

MINUTES of the meeting of the **COMMUNITIES, ENVIRONMENT AND HIGHWAYS SELECT COMMITTEE** held at 10.00 am on 23 January 2020 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Tuesday, 24 March 2020.

Elected Members:

- * Mr John O'Reilly (Chairman)
- * Mr Andy MacLeod (Vice-Chairman)
- * Mr Saj Hussain (Vice-Chairman)
- * Mrs Fiona White
- * Mr Mike Bennison
- * Mr Paul Deach
- * Mr Jonathan Essex
- * Mr John Furey
- * Mr Ken Gulati
- * Mrs Jan Mason
- * Mrs Becky Rush
- Mr Keith Witham

Substitute Members:

Mr Edward Hawkins

Also in attendance:

Matt Furniss, Cabinet Member for Highways
Denise Turner-Stewart, Cabinet Member for Community Safety, Fire & Resilience

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Keith Witham. Edward Hawkins acted as substitute.

2 MINUTES OF THE PREVIOUS MEETINGS: 22 NOVEMBER 2019 [Item 2]

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

3 DECLARATIONS OF INTEREST [Item 3]

None received.

4 QUESTIONS AND PETITIONS [Item 4]

None received.

5 SCRUTINY OF REVENUE AND CAPITAL BUDGET 2020/21 [Item 5]

Key points raised during the discussion:

HIGHWAYS

1. The Director of Financial Insight gave an overview of the council's budgetary position and strategy. They stated the budget was in the consultation phase and that comments and observations from each of the Select Committees would be communicated back to the Resources and Performance Select Committee ahead of Cabinet. Cabinet would then decide whether to recommend the budget to council on February 4 2020. The budget was underpinned by the concept of financial envelopes for each directorate. Service strategies and proposals had been developed to ensure costs were contained within these financial envelopes. The Director stated that the financial strategy set out how resources would be directed to deliver on both the organisation strategy and the transformation and ambitions of the council. Significant progress had been made as an organisation from financial recovery towards financial stability, whilst continuing the journey of improvement. The Director stated that two years previously the council had been relying on reserves to balance the budget however, the budget for 20/21 would be based on sustainability and investment. The Transformation Programme would continue to deliver efficiencies, providing offset against continuing demand for services. For the council's picture as a whole, in terms of revenue, there was £78m worth of demand pressure from services which were partly offset by £38m in proposed efficiencies. Therefore, the council's net budget increased from £928m to £968m in 20/21. The £40m increase was from additional funding from central government. The Capital Programme proposed over the coming years was £1.4b. The Director highlighted that the cost of borrowing had been included in the council's budget.
2. The Director - Infrastructure and Delivery stated that, with regards to highways and transport, the directorate would be reviewing management of the network and supporting a shift to more sustainable travel solutions. The strategic transport infrastructure had been developing well and would also aid a shift to more sustainable solutions. With regard to the environment, there was significant change expected in strategy from the National Planning Policy Framework, the Environment Bill and the Resources and Waste Strategy. The directorate needed to ascertain how these changes would fit in with the Council's own agenda in the corresponding areas. The Director - Infrastructure and Delivery stated that there would also be great focus in the year ahead on achieving both Surrey's and national climate emergency targets.
3. The Director - Infrastructure and Delivery referred to the budget spend that Surrey County Council had been making on highway maintenance and service levels. The Director - Infrastructure and Delivery emphasised that it was important to appreciate the choices that the council had made with regard to its service levels in managing the network and that the figures should not be interpreted as value for

money. Surrey's urban network was intensive and costly to look after. With regard to benchmarking on waste and recycling, there were variances across the districts and boroughs and the service would be looking at how more efficiencies could be achieved from increased recycling levels in the county.

4. The Strategic Finance Business Partner discussed how they would make the transition from the existing revenue budget to the proposed 2020/21 budget. There were a number of growth items, totalling £9.6m, which were offset by efficiency proposals of £4m (covering all services within the portfolio), equating to net growth of £5.6m. The Strategic Finance Business Partner also summarised the proposed capital programme which was split into two parts: the capital budget – comprised of schemes that were largely developed, such as the River Thames Scheme, highways maintenance – and the capital pipeline – comprised of schemes that required additional development, such as solar energy, recycling schemes, introduction of low emission vehicles. The Chairman requested a written response outlining those areas under the committee's remit where cost savings had not been achieved and why.
5. A Member asked how realistic the efficiency proposals were, how the envelopes were formulated and whether they were achievable. The Director of Financial Insight stated that efficiencies were generated by the directorate and the envelopes were calculated so that council could achieve its £968m budget. The Director - Infrastructure and Delivery stated that some proposals in terms of the 2021 efficiencies were well developed with a high degree of confidence, whilst others needed development. Overall, there was mixed confidence albeit plans were in place to try and mitigate risks.
6. A Vice Chairman questioned how the council would manage the following year without the additional £40m of funding. The Director of Financial Insight stated that they were not planning to use this contingency fund and, where it was used, it would be largely directed towards continuing improvements around adult social care and health.
7. A Member highlighted that there was less detail in the pipeline relative to the capital budget and asked whether both parts of the capital programme were being looked at. The Director assured Members that there were a lot of ideas around the capital pipeline and these had been provided for in the £1.4b but needed more development.
8. A Member stated that £84m was designated for Greener Futures but the budget did not detail how nor when this would be used. The Member stated that they would like scrutiny of the following, once details had been put forward: the £68m for 'other' in the pipeline and approximately £30m for corporate asset programmes; the breakdown of the £84m for Greener Futures; the breakdown of overall capital programme called 'brief summary'. The Cabinet Member for Highways stated that they would share this information with the Committee once

it became available. They informed the Members that significant investment was going into the county.

9. The Chairman asked whether there was any further information that could be provided regarding the community investment fund and asked when the first monies from the fund could be expected to be dispersed into Surrey's communities. The Director of Financial Insight replied that the details were still being worked on. The Chairman stated that the Committee planned to be part of the process of stipulating what the criteria and scope of the fund would be.
10. A Member asked for assurance that there would be a re-examination of how the work and spend on Surrey's road network was delivered and contract management improved. The Director - Infrastructure and Delivery informed the Committee that the service was looking at a better service on potholes. The existing contract management was robust and there was a lot of performance management around this. Key Performance Indicators were also in place with dedicated officers to check that repairs were carried out to the expected standard. In the past more investment had gone into preventing potholes and that additional funding would enable more to be done on this. They stated that they would work with the task group and select committee regarding future contracts. The Cabinet Member for Highways stated that in previous they had simply been managing the network but, going forward, they would be investing to make improvements.
11. A Member also asked where the funding was for the continuation of Project Horizon. The Director - Infrastructure and Delivery stated that the budget for Project Horizon was contained within the budget amounts. The breakdown of capital budget for highways maintenance was based on the continuation of the highways management asset strategy, underpinned by a combination of prevention and intervention processes.
12. A Member asked how much money was allocated in the budget for the drains contract relative to the overall highways budget. There were backlogs of maintenance which the Director - Infrastructure and Delivery acknowledged needed addressing. With regard to capital spending, there was some additional budget in drainage for the year ahead. They stated that the breakdown depended on what the problems were and how they were prioritised. The Cabinet Member for Highways stated that there was £6m of extra funding allocated for drainage and £33m for flood alleviation the following ten years. They understood that collapse of drain structures was a big issue.
13. A Member asked how the £6m funding for drains would be phased. The Strategic Finance Business Partner stated that the £6m would be spent evenly over a five-year programme. The Director - Infrastructure and Delivery stated that they could not give an exact breakdown of how this funding would be spent, however. The Cabinet Member for

Highways reassured the Member that long-term problems were being looked at.

14. A Member noted that the council was one of the most expensive authorities per mile and the fifth most expensive authority per vehicle mile, of the authorities that were compared. The Member asked whether there was an opportunity to scrutinise this and stated that it would be useful to make a comparison with London costs. The Member asked how they could be assured that the council was getting value for money with regard to physical works and money spent. The Director - Infrastructure and Delivery asserted that the council's spending was reflective of the service level it provided and that there was not a direct link to value for money. They assured the Committee that they would continue to benchmark across other authorities when considering future contracts.
15. The Vice Chairman asked how the council would receive its fair share of government funding for infrastructure, given that previously the council had not benefitted from this as much as it could have done. The Cabinet Member for Highways stated that, in the past, they had not had plans in place in a timely manner to submit bids for government funding. There were two outstanding bids for government Housing Infrastructure Fund (HIF) funding. The council was supporting district and borough councils on infrastructure projects. It was important to have the programmes ready for submission when government announced and released funding. The Cabinet Member also informed the Committee that the Leader of the Council was increasing communication with Government Ministers which would be key in securing funding.
16. The Vice Chairman also stated that the biggest disruption regarding highways were utility companies and developers. The Director - Infrastructure and Delivery stated that there were resources in the planning team and the highways street work team to monitor performance of utilities and developers on the network. There were recognised inspections to check on performance according to certain specifications or the planning agreement on which they would have to deliver. The Director - Infrastructure and Delivery also stated that there were some challenges around level of resource versus activity on the network. The Cabinet Member for Highways informed the Committee that they were currently collecting data on how many defects were on the network due to utilities. They stated that they would be lobbying the government to change the rules around utilities to decrease the amount of time that utilities have to carry out a proper and long-lasting repair.
17. A Member asked whether funding should to be directed towards works communications. The Cabinet Member for Highways replied that no additional funding would be going into works communication however, issues had become easier to report due to a new website and digital

improvement programme including an interactive map showing existing and future proposed work. The aim was to get as much information out to the public as possible.

18. The Chairman questioned why the budget did not appear to support the subsidy of buses and why the budget for concessions was decreasing. They stressed that revenue support for the bus network would be key for the Greener Futures agenda. The Cabinet Member for Highways stated that as part of rethinking transport, capital would be invested in improving the bus network and promoting electric and hydrogen buses, whilst their key aim was removal of older buses from the network as quickly as possible. The Strategic Transport Group Manager stated that with regard to concessionary fares, the budget was reimbursement to bus operators for people using their services for free. Both nationally and in Surrey, there had been a trend of declining patronage by those with concessionary passes. The Strategic Transport Group Manager informed the Committee that the decline in patronage was reflected in the £600,000 decline in funding. They were looking at growing patronage in different ways and investing in partnerships with bus operators. Work was underway to developing the pipeline of schemes which would help the development of bids to Local Enterprise Partnerships (LEPs). The importance of further investment in active travel and public transport was emphasised.

Actions/Further information to be provided:

- I. For the Cabinet Member for Highways to share information with the Committee regarding the following, once it became available:
 - a. £68m for 'other' in the pipeline and approximately £30m for corporate asset programmes
 - b. Break down of the £84m for Greener Futures
 - c. Break down of overall capital programme called 'brief summary'
- II. The Chairman requested written response outlining areas under the Committee's remit where savings had not been achieved in the current financial year and why.
- III. For the Committee to be part of the process of stipulating what the criteria and scope would be for the community investment fund.

Key points raised in the discussion:

ENVIRONMENT

1. A Member asked whether there could be more ambition regarding rethinking waste and a drive towards making Surrey the county that

generated the least amount of waste in the country. The Environment Delivery Group Manager stated that ambition regarding recycling and waste minimisation was vital. They stated that Surrey was 41st out of 365 authorities in recycling but there were big disparities between Surrey's districts and boroughs. They stated that there was huge potential to recycle more food waste.

2. The Head of Environment stated that since Cabinet Member for Environment and Waste had taken on the role of chair of Surrey Environmental Partnership, he had initiated a series of conversations between districts and borough councils to unpick what they could be doing better, such as collection arrangements. The 2020 focus for the Surrey Environmental Partnership was on reduce and reuse.
3. A Vice Chairman asked what impact the budget would have on the decisions taken regarding community recycling centres. The Environment Delivery Group Manager stated that in terms of the community recycling centres an adjustment had been made in the budget to reflect that they remained open. This saving that was due to be made could be accommodated within the existing budget.
4. The Chairman asked whether there were any budget revisions or implications for Eco Park. The Environment Delivery Group Manager stated that there were a range of discussions between Suez and the Council and that Cabinet received regular updates on those discussions.
5. A Member asked for an update on the Eco Park and what impact the delays had. The Environment Delivery Group Manager stated that there were two elements to Eco Park: 1) an operational anaerobic digestion plant that qualified for subsidies and 2) the gasifier that was not operational. None of the equipment had been paid for yet which was important to factor in. In terms of revenues, they flowed through into the financial model and the council received some benefit although some revenues may cease in the future. There were a range of options being discussed with Suez and officers stated that the budget was sufficient to accommodate a variety of outcomes and stressed that there was also a £16m sinking fund that could be called upon.
6. The Chairman voiced concern that the importance of the contract with Surrey Wildlife Trust had not been reflected in the budget. The Cabinet Member for Community Safety, Fire and Resilience stated that bringing countryside property management in-house would be more effective and generate income to subsidise visitor experience. The Cabinet Member reassured the Committee that Surrey Wildlife Trust were happy for this transfer of responsibility and that the Trust received considerable funds from membership fees. The Head of Environment added that the changes being negotiated with Surrey Wildlife Trust were expected to have a neutral budget implication. Going forward, they would be looking into investment in the

countryside and improving access to residents, which the Committee would be later scrutinising.

7. A Member asked what the revenue budget implication was to ensure that there was capacity to deliver on Greener Futures. The Strategic Finance Business Partner stated that transformation funding for Greener Futures was £400,000 and £300,000 for feasibility. The Member also asked for a breakdown of transformation and feasibility funding for 2021. The Environment Commissioning Group Manager stated that that funding did not include the rethinking transport elements nor waste. They were working on a greener future investment paper that would go to Cabinet in March 2020.
8. The Member also asked how much money would be put into increasing the energy efficiency of Midas House, the proposed new council headquarters. The Environment Commissioning Group Manager stated that the investment would bring the building up to a D rating but there were opportunities to link Midas House to the new Combined Heat and Power network. They emphasised that the plans were still very much in their infancy.
9. A Member asked whether the plan to plant one million trees in the County was provided for in the budget. The Environment Commissioning Group Manager stated that the tree planting programme was the partnership programme and that the council would facilitate the planting of those trees. There were opportunities to get free or heavily subsidised trees from organisations such as the forestry commission. There was allocated revenue funding of £120,000 to move the programme forward. The Environment Commissioning Group Manager stated that there had been highway verge enhancement strategy developed. That document going to Cabinet on this in April and the committee in March.

Key points raised in the discussion:

FIRE AND RESCUE SERVICE

1. The Chairman asked why there appeared to be a decrease in spending on the fire service. The Director of Community Protection and Emergencies stated that this reflected the efficiencies in the fire and rescue service that would be achieved through the modernisation programme in response to the inspector's judgement.
2. A Vice Chairman asked what the efficiencies were and how they would be achieved. The Director of Community Protection and Emergencies stated that the modernisation programme for the service enabled improvements in delivery. A new structure coming into place in April 2020 would deliver efficiencies and would be a phased approach to ensure changes were safe.

3. A Member asked what had happened with regard to the pension scheme and why. The Director of Community Protection and Emergencies believed that the fire pension scheme had not been managed well enough; the scheme had closed but without drawing down government funds, which had financially burdened Surrey County Council. The council had to ensure that the pension scheme was remunerated properly.

RESOLVED

- i. The Committee drew attention to the fundamental need for departments to stay within their envelopes and achieving their efficiency targets more effectively than they did in the previous year, bearing in mind the uncertainties around funding in the following year.
- ii. The Committee recommends that the Cabinet Member for Highways considers increasing the revenue budget for bus services. This would be to increase the use of these services and to help the council meet its Greener Future ambition to be carbon net zero by 2050.

6 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Key points raised in the discussion:

1. A Member stated that the capital pipeline could not be scrutinised without further detail and raised their concern that the budget did not satisfactorily respond to the climate crisis.
2. The Chairman stated that more details on investment proposals and how these would be taken forward should be put on the agenda for the Committee meeting in March. He emphasised the importance of encouraging the council to be ambitious on funding and achieving net zero.
3. A Member stated that they would like to see stringent contract management and robust treatment of contingencies. The Committee was in agreement on this.
4. A Member voiced their lack of confidence in delivery of a new bus network due to lack of funding in this area. They stated the importance of investing in the public transport network in achieving the council's greener future objectives. The Chairman supported the improvements to the highways recommendation. Members agreed that the council should give prioritisation to bus services and that this should be scrutinised in the future.

5. A Member requested a briefing regarding the status of Rethinking Transport.
6. Members expressed interest in forming an Eco Park task group in the future.

Recommendations:

To note:

Items that needed to be added to the March meeting owing to upcoming Cabinet decisions:

- Greener Futures Investment Paper
- Climate Change Strategy including the Tree Strategy
- Future of Countryside Services

7 DATE OF THE NEXT MEETING: 24 MARCH 2020 [Item 7]

The Committee noted its next meeting would be held on 24 March 2020.

Meeting ended at: 12.25pm

Chairman

Questions to Adults & Health Select Committee – 4 April 2018

Question submitted by Liz Sawyer

There is evidence that patients who previously used sexual health services commissioned by Surrey County Council have found the new model of services difficult to access and are choosing to use services outside the county. What services are Surrey County Council cross charged for by other sexual health service providers eg NHS Solent at Aldershot Health Centre? How much has been cross charged in the 2017/18 financial year and was this included in the Budget?

Response

The Committee has asked Surrey County Council to respond to the concerns raised within your question and has received the following response from:

‘Since 1 April 2013, Local Authorities in England have been mandated to ensure that open access, confidential sexual health services are available to all people who are present in their area (whether resident in that area or not). The requirement for Genito-Urinary Medicine (GUM) and Contraception and Sexual Health (CaSH) services to be provided on an open access basis is stipulated in the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (“the Regulations”).

This means that Surrey residents are able to access out of county services and our local provider provides services to non-Surrey residents. The activity is cross charged at the locally commissioned rate and supported by backing data. Surrey is part of a South East Commissioners network that has developed a regional policy that addresses cross charging to ensure that there is a consistent approach. In 17/18 our out of area budget was £1,913,000 and in 18/19 our out of area budget is £1,500,000.

The sexual health service are commissioned to provide a service that is outcomes focused and meets the need identified within the sexual health needs assessment. The new service model includes, three clinical hubs, four clinical outreach spokes, a clinical outreach offer for those most at risk of sexual ill health and access to online services. Service provision will be monitored and flexed to meet need where appropriate, particularly in relation to the outreach element.

Mr Ken Gulati
Chairman – Adults and Health Select Committee
4 April 2018

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