently, and ensuring value for money for users of discretionary services. In doing so we have focused on our existing strategic themes of:

- Supporting those in Greatest Need
- Develop a High-Performing Organisation
- Optimise use of Council Property Assets

Our transformation programme seeks to Deliver Effective Services with Sustainable Finances. The programme begins with a root and branch review of all the council's activities through to summer 2025, planning the changes required in detail. Each service area will have an implementation plan produced, including impact assessment, community consultation and include wider communication if appropriate. Our dedicated staff will be engaged throughout the change journey, through regular and transparent dialogue, to maintain focus on quality service delivery for residents.

In simple terms transformation requires us to look at all statutory service provision to see how we can provide them at lower cost whilst meeting a good service level, above relevant benchmarks. An example of this might be: rather than an open door policy at the Council Offices, residents might need to phone ahead for a face to face appointment or be provided with virtual options such as Teams or enhanced methods to self-serve.

For discretionary, or optional services, a similar approach is followed, however with an inbuilt assumption that they will be self-sustaining with fees charged covering the cost of delivery or other external funding being secured. There is however flexibility here to withdraw services that are not covering their costs and an example would be stopping delivering Heathscene through all letterboxes.

With respect to our land and property portfolio, which covers community buildings, retail shops, industrial units and commercial offices, in line with our 2023 strategic aims we initiated a full review on behalf of the council taxpayers, as these were not being managed professionally. Some properties were not being maintained by leaseholders in line with their obligations (especially health and safety towards the public users), some leases had expired, many rent reviews had not been conducted in line with the lease terms and some service charges under-recovered.

Over the last 2 years, we have therefore collected together a list of what we own, what are the legal and practical constraints in place, what commercial arrangements need addressing and what are the social value aspects to consider. We then developed selective improvement plans, phased over time to minimise community impacts overall. This has always been led by the Property team of the Council, in line with our Council delegation of authority rules, who have consulted the relevant cross-party working groups to gain consensus on the best way forward for our residents.

In most cases no change is envisaged at all, like our major parks and key buildings. In others we will look to move assets to their natural owners, for example long term tenants such as community, sports and social groups, or updating their commercial leases. It may be some residents will want to extend their gardens into landlocked plots. For some sites an open market sale might be possible to release land for much needed affordable and social

housing for our young people and key workers, whilst also improving our financial position, however these are few in number.

Officers are empowered to progress these matters, be it through confidential conversations with tenants or wider marketing of assets, in line with their delegated professional duties, however all potential sales will come back to the Executive, or Council if appropriate, for review of the business case and approval that “best value” for residents has been achieved.

Similarly to the service changes, where appropriate we will engage in consultation with residents and communicate more widely on the background to any changes planned, as we have done to date for example in the case of the former House of Fraser building or London Road block partial demolition.

I hope that provides reassurance to yourself and our shared residents, that in seeking to address our inherited financial challenges we will protect the most vulnerable and continue to make Surrey Heath a great place to live, work, study and play.

Yours sincerely



Cllr Shaun Macdonald - Leader of the Council