

**MINUTES** of the meeting of the **ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD** held at 10.30 am on 8 December 2016 at Ashcombe, County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Board at its meeting on Thursday, 12 January 2017.

**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
- \* Dr Zully Grant-Duff
- \* Mr Ken Gulati
- \* Mr Peter Hickman
- \* Mr George Johnson
- Mr Richard Wilson
- \* Mrs Victoria Young
- \* Mr Ian Beardsmore
- \* Ms Denise Turner-Stewart

**In Attendance:**

John Furey, Cabinet Member for Environment, Highways and Flooding  
Peter Martin, Deputy Leader

**1/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Richard Wilson.

**2/16 MINUTES FROM THE PREVIOUS MEETING: 19 OCTOBER 2016 [Item 2]**

A Member commented on the previous minutes from Thursday 19 October and referred to page 4, paragraph 13 indicating that the risk management authority should be referenced and the application of 'impedance' was incorrect terminology. The Chairman noted the concern and advised the paragraph was indeed satisfactory which was supported by the Cabinet Member for Environment, Highways and Flooding.

The minutes from the previous meeting were agreed as a true and accurate record.

**3/16 DECLARATIONS OF INTEREST [Item 3]**

There were no declarations of interests made.

**4/16 QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions received.

**5/16 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE BOARD [Item 5]**

**Key Points raised during the discussion:**

1. A Member queried the responses regarding the Winter Maintenance saving cost recommendation, part a. and b., raising the question whether information around the Thermal Mapping proposal was available and when Members be notified of the compensating savings proposals.

2. The Cabinet Member for Environment, Highways and Flooding indicated that this matter would be discussed on 21 December 2016 and the information would be available at the next Board meeting which will be held on 12 January 2017.

3. The Cabinet Member also wanted Members to note that there was no truth in reports that roads starting with the letters D and E roads had been missed from the street lighting programme. The Board were advised that these roads were still in the process of being assessed and had not been scheduled in the programme as of yet.

**Actions:**

EP8- For the Cabinet Member for Highways, Transport and Flooding to provide the board with details on the County's decision regarding thermal mapping proposals.

**6/16 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME  
[Item 6]**

**Key Points raised during the discussion:**

The Cabinet Member for Environment, Highways and Flooding informed the Board that the Road Safety Improvements on Bridge Street, Guildford would be discussed at the LEP Board in January 2017.

The Board noted and agreed with the proposed Recommendations Tracker and Forward Work Programme.

**7/16 UPDATES FROM MEMBER REFERENCE GROUPS AND TASK GROUPS  
[Item 7]**

**Key points raised during the discussion:**

1. The Chairman indicated the Basingstoke Canal was listed on today's agenda and advised that an update would be shared at item 11.
2. It was noted that the Countryside Management Member Reference Group would meet in January 2017, following the Board meeting on 12 January.
3. In the Mr Wilson's absence, the Customer Service Excellence Member Reference Group reported that Highways and Transport were continuing to address the partial compliances identified during the last assessment, the Champions network was gathering information on how their areas of service were utilising feedback and benchmarking data. In addition work was ongoing to ensure recruitment and induction processes were embedded. A new customer service course for Highways and Transport staff was being developed using real examples to demonstrate good and bad behaviour. The course would be delivered by volunteers across the service and roll out will commence in the New Year.
4. Following input from the MRG, a new weekly Highways bulletin has been launched and the service would welcome feedback from Members. The Customer Service Excellence MRG had also visited the Contact Centre and received an update on how they were working with Highways to deliver improvements for customers.
5. The Chairman commended Councillor Richard Wilson for his continuous hard work.
6. The Cabinet Member for Environment, Highways and Flooding suggested to the Board that the Finance Sub group, Highways MRG, Local Transport Review MRG and the Waste Local Plan MRG organise a meeting, post 15 January 2017 to ensure everyone understands what the financial situation is.
7. In terms of the Finance Sub-Group, the Chairman reported that the Sub-Group did not prepare any recommendations in their last meeting,

however requested Officers to provide a list of areas of possible savings for Environment and Planning and Highways and Transport with weightings attached to each area of saving. The Board noted that the Finance Sub-Group would potentially meet in January 2017, when the financial situation would be clearer.

8. It was noted that the Highways for the Future Member Reference Group had not recently met, however looked forward to working with Lucy Monie, the new head of Highways and Transport.
9. The Waste Local Plan Member Reference Group spokesperson stated that the MRG had met twice previously and informed the Board that responses from the November Consultation were being collated and would be reviewed in a meeting following on from the Board meeting today.
10. The Board were informed the Surrey Waste Partnership Future Member Reference Group have met three times and have had discussions around recycling credits and the direction of travel for the service. It was highlighted that four District and Borough authorities had moved towards a co-ownership approach, Mole Valley, Surrey Heath, Elmbridge and Woking and the MRG were anticipating the core functions of SCC to be incorporated into the contract.
11. The Chairman informed Members the new waste collection contractor for the co-ownership would be Amey and that it was an open invitation for other Boroughs and Districts to get involved and join.

**8/16 CIVIL PARKING ENFORCEMENT (AGENCY AGREEMENTS) 2016/17  
[Item 8]**

**Witnesses:**

Richard Bolton, Local Highway Services Group Manager  
David Curl, Parking Strategy & Implementation Team Manager  
Tim Semken, Lead Auditor  
Simon White, Audit Performance Manager

**Declarations of interest:**

None

**Key points raised during the discussion:**

1. The Local Highway Services Group Manager introduced the report and informed the Board that Surrey County Council (SCC) have been responsible for parking enforcement since 2004 however the contracts in place were due to expire in 2018. SCC was originally operating at a loss of £1M but from 2011/12 were operating at no loss. There have been concerns around parking enforcement but arrangements with agents have worked well.
2. Due to concerns highlighted by Members regarding issues with enforcement, audit have provided the report which has been presented to the Board today.

3. Officers indicated that they had met with Reigate and Banstead officers which led to positive discussions and outcomes, Officers advised that further details from this meeting could be provided at a future date.
4. The Chairman advised the Board that reports received from audit should be reviewed with the approach that Members are satisfied the report has not overlooked or missed anything key. The Chairman further advised that Members should be confident the Management Action Plan (MAP) has addressed these concerns.
5. In terms of the Management Action Plan, it was noted that the Audit and Governance Committee had raised concerns and gave the opinion the Plan should be stronger.
6. A Member queried whether the report only assessed and concentrated on Reigate and Banstead or if concerns had been presented in relation to all other Borough and Districts. The Officer advised that as well as Reigate and Banstead, other authorities such as Elmbridge and Guildford were audited. The Local Highway Services Group Manager was confident that information presented from the agents was accurate.
7. Reference was made to one of the key findings of the audit report which stated that annual returns of all Boroughs and Districts were subject to audit verification before it was submitted to SCC. Officers were asked how this fits alongside the current contractual agreement which covers the period 2013-2018 and whether authorities could demand this as this had not been enforced or met with. Members were assured Officers had the ability to make sure this was complied with and going forward would devise a mechanism to ensure it would be carried out.
8. Following the discussion above the Member raised the concern that contractual requirements should be monitored, the Officer indicated that it was an agency agreement and not a formal contractual agreement.
9. There was a discussion around fixed apportionments and whether there was any conclusion to reviewing this. The Officer explained this was a complex area and to ensure SCC break even on the deficits produced this will be raised with the Surrey Treasurers' Group in identifying a consistent approach for future arrangements across the County.
10. A Member suggested that it would be beneficial to have information illustrating good practice and behavioural patterns across the County to allow Members to see where good performance is taking place. The Officer advised that this information was available in the Annual report and would be happy to share a link with Members.
11. A Member shared the view that the language used in the report implied that there was misappropriation and queried if this should be investigated further. The Audit Performance Manager assured the

Board that although the report included strong worded terminology there were no suspicions that any misappropriation had taken place.

12. It was brought to the Boards attention that there was no ability to challenge overheads at Local Committee level and an audit method should be in place to ensure transparency of allocations. The Audit Performance Manager explained that as each of the district and boroughs were sovereign authorities there was a trust that audits were carried out objectively. It was explained that officers had asked for certification for annual financial returns and received regular audit records.
13. A Member highlighted that external auditors had given Reigate and Banstead an 'outstanding' audit rating. It was stated that Reigate and Banstead used to make a surplus but when there had been a change of reporting they were in fact making a deficit. The Chairman noted this point and advised this area was complex, however gave high regard to the team present at today's meeting in ensuring improvements would be made.
14. The Local Highway Services Group Manager indicated that the MAP would run until April 2017 and would be happy to update the Board at a future meeting. The Chairman suggested the Board review this item further in 6 months' time.

**Recommendations:**

The Board reviewed and commented on the audit report and Management Action Plan.

**Actions:**

EP9- For the Local Highway Services Group Manager to send the board a link detailing performance per borough in relation to agency agreements.

EP10- For a Civil Parking Enforcement Audit Update Item to be added to the forward work programme for summer 2017.

**9/16 COMMUNITY INFRASTRUCTURE LEVY PROGRESS REPORT [Item 9]**

**Witnesses**

Paul Druce, Infrastructure Agreements & CIL Manager

**Declarations of interest:**

None

**Key points raised during the discussion:**

1. The Infrastructure Agreements and CIL Manager introduced the report and provided further updates since the report was published, highlighting that Waverley Borough Council was currently working on their charging schedule and were hoping to publish it very shortly. Furthermore the Board were informed that SCC have recently made 31 applications for CIL funding for a variety of projects to Reigate and

Banstead Borough Council with a view to the projects being included in their five year Strategic Infrastructure Plan.

2. A Member raised concern with the five contributions restriction in accordance with the requirements of the Regulation 122 once CIL was adopted and asked for more information regarding this. The Officer explained this complex area, informing Members s106 requests could still be sought to support development if the infrastructure or project had not previously sought five s106 contributions. It was further stated that this restriction was causing significant difficulties for authorities such as the County Council and that local plan site allocations helped the County plan for S106 contributions on strategic sites as a result of the on site requirements of such large sites.
3. Following on from the discussion above, Members requested whether the CIL Adoption progress in Surrey table on page 37 of the report could in future indicate which Boroughs and Districts allow s106 contributions from the developer.
4. There was a discussion around whether it was possible to make revisions to Regulation 123 lists and the Officer indicated that this was possible but a short public consultation was required. The Infrastructure Agreements & CIL Manager advised that Elmbridge Borough Council had recently undertaken such an exercise.

Mike Bennison left the meeting at 11:35am

5. A Member referred to SANGS (suitable alternative natural green spaces) and requested the Officer elaborate on the impact money directed to infrastructure has on this. The Officer advised the inclusion of SANGS significantly reduced monies available for other infrastructure due to its high cost and would encourage the allocation of CIL monies to be reconsidered in order to avoid such implications. It was explained that the large amount of money allocated to SANGS was required in order to generate the housing, as was being done in Surrey Heath. But this has an impact on education and highways infrastructure which in turn is not being funded from CIL.
6. The officer was asked on what grounds an application could be rejected by Local Authorities for where CIL should be spent. Members noted that Education was being excluded from a number of CIL and s106 lists, but the widely held view was that it should be covered by CIL, especially as it was a statutory responsibility for the County to cover the costs and provide school places.
6. A Member highlighted how the previous regime did not affect Education in the same way as CIL whereas now the new regime has increasingly stripped them of resources. The Board noted the suggestion to scrutinise and look closer into the financial break down of expenditure and the monies collected around CIL to ensure value for money. The Infrastructure Agreements & CIL Manager stated that more engagement with local authorities at a variety of levels was actively taking place to ensure that applications for CIL were considered more favourably at the allocation stage.

7. The Chairman expressed the view that schools should be located in areas where CIL funding has been provided to avoid upsetting Council Tax payers and the local residents. It was explained that Elmbridge had reconsidered a number of previously rejected education CIL applications and had approved them following local engagement and that Tandridge had recently rejected a CIL application for education.
8. The Cabinet Member for Environment, Highways and Flooding explained that £14.72M had been collected as a result of CIL across the Surrey authorities to date, and it was important for the board to see where this money had been spent as in times of financial need, it was vital to ensure spend was allocated to key concerns that were also value for money.
9. A Member shared the view that CIL was challenging for two tier authorities and emphasised how it was important to address how CIL is allocated to ensure that it was used better to help Surrey residents. The Cabinet Member for Environment and Planning explained that the issue of CIL allocation was due to be discussed at the Chief Executives meeting arranged for 9 December 2016 and that he would report the outcome in due course.
11. The officer was asked about the recent consultation by Government surrounding CIL. The Board were advised that Government would be publishing the report of the Panel which was set up to consider the consultation responses in due course. The County Council had lobbied government as part of the consultation process.

**Recommendations:**

The Economic Prosperity, Environment and Highways 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 through s106, 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 Member 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 Joint Committee model is considered to offer the most open and transparent



collaborative process for deciding which projects CIL monies should support.

**Actions:**

EP11-For the Infrastructure Agreements & CIL Manager to provide the Board with details on how much money from CIL has been collected and what it has been allocated to by the planning authorities.

EP12- For a Community Infrastructure Levy (CIL) progress report to be added to the forward work programme for Summer 2017.

EP13- For the Cabinet Member for Environment and Planning to report back to the Board on the outcome of the Surrey Chief Executives meeting to discuss the allocation of CIL funds.

**11/16 BASINGSTOKE CANAL UPDATE REPORT [Item 11]**

Due to officer availability the Chairman agreed to consider this item before the Superfast Broadband item (Item 10).

**Witnesses**

Ian Boast, Assistant Director for Environment  
Lisa Creaye-Griffin, Countryside Group Manager

**Declarations of interest:**

None

**Key points raised during the discussion:**

1. The Countryside Group Manager introduced the report by way of a PowerPoint presentation, this outlined the historical context, the canal's characteristics, the canal's risks, the financial implications and the future management options.
2. A Member made reference to the length of the canal, informing the Board that it is 37 miles long and of that, 32 miles is owned by SCC and HCC, therefore who had ownership of the remaining 5 miles. Officers clarified that the remaining 5 miles were out of use and were being built across.
3. A Member asked why borrowing money at low rates was not being taken advantage of and applied to invest in the Canal. Officers explained borrowing money would effectively generate revenue costs which was not an option.
4. The Chairman expressed the view that the status quo option was not sustainable in the long term and that other possibilities would need to be explored and looked at broadly, going forward.
5. In terms of income generation opportunities, a Member indicated that the canal could potentially self-fund through this. Officers advised the Board that there was a business plan in place, in particular around

improving the camp site at the Canal Centre site. Furthermore, Members noted that Officers were meeting with Knight Frank to discuss possible opportunities going forward.

6. The Chairman informed the Board that further information would be circulated to the Board after the Task Group meets in January 2017.

**Recommendations:**

The Economic Prosperity, Environment and Highways Board agreed to:

- a. Support ongoing collaboration with Hampshire County Council in the development of a business case around the preferred option.
- b. Support further discussion and consultation with Basingstoke Canal Joint Management Committee together with other key stakeholders as part of that ongoing work.
- c. Hold a Task Group meeting in early 2017 to report the outcome of the market viability assessment.

**Actions:**

None

**10/16 UPDATE ON THE SUPERFAST SURREY PROGRAMME [Item 10]**

**Witnesses**

Graham Cooke, Project Manager Superfast Surrey Programme  
Cllr Peter Martin, Deputy Leader

**Declarations of interest:**

None

**Key points raised during the discussion:**

1. The Chairman agreed for the meeting to be taken into part 2.

**RESOLVED:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

2. Officers were commended for their work and service around the Superfast Surrey Programme, which has been recognised throughout the County.

**Recommendations:**

The Board noted the update on the Superfast Surrey Programme.

**Actions:**

None.

**12/16 DATE OF NEXT MEETING: 12 JANUARY 2017 [Item 12]**

The next meeting of the Economic Prosperity, Environment and Highways Board will be held on Thursday 12 January at 10.30am in the Ashcombe Suite, County Hall, Kingston upon Thames.

Meeting ended at: 12.56 pm

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**Chairman**