

## Notice of Meeting

# Economic Prosperity, Environment and Highways Board

**Date & time**

Wednesday, 21  
October 2015 at  
10.30 am

**Place**

Ashcombe, County  
Hall, Penrhyn Road,  
Kingston upon  
Thames, KT1 2DN

**Contact**

Huma Younis or Dominic  
Mackie, Room 122, County  
Hall, Kingston upon  
Thames  
Room 122, County Hall  
Tel 0208 213 2725, 0208  
213 2814

**Chief Executive**

David McNulty

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Huma Younis or Dominic Mackie, Room 122, County Hall, Kingston upon Thames on 0208 213 2725, 0208 213 2814.**

### Elected Members

Mr David Harmer (Chairman), Mr Bob Gardner (Vice-Chairman), Mrs Nikki Barton, Mr Mike Bennison, Mrs Natalie Bramhall, Mr Stephen Cooksey, Mr Steve Cosser, Mrs Pat Frost, Mr David Goodwin, Dr Zully Grant-Duff, Mr Ken Gulati, Mr Peter Hickman, Mr George Johnson, Mr Richard Wilson and Mrs Victoria Young

### TERMS OF REFERENCE

The Committee is responsible for the following areas,

Performance, Finance and Risk Monitoring for the E&I Directorate	Road Safety	Community Transport
Strategic Planning	Concessionary Travel	Economic Development and the Rural Economy
Economic Prosperity	Minerals	Housing
Countryside	Parking Regulation and Enforcement	Local Transport Plan
Waste and recycling	Climate Change and Carbon Energy	Biodiversity and Wildlife
Transport Service Infrastructure	Rights of Way	Planning Services
Aviation	Cycle Routes	Street Lighting
Highway Maintenance	Gypsy and Traveller Sites	Flood Prevention and Infrastructure

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

### **2 MINUTES OF THE PREVIOUS MEETING: 9 SEPTEMBER 2015**

(Pages 1  
- 10)

To agree the previous minutes as a true record of the meeting.

### **3 DECLARATIONS OF INTEREST**

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

#### **Notes:**

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

### **4 QUESTIONS AND PETITIONS**

To receive any questions or petitions.

#### **Notes:**

- The deadline for Member's questions is 12.00pm four working days before the meeting (Thursday 15 October 2015)
- The deadline for public questions is seven days before the meeting (Wednesday 14 October 2015).
- The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### **5 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME**

(Pages  
11 - 16)

The board is asked to monitor progress on the implementation of recommendations from previous meetings and to review its forward work programme.

**6 UPDATES FROM MEMBER REFERENCE GROUPS AND TASK GROUPS**

To receive a verbal update from the boards task groups and member reference groups.

**7 THE AGREEMENT BETWEEN SURREY COUNTY COUNCIL AND SURREY WILDLIFE TRUST TO MANAGE THE COUNTRYSIDE ESTATE**

(Pages  
17 - 24)

**Purpose of the Report:** Scrutiny of Services and Performance Management/ Policy Development

This report updates the Board on the review of the Agreement between Surrey County Council and Surrey Wildlife Trust (SWT) to manage the County Council's Countryside Estate. A decision will be going to the County Council's Cabinet in November 2015, an outline draft of which is attached. This will set out the variations to the current Agreement and the monitoring process put in place to ensure the service is delivered to the agreed standards. The Board is asked to provide feedback on the proposed changes to the Agreement.

**8 SHAPING SURREY'S COMMUNITY RECYCLING CENTRES**

(Pages  
25 - 34)

**Purpose of the report:** Scrutiny of Services/ Policy Development

To enable scrutiny of proposals to change the service offered at the Community Recycling Centres (CRCs) to reduce costs and meet savings targets.

These proposals are due to be presented to Cabinet in November.

**9 INTERNAL AUDIT REPORT ON THE REVIEW OF WASTE MANAGEMENT AND MINIMISATION**

(Pages  
35 - 42)

**Purpose of the report:** Scrutiny of Services

To review the summary of audit findings and Management Action Plan produced as a result of an internal audit review of the Waste Management and Minimisation 2014/15.

**10 DATE OF NEXT MEETING: 10 DECEMBER 2015**

The next meeting of the Economic Prosperity, Environment and Highways board will be held on 10 December at 10.30am in the Ashcombe Suite, County Hall, Kingston upon Thames.

**David McNulty**  
**Chief Executive**  
Published: 13 October 2015

### **MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

*Thank you for your co-operation*

**MINUTES** of the meeting of the **ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD** held at 10.30 am on 9 September 2015 at Ashcombe, County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 21 October 2015.

**Elected Members:**

- \* Mr Bob Gardner (Vice-Chairman)
- \* Mr David Harmer (Chairman)
- \* Mrs Nikki Barton
- \* Mr Mike Bennison
- \* Mrs Natalie Bramhall
- \* Mr Stephen Cooksey
- \* Mr Steve Cosser
- \* Mrs Pat Frost
- \* Mr David Goodwin
- \* Dr Zully Grant-Duff
- \* Mr Ken Gulati
- \* Mr Peter Hickman
- \* Mr George Johnson
- \* Mr Richard Wilson
- \* Mrs Victoria Young

**In attendance**

Mr John Furey, Cabinet Member for Highways, Transport and Flooding

## **12/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1/15]**

Apologies were received from Pat Frost and Ken Gulati. There were no substitutions.

## **13/15 MINUTES OF THE PREVIOUS MEETING: 11 JUNE 2015 [Item 2]**

The Minutes were agreed as an accurate record of the meeting.

## **14/15 DECLARATIONS OF INTEREST [Item 3]**

There were no declarations of interest.

## **15/15 QUESTIONS AND PETITIONS [Item 4]**

- A member question had been received from Cllr Denis Fuller. A copy of the response was tabled at the meeting and is attached to the minutes.

## **16/15 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 5]**

### **Key Points Raised During the Discussion:**

1. The Board noted the Actions and Recommendations Tracker and agreed its provisional Forward Work Programme. An informal forward work planning session was scheduled to be held on conclusion of the formal Board meeting.
2. The Chairman reported that at the initial meeting of the Performance & Finance Sub-Group there had been a discussion about ways of working and an outline work programme had been agreed. There had been an issue about the timeliness of information submitted to the Sub-Group for the meeting, and it had been agreed that meetings would in future be adjourned if papers weren't received at least two days in advance. The Chairman would provide an oral update on the work of the Sub-Group at each Board meeting.
3. The Chairman updated the Board on progress with the Superfast Broadband project, and it was noted that the target of 95% of properties in the programme area having superfast broadband by the end of the year was set to be exceeded. A copy of the performance and finance sub group update report would be circulated to the board.
4. The Board received updates from the Chairmen of its Member Reference Groups as follows:

### **Customer Service Excellence**

The Members had visited the Council's Call Centre and had asked that resources for this service be protected because it provided a key first point of contact which was vital to the reputation of the Council. The Member Reference Group was reviewing highways contractors' response systems and had

also commissioned studies into specific highways projects such as Project Horizon. A visit to the Kier control centre had also been held.

A key on-going issue for the Member Reference Group was in relation to communications about highways work, including signage and letters to affected individuals and businesses. Members were encouraged to let the Group know about any examples of failings in the process. The issue of inadequate weights being used to secure temporary road signs was raised, and this was noted by the Cabinet Member. The importance of Members receiving a short bulletin about road works in their division was also highlighted, as good information significantly reduced the number of enquiries and help to set expectations.

*10.40 Peter Hickman arrived at the meeting*

### **Highways for the Future**

Recent work of the Group had focussed on development of the five-year Highway Business Plan, which aimed to ensure alignment between the Services' goals and the Council's Corporate Priorities. The Group had also reviewed the Asset Management Consultation toolkit, which was used to inform future spending decisions.

A visit to Northamptonshire had been held to see how Kier operated their highways contract there. This had highlighted initiatives which could be introduced in Surrey, particularly in relation to the social value agenda such as providing employment opportunities for disabled people.

The Group was currently reviewing its findings, and recommendations would be presented to the Board at its meeting on November 2015.

### **Actions:**

The Board to receive oral updates from its sub-groups as and when required at board meetings.

## **17/15 REPORT OF THE WINTER PERFORMANCE TASK GROUP [Item 6]**

### **Declarations of Interest:**

None.

### **Witnesses:**

Tony Casey, Highways and Transport Maintenance Team Manager  
John Furey, Cabinet Member for Highways, Transport & Flooding

### **Key Points Raised During the Discussion:**

- 1 Copies of the Highways Cold Weather Plan for 2014/15 were tabled at the meeting.
- 2 Stephen Cooksey introduced the report on behalf of the Winter Performance Task Group and highlighted the key points. It was noted that the arrangements in the Cold Weather Plan had not been fully tested yet as the last two winters had been relatively mild.
- 3 It was reported that the purpose of the weather stations was to measure the road surface temperature, wind speed and air temperature in order to help to plan the response to cold weather. The Highways Team also received three weather forecasts every day, covering periods of 24 hours, one week and 30 days. Members commented that they found it helpful to receive email notifications in advance of severe weather, and it was suggested that the provision of information could be extended by using social media to distribute updates about gritting or other work being carried out.
- 4 All of the Borough and District Councils were now engaged in the delivery of the Cold Weather Plan and all provided a consistent range of services such as footway clearance. There was, however, variation in the amount of resource individual councils could allocate to carry out the work. It was agreed that additional information should be included in the resources section of the Cold Weather Plan, setting out the level of service provided by individual Boroughs and Districts in the event of the Plan being implemented.
- 5 It was explained that priority gritting routes could be amended but members would need to contact the relevant highways officers to discuss this first.
- 6 The Board commended the work of the Task Group.

#### **Recommendations:**

The Economic Prosperity, Environment and Highways board agreed and endorsed the following recommendations for submission to Cabinet,

- a) That the 2014/15 Gritting Route Network, with minor amendments resulting from member, resident and officer feedback, be maintained for the 2015/16 season.
- b) That communities be permitted to purchase additional grit bins at a total cost of £947 for an initial 4 year period and £639 for each subsequent 4 year extension, and that Parish Councils and other statutory bodies may be licensed to install grit bins on the public highway.
- c) That the Highways Cold Weather Plan 2015/16 be approved.



- d) That approval of any future amendments to the Highways Cold Weather Plan be delegated to the Assistant Director Highways and Transport in consultation with the Cabinet Member for Highways, Transport and Flooding.

**Actions:**

- The task group report will be submitted to Cabinet for consideration.

Bob Gardner left the meeting at 11.45am.

**18/15 SURREY RAIL STRATEGY UPDATE [Item 7]**

**Declarations of Interest:**

None.

**Witnesses:**

Paul Millin, Travel and Transport Group Manager

**Key Points Raised During the Discussion:**

- 1 The Board noted that the benefits from the proposed Crossrail 2 scheme would be better connectivity between the County and Central London and reduced congestion on trains, particularly between Wimbledon and Waterloo. Wimbledon would become a key interchange for passengers travelling to and from Surrey.
- 2 Assessment work being completed by the County Council demonstrated a case for Woking Station to be incorporated into the Crossrail 2 proposals. Research underway suggests that improved journey opportunities could be achieved by the inclusion of Woking Station in the scheme. Analysis currently suggests that no benefits would be derived from the inclusion of Guildford.
- 3 A Network Rail report on the electrification options, including the North Downs Line was expected imminently, and details would be shared with the Board in the next update report. The access issues at Dorking Deepdene Station were discussed, and it was noted that Mole Valley District Council planning officers had stated that the options for the provision of lifts and fully accessible ramps were very limited due to the lack of space available. However, the Travel and Transport Group Manager would raise this again with First Great Western to see if a solution could be found and how this could be funded.

**Actions:**

- It was agreed that a further update report would be brought to the Board in the new year.

- It was also agreed that a copy of the County Council's formal response in relation to the devolution of rail services in London would be circulated along with the Minutes (attached to the minutes).

**19/15 DATE OF NEXT MEETING: 21 OCTOBER 2015 [Item 8]**

It was noted that the next meeting would be held at 10.30am on Wednesday 21 October 2015.

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**Chairman**

## Economic Prosperity, Environment and Highways Board- 9 September 2015

### Item 4: Members questions

Submitted by: Cllr Denis Fuller

1. Despite receiving reassurances that the consultation has been widely circulated, I have yet to speak to anyone who is aware of it. I have spoken to people using our recycling facility at Wilton Road Camberley who have not seen the notice or banner on the site. Further, the notices on the site do not actually use the word 'Consultation'.

Does your Board agree with my concerns? If so would you agree that we should extend the consultation period and use social media to spread the messages obtained therein. Wilton Road is a very successful site; the proposals in the consultation would involve significant changes. All residents must have a chance to comment.

2. The consultation details do not give the option to leave things as they are. I think we should be aware how many responders are content with the present facilities in our recycling centres. Does your Board agree that we should ask for the wording to be extended?

### Response:

1. At their meeting on February 24 2015, Cabinet resolved to approve the consultation process for potential changes at the community recycling centres. The consultation has been widely publicised by the following means,
  - **E-mail to stakeholders:** Immediately prior to its release, an e-mail describing the consultation and how it could be accessed was sent to a number of stakeholders, including all County Councillors and Surrey MPs.
  - **Press release:** Received wide coverage and prompted a debate on BBC Radio Surrey.
  - **Printed booklets:** These were sent to CRCs, libraries, district/ borough and SCC offices they have been very popular, especially as the school holidays are a busy time at the CRCs. Extra copies have been sent to libraries due to high demand. We had 5,000 printed and only have a few hundred spares left.
  - **Posters:** There are posters at all CRCs and banners at the largest sites.
  - **Digital advertising:** This has sent more than 2,000 people to the online survey.
  - **Social media:** From Surrey Matters, Recycle for Surrey and many districts and boroughs have sent more than 600 people to the online survey.
  - **E- newsletters:** It was promoted in this month's Surrey Matters e-newsletter and will be featured in the Recycle for Surrey e-newsletter later this month.

- **Press Advertising:** Now the school holidays are over, press advertising will be arranged.

The approach taken with publicising and communicating the survey has followed a similar approach to that which was undertaken for the Local Transport Review, which I understand was generally considered to be a well managed consultation. The leaflet and posters do not use the word 'consultation' but instead use the words 'Have your say on Surrey's CRCs and help us to provide the services you need the most'.

2. The consultation makes it clear that the aim of the CRC review is to make further cost savings, while maintaining this important service to residents.

The option of leaving things as they are would not meet the aim of the consultation, which is to deliver further savings. Residents have the option not to answer this question and to proceed with the remainder of the questionnaire, where they can add any further comments in the free text area.

**David Harmer**  
**Chairman of the Economic Prosperity, Environment and Highways Board**



CLLR DAVID HODGE  
LEADER

Richard Berry,  
London Assembly,  
City Hall,  
The Queen's Walk,  
London SE1 2AA

26 June 2015

Dear Mr Berry

**Re: the devolution of national rail services in London**

We welcome the opportunity to comment on the London Assembly Transport Committee's investigation into the devolution of rail services in London.

What is of most importance to Surrey County Council is that residents and businesses using inner suburban rail lines receive a good quality, improving rail service. The exact way in which these services are delivered is important but of less significance.

There is potentially merit in Transport for London (TfL) taking control of some inner suburban rail services that include stops in Surrey. We recognise that better integration with the London rail network could bring benefits to Surrey residents and businesses in terms of more frequent services and better connectivity.

In considering the devolution of rail services in London, we would be keen to ensure that service frequencies are protected in Surrey, fares are kept low and the capacity of services is increased.

Should services be devolved we would expect a formal role in overseeing those lines which service the county. Clear and transparent governance is crucial. This will help to ensure that the voice of passengers outside the capital is more clearly heard. It is important that timetables and stopping patterns reflect the needs of all the communities along the line, balancing the needs of communities in Surrey and in London.

**The Surrey rail network**

Like the London Assembly, the county council has identified several problems with Surrey's rail network. Many services in Surrey are at capacity and suffer from peak time overcrowding. The county has some of the most overcrowded train journeys in England and Wales and some parts of Surrey are poorly served by rail, with poor connections to the capital.

To ensure that the county has the rail infrastructure needed for sustainable economic growth and to identify proposals for improvements that partners in Surrey can plan and deliver, the county has developed a rail strategy.

The Surrey Rail Strategy was published in September 2013 following an extensive consultation process. It sets out the county's rail priorities:

- **Capacity on the South West Main Line**, including the Crossrail 2 scheme;
- **Local orbital rail services** (the North Downs Line);
- **Access to airports** – examined in the Surrey Rail Strategy: Surface Access to Airports study (October 2013).

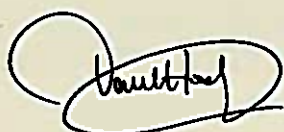
Crossrail 2 is an example of a scheme where close working with TfL will help to secure an optimal solution for Surrey, with the potential for direct services into the county from London and vice versa.

The Surrey Rail Strategy, and the detailed analysis that underpins it, can be found at [www.surreycc.gov.uk/surreyrailstrategy](http://www.surreycc.gov.uk/surreyrailstrategy).

Since the publication of the rail strategy, Surrey County Council has been working with the rail industry to implement it and deliver an improved rail service for Surrey residents.

We hope that working with TfL as it seeks to ensure a better service for those that live and work in the capital will also help us to deliver our rail priorities and ultimately deliver a better service for Surrey residents.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Hodge', enclosed within a large, loopy circular flourish.

David Hodge  
Leader of Council

## ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD ACTIONS AND RECOMMENDATIONS TRACKER

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The actions and recommendations tracker allows Board Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. Once an action has been completed and reported to the board, it will be removed from the tracker.

Date of meeting	Item	Recommendations/ Actions	Achieved or Still Outstanding	Responsible Officer:
09 September 2015	<b>RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 5]</b>	For a copy of the performance and finance sub group update report to be circulated to the board.	ACHIEVED A copy of the performance and finance sub group update report was emailed to members on 14 September 2015.	Huma Younis
09 September 2015	<b>SURREY RAIL STRATEGY UPDATE [Item 7]</b>	For officers to agree a date for when a further update report on the Surrey rail strategy should be brought back to the board.	ACHIEVED It was agreed that an update report would be considered by the board at its April 2016 meeting.	Paul Millin/Lee McQuade/Huma Younis

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# Economic Prosperity, Environment & Highways Board – Forward Work Programme 2015/16

21 October 2015  
(Public)

- Surrey Wildlife Trust/SCC Agreement- Draft Cabinet Report
- CRC's Report
- Review of Waste Management and Minimisation (Audit report)

10 December 2015  
(Public)

- Kier Contract Agreement- Final Report
- CIL & Section 106 Progress Report
- Audit Report Update- Bus Operating Contract
- Review of Highways Schemes (ITS) 2015/16 (Audit report)

## Future Scrutiny Topics

**Potential topics that can be scheduled for scrutiny when appropriate as well as long term and ongoing items are listed below.**

- 
- Basingstoke Canal Governance
  - Surrey Rail Strategy Progress Report- April 2016
  - Customer Services Update Report
  - Operation Horizon Update (combined Y2 & Y3 assessment and programme for Y4 & Y5)- March 2016

# Member Reference Groups/ Task Groups

## Ongoing Member Reference Groups and Task Groups of the Board

<b>Basingstoke Canal Task Group</b>	Michael Sydney George Johnson David Harmer (Spokesperson)	To consider the most effective governance option for Surrey county council in relation to the Basingstoke Canal of which Surrey is a joint owner. Recommendations of this Task Group will enable the county council to decide whether they continue their involvement with the Basingstoke Canal or make changes to the current joint ownership model.
<b>Countryside Management Member Reference Group</b>	Bill Barker Michael Sydney Stephen Cooksey David Harmer (Spokesperson)	To report to EPEH with recommendations to advise the Cabinet Member on the changes required to the Surrey Wildlife Trust (SWT)/Surrey County Council (SCC) Agreement and its governance, to ensure that it is fit for purpose for the remainder of its term.
<b>Customer Service Excellence Member Reference Group</b>	John Beckett Stephen Cooksey George Johnson Victoria Young Richard Wilson (Spokesperson)	To support the Highways Service's journey to achieve the Customer Service Excellence (CSE) Standard.
<b>Finance Sub-Group</b>	Mike Bennison Stephen Cooksey George Johnson Bob Gardner Richard Wilson David Harmer (Spokesperson)	To carry out robust scrutiny of major budgets, performance and costs of the services within the remit of the Environment & Transport Select Committee, and review existing and potential options for budget savings and performance improvement including testing of the evidence base for these options.
<b>Highways for the Future Member Reference Group</b>	Stephen Cooksey Peter Hickman Richard Wilson Mike Bennison (Spokesperson)	To allow Member input into the Highways Service's plans for the future long-term management of Surrey's highways
<b>Local Transport Review Member Reference Group</b>	David Goodwin Peter Hickman Michael Sydney Pat Frost (Spokesperson)	To assist the E&I Directorate in its Local Transport Review project.

<b>Winter Maintenance Task Group</b>	David Goodwin David Harmer Stephen Cooksey (Spokesperson)	To provide scrutiny and oversight of Surrey's annual Winter Maintenance policy.
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**Economic Prosperity, Environment and Highways Board**  
**21<sup>st</sup> October 2015**

**The Agreement between Surrey County Council and Surrey Wildlife Trust to Manage the Countryside**

**Purpose of the Report:** Scrutiny of Services and Performance Management/ Policy Development

This report updates the Board on the review of the Agreement between Surrey County Council and Surrey Wildlife Trust (SWT) to manage the County Council's Countryside Estate. A decision will be going to the County Council's Cabinet in November 2015, an outline draft of which is attached. This will set out the variations to the current Agreement and the monitoring process put in place to ensure the service is delivered to the agreed standards. The Board is asked to provide feedback on the proposed changes to the Agreement.

**Introduction:**

The Agreement with SWT to manage the County Council's Countryside Estate has run from 2002 with an end date of 2052. Following a review of the Agreement a number of changes are due to be taken to Cabinet in November 2015 for approval. The draft cabinet report attached outlines those changes.

The Variation to the Agreement will provide better value for the residents of Surrey and provide improved visitor facilities in the countryside.

**Variation to the Agreement**

1. Key to the variation to the Agreement is the premise that the Countryside Estate can generate an income which will allow the direct contribution from SCC to reduce to nil by 2021. SWT and SCC have agreed to work together to achieve this target and to this end a range of income generating ideas have been drawn up. These are now being worked up into business cases. These cases will underpin the rolling five year business plan which will demonstrate the process of getting to the nil contribution by 2021.
2. Following achievement of the cost neutral position for the Countryside Estate, the share of costs and profit from each of the income generating projects will be assessed on a case by case basis.

3. A further key variation is the changes to the Governance. This will include,
- The requirement for a rolling five year business plan.
  - The requirement for an Asset Management Plan and rolling five year Repairs and Maintenance Programme.
  - A revised Service Delivery Specification and set of Key Performance Indicators.
  - A new system to ensure that the Annual report is signed off by both partners.
  - A clear process for developing and approving the business cases and business plan.

<b>Recommendations:</b>
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4. That prior to the report to Cabinet in November 2015 the Economic Prosperity, Environment and Highways Board is requested to review the proposals and give feedback.

<b>Next steps:</b>
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- There is a private meeting of the Countryside Member Reference Group on 2<sup>nd</sup> November at which the details of the income generating projects and draft business plan will be shared.
- A report will go to Cabinet in November for the Approval of the Variations to the Agreement and the Business Plan for the Countryside Estate.

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**Report contact:** Lisa Creaye-Griffin, Group Manager, Countryside, Environment and Infrastructure

**Contact details:** [lisa.creayegriffin@surreycc.gov.uk](mailto:lisa.creayegriffin@surreycc.gov.uk), 020 8541 9404

**Annex 1- Draft Cabinet Report, 24 November 2015**

## **ANNEX 1- DRAFT**

### **SURREY COUNTY COUNCIL**

### **DRAFT REPORT TO CABINET**

**DATE:** 24<sup>TH</sup> NOVEMBER 2015



**REPORT OF:** MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING & MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE

**LEAD OFFICER:** MR TREVOR PUGH, STRATEGIC DIRECTOR FOR ENVIRONMENT AND INFRASTRUCTURE

**SUBJECT:** THE AGREEMENT WITH SURREY WILDLIFE TRUST FOR THE MANAGEMENT OF THE COUNTY COUNCIL'S COUNTRYSIDE ESTATE

#### **SUMMARY OF ISSUE:**

In the last report for Cabinet on this subject it was agreed that the details would be brought to the November Cabinet with a recommendation for approval. This report sets out the joint work between SCC and SWT to ensure that there is a Business Plan in place for the next five years, along with a variation in the Agreement between SWT and SCC to ensure that the requirements of the Agreement are clearly understood and it can be effectively managed. In the event of any disagreement the dispute clause of the Agreement would be activated leading to a mutually agreed resolution or the termination of the Agreement.

#### **RECOMMENDATIONS:**

It is recommended that Cabinet:

1. Approves variations to the Agreement, and associated lease, relating to revised financial formula, governance arrangements, Asset Management Plan, performance management and woodland management, as described in paragraph XX of this report, subject to the same variations being agreed by SWT Trustees at their Council meeting on 30<sup>th</sup> November 2015.
2. Approves the Business Plan for the next five years up to 2020/21.

#### **REASON FOR RECOMMENDATIONS:**

Approval of the recommendations will implement changes to the Agreement with SWT which improve its effectiveness, deliver improvements for visitors, aim to reduce the Council's contribution to zero by 2020/2021, and agree the distribution of funds thereafter.

## DETAILS:

### Background

1. This report seeks approval for variations to the existing Agreement between SCC and SWT that will clarify what is required from SWT leading to the Countryside Estate becoming financially self sufficient. In addition the variations strengthen the management and performance monitoring process for the Agreement to ensure that it delivers an improving service to the public.
2. The proposed variations have been discussed with a Member Reference Group of the Environment and Transport Select Committee and subsequently with the Economic Prosperity, Environment and Highways Board. The proposals are summarised below and, where appropriate, described in full in specified Annexes attached to this report.
3. **Variations to the Agreement**-The main change to the Agreement is the financial formula which has already been agreed in principle between the parties. Other changes proposed relate to clarifying the requirements of the Agreement so that they can be clearly interpreted in the future. The remaining changes to the Agreement, as summarized in Annex 1 are relatively minor and once agreed by SWT's Trustees can be implemented quickly.
4. **Five Year Rolling Business** – In line with the Financial Formula (included as Annex 2 in the June 2015 Cabinet report) the five year rolling Business Plan (the plan) presents a guaranteed set of figures for 2016/17 and an outline of the budgets for subsequent years taking into account the outline business cases that are either worked up or in the process of being worked up. The plan reflects the agreed target of achieving nil revenue contributions from SCC by 2021, through the joint development of business plans to reduce costs and generate additional income for the period 2016/17 to 2021/2022. The business plans will be reviewed annually under the revised Governance arrangements, which include the Annual Report to the Cabinet.
5. **Business Cases**-The business plan is based on business cases being worked up to make the most of opportunities to generate income from activities and properties on the Countryside Estate. Annex 3 sets out some of the opportunities identified so far. These are in a range of stages from initial ideas to developed outline business cases. Outline business cases are then submitted to SCC to determine whether they are viable and establish where investment would come from if required. Outline business cases will be submitted to SCC by the beginning of July each year with detailed cases by the end of September to allow them, if agreed by SCC, to be incorporated into the Business plan by the end of October each year. This process is now clearly incorporated into the Agreement to remove any doubt over the process.
6. **Newlands Corner**-Phase 1 of the project to improve the visitor facilities at Newlands Corner is a key opportunity to improve the experience for all visitors and encourage a wider range of people to visit and enjoy more of the site. The income generated from this project will be key in providing early returns in the Business plan. This provides a chance to develop some of the other plans which have a longer lead in time.
7. **Governance Arrangements** were set out in the June report and attached to this report in Annex 4 is the first Annual Report on the Countryside Estate from SWT. This will be an evolving process but illustrates the annual performance reporting. KPIs and targets defined in the Service Delivery Specification are also reported quarterly so any issues can be picked up during the year.



8. **Asset Management Plan (AMP)** – SCC Property Services have carried out a due diligence process on the Stock Condition survey of built property and on the overall management of property on the Countryside Estate. This has involved an internal assessment of the stock condition and an overview of the potential of the estate to generate better return.
9. Knight Frank were commissioned to assess a range of factors relating to SWT's management to the Estate including the built property, farms and the grazing operation and provide a critique. (The draft of their report is awaited).
10. **Supplemental Lease** – This will complete the intended lease of property already managed by SWT. A draft is currently with SWT's solicitors.

#### **CONSULTATION:**

11. Internal consultation has taken place with Legal Service, Property Services, Procurement, and the Cabinet Member for Environment and Planning has been involved throughout the negotiations.
12. A Member Reference Group from the Environment and Transport Select Committee and EPEH Board has been involved in the development of these proposals.
13. Briefing sessions have taken place with the local County Council, Borough Councillor and Parish Councillors on Newlands Corner.
14. SCC/SWT Partnership Committee will be informed in November 2015.
15. The proposals will be considered by SWT Trustees in November 2015.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

16. The main financial risk is around the success of the business cases put forward each year. This will be a joint process with SCC approving those cases and agreeing that they will provide an acceptable income for the following year. Monitoring during the year will quickly flag up any issues and allow the two parties to seek a remedy. A small Board will be established to assess the business cases, this will comprise of representatives from SCC and SWT.
17. There is a reputational risk if the partnership fails. This review has shown that the Agreement can be made to work for both parties providing we work collaboratively, have robust governance in place and develop clear plans for investment and returns for each party. There can be confidence in the management of this risk as proposed changes to the Agreement are based on principles accepted in writing by the SWT.
18. Investment in the property is essential to keep the assets maintained and to maximize income over the 37 years remaining on the lease; it is a full repairing lease and the terms of the Agreement require that the properties are maintained to a minimum standard comparable to the condition as at the inception of the lease. A further condition survey has been completed of all the built property in 2015 and confirms that it is in a fair to good condition, this will now form the baseline for all further monitoring. The Property Asset Management Plan has been developed from that survey and will be monitored through the Service Delivery Specification and Key Performance Indicators to ensure that the land and buildings are properly maintained.

#### **Financial and Value for Money Implications:**

19. SWT and SCC are working on plans that will develop the income generating potential of the Countryside Estate to get it to a self funding position by 2021. The Council's current Medium Term Financial Plan includes countryside savings of £0.3m by 2016/17, including reduced support to SWT of £0.2m. Developing these opportunities will provide savings and also improve the visitor facilities for the public and help to attract a wider range of visitors. This will form part of our aim to increase the number of people taking part regularly in physical activity.
20. The investment needed for these plans will be agreed between the parties for each business case. Any investment from SCC would be subject to a robust business case, including an assessment of risks, and approval through the Council's normal process including its investment panel, and any decision required by members would be the subject of future reports.
21. SWT have demonstrated that they are committed to making this plan work by delivering savings in 2014/15 and 2015/16 and presenting a business plan that gets the Estate to financial self sufficiency by 2021. The plan is subject to the business opportunities delivering the income projected, however this risk is reduced by the development of a wide range of income generating ideas as well as back up plans should the main ones be delayed or fail to be realized.
22. The Property Asset Management Plan will help to ensure that plans are developed to maximise the benefits from property and ensure adequate financial provision is made for future property repairs and maintenance. The Supplemental Lease seeks to formalise existing arrangements and as such is not expected to impact on the council's finances.

#### **Section 151 Officer Commentary**

To follow

#### **Legal Implications – Monitoring Officer**

To follow

#### **Equalities and Diversity**

23. The Agreement makes appropriate provision for equality and diversity issues in terms of recruitment and public engagement. There are no discernible impacts arising from the changes to the Agreement at this stage. Equality Impact Assessments will be carried out as improvements arising from the Agreement are proposed.

#### **Other Implications:**

24. The potential implications for the following Council's priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report

Public Health	No significant implications arising from this report
Climate change	No significant implications arising from this report
Carbon emissions	No significant implications arising from this report

#### **Public Health implications**

25. It is the aim of both SCC and SWT that, by improving the visitor facilities and making sites more attractive to local users, the number of people who partake in regular physical activities will increase.

#### **Climate change/carbon emissions implications**

26. There are no implications for climate change or carbon emissions from the review itself. Some of the commercial projects that come out of the review may have implications and these will be assessed as part of the project plans.

#### **WHAT HAPPENS NEXT:**

Next Steps:

- To delegate to The Strategic Director for Environment and Infrastructure and Cabinet Member for Environment and Planning the completion of the Variation to the Agreement
- To set up the Board to work with SWT and assess the income generating opportunities.

**Contact Officer:**

Lisa Creaye-Griffin  
Countryside Group Manager, Environment and Infrastructure  
0208 541 9404

**Consulted:**

Surrey Wildlife Trust Trustees  
Surrey Countryside Partnership Committee (The Committee established to steer the Agreement)  
Environment and Transport Select Committee (ETSC)  
ETSC Member Reference Group  
SCC Legal Service  
SCC Property Services  
SCC Financial Services  
SCC Procurement Services  
SCC Director for Legal and Democratic Services

**Annexes:**

Annex 1	Summary of Variations to the Agreement
Annex 2	Summary of the Five Year Rolling Business Plan 2015/16 to 2021/22
Annex 2	Business Opportunities
Annex 3	Annual Report 2014/15

**Sources/background papers:**

- Cabinet Report 23<sup>rd</sup> June 2015 : The Agreement with Surrey Wildlife Trust for the Management of Surrey County Council's Countryside Estate
- Cabinet Report 20 March 2010 Countryside Contract Review
- Cabinet Report 16 December 2014: The Agreement with Surrey Wildlife Trust for the Management of the County Council's Countryside Estate
- Environment and Transport Select Committee 23 April 2015: The Agreement with Surrey Wildlife Trust for the Management of the County Council's Countryside Estate



**Economic Prosperity, Environment and Highways Board  
21 October 2015**

**Shaping Surrey's Community Recycling Centres**

**Purpose of the report: Scrutiny of Services/ Policy Development**

To enable scrutiny of proposals to change the service offered at the Community Recycling Centres (CRCs) to reduce costs and meet savings targets.

These proposals are due to be presented to Cabinet in November.

**Introduction:**

1. As a result of reduced funding the Environment Service has been asked to propose measures which would reduce the annual costs of managing waste by £6 million per year over the next five years.
2. It has been identified that £1.8 million could be saved from the operation of the CRCs by introducing a number of service changes. The remainder will be achieved through reducing disposal costs and increasing recycling collected by Waste Collection Authorities (WCAs).
3. This report will inform the board about the legal background to the provision of the CRCs, facts around the current provision, areas where savings could be made and to receive comments and prepare for a report to Cabinet in November 2015.

**Legal Obligations of the Waste Disposal Authority**

4. Surrey County Council (SCC) as Waste Disposal Authority has a legal duty to dispose of waste collected by the Surrey district and borough councils. In addition SCC must also provide places for residents to dispose of their own household waste free of charge (CRCs). In 2014/15 Surrey residents produced 572,000 tonnes of waste. Approximately three quarters of this waste was collected at the kerbside by district and borough council and one quarter was collected at the CRCs.

5. The majority of recycling that is collected at the kerbside by district and borough councils is 'retained' by them for recycling and the county council is required to pay a 'recycling credit' to a district and borough to reflect the avoided disposal cost. Disposal of residual waste collected by district and borough councils is the county councils responsibility.
6. Separate arrangements have been agreed between the county council and district and borough councils in respect of food waste and green waste collected at the kerbside.
7. The scope for savings with regard to the three quarters of waste collected at the kerbside is limited to securing better deals for the disposal of residual waste and working with district and borough councils to reduce arisings, increase recycling and negotiating changes to the current recycling credit payment system.
8. In contrast the county council have much more discretion in the level of service that has to be provided at the CRCs. The key elements of this obligation are set out as follows

Legal Requirement	Comments
To provide a place or places	The number of facilities is not prescribed
They must be provided for <i>persons resident</i> within the county	There is no requirement to provide any free facilities for residents who live outside Surrey
They must accept residents' own <b>household</b> waste free of charge	There is no requirement to accept any waste other than a residents own <b>household</b> waste free of charge. A number of wastes already accepted for free are not household waste
They must be reasonably accessible	There is no definition of what is reasonably accessible, both with respect to distance travelled and vehicle type accepted
They must be available at all reasonable times including during at least one Saturday or Sunday per week	There is no definition of reasonable times other than the availability for a period on a Saturday or Sunday.

9. It is worth noting that earlier this year the Department of Communities and Local Government (DCLG) introduced legislation to prevent further authorities from charging entrance fees at CRCs. A number of authorities were planning to do this in order to avoid site closures. This ruling lies separate from the ability to charge for non-household waste legislation which the government allows.

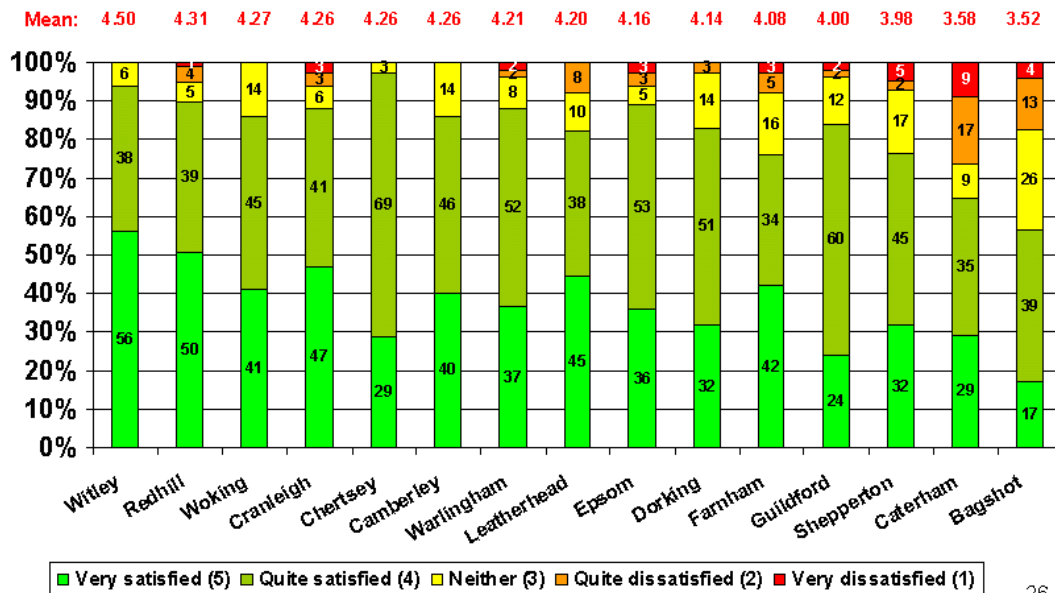
## **The Current Service**

10. SCC provides 15 sites across the county. They manage 145,000 tonnes of material per year.
11. The service and sites have existed for around 40 years. Fourteen of the sites are open 7 days per week 362 days per year. The fifteenth site is open 6 days per week, 362 days per year.
12. Opening times vary with season. The sites open 8am weekdays and 9am weekends all year round, but close 4:15pm in winter and 5:15/4:45pm during summer.
13. In 2014/15, 64% of the materials collected at the CRCs were recycled. This does not include materials which are sent for energy recovery or other beneficial use.
14. When all materials are considered, the sites diverted 96% away from landfill in 2014/15.
15. Wood waste accounts for 15% of CRC tonnes but is classed as category C wood (heavily contaminated) and only fit for feedstock in Waste Incineration Directive (WID) compliant biomass burners. A number of trials have taken place over the years to try to extract clean timber but the volumes are so small that the trials have failed. WID compliant burners do not exist in Surrey and so all Surrey wood is exported by sea to Scandinavia or Scotland.

## **Customer Satisfaction**

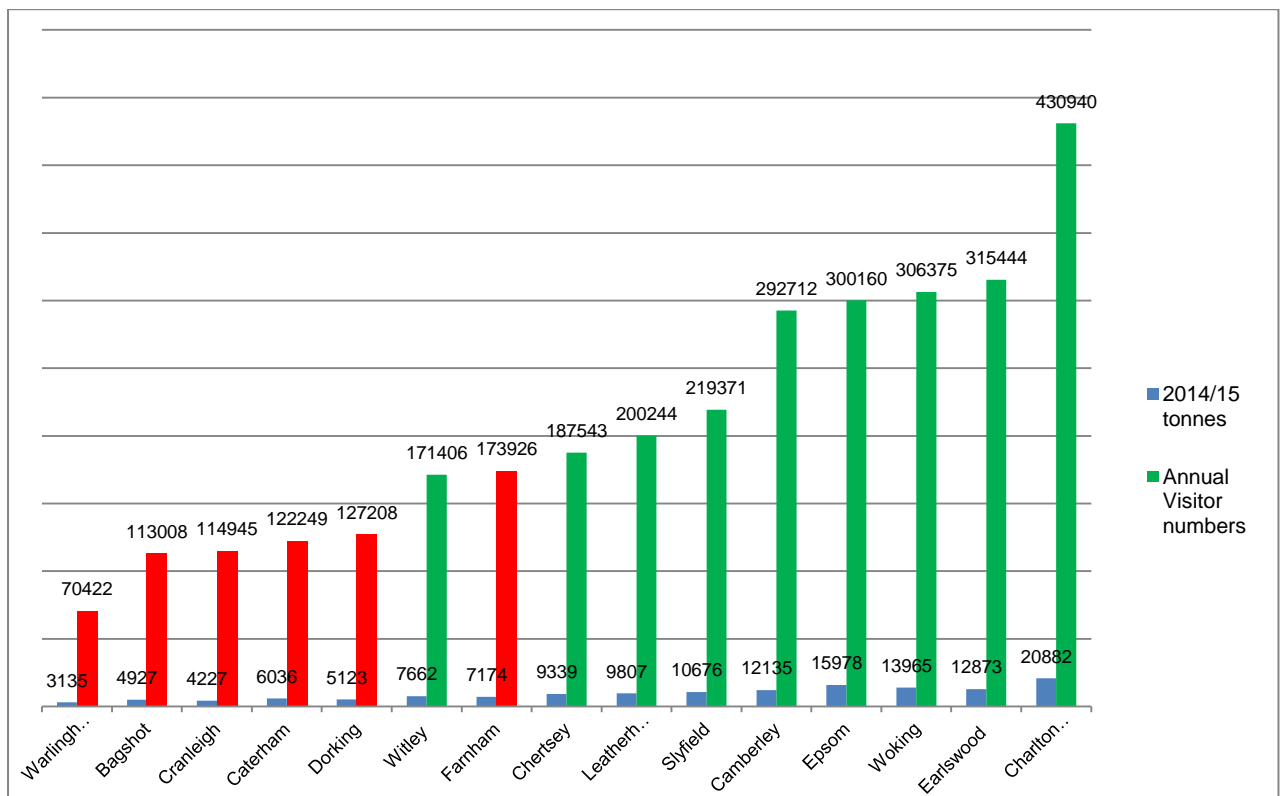
16. The CRCs are very popular with residents and attract more than 3m visits per year. The Quarterly resident surveys undertaken by SCC show that the CRC's are the highest rated service that SCC provides, with over 80% of respondents consistently stating that they are satisfied or very satisfied with the service.
17. Research undertaken by the county council in 2014 shows a similar picture although there are differences between the sites. The results of the 2014 survey are set out in the following table. Sites that residents are most satisfied with are on the left and least satisfied on the right.

## Overall satisfaction with each site (ranked in descending order)



26

18. Sites that have been redeveloped as part of the PFI contract are predominantly those with the highest satisfaction levels.
19. The graph below shows tonnages and visit numbers to CRCs from smallest and quietest on the left, to largest and busiest on the right. The tonnage is the lower of the two bars and ranges from just over 3000 tonnes at the smallest site in Warlingham, to over 20,000 tonnes at the largest site in Charlton Lane. Visitors range enormously from 70,000 at Warlingham to 430,000 at Charlton Lane.





## Operational Improvements and efficiencies already implemented

20. As part of the long-term waste disposal contract with SITA over £9 million of Capital has been invested in upgrading 9 of the 15 CRCs.
21. It has been difficult to identify options for the 6 remaining sites, which operate on a single level and are too small to redevelop into modern split-level sites.
22. In 2007, Surrey County Council negotiated changes to the contract with SITA Surrey to improve customer service and recycling performance. As a consequence there has been a significant increase in recycling performance and landfill diversion as well as a significant reduction in complaints about the service.
23. A number of measures have already been introduced to improve the efficiency of the service. These measures are set out in the table below.

Cost saving measure	Commentary
Van permit scheme	All users of vans or trailers are required to have a permit and usage of the sites is monitored to prevent unauthorised use by traders.
Enhanced resident scheme (at 4 CRCs)	The use of four of our CRCs which is restricted to Surrey residents only.
Increased range of materials that can be recycled	Over 35 separate materials can now be recycled at all sites.
Extracting maximum value from materials	Outlets for materials are kept under constant review to ensure maximum income or lowest cost.
Black bag sorting	Recyclable materials are being separated from black bags resulting in savings of approximately £0.5m per year.
Enhanced security	In October 2015, we plan to introduce enhanced security measures at the CRCs to reduce the amount of unauthorised trade waste being delivered to the sites.

## The drivers for change

24. As set out in the introduction to this paper, there is a need to find £1.8 million in savings from the operation of the service. In addition there are pressures relating to the operations of the sites which need to be addressed. Firstly we have seen increasing levels of non-household waste being deposited at the CRCs and secondly we have reached the point where further development of the CRCs is not possible due to space limitations.

25. Surrey is not unique in facing these challenges and officers have undertaken extensive research to understand what service changes other waste disposal authorities have been introducing to reduce the cost of operating this service. The results of this research are summarised in the table below.

Cost saving measure	Commentary
Restrictions and charging for non-household waste	Over two thirds of WDAs restrict non-household waste in some way with one quarter of authorities making a charge with or without minimum allowances.
Reuse shops	Other authorities such as Warwickshire receive income from reuse shops
Reducing staffing levels, opening hours and opening days	Authorities such as Leicestershire open their sites only 5 days a week and Hampshire have recently reduced opening hours.
Closing sites	other authorities such as Somerset and Oxfordshire are proposing to or have already closed some of their sites

#### **Potential for further savings at Surrey's CRCs**

26. Officers have identified a hierarchy of service changes which could be implemented to reduce costs. These are set out in a) to d) below:
- a) Contractual efficiencies
  - b) Efficiencies without affecting site availability
  - c) Efficiencies without closure of sites, but affecting site availability
  - d) Efficiencies with site closure.
27. A public consultation on potential changes to the CRC service ran from 15 July 2015 to 30 September 2015. The following proposals were included in the public consultation because all will have a visible impact on the service and require input from residents in order to inform the decision making process.
- a) Charging for non-household waste
  - b) Residual waste in clear sacks
  - c) Reuse shops
  - d) Reducing opening hours and days
  - e) Closure of some sites
28. The consultation was advertised online and in social media as well as the press. There was TV and radio coverage of the consultation. Information was made available at council offices, libraries as well as community recycling centres. Residents could complete an online survey or request a paper consultation pack from our contact centre. The resources have

been shared with district and borough councils and through the Surrey Waste Partnership.

29. 4581 people have responded to the consultation which compares well to the response rate that Hampshire achieved during their Summer 2014 consultation exercise, and the following are the most commonly expressed views.
- a) There is a strong desire to retain existing service and concerns that this choice was not an option in the consultation.
  - b) Concerns raised by residents that changes to the service could have the potential to increase fly tipping.
  - c) Concerns from districts and boroughs that additional material will end up in kerbside collections.
  - d) Residents suggest that council tax should cover service or service changes.

<b>Detailed proposals for savings</b>
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## **A. Charging for non-household waste**

### **Legal Position**

30. As described earlier in this paper, the legal obligation of the Waste Disposal Authority is to provide places where residents can dispose of their **household** waste free of charge. However not all waste that arises from a residents' home is classified as **household** waste. For example construction and demolition waste from households and waste arising from excavations are not defined as **household** waste.
31. A number of different wastes are classed as non-household. It is legal for local authorities to charge residents for the disposal of these wastes and over two thirds of Waste Disposal Authorities already charge for or restrict these types of wastes.
32. Surrey County Council already charges for non-household waste delivered to sites in vans and trailers although it is estimated that this accounts for only 5% of the material affected by this proposal.
33. The proposal would be to introduce charges to residents for dealing with non-household materials, which would be solely to cover the costs of dealing with these materials, including the administration of the charging system.

### **Proposed charges**

- i. Inert material - £3/20kg bag
- ii. Plasterboard - £4.50/sheet
- iii. Asbestos - £7.50/sheet
- iv. Tyres - £4/car tyre
- v. Gas bottles - £15.50/domestic heating bottle

34. The cost of dealing with these materials is currently £1.3 million per year, which accounts for 73% of the required £1.8 million per year savings.
35. The inert material collected at the sites is very poor in quality and heavily contaminated which limits outlets and results in processing costs.
36. There is a risk that some chargeable waste might end up in black bags or in kerbside bins. If 10% of this material disappeared into bins, this could affect recycling rates by 0.5% and cost £275,000 to dispose of.

#### **B. Requiring residents to use clear sacks for residual waste**

37. Staff are already extracting recycling from black bags, which is saving over £0.5m per year in disposal costs. Not all materials are currently captured and requiring residents to place their residual waste in clear sacks will assist capturing more recyclable as staff will be able to easily check the contents of a bag. This project would be implemented if a cost benefit analysis identified that there would be a net benefit in recycling income taking into account the cost of providing clear bags.

#### **C. Reuse shops**

38. If reuse shops were to be introduced then the potential income could be in the region of £300k per year, based on experience in Warwickshire. It is unlikely that shops could be introduced at all sites due to space constraints and they would need careful management to ensure that they did not lead to congestion on the CRCs. Planning issues will also need to be considered and planning applications may be required depending on the scale and potential impacts of this activity.
39. If £300k of income could be generated each year, this would amount to 16% of the required savings against the CRC budget.
40. A trial is to commence at Leatherhead Autumn 2015, which will provide income and intelligence on how to roll out and operate reuse shops at other suitable sites across the county

#### **D. Site opening hours**

- I. Savings of up to £110k could be achieved by opening one hour later and closing 15mins earlier on weekdays. This amounts to 6% of the required savings against the CRC budget.
- II. Savings of up to £175k could be achieved by closing every site one day per week. This is 9% of the required savings against the CRC budget.

#### **E. Closure of CRCs**

41. Savings of up to, on average, £200k per site might be achieved through full closures of a smaller single level site. This amounts to 11% of the required savings against the CRC budget. However the actual amount of saving would depend on the individual site operating cost.

42. Officers and SITA believe one closure would be possible without detriment to the network. More than one closure would affect service provision.
43. Site closures are an emotive issue and only the principal of closure is being raised for consideration. Further consultation would occur if the decision in principal was taken to close sites.

#### **Proposals to address fly tipping**

44. Those who responded to the consultation on proposed changes to the CRC service identified the potential for increased fly-tipping as concern if service changes were introduced.
45. The county council is already looking to direct resources to help reduce instances of fly tipping because dealing with it already represents a significant cost to both the boroughs and the county council.
46. It is important to note that fly tipping is undertaken by commercial and industrial operators as well as householders.
47. In 2014/15 fly tipping accounted for 2,700 tonnes out of 572,000 tonnes of municipal waste and recycling collected in Surrey.
48. Early indications in 2015/16 are that fly tipping may exceed 4,000 tonnes. The costs of disposal alone are likely to be in excess of £100 per tonne and therefore this represents a significant cost to Surrey County Council.
49. An information gathering exercise is currently underway to assess how the county council could best work together with district and borough councils, the police and the Environment Agency in order to reduce incidences of fly-tipping. Meetings have already taken place with the Police and Crime Commissioner for Surrey and district and borough council enforcement officers. Indications to date are that there would be a positive role for the county council in co-ordinating and supporting enforcement activities. This is a role that is already being successfully undertaken by Kent County Council.

#### **Conclusions:**

50. This paper sets out a series of proposals to reduce the cost of operating the community recycling centre service and meet the £1.8 million per year of required savings. The EPEH Board is requested to review the proposals being put forward and provide feedback prior to taking this paper to Cabinet in November 2015.

#### **Recommendations:**

51. The EPEH Board is requested to review the proposals being put forward and provide feedback prior to taking a report to Cabinet in November 2015.

<b>Next steps:</b>
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52. A report will be brought to Cabinet in November 2015.

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**Report contact:** Richard Parkinson, Waste Operations Group Manager,  
Environment and Infrastructure

**Contact details:** richard.parkinson@surreycc.gov.uk, 020 8541 9391



**Economic Prosperity, Environment and Highways Board  
21 October 2015**

**Review of Waste Management and Minimisation**

**Purpose of the report:** Scrutiny of Services

To review the summary of audit findings and Management Action Plan produced as a result of an internal audit review of the Waste Management and Minimisation 2014/15.

**Introduction:**

1. It has been agreed by the Chairman of the council's Economic Prosperity, Environment and Highways Board for the Internal Audit report on the review of Waste Management and Minimisation with high priority recommendation, to be considered by the Board on 21 October 2015.

**Context**

2. Internal Audit undertook a review of Waste Management and Minimisation in 2014/15. The report produced as a result of this review attracted an audit opinion of "Some Improvement Needed". The report had 1 High Priority recommendation and 2 Medium Priority recommendations. A summary of the audit findings and recommendations is attached at **Annex A**. The agreed Management Action Plan is attached as **Annex B**. The supporting audit report has been previously circulated in accordance with the Reporting and Escalation Policy for audit reports.
3. Officers from the service and Internal Audit will be available at the meeting, and the Board is asked to review the actions being taken to address the audit recommendations made.

**Recommendations:**

4. That the Board review the audit report and Management Action Plan and makes recommendations as necessary.

<b>Next steps:</b>
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The Board will continue to have oversight of any relevant audit report that has attracted an audit opinion of either “Major Improvement Needed” or “Unsatisfactory”, and/or those with high priority recommendations.

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**Report Contact: Sue Lewry-Jones, Chief Internal Auditor, Policy and Performance**

**Contact Details:** 020 8541 9190, sue.lewry-jones@surreycc.gov.uk.

**Sources/background papers:** Internal Audit report and MAP – Review of Waste Management and Minimisation 2014/15, May 2015.



## Summary of the audit findings and recommendations

## Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Waste Management and Minimisation	<p>SCC as the waste disposal authority entered into a 25 year contract with SITA Surrey Ltd in 1999 for managing the waste collected by the districts and boroughs in Surrey. The contract has had a number of variations in the last 15 years including the most recent one to build an Eco Park to manage waste as a resource. SCC has been receiving a PFI grant from DEFRA since 1999 with a view to developing waste infrastructure.</p> <p>This audit reviewed the arrangements that were introduced in the last 18 months in order manage and minimize waste.</p>	<p>The National Audit Office (NAO) reviewed 3 PFI contracts including SCC and found that the involvement of a number of government departments over the years led to unclear guidance causing confusion to local authorities.</p> <p>Although beneficial work is done by the Surrey Waste Partnership (SWP) members, the buy-in for realising the full benefits across SWP is limited at present due to the 12 authorities in SWP having their own contracts for waste collection and recycling.</p> <p>Implementation of the IT system (IWDMS) which SCC took a lead in implementing across all SWP members, has been delayed.</p> <p>Various Committees within SCC have been regularly updated with the progress made in the last 18 months and have approved the revised Joint Municipal Waste Management Strategy (JMWMS) (2015) and approved the VFM assessment by</p>	Some Improvement Needed	<p>The Leadership within each SWP member authority should agree to delegate sufficient authority for SWP to operate effectively, meet the targets set and realise the benefits. <b>(M)</b></p> <p>The above recommendation should also enable an integrated waste management system to operate across the SWP.</p>

<b>Audit</b>	<b>Background to review</b>	<b>Key findings</b>	<b>Audit opinion (1)</b>	<b>Recommendations for improvement (Priority) (2)</b>
Waste Management and Minimisation (Cont'd)		<p>the Director of Finance to start work on the Eco Park.</p> <p>The Action Plan linked to the JMWMS has 12 work streams but no risk register to monitor progress.</p> <p>The delay in meeting the conditions and obtaining all the required permissions for the Eco Park has resulted in SCC incurring additional costs even before starting work.</p>	Some Improvement Needed	<p>Risk registers should be established to monitor progress against work streams in the Action Plan. <b>(M)</b></p> <p>The amount of additional costs should be determined in order for SCC to budget for the construction of the Eco Park. <b>(H)</b></p>

#### <sup>1</sup> Audit Opinions

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Significant Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

#### <sup>2</sup> Audit Recommendations

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control

## FINAL MANAGEMENT ACTION PLAN

<b>Directorate:</b>	Environment and Infrastructure
<b>Audit report:</b>	Review of Waste Management and Minimisation
<b>Dated:</b>	1 May 2015

### PRIORITY RATINGS

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control

I agree to the actions below and accept overall accountability for their timely completion. I will inform Internal Audit if timescales are likely to be missed.

The auditor agrees that the actions set out below are satisfactory.

Lead Responsible Officer (HOS): Ian Boast

Auditor: Siva Sanmugarajah

Date: 7 May 2015

Date: 7 May 2015

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Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
5.12	Current efforts made by the Surrey Waste Partnership (SWP) are beneficial. However, the service should consider securing additional delegated authority to the Partnership by gaining the approval of the leadership of all member authorities. This should enable the Council to implement beneficial joint working arrangements	Medium	Surrey Chief Executives have tasked the SWP with developing new approaches to delivering waste services in the county, in order to reduce the cost to the Surrey taxpayer. This review includes governance arrangements, how we deliver services and the financial transactions between organisations to	Work is underway and will be reported to Chief Executives in Autumn 2015 and Leaders by the end of 2015	Matthew Smyth, Waste Development Group Manager	✓

# FINAL MANAGEMENT ACTION PLAN

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
	including the adoption of the revised strategy of 2015 (discussed in para 5.46 of the audit report) by all member authorities so that everyone benefits from these efforts.		deliver this.			
5.53	A risk register for the Joint Municipal Waste Management Strategy (JMWMS) Action Plan should be created and maintained as a live document and updated. The strategy, Action Plan and the Risk Register should be reviewed by senior management and Members on a regular basis and updated as necessary.	Medium	A risk register will be created to sit alongside the JMWMS Action Plan. The strategy is scheduled to be reviewed in 5 years time. The targets within the strategy will be reviewed mid way through that period and the action plan will be reviewed annually. The risk register will also be reviewed annually.	A risk register will be created by September 2015.  Review dates are: Strategy 2019/2020 Targets 2017/18 Action plan May 2016 Risk register May 2016	Tom Beagan, Waste Policy and Partnerships Manager	√
5.62	The service in consultation with their Finance colleagues and the Leadership of SWP members should make adequate provisions to meet the unexpected additional costs.	High	The waste function has been through its budget and identified a series of actions that are required in order to reduce our cost base as far as possible. The financial impact of these actions is currently	June 2015	Ian Boast	√

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			being revised following Cabinet agreement to proceed with the Eco Park on 28 April 2015. Additional actions are also being identified to feed into the corporate Medium Term Financial Plan refresh in June 2015.			

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