

**MINUTES** of the meeting of the **ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD** held at 10.30 am on 10 December 2015 at Ashcombe, County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Tuesday, 26 January 2016.

**Elected Members:**

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

**In attendance**

\* Mr Mike Goodman, Cabinet Member for Environment and Planning

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

Before beginning the meeting, the Chairman notified Members that a council motion was referred to the Board from the recent full Council meeting.

As the item required further information from officers for further discussion and debate, it was not possible to add the item to the Board's agenda for this meeting, as the agenda had already been published.

The Chairman informed the Board that the item would be added to the agenda for the Board's meeting on 26 January 2016.

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

No apologies had been received.

**2/15 MINUTES FROM THE PREVIOUS MEETING: 21 OCTOBER 2015 [Item 2]**

The minutes were agreed as a true record of the meeting.

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

No declarations of disclosable pecuniary interests had been received.

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

No questions or petitions had been received.

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

**Key points raised during the discussion:**

1. The Board noted that the recommendation tracker was complete.
2. The Board agreed that, as previously discussed at the meeting, the motion for debate received from the recent Council meeting would be added to the forward work programme for the January Board meeting.
3. The agreement between Surrey Wildlife Trust and Surrey County Council, an item which was withdrawn from the Board's October meeting agenda, was agreed by the Board to be added to the forward work programme for the 26 January Board meeting.
4. Members raised concerns that the Board should already have been scrutinising budgetary commitments for the 2016/17 financial year. It was discussed that as budgets had not been agreed at a directorate level, it was not possible for the Performance and Finance Sub Group to hold its December meeting.

**Actions:**

1. The Council motion and Surrey Wildlife Trust agreement to be added to the Forward Work Programme.

**6/15 UPDATES FROM MEMBER REFERENCE GROUPS AND TASK GROUPS  
[Item 6]**

**Key points raised during the discussion:**

1. The spokesperson for the Highways for the Future Member Reference Group reported that the Group had progressed well and had now developed more than four years of experience.  
The Group had put some focus on customer service; analysing and building upon lessons learnt from Dorking and Byfleet Project Horizon schemes, at which problems with communication, suppliers and delays disrupted planned schemes.  
The Group will be analysing a new Project Horizon scheme in Spring 2016; focus will be on notification and signage practices, as well as impact on businesses and residents.  
Members complimented the work of Highways Officers with the work for the Member Reference Group.
2. The Local Transport Review Member Reference Group's spokesperson informed the Board that work had continued very well and that the Group would be meeting in the Spring of 2016.

**Actions:**

None.

**7/15 INTERNAL AUDIT REPORT UPDATE ON THE BUS OPERATING CONTRACT [Item 7]**

**Declarations of interest:**

None.

**Witnesses:**

Siva Sanmugarajah, Lead Auditor  
Simon White, Audit Performance Manager  
Paul Millin, Travel and Transport Group Manager

**Key points raised during the discussion:**

1. Members asked for clarification on the status of the bus contracts as concerns were raised around the possibility that some contracts may still require review and renewal.  
  
Officers explained that the bus contracts were regularly reviewed however the auditors recognised that processes weren't robust or transparent enough. Local bus team officers were undertaking bus contract review but had not been keeping appropriate records of their work.
2. Members raised the point that a lot of reliance falls on the new Mobisoft software for the upkeep of the county bus contracts and asked for clarification that the contracts were all recorded on the new system. Members also highlighted that contracts without an end date

could have been illegal.

Officers confirmed that all bus contracts were on the new Mobisoft system database. The first contracts to be transferred to the new system were the SEND transport routes, followed by local route contracts. This was an intentional decision but may have caused the process to take a little longer. Officers also confirmed that all bus contracts now had an end date.

3. Officers reported that it is planned to undergo a review of the changes made to the bus contract management procedures in the future and that an update will be made available to the Board.

**Recommendations:**

The audit report was noted

**Actions:**

None.

**8/15 INTERNAL AUDIT REPORT - REVIEW OF HIGHWAYS COMMUNICATIONS 2015/2016 [Item 8]**

**Declarations of interest:**

None.

**Witnesses:**

Simon White, Audit Performance Manager  
Mark Borland, Works Delivery Group Manager

**Key points raised during the discussion:**

1. Members queried the success of the new communication structure put in place whilst highlighting apparent issues in communication still being apparent; using Project Horizon schemes as examples of areas for improvement.

Officers reported that new communication methods and improvements, put in place after the audit report, are working well. Officers cited roadside notification signage as a current focus of improvement.

2. Members questioned why the sample size for testing communications was 10 schemes. Officers explained that 10 was the standard sample size for auditing, adding further that there are roughly 100 schemes per year so in this case the sample size was around 10%.
3. Members questioned whether the costs for highways schemes could be communicated to the public more effectively as an improvement in transparency.  
Cllr John Furey explained that information on ITS scheme costs was published circa 2012 and that it perhaps may be a good idea to update

this information before putting this in the public domain. The cost was only a guide price.

The Board discussed the merits and disadvantages of having the information available on the Council website. The Board was invited to consider the benefits of publishing the updated information once it is available.

Members commented that it was a frustration for projected costs to spiral upwards once scheme works begin, usually through the Variation Order process. Officers agreed that there was an issue with this and are targeting improvements to quote more accurately.

4. Officers confirmed that there would be a second audit review of the improvements and change made in 2016.

**Recommendations:**

The audit report was noted

**Actions:**

None.

**9/15 INTERNAL AUDIT REPORT - REVIEW OF HIGHWAYS SCHEMES (ITS)  
2015/2016 [Item 9]**

**Declarations of interest:**

None.

**Witnesses:**

Simon White, Audit Performance Manager  
Mark Borland, Works Delivery Group Manager

**Key points raised during the discussion:**

1. It was reported that two additional qualified surveyors had been employed to help the Council and Kier with schemes.
2. Members questioned Officers on how schemes are assessed in term of “value for money” to residents.

Officers explained that the highways service had completed internal VFM tests but that no “value for money” auditing by Central Audit for ITS schemes had been completed, though a speculative audit report could be carried out in 2016.

3. The discussion highlighted that there were conflicting views on how best to reflect value for money. .

Members commented that “value for money” is a highly subjective issue and is very difficult to assess.

Members commented that each Local Committee should decide on

how it wishes to manage its ITS schemes.

4. Highways Officers explained that all ITS decisions should be in line with the Council's local transport plans.  
Officers welcomed conversations with local committees. It was also suggested that a peer review may help with this issue.

**Recommendations:**

The audit report was noted

**Actions:**

None.

**10/15 UPDATE REPORT ON THE COMMUNITY INFRASTRUCTURE LEVY (CIL)  
[Item 10]**

**Declarations of interest:**

None.

**Witnesses:**

Paul Druce, Infrastructure Agreements and CIL Manager

**Key points raised during the discussion:**

1. Officers outlined that the report tabled for the meeting builds upon a report submitted to the Board in April 2015; and also that since the report was written Reigate and Banstead are on target to adopt CIL by April 2016.
2. Officers reported that a Government review on CIL is taking place. The review is aiming to obtain a wide range of evidence to review the effectiveness of CIL as government changes have made it harder to implement.  
The review is targeted at the planning authorities that administer CIL; however there are a number of questions that the County Council will respond to.
3. Members debated issues surrounding ensuring that money raised through CIL is allocated where required to the County Council.

Under the CIL regulations, income from CIL remains with and is allocated by the District and Borough Councils. Some Members suggested that the District and Borough Councils needed to be reminded that they and the County Council needed to work together. There is no mechanism for requiring that the County Council receives a contribution towards infrastructure as it is not a statutory requirement.

Some members suggested that some local councils may not be allocating monies raised appropriately and that a mechanism for ensuring that money was being spent correctly was required.

Members were also concerned that developers are using the 'viability' clause to get out of paying s106 on new projects.

4. The Chairman reminded Members that the Board cannot discuss the affairs of the District and Borough Councils and that Members ought to raise their concerns at local committee.
5. Members agreed that they would wish to see the County Council's response to the Government consultation.

**Recommendations:**

The Board endorsed the following recommendations,

- a) That officers continue collaboration with Borough and District colleagues in their preparation of Local Plan policies, Infrastructure Delivery Plans, CIL Charging Schedules and Regulation 123 Lists to ensure, where possible, the County Council is able to support development in each of the areas by securing and providing strategic infrastructure at the required time,
- b) That officers continue to seek mitigation of infrastructure impacts from developers, on an application by application basis, in those LPA areas where CIL has not been adopted, unless restricted by the up to 5 obligation restriction,
- c) That officers continue to seek agreement as to how the governance regime for CIL will operate in each of the areas, including the involvement of County Members in the process where possible, and
- d) That further work is undertaken to secure a reasonable and 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 projects CIL monies should support.

**Actions:**

- That the Infrastructure Agreements and CIL Manager circulate to the board by email Surrey County Council's response to the Governments community infrastructure levy review questionnaire.

**11/15 HIGHWAYS AND TRANSPORT MEMBER REFERENCE GROUP REPORT ON THE KIER CONTRACT EXTENSION [Item 11]**

**Declarations of interest:**

None.

**Witnesses:**

Jason Russell, Assistant Director for Highways and Transport  
Mark Borland, Works Delivery Group Manager  
Loulla Woods, Highways and Transport Senior Consultant  
Jim Harker, General Manager Surrey Highways at Kier

Ross Duguid, Procurement Category Manager

**Key points raised during the discussion:**

1. The Chairman of the board agreed for the item to be taken into Part 2, by virtue of paragraph(s) 3, Part 1 of Schedule 12A of the Local Government Act 1972 (information relating to the financial or business affairs of any particular person including the authority holding that information).
2. Members discussed the Highways and Transport Member Reference Group report on the Kier contract extension.

**Recommendations:**

The Board agreed the following recommendations;

- a) That the extension to the Kier contract be agreed and commended to Cabinet for approval, subject to the conditions outlined in the report.
- b) That the Highways member reference group continues to have an ongoing role in the contract to ensure that the recommendations are progressed and benefits realised.

**Actions:**

- For the scrutiny officer to send a recommendation from the board to Cabinet supporting the extension of the Kier contract.

**12/15 DATE OF NEXT MEETING: 26 JANUARY 2016 [Item 12]**

The next public meeting of the Board will be held on Tuesday 26 January at 10.30am in the Ashcombe Suite, County Hall, Kingston upon Thames.

Meeting ended at: 1.14 pm

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**Chairman**