

## Notice of Meeting

# Environment & Transport Select Committee



**Date & time**  
**Monday, 15**  
**December 2014**  
**at 10.30 am**

**Place**  
Ashcombe Suite,  
County Hall, Kingston  
upon Thames, Surrey  
KT1 2DN

**Contact**  
Huma Younis  
Room 122, County Hall  
Tel 020 8213 2725

**Chief Executive**  
David McNulty

[huma.younis@surreycc.gov.uk](mailto:huma.younis@surreycc.gov.uk)

**If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email [huma.younis@surreycc.gov.uk](mailto:huma.younis@surreycc.gov.uk).**

**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Huma Younis on 020 8213 2725.**

### **Members**

Mr David Harmer (Chairman), Mr Mike Bennison (Vice-Chairman), Mrs Nikki Barton, Mrs Natalie Bramhall, Mr Mark Brett-Warburton, Mr Stephen Cooksey, Mrs Pat Frost, Mr David Goodwin, Mr Ken Gulati, Mr Peter Hickman, Mr George Johnson, Mr Adrian Page, Mr Michael Sydney, Mr Richard Wilson and Mrs Victoria Young

### **Ex Officio Members:**

Mr David Munro (Chairman of the County Council) and Mrs Sally Ann B Marks (Vice Chairman of the County Council)

## **TERMS OF REFERENCE**

The Select Committee is responsible for the following areas:

### **Environment**

- Strategic Planning
- Countryside
- Waste
- Economic Development & the Rural Economy
- Housing
- Minerals
- Flood Prevention

### **Transport**

- Transport Service Infrastructure
- Aviation
- Highway Maintenance
- Community Transport
- Local Transport Plan
- Road Safety
- Concessionary Travel

## PART 1 IN PUBLIC

### 1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

### 2 MINUTES OF THE PREVIOUS MEETING: 27 OCTOBER 2014

(Pages 1  
- 8)

To agree the 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:**

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*9 December 2014*).
2. The deadline for public questions is seven days before the meeting (*8 December 2014*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### 5 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE

(Pages 9  
- 10)

A response is included following recommendations made to Cabinet on 25 November 2014.

### 6 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME

(Pages  
11 - 20)

The Committee is asked to monitor progress on the implementation of recommendations from previous meetings, and to review its Forward Work Programme.

- 7 HIGHWAYS & TRANSPORT MEMBER REFERENCE GROUP REPORT ON THE KIER CONTRACT** (Pages 21 - 34)

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

In January 2015 the authority will have to make a decision on extending the highways maintenance term contract with Kier. The initial term of the contract finishes in April 2017 and Surrey have a choice of either not extending beyond that or extending by up to four years. The Member Reference Group (MRG) was asked to review the contract with Kier and provide Select Committee with their insights on that decision.

- 8 COMMUNITY INFRASTRUCTURE LEVY OVERVIEW/ THE HORLEY MASTER PLAN** (Pages 35 - 58)

**Purpose of the report:** *Scrutiny of Services and Budgets/Policy Development and Review*

The report updates Members on the current preparations for the introduction of the Community Infrastructure Levy across Surrey, the experience to date of those authorities who have already adopted the Levy and the governance arrangements that are currently in place and those that are proposed.

The second part of this report is to update the Select Committee with regard to the funding and the delivery of Horley Master Plan infrastructure and service improvements and to explain the changes to the way in which developer contributions can be secured for infrastructure provision as a consequence of the introduction of the Community Infrastructure Levy.

- 9 SURREY HIGHWAYS- SAFETY DEFECT YEAR 1 REVIEW** (Pages 59 - 82)

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

To provide Committee Members with an overview of the implementation of the first year of the Safety Defect project, which is used to inspect and repair council potholes and wider defects.

- 10 AGREEMENT WITH SURREY WILDLIFE TRUST FOR THE MANAGEMENT OF THE COUNTY COUNCIL'S COUNTRYSIDE ESTATE** (Pages 83 - 120)

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

Following the Recommendations of the Countryside Management Task Group, which reported to the Select Committee in March 2013, negotiations have taken place with Surrey Wildlife Trust. Attached is the report to Cabinet setting out terms of that agreement. The Committee is asked to comment on the terms before the report goes to Cabinet.

## 11 DATE OF NEXT MEETING

The next meeting of the Committee will be held at 10.30am on 22 January at Elmbridge Borough Council, Civic Centre, High Street, Esher.

**David McNulty**  
**Chief Executive**

Published: Thursday, 4 December 2014

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

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

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 **ENVIRONMENT & TRANSPORT SELECT COMMITTEE** held at 10.30 am on 27 October 2014 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its next meeting.

**Elected Members:**

- \* Mr David Harmer (Chairman)
- \* Mr Mike Bennison (Vice-Chairman)
- Mrs Nikki Barton
- Mrs Natalie Bramhall
- \* Mr Mark Brett-Warburton
- \* Mr Stephen Cooksey
- Mrs Pat Frost
- \* Mr David Goodwin
- \* Mr Ken Gulati
- \* Mr Peter Hickman
- \* Mr George Johnson
- \* Mr Adrian Page
- \* Mr Michael Sydney
- \* Mr Richard Wilson
- \* Mrs Victoria Young

**In attendance:**

Mike Goodman, Cabinet Member for Environment and Planning

**69/14 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Nikki Barton, Natalie Bramhall, Pat Frost and John Furey.

Chris Norman substituted for Pat Frost.

**70/14 MINUTES OF THE PREVIOUS MEETING: 10 SEPTEMBER 2014 [Item 2]**

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

**71/14 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**72/14 QUESTIONS AND PETITIONS [Item 4]**

There were none.

#### **73/14 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

There were none.

#### **74/14 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME [Item 6]**

1. The Chairman brought attention to the Environment and Transport Select Committee's Performance and Finance Sub-Group, advising Members of the Sub-Group to think laterally about where budget reductions could be made. Specifically, the Chairman called on Members not to focus solely on the numbers in order to identify savings but rather to challenge assumptions made by officers about where and how money is spent in the Environment and Infrastructure (EI) Directorate. The Committee was advised that a briefing note would be sent round highlighting the approach that the Performance and Finance Sub-Group should take towards scrutinising E&I's spending and identify potential areas of savings.
2. The Chairman further advised that the Utilities Task Group may also want to consider reconvening following the submission of the Flooding Task Group's final report.

**Recommendations:**

None

**Actions/Further information to be provided:**

None

**Committee Next Steps:**

- The Chairman to distribute a note to the Committee detailing the approach that should be taken to identifying savings by the Performance and Finance Sub-Group.

#### **75/14 SURREY CYCLING STRATEGY UPDATE [Item 7]**

**Witnesses:**

Ian Good (Head of Emergency Management)  
 Lesley Harding (Place and Sustainability Group Manager)  
 Helyn Clack (Cabinet Member for Community Services)

**Key points raised during the discussion:**

1. The report was introduced by the Place and Sustainability Group Manager (PSGM) who provided an update on the Surrey Cycling Strategy to date.

2. Members expressed particular concern with large cycling events which were identified as being an area of concern for Surrey residents due to the disruption they caused. The Head of Emergency Management (HEM) highlighted that regulated cycling events were an effective means of advertising cycling as an active pastime and encouraging people to exercise. They also have a more general positive impact on Surrey by promoting tourism and increasing trade to local businesses.
3. The HEM further advised that since the implementation of the Surrey Cycling Strategy a drop has been recorded in the number of complaints about cycling events.
4. The Committee asked about measures laid out in the Surrey Cycling Strategy to combat the number of unregulated events taking place in Surrey, pointing out that there appeared to be little, if any, reduction in the number of unregulated events taking place. The HEM advised that Surrey County Council (SCC) has been working with Surrey Police, British Cycling and Sport England to tackle these but as there were not any regulations in place it was difficult to clamp down on such events. Instead, the Council has been working to engage with a small number of organisers who arranged the majority of unregulated cycling events in Surrey to ensure that they adhere to a code of practice in order to minimise disruption to residents.
5. Members highlighted problems arising from 2014's Prudential Ride London-Surrey event and highlighted that a lack of local knowledge by stewards had meant that they were unable to provide directions for drivers who had to be diverted. The HEM highlighted that the stewards had been briefed to allow as many drivers through as possible but that the discussions would be held with the race organisers ahead of the 2015 event to communicate the improvements expected in the standards of marshalling.
6. The Cabinet Member further advised that the organisation of the race would continue to improve every time it took place especially if it was kept along the same route each year as it would allow stewards to develop local knowledge and organisers to fix past problems.
7. Members also indicated that it might be a good idea to advertise the date that Prudential Ride London-Surrey would be taking place as soon as possible so that residents had plenty of advanced warning and would therefore have the opportunity to plan accordingly.
8. The Committee stated that residents were not solely concerned with cycling events but also with the conduct of some cyclists who pay little heed to road traffic laws and discussed ways in which this small minority of cyclists could be encouraged to act more responsibly on the roads.
9. Members requested data on how many cyclists had been the cause of traffic collisions on Surrey's roads in the past year and suggested that the communications department could be asked to launch a campaign highlighting the dangers of cycling irresponsibly and not paying attention to road traffic laws. The PSGM indicated that she didn't have

any data on cyclists causing accidents but would find out if it were possible to generate this data from police records and discuss the possibility of initiating a high-impact campaign promoting responsible cycling as part of the work of the Drive SMART Partnership. The Chairman further requested information on accident hotspots in Surrey and asked that these be circulated to the Committee. The Cabinet Member also advised that she would be attending a meeting about cycling casualties and would gather more information on statistics about accidents and deaths.

10. The PSGM told the Committee that Surrey Police Officers would receive guidelines on spotting and responding to irresponsible and anti-social behaviour by cyclists.
11. Some of the Members suggested that very few crimes committed by cyclists are actually reported to the Police because there is no way of identifying who the offender was. It was requested whether it would be possible to make sure that all cyclists had an identification number on their bike.
12. Requiring cyclists to have third party insurance was also put forward as a possibility by some Members of the Committee. The Chairman expressed concern with this idea as it was felt that this could have a detrimental effect on leisure cyclists. It was suggested that the Cabinet Member send around an email to all members with the dates for future cycling events to be held in the county.
13. The Committee also asked whether it was possible to increase the network of cycle paths in Surrey to keep up with the increased cycling activity taking place in the County. A couple of particular roads in Surrey were mentioned which it was felt would benefit significantly from having cycle paths. The PGSM advised that local cycle plans were developed, working with the boroughs and districts and overseen by the local committees and that they are encouraged to think differently about how roads can be used for all users. It was further highlighted that there were plenty of funds available for sustainable transport through the LEP's.
14. Some of the members flagged the cycling proficiency tests and suggested that they did not appear to be having a great impact particularly at Level 3 which only provided training for 61 people in 2013/14. The PSGM explained the different Bikeability levels and stated that the high ratio of cycling instructors required for Level 3 meant that the County Council is seeking to expand its pool of cycle instructors in order to have the capacity to deliver level 3 courses.
15. The PSGM further highlighted that there was presently no target for number of people taking the Level 3 cycling proficiency training. The service wanted to ensure that the programme was expanding at a sustainable and safe rate for those who wished to undertake the training. The Cabinet Member indicated that the Level 1 and 2 proficiency training were both extremely well attended with 5,071 and 6,100 students undertaking these levels of training respectively.

16. Members agreed that the cycling strategy would also need to pay careful attention to a range of cyclists and would also need to focus on changing the behaviours of some cyclists.

**Recommendations:**

**The Environment and Transport Select Committee agreed the following recommendations;**

- a) Endorsed the progress to date on delivering the Surrey Cycling Strategy.

**Actions/Further information to be provided:**

- For the PSGM to look at data for the number of accidents involving cyclists on Surrey roads in 2013/14 and forward this to the Committee.
- For the Cabinet Member to email to all members with dates for future cycling events to be held in Surrey.
- For the Scrutiny Officer to raise with the Drive Smart Partnership board concerns the Select Committee raised in relation to road collisions involving cyclists.

**Committee Next Steps:**

None

**76/14 REPORT OF THE FLOODING TASK GROUP [Item 8]**

**Witnesses:**

Ben Skipp (Programme Manager)  
Mark Howarth (Flood and Water Strategy Manager)

**Key points raised during the discussion:**

1. The Chairman prefaced Member discussions on the report by qualifying some of the information provided in Annexe 1. It was highlighted that, for each town or village listed in the annexe, the flood source was listed as the original reason for the flooding, i.e. the river which burst its banks, rather than any other water sources which may have overflowed as a result. The Environment Agency (EA) manage main rivers, so their data has been used.
2. The Committee asked how the Council was working to mitigate the dangers of flooding caused by sources of water which fall outside the EA's remit. Sewage was cited by Members as a particular problem for residents and had inundated numerous houses during the floods that occurred in early 2014. The Chairman noted that some leaks in the sewage network were caused by rivers bursting their banks and so it

was vital to work with the EA to ensure that appropriate flood defences were put in place. The Chairman asked the Flood and Water Strategy Manager (FWSM) to provide an update on any discussions taking place with Thames Water who maintained Surrey's sewage network.

3. The FWSM advised that progress was being made with Thames Water in getting them to contribute to flood prevention strategies. The Chairman highlighted that the EA only has power to regulate Thames Water where sewage is at risk of draining into a river but that no powers are available to compel them to take action where sewage is at risk of flooding homes. As Thames Water is a private company, SCC is not allowed to contribute money towards upgrading the sewage network.
4. Members expressed concern that the proposed solution to prevent flooding in the future for some areas was still listed as 'unknown' in the annexe. The Chairman highlighted that SCC and the EA were at present still exploring what measures could be taken to reduce the risk of flooding where the solution was listed as unknown but advised the Committee that the flooding Task Group would ensure that measures would be identified to mitigate flooding risks.
5. The Committee asked for further information on the River Thames Scheme and asked for assurances that the strategy wouldn't come at the expense of local projects creating flood defences for communities in Surrey. The FWSM confirmed that there are a number of local schemes and projects taking place in Surrey to develop flood defences. The Chairman suggested that the time taken to get planning permission for flood schemes could be a cause for delays to implementation if not resourced adequately. The Programme Manager (PM) agreed to ascertain the current involvement of planning officers in flood scheme development and whether there should be any concern around resource to take schemes through the planning process in optimum timescales.
6. Members asked who would be paying for the Caterham Bourne flood defences which were being built in conjunction with Croydon Council. The FWSM indicated that the intention was for Surrey to pay for these defences and to put it forward as their contribution to the Caterham Bourne Scheme being overseen by the Thames Regional Flood and Coastal Committee
7. Members pointed out that communication during flooding was listed as the primary concern of Surrey residents and so requested information on how the officers had been engaging with the local communities. The PM advised that many multi-agency engagement events had been carried out since the floods, in the form of public meetings and market place events. Partner agencies are continuing with this engagement, but moving towards building community resilience to flooding. This will be a long term exercise and a new SCC post has been recruited to provide more capacity to take this work forwards. The Surrey Local Resilience Forum also carried out de-briefs following the winter floods and have working to improve communication between agencies where lessons have been learnt. The PM praised

the work of SCC's Community Partnerships Team during the flood recovery and their expertise is being utilised in the community resilience work and to help improve information flow with Member in future flood incidents.

8. The Committee expressed reservations about SCC's relationship with the EA and felt that they needed to be brought into the discussions more as the Council's main partner in mitigating flooding risks. The FWSM advised that SCC work with the EA through the Surrey Flood Risk Partnership Board. The EA are ultimately responsible for managing the flood risk associated for main rivers, however they do consult and work closely with the council, It would be difficult for the county to change the EA's national policy on issues such as dredging without considerable evidence that the policy was wrong .Members were informed that bids had been submitted to the EA for projects to defend the highest risk areas in Surrey and that the results of these bids were still pending.
9. Members asked whether there was any help that the Select Committee was able to provide in order to encourage the EA to process these bids more rapidly. The officers indicated that they would discuss how the Select Committee could assist in this respect and report back.
10. A number of bids had been made by officers to secure funding contribution for Surrey flooding schemes. Officers were currently in the process of forwarding a bid to the Regional Flood and Coastal Committee (RFCC). Concern was raised around the prioritisation given to the 'index of multiple deprivation' and the effects this could have on the funding Surrey received from DEFRA (Department for Environment, Food & Rural Affairs).
11. The PM stated that he would investigate further how the 'index of multiple deprivation' funding was included in the funding model and would report back to the Committee with findings.
12. The committee agreed to include an additional recommendation around the early submission of planning consent for flooding schemes.

#### **Recommendations:**

#### **The Environment and Transport Select Committee agreed the following recommendations;**

- a) Surrey County Council should lobby Central Government to change the powers of the Water Company regulators, such that proper investment in the drainage networks of the water companies can be directed, until such time as the Secretary of State is satisfied that those drainage networks fully comply with current standards.
- b) The Environment Agency should be pressed to give strong consideration to a programme of selective, tactical dredging of specified areas of the Thames.

- c) Surrey County Council should work with partner organisations to make significant improvements to the arrangements for communications in emergencies, and in particular to provide for communication structures between residents and the relevant authorities. Particular attention should be made for special arrangements in holiday periods.
- d) Surrey County Council should work with all the Boroughs and Districts and with residents in the relevant areas to establish flood fora.

**Actions/ Further Information to be provided:**

- For the PM and FWSM to investigate how flooding schemes are prioritised by DEFRA.
- For the PM to investigate further how the 'index of multiple deprivation' funding formula operates and report back findings to the Committee.
- For the PM to meet with the SPOA (Surrey Planning Officers Association) to discuss flood schemes and anticipated timescales for implementation along with the associated planning approval required and to report back to the committee with findings.

**Committee Next Steps:**

None

**77/14 DATE OF NEXT MEETING [Item 9]**

The Date of the next meeting is Monday 15<sup>th</sup> of December at 10.30 am in the Ashcombe Suite.

---

**Chairman**

**CABINET RESPONSE TO ENVIRONMENT AND TRANSPORT SELECT COMMITTEE****Item under consideration: REPORT OF THE FLOODING TASK GROUP****(considered by E&T Select Committee on 27 October 2014)**

5

**FLOODING TASK GROUPS RECOMMENDATIONS:**

- a) Surrey County Council should lobby Central Government to change the powers of the Water Company regulators, such that proper investment in the drainage networks of the water companies can be directed, until such time as the Secretary of State is satisfied that those drainage networks fully comply with current standards.
- b) The Environment Agency should be pressed to give strong consideration to a programme of selective, tactical dredging of specified areas of the Thames.
- c) Surrey County Council should work with partner organisations to make significant improvements to the arrangements for communications in emergencies, and in particular to provide for communication structures between residents and the relevant authorities. Particular attention should be made for special arrangements in holiday periods.
- d) Surrey County Council should work with all the Boroughs and Districts and with residents in the relevant areas to establish flood fora.
- e) That flood alleviation schemes which require a planning application should be submitted as soon as possible for planning consent to the relevant boroughs or district councils or, in the case of the River Thames Scheme, if so agreed by the Environment Agency, to the appropriate National planning authority, or both.

**RESPONSE:**

Paragraph 26 of the Task Group report includes a table setting out outline capital costs of flood alleviation schemes in Surrey. The table implies that the county council is expected to fund £222m towards the costs of the schemes. Annexe 1 of the Task Group report lists the schemes and identifies the county council of the "bearer" of these costs. There is a foot note to the table stating that "Boroughs and Districts may contribute to the SCC element". Paragraph 26 is misleading. The county council is not responsible for meeting the cost of these schemes or the cost shortfall. The Government's funding formula for the schemes and that of the Regional Flood and Coastal Defence Committee assumes and requires contributions from partners. These may come from a variety of private and public sources and will vary from one scheme to another depending on the beneficiaries.

On the specific Select committee recommendations:

- a) Cabinet recognises that the current regulatory arrangements for water companies may restrict their investment in the necessary measures to prevent some of the harmful impacts of flooding that arise from infrastructure under their ownership. Cabinet agrees that the Council should write to the Secretary of State asking her to address this concern.
- b) Cabinet agrees that it is essential that the maintenance of the Thames secures optimum river flow and agrees to write to the Environment Agency making this point and seeking information on their maintenance programme.
- c) Cabinet recognises the need to work with partner organisations to make improvements to

the arrangements for communications in emergencies, and in particular to provide for communication structures between residents and the relevant authorities. Cabinet also recognises that learning points relating to communications following the 2013/14 floods have been captured by Surrey County Council and its partners and are being acted upon, including the establishment of flood forums. Cabinet agrees that particular attention should be made for special arrangements in holiday periods.

d) Cabinet agrees that the Council will work with all Districts and Boroughs, Town Councils, Parish Councils and residents in the relevant areas to establish Flood Forums.

e) Cabinet agrees that it is important to develop a programme of flood alleviation schemes.

**John Furey**  
**Cabinet Member for Highways, Transport and Flooding**  
**25 November 2014**

**ENVIRONMENT & TRANSPORT SELECT COMMITTEE  
ACTIONS AND RECOMMENDATIONS TRACKER**

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

<b>Date of meeting</b>	<b>Item</b>	<b>Recommendations/ Actions</b>	<b>Achieved or still outstanding?</b>	<b>Responsible Officer:</b>
23 January 2014	CIL Update Report [Item 11]	The Transport Policy Team Manager to report back to the Committee on updated timescales for the 4 year transport strategies adoption programme, as shown on page 81 of the report.	Outstanding  Officers contacted – awaiting response.	Lyndon Mendes/Paul Sanderson
23 January 2014	Utilities Task Group: Update Report [item 12]	Officers to provide a briefing note for Local Committees detailing the positive work taking place following implementation of the Task Group's recommendations and the permit scheme.	Outstanding  Officers contacted – awaiting response.	Matt Jezzard

12 June 2014	Utilities Task Group Recommendations And South East Permit Scheme (Seps): Update Report [Item 9]	That the Utilities Task Group reconvenes to review the progress to date against outstanding recommendations, and consider how the Task Group can move forward with the recommendations and concerns raised by the Committee.	Achieved  The Chairman advised that the members of the of the Utilities Task Group may want to consider reconvening following the submission of the Flooding Task Group's final report.	Members of the Utilities Task Group/Pat Frost
17 July 2014	Freight Initiatives Update [Item 8]	That officers provide Members with a briefing as to the viability of a Low Emissions Zone for Surrey.	Achieved  A response from the Freight Officer was sent to the Committee on 1 December 2014.	Peter Hitchings
10 Sept 2014	Surrey Highways – Project Horizon Year 1 Review [Item 7]	For the Assistant Director to send the Chairman a note considering how legislation in relation to utility companies could be changed for the benefit of the local authority.	Achieved  A response from the Assistant Director for Highways and Transport was sent to the Chairman on 29 October 2014.	Jason Russell

10 Sept 2014	Gully Cleaning Update [Item 8]	The Chairman asked for the Network & Asset Planning Group Manager to provide a one page summary on what information was currently available to members around gully cleaning.	Achieved  One page summary around information currently available to members on gully cleaning sent to members on 24 October 2014.	Lucy Monie
27 Oct 2014	Surrey Cycling Strategy Update [Item 7]	For the Place and Sustainability Group Manager to look at data for the number of accidents involving cyclists on Surrey roads in 2013/14 and forward this to the Committee	Outstanding	Lesley Harding
27 Oct 2014	Surrey Cycling Strategy Update [Item 7]	For the Scrutiny Officer to raise with the Drive Smart Partnership board concerns the Select Committee raised in relation to road collisions involving cyclists.	Achieved  The S.O contacted the Chair of the Drive SMART Partnership board and communicated the concerns the committee had in relation to road collisions involving cyclists. The Chair of the Drive SMART Partnership board agreed to include the committees concern as an item on the next Drive SMART Partnership board meeting agenda.	Huma Younis

27 Oct 2014	Report of the Flooding Task Group [Item 8]	For the Programme Manager and Flood Water Strategy Manager to investigate how flooding schemes are prioritised by DEFRA.	Outstanding	Ben Skipp/ Mark Howarth
27 Oct 2014	Report of the Flooding Task Group [Item 8]	For the Programme Manager to investigate further how the 'index of multiple deprivation' funding formula operates and report back findings to the Committee.	Outstanding	Ben Skipp
27 Oct 2014	Report of the Flooding Task Group [Item 8]	For the Programme Manager to meet with the SPOA (Surrey Planning Officers Association) to discuss flood schemes and anticipated timescales for implementation along with the associated planning approval required and to report back to the committee with findings.	Outstanding	Ben Skipp

## Environment and Transport Select Committee Work Programme

**15 December 2014**

Item	Purpose	Contact Officer	Comments
Surrey Wildlife Trust/SCC Agreement	To review and comment on the amendments to the SCC / Surrey Wildlife Trust agreement before final sign off at Cabinet.	Lisa Creaye-Griffin	Report
CIL Governance Models	To review the implementation of CIL and the governance processes	Paul Druce	Report
Highways Safety Defects	To review the first 12 months of the Highways Service's new approach to managing highways safety defects.	Mark Borland	Report
Highways & Transport MRG Report (Kier Contract Extension)	To consider the recommendation of the MRG on whether or not to extend the Council's highways maintenance contract with Kier.	Jason Russell	Report

**22 January 2015**

Item	Purpose	Contact Officer	Comments
Cycling Strategy – annual report	To scrutinise the Council's progress towards delivering the cycling strategy.	Lesley Harding	Report
Local Growth Deal	To consider funding from Local Growth deals, and the projects on which this will be spent.	Jason Russell	Report
Revised Joint Waste Strategy	To scrutinise the final version of the joint waste strategy for Surrey, prior to approval by Cabinet	Matt Smyth	Report
Utilities Task Group: officer update	To review progress towards implementation of the Task Group's recommendations, and to consider the success to date of the SEPS permit scheme.	Matthew Jezzard	Report

### Items to be scheduled:

CIL Transport Strategy update (autumn 2014)
Electric Vehicle Strategy (Spring 2015)
Kier contract update (April/May 2015)
Local Transport Review – final report (April 2015)
Rail Strategy update (Spring 2015)
Transport Infrastructure Programme (TBC)
Basingstoke Canal (March 2015)

Task and Member Reference Groups:

<p>Countryside Management Member Reference Group</p>	<p>Bill Barker Mark Brett-Warburton Stephen Cooksey Pat Frost David Harmer (Spokesperson)</p>	<p>To report to Environment &amp; Transport Select Committee 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.</p> <p>To include:</p> <ul style="list-style-type: none"> <li>• determining the terms of the Agreement between the County Council and SWT</li> <li>• determining the powers of SCC under the Agreement</li> <li>• advising on how the agricultural portfolio should be managed</li> <li>• advising on how the forestry portfolio should be managed</li> <li>• advising on how the rest of the property portfolio should be managed</li> <li>• advising on Governance to ensure that SCC fulfils its stewardship duty (to include also the co-ordination of the activities of Surrey representatives on Boards and Management Groups related to the SWT Agreement, and the establishment of an appropriate method of reporting back to the Select Committee and its Task Group)</li> <li>• advising on the SCC makeup of the Partnership Committee and to ensure a clear remit for those Members</li> <li>• advising on the draft strategy and business plan for the SCC Estate</li> <li>• advising on the future of the Sawmill and Workshop.</li> </ul>	<p>The Group's amended terms of reference were agreed at Select Committee on 23 October 2013.</p> <p>The Group met on 3 February 2014, and will reconvene once further work has been completed on the SWT Business Plan.</p> <p>The MRG met on 21 November 2014 to discuss and review the revised agreement between SWT and SCC.</p>
<p>Customer Service Excellence Member Reference Group</p>	<p>John Beckett Stephen Cooksey George Johnson Richard Wilson (Spokesperson) Victoria Young</p>	<p>To support the Highways Service's journey to achieve the Customer Service Excellence (CSE) Standard, by:</p> <ul style="list-style-type: none"> <li>• Sharing the perspective of users and the general public on customer service within Highways</li> <li>• Challenging and validating the project's objectives</li> </ul>	<p>The work of the Group is currently underway and its most recent meeting took place on 29 September.</p> <p>The next meeting of the Group will take place on 21</p>

## Environment and Transport Select Committee Work Programme

		<ul style="list-style-type: none"> <li>• Providing advice on how to approach wider engagement with the public and stakeholders</li> <li>• Putting forward recommendations on the action plan</li> <li>• Acting as advocates for CSE with Member colleagues and customers</li> <li>• Providing a Member perspective on future performance criteria, the levels of service and priorities, which may include the most effective use of IT supporting systems for the benefit of both the public and the highways department.</li> <li>• Helping maintain CSE as a priority once the award has been achieved.</li> </ul>	November 2014.
Finance Sub-Group	<p>Mike Bennison                  Stephen Cooksey                  David Harmer (Spokesperson)                  George Johnson                  Michael Sydney                  Richard Wilson</p>	<p>To carry out robust scrutiny of major budgets, performance and costs of the services within the remit of the Environment &amp; Transport Select Committee, and review existing and potential options for budget savings and performance improvement including testing of the evidence base for these options. Specifically:</p> <ul style="list-style-type: none"> <li>• To work with E&amp;I Directorate management and Finance officers to develop a good understanding of the budgets within the committee's remit and identify any further information which might be required.</li> <li>• To carry out scrutiny of revenue spend of Environment &amp; Infrastructure for the Medium Term Financial Plan (including fees and charges) period 2015/16 to 2018/19, with a broad focus on highways and environment issues.</li> <li>• To test the evidence base for existing and potential options for reducing costs of service delivery, generating income and improving performance.</li> <li>• To suggest additional areas for achieving significant savings based on views of individual members of the finance sub group</li> <li>• To lead the discussion when the issues are discussed by the full Committee at a workshop session, ensuring that other Members have a good understanding and can make informed decisions.</li> </ul>	The Group have met on four occasions between October and November 2014.

## Environment and Transport Select Committee Work Programme

<p>Flooding Task Group</p>	<p>Mark Brett-Warburton                  Stephen Cooksey                  David Harmer                  (Spokesperson)                  Peter Hickman                  Chris Norman                  Denise Saliagopoulos                  Nick Skellett</p>	<p>To review the recent flood events that took place in Surrey and help the Council be as well prepared as possible for future instances of flooding, by addressing the following questions:</p> <ul style="list-style-type: none"> <li>• What are the key lessons to be learnt from the County Council's response to recent flood events?</li> <li>• With the benefit of hindsight, what could the County Council do better should future flood events take place?</li> <li>• How were local communities affected by flooding and what did they see as the key issues on the ground?</li> <li>• What 'business as usual' activities can be carried out more effectively to help prevent flooding?</li> <li>• What schemes for Surrey are being included as part of the River Thames Scheme, how are they being funded and do they represent the best possible protection for the County?</li> <li>• To monitor findings of key Section 19 reports and consider how the Council can best invest in infrastructure to mitigate against future rain and storm events.</li> </ul>	<p>The Group has concluded its investigation and will be submitting its final report to the Select Committee meeting on 27 October.</p> <p>The report from the Select Committee was submitted to Cabinet on 25 November.</p>
<p>Highways for the Future                  Member Reference Group</p>	<p>Mike Bennison                  (Spokesperson)                  Stephen Cooksey                  Peter Hickman                  Richard Wilson</p>	<p>To allow Member input into the Highways Service's plans for the future long-term management of Surrey's highways, by:</p> <ul style="list-style-type: none"> <li>• Providing a member perspective on future performance criteria, the levels of service and priorities.</li> <li>• Providing a member perspective on the alignment between maintenance and improvement of the highway. I.e. bringing together activities currently separated into 'highways' and 'transport'.</li> <li>• Providing insight and challenge to the reviews of the current delivery strategies, including Horizon, safety defects, asset management strategies etc. Also help consideration of member roles in future delivery strategies.</li> <li>• Providing insight and challenge to current contract performance, and to consideration of the extension of the Kier contract.</li> </ul>	<p>The work of the Group is currently underway and it is meeting on a regular basis.</p>

## Environment and Transport Select Committee Work Programme

		<ul style="list-style-type: none"> <li>• Providing insight and challenge to the development of future procurement strategies.</li> <li>• Providing a member perspective on capability issues for the 'Client' organisation.</li> </ul>	
Local Transport Review Member Reference Group	Pat Frost (Spokesperson) David Goodwin Peter Hickman Michael Sydney	To assist the E&I Directorate in its Local Transport Review project, by: <ul style="list-style-type: none"> <li>• Giving officers the perspective of users and the general public on the various transport services under review</li> <li>• Advising on proposed levels of savings and the balance between savings and unavoidable impacts on users and the public</li> <li>• Challenging and validating the project's Equalities Impact Assessments</li> <li>• Advising on the balance of savings between different service types and areas</li> <li>• Advising on how to approach wider engagement with the public and stakeholders and own the agreed plan</li> <li>• Acting as advocates for the agreed plan with Member colleagues and community organisations</li> <li>• Following a briefing on consultation responses, advising on the proposals to be taken before E&amp;T Select Committee and Cabinet.</li> </ul>	The work of the Group is currently underway and its most recent meeting took place on 17 October 2014.  The next meeting of the Group will take place in February 2015.
Winter Maintenance Task Group	Stephen Cooksey (Spokesperson) David Goodwin David Harmer	To provide scrutiny and oversight of Surrey's annual Winter Maintenance policy.	The Task Group met on 14 July 2014 to consider the Winter Maintenance policy for 2013/14 following consultation with Local Committees. This was then approved by the Select Committee on 17 July 2014.

This page is intentionally left blank



Environment & Transport Select Committee  
15 December 2014

**Highways & Transport Member Reference Group Report on  
the Kier Contract**

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

In January 2015 the authority will have to make a decision on extending the highways maintenance term contract with Kier. The initial term of the contract finishes in April 2017 and Surrey have a choice of either not extending beyond that or extending by up to four years. The Member Reference Group (MRG) was asked to review the contract with Kier and provide Select Committee with their insights on that decision.

The MRG have undertaken an extensive review and are satisfied that Kier have the potential to be a successful delivery partner for Surrey. We propose that Kier be given the opportunity to work with Surrey to develop a 5 -year business plan covering the period 2016-21. In order to do this we recommend that Cabinet approve an initial extension to the contract of at least one year. This initial commitment from Surrey would allow Kier to invest in the development of a shared business plan to be completed by September 2015. The quality and outcomes of the business plan would inform the terms of the final contract extension decision in October 2015.

**Introduction:**

1. Surrey County Council's Highways and Transport service is going through a process of transformation to ensure that it can continue to maintain and improve the highway network, improve member, resident and business satisfaction, whilst facing ever decreasing funding and still meeting safety and statutory obligations. Their aim is to develop a 5-year business plan, which will provide greater definition about the works and services they will undertake over a 5 year period. This will enable them to provide greater clarity to customers about levels of service and secure best value from the supply chain. It is intended that their first Business Plan will be for the period from April 2016 to March 2021.
2. To produce their first business plan they have developed a Highways and Transport for the Future Programme and as part of that they will:

- Determine long-term aspirations
- Develop a 5 year asset management and transport strategy
- Develop a capital programme
- Determine levels of service for operational activities – safety defect management, grass cutting, gully emptying etc.
- Define customer service levels
- Develop a communications and engagement plan

They will also have annual implementation plans, to align with the Council's annual business planning processes.

7

3. A number of issues need addressing and, in June 2014, a Member Reference Group was convened to provide an elected member perspective and insight into current and future performance; levels of service; priorities; and delivery and procurement strategies. The terms of reference of this Reference Group are included as **Appendix 1**.
4. One of the Service's priority issues is a decision on whether to extend the current Kier contract for highway maintenance service beyond the first break point opportunity in 2017. It was agreed at the first meeting of the Reference Group on 6 June 2014 that this would be the primary focus of the Group in order to provide sufficient lead-in time to re-procure should it be necessary.
5. The Member Reference Group is chaired by Michael Bennison and has representation from across political parties. Members of the Group include Peter Hickman, Stephen Cooksey and Richard Wilson.
6. The Group has met with a range of employees from Kier, SCC Highways, Kier subcontractors and other contractors involved in highways, in order to get a broad view on the strengths and weaknesses of the contract with Kier and how this affects Surrey Highways service delivery. A representative from SCC Internal Audit was also involved. A list of witnesses is available as **Appendix 2**.
7. Most sessions consisted of a short presentation followed by questions and answers. The witnesses interviewed varied from senior managers to employees delivering services on site. In total seven sessions were held. These sessions, together with further information and documentation provided the evidence necessary to inform the Group's recommendation.
8. A site visit also provided the MRG with a good overview of what happens on the ground on a daily basis.

### Surrey Highways Service

9. Surrey Highways provides services that range from emergencies and defect repairs to planned road maintenance, street lighting, gully cleansing, road marking, resurfacing, and roadside tree maintenance.
10. These services are delivered through 14 contract lots. A list of the main service providers can be found in **Appendix 3**.
11. Kier provides the bulk of the highways maintenance services:
  - Reactive Services (Emergencies, Defect Repairs etc)
  - “Minor” Planned Maintenance
  - “Major” Planned Maintenance\*
  - Structures
  - Drainage Repairs
  - Surface dressing
  - Gully cleansing (in collaboration with FM Conway)
12. The contract with Kier is SCC’s largest highways-related contract in relation to contract value.

### History of SCC’s contract with Kier

13. From 2002 to 2010 Surrey had outsourced to two single suppliers, responsible for delivery of all activities, one in the east and the other in the west of the county. However, an internal review identified key weaknesses with this model and, in 2010, SCC re-tendered the highway Term Maintenance Contract. May Gurney were awarded the contract.
14. At that time Schedule of Rate items for planned maintenance were reintroduced to control costs. The new contract strategy also removed routine services from the main contract, removing the “middle man” and making Surrey Highways responsible for directly procuring routine contracts.
15. In July 2013 Kier acquired May Gurney with a view to providing one of the largest and most comprehensive services offerings in the UK. As a result SCC’s contract with May Gurney was transferred to Kier. Since then, Kier and Surrey Highways have been working together to address any legacy issues from the contract with May Gurney, especially around critical IT systems improvement and safety defects.

### Opportunity for extension

16. A key decision for the authority over the next few months is the extension to the Kier contract. The initial term of the contract finishes in April 2017 and Surrey have a choice of either not extending beyond that or extending by up to four years.

17. The Service has agreed a contract improvement plan with Kier that will help inform their decision on extension. This requires Kier to demonstrate that; they are managing the new safety defect service effectively; their new IT systems are implemented on time and are effective; performance levels are as required. As part of the contract improvement plan Kier are also developing their vision for the future of the contract to demonstrate how they can add value to Surrey's plans. For Kier to agree to an extension, Surrey also need to ensure that the contract is in a financially sustainable position.
18. If a decision is taken to extend the contract Surrey will then work with Kier to develop a business plan for the period from 2016 to 2021. This will include a facilitated review of their supply chain and overheads to ensure best value for Surrey. If they develop an offer for Surrey for the delivery of the business plan that demonstrates good value, then the Service will recommend that Kier are given a four year extension.

## Findings

Set out below is a summary of the Group's key findings. A detailed list of the strengths, weaknesses, opportunities and threats identified from the evidence reviewed is in Appendix 4.

### **Delivery & Performance**

19. Through Project Horizon Kier have demonstrated that they are able to successfully manage and deliver large capital road maintenance programmes to a high quality and standard. However not enough emphasis and importance is placed on how the contract delivers small, low value minor works which has the greatest impact on resident satisfaction. The behaviour and quality of work delivered by sub-contractors is variable and more effective management of sub contractors by Kier is required. Although the Key Performance Indicators (KPIs) suggest Kier are performing well MRG feel that, based on resident feedback, this does not reflect the quality and management of minor works delivered on the ground. This includes the prompt clearance of road signs after works have taken place to ensure street scene standards are maintained.
20. The contract restricts the ability to commission local businesses to undertake small low value, but high visibility, works quickly and efficiently. Front line and lower level staff should have greater empowerment to make these decisions.
21. Kier have demonstrated their commitment and ability to improve the efficiency and effectiveness of service delivery. They have introduced a new "Damage to County Property" process which has significantly increased the number of successful claims. They have also worked with Highways to introduce a new safety defect process which operates on a 'milk round' basis, meaning defects are identified and repaired more quickly and efficiently through team integration. The MRG would like to see greater integration between officers from Kier and Surrey to improve

other processes and realise greater efficiencies more widely. Reducing the number of steps and people in processes, especially for minor works, would increase resident and elected member satisfaction.

22. Kier have responded well to the extreme weather conditions and have worked positively with Surrey to implement the winter service plan to maximise efficiency and reduce costs. This has included improvements to the salting network, gritting technology and communications. The MRG are keen to ensure the lessons learned from dealing with the cold weather over the last few years are applied to other extreme weather conditions including the recent flooding.

### **IT Systems**

23. Kier inherited an under-performing IT system from May Gurney which was restricting performance management and efficient processes. They have worked with Surrey to introduce the new Works Manager System (WMS) which went live at the beginning of September 14. Benefits include back office, licensing and operational efficiencies; improved visibility and reporting; integrated mobile data to provide real time updates; improved repair quality through real-time visual audit tools; greater efficiency through scheduling and route optimisation tools.
24. Although the new system will improve the works ordering process the MRG remain concerned that many reported defects are lost in the system and residents are not always kept informed of progress. This creates public frustration and lack of confidence in the systems and processes. Online reporting system could also be further improved to make it easier for residents and members to report defects.
25. MRG recognise the potential of the new IT system to improve service delivery, but feel Surrey Highways must also focus on improving their internal capability and capacity to ensure seamless processes with no idle time or data lost on either side.

### **Communication**

26. Communication is inconsistent and unclear. Surrey and Kier need to better manage customer expectations by having a clear and shared communications strategy, which is honest and transparent about levels of service. It needs to be proactive in keeping all stakeholders (including members) informed of decisions and changes to any planned programmes and the reasons why. Communicating clearly with our residents will increase their understanding of the Council's position and in time will reduce queries and complaints to the Council.
27. Communication with Local Committees could be improved, for instance by taking members through jobs completed and getting their feedback on local issues to assist with works prioritisation. Road shows in all the districts and boroughs may also be a good way of reinitiating communication with members of the public in local areas and hearing their feedback and concerns. The MRG also feel that if more money was devolved to the local committee better value could be achieved.

## Contract Potential

28. Kier are a large company with a wide portfolio including property, waste, facilities management, waterways management and passenger services. They have the capacity and capability to bring greater expertise, knowledge and resources to Surrey to drive improvement, innovation and efficiency. However the MRG are concerned that there is the risk that Surrey is lost in Kier's wide client base and would like to see them driving sector innovation more quickly to demonstrate their commitment to Surrey; for example in the development of more sustainable materials, including the recycling of waste materials such as tar.
29. Kier have demonstrated that they are committed to the future of the contract. Their vision includes the development of Surrey County Council as a key strategic client. This has the potential to bring wider opportunities and benefits to Surrey which includes local economic development, cost savings and revenue generation. Further opportunities may arise from non-highways work and /or other highways-related work in Districts and Boroughs
30. In order for the contract to be successful Surrey needs to ensure its organisation structure is set up to support a healthy client, supplier relationship. A critical element of this is ensuring staff have the skills to manage the contract more robustly.

### Conclusions:

31. The MRG have undertaken an extensive review of the partnering contract and have identified a number of areas which need to be improved including; communications, IT systems, contract management, delivery and performance management. However the review has also identified many examples of good practice, which demonstrates the potential of the Kier contract. The MRG were impressed with the new integrated team, which has led to a more efficient defect management process. After many years of under investment in IT by May Gurney the WMS system recently introduced by Kier also promises to drive more efficient working practice.
32. Whilst the MRG have concerns about the importance of Surrey as a client to a large organisation like Kier, we recognise the potential benefits they could bring to Surrey more widely. We are pleased to note their desire to develop Surrey as a more strategic client.
33. In conclusion whilst we believe the contract has significant room for improvement we are satisfied that Kier have the potential to be a successful delivery partner for Surrey.
34. In coming to this conclusion we have taken into account that after several years of low investment in infrastructure, in the 2013 Spending Review the Government announced a £50bn spending plan for roads, between 2015 and 2021. The majority of this investment will be in the

Strategic Road Network. It is estimated that the impact of this additional investment could be an increase in construction prices of as much as 6% in 2015. This is an important consideration for Surrey when determining whether to extend the Kier contract. A key factor that will determine the price that Surrey will pay for its highways service is how we are perceived as a client. Surrey has made good progress in recent years, however many Contractors still judge us by the previous SHiP contracts. It is therefore important to recognise the impact that early termination of another contract would have on our reputation as a client organisation, and the likely impact this would have on prices if we were to go out to tender early. The MRG has considered this issue as part of its overall consideration on extension of the Kier contract.

#### **Recommendations:**

35. The MRG propose that Kier be given the opportunity to work with Surrey to develop a 5 -year business plan covering the period 2016-2021. In order to do this we recommend that Cabinet approve an initial extension to the contract of at least one year. This initial commitment from Surrey would allow Kier to invest in the development of a shared business plan to be completed by September 2015. The quality and outcomes of the business plan would inform the terms of the final contract extension decision in October 2015.
36. The MRG are keen to remain involved in the development of the business plan to ensure it delivers the improvements identified in this report. To that end we recommend that the MRG provide ongoing member insight and scrutiny and report back to Select Committee before October 2015.

#### **Next steps:**

37. Following consideration by the Select Committee, the Member Reference Group's report will be submitted to Cabinet on 3 February 2015.

---

**Report contact:** Jason Russell, Assistant Director Highways and Transport

**Contact details:** 020 8541 7395, [jason.russell@surreycc.gov.uk](mailto:jason.russell@surreycc.gov.uk)

#### **Sources/background papers:**

- KIER / SCC – Core Group Improvement Plan – Partnering Timetable 19/03/14
- Highways Strategic Peer Review Report to Environment & Transport Select Committee, 23/10/13
- SCC Internal audit reports relating to highways 2012-2014
- Presentations provided by witnesses interviewed throughout this process

## Appendices

Appendix 1 – Highways for the Future Member Reference Group Terms of Reference

Appendix 2 – list of witnesses interviewed

Appendix 3 – list of all highways contractors who deliver the Surrey Highways Service

Appendix 4 – Kier contract SWOT Analysis by Highways and Transport MRG

## APPENDICES

---

### Appendix 1 – Highways for the Future Member Reference Group Terms of Reference

---

#### Highways for the Future

#### Terms of Reference for Member Reference Group

##### Introduction

Surrey's highway service is going through an ongoing process of transformation to ensure that it can continue to maintain and improve the highway network, improve member, resident and business satisfaction, whilst facing ever decreasing funding. Key issues that need to be addressed include:

- Aligning the maintenance and improvement of the network. Recent changes to the Assistant Director roles in the Environment and Infrastructure Directorate will support this alignment.
- Developing clear performance criteria for the highway, including condition, safety, congestion, contribution to economic growth, which captures the plans and aspirations of all key stakeholders and is affordable, and determining when this will be achieved by.
- Developing a delivery strategy to achieve the performance criteria set out above. This will include reviewing current delivery strategies, such as Operation Horizon and safety defects management, to determine if they are suitable approaches to build on for the future.
- Determining a procurement strategy, including a decision on whether to extend the current Kier contract beyond 2017, developing a contract model for the contract that will replace the current ones, and considering opportunities for collaborative procurement.
- Determining an appropriate organisational structure, and the capability that will be required. This will start with changes to the E&I Directorate in the new year following the changes to the Assistant Director roles.

This programme of activities is called 'Highways for the Future'.

##### Role of Member Reference Group

Officers believe that a Member Reference Group would add value to this programme by:

- Providing a member perspective on future performance criteria, the levels of service and priorities.
- Providing a member perspective on the alignment between maintenance and improvement of the highway. I.e. bringing together activities currently separated into 'highways' and 'transport'.
- Providing insight and challenge to the reviews of the current delivery strategies, including Horizon, safety defects, asset management strategies etc. Also help consideration of member roles in future delivery strategies.
- Providing insight and challenge to current contract performance, and to consideration of the extension of the Kier contract.
- Providing insight and challenge to the development of future procurement strategies.
- Providing a member perspective on capability issues for the 'Client' organisation.

### Key Milestones

The Following key milestones have been identified for this programme:

December 2013 - Cabinet decision on acceleration of a Horizon

January 2014 - Project plan developed for programme

April 2014 - further changes to structure following AD changes

May 2014 - Horizon review and lessons learned

October 2014 - initial set of performance criteria developed for 2015/16 budget setting

November 2014 - Safety defects review and lessons learned

December 2014 - initial recommendations on extension to Kier contract

---

## **Appendix 2 – list of witnesses interviewed**

---

### **Highways and Transport for the Future – Member Reference Group Engagement Summary**

#### **Summary of Highway Teams / Duties**

Mark Borland  
Loulla Woods  
Jim Harker

#### **Local Maintenance Plan - Overview Supporting Local Need**

Richard Bolton  
Chris Higgs (Maintenance  
Engineer)  
John Hilder (Area Team Manager  
– South-west)

#### **Supporting Local Need - Asset Maintenance Plan PART ONE: Road Survey & Knowledge Survey Team - Overview**

Neil Smith

#### **Asset Knowledge**

Mark Borland  
Scot Gill (Survey Team)  
Richard Lee (Technician)  
Amanda Richards (Team Leader)  
Ian Taylor (HIT)

#### **Asset Maintenance Plan**

#### **PART TWO: Delivering Planned Maintenance - Overview Designing Schemes**

Mark Borland  
Jane Young (Senior Engineer)  
Jason Lofty (Engineer)  
James Birch (Kier)  
Scot Marshal (Marshal)  
Michelle Morgan (Kier)  
Ben Boden (Kier)  
David Short (Kier)  
Lloyd Allen (Kier)

#### **Delivering Schemes**

#### **Programming Schemes**

#### **Asset Maintenance Plan**

#### **PART THREE: Road Inspections & Emergency Repairs - Overview Inspections & Scheduling**

Jim Harker

#### **Repairs**

Lee Slater (Safety Manager)  
Neil Kenyon Smith (Quality  
Manager)  
Mitch Good (Supervisor)  
Repair Crew Supervisor

#### **Customer Queries & Concerns - Overview Customer Contact Centre**

Mike Dawson  
Mike Dawson (Customer Service  
and Improvement Team  
manager)  
John Pateman (Systems and  
Service Improvement Team  
leader)  
Customer Service Officer - TBC  
Patrick Giles (Community  
Highway Officer - Waverley)

#### **Direct Customer Care**

<b>Customer Defect Reports</b>	Doug Richards (Community Highway Officer – Woking) Dave Hawkins Area Safety Manager
<b>Auditing Performance</b> Overview & Interview Dealing with Road Accidents & Incidents	Paul Wheadon
<b>Overview</b> <b>A&amp;Es</b>  Round-up & Areas for further investigation	Jim Harker Lee Slater Chris All
<b>Flood &amp; Water Management</b> · Reasons For Flooding & Prioritising Investment · Routine Maintenance · Minor Repairs · Major Schemes	Mark Borland James Birch (Kier)
<b>New IT System – Reactive Repairs</b> Demonstration of new Works Manager system & mobile devices	Mark Borland James Birch (Kier)
<b>Highways and Transport organisational structure:</b> · New structure · Reasons for changes · Next steps · Discussion	Jason Russell
<b>Street Lighting CMS (street lights management system)</b> <b>Street Lighting &amp; Furniture</b>	Paul Wheadon (SCC Highways) Mark Borland James Birch (Kier)
<b>Damage to County Property</b>	Lee Slater (Kier)
<b>Highways and Transport for the Future:</b> · Aims and objectives · Overview of the programme · Discussion	Jason Russell
<b>Kier Contract:</b> · Contract extension options · Partnering Timetable · Discussion	Jason Russell
<b>Kier contract KPIs/Performance Management</b>	Paul Wheadon (SCC Highways)
<b>Internal audit – key findings from highways-related reports over the last 2 years</b>	Simon White (SCC Internal Audit)

---

**Appendix 3 – list of all highways contractors who deliver the Surrey Highways Service**


---

<b>Contract Lot</b>	<b>Contract Scope</b>	<b>Service Provider</b>
One – Term Maintenance Contract	Reactive Services (Emergencies, Defect Repairs etc) “Minor” Planned Maintenance “Major” Planned Maintenance* Structures Drainage Repairs	Kier
Two – Surface Treatments	Surface Dressing Programme	Kier
Three – Major Maintenance	Major Planned Maintenance	Tarmac
Five – Flood Prevention	Routine Gully Cleansing Jetting	Kier/FM Conway
Six – Lines and Markings	Replace markings on SPN 1, 2 and 3 routes	Wilson & Scott
Seven – Arboriculture	Reactive Pruning and Planned Maintenance to Highway Trees Tree Maintenance on SCC Estate	Glendale Managed Services
Street Lighting	Maintenance and repair of Streetlighting and Illuminated Furniture Replacement of 89000 lights	Skanska

**Highways and Transport Member Reference Group – Work Shop**

**SWOT ANALYSIS**

**Strengths**

- Project HORIZON – Quality / Slick
- KIER commitment to Surrey – want and need contract
- Quality of works
- Use of boroughs as sub contractors i.e.: Elmbridge street team
- KIER liaison with Borough Councils
- Road Permit scheme – good sign management
- Big company capacity – expertise / resources / knowledge
- Surrey can be a door to steer councils for KIER
- WMS Systems – improving confidence in IT software
- One (1) contract covering whole of Surrey

**Weaknesses**

**Contract related**

- Contract focuses on safety not small minor but important stuff
- KPIs don't reflect delivery on ground
- KIER don't accept the role of elected members
- Small client – SCC seen by KIER as 'a small fish in big pond'
- KIER don't lead on innovation – R&D – materials substances
- Communications – members / Public / KIER to Local Highways Teams
- Quality of work – minor works that members of the public identified
- Quality of sub contractors' work ie: outputs
- Behaviour of Sub-contractors – management of sub-contractors
- Why aren't KIER doing more themselves (i.e. do less subcontracting)
- Contract doesn't allow sufficient flexibility to do small works

**Non-contract related**

- Empowering Community Highways Officers (CHOs) to make quick changes  
→ (Funding) – give them budget?
- Over reliant on defect reporting by members of the public
- SCC officers under too much pressure
- Clear / rationalised email addresses for highways issues. Updated regularly – opportunity?
- Lack of clear message to residents
- Permit scheme – lack of joined up working – understanding of road local knowledge – managing permits
- Decisions not communicated – changes to programmes
- Rationalise for changes not transparent and not communicated
- Need to keep public informed – managing expectations
- South East 7 collaboration (SE7) – hasn't delivered what promised – failure to capitalise
- Small minor works need to be purchased – small works important to residents – done outside of formal process
- Asset management strategy bigger emphasis on 'minor' works – e.g. kerbing

- Role & consistency of Community Highways Officers (CHOs)
- How we manage defects that are outside process - lost
- Surrey structure is top heavy and staff need to be supported / resources
- Our structure is critical to success of KIER contract - "Sort ourselves out"

## Opportunities

- Communication: Road shows in all the boroughs for highways to explain what they are doing on the area and local residents to give feedback / raise issues
- Communication - Be open and honest with members of the public (they are intelligent and understand what they are being told) would make them more likely to be understanding
- When new contract starts: start communication with members of the public properly
- Company check / VFA, robustness, etc... & investigate KIER's other contracts to see if we get the best deal out of them.
- Do it "the John Lewis way" : empower officers lower down the hierarchy.
- Investigate Income generation opportunities
- Increase in funding to local committees to be able to satisfy customers
- KIER to look at opportunities locally and strategically regarding non-highways work and /or other highways related work in district and borough councils, etc.
- KIER and Surrey CC Officers integration
- Taking members (Local Committee) around their area to: a) Show jobs done, b) Prioritise what next jobs will be done.
- Local highways officers to be able to quickly contract local contractors to do fast and small jobs without having to involve too much paperwork. Or highways officers to have staff that can do this work without having to go to a contractor
- Improve defect and other issues reporting system for members of the public—make it easier

## Threats

- How secure is the future of the contract in highways budget from a financial perspective?
- Increase in costs of materials (way above inflation) - especially for small jobs
- The state of the Highways Network has been allowed to deteriorate to the weather (unpredictable)
- Threat of complacency regarding KIER potentially doing a lot more for the council ('putting our eggs in one basket')
- Members not engaging with their highways officers and not picking up on issues and it falls back to members of the public to report
- Key members of the staff at KIER move to another area (promotion)
- Utility companies not interested in engaging with SCC / KIER. – Holding repairs back
- KIER is much bigger than May Gurney: Surrey is a small part of their business / turnover.
- Cost of retendering if not extending KIER Contract.
- There are very few good highways contractors on the market
- EU Regulations on residual waste & new EU regulations (Tar recycling)
- Parliamentary regulations
- Threat to KIER if SCC doesn't sort itself out



**Environment & Transport Select Committee  
15<sup>th</sup> December 2014**

**Community Infrastructure Levy Overview**

**Purpose of the report:** Scrutiny of Services and Budgets/Policy Development and Review

The report updates Members on the current preparations for the introduction of the Community Infrastructure Levy across Surrey, the experience to date of those authorities who have already adopted the Levy and the governance arrangements that are currently in place and those that are proposed.

**Introduction:**

1. The Community Infrastructure Levy is the Government's preferred approach to the collection of developer contributions to fund the provision of infrastructure in support of new development in each area.
2. The Community Infrastructure Levy (CIL) was introduced in 2010 with the intention that from April 2014 (extended to April 2015) the majority of planning authorities would have adopted the Levy.
3. As at the date of this report some 39 authorities across the country have adopted CIL with a large number anticipating adopting before April 2015 and a number of others likely to adopt by April 2016.
4. In Surrey two authorities have commenced collection (Elmbridge in 2013 and Epsom & Ewell in 2014) with the remainder anticipating collection from April 2015, with the exception of Reigate & Banstead (anticipated April 2016) and Guildford, Runnymede and Mole Valley some time later.

**Surrey Overview**

5. In Surrey the current planning authority CIL preparation is as follows –

**Elmbridge** – adopted and introduced in April 2013.

**Epsom & Ewell** – adopted and introduced in July 2014

**Surrey Heath** – adopted July 2014 and introduction anticipated December 2014  
**Tandridge** – adopted July 2014 and anticipated introduction December 2014, subject to outcome of judicial review  
**Woking** – adoption anticipated December 2014 and introduction anticipated April 2015  
**Spelthorne** – adoption anticipated December 2014 and introduction anticipated April 2015  
**Mole Valley** – Draft Charging Schedule to be republished and anticipated introduction December 2015  
**Reigate & Banstead** – revised consultation December 2014 and introduction anticipated March 2016  
**Runnymede** – Charging Schedule withdrawn due to local plan difficulties  
**Waverley** - consultation suspended due to local plan difficulties  
**Guildford** – preliminary consultation anticipated December 2014

and a chart of the progress is shown at Annexe 1 to this report.

6. Clearly the adoption and introduction of the CIL regime are very much dependent upon whether the particular planning authority has an up to date and adopted Local Plan because CIL cannot be introduced unless an up to date Plan is in place, hence the additional delay in introduction in areas such as Runnymede, Waverley and Guildford.

#### Experience and Governance to date

7. **Elmbridge** were the first authority to both adopt and commence collection of CIL, in April 2013, and governance arrangements were put in place in relation to how CIL would be allocated and spent.
8. For the strategic CIL monies a Strategic Spending Board of Members has been established by Elmbridge and the first meeting took place on 29<sup>th</sup> September 2014.
9. A number of bids were made to the Board and all the following schemes were successful -
 

Esher Transport Study	£50,000
Burwood Road School safety measures	£85,000
Long Ditton Schools safety measures	£90,500
Fairmile Lane safety improvements	£22,500
Stoke Road speed management measures	£10,000
Oxshott speed management measures	£25,000
Burhill Primary School expansion	£150,000
10. The one scheme that was not found to be acceptable was the Terrace Road cycle path scheme at £330,000 which was considered too expensive and it was felt did not meet the needs of the local population.
11. All County Council schemes have to be initially approved by the Elmbridge Local Committee before they are submitted as bids to the Strategic Spending Board.

12. All decisions of the Strategic Spending Board are then taken forward as recommendations to Elmbridge's Cabinet for final decision.
13. With regard to the spending of the 'meaningful proportion' of CIL (up to 25%) which has to be handed down to communities, settlement-specific Spending Boards have been created for the designated settlement areas, the release of such funds being contingent on having a clear delivery plan in place.
14. Although **Epsom & Ewell** have commenced the collection of CIL detailed discussions have yet to take place as regards how the governance arrangements will work going forward and what role the Local Committee will have in the process.
15. With regard to **Woking** whilst they have yet to commence the collection of CIL detailed discussions have taken place as regards how governance will operate in their area and a report is being taken to the newly constituted Joint Local Committee on 3<sup>rd</sup> December which will seek to introduce a process whereby the Joint Local Committee will determine the spending of CIL, once the CIL regime is in operation.
16. Clearly there are a number of different models for governance that could be introduced by each of the authorities but at present it is considered that the Woking model is one that appears to offer the most open and transparent collaborative process for deciding which schemes the CIL monies should be used to support.
17. Indeed in Elmbridge's report to their Cabinet in June 2013 they stated that "the potential to use Surrey Local Area Committees for such purposes was examined and while there would be obvious resource benefits in utilising an existing committee, a number of potential barriers have been identified in doing so".
18. "These local committees are constituted by Surrey County Council and voting restrictions apply to district/borough members". "At present, district/borough functions could only be voted on by local committees if the function was delegated to the County Council, who in turn would delegate to the local committees". "In terms of CIL, this would require the transfer of powers currently held by Elmbridge, as the designated charging authority, to the County Council".
19. The Local Committee model now operating in Woking could allay some of the fears and procedural difficulties expressed so it will be dependent on how this new "joint" committee works in Woking as to whether Elmbridge, or any other authority, considers the model to be something they could adopt in their areas.
20. Over the coming months it is anticipated that detailed discussions will be undertaken as regards the governance arrangements in those areas where the CIL regime is soon to be adopted.

## **Conclusions:**

21. There has been an enormous amount of collaborative working undertaken to date with local authority colleagues in the run up to their adoption and collection of CIL, but there remains a considerable amount of work still to be undertaken before the remaining authorities are in a position to take forward their CIL regime.
22. This report has deliberately focussed upon the adoption and governance of CIL rather than the detailed technical work currently being undertaken by County Council colleagues with each of the authorities who are still to adopt Local Plans, Infrastructure Delivery Plans, CIL Charging Schedules and Regulation 123 Lists, the documentation that needs to be in place before CIL can be collected.
23. The Levy is very much a planning authority regime and as such a high level of collaborative working is required at both officer and political level to ensure that the provision of infrastructure to support development in each of the areas is able to be secured and provided at the required time, utilising CIL as one of the funding streams.
24. As the report highlights the authorities in Surrey are at different stages in their preparations for CIL and as a result the adoption and collection of CIL will be subject to a variety of timescales and could, as a result, affect the ability of the County Council to support development in each of the areas by securing and providing infrastructure within the required timeframe.
25. As a result careful monitoring of the impacts of the timescales upon such infrastructure delivery will be required, going forward.

## **Recommendations:**

26. It is recommended that the Select Committee endorse:
  - a) The continued collaboration with Borough and District colleagues in their preparation of Local Plans, Infrastructure Delivery Plans, CIL Charging Schedules and Regulation 123 Lists.
  - b) Officers continued collaboration with Borough and District colleagues on draft CIL documentation to ensure the County Council is able to support development in each of the areas by securing and providing infrastructure at the required time.
  - c) Officers continuing to seek agreement as to how the governance regime for CIL will operate in each of the areas by way of a memorandum of understanding or other suitable agreement, and
  - d) The further work required to secure a suitable governance regime in each of the areas, in the light of the possible different models for governance, given that the Woking model is one that appears to offer

the most open and transparent collaborative process for deciding which schemes CIL monies should support.

<b>Next steps:</b>
--------------------

27. The next steps are:

- Officers continue to monitor the progress of CIL adoption across Surrey
- The County Council continues to collaborate with Borough and Districts as regards the preparation of their CIL documentation, including any necessary agreements as to how the CIL allocation process will work in each of the areas, and
- Officers bring back a further progress report, post April 2015

8

-----  
**Report contact:** Paul Druce: Infrastructure Agreements Manager

**Contact details:** 02085417386 / paul.druce@surreycc.gov.uk

**Sources/background papers:**

- Community Infrastructure Regulations 2010 (as amended)

**Consultees:**

- Trevor Pugh – Strategic Director Environment & Infrastructure
- Dominic Forbes – Planning & Development Group Manager

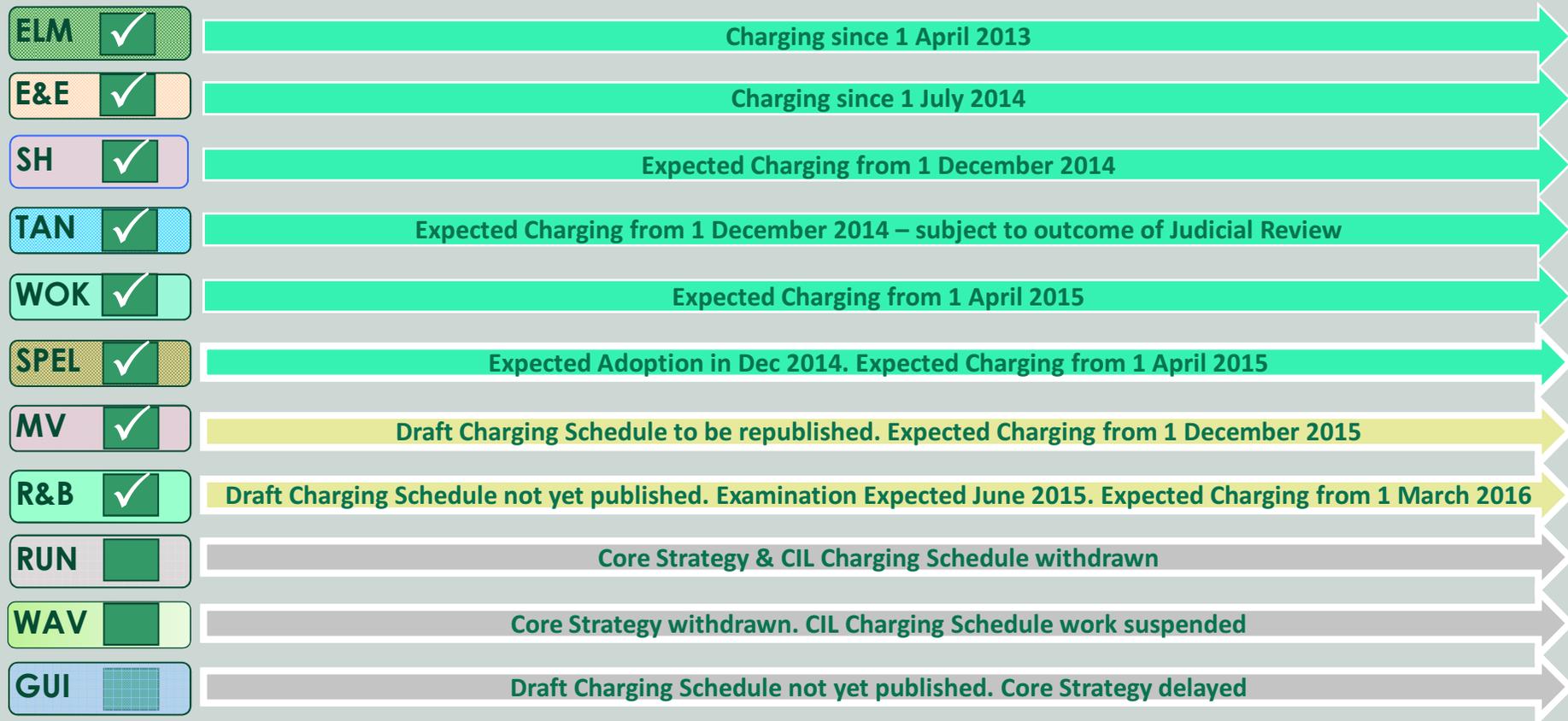
# CIL Adoption Progress in Surrey

www.surreycc.gov.uk



Making Surrey a better place

Page 41



Core Strategy already adopted

Core Strategy to be adopted

As of 20.11.2014

This page is intentionally left blank

Environment & Transport Select Committee  
15 December 2014

**The Community Infrastructure Levy  
& the Horley Master Plan**

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

The purpose of the report is to:

Update the Select Committee with regard to the funding and the delivery of Horley Master Plan infrastructure and service improvements;

Explain the changes to the way in which developer contributions can be secured for infrastructure provision as a consequence of the introduction of the Community Infrastructure Levy; and

Outline Reigate and Banstead Borough Council's proposals with regard to the planned introduction of the Community Infrastructure levy in Spring 2016.

**Executive Summary**

1. The Horley Master Plan (HMP) is a comprehensive and co-ordinated strategy to deliver 2,600 new homes supported by an extensive package of infrastructure and service improvements.
2. As part of the HMP the County Council and the Borough Council identified a range of public transport, highways, education, recreation and community improvements that would be required.
3. The Plan makes clear that the Councils will seek to secure this infrastructure and service improvements by negotiation with developers.
4. This includes both developers direct provision, such as on site infrastructure, as well as financial contributions towards infrastructure and service improvements.
5. It is envisaged that the majority of the developer provision and financial contributions will be secured through Section 106/278 agreements relating to two strategic housing sites – the North East Sector (NES) and North West Sector (NWS) – which in total will deliver 2,200 homes.

6. To date two Section 106 agreements (S106) have been completed for the NES (710 dwellings) and a separate agreement has been negotiated for the NWS (1,510 dwellings).
7. Other contributions are currently being secured through the Horley Infrastructure Tariff, which is a standardised charge paid on every new residential unit on smaller sites (380 units).
8. As part of its commitment to the HMP, the County Council has already defrayed considerable expenditure to deliver a number of key infrastructure and service improvements in advance of developer contributions being received.
9. The introduction of the Community Infrastructure Levy will however fundamentally change the way in which developer contributions are secured.
10. CIL Regulations will mean that the use of S106s will be considerably scaled back.
11. Moving forward Section 106 agreements will only be used to secure site specific infrastructure or contributions which are necessary to approve a planning proposal which would otherwise be considered unacceptable in planning terms.
12. CIL on the other hand is a general levy which will be applied to the majority of new development. CIL will become the mechanism for raising funds for infrastructure that is needed more generally as a result of, and to support, growth in a particular area.
13. Reigate and Banstead Borough Council is planning to introduce CIL in Spring 2016 and is presently consulting on its Draft Preliminary Charging Schedule.
14. The Borough Council is proposing to introduce differential rates for residential development including a levy of £120 per on new homes in urban areas and a higher levy of £180 per sqm for the NWS.
15. The purpose of a higher rate for the NWS is to ensure that in the unlikely event that the S106 is not signed, or the Consortium resubmits a fresh application for the development after CIL has been adopted in the Borough, sufficient developer contributions can still be pursued for the identified infrastructure and to deliver the HMP.
16. Under this scenario, the Councils would continue to secure some elements of the infrastructure from the NWS through S106, whilst other elements would need to be pursued through CIL.
17. An assessment of the contributions that would be received under this S106/CIL scenario demonstrates that this would secure a similar amount of funding to that which has been negotiated through the current S106.
18. CIL Regulations also mean that from April 2015, Councils will no longer be able to pool more than five S106s together to pay for a single infrastructure project or type of infrastructure. In effect this means that the Horley Infrastructure Tariff will no longer be able to be applied after April 2015.

19. To avoid the risk of falling foul to this pooling restriction, it is important that the County Council fully considers what infrastructure should be secured through S106 agreements and what should be pursued under CIL.
20. Importantly CIL is not ring-fenced and as such the Borough Council, as the charging authority, will be able to allocate CIL receipts as it wishes, provided that is in accordance with the CIL Regulations. Currently therefore the County Council has no certainty about how much CIL funding might be secured for HMP infrastructure and service improvements.
21. In light of the above is recommended that discussions take place with the Borough Council with a view to securing formal agreement to how tariff and CIL receipts will be allocated, once CIL is adopted, to ensure that the identified package of HMP infrastructure and services can be funded.

### **The Horley Master Plan**

22. The Horley Master Plan (HMP) is a comprehensive and overarching strategy to deliver 2,600 new homes in Horley, supported by a range of infrastructure and service improvements.
23. Reigate and Banstead Borough Council's adopted Local Plan (2005) provides the policy framework for the HMP and further guidance is contained in the Horley Infrastructure Provision SPD (2008).
24. The HMP allocates two major sites for the majority of the 2,600 homes. Two new neighbourhoods - the North East Sector (NES) and the North West Sector (NWS) – will provide 710 and 1,510 dwellings respectively and a further 380 dwellings will be built on a number of smaller sites around the town.
25. The HMP recognises the importance of planning for the cumulative impact of development. The plan therefore identifies a wide range of infrastructure and facilities that are necessary to ameliorate the impact of the development and to ensure that it is integrated well with the existing urban area.
26. The HMP is clear that all of the planned development should provide a fair proportion of the costs of this infrastructure.
27. Development is expected to provide either direct provision of infrastructure, linked to the two strategic housing sites such as new roads, school sites etc, or direct financial contributions towards infrastructure and services to be delivered by either the County or Borough Council.
28. In 2005, prior to the adoption of the Local Plan, the County's Executive agreed the package of infrastructure and service provision that would be required and authorised the completion of all relevant S106 and 278 agreements. A summary of the agreed contributions is outlined below.

**Forecast of Developer Contributions agreed by SCC including both direct provision and financial contributions**

<b>Passenger Transport</b> Fastway bus service infrastructure. Cost of running Fastway over 10 years Dial a ride Horley Station	£10.5m
<b>Highway works</b> Access roads and junctions improvements Traffic calming Cycling and pedestrian facilities	£10.5m
<b>Education</b> Primary education (inc. two x 1 FE sites) Secondary education Post 16 provision	£10.0m
<b>Community services</b> Library & community info. centre Youth provision	£1.0m
<b>Total</b>	<b>£32m</b>

8

**HMP Funding & Delivery**

29. Funding for infrastructure and service improvements has to date been secured in two main ways.

**Section 106 agreements**

30. It is anticipated that the vast majority of the infrastructure and service improvements will be secured through Section 106 (S106) agreements, which have been negotiated for each of the two strategic housing allocations – the NES and the NWS.
31. To date two separate S106s have been signed, both relating to the NES. The NES is well advanced and it is anticipated that it will be fully built out by 2015, delivering 710 homes.
32. Another S106 has been negotiated for the NWS. Although there has been considerable delay in the completion of this agreement, it is anticipated that it will be signed imminently.

**Horley Infrastructure Tariff**

33. To secure contributions from smaller sites in Horley, the Borough Council adopted the Horley Infrastructure Tariff (the tariff) and the basis for this is set out in the Horley Infrastructure Obligations SPD.
34. The tariff is a uniform charge payable on each new residential unit on smaller sites (up to 380 units).
35. Contributions are collected towards a variety of improvements, as set out in the table overleaf

<b>Horley Infrastructure Tariff Contributions per residential unit</b>	
<b>Public transport</b>	
Community Travel Plan	£202
“Fastway” quality bus route works	£1,217
Bus services and other costs	£1,055
Cycling and pedestrian facilities	£669
Highway works	£227
Town centre public realm works	£446
<b>Education</b>	
Primary	£5,211
Secondary	£2,623
Post 16	£134
<b>Community services</b>	
Library and Youth service	£407
<b>Total payable to SCC</b>	<b>£11,784</b>
<b>Recreation and Leisure</b>	
Horley Day Centre	£108
Town Park	£1,226
Leisure Centre	£1,302
Allotments	£32
Riverside Green Chain	£1,362
<b>Total payable to RBCC</b>	<b>£4,033</b>
<b>TOTAL</b>	<b>£16,224</b>

36. To date contributions have been secured from 259 units which represents two thirds of the total that is planned for smaller sites.

#### **Infrastructure delivery to date**

37. As part of its commitment to the HMP, the County Council has already defrayed considerable expenditure to deliver a number of key infrastructure and service improvements in advance of developer contributions being received (see Part 2 annex 1).
38. To date this includes works to Longbridge roundabout and the A23/Massetts Road as part of core bus route improvements; Fastway bus running costs; the construction of a new transport interchange and works to Horley station; the delivery of a new youth centre; and the completion of a new one form entry primary school in the NES.

<b>The Community Infrastructure Levy</b>
--

39. The Community Infrastructure Levy (CIL) is a standardised charge which local planning authorities, as “charging authorities”, can decide to levy on new development.
40. CIL is intended to provide a fair and transparent means to ensure that developers contribute towards the cost of providing the general infrastructure that is necessary to support growth, in line with the local authorities' development plan.

41. This includes both local and sub-regional infrastructure such as flood defence, highways and transport facilities, education, health facilities, open space, recreation and sport.
42. Under the CIL regulations, money collected through the levy can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure.
43. CIL is levied in pounds per square metre of the net additional increase in internal floorspace and is charged on any development where the gross internal area of new build exceeds 100 sqm and on one or more dwellings of any size.
44. CIL is effectively a development tax. It is compulsory and non-negotiable, though some development is exempt, including social housing, charitable development and self-build.
45. The CIL Regulations require 15% of CIL income to be spent on “neighbourhood projects” at the local level.
46. Charging authorities can set one standard rate or, if justified, specific rates for different areas and types of development.
47. The rate(s) (at pounds per sqm) set in a charging schedule must be based on appropriate and available evidence and must aim to strike a balance between the desirability of funding (in whole or in part) the estimated total cost of infrastructure required to support the development of the area, taking into account other actual and expected sources of funding; and, the overall potential effects of the levy on the economic viability of development across the area.
48. When a charging authority introduces CIL, the intention of the regulations is that the use of S106 requirements should be scaled back to those matters that are directly related to a specific site and which are necessary to make the development acceptable in planning terms, which might include, for example, a new road, play areas and affordable housing.
49. Regulation 123 of the CIL Regulations state that charging authorities must set out a list of those projects and/or types of infrastructure that it intends to fund through levy income. To avoid developers being “double charged” any infrastructure identified on this list cannot then be secured through S106 agreements.
50. Importantly, from April 2015, Regulation 123 also limits the use of planning obligations where there have been five or more obligations in respect of a specific infrastructure projects or a type of infrastructure entered into on or after 6 April 2010.
51. For charging authorities, the process for putting a CIL in place is as follows:
  - Public consultation on the Preliminary Draft Charging Schedule (PDCS)
  - Public consultation on a draft charging schedule
  - Charging schedule examination

- Examiner's report published
- Approval of the charging schedule by a resolution of the full council of the charging authority

### Reigate and Banstead's Community Infrastructure Levy

52. Following the adoption of its Core Strategy earlier this year, the Borough Council now wishes to press ahead with the adoption of CIL.
53. In November 2014 the Borough Council's Executive approved its PDCS for public consultation, which is backed up by supporting evidence.
54. This includes the Infrastructure Delivery Plan (IDP) which identifies and prioritises all the infrastructure works and projects needed to support planned development in the borough over the next 15 years. The IDP was initially prepared following consultation with relevant service providers, including the County Council, to support the Core Strategy and will be reviewed at regular intervals.
55. Secondly the Council has undertaken a detailed economic viability study, in order to demonstrate that the proposed charges do not prejudice the delivery of development in the borough. This study assesses the ability of a range of hypothetical but typical housing and commercial development schemes to pay CIL.
56. Taking account of the infrastructure funding gap, viability evidence and the specific requirements of the regulations and practice guidance, the Borough Council are proposing the following levy rates, outlined in the table below:

<b>RBBC Proposed CIL Charges</b>	
<b>Development Type</b>	<b>Proposed charge (per square metre of net additional floorspace)</b>
New housing in the urban area	£120
New housing in the Horley North West Sector	£180
New housing in the Sustainable Urban Extensions and the rest of the borough	£240
Convenience retail (supermarkets)	£160
All other types of development	£Nil

57. It should be noted that as explained earlier, the CIL Regulations require 15% of CIL income to be spent on "neighbourhood projects" at the local level. The Town Council in Horley will be responsible for spending the 15% "neighbourhood allowance" in their area.
58. To inform the consultation on the PDCS the Borough Council has prepared a draft Regulation 123 list, which is outlined in the table below.

**RBBC's regulation 123 list**

<b>Project or type of infrastructure</b>	<b>Exclusions</b>
Education facilities - Primary schools - Secondary schools - State-funded early years provision	Site-specific facilities whose need is directly and wholly created by a specific development and therefore necessary to make it acceptable in planning terms, specifically including: -The primary school, early years provision and associated facilities to be located within the Horley North West Sector
Highways and transport - Strategic road network - Local road network - Public transport - Pedestrian and cyclist facilities - Public realm	On and off-site works to highways, pedestrian and cyclist facilities and public transport provision required to serve a new development and necessary to make it acceptable in planning terms, specifically including: - The A217 and A23 spine roads serving the Horley North West Sector - Pedestrian and cycle route works between the Horley North West Sector and Horley Town Centre - Physical works and service running costs to enable the provision of a bus service between the Horley North West Sector and Horley Town Centre
Healthcare facilities - Primary care (GPs) - Acute care - Healthy living initiatives	Site-specific facilities whose need is directly and wholly created by a specific development and therefore necessary to make it acceptable in planning terms

8

**Implications of CIL for the HMP****Securing contributions from the NWS**

59. The NWS is the largest strategic housing allocation in the Borough and its delivery, as well as the contributions it makes to infrastructure, is key to the HMP.
60. The Borough and County Councils have been working with the NWS development consortium over a number of years to negotiate a comprehensive package of infrastructure and service improvements to make the development acceptable in planning terms.
61. The S106 has been engrossed and is presently in the process of being signed by the respective parties. As such it is anticipated that the agreement will be completed and the associated outline planning consent issued and implemented prior to CIL being formally adopted by the Borough Council.

62. In these circumstances, the development would continue to be bound by that S106 agreement. Any reserved matters applications would fall outside of CIL and any amendment applications under section 73 of the Town and Country Planning Act 1990 would only be liable for CIL insofar as regulation 128A of the Community Infrastructure Levy Regulations 2010 (as amended) dictates.
63. However, in the event that the S106 has not been signed, or the Consortium resubmits a fresh application for the development after CIL has been adopted in the borough, the Councils may wish to revisit the mechanism(s) through which it is most appropriate to secure the various contributions.
64. Whilst for some elements of infrastructure, the S106 agreement is likely to remain the most appropriate method to secure delivery or contribution (for example on-site works or works towards which only the NWS is contributing), other elements – particularly where the NWS was making a partial contribution to a wider project – are likely to be more appropriately pursued through CIL as this will provide greater flexibility over spending and pooling.
65. In recognition of this, the assessment of viability which has been carried out for the NWS – and therefore the resultant charge – makes a significant allowance for contributions through S106 (approximately £21.5m or £14,270 per unit).
66. Taking account of the evidence, and mindful of the national CIL guidance which advises charges are not set too close to the margin of viability, the Borough Council is proposing a charge of £180/sqm for housing in the NWS.
67. Importantly, under this scenario, the combined infrastructure contributions which would be secured from the NWS – at £43.2m – would be comparable to the total secured through the current S106 agreement (see Annex 2)
68. In order to be totally confident that the County Council does not fall foul of pooling restrictions it is very important that full consideration is given to what infrastructure the authority would like to be pursued through CIL and what should be secured through S106, representations then being made to the Borough Council in respect of its 123 list as is necessary.

#### **Securing contributions from remaining small sites**

69. To date contributions have been secured from two thirds of the 380 new homes that were originally anticipated to come forward on smaller/windfall sites.
70. Based on an assessment of current outstanding planning permissions in Horley it is forecast that contributions will be secured through existing agreements from at least a further 61 units in the next two years.
71. Whilst it is possible that contributions may be secured from a greater number of exiting agreements, this is considered to be less certain as a result of uncollectable contributions and the fact that as the pooling

restrictions come into force in April 2015, the Borough Council will no longer be able to apply the tariff.

72. The remainder of the contributions from smaller sites are likely to be collected by the Borough Council through CIL, Annex 3 shows the total forecast of remaining income that will be received from these remaining sites.
73. However importantly, as Annex 4 demonstrates, provided CIL funds are allocated to the HMP the County Council should receive sufficient income to cover both current and planned expenditure.

#### **Ring fencing of contributions**

74. CIL is not ring fenced and as such the Borough Council, as the charging authority, will be able to spend and allocate CIL receipts as it wishes, provided that is in accordance with the CIL Regulations.
75. The Borough Council acknowledges that a transparent process is needed to enable the prioritisation of how CIL receipts are spent and recognises that this is likely to involve infrastructure providers bidding for money.
76. However the Borough Council also recognises in an Executive report that  
“it is also important that existing commitments to long-term infrastructure projects continue to be fulfilled once CIL is in place. This is particularly the case for the Horley Masterplan and other regeneration areas (such as Redhill and Preston), where both the Council and County Council have already defrayed up-front expenditure.”
77. The Borough also acknowledges that  
“in practice, it is likely that the majority of the money collected through CIL will be passed to partner organisations, in particular the County Council for education and transport provision”
78. Although the above should be acknowledged, due to the considerable money that has already been defrayed in Horley and the significant further infrastructure and service improvements that have been identified, the County Council should enter into discussions with the Borough Council to ensure sufficient funding will be made available.
79. The best way in which this would be achieved would be for the two authorities to enter into an appropriate agreement which commits to support the infrastructure and service improvements that have been identified as part of the HMP.
80. This could include a commitment to cover the payment of any ‘shortfall’ in small sites income. It could also ring fence any monies collected through CIL for the infrastructure improvements that both parties have identified are required, in the scenario where the S106 for the NWS is not completed, or the NWS consortium submit a new application for the development after CIL has been adopted.

## **Conclusions:**

81. CIL regulations will bring about a fundamental change to the way in which developer contributions are sought towards infrastructure provision.
82. Once adopted CIL will fund general infrastructure improvements within a local area that support growth.
83. CIL will not replace S106 agreements and S106 agreements will still have an important role in securing infrastructure which is critical to the grant of planning permission
84. The Borough Council is planning to introduce CIL in 2016 and is currently consulting on their Preliminary Draft Charging Schedule.
85. The Borough Council is proposing a higher CIL rate for the NWS which should be supported. This is an approach which will help to ensure that the NWS continues to provide an appropriate and sufficient level of infrastructure funding in the unlikely event that the S106 is not signed or the consortium submit a new application once CIL has been adopted.
86. The County Council needs to fully consider which elements of infrastructure in Horley it wishes to continue to be secured through S106 and what should be pursued through CIL.
87. CIL monies are not ring fenced and can be spent by the charging authority as it wishes provide that it is in accordance with the CIL regulations.
88. The County Council should therefore enter discussions with the Borough Council with a view to reaching an agreement to fund the existing infrastructure and service improvements planned in the HMP through CIL receipts as far as is necessary.
89. The County also need a commitment to fund any gap in funding from smaller sites that might arise from the inability to apply the tariff after April 2015.

## **Recommendations:**

90. It is recommended that the Select Committee endorse:
  - a) The principle of the Borough Council's proposal to charge a higher levy for residential development in the North West Sector
  - b) Officers making formal representations on the Borough Councils Preliminary Draft Charging Schedule including its Regulation 123 list, as necessary
  - c) The two authorities work together to reach agreement by way of a memorandum of understanding to ring fence monies to ensure that there is sufficient funding to deliver the identified infrastructure in and service improvements in the HMP.

## Next steps:

91. The next steps are:

- The County Council considers what is included and excluded from the Regulation 123 list
- The County Council provides feedback to the Borough Council on the Preliminary Draft Charging Schedule, making formal representations to the consultation where necessary
- The County Council formally approach the Borough Council with a view to commencing joint discussions to prepare a memorandum of understanding

8

---

**Report contact:** Peter Boarder, Horley Regeneration Project Manager, Surrey County Council/Reigate and Banstead Borough Council

**Contact details:** 01737 276201 peter.boarder@reigate-banstead.gov.uk

### Sources/background papers:

- The Adopted Local Plan (2005) Reigate and Banstead Borough Council
- Horley Infrastructure Provision Supplementary Planning Document (2008) Reigate and Banstead Borough Council
- Community Infrastructure Levy: Preliminary Draft Charging Schedule Executive Report (13 November 2014) Reigate and Banstead Borough Council
- Horley Master Plan Executive report (2005) Surrey County Council
- Community Infrastructure Regulations

### Consultees:

- Trevor Pugh (Surrey County Council)
- Dominic Forbes (Surrey County Council)
- Paul Druce (Surrey County Council)
- Caroline Smith (Surrey County Council)
- Billy Clements (Reigate and Banstead Borough Council)
- Luci Mould (Reigate and Banstead Borough Council)

Document is Restricted

This page is intentionally left blank

## **Environment & Transport Select Committee**

15 December 2014

### **Surrey Highways – Safety Defect Year 1 Review**

To provide Committee Members with an overview of the implementation of the first year of the Safety Defect project, which is used to inspect and repair council potholes and wider defects.

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

1. Surrey Highways has a statutory duty to keep the highway safe, through the provision a proactive highway inspection regime and the delivery of an emergency defect/pothole repair service.
2. As is industry practice Surrey Highways is not funded to repair every defect on the network, only those which pose an immediate or high safety risk to road users that could cause personal injury or property damage.
3. The original contract to deliver this statutory service was awarded to Kier in April 2011. The contract provided a fixed price to repair all low and high risk potholes/defects regardless of volume and repeat visit, the contract was awarded on the assumption that we would repair 30,000 to 40,000 potholes per year.
4. As per national guidance Surrey Highway policy classed potholes/defects into two categories:

<b>P2 (High Risk)</b>	the defect presents a high risk to highway user and must be temporary repaired within <b>24 hours</b> and permanently repaired within <b>28 days</b>
<b>P3 (Low Risk)</b>	defect posed low risk to highway user and therefore permanently repair only required within <b>28 days</b>

Categorisation of defects are based upon a strict Safety Matrix and defects that did not meet the intervention criteria are not repaired under the emergency reactive service, see appendix A for copy of Safety Matrix.

5. This approach was in accordance with UK policy and assisted in keeping the network safe and reducing the council insurance liability.

6. However, in 2012 the Department of Transport published new guidance in its report "Prevention is Better than Cure". This report recommended that it is more important for Highway Authorities to focus on resolving the long term problems rather than simply repairing the pothole/defect as quick as possible.
7. In tandem with the published guidance, an internal highway review also identified that the short 24 hour repair timescale for response meant that there was no opportunity to properly plan repairs. This results in increased travelling times for the repair gangs and reduced productivity. It also results in temporary repairs more often than is desirable and limits the scope of repair to individual defects rather than being able to group them together as larger, more substantial repairs.
8. The review also identified that a more prudent use of resource and energy would be in an increased proactive highway inspection regime rather than a reactive service focused on short term repairs.
9. In February 2013 the Surrey Cabinet therefore approved a change in Highway Policy and increased the minimum repair time from 24 hours to 5 days, see revised timescale below:

<b>P2 (High Risk)</b>	the defect presents a high risk to highway user and must be temporary repaired within <b>5 working days</b> and permanently repaired within <b>20 working days</b>
<b>P3 (Low Risk)</b>	defect posed low risk to highway user and therefore permanently repair only required within <b>20 working days</b>

10. This revised policy was consequently introduced onto the network in November 2013. As part of implementing the new policy Surrey Highways launched a transformation project "**Safety Defects**". The project was to deliver the six anticipated benefits of the new policy as detailed below:

<b>Benefit 1</b>	Increase the frequency of highway inspections, ensuring defects are identified sooner
<b>Benefit 2</b>	Improve the planning of defect repairs, leading to an improved standard of repair and less repeat visits
<b>Benefit 3</b>	Improve the overall quality of repairs and quality control procedures
<b>Benefit 4</b>	Improve the overall condition of the network by carrying out larger scale repairs
<b>Benefit 5</b>	Improve the management of risk across the highway network
<b>Benefit 6</b>	Improve team working and remove silo working

11. Section Two provides details the performance against expected benefit and confirm if the benefit has been achieved by measuring the outcome against three assessments:

<b>Fully Effective</b>	Targets Achieved or Exceeded
<b>Developing</b>	Targets Partially Met – Action Plan in place to deliver improvements
<b>Unsatisfactory</b>	Targets not Met – Management Review in progress

---

**DETAIL: SAFETY DEFECT BENEFIT REALISATION**

---

**BENEFIT ONE: INCREASED HIGHWAY INSPECTIONS**

12. As detailed in the Cabinet Paper presented in Mar 2013, Highways intended to move to a more frequent inspection regime across the majority of roads. Similar changes were applied to footways and, Townpaths (some of which were previously not inspected) have been included in the regime.

<b>SPN (2013)</b>	<b>Previous</b>	<b>New (2014)</b>
SPN 1	Quarterly	Monthly
SPN 2		Monthly
SPN 3	Bi-annual	Monthly
SPN 4a	Annual	Quarterly
SPN 4b		Annual

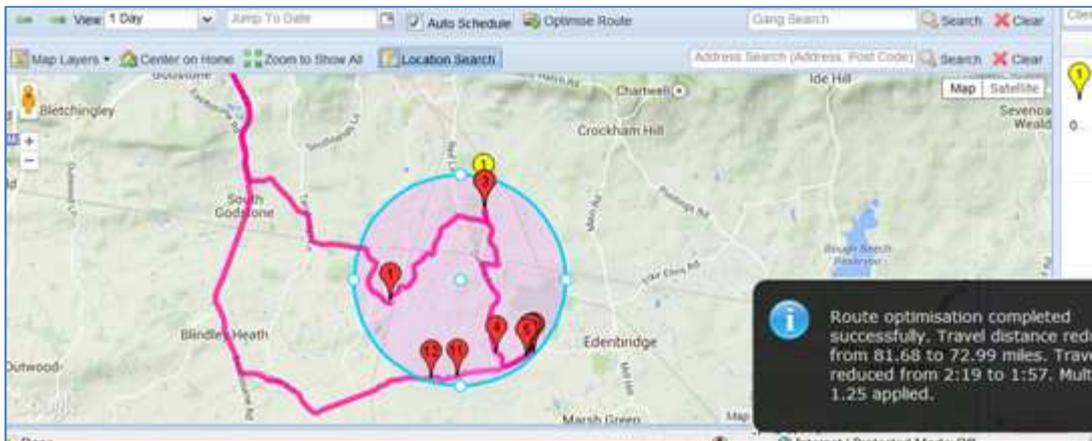
<b>Footway Network</b>	<b>Previous</b>	<b>New (2014)</b>
Level 1	Quarterly	Monthly
Level 2	Annual	Quarterly
Level 3	Annual	Bi-annual
Level 4	Annual	Annual

This change is being implemented on an area by area basis which started in Woking in May and the final transitions being completed at the end of November – from that point the whole County will have moved over to the new regimes.

13. As different roads will deteriorate at different rates and there is no simple quantitative measure to determine the impact of this change, it is hard to provide data to support the position. What the initial data does show is that whereas when roads were inspected even on a quarterly basis, an Inspector would generally record at least one defect in a road. Now, when carrying out monthly inspections, there are numerous inspections where no defects are found during the visit.
14. Furthermore by the virtue of inspecting more frequently, where defects are found, intervening sooner means the defect is much more likely to be classified as a low risk defect than a high risk defect.
15. Although the last few districts/boroughs will complete the transition to the new Inspection regime fully from 1 Dec, the process has successfully reduced the impact of a defect on the travelling public. Identifying the defect earlier means it is less severe, will provide Kier more time to efficiently plan and carry out the repair and so make the network safer on a day to day basis. We therefore consider this to be Fully Effective.
-

**BENEFIT TWO: IMPROVED PLANNING & SCHEDULING OF REPAIRS**

16. The introduction of the Works Manager System (WMS) has brought with it a dynamic set of Scheduling Tools which enable a far more efficient Scheduling Process. By comparison, WMS provides a number of functionality changes over Maximo. These include;
  - Geographical representation - displaying defects on a map to aid in a visual understanding of the schedule and defect location.
  - Optimised routeing tool enabling the scheduler to optimise the driving route taken by the gang to reduce driving time and increase working time.
  - Improved data provision. WMS enables more data captured by the inspections teams to be visible to the Scheduler thus allowing a more informed decision on scheduling.
  - Performance. The new system captures both defect size from the Inspection teams and repair patch sizes from the gangs enabling more thorough defect & performance analysis.
  - Auditing. The data capture & transparency of the WMS system enables more in-depth auditing to ensure that both the Inspections & Scheduling processes are adhered to and developed for continuous improvement.



\*\* Screen shot from WMS depicting the time saved optimising a gangs route. Travelled distance reduced from 81.68 miles to 72.99 miles

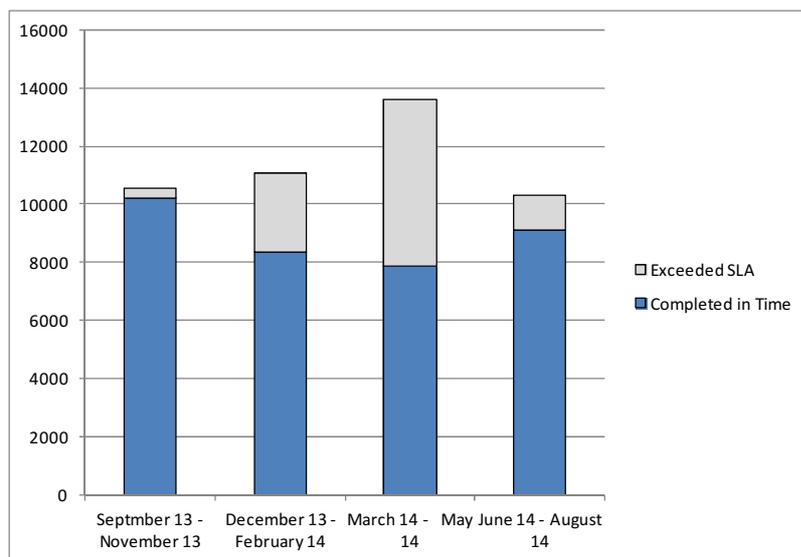
17. Given the recent transition from Maximo to WMS, it will take a period of time to fully explore & develop the new functionality and understand its full potential. The new system certainly provides a solid platform from which to further explore other efficiencies in the future for example using the Defect/Patch size information captured to better manage materials use & wastage. We therefore consider this to be developing.

**BENEFIT THREE: IMPROVED QUALITY OF REPAIRS & AUDITING**

18. Over the previous 12 months, the Council has repaired around 85,000 defects however this is not evenly spread across the year. This figure includes defects reported by members of the public and by the Council's Highway Inspectors:

	Sept 13 - Nov 13	Dec 13 - Feb 14	Mar 14 - May 14	Jun 14 - Aug 14
Total Defects	16402	25758	26412	16374
Reported via SCC Website	3085	12677	11183	6134
% Reported by Public	19%	49%	42%	37%

19. The above table shows a significant increase in the volume of defects being reported during the winter months (c.60% inc). The majority of these were reported via the website rather than through the Council's planned Inspections. This increase is a direct result of a number of prolonged periods of severe weather culminating in the significant flooding in a number of locations across the County December to February. As described in the introduction, these figures are in excess of the expected volumes the contract was awarded on and performance against KPIs was in turn affected.
20. The graph below shows the volume of defects repaired within time compared to those completed outside the SLA:



As can be seen, although the volume in the summer months was still in excess of the "expected" volumes, the vast majority of defects were completed within the required SLA. A detailed breakdown of performance across the year is included in Annexe Two which includes performance across individual Districts and Boroughs.

21. Following the severe winter, flooding and the ever increasing volume of defects being reported, a short term initiative known as "find and fix" was introduced March to June. Rather than attending defects which had been reported earliest, resources were reassigned to carry out a more efficient programme of repairs:
- Rather than gangs moving across an area to multiple roads repairing the longest standing defects (and likely leaving others to be repaired another day), gangs were scheduled to carry out all repairs in a road ensuring the whole road was made safe at the end of the visit. Working in this way means that on average gangs can complete more repairs per day due to the reduction in travelling time
  - Gangs were supported by a trained Highways Officer (often the local CHO) to ensure all safety defects were captured and repaired ensuring the work was completed to the expected standard
22. As part of the find and fix solution, a different type of repair was introduced in some areas which uses a spray technique to first clear the defect of loose material, spray binder to ensure a lasting repair and lastly to lay the repair material compacting it at the same time. Rather than taking 30-60 minutes to repair using a hand laying gang, these repairs are completed in a matter of minutes.

- 
23. Whilst this method is much more expensive than hand laying gangs, the output is far higher meaning large volumes can be repaired in a much shorter time resulting in a safer network quicker and limiting the Council's Insurance liability.
  24. As part of the new integrated team, a Governance/Quality Assurance team was introduced. Whilst the quality of defect repairs were previously deemed to be an improvement on the previous contracts and generally of a good standard, there was limited documented evidence to either support or challenge this.
  25. The team was formed from existing staff and new appointments and began work in September 14. Their focus extends beyond simply checking completed defects and includes auditing Highways Inspectors to ensure accurate reporting, auditing scheduling to ensure orders are planned to meet SLAs and ensuring that opportunities to "cluster" defects into larger more effective repairs are taken.
  26. Significant improvements have been made in our ability to respond to defect reports and the introduction of the new Works Manager System, hand-held devices for gangs to record completed work and the Governance Team is providing real-time information to enable evidence based assessment on the quality of the service. These improvements are evidenced by the "settling" of both defect volumes and performance against KPIs over the summer months. However as both the IT improvements and the commencement of the Governance team came into effect in September, further improvements are expected and as a result, we consider this area to be developing.

#### **BENEFIT FOUR: COMPLETE LARGER/MULTIPLE REPAIRS**

27. Since the implementation of WMS, 3% of all carriageway defect repairs have been greater than 2msq.
28. Due largely to the delayed implementation of WMS, the Cluster Defect process was not introduced until September 2014. Following a 4 week trial we were able to identify that the criteria for classifying a Cluster Defect was far too stringent which meant that very few defects were being reported as part of this process. We have since expanded the qualifying criteria of Cluster Defects and are currently trialling the revised process to ensure that larger repairs are identified & completed.
29. The Cluster Defect process is still being trialled and therefore will be on-going and as a result is developing.

#### **BENEFIT FIVE: IMPROVE RISK MANAGEMENT / INSURANCE CLAIMS**

30. The new 5 working day Policy was introduced on 4<sup>th</sup> November 2013. It was always envisaged that this would lead to an expected increase in claims volumes by 25% given that defects would be left on the network for longer periods of time. It is anticipated that the increase in defects would be defensible under the 5 working day policy. To date, there have been no test cases on the 5 working day policy in court.
-

Surrey County Council			
Nov 12 to Oct 13	(to date)	Nov 13 to Oct 14	(to date)
Total Claims	2701	Total Claims	4216
Passed to Kier	801	Passed to Kier	1186
SCC Settled Claims	599	SCC Settled Claims	796
SCC Settlement Total	£ 574,899	SCC Settlement Total	£ 281,512

Kier Services			
Nov 12 to Oct 13	(to date)	Nov 13 to Oct 14	(to date)
Total Claims	801	Total Claims	1186
SCC Settled Claims	677	SCC Settled Claims	1015
SCC Settlement Total	£ 178,323	SCC Settlement Total	£ 301,672

\*Note: there are still claims for the above periods under consideration so overall the values could increase

31. To mitigate the risk of defects that fall outside of the Emergency Response process but are deemed to require a more urgent response than 5 working days, a new priority of 'P2+' was introduced to 'internally' flag such defects and help the scheduling teams to prioritise the repair as soon as possible. This has been managed in a number of ways including the introduction of a Hotline for Inspections Teams to report defects meeting the P2+ criteria, enabling Inspection teams to select the new priority within the Handheld devices and a manual review of all Portal raised defects to pick up on key words which would suggest a more urgent response is required. To date the number of P2+ defects represents 5.2% of the total defect volume.
32. It is not yet possible to determine if the new policy has improved or worsened the County's position due to the timing of the implementation of the revised Policy coinciding with both the Winter Season and a succession of 200 year storm events which have made data comparisons impossible and a further period of review is required. We therefore consider this to be developing.

#### **BENEFIT SIX: IMPROVED TEAM WORKING / REMOVAL OF SILOS**

33. Project Safety Defect commenced on 4<sup>th</sup> November 2013 and a number of measures were taken to integrate the Client, Contractor & Subcontractor teams. In the East of the network co-locating the teams occurred almost overnight due to the existing seating & working arrangements whereas in the West of the network, the teams were unable to co-locate until March 2014 due to the need to review existing seating/working arrangements. Two sets of Integrated Team workshops have been held to help break down barriers between teams and promote the one team approach. An exercise was undertaken prior to the first workshop in December 2013 and all attendee's rated the current position on collaborative working with a traffic light system where Red was little or no collaboration and Green was a fully functional, collaborative team. The results of the first workshop showed a predominantly Red result as could be expected however the results of the recent workshop in October 2014 showed a progression to predominantly Amber result.
34. The integration of the teams has enabled a greater awareness of concerns for all parties concerned helping to understand the 'drivers' & 'blockers' of each organisation. Integration has dramatically improved the collaborative approach

---

to reducing 'blockers' and identify 'enablers' to delivering a successful service.

35. We are currently 12 months into Project Safety Defect and the team has delivered month on month improvements to Service Delivery. As we continue forward and with the implementation of the new WMS System, progress should start to pick up pace as we continue to develop both the relationships and Service Processes. We therefore consider this to be developing.

---

## **CONCLUSION & SUMMARY**

---

36. The review therefore confirms considerable success:
- Routine Highway inspections have significantly increased resulting in defects being identified sooner and in many cases allowing repair intervention sooner limiting the impact of the defect.
  - New IT and processes is allowing much more effective planning of resource allowing more repairs to be made sooner as well as increasing the transparency of data to improve auditing resulting in quality to be assessed and improvement plans to be created.
  - The new integrated team is showing signs of success with each function being a component part of the process and contributing to its success rather than individual team's responsibility ending upon completion of their part in the process.
  - To date, there is no evidence that this change has had an adverse impact on the claims paid out by the Council or Kier.
37. However, as many of the initiatives are either still under implementation or in their infancy, the review recognises that there is work still to be achieved to fully embed the project objectives and create a fully effective service. Each of the initiatives has its own implementation plan and review and allowing for the expected increase in defect reports over Winter, all areas are expected to be fully embedded by the Summer of 2015.
38. The approach Surrey County Council has adopted was also validated by the recent Pothole Challenge Fund. The fund was developed by the Department of Transport and allowed local highway authorities to bid for a £200m fund to repair potholes. Based upon bid submission summarising council policies, procedures and resource for defects, councils were then ranked, with the highest scoring authorities awarded bonus funding, on top of the standard allocation determined on road length.
39. Surrey Highways was ranked joint 9<sup>th</sup> in the county out of 148 councils, which placed Surrey Highways in the top band for highway defects and enabled additional funding over and above the standard grant allocation
40. The Safety Defect project provides an excellent platform to build on, and the service will continue to embed and deliver continuous improvement to deliver enhanced service to surrey residents.

---

## **WHAT HAPPENS NEXT**

---

41. Select Committee members are invited to visit Incident Response Centre in Merrow to view the operation in action and make any specific comments.
-

---

42. Year 2 Safety Defect Report submitted to Select Committee in November 2015.

---

**Contact Officer:**

Mark Borland, Group Manager Projects & Contracts, 0208 541 7028  
Paul Wheadon, Commercial & Performance Manager, 0208 541 9346

**Annexes:**

Annex One: Cabinet Paper – New Approach to Highway Maintenance  
Annex Two: Performance Data (Safety Defects) Sept 13-Aug14  
Annex Three: Highway Safety Inspection Policy Defect Categorisation Nov 13

---

This page is intentionally left blank

SURREY COUNTY COUNCIL

CABINET

DATE: 26 MARCH 2013



REPORT OF: MR JOHN FUREY, CABINET MEMBER FOR TRANSPORT AND ENVIRONMENT

LEAD OFFICERS: TREVOR PUGH, DIRECTOR ENVIRONMENT AND INFRASTRUCTURE

SUBJECT: FROM REACTIVE TO PLANNED – A NEW APPROACH FOR HIGHWAY MAINTENANCE

**BACKGROUND:**

1. In early 2010 the Rethinking Surrey Highways programme was instigated (as part of the Council's PVR programme), with the aim of improving customer satisfaction and reducing operating costs by:
  - Designing and implementing new contractual arrangements to replace the previous SHiP contracts
  - Redesigning the structure of the organisation, to improve service delivery and reduce establishment costs
  - Improving collaborative working with other organisations, including Borough and District Councils and SE7 Councils
2. Given the scale of transformation, the programme was structured in two phases with the first phase being those changes necessary to implement the new contracts from April 2011. This first phase has been delivered successfully, with operating costs reduced by a minimum of £8m per annum through efficiencies from the new highway contracts of £7m pa, and a reduction of establishment costs in excess of £1m pa.
3. The capital savings have been reinvested in the highway service, enabling:
  - An increase in the number of major road schemes
  - An increased allocation of funding to Local Committees
  - An overall increase in net customer satisfaction
4. Further changes identified during the Rethinking Surrey Highways programme, and planned to be implemented as Phase 2, were deferred to enable the new contracts to be mobilised. These changes included:
  - The development of longer term Capital programmes
  - Improved coordination of works on the highway
  - A shift from a reactive to a planned approach for defect repair
5. At their meeting on 5<sup>th</sup> February 2013, Cabinet approved the introduction of two

---

initiatives that will deliver the first two improvements listed above:

- Increased funding for planned road maintenance to enable the adoption of Operation Horizon to deliver fixed five year major maintenance programme to Surrey's roads
  - The introduction of a Permit Scheme, which will introduce better control and coordination of all work on the highway
6. This paper sets out proposals to deliver the final improvement – the shift from a reactive to a planned approach for safety defect repair.

---

**SUMMARY OF ISSUE:**

---

7. Since the contract with May Gurney started in April 2011, a large proportion of safety defects have been repaired in 24 hours. This approach has been in accordance with our current policy and assisted in keeping the network safe following the high level of damage as a consequence of the bad winters of 2010 and 2011.
8. The short timescale for response means that there is no opportunity to properly plan repairs. This results in increased travelling times for the repair gangs and reduced productivity. It also results in temporary repairs more often than is desirable and limits the scope of repair to individual defects rather than being able to group them together as larger, more substantial repairs.
9. In addition, the classification of the Highway network has not been reviewed for a number of years and our inspection regime, assessment of risks and works prioritisation processes do not as accurately as they could reflect current traffic volumes.
10. Finally, the Localism agenda means there is now a greater desire for the local management of highway services, to enable local priorities to be addressed. A number of initiatives are in place to support this approach, and this paper deals with a specific request from Woking Borough Council.

---

**RECOMMENDATIONS:**

---

11. It is recommended that:
1. Cabinet approve the adoption of SPN (2013) as Surrey's road classification for maintenance and the delegation of authority to the Cabinet Member for Transport and Environment to approve future local adjustments to the SPN, as set out in Annex 1;
  2. Cabinet approve the revised Highway Safety Inspection Policy as set out in Annex 1, subject to the development of robust processes and systems to ensure that risks are assessed and delegate authority to agree those processes and systems to the Director of Environment and Infrastructure and the Director of Change and Efficiency in consultation with the Leader and Cabinet Member for Transport and Environment.
  3. Cabinet approve the Town Centre Management agreement with Woking Borough Council, and the delegation of authority to the Assistant Director Highways to finalise the agreement with Woking Borough Council
-

according to the terms set out in Annex 1.

## **REASONS FOR RECOMMENDATIONS**

12. These proposed changes will provide the following benefits:

- Increase the frequency of highway inspections, ensuring defects are identified sooner
- Improve the planning of defect repairs, leading to an improved standard of repair and less repeat visits
- Improve the overall condition of the network by carrying out larger scale repairs
- As a consequence, improve the management of risk across the highway network
- Enable Woking Borough Council to invest in their town centre by complementing County Council services and providing a higher level of service than the County Council would be able to provide

13. For further details on the recommendations please refer to Annex 1.

## **CONSULTATION:**

14. Details of the proposals contained within have been positively discussed at the Environment and Transport Select Committee of 8 November 2012 and 7 February 2013 as set out in Annex 2.

## **RISK MANAGEMENT AND IMPLICATIONS**

15. The implementation of the proposals for a new approach to highway maintenance will impact on the Council's statutory duties under the Highways Act. Insurance Services will be fully involved in the implementation of the proposals to ensure statutory compliance is maintained. In addition the Highway Service will work closely with the Insurance Team to monitor reports on the claims experience following implementation of the changes.

16. The County Council has the legal authority to discharge highway functions through District Councils if both parties are in agreement.

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

17. Within the Medium Term Financial Plan annual savings of £500,000 have been identified against insurance claim payments by 2014/15. It is intended that implementation of recommendations one and two will achieve the saving as follows;

- Further transfer of insurance liability to the service provider - achievable by closer integrated working and in recognition of the proposed policy changes,

- Reducing the risk of insurance liability caused by failure of temporary repairs or defects being repaired out of policy timescales - achievable by improved scheduling processes,
- Reducing the risk of insurance liability caused by current inspection frequencies not being in accordance with the current Code of Practice Guidelines – achievable by introducing revised SPN policy and associated inspection frequencies.
- Reducing the risk of insurance liability by improving risk management procedures – achieved following implementation of revised defect review and prioritisation processes.
- Reducing the risk of insurance liability by carrying out larger repairs to defects and thereby minimising further failure on the network.
- Reduction in the value of claims costs following introduction of the Jackson reforms on insurance claim costs during 2013/14.

18. The financial management systems in place on the contract are not providing the level of financial control required. A project has been established to address these issues, and is making progress, however some areas of concern remain. The required remedial actions have been identified, and timescales for rectification have been agreed.
19. A key measure of the success and progress of improvements to the financial management systems will be the effectiveness of the management of the year end accounts. It is proposed that a full review be undertaken of the year end, and that if this reveals that the systems are still not considered fully effective, that this matter be escalated with May Gurney using the Contract mechanisms. Failure to comply with the agreed improvement plan can then result in the issuing of Contract Default Notices and ultimately termination of the contract.
20. The change from a 24 hour response to a 5 day response will result in improved resource utilisation and therefore reduced cost. It is proposed that these savings are reinvested in the highway network through an improved quality of repair, by:
- Where appropriate, undertaking larger areas of patching to repair several defects rather than repairing them separately
  - Including defects which do not yet meet the intervention criteria for safety defects in the area that is repaired to prevent safety defects from forming.
  - Significantly reducing the number of temporary repairs that are undertaken (currently where temporary repairs are undertaken these must be permanently repaired within 28 days)
21. As described these changes will also require May Gurney to undertake additional repairs through the safety defect lump sum. To deliver the revised inspection and defect repair service will result in an increase to the fixed price paid to May Gurney of £400,000 per annum, this is to pay for additional patching and surfacing gangs to enable improved scale of repair and additional staff to deliver claims management service.
22. The cost adjustment will be met through cashable efficiencies delivered through reduced highway energy costs (£300,000), achieved through better inventory management and £100,000 contribution from the Minor Planned Maintenance budget.

23. Surrey Highways will monitor the quality improvements delivered by these changes to ensure that the anticipated benefits are realised. If an improved quality of repair is not being delivered then the issue will be escalated using the Contractual procedures.

**Section 151 Officer Commentary**

24. Financial and value for money implications, including expected savings and additional costs, are set out in paragraphs 17 to 23. The Council's ability to reduce insurance costs will ultimately depend on a range of internal and external factors and at this stage cannot be guaranteed.

**Legal Implications – Monitoring Officer**

25. In addition to a general duty of care, Surrey County has a statutory duty to maintain the highway as contained in the Highways Act 1980, in particular:

- Section 41 – imposes a duty to maintain a highway which is maintainable at public expense.
- Section 58 – provides for a defence against action relating to alleged failure to maintain on grounds that the authority has taken such care as in all the circumstances was reasonably required to secure that the part of the highway in question was not dangerous for traffic.

26. The policy changes proposed in this report do not adversely affect the council's statutory position. However, legal precedent has confirmed that the management of highway maintenance, including the "establishment of regimes for inspection, setting standards for condition, determining priorities and programmes for effective asset management" should all be undertaken against a clear and comprehensive understanding and assessment of the risks and consequences involved.

27. It is therefore intended that a clear and comprehensive risk management process is adopted as part of the new Highway Safety Matrix, ensuring that defects with the highest risk to public safety continue to be repaired at the earliest opportunity.

**Equalities and Diversity**

28. Equality & Diversity Impact Assessments have been completed, and scrutinised by the Environment and Infrastructure E&D Group and are fully endorsed by the Highway Senior Management Team. A summary of the key outcomes are detailed as follows:

<p><b>Information and engagement underpinning equalities analysis</b></p>	<p>We are changing our classification of the network to reflect the current Code of Practice and the method by which we will deliver reactive maintenance.</p> <p>This will lead to changes in a number of maintenance activities to reflect the new network (inspections and safety defects, winter service, replacement of markings etc.) combined with a more coordinated approach to delivering repairs. Other anticipated benefits are; improved risk management and improved safety of the highway network.</p>
---	---

<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	<p>The SPN hierarchy is, as far as is reasonably practicable, to safeguard the movement and well-being of all Highway users, both the residents of Surrey and those passing through the County.</p> <p>Defects will remain on the network for longer periods of time. Road works whilst repairing defects are likely to cause temporary disruption to pedestrians and road users.</p>
<b>Changes you have made to the proposal as a result of the EIA</b>	<p>The EIA review has reaffirmed the approach within the body of the New Strategy for Highway Maintenance report in challenging the proposal. No changes are proposed.</p>
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	<p>Careful planning and monitoring of reported safety defects, implementing corrective and preventative action swiftly where required to manage risk.</p>
<b>Potential negative impacts that cannot be mitigated</b>	<p>Changes to historical network sections that had originally been incorrectly assigned or not updated as the network evolved.</p> <p>Defects will remain on the network for longer periods of time.</p>

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

29. The report recommendations will provide a positive impact on the County Council's commitment to sustainability, as they will reduce the number of vehicle journeys undertaken to repair defects on the highway network.

### **WHAT HAPPENS NEXT:**

30. If Cabinet approve these recommendations, then these changes will be phased in from April 2013 over a 12 month period.

31. The Assistant Director Highways will work with the Environment and Transport Select Committee to ensure the effective scrutiny of these recommendations.

#### **Contact Officer:**

Lucy Monie, Operations Group Manager, 020 8541 9896

#### **Consulted:**

Environment and Transport Select Committee  
Insurance Services Team  
May Gurney  
Woking Borough Council

#### **Annexes:**

Annex 1 Background to the Recommendations  
Annex 2 Environment and Transport Select Committee Response to a New Strategy  
for Highway Maintenance

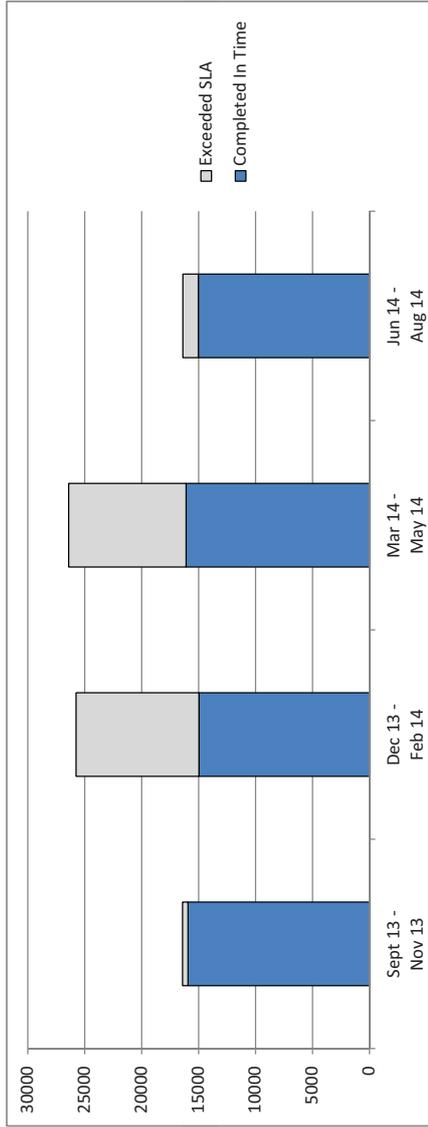
**Sources/background papers:**

- None
-

This page is intentionally left blank

**Safety Defects Performance - All Defects**  
September 13 - August 14

	Sept 13 - Nov 13			Dec 13 - Feb 14			Mar 14 - May 14			Jun 14 - Aug 14		
	Total Defects Reported	Defects Repaired within Timescales	%	Total Defects Reported	Defects Repaired within Timescales	%	Total Defects Reported	Defects Repaired within Timescales	%	Total Defects Reported	Defects Repaired within Timescales	%
Elmbridge	1967	1904	96.80%	2827	1562	55.25%	3081	1832	59.46%	2671	2456	91.95%
Epsom & Ewell	533	519	97.37%	1438	802	55.77%	1146	648	56.54%	1404	1289	91.81%
Guildford	993	939	94.56%	2957	1451	49.07%	2936	1552	52.86%	1413	1239	87.69%
Mole Valley	2798	2764	98.78%	3062	2100	68.58%	3215	2174	67.62%	2126	2011	94.59%
Reigate & Banstead	2869	2801	97.63%	4134	2746	66.42%	3456	2384	68.98%	1775	1657	93.35%
Runnymede	537	519	96.65%	887	512	57.72%	1168	700	59.93%	653	572	87.60%
Spelthorne	887	852	96.05%	1076	634	58.92%	1295	641	49.50%	1257	1135	90.29%
Surrey Heath	878	820	93.39%	1481	742	50.10%	1349	647	47.96%	877	785	89.51%
Tandridge	1720	1664	96.74%	3007	1745	58.03%	2618	1619	61.84%	1416	1294	91.38%
Waverley	2546	2474	97.17%	3646	2068	56.72%	4885	3247	66.47%	2209	2078	94.07%
Woking	674	656	97.33%	1243	593	47.71%	1263	647	51.23%	573	515	89.88%
<b>Total</b>	<b>16402</b>	<b>15912</b>	<b>97.01%</b>	<b>25758</b>	<b>14955</b>	<b>58.06%</b>	<b>26412</b>	<b>16091</b>	<b>60.92%</b>	<b>16374</b>	<b>15031</b>	<b>91.80%</b>



	Sept 13 - Nov 13	Dec 13 - Feb 14	Mar 14 - May 14	Jun 14 - Aug 14
Completed In Time	15012	14955	16091	15031
Exceeded SLA	490	10803	10321	1343
Total Defects	16402	25758	26412	16374

**Safety Defects Performance - High Risk Defects**  
(require temporary repair within 5 days)

September 13 - November 13	Total Number of High Risk Defects requiring a repair this month (A+B)	Reported via Website (A)	Identified by Highway Inspector (B)	No Repaired within 24 Hours* (D)
Elmbridge	832	262	570	812
Epsom & Ewell	237	166	71	233
Guildford	395	332	63	373
Mole Valley	795	160	635	784
Reigate & Banstead	1174	366	808	1145
Runnymede	183	53	130	179
Spelthorne	442	228	214	434
Surrey Heath	258	83	175	250
Tandridge	548	173	375	532
Waverley	651	211	440	636
Woking	320	131	189	313
<b>Total</b>	<b>5835</b>	<b>2165</b>	<b>3670</b>	<b>5691</b>

December 13 - February 14	Total Number of High Risk Defects requiring a repair this month (A+B)	Reported via Website (A)	Identified by Highway Inspector (B)	No Repaired within 5 working Days (D)
Elmbridge	1683	1221	462	799
Epsom & Ewell	890	680	210	361
Guildford	1848	1718	130	716
Mole Valley	1385	972	413	667
Reigate & Banstead	2247	1491	756	1237
Runnymede	413	303	110	155
Spelthorne	621	574	47	306
Surrey Heath	898	678	220	336
Tandridge	1627	1192	435	685
Waverley	2218	1576	642	1047
Woking	834	689	145	315
<b>Total</b>	<b>14664</b>	<b>11094</b>	<b>3570</b>	<b>6624</b>

March 14 - May 14	Total Number of High Risk Defects requiring a repair this month (A+B)	Reported via Website (A)	Identified by Highway Inspector (B)	No Repaired within 5 working Days (D)
Elmbridge	1548	843	705	1168
Epsom & Ewell	494	427	67	242
Guildford	1489	1350	139	862
Mole Valley	1547	986	561	991
Reigate & Banstead	1749	1197	552	1213
Runnymede	494	352	142	326
Spelthorne	692	605	87	391
Surrey Heath	555	433	122	306
Tandridge	1222	841	381	652
Waverley	2366	1128	1238	1714
Woking	638	461	177	370
<b>Total</b>	<b>12794</b>	<b>8623</b>	<b>4171</b>	<b>8235</b>

June 14 - August 14	Total Number of High Risk Defects requiring a repair this month (A+B)	Reported via Website (A)	Identified by Highway Inspector (B)	No Repaired within 5 working Days (D)
Elmbridge	1042	243	799	1019
Epsom & Ewell	516	95	421	499
Guildford	465	299	166	448
Mole Valley	640	181	459	620
Reigate & Banstead	685	205	480	660
Runnymede	222	68	154	219
Spelthorne	615	446	169	598
Surrey Heath	322	65	257	313
Tandridge	415	125	290	405
Waverley	885	167	718	880
Woking	245	199	46	240
<b>Total</b>	<b>6052</b>	<b>2093</b>	<b>3959</b>	<b>5901</b>

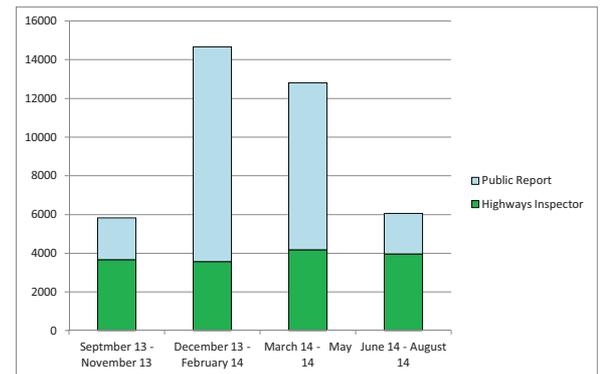
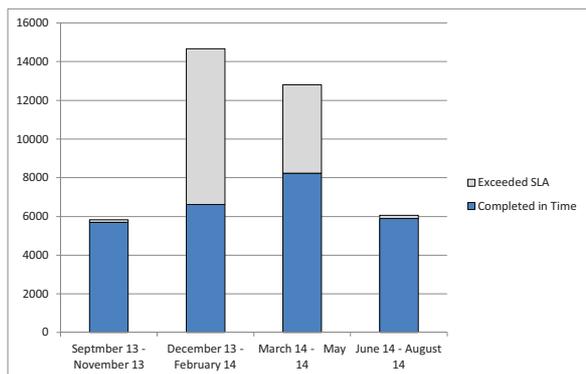
9

**Performance against SLA**

	September 13 - November 13	December 13 - February 14	March 14 - May 14	June 14 - August 14
Completed in Time	5691	6624	8235	5901
Exceeded SLA	144	8040	4559	151
Total Defects for the Period	5835	14664	12794	6052
% Complete in Time	97.53%	45.17%	64.37%	97.50%
KPI Target (Green)	98%	98%	98%	98%

**Split of Defect Reports by Highways Inspector vs Public Reports**

Reported by	September 13 - November 13	December 13 - February 14	March 14 - May 14	June 14 - August 14
Public Report	2165	11094	8623	2093
Highways Inspector	3670	3570	4171	3959
Total Defects for the Period	5835	14664	12794	6052



### Safety Defects Performance - Low Risk Defects

(require permanent repair within 20 working days)

September 13 - November 13	Total Number of Low Risk Defects requiring a repair this month (A+B+C)	Reported via Website (A)	Low Risk Defects Reported via Highway Inspector (B)	High Risk Defect requiring Permanent Repair* (C)	No Repaired within 28 Days (D)
Elmbridge	1135	156	216	763	1092
Epsom & Ewell	296	56	60	180	286
Guildford	598	137	112	349	566
Mole Valley	2003	66	1139	798	1980
Reigate & Banstead	1695	106	507	1082	1656
Runnymede	354	32	76	246	340
Spelthorne	445	62	77	306	418
Surrey Heath	620	52	283	285	570
Tandridge	1172	47	413	712	1132
Waverley	1895	150	1084	661	1838
Woking	354	56	1	297	343
<b>Total</b>	<b>10567</b>	<b>920</b>	<b>3968</b>	<b>5679</b>	<b>10221</b>

December 13 - February 14	Total Number of Low Risk Defects requiring a repair this month (A+B+C)	Reported via Website (A)	Low Risk Defects Reported via Highway Inspector (B)	High Risk Defect requiring Permanent Repair* (C)	No Repaired within 20 working Days (D)
Elmbridge	1144	234	192	718	763
Epsom & Ewell	548	81	92	375	441
Guildford	1109	301	62	746	735
Mole Valley	1677	81	688	908	1433
Reigate & Banstead	1887	105	337	1445	1509
Runnymede	474	69	28	377	357
Spelthorne	455	111	22	322	328
Surrey Heath	583	133	85	365	406
Tandridge	1380	121	309	950	1060
Waverley	1428	263	55	1110	1021
Woking	409	84	1	324	278
<b>Total</b>	<b>11094</b>	<b>1583</b>	<b>1871</b>	<b>7640</b>	<b>8331</b>

March 14 - May 14	Total Number of Low Risk Defects requiring a repair this month (A+B+C)	Reported via Website (A)	Low Risk Defects Reported via Highway Inspector (B)	High Risk Defect requiring Permanent Repair* (C)	No Repaired within 20 working Days (D)
Elmbridge	1533	494	154	885	664
Epsom & Ewell	652	116	135	401	406
Guildford	1447	396	137	914	690
Mole Valley	1668	142	579	947	1183
Reigate & Banstead	1707	126	395	1186	1171
Runnymede	674	125	98	451	374
Spelthorne	603	197	48	358	250
Surrey Heath	794	187	120	487	341
Tandridge	1396	171	354	871	967
Waverley	2519	411	120	1988	1533
Woking	625	195	2	428	277
<b>Total</b>	<b>13618</b>	<b>2560</b>	<b>2142</b>	<b>8916</b>	<b>7856</b>

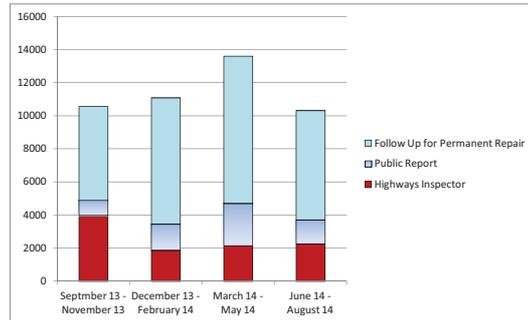
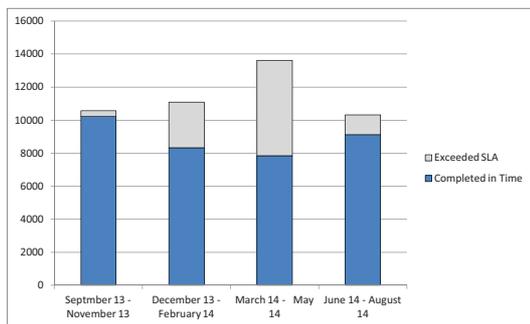
June 14 - August 14	Total Number of Low Risk Defects requiring a repair this month (A+B+C)	Reported via Website (A)	Low Risk Defects Reported via Highway Inspector (B)	High Risk Defect requiring Permanent Repair* (C)	No Repaired within 20 working Days (D)
Elmbridge	1629	165	419	1046	1437
Epsom & Ewell	888	117	201	570	790
Guildford	948	240	100	608	791
Mole Valley	1486	99	433	954	1391
Reigate & Banstead	1090	127	263	700	997
Runnymede	431	81	74	277	353
Spelthorne	642	171	59	412	537
Surrey Heath	555	93	106	356	472
Tandridge	1001	111	247	643	889
Waverley	1324	156	318	850	1198
Woking	328	88	30	211	275
<b>Total</b>	<b>10322</b>	<b>1447</b>	<b>2249</b>	<b>6625</b>	<b>9130</b>

#### Performance against SLA

	September 13 - November 13	December 13 - February 14	March 14 - May 14	June 14 - August 14
Completed in Time	10221	8331	7856	9130
Exceeded SLA	346	2763	5762	1192
Toat Defects for the Period	10567	11094	13618	10322
% Complete in Time	96.73%	75.09%	57.69%	88.45%
KPI Target (Green)	98%	98%	98%	98%

#### Split of Defect Reports by Highways Inspector vs Public Reports

Reported by	September 13 - November 13	December 13 - February 14	March 14 - May 14	June 14 - August 14
Public Report	920	1583	2560	1447
Highways Inspector	3968	1871	2142	2249
Follow Up for Permanent Repair	5679	7640	8916	6625
Toat Defects for the Period	10567	11094	13618	10322



This page is intentionally left blank

CARRIAGEWAY INSPECTIONS										
Potholes <i>The depth of a pothole is covered below. As a general rule, the diameter, at the surface level, should be &gt;75mm on cycle lanes and &gt;150mm on carriageways</i>				Loose material etc.	Regulatory lines – excessive wear	Ironwork and covers missing broken, tilting, rocking etc		Edge damage	Unevenness due to rutting, subsidence etc.	Displaced road studs, cat eyes and debris
Cycle lanes	All other locations	Cycle lanes	All other locations	Of sufficient spread and depth to need prompt attention	White regulatory lines  (at junctions) worn so as to detract from their purpose	Missing or Broken ironwork, covers and frames.  Upstand >20mm or depressed (sunken) covers and frames (equivalent to pothole standards, i.e. >25mm in cycle lanes	Cracked or rocking frame or cover.  Creating a noise or vibration, Depressed or tilted	Road edge breaking, falling away so as to be potentially hazardous  (only when extended into actual wheel path and the risk of impact is high)	Severe unevenness due to ruts, humps, corrugations.  Resulting in high risk may influence future minor/ major planned maintenance programmes	Displaced/ laying on running surface
> 25mm in marked cycle lanes and at recognised crossing points (normally in town centre situations)	> 40mm at all other locations	Approaching 25mm, with likelihood of worsening in short term. Advanced local crazing likely to pothole	Approaching 40mm, with likelihood of worsening in short term. Advanced local crazing likely to pothole							
P2	P2	P3	P3	P2	P3	P2	P3	P2	P2	P2

FOOTWAY AND KERB INSPECTIONS					STREET FURNITURE, VEGETATION & VERGE INSPECTIONS							
Ironwork and covers missing broken, tilting etc	Potholes <i>As a general rule, the diameter, at the surface level, should be &gt;100mm</i>	General Surface	Kerbing defects		Furniture defects			Tree and vegetation defects <i>In less obvious cases refer to Highways Arborist</i>		Verge defects		
Missing, Broken or loose - Trips >20mm and/or sunken >20mm	Potholes >20mm deep	Trips >20mm	Broken, loose, tilted or missing, trips and/or projections >20mm In line with pedestrian /cycle path	Kerbing in other areas that is broken or damaged to the extent that it could have the potential to cause vehicle damage.	Rails, barriers, safety fencing etc - excessive defects  Bent, twisted, projecting metal or timber to extent that public is put at high risk	Road signs and signals - excessive defects  Bent, twisted, projecting to extent that public is put at high risk. Also Damaged/missing junction signage where sign duplication no longer exists	Unlawful signs – safety hazard  causing significant obstruction to passage or vision and clear risk to the public	Trees / vegetation on highway  Obvious danger of falling timber. Fallen debris causing obstruction to passage or vision	Off highway – safety hazard  Obvious danger of falling timber. Fallen debris causing obstruction to passage or vision but within falling distance of highway	Surface defects in the verge  Which present a potential danger to the passage of pedestrians or vehicles using the highway as a whole	Ironwork and covers in the verge Missing or broken	Ironwork and covers in the verge cracked or rocking
P2	P2	P2	P2	P3	P2	P2	P2	P2	P2	P2	P2	P3

Page 81

Response Category	Description
<b>P2 (Safety Priority 2)</b>	Correct/repair or make safe within 5 working days. If it is not possible to permanently correct/repair defect within 5 working days, a permanent repair should be carried out within 20 working days, where appropriate, i.e. unless maintenance/improvement works are planned within a timescale not exceeding 6 months. This timescale should be appropriate to the defect type, location road/footway classification and usage.
<b>P3 (Safety Priority 3)</b>	A permanent repair should be carried out within 20 working days where appropriate, i.e. unless maintenance/improvement works are planned within a timescale not exceeding 6 months. This timescale should be appropriate to the defect type, location road/footway classification and usage.

Note : On carrying out an inspection, observed defects that present the highest risk of harm to the public, thus requiring immediate attention to secure, guard, warn, or make safe should be reported and actioned as an Immediate response defect ( P1 Immediate Priority).

**NOTES**

These are recommended standards for categorisation of response; the inspector may select a different response in taking account of foreseeable risk to all road users.

All defects involving or resulting from utility company apparatus should be reported so we can contact the utility direct to initiate repairs. Failure to act could result in remedial action being taken and cost recovered. E.g. missing/broken ironwork, sunken trenches.

Defects observed on private land or resulting from private property should be reported so we can contact the owners direct to initiate repairs. Failure to act could result in remedial action being taken and costs recovered

This page is intentionally left blank



**Environment and Transport Select Committee**  
15<sup>th</sup> December 2014

**The Agreement with Surrey Wildlife Trust for the Management  
of the County Council's Countryside Estate**

**Purpose of the report:** Scrutiny of Services and Budgets/Performance  
Management/Policy Development and Review

Following the Recommendations of the Countryside Management Task Group, which reported to the Select Committee in March 2013, negotiations have taken place with Surrey Wildlife Trust. Attached is the draft report to Cabinet setting out terms of that agreement. The Committee is asked to comment on the terms before the report goes to Cabinet.

**Introduction:**

1. The Countryside Management Task Group set out a series of recommendations in its report of 6<sup>th</sup> March 2013 to this Committee, the key ones relating to the Agreement with Surrey Wildlife Trust (SWT) are set out below.
2. These recommendations are:
  - i) The Strategic Director for Environment and Infrastructure reviews the contract between Surrey Wildlife Trust and Surrey County Council. This review should include
    - All aspects of the contract;
    - The development and measurement of more clearly defined outputs that ensure value for money;
    - A review of the governance arrangements; and
    - The development of a communication strategy to promote the benefit of the partnership arrangements to Members of the County Council and Surrey residents.
  - ii) Specific management plans are created for iconic locations in Surrey.
3. Two progress reports have been brought to this Committee subsequently setting out the ongoing discussion. These discussions and more recent negotiations have now resulted in the terms outlined in the attached report.

4. The Committee has established a Members Reference Group which has met to consider the terms in advance of this Select Committee meeting, their comments have been incorporated into the attached report and its annexes.
5. The Committee is asked to comment on the principles and in particular the Governance including the Service Delivery Specification and the Key Performance Indicators.

**Recommendations:**

8. That the Committee agrees the principles of the revised Agreement with Surrey Wildlife Trust before the report goes to Cabinet.

**Next steps:**

9. That subject to changes agreed by the Select Committee Members, the report goes to Cabinet to seek approval of the revised terms.
10. A further report could be brought to the Select Committee in Spring next year before the terms of the revised agreement are finalised.

**Appendices**

- Annex A Draft report for Cabinet on 16<sup>th</sup> December 2014  
Annex B Cabinet Report Annexes

---

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

**Contact details:** 0208541 9404, [lisa.creayegriffin@surreycc.gov.uk](mailto:lisa.creayegriffin@surreycc.gov.uk)

**Sources/background papers:**

- Countryside Management Task Group Report to ESTC 6<sup>th</sup> March 2013  
Countryside Management Task Group Report: Report on Progress, report to ETSC on Friday 19<sup>th</sup> July 2013  
Countryside Management Task Group Report: Report on Progress, report to ETSC on 23<sup>rd</sup> October 2013

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 16 DECEMBER 2014**

**REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING**

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

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



**SUMMARY OF ISSUE:**

Surrey County Council (SCC) signed a 50 year agreement (the Agreement) with Surrey Wildlife Trust (SWT) to manage the County Council's Countryside Estate in 2002. Running with the Agreement is a 50 year lease for the land and buildings comprising the Estate. A review has recently been undertaken to assess the effectiveness of the Agreement and to set out changes which will improve the outcomes. Key areas of focus have been the management of built property, management of the woodlands and the opportunity to improve visitor facilities and generate income from the Estate. Attention on these areas will, in turn, help to move the management of the Estate to a self funding position, providing improvements for visitors and reducing costs.

**RECOMMENDATIONS:**

It is recommended that:

1. Cabinet notes the proposed changes to the Agreement set out in this report.
2. The details of the proposed changes to the Agreement are worked up by the Assistant Director of Environment and Infrastructure in consultation with the Cabinet Member for Environment and Planning.
3. A further report recommending the draft final terms for the Amended Agreement is brought to Cabinet for approval in April 2015.

**REASON FOR RECOMMENDATIONS:**

A draft set of high level terms have been agreed with Surrey Wildlife Trust which will ensure the County Council's Countryside Estate is managed in a more sustainable way in the future. This will, in turn, provide better facilities for the public whilst increasing the income generated from the Estate. This will allow the Estate to become self financing. The governance has also been reviewed to ensure that the implementation of these actions happens and their effectiveness is monitored.

## **DETAILS:**

### **Background**

1. The County Council's Countryside Estate comprises 6,206 acres (2,514 hectares) of land owned by the County Council, with a further 2,538 acres (1,028 hectares) managed under Access Agreements. The Estate has five farms, woodland, heathland and downland held by the County Council for public benefit, recreation and landscape conservation.
2. Following a procurement process to find a suitable partner to work with, a fifty year Agreement to manage the Countryside Estate was signed with SWT in 2002, which included a financial formula. The formula allowed for an incremental reduction in SCC's contribution that resulted in a £300,000 reduction in the base contribution between 2007 and 2012. The current review set out to establish the effectiveness of that Agreement.
3. A Countryside Management Task Group was set up by the Environment and Transport Select Committee (the Select Committee) in July 2012. The Task Group set out a series of recommendations in its report to the Select Committee of 6<sup>th</sup> March 2013, and subsequently to Cabinet on 26<sup>th</sup> March 2013, where the recommendations were agreed. There were five recommendations of which two are relevant to the Agreement with SWT.
4. The key recommendations which relate to the Agreement with Surrey Wildlife Trust (SWT) are set out below:
  - (i) The Strategic Director for Environment and Infrastructure reviews the contract between Surrey Wildlife Trust and Surrey County Council. This review should include:
    - All aspects of the contract;
    - The development and measurement of more clearly defined outputs that ensure value for money;
    - A review of the governance arrangements and;
    - The development of a communication strategy to promote the benefit of the partnership arrangements to Members of the County Council and Surrey residents.
  - (ii) Specific management plans are created for iconic locations in Surrey. These locations include such sites as Newlands Corner and Ockham. The plans will develop improved visitor facilities to encourage people to stay longer and enjoy the sites. In addition, it is planned to make local produce more available to a wider customer base through countryside sites. A programme of consultation will allow stakeholders to suggest improvements and comment on these plans.
5. A number of progress reports have been taken to the Select Committee which set out the ongoing discussions.

## Proposals

6. Surrey County Council has drawn up a set of terms for the ongoing Agreement with Surrey Wildlife Trust. The terms have now been agreed in principle and are set out below:
7. **SCC Financial Contributions.** The current Financial Formula in the Agreement with SWT sets out the way in which the contribution from SCC is calculated. This allows for inflation to be added each year based on the SCC rate. In the last two years, inflation has not been added to the SCC contribution in line with payments on other contracts. The payment for 2013/14 was £959,000 for management of the Countryside Estate. The I agreed proposal with SWT is that the SCC contribution to the management of the Countryside Estate will be reduced by £100,000 in 2014/15, down to £859,000, and a further £100,000 in 2015/16, down to £759,000, with no inflation added in either year. In 2016/17, the financial formula will be reassessed based on the success of the commercial opportunities referred to below. This would give a saving of £200,000 in the base budget for the Countryside Service by 2015/16. The savings would be made by an increase in income and savings made in the management of the Estate, which are outlined in the Executive Summary in Annex 1.
8. From 2016/17 the intention will be to incrementally reduce the core contribution from SCC down to zero, by 2021, to achieve a self funding countryside estate.
9. **Governance.** Annex 2 sets out the Revised Governance for the Countryside Partnership Committee, including its Terms of Reference, and makes a clear distinction between the executive functions of the two organisations and the non executive function of the Partnership Committee. The Partnership Committee comprises five representatives from SCC and five from SWT, plus a representative of the owners of the Access Agreements. It was established as an advisory body in the original agreement but is not a formally constituted committee of the Council. The Partnership Committee cannot itself exercise executive powers on behalf of the Council. The role of the Partnership Committee will be to reach agreement on the direction, and action, the parties wish to take. Executive decisions will be referred back to the two separate organisations. The governance also includes a link back to the Select Committee and the Cabinet Member for SCC, in addition to the Trustees for SWT, to receive the Annual Report and comment back to the Partnership Committee. A further key change is to strengthen the link back to the executives of the County Council and the Wildlife Trust. This is to ensure that the Annual report is presented to the Select Committee and Cabinet.
10. **Financial and Risk Mechanism.** SWT and SCC will develop joint business cases for investment proposals, during 2014/15 and 2015/16, which will include the allocation of benefit to the relevant partners based on their investment and associated risks. The Executive Summary of the joint business plan in Annex 1 includes the budgets for 2014/15 and 2015/16 only, as the budgets for future years will depend on the implementation of commercial plans which are currently being developed. The financial position will continue to be monitored on a quarterly basis to ensure prudent financial management and enable any adjustments to be made quickly.
11. **Property Management.** The built property on the Countryside Estate, consisting of some 40 operational and income-generating properties, will

remain in SWT's management to be used to help deliver the service. This is subject to a joint management plan being agreed between SCC Property Services and SWT by 31<sup>st</sup> March 2015. That plan will then be monitored using the current income and expenditure for property, as the baseline. A representative from Property Services sits on the Officer Group of the Partnership to ensure that the current property plans are complied with. This will remain a key role for that representative under the governance structure. SWT are currently working to an Asset Management Plan, which was agreed by the Select Committee and the Members Asset Panel in September 2011, and a Repair and Maintenance Programme that comes out of that plan. These will be updated and become part of the new Property Management Plan. Delay to completing the revised plan will represent a risk to the income.

12. **Development Plans.** In order to achieve the reductions in core contribution set out above, and to get the Countryside Estate to a self financing position, SWT, in partnership with SCC, will pursue a range of commercial opportunities including the enhancement of the visitor facilities. Over the next year, development plans will be worked up for a number of key locations at Newlands Corner, Ockham and the Norbury Park Sawmill. Plans for other areas will be discussed with the relevant landowners.
13. **Woodlands.** Assessments of all the woodland on the Countryside Estate are currently being carried out by SWT and will form the basis of the Strategic Woodland Plan, which is to be completed by December 2015. In the meantime, SWT will complete a Woodland Policy by December 2014. SWT has employed an external forestry consultant to undertake the assessments and, furthermore, now has two members of staff with commercial forestry skills.
14. **Performance Indicators.** A new set of Key Performance indicators (KPIs) have been drafted and are attached as Annex 4, along with the revised Service Delivery Specification (SDS) in Annex 3. Comments from the Select Committee members have been taken into consideration in the version attached. These will be used to assess the effectiveness of the Agreement and the monitoring system in place. The KPIs will be measured on a quarterly basis and reported to the Surrey Countryside Partnership Committee (Partnership Committee), which is the form of governance set out in the Agreement with SWT. Monitoring of the Agreement is the responsibility of a member of staff in the County Council's Countryside Service. The Annual Report will be produced each year and will set out the performance against the SDS and KPIs. This will be received by the Partnership Committee and will then come to the Environment and Transport Select Committee for Scrutiny.

#### **CONSULTATION:**

15. A Member Reference Group from the Environment and Transport Select Committee has been involved in the development of these proposals.
16. The Countryside Partnership Committee has also had the opportunity to comment on the proposal at their meeting on November 10<sup>th</sup>. Their views are also reflected in the contents of this report.
17. The Trustees of SWT received the report on 24 November 2014.

## **RISK MANAGEMENT AND IMPLICATIONS:**

18. The main financial risk in the next two years, for the SWT, is the potential failure to increase the income from the Estate. The savings to SCC in 2014/15 and 2015/16 are guaranteed, however, if SWT fail to generate the anticipated income over that period it will lead to pressure on their budgets. From 2016/17 onwards, the risk becomes a partnership risk and will relate to the success of the commercial plans which are currently being drawn up. For example, the development of visitor facilities at Newlands Corner and Ockham, plans to increase sales of timber and other produce from the Estate in addition to the commercial use of more of the buildings.
19. 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.
20. Investment in the property is essential to keep the asset maintained over the period of the lease. SWT would be liable for dilapidations under the terms of the lease. The Property Management Plan will be monitored through the Service Delivery Specification and Key Performance Indicators to ensure that the land and buildings are properly maintained.
21. In order to achieve the required savings, capital investment is needed and there is a risk that this will not be available when it is required. This would lead to delays in the investment and, consequently, in generating income. SWT Trustees have provisionally agreed to put investment into work at Newlands Corner to generate income and, in addition, work with fundraising staff from both parties to ensure all available options are considered and pursued. A small task group of the Partnership Committee will be established to develop the commercial proposals.

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

22. SWT and SCC have now agreed a plan that will develop the commercial use of the Countryside Estate to get it to a self funding position. Developing the commercial use will 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.
23. SWT are guaranteeing savings for 2014/15 and 2015/16 that will reduce the pressure on other aspects of the Countryside Service, as it will help deliver the Medium Term Financial Plan savings and will allow time to develop internal income generating capacity.

## **Section 151 Officer Commentary**

24. The stated savings (£0.1m in 2014/15 and a further £0.1m in 2015/16) help to achieve savings set out in the council's Medium Term Financial Plan and do so earlier than originally planned. Some savings are one off or time limited. Proposals for further sustainable savings may require additional investment, and will need to be reviewed and approved by the Council's Investment Panel. Details of these proposals, including any proposed changes to property management arrangements, will be reported to Cabinet in April. The Director

of Finance will work with Environment & Infrastructure as these proposals are developed.

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

25. The original agreement between SWT and SCC anticipates that amendments would be made to the Agreement during the 50 year term. It is anticipated that a Deed of Variation will be entered into when amendments to the agreement are agreed and Cabinet has approved the terms.
26. The Partnership Committee was established, under the terms of the original agreement, as an advisory board and to provide oversight to the management arrangements. It is not a formally constituted SCC committee and does not have any executive decision-making authority. Any formal decisions that have not been delegated to officers will need to continue to be made by the Cabinet, or Cabinet member, on the basis of recommendations from the Committee.

#### **Equalities and Diversity**

27. 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.

#### **Public Health implications**

28. 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**

29. 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:**

30. Next Steps:

- The details for the amendments to the Agreement will be drawn up.
- A progress report will be brought to the Environment and Transport Select Committee in March 2015.
- A further report recommending the final terms of the Agreement will be brought to Cabinet in April 2015 for a decision.
- Detailed amendments to the Agreement and lease will be drawn up over the following year.
- The Property Management Plan will be completed by 31<sup>st</sup> March 2015.
- The Strategic Woodland Plan will be agreed with the Forestry Commission by December 2015.
- The new Governance, Service Delivery Specification and Key Performance Indicators will be in place for January 2015 and will be reviewed annually.

---

**Contact Officer:**

Lisa Creaye-Griffin  
Countryside Group Manager  
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  
Legal Service  
Property Services  
Financial Services  
Director for Legal and Democratic Services

**Annexes:**

**Annex 1** the Executive Summary of the Business Plan for the Countryside Estate. 2014-2019.

**Annex 2** Service Delivery Specification.

**Annex 3** Key Performance Indicators.

**Annex 4** Revised Governance and Terms of Reference.

**Sources/background papers:**

- Task Group Report: Countryside Management, to the Environment and Transport Select Committee 6<sup>th</sup> March 2013.
- Task Group Report: Countryside Management, Cabinet 26th March 2013.

This page is intentionally left blank



# Surrey County Council Countryside Estate Business Plan 2014 Executive Summary

---

## 1. INTRODUCTION

The objective of the Business Plan is to set out viable plans, agreed by Surrey County Council (SCC) and Surrey Wildlife Trust (SWT), for the management of the County Council's Countryside Estate (the Estate) in order to improve the visitor facilities and ensure the landscape is conserved and enhanced for future generations. This plan focuses on continuing the management of the Estate whilst developing and implementing plans that can deliver increased commercial income from the Estate. The implementation of these plans, once agreed by both parties, will further reduce the annual contribution from SCC, for SWT's management of the Estate over a number of years.

This Executive Summary of the Business Plan covers an initial period of two years in which significant reductions to SCC's annual contributions are guaranteed-, and includes proposals for key plans which will yield long-term financial growth. Over the next 18 months, SCC and SWT will work together to produce a five-year Business Plan that makes a positive contribution to wider SCC and SWT objectives, with the aim of achieving financial sustainability.

### 1.1 Background and the Countryside Estate

In May 2002, SCC awarded a 50-year Partnership Contract (the Contract) to SWT for the management of its Estate in return for annual payments. SCC selected SWT to manage the Estate in order to secure its future, protect it from further deterioration and improve value for money in its management. The Countryside Estate comprises around 10,000 acres, a significant proportion of which is covered by national and international designations for wildlife conservation. Over 80 events are held on the Estate each year, and over 4200 volunteer days are spent helping to manage it.

The Estate is funded by a combination of:

- Annual payments from SCC;
- Property Income – from commercial and residential property;
- Environmental Stewardship Grants;
- Charitable fundraising by SWT for key projects on the Estate; and
- Trading and other commercial income.

The annual contribution from SCC is calculated according to a financial formula, set out in the Contract, which provided an incremental reduction in the contribution by £300,000 over the first 12 years to £959,000. SWT introduced new income streams, improved value for money through careful procurement, grew trading revenue and gained Environmental Stewardship Grants, increasing income by £500,000 per year.

### 1.2 Principles Underpinning the Business Plan

Constructive discussions between the Partners have established the key principles which will underpin the development of the Estate in the coming years. These are:

1. **Commerciality** – identify and develop commercial opportunities so that the Estate becomes self-sustaining over a realistic timeframe and the partners are working towards a zero contribution from SCC by 2021;
2. **The Estate is pro-actively managed to contribute to the wider strategy of SCC** - this includes contributing towards SCC's strategic goals for tourism, leisure, health and well-being, employment and education;
3. **The Estate is pro-actively managed to contribute to the Living Landscapes strategy of SWT** - this includes conservation for the benefit of wildlife and the people of Surrey and educating people of all ages and abilities in the value of wildlife.

Over the next 18 months opportunities to increase the commercial income earned from the Estate will be identified and business cases developed. A number of ideas have already been identified by SWT and some are already being implemented. This will be supported by the development of an improved set of Key Performance Indicators (KPIs) which drive the positive desired outcomes of the plan; underpinned by a new Service Delivery Specification (SDS). The Partnership Committee will also create a Task Group which will play an active role in identifying, evaluating and supporting new opportunities. These plans will form the backbone of a new five-year Business Plan which will be completed by April 2016. After April 2016, it will become a rolling five-year plan which will incorporate new ideas as they are developed.

Realising these exciting plans will require significant investment. It is expected that this will come from a variety of sources including both Partners. . The investing partners will receive returns calculated in proportion to their level of investment. Working closely with Surrey Countryside and Rural Enterprise Forum (SCREF), and its partner organisations, will be important to this.

Moving the Estate to a more commercial footing will bring rewards and risks to both partners. Mechanisms for sharing these will be developed over the coming months. To manage risk effectively, and enable the Partnership to plan for the long-term with confidence, it will be necessary to maintain a balanced portfolio of income streams ranging from low risk sources such as property, through to higher risk and higher return sources.

In developing plans for the Estate other factors will be taken into account. These will include making sure these plans work in harmony with the many statutory protected sites on the Estate and that they benefit other SCC and SWT objectives, such as public health and well-being.

## 2. Business Plan Proposals

1. The Business Plan puts forward realistic proposals for developing commercial opportunities on the Estate. An important part of the development of the Business Plan over the next 18 months will be to produce an overarching strategy which will show how key sites and the Estate as a whole will contribute to achieving the three principles set out above.

SWT has already done a lot of work for this plan and whilst further developing it, other estates will be researched and professional advice taken to support the creation of a robust plan. The plans are grouped into:

- **Savings Plan 2014/15 and 2015/16;**
- **Early Return Initiatives** – many of which are already being implemented;
- **Identified Commercial Opportunities** – for which business cases are being worked up; and
- **Additional Commercial Opportunities** – potential new income streams to be scoped and evaluated.

### 2.1 Savings Plan: 2014/15 and 2015/16

In the early years SWT was asked to make substantial savings to allow the contribution from SCC to be reduced. It has been agreed that SCC's contribution will reduce to £859,000 for 2014/15 and £759,000 for 2015/16. This yields significant additional savings of £151,000 for these two years, on top of the savings of £200,000 agreed in the original Business Plan, produced in July 2014. (The original plan envisaged a saving of £200,000 over 5 years and included annual inflation). The reduction will be met largely through cost savings as significant new sources of commercial income will not come on stream until 2016/17.

These savings are already being implemented and unless there is a material *force majeure* event such as a major outbreak of foot and mouth, are fully guaranteed by SWT. They fall into three categories:

1. **Staff Restructuring:** The Countryside Management Team will be restructured whilst increasing resources with a commercial focus;
2. **Efficient Cross-Estate Working:** SCC resources will be redeployed to support projects on non-SCC sites; and
3. **One-Off Savings, Changes to the SDS and Deferral of Expenditure:** one-off budget cuts will be made covering areas such as staff training, equipment, signage and surveys. Some smaller car parks will be closed; and certain Estate works such as tree thinning, will be deferred for one or two years.

### 2.2 Early Return Initiatives

SWT has introduced a better commercial structure, which has led to growth in existing sources of income, and implemented new initiatives that will produce early increases in income with minimal investment.

**2.2.1 Filming:** SWT plans to grow the income from filming through more active marketing and developing the relationship with Film Surrey. This will give the Estate a higher profile.

**2.2.2 Woodland Management:** A full external inventory review of the Woodland Estate is underway. The Trust is establishing an enhanced Woodland Strategy and Woodland Management Plans which will improve sustainable management of the Woodland Estate, together with increased revenue from timber products and wood fuel.

**2.2.3 Christmas Tree Sales:** SWT is now selling Christmas Trees from Newlands Corner and intends to expand this to other popular car parks on the Estate across Surrey in future years.

**2.2.4 Mobile Catering:** As part of SWT's plans to increase visitor facilities across the Estate it is planning to tender for the opportunity to lease mobile catering pitches at car parks at Chobham Common and Whitmoor Common.

**2.2.5 Additional Sponsorship and Support:** Opportunities for sponsorship of vehicles, corporate support for sites, major events, and promoting produce associated with the Estate will be researched during the next 18 months.

**2.2.6 Visitor Improvements at Newlands Corner and Ockham Common:** One of the core objectives of the Partnership Agreement is to attract more visitors, of all ages and abilities, to the Estate and to increase public enjoyment and benefit gained from the Estate. Newlands Corner will see the first of these improvements over the next few years resulting in better facilities, such as:- way-marked trails, family play, an indoor café, retail and visitor space and high standard toilets Initial improvements will include the trails, play area and toilet facilities.

**2.2.7 Procurement - Partnering with SCC to Ensure Value for Money:** SWT is in discussion with SCC Procurement to establish if SCC contracts can be leveraged to provide savings while maintaining service quality.

**2.2.8 Improving Visitor Facilities at Chobham Common and Whitmoor Common:** The opportunity exists to improve visitor facilities at Chobham and Whitmoor Commons. The conservation status of the sites and community sensitivities need to be considered carefully in order to ensure the right option is chosen.

### **2.3 Additional Commercial Opportunities to be Developed**

There are a number of opportunities, which have been identified as potentially viable, that will be worked up in 2015 to establish costs and income streams. -Key examples are outlined below and are due to be further explored.

**2.3.1. Adventure Tenant:** Potential sites for adventure experience providers will be identified and evaluated.

**2.3.2 Holiday Accommodation:** There is the potential to develop and launch a 'nature-based holiday' offering that further promotes Surrey as a popular tourist destination.

**2.3.3 Events:** The Estate is already popular for outdoor recreation , small scale events and informal events. There is potential to harness existing events and scale them up. The Trust has developed a key 'hub' on the Prudential Ride London, a legacy of the London Olympics 2012 that explores both London and Surrey.

**2.3.4 Environmental Education through Forest Schools:** SWT already works in partnership with SCC's Early Years and Childcare Service on Forest School activities. This activity will be extended onto the Estate.

**2.3.5 Fundraising Plan:** A fundraising plan will be created which will support both existing programmes and new initiatives on the Estate. The Trust has had success over the years at winning funding for a variety of projects.

### **2.4 Proposals for Property**

Property was specifically included in the Contract, so that it would continue to provide an essential and low risk funding stream to SWT for the management of the Estate. By 31 March 2015, a partnership Business Plan for Property will be developed by SWT with SCC which will continue the good stewardship of the property whilst identifying key opportunities including:

- Maximising the income from the portfolio;
- Major project opportunities for developing existing properties which result in a higher return; and
- Options for the outstanding problem buildings e.g. Semaphore Tower.

### **2.5 Norbury Park Wood Products (NPWP) The Sawmill**

The Sawmill manufactures high-quality, sustainably sourced wood products for local authorities, estate owners and local people. The Sawmill was restructured in 2011 with a new management team and Business Plan with the aim that NPWP be financially sustainable over three to five years. Implementing this plan has resulted in revenue growth of 35% over three years to £265,000 in 2013/14 and fixed costs being significantly reduced. Previous heavy losses have been reduced significantly and, excluding the support provided by the Trust, the loss is now below £10,000 p.a.

A new Business Plan will be prepared by March 2015 which will set out how the improvements of the last two years can be developed further to make NPWP a financially stable business that contributes to the Estate.

**APPENDIX: SCC PARTNERSHIP - SAVINGS  
PLAN FY14/15 AND FY15/16**

		FY14/15			FY15/16		
	Notes	Savings Plan Forecast £	Original Business Plan £	Variance £	Savings Plan Budget £	Original Business Plan £	Variance £
<b>INCOME</b>							
Grants	1	337,917	365,229	(27,312)	327,330	364,330	(37,000)
Trading and Other Income	2	57,673	76,915	(19,242)	121,138	228,471	(107,333)
Property Income	3	421,062	421,062	0	428,192	428,192	0
NPWP Sales	4	268,944	284,320	(15,376)	301,465	306,465	(5,000)
<b>INCOME - EXCL. SCC AGREEMENT</b>		<b>1,085,596</b>	<b>1,147,526</b>	<b>(61,930)</b>	<b>1,178,125</b>	<b>1,327,458</b>	<b>(149,333)</b>
<b>SCC AGREEMENT</b>	5	<b>859,000</b>	<b>873,666</b>	<b>(14,666)</b>	<b>759,000</b>	<b>895,087</b>	<b>(136,087)</b>
<b>TOTAL INCOME</b>		<b>1,944,596</b>	<b>2,021,192</b>	<b>(76,596)</b>	<b>1,937,125</b>	<b>2,222,545</b>	<b>(285,420)</b>
<b>COST OF SALES</b>							
Cost of Sales (NPWP)		87,845	84,907	(2,938)	85,953	87,403	1,450
<b>TOTAL COST OF SALES</b>		<b>87,845</b>	<b>84,907</b>	<b>(2,938)</b>	<b>85,953</b>	<b>87,403</b>	<b>1,450</b>
<b>STAFF COSTS</b>							
Staff Salaries & NI	6	925,049	974,488	49,439	934,847	1,051,793	116,946
SWT Pensions Contribution	7	28,331	38,836	10,505	37,112	40,413	3,301
SCC Pension Deficit Levy	7	113,694	113,786	92	112,561	115,061	2,500
Other Staff Costs		32,685	36,299	3,614	34,776	38,975	4,199
<b>TOTAL STAFF COSTS</b>		<b>1,099,760</b>	<b>1,163,409</b>	<b>63,649</b>	<b>1,119,296</b>	<b>1,246,242</b>	<b>126,946</b>
<b>EXPENDITURE</b>							
Motor Vehicles		104,629	94,884	(9,745)	98,819	97,488	(1,331)
Land Management Costs	9	221,721	272,195	50,474	262,806	304,474	41,668
Equipment & Depreciation	10	53,183	61,315	8,132	58,425	68,074	9,649
Property Management & Costs	11	152,479	140,201	(12,278)	139,645	121,785	(17,860)
Other Costs	12	189,027	204,000	14,973	208,135	252,662	44,527
<b>TOTAL EXPENDITURE (NON STAFF)</b>		<b>721,038</b>	<b>772,595</b>	<b>51,557</b>	<b>767,830</b>	<b>844,483</b>	<b>76,653</b>
<b>TOTAL EXPENDITURE (CoS, STAFF &amp; NON-STAFF)</b>		<b>1,908,643</b>	<b>2,020,911</b>	<b>112,268</b>	<b>1,973,079</b>	<b>2,178,128</b>	<b>205,049</b>
<b>SURPLUS/(DEFICIT)</b>		<b>35,954</b>	<b>281</b>	<b>35,673</b>	<b>(35,954)</b>	<b>44,417</b>	<b>(80,371)</b>
<b>Add Surplus from FY14/15</b>					<b>35,954</b>		
<b>TOTAL SURPLUS / (DEFICIT) FOR FY14/15 AND FY15/16</b>					<b>0</b>		

Notes: The table above show the budgets for the Partnership for FY14/15 and FY15/16. The 'Savings Plan Forecast and Budget' are the figures revised as a result of implementing the Savings Plan. The 'Original Business Plan' columns show the budgets submitted in the original July 2014 Business Plan from which further savings to SCC's contribution were agreed.

1. Grants: These comprise Higher Level Stewardship Grants and Single Farm Payment which fund commitments under long-term environmental stewardship grants. The EU has recently revised the rules on Single Farm Payment which will reduce income under this scheme by £27,000 and £37,000 over the two years.
2. Trading and Other Income: Includes income from fishing licences, way leaves, filming, wood sales and Christmas tree sales. It also includes income from proposed visitor improvements to key sites. The change of implementation date for these improvements means that the income from this source will be lower in FY15/16 than originally planned.

3. Property Income: Includes the rents earned from SCC owned property, including Bocketts Farm transferred to SWT under the Partnership agreement.
4. NPWP Sales: Includes sales of oak garden furniture and other green oak products.
5. SCC Income: SCC's contribution has been reduced by £151,000 over the two years yielding the savings required.
6. Staff Salaries and NI: Savings reflect the restructuring of the Countryside Management team and the reduction in cost arising from the redeployment of SCC staff onto non-SCC sites. It also takes account of deferral of recruitment of roles to support visitor improvements at Newlands Corner and Ockham Common.
7. Pension costs include those staff on SWT contracts plus those transferred under TUPE from SCC at the inception of the agreement.
8. Land Management and associated costs: This covers the bulk of the activity on the land, including direct land management works, tree safety works and maintenance and improvement of car parks, roads and tracks. Savings reflect the reductions in spend to deliver SCC savings and reduction in Single Farm Payment income.
9. Equipment: Includes the cost of tools and other equipment, such as chainsaws and the depreciation, maintenance and repair of larger equipment used to deliver the land management works and wood product manufacturing at Norbury Park Wood Products.
10. Property Management: Includes the expenditure required to maintain and improve the property portfolio in accordance with the Routine Maintenance Plan and the Asset Management Plan plus rent, rates and utility costs of buildings on the Estate.
11. Other Costs: Includes the other costs of managing the Estate including: Communication, IT, Insurance, Professional fees, the overhead recovery of SWT management and resources in supporting the Estate, Travel costs for the 4,000 volunteer days worked on the Estate and costs of operating visitor improvements at Newlands Corner .

## **Draft Governance for the Surry County Council /Surrey wildlife Trust Partnership to Manage the Countryside Estate.**

### **Review of Governance of The Partnership Agreement between Surrey County Council and Surrey Wildlife Trust**

#### **The Partnership Committee as a Strategic Body**

- *The Partnership Committee meets at least twice a year.*
- *Its role will be to support the Delivery Body in the delivery of the business plan and service and advise on strategic direction.*
- *The Constitution of the committee would remain similar to the current constitution. Membership comprising equal numbers from the County Council and Trustees from SWT and one representative from the Access Agreement Owners. There is also provision to have substitutes.*
- *It would receive interim reports on performance (November) and an annual performance report (July) at the end of the financial year with a forward plan for the next year in April.*
- *The committee will continue its mediation role as set out in the constitution and Agreement.*

#### **The Delivery Body**

- *Reporting to the Partnership Committee will be the Delivery body, which manages the performance of the Contract, resources, communication and produces collective action plans to deliver the business plan.*
- *The aim of the group will be to work as a partnership towards the financial sustainability of the Countryside Estate.*
- *This group will evaluate and sign off proposals that support the business plan while seeking approval for those proposals considered higher risk from the CEO and Assistant Director Environment (or other appropriate senior manager as agreed)*
- *This will include the monitoring of Business Plan Key Performance Indicators (KPIs), the Service Delivery Specification (SDS), Asset Management Plan and the Repairs and Maintenance Programme (RMP), and other agreed documentation as required*
- *This group receives the annual and interim performance report.*
- *The Constitution of the Delivery Body will compromise of agreed personnel from SCC Countryside, SCC Property and SCC Business Services Directorate; and SWT Countryside Management, SWT Finance and SWT Property Management. Other personnel will be invited as required.*
- *Prior to the annual performance review the CEO and Assistant Director Environment will attend to sign off the annual review and associated documentation and recommend it to the Partnership Committee.*
- *SWT and SCC would chair the group alternately changing every two years.*

#### **Implementation Body (Required)**

- *Two representatives, one from SCC and one from SWT then oversee implementation.*
- *Deals with the day to day management of the agreement.*
- *This body will draw in any additional expertise as required and address delegated tasks as per the Delivery Body.*

### **Running the Partnership Committee**

- *Appendix 2 sets out the proposed structure for the three levels that provide direction and monitoring for the Partnership.*
- *The matters that it is proposed should be taken to the Partnership Committee are set out in the constitution and should be of a strategic nature to allow the Partnership Committee to take on a more influential role in the overall way the Agreement is managed. The final decision will still rest with the two partner bodies and the owners of the Access Agreement land. Key reports that will come to the Partnership Committee are the Business Plan (2014-19) that covers a 5-year cycle, and the Annual Report including the financial report. These will also be referred to the SWT Council and Cabinet Member at SCC.*

### **Engaging Members of the Partnership Committee**

- To ensure that members of the Partnership Committee are engaged in the work of the Partnership and understand their role, new members will be given an induction programme and an ongoing annual meeting/site visit to show members the work of the Partnership Agreement.

**SURREY COUNTRYSIDE PARTNERSHIP COMMITTEE  
Constitution**

**The Aim of the Document**

1 The aim of this document is to set out the role, responsibilities, and operation of the Surrey Countryside Partnership Committee. The constituent bodies of the Surrey Countryside Partnership Committee are Surrey County Council, Surrey Wildlife Trust and the access agreement landowners.

**Purpose of Committee**

2 The primary purpose of the Committee will be to enable SCC and SWT through membership of the Committee to have an overview on the appropriate management of agreed areas of countryside land and property in Surrey, and within these areas the adoption of best practice and high levels and standards of:

- Sustainability
- Enhancement of natural beauty
- Conservation of habitat and built heritage
- Public access and enjoyment
- Public knowledge, understanding and support.

3 The Committee will give particular attention to achieving an appropriate balance in its work between these objectives.

**Role of Committee**

4 The Committee will be an advisory and not an executive body. The Committee will play a part in:

- Agreeing the policies and approach to sustainable management of the agreed areas of land and property
- Developing the image and profile of the partnership
- Developing and supporting appropriate initiatives
- Building public and political support
- Ensuring identifiable achievements
- Aiming to secure a year on year increase overall in finance available for the management activities
- Mediation.

5 The Committee may express its advice by way of recommendations to its constituent bodies and other organisations on policies and the allocation of resources in relation to the agreed areas of land and property.

**Areas of Reference**

6 The work of the Committee will include the following:

(a) To receive reports from the constituent bodies or Surrey Wildlife Trust on:

- Policy and strategy for the partnership
- In line with SCC's Procurement Standing Orders the appropriate contract (Over £500,000) and leases that are over 10 years.
- Arrangements for consulting local opinion including through consultative groups and in other ways, and receive reports from these consultative forums.
- The development of joint initiatives between the partners on the Committee and others on informal educational use of the land and property, and provision of visitor facilities.
- Development and use of the land and property including intensification of activities, such as: vehicle charging, development of commercial activities including concessions and events, noisy and disruptive activities including motorcycle trials, rallying, shooting, and hunting.
- Financial and other resources to secure appropriate management and development issues.
- On any other matters referred from the constituent bodies or the management company (Surrey Wildlife Trust.) for comment.

(b) To discuss issues arising in relation to any of the above in paragraph 6 (a) and give advice.

(c) To set up and decide on terms of reference of any panels, working groups or consultative arrangements in relation to any of the above in paragraphs 6(a) or 6(b).

(d) To set up and decide the procedure for mediation panels and to receive their reports.

(e) To produce an annual report of its activities to be distributed to the constituent bodies and other interested parties.

### **Mediation Role**

7 A mediation panel set up by the Committee, as set out in paragraph 8 below, will act as a "third party" mediator on issues arising from the management of the agreed areas of countryside land and property. Issues for mediation will include contractual matters by agreement and conflicting management strategies, as between the constituent bodies and Surrey Wildlife Trust. Mediation will not infringe any legal or contractual obligation or rights. A mediation panel will not be able to impose a decision on the parties, but will assist the parties to reach agreement.

8 The mediation procedure will only be used where all the parties concerned agree to this. If agreement is reached by the parties through the mediation procedure it will be operationally binding. The Committee will agree a procedure to be followed and will nominate four members to act as a mediation panel for the Committee. The mediation process will take no longer than 28 days from receipt by the chairman of the Committee of a letter stating the issue for mediation. The mediation panel will give their decision on the mediation process to the parties, and will subsequently report back to the Committee with the outcome of the mediation process. A decision by the mediation panel, except where agreed by the parties, will not be binding on the parties. Under the legal agreement for services on the Countryside Estate between Surrey County Council and Surrey Wildlife Trust disputes or differences between the County Council and the Trust will be referred, where not resolved via the Committee's mediation panel, to an independent third party.

### **Membership**

9 Membership of the Committee will comprise:

- 5 representatives nominated from Surrey County Council
- 5 representatives nominated from Surrey Wildlife Trust
- 1 representative nominated from the access agreement landowners.

## **10 Substitute Members**

Substitute Members may be appointed in the absence of another Member, subject to prior notification to the Chairman and supporting Officers. Substitute Members must be elected Members of the respective body of which the absent Member represents, or a nominated representative in the case of access agreement landowners.

### **Membership Representation**

10

- 11 The period of office on the Committee will be decided by each of the constituent bodies. It is expected that Committee members will normally serve from annual meeting to annual meeting. The local authority representatives will be elected Members and representatives of Surrey Wildlife Trust will be elected Members of the Trust Council. Deputies will be able to be appointed on the same terms as full Committee members.
- 12 Surrey County Council and Surrey Wildlife Trust representatives will be accompanied by appropriate officers in a non-voting capacity to offer professional advice. Representatives from the management company, and other agencies who are involved in managing the land and property, will attend to advise the Committee in a non-voting capacity as necessary.

### **Role of Members**

- 13 Members are expected to:
- Support the aims and intentions of the partnership.
  - Participate fully in the activities of the Committee.
  - Seek to harmonise the policies and strategies of their own organisations to secure integrated and effective outcomes.
  - Send appropriate senior representatives, properly briefed, to meetings.
  - Disseminate and advocate the agreed policies of the partnership committee, as appropriate, within their own organisations.

### **Chairman and Vice Chairman of the Committee**

14 It is intended that the chairmanship of the Partnership Committee will rotate between Surrey County Council and Surrey Wildlife Trust every two years. The vice-chairman will be from the alternate organisation. In the event of neither the chairman nor vice-chairman being present at the meeting a chairman for the meeting will be elected from members present.

### **Number and Frequency of Meetings**

15 The Committee will meet biannually or at such other times as the Committee may determine, at places and times to be determined. Special or extra meetings may be arranged. The biannual meeting immediately after the end of March of each year will be the annual meeting at which the annual report will be agreed and the chairman and vice-chairman for the following year will be agreed. Seminars, tours or site visits will be arranged as appropriate. The meetings will not be open to the public except as the Committee may decide.

### **Decision Making**

16 Wherever possible, conclusions on discussions or recommendations made at the Committee will be by means of consensus. In the event of a vote being necessary, voting will be by a show of hands and decisions reached will be based on the majority of votes cast for or against a particular proposal. In the event of the voting being equal, the chairman of the Committee will have a second or casting vote, but in the event of the chairman choosing not to exercise the second or casting vote, the proposal in question will fail. The quorum of the committee will be 50% of members of which at least two representatives from Surrey County Council, two representatives from Surrey Wildlife Trust. For the avoidance of doubt, if any decision is made which is contrary to the provisions of the Agreement for Service between SCC and SWT then the provisions of the Agreement shall prevail.

### **Business to be considered at Meetings**

17 Agenda for meetings of the Committee setting out the business to be dealt with will be despatched to members seven days (five working days) in advance of the meeting. The chairman may allow other business to be dealt with which is not on the agenda at their discretion. The chairman's agreement will be sought prior to the

meeting for any urgent items of business or any other business not listed on the agenda for meetings of the Committee. Meetings of the Committee shall be conducted in accordance with the Standing Orders of Surrey County Council, unless or until the Committee decides otherwise.

#### **Support for the Partnership Committee**

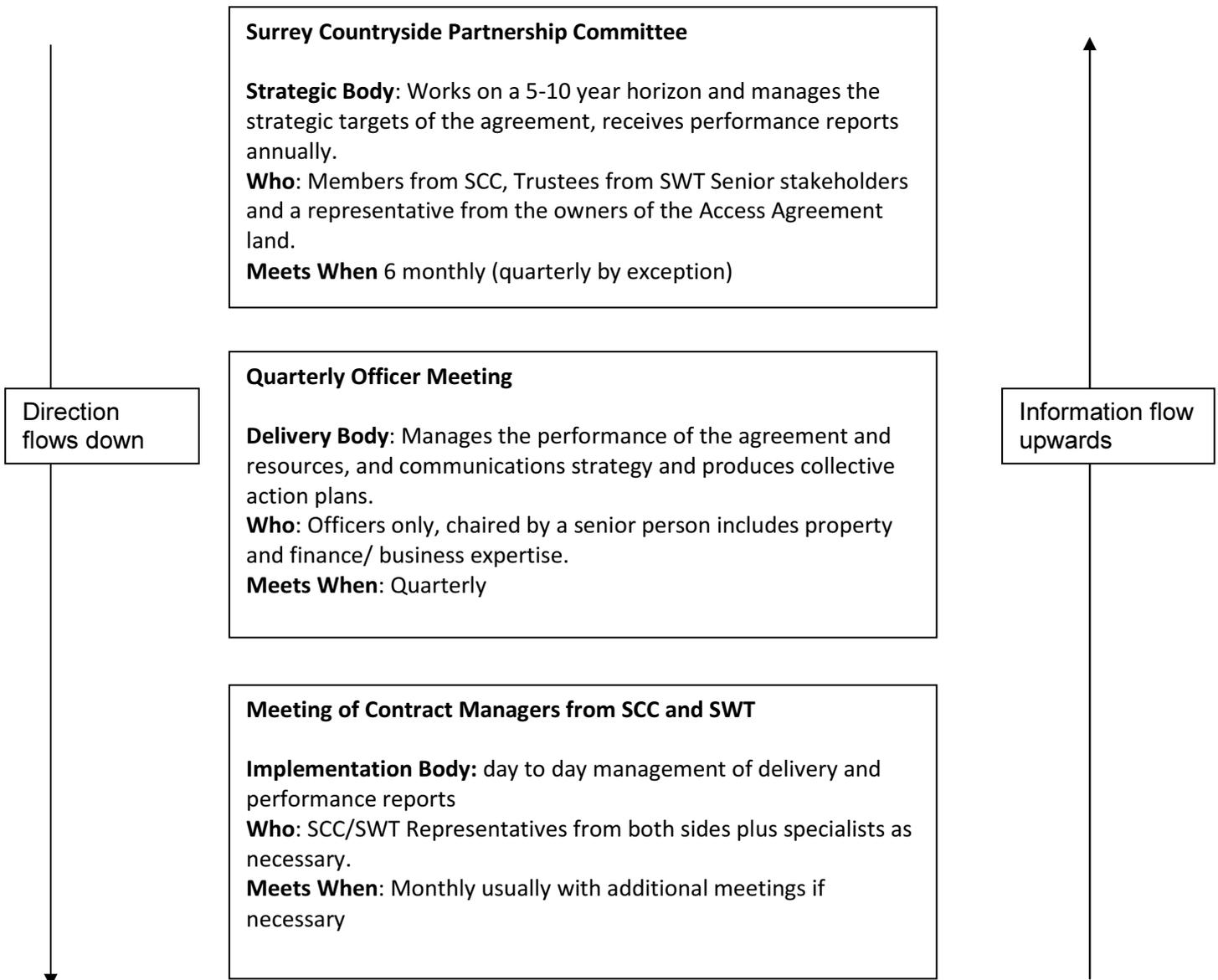
18 The secretariat for the Partnership Committee will be provided by Surrey Wildlife Trust with the cost being borne by Surrey Wildlife Trust. Officers from Surrey County Council and Surrey Wildlife Trust will provide the Partnership Committee with professional advice in relation to its terms of reference, work and activities, the cost in officer time of providing such advice being borne by the organisation involved. The officers will seek the advice of the access agreement owners and of other organisations or individuals on specific aspects of the Partnership Committee's work as considered appropriate.

10

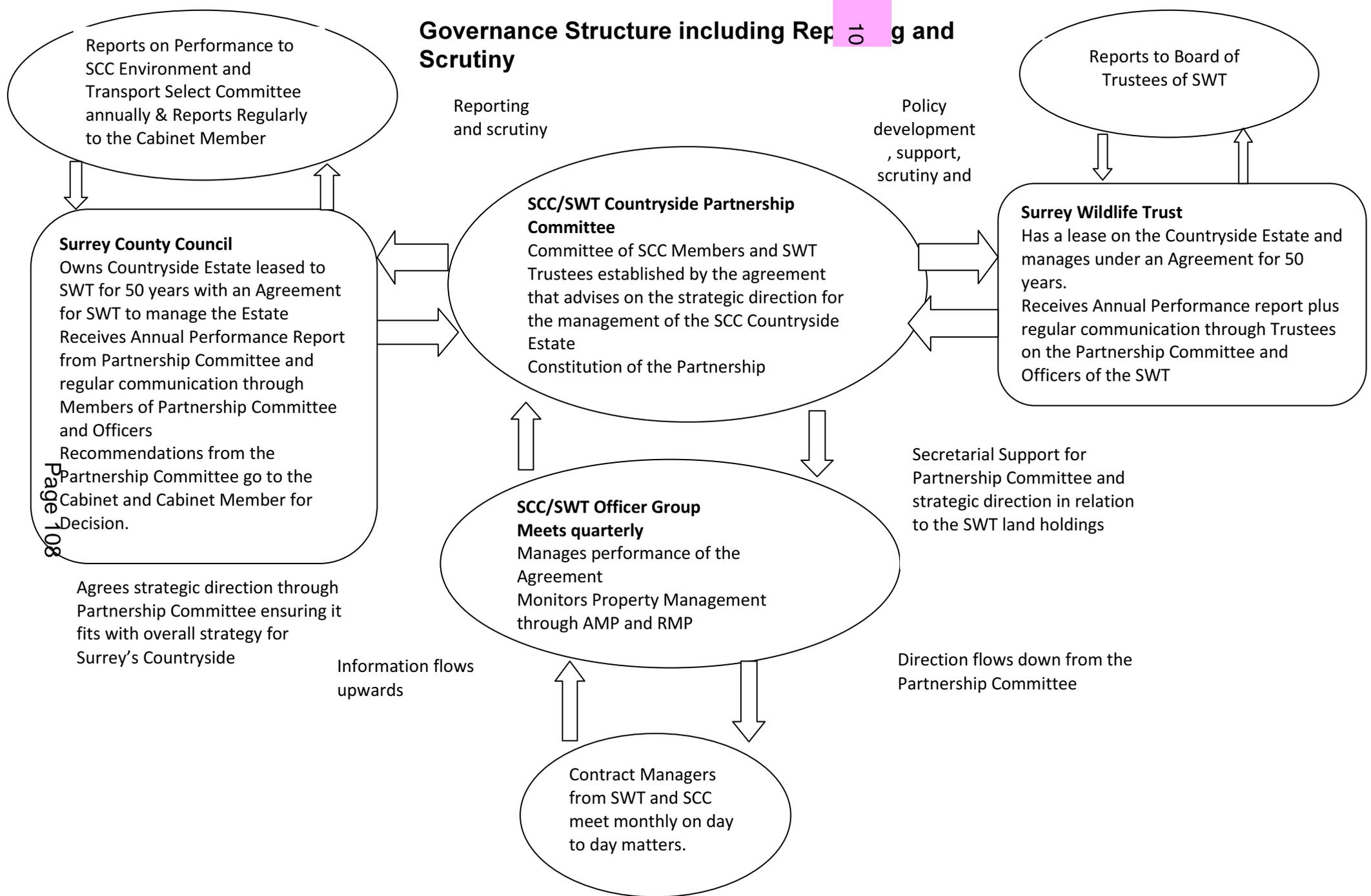
#### **Changes to the Constitution**

19 The Constitution shall be reviewed every 5 years or earlier if agreed and changes to the Committee's constitution must be a unanimous decision of Committee members present except where this relates to changes to meeting procedure as set out in Surrey County Council's Standing orders.

## Model for Governance Structure between SWT and SCC



# Governance Structure including Reporting and Scrutiny



Monitoring of Delivery of the SDS and KPIs will be the responsibility of the SCC Client Officer

	<u>Service Objective</u>	<u>Service Deliverable</u>	<u>Method of Reporting</u>	<u>Notes</u>	<u>Associated Document</u>
<b>KPI 1</b>	<b>Finance</b>				
1.1	SWT will maintain all relevant insurances to cover the land and property.	Insurance policy checked annually.	Uploaded to SharePoint	This will be checked by SCC Insurance Team	
1.2	SWT will operate a Health & Safety policy in line with HSE requirements. SWT will have agreed site risk assessments.	Policy and Risk Assessments in place.	Uploaded to Sharepoint To be checked annually and policy reviewed every five years between SCC and SWT	Site Risk Assessments to be included in management plans and management briefs and available on sharepoint to check. Activity risk assessments to be uploaded as appropriate.	Health and safety policy
1.3	SWT will report serious health and safety incidents immediately to SCC	Serious incidents reported to SCC Contracts Manager within 7 days	Email/ SharePoint for serious incidents.	Serious incidents including HSE Responses will be reported to 'Serious incidents' to be defined in health and safety policy.	
1.4	SWT will operate an agreed tree safety practice in accordance with SCC's tree management strategy	Practice note in place delivering in line with SCC tree management strategy	written exceptions report to quarterly meeting and monthly operational meeting as required.	The agreed tree safety practice note will be reviewed every 5 years.	Tree safety practice note
1.5	SWT will operate safe recruitment and equality and diversity policies	Policies in place	Upload policy to Sharepoint	Safe recruitment and equality and diversity policies, including a DBS check procedure, to be agreed with SCC and reviewed every 5 years.	Safe recruitment and equality and diversity policies
1.6	SWT will operate an agreed Freedom of Information policy for the Countryside Estate based on the Freedom of Information Act 2000	Policy in place	Upload policy to Sharepoint.	Freedom of Information policy to be agreed between SWT and SCC and reviewed every 5 years. This requires SCC FOI to lead on FOI inquiries and for SWT to assist SCC in accordance with the Policy.	Freedom of information policy
1.7	SCC and SWT will jointly maintain a	Risks and Issues log kept up to date	Activity report to	Register to be reviewed at quarterly	

	<u>Service Objective</u>	<u>Service Deliverable</u>	<u>Method of Reporting</u>	<u>Notes</u>	<u>Associated Document</u>
	register of issues and concerns that either party believe will affect the delivery of the service and achievement of the business plan.		quarterly meeting	Officers' meetings.	
<b>KPI 2</b>	<b><u>Protection of Land</u></b>				
2.1	SWT will manage all sites directly managed by SWT in line with agreed management plans/briefs.	All sites managed according to agreed management plans and briefs. Number and % of SSSIs in favourable / favourable recovering condition – increased or decreased.  Number and % of SNCIs in active management	Annual performance report, which will be a public document	SWT will report progress on management of all SSSIs and SNCIs including progress towards achieving Biodiversity 2020 targets and NERC Act (2006) for SNCI's. This is measured annually and reported to Defra.  Number of site management plans/briefs and/or agreed work programmes to be reported. Format of content to be agreed between SWT, SCC and Natural England.	
2.1	SWT will review management plans or management briefs for all sites on a rolling programme. Management plans will be consented by Natural England (where appropriate) and agreed by SCC and management briefs will be agreed by SCC	Management plans and briefs agreed by Natural England and SCC and in place with an agreed timetable.	Annual performance report		Management plans and management briefs - review programme
2.2	SWT will measure the percentage of new priority encroachments resolved or passed to SCC for resolution.	Green 100% Amber 80-90% Red <80%	SharePoint as found and reported in Annual report	Encroachments are reported as found to SCC via the monthly client officer meeting	Encroachments procedure
2.3	SWT will support action taken on priority encroachments by SCC and deal with any management issues.	Encroachments procedure complied with	Annual performance report	An encroachment procedure will be agreed between SCC and SWT and will be reviewed every 5 years.	Encroachments procedure
2.4	SWT will manage public access to land subject of access agreements including managing travellers' incursions	Management of public access to access agreement owners' satisfaction and as set out in management plans and management briefs	Annual performance report	Appropriate management of access agreement land to be agreed between SWT and landowners and to be reviewed at annual meetings.	Procedure note on management of access agreement land

	<u>Service Objective</u>	<u>Service Deliverable</u>	<u>Method of Reporting</u>	<u>Notes</u>	<u>Associated Document</u>
				Procedure to be set out in practice note on management of access agreement land	
<b>KPI 3</b>	<b><u>Sustainable Woodland Management</u></b>				
3.1	SWT and SCC will jointly agree a Sustainable Woodland Management Policy by December 2014 that sets out the principles of Sustainable Woodland Management and actions to deliver it thereafter.	Policy in place by December 2014	SharePoint	Sustainable Woodland Management Policy – overarching Policy that encapsulates the sustainable principles of managing the woodland. These being Access, Biodiversity and Productivity. The document will be agreed between SWT, SCC and the Forestry Commission.	Sustainable Woodland Management Policy
3.2	SWT will draw up Woodland management Plans and a Sustainable Woodland Management Strategy by December 2015.	Strategy in place by December 2015 that has been agreed by SCC and SWT and the Forestry Commission	Strategy uploaded to SharePoint	Woodland Management strategy based on the principles of the Sustainable Woodland Policy. This information forms the basis of revised Woodland Management Plans that will be created as per Management Plan Schedule	Sustainable Woodland Management Strategy
<b>KPI 4</b>	<b><u>Public Engagement</u></b>				
4.1	SWT will manage all sites to the agreed visitor services standards and ensure that people are not discriminated against because they share certain protected characteristics as set out in Equality Act 2010	Compliance with the visitor service standards. Number of improvement measures outstanding and completed from previous year – increased or decreased Agreed by 31 <sup>st</sup> March 2015	VSS uploaded to SharePoint  A programme of ‘Welcome Audits’ will be undertaken by SCC with SWT and improvement measures will be carried out by SWT as agreed with SCC.	Visitor services standards for sites and any changes and standards for the Estate to be agreed between SWT & SCC. Visitor services standards to be reviewed every 5 years. Programme for ‘Welcome Audits’ and timescales for completing actions to be agreed between SWT & SCC.  Welcome Audit will take account of SCC/ SWT Savings Plan 2014/15 – 15/16.	Visitor Services Standards Handbook.

4.2	SWT will comply with the corporate representation standards.	SWT fully comply with standards	Annual performance report	Corporate representation standards to be agreed between SWT & SCC and reviewed every 5 years Any breaches will be considered as part of the issue resolution protocol	Corporate representation Guidelines.
4.3	SWT will operate an agreed comments, compliments and complaints policy compatible with SCC's policy	All complaints resolved within policy	Annual performance report	Comments, compliments and complaints policy to be agreed between SWT & SCC Policy to be reviewed every 5 years. Where complaints are unresolved within 90 days they will become part of Issue resolution	Comments, compliments and complaints policy
4.4	SWT will record volunteer days for each site and for the whole estate.	Number of volunteer work days recorded for the year for the Estate compared year on year.	Annual performance report	These should be broken down by main locations.	
4.5	SWT will record people engaged in "informal" educational events e.g. walks and talks for the Estate.	Number of "informal" educational events recorded for the year for the Estate.	Annual performance report	Contribution to the SCC objective to increase the number of people active in the Countryside. Informal education is walks. Talks and events . To use an evaluation of events collected from group leaders.	
<b>KPI 5</b>	<b>Property - Asset Management</b>				
5.1	SWT will maintain the condition of buildings in line with an agreed Asset Management Plan.	20 year Asset Management Plan agreed by SWT and SCC.  Repair & Maintenance Programme, produced by 1 November each year for discussion between SWT and SCC and agreed.	A property condition Survey to be undertaken every 5 years by SWT. Written report to quarterly meeting	Asset Management Plan to be kept under constant review. Annual meeting be held in November each year to agree the work programme for the following financial year  Performance will be reported to quarterly Officers' meetings and to bi-annual meetings of the Partnership Committee to a schedule and a format to be agreed between SWT and SCC.	Asset Management Plan  Repair and Maintenance Programme
5.2	SWT will manage the Property on a commercial basis to provide an economically sustainable income to support the long-term security of the Countryside Estate.	SWT will maintain the level of rental return from property in line with market value (as assessed by the RICS for that area), except where those properties have restrictions such as some farm tenancies and tied properties. {specific properties to which this	An evaluation of comparative market value will be undertaken every 5 years by SWT.	Baseline data – Chesterton Humberts Report on and valuation of Freehold Property Known as the SCC Countryside Estate 2012. Property includes a number of Tied Properties and long-term farm	

		<p>applies are to be listed and agreed with SCC}</p> <p>Overall, market rents across the portfolio should be at 90% as an average for the year</p> <p>For April 2015, SWT will provide a Business Plan for the Property Portfolio.</p>		tenancies which currently do not achieve market rents.	
5.3	From April 2015, performance will be measured against the Business Plan and the revised RMP	<p>Green &gt;75%</p> <p>Amber 60-75%</p> <p>Red &lt;60%</p>	Annual Performance Report		
5.4	SWT will comply with H&S Regulations for all properties	100% compliance	Annual Performance Report		
5.6	SWT will ensure that rent arrears less than 4%, measured at the end of the Financial year.	<p>Green &lt;4%</p> <p>Amber 4-7%</p> <p>Red &gt;7%</p>	Annual Performance Report		
5.7	SWT will ensure that the level of vacant property is less than 7.5%, allowing for reasonable time periods for major refurbishment between tenancies.	<p>Green &lt;7.5%</p> <p>Amber 7.5-10%</p> <p>Red &gt;10%</p>	Annual Performance Report		

**SURREY WILDLIFE TRUST WILL MANAGE THE LAND TO THE AGREED SERVICE DELIVERY SPECIFICATION (SDS) AND WILL BE MEASURED ON THE COMPLIANCE WITH THE SDS AND ON THE KEY PERFORMANCE INDICATORS SET OUT BELOW.**

## **KEY PERFORMANCE INDICATORS**

### **KPI 1: Financial**

Annual KPI targets as follows:

- Y1 (2014/15): SCC contribution is £859,000 (reduction of £100,000)
- Y2 (2015/16): SCC contribution is £759,000 (further reduction of £100,000)
- SCC 2016/17 and thereafter contribution will be dependent on further joint financial assessment of costs, income and external funding with the objective of working together to reduce the contribution from SCC to nil by 2021\*.

Page 114

\*Assumes SCC Property portfolio continues to be managed by SWT.

#### **1.1: Delivery of reduced SCC contribution from additional commercial opportunities**

KPI targets will be fixed from 2016/17 onwards based on the forecast surplus figures included within the business cases that will be developed and approved during 2014/15 and 2015/16. The target will be reviewed, and if necessary altered, on an annual basis to reflect further new commercial opportunities and/or additional external funding opportunities that are identified and approved within the period.

Progress against targets to be measured at 6 monthly intervals.

## **KPI 2: Protection of Land**

- 2.1 To deliver progress towards the Governments Biodiversity 2020 Target concerning ; aiming to have 90% of priority habitats in favourable or recovering condition and at least 50% of Site of Special Scientific Interest (SSSIs) in favourable condition, while maintaining at least 95% of SSSIs in favourable or recovering condition.
- Yr 1 (2014/15): Establish baseline data of SSSI's sites/ units in favourable or recovering condition. Non-designated priority habitats require baseline data and a scheme of monitoring. Agree a target for future years on designated sites; and a scheme of monitoring condition on non-designated priority habitats that can be reported against.
  - Yr 2 (2015/16): Monitor and report against target for progress towards the Governments Biodiversity Target 2020 in relation to SSSI targets.
  - Yr 3 (2016/17): Monitor and report against target for progress towards the Governments Biodiversity Target 2020 in relation to SSSI targets.
  - Yr 4 (2017/18): Monitor and report against target for progress towards the Governments Biodiversity Target 2020 in relation to SSSI targets.
  - Yr 5 (2018/2019): Monitor and report against target for progress towards the Governments Biodiversity Target 2020 in relation to SSSI targets.
- 2.2 To ensure that all of the SNCIs are in positive conservation management i.e. agreed Management Plan, in accordance with The Natural Environment and Rural Communities (NERC) Act (2006).
- 2.3 To ensure that any encroachments onto SCC land are actioned as per the Encroachments Procedure in order to protect the integrity of the land holdings over the period of the leases.

### **Accompanying Note**

- There is not yet a methodology for priority habitats outside SSSIs and proxies are suggested such as sites being with a recognised land management scheme; Environmental Stewardship and its successor schemes, and Woodland Grant Scheme.
- 100% of sites will have jointly agreed work programmes and jointly agreed management plans with Natural England approval where relevant e.g. designated sites.

### **KPI 3: Sustainable Woodland Management**

Annual KPI targets as follows:

Yr 1 (2014/15): Undertake the following:

- Sustainable Woodland Management Policy to be agreed by December 2014
- 100% SCC CE Woodlands to have a Woodland Assessment.

Yr 2 (2015/16):

- 50% of woodlands have jointly agreed management plans.
- Woodland Strategy to be developed by December 2015

Yr 3 (2016/17):

- 75% of woodlands have jointly agreed management plans

Yr 4 (2017/18):

- 100% of woodlands have jointly agreed management plans

Yr 5 (2018/19):

- Monitoring the Woodland plans based on the objectives and deliverables in the management plans. A KPI will be developed to reflect this during the period.

#### **Accompanying Note**

- Sustainable Woodland Management Policy – overarching Policy that encapsulates the sustainable principles of managing the woodland. These being Access, Biodiversity and Productivity. The document will be agreed between SWT, SCC and the Forestry Commission.
- Woodland Assessment - to survey and map the woodland resource. A woodland inventory will provide information on woodland composition and the volume of standing trees present. This information can then be used to inform management prescriptions and provide volume estimates of wood available for sale to local markets. This data will be used to create a GIS stock map and Sub-Compartment Database.
- Create individual Woodland Management Plans for each woodland or group of woodlands. These management plans are required by the Forestry Commission in order to secure grant funding.
- Produce a 30-year Strategic Woodland Plan and this is to be agreed with SCC, FC and NE.

**KPI 4: Public Engagement**

4.1 Maintain the number of volunteer days and seek to increase them, data already collected.

4.2 SWT will measure improvement in Visitor Satisfaction on 5 key sites (Chobham Common, Newlands Corner, Worplesdon Group of Commons, Wisley and Ockham Common and Norbury Park). Annual KPI targets as follows:

Yr 1 (2014/15): Undertake the following:

- Establish data by jointly agreeing procedures and survey questionnaire.
- To jointly agree a number of 'Welcome Audits' to be undertaken in 2015 to establish the baseline .

Yr 1 (2015/16): Undertake the following:

- Undertake visitor surveys at Chobham Common and Worplesdon Group of Commons.
- Jointly undertake the 'Welcome Audit's', agree actions and timescale for works.

Yr 3 (2016/17):

- Undertake visitor surveys at Newlands Corner.

Yr 4 (2017/18):

- Undertake visitor surveys at Wisley and Ockham Common and Norbury Park.

Yr 5 (2018/2019):

- Undertake any further surveys as jointly agreed at the SWT/SCC Officers Meeting in 2018.

4.3 The monitor the number of people engaged in "informal" educational events e.g. walks and talks.

Yr 1 (2014/15):

- Establish baseline data of people engaged in "informal" educational events e.g. walks and talks. Agree a target for future years.

Yr 2 (2015/16):

- Monitor and report against target for the number of people engaged in "informal" educational events e.g. walks and talks.

Yr 3 (2016/17):

- Monitor and report against target for the number of people engaged in “informal” educational events e.g. walks and talks.

Yr 4 (2017/18):

- Monitor and report against target for the number of people engaged in “informal” educational events e.g. walks and talks.

Yr 5 (2018/2019):

- Monitor and report against target for the number of people engaged in “informal” educational events e.g. walks and talks.

### **Accompanying Note**

- The aim is to increase the public engagement with the Countryside Estate in order to promote greater public awareness of the countryside, why it is important and why it needs managing and conserving: and to encourage greater physical activity for all ages and abilities in the countryside.
- Volunteer numbers should continue to be reported against but numbers are to be “maintained” rather than “increased” year on year because the numbers are reaching a saturation point. Aim will be to increase volunteering in appropriate areas where it is not so prevalent now.
- The ‘Welcome Audits’ will be required to take account of the SCC/ SWT Savings Plan 2014/15 – 15/16, avoiding areas e.g. car parks, interpretation where there are agreed service savings.
- There is a desire from both parties to increase the number of people enjoying the Countryside but visitors need to be spread across the Estate rather than just focussed at key sites and this will be balanced with continuing to protect the nature conservation value of these sites.

### **KPI 5: Property Management**

- 5.1. All rentals will aim to be within the current market rent banding for a property of comparable size and location but some variation will inevitably occur due to lease restrictions, timings and property condition. Overall, market rents across the portfolio should be at 90% as an average for the year.
- 5.2. The delivery of the AMP will be measured against the property condition survey (Stock Survey) completed as part of the Property Business Plan and every 5 years thereafter.
- 5.3 To keep rent arrears at less than 4% per annum, measured at the completion of year end.

5.4 To ensure that the vacancy rate of occupied property is minimised and after taking in to account time between tenancies for refurbishment (not to be more than is reasonable), the average rate is less than 7.5% per annum.

This page is intentionally left blank