

MINUTES of the meeting of the **COMMUNITIES, ENVIRONMENT AND HIGHWAYS SELECT COMMITTEE** held at 10.00 am on 5 December 2024 at Council Chamber, Woodhatch Place, 11 Cockshot Hill, Woodhatch, Reigate RH2 8EF.

These minutes are subject to confirmation by the Committee at its meeting on Monday, 13 January 2025.

Elected Members:

- * Keith Witham (Chairman)
- Mark Sugden (Vice-Chairman)
- * Lance Spencer (Vice-Chairman)
- * Cameron McIntosh
- * Stephen Cooksey
- * Catherine Baart
- * Andy MacLeod
- * Jan Mason
- * John Beckett
- Liz Bowes
- * Richard Tear
- * Buddhi Weerasinghe
- * Luke Bennett

- * *present*
- v *present, virtual*

50/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Councillor Liz Bowes.

51/24 MINUTES OF THE PREVIOUS MEETINGS [Item 2]

The Committee **AGREED** the minutes from the 15 October 2024 and 19 November 2024 meetings as a true and accurate record.

52/24 DECLARATIONS OF INTEREST [Item 3]

None received.

[At 10.08am, Councillor Buddhi Weerasinghe arrived.]
[10.15am, Councillor Mark Sugden arrived online.]

53/24 QUESTIONS AND PETITIONS [Item 4]

There were two questions received from a Member of the Committee, in writing, prior to the Committee meeting. The questions and answers were provided in the supplementary agenda circulated prior to the meeting.

The Member who submitted questions asked a supplementary question about what had enabled past asset disposals and what the proposed timeline had been for the collaborative asset management agreement.

The Cabinet Member for Property and Waste explained that the Council had sold land to Tandridge District Council at a slight discount under Section 123

rules for a social housing project. Discussions had been ongoing about another site, but discounts had been legally limited, and some councils had lacked funds to buy land. Specific dates for the policy had been provided later.

54/24 CABINET RESPONSE TO SELECT COMMITTEE RECOMMENDATIONS [Item 5]

The Chair introduced the response to the Select Committee recommendations from the Capital Programme and Bus Services & DDRT (Digital Demand Responsive Transport) Budget Deep Dives.

The Committee **NOTED** the Cabinet response to recommendations.

55/24 BUDGET 2025/26 AND MEDIUM-TERM FINANCIAL STRATEGY [Item 6]

WITNESSES

- David Lewis, Cabinet Member for Finance and Resources
- Matt Furniss, Cabinet Member for Highways, Transport and Economic Growth
- Denise Turner Stewart, Cabinet Member for Customer and Communities
- Natalie Bramhall, Cabinet Member for Property, Waste and Infrastructure
- Marisa Heath, Cabinet Member for Environment
- Kevin Deanus, Cabinet Member for Fire and Rescue, and Resilience
- Mark Nuti, Cabinet Member for Health and Wellbeing, and Public Health
- Claire Edgar, Executive Director for Adults, Wellbeing and Health Partnerships
- Dan Quin, Executive Director of Community Protection and Emergencies (Chief Fire Officer)
- Owen Jenkins, Executive Director for Highways, Infrastructure and Planning
- Simon Crowther, Executive Director for Environment, Property and Growth
- Carolyn McKenzie, Director for Environment
- Lucy Monie, Director for Highways and Transport
- Rachel Wigley, Director for Finance, Insights and Performance
- Sarah Bogunovic, Assistant Director for Registrations, Coroner's Service and Customer Strategy
- Jane Last, Head of Community Investment and Engagement
- Jean Pierre Moore, Head of Community Partnerships & Prevention
- Clare Matthews, Principal Strategy and Policy Lead
- Nicola O'Connor, Strategic Finance Partner for Corporate
- Tony Orzieri, Strategic Finance Partner for Environment, Infrastructure and Growth
- Louise Lawson, Strategic Finance Business Partner Resources and Customers, Digital and Transformation

KEY LINES OF DISCUSSION

ENVIRONMENT, INFRASTRUCTURE & GROWTH

1. The Chair asked whether more could be done to reduce the cost of large multi-year EIG (Environment, Infrastructure and Growth) contracts. The Director for Highways, Infrastructure and Transport said that costs in large multi-year EIG contracts are managed through competitive tendering, ongoing reviews, and integrating social value and environmental goals. She emphasised the need to reassess policies and specifications and highlighted savings achieved through innovations like LED lighting and targeted road lining.
2. A Member asked about the risk of the identified pressures of £14.5 million for 2025/26 being higher than expected and inquired about the specific risk areas. The Executive Director for Environment, Property and Growth explained that the pressures for 2025/26 were anticipated to arise from scope changes, inflation in contracts, and staffing costs, particularly as many costs were tied to contractual terms. The Director for Highways and Transport said that a key risk was related to concessionary fare reimbursements, which could increase with higher bus usage. She mentioned that while the risk was considered low, it would still be monitored due to its dependence on external factors.
3. The Chair asked about the status of the bus fare cap. The Director for Highways and Transport said that the cap was increasing from £2 to £3 in 2025. More details were expected to come in the early part of 2025 regarding the implications of the change for both users and operators.
4. A Member asked for clarification on whether the levels of reimbursement would decrease if the bus cap went up. The Cabinet Member for Highways, Transport and Economic Growth explained that the bus cap was a national policy requiring operators to join the scheme for government reimbursement. He also mentioned efforts to encourage more operators to participate and noted that any cost increases would be managed within the budget.
5. A Member asked if the £2.6 million in efficiencies in the draft budget had meant doing the same work better or stopping some activities. The Director for Highways and Transport explained that efficiencies in highways and transport focused on increasing surplus and recovering costs. Some savings, like the fixed transfer of £5.3 million, were already secure, while others required detailed planning. The Executive Director for Environment, Property and Growth added that efficiencies could be achieved through innovation in contracts, but some activities might be paused, slowed, or stopped.
6. A Member asked about the impact of reducing the capital budget for solar investment to zero on the Council's ability to meet its 2030 and 2050 net zero goals, given the £500,000 in efficiencies in the Greener Futures spending. The Cabinet Member for Environment said that £500,000 in efficiencies had reduced staffing by 30%, with work expected to continue through partnerships like the Southeast Net Zero Hub. She acknowledged risks and emphasised leveraging private investment and partnerships, with the Greener Futures Board playing a key role. A Member expressed concern that cutting the solar investment budget undermined the 2030 net zero target, noting the importance of solar and the team's reduced capacity. The Director for Environment clarified that changes affected technical roles focused on the 2050 agenda, with expertise now sourced through collaborations.

- Ground-mounted solar projects faced feasibility issues, but rooftop solar remained funded. The 2030 net zero team was unaffected.
7. A Member asked about the consultation with local members on changes to capital funding affecting their divisions and whether discussions on proposed efficiencies, such as recycling support payments, had been held with districts and boroughs or were still to be arranged. the Cabinet Member for Environment confirmed that discussions about changes, including recycling support payments, had been held in the Surrey Environment Partnership with all districts and boroughs involved. The Executive Director for Environment, Property and Growth added that the team had successfully raised grant money and should continue to pursue funding for projects and recognised that there may have been lapses in consulting all Members on capital allocations but emphasised efforts to keep them informed about specific projects. The Cabinet Member for Finance and Resources stated that the consultation on the capital budget is still ongoing, with opportunities for feedback before the final budget approval in February 2025.
 8. A Member asked whether the work towards the 2030 target had been paused or slowed down due to staff cuts in the Greener Futures team. The Director for Environment said that the programme had not been paused, and that they had still been delivering on their net zero and public sector decarbonisation fund projects, though the programme had not progressed as quickly as they had liked.
 9. The Member asked a supplementary question about whether the proposed changes in the draft budget might cause the 2030 team's activities for 2025 to be paused or slowed down due to reduced staffing. The Director for Environment said that this had not happened.
 10. A Member asked a supplementary question about whether the proposed changes in the draft budget might cause the 2050 team's activities to be paused or slowed down due to reduced staffing. The Director for Environment said that they would need to prioritise smarter ways of working and partner with organisations focused on green finance to share expertise.
 11. A Member asked whether there was more value in supporting the Greener Futures team with £500,000 than in allocating that money to immediate needs like weed control and grass maintenance. The Cabinet Member for Environment said that achieving net zero goals required government funding and legislative changes. She emphasised the importance of focusing on lobbying for resources while balancing residents' needs and environmental priorities. She also highlighted the need to update the 2021 plan and discuss resource after its revision.
 12. A Member asked whether funding would be budgeted to avoid another backlog of recommended safety improvements outside schools in Surrey. The Cabinet Member for Fire and Rescue, and Resilience said that yes, funding would be budgeted.
 13. A Member asked how the reduction in the highway capital budget from £120.6 million in 2025/26 to £60 million in 2027/28 had affected the long-term maintenance and quality of the highways. The Cabinet Member for Highways, Transport and Economic Growth said that the increased funding had been used to improve roads, and the proposed budget after 2027/28 would have maintained the roads at a steady state. He acknowledged that inflation had not been included in the modelling but believed the budget be sufficient for the next 15 years.

COMMUNITY PROTECTION AND EMERGENCIES

14. The Chair asked whether inflationary pressures after 2025/26 would lead to increased staffing and running costs for the Joint Fire Control Centre, and if this could pose a bigger challenge in future years. The Chief Fire Officer said that staffing costs, which accounted for about 90% of the gross budget, were expected to rise due to inflationary pressures and the national pay settlement after 2025/26, presenting a larger challenge in future years. However, efforts had been made to manage these costs effectively while maintaining the service's efficiency, with a 3% pay inflation applied for 2025/26, and a 2% increase planned for subsequent years.

CUSTOMER, DIGITAL AND CHANGE

15. A Member asked if the coroner's service's specialised nature meant no safe cost efficiencies were possible. The Assistant Director for Registrations, Coroner's Service and Customer Strategy had said that the coroner's service had continually identified safe cost efficiencies through robust contract management, market understanding, and digitisation. She had highlighted examples and ongoing efforts to streamline processes and maintain reserves.
16. A Member asked whether there was anything the Council could do to reduce costs related to property and the coroner's services, given that they were often their own landlord. The Cabinet Member for Customer and Communities outlined the £31 million capital programme for Customers, Digital, and Change, with allocations of £2 million for the registration service, £1.2 million for coroners, and the remainder for the Libraries and Hubs programme. She highlighted that value engineering on projects in Weybridge, Staines, Epsom, Walton, and Woking had reduced the overall cost from £32 million to £26 million.

COMMUNITY FUNCTIONS, SPECIFICALLY ADULT WELLBEING AND HEALTH PARTNERSHIPS

17. A Member asked for clarification on where the main impact of the proposed changes and efficiencies would fall, particularly in relation to empowering and creating thriving communities. The Cabinet Member for Health and Wellbeing, and Public Health explained that, due to reductions in some roles, they would increase flexibility in community engagement, including creating officers to cover larger areas. He emphasised that Councillors should take responsibility, advocate for their communities, and provide feedback.

RECOMMENDATIONS

RESOLVED, That the Communities, Environment and Highways Select Committee:

- I. Is very concerned about the deprioritisation of Greener Future's spend in the budget.
- II. Supports the investment in additional verge maintenance and area clear up gangs (set out on page 28).

- III. Repeats its recommendation to reconsider expansion of Digital Demand Responsive Travel and further investment in light of the extreme financial challenges outlined in the draft budget papers, noting that Digital Demand Responsive Travel investment is identified as a continued priority in Cabinet response to Committee's November recommendations and in the budget papers (page 28).
- IV. Supports the re-set of capital expenditure plans (page 29) to bring down the capital debt financing requirement. This was highlighted by the Committee as an area of concern in its budget deep dive conclusions and recommendations.
- V. Recommends, in light of the large contracts that account for a large proportion of EIG's spend, a greater focus on driving value out of large Council contracts (page 32).
- VI. Recommends that Members be advised of any changes to the capital programme that affect their divisions.

56/24 COMMUNITY RISK MANAGEMENT PLAN 2025-2030 [Item 7]

WITNESSES

- Kevin Deanus, Cabinet Member for Fire and Rescue, and Resilience
- Dan Quin, Executive Director of Community Protection and Emergencies (Chief Fire Officer)
- Sally Wilson, Assistant Chief Fire Officer
- Lee Spencer-Smith, Area Commander responsible for Protection and the Community Risk Management Plan
- Sophie Whitfield, Senior Communications Manager for CRMP

KEY LINES OF DISCUSSION

1. A Member asked about the changes at Banstead Fire Station and Camberley Fire Station, as well as details on the feedback received from the council's consultation with the local areas regarding these changes. The Chief Fire Officer said that Banstead had been identified as a low-risk area. He emphasised that all proposals were based on the Community Risk Profile (CRP) which is annually updated, and is an externally verified risk analyses.
2. A Member asked about emerging risks to monitor and analyse heading into 2025 and beyond. The Chief Fire Officer outlined three key risks in Surrey's CRP: road (the leading cause of fatalities), water-related incidents, and wildfires. He emphasised prevention, tailored responses, and learning from nationwide trends to address emerging challenges.
3. A Member asked about the chances of finding an appropriate or affordable site in the area of Whyteleafe for a fire station. The Assistant Chief Fire Officer said that Surrey County Council will be conducting a new search for appropriate and affordable sites in the Whyteleafe area, with a third party handling the review, and that a search has already been undertaken previously. If no appropriate and affordable site is found, the crew and fire engine will move to Godstone Fire Station. Works to develop Godstone Fire Station will continue during this time. The outcome of the search remains uncertain as it has not taken place yet.

4. A Member asked why any subsequent reviews has or will not included Banstead and the surrounding areas, and whether there had been any significant difference between Whyteleafe and Godstone, given that they were next to each other from a Banstead perspective. The Chief Fire Officer explained that Banstead had not been considered because the risk analysis had not indicated a need to focus there; instead, the Whyteleafe area had been prioritised due to findings from the CRP. He acknowledged that while Whyteleafe and Godstone were geographically close, the key difference is the risk level. Godstone, being a 24/7 fire station, had often required Banstead to respond eastward, affecting coverage in the rest of Tandridge. The goal is to ensure timely responses in areas with higher vulnerability. Regarding Banstead's response time, he noted a minimal impact, with only a 40-second difference to Reigate and Banstead as a borough and a slight improvement in Tandridge, aiming to balance coverage across Surrey, especially in less well-served areas like Tandridge.
5. A Member asked what a seasonal response model was, whether it was considered best practice across the sector, what challenges were associated with its development, and if any cost savings could be achieved from implementing it. The Area Commander responsible for Protection and Risk said that the seasonal response model enhanced resilience during periods of increased demand, such as floods or wildfires, by ensuring sufficient resources, timely crew relief, and maintaining county-wide coverage. While not focused on cost savings, it is expected to improve operational resilience. His Majesty's Inspectorate of Constabulary and Fire & Rescue Service look for innovative practice when carrying out inspections. We feel that this proposal meets this requirement as we believe SFRS would be the first service in England to use this type of response model.
6. A Member asked how the coordination between SFRS and Health Partners, including South East Coast Ambulance Service, would work. The Chief Fire Officer said that coordination would build on existing strong relationships with health partners, including GPs and care partners. The service plans to continue collaborating with partners using structured project management, clear objectives, and robust governance. Transparent project tracking and communication will ensure smooth coordination, with a focus on community resilience and self-care.
7. A Member asked if increased investment in resources for prevention and protection by SFRS would reduce the need for fire and rescue operational responses. The Assistant Chief Fire Officer said that prevention efforts, such as targeting vulnerable communities and addressing non-fire-related incidents like road traffic collisions and flooding, were crucial in reducing incidents. While fire-related incidents had decreased by about two-thirds over the past 20 years, operational responses remained essential, and the current response model was deemed appropriate, with continuous review to ensure it met the needs of the community. She notes that there will always be a need for operational response.
8. A Member asked if the service was confident that it has the necessary skills and knowledge, particularly technical expertise like fire engineers, to address prevention needs in the built environment with the government's emphasis on accelerated house building. The Area Commander responsible for Protection and Risk said that the service was working to ensure staff have the right training and skills,

particularly in protection roles. The service continuously upskills specialists in fire safety, prevention, and response, and has invested in training, including a £14.5 million investment in a new training centre to meet future needs. The Chief Fire Officer also explained how collaboration between Fire and Rescue Service's works in practice and gave examples of sharing resources.

RECOMMENDATIONS

RESOLVED, That the Communities, Environment and Highways Select Committee:

- I. Welcomes the use of technology to ensure a dynamic and agile fire service across the county.
- II. Welcomes the robust process undertaken to develop the Community Risk Management Plan including external validation by the NTU.
- III. Recommends that the Fire Service continues to explore closer working relationships with Health partners and promotes a preventative model to risk where possible.

[At 12.40pm, the meeting was suspended.]

[At 12.52pm, the meeting resumed.]

57/24 ECONOMIC GROWTH [Item 8]

WITNESSES

- Matt Furniss, Cabinet Member for Highways, Transport and Economic Growth
- Simon Crowther, Executive Director for Environment, Property and Growth
- Patricia Huertas Cedeira, Assistant Director for Economy and Growth

KEY LINES OF DISCUSSION

1. A Member asked about the implications of Coast to Capital's decision to continue as a private company, and whether it had become a private competitor to the Council's support for businesses. The Cabinet Member for Highways, Transport and Economic Growth explained that Coast to Capital's continuation as a private company had slowed the transfer of assets to Surrey County Council, West Sussex County Council, and Brighton & Hove City Council. He did not view it as a competitor because its focus had historically been on the Brighton and Hove area, with limited business support provided to Surrey. Surrey had seen more success and funding from the EM3 LEP. The Cabinet Member explained how since establishing Business Surrey, Surrey County Council has now the government funding and mandate to provide the Growth Hub business advice service to Surrey businesses. The Assistant Director for Economy and Growth added that the funding expected from Coast to Capital was not expected to be substantial, but the final amounts were still to be determined.
2. A Member asked about the division of liabilities and assets during the transition, whether the private organisation would retain or dispose of its assets, and how liabilities from its previously government-funded

role would be managed. The Cabinet Member for Highways, Transport and Economic Growth explained that liabilities and assets were being clarified by Brighton & Hove City Council as the accountable body, with investments from EM3 being converted into cash for local reinvestment, while Coast to Capital's transition was slower due to plans to go private.

3. A Member asked if Surrey County Council could take any additional steps to improve its internal audit rating above reasonable assurance. The Cabinet Member for Highways, Transport and Economic Growth said that Surrey County Council had robust oversight with key individuals involved in decisions, and the last audit had raised no concerns about its governance. The reasonable assurance rating applied to Brighton & Hove City Council as the accountable body for Coast Capital, with the focus then on resolving Coast Capital's assets and liabilities.
4. A Member asked whether the uptake of 280 businesses for the Surrey Growth Hub had been beyond or below expectations and requested feedback from those businesses on the tailored advice they had received. The Cabinet Member for Highways, Transport and Economic Growth said that feedback had been positive, with businesses describing the service as invaluable and helpful for direction. Current uptake of the service is in line with targets set out for the Growth Hub service, which focuses on a proportion of all 110,000 businesses in Surrey. The steady uptake and recommendations from participants indicated a strong start with growth potential.
5. A Member asked how Surrey had supported its green economy and net-zero targets while also supporting high-growth businesses in Surrey. The Cabinet Member for Highways, Transport and Economic Growth said that Surrey had supported its green economy and net-zero targets by helping high-growth SMEs transition to sustainable practices through dedicated support, advice, networking, and funding opportunities. He explained how the Growth Hub service and the Greener Futures team work together on business support provision and share specialist advisors.
6. A Member asked about the position and plans for the service after government funding ended in April 2025. The Cabinet Member for Highways, Transport and Economic Growth said that the government funding would continue beyond April 2025, though they were awaiting details on the exact amount.
7. A Member asked how the three priorities for economic growth had been developed and how Surrey County Council had directly benefited financially from supporting economic growth in Surrey, rather than the money going to central government. The Cabinet Member for Highways, Transport and Economic Growth said that the priorities had been developed in consultation with stakeholders, the relevant governance groups including the One Surrey Growth Board, and considering independent economic evidence reviews, focusing on innovation, sustainable growth, and a greener economy. While the Council might not have directly seen financial returns, the goal had been to ensure the local economy thrived, with housing and skills being key needs for businesses.
8. A Member asked if changes or cuts to Level 7 apprenticeship funding by the government had been communicated to businesses and whether this could impact skills in Surrey in the future. The Cabinet Member for Highways, Transport and Economic Growth said that the

concern was not about Level 7 apprenticeships, which were mostly handled by universities, but rather about apprenticeships at Levels 1 to 3.

9. A Member asked how the Council intended to measure the success of its initiatives aimed at influencing economic growth in the county. The Cabinet Member for Highways, Transport and Economic Growth said that the main metrics for success would be business survival rates, employment numbers, and Gross Value Added (GVA). The Assistant Director for Economy and Growth added that they also focus on high knowledge intensity industries, startup numbers, and the growth of entrepreneurial initiatives, especially those linked to universities, ensuring the work contributes to the overall economy ecosystem for increase productivity and GVA growth.
10. A Member asked what "transparent mechanism" meant in real terms for the Growth and Innovation Fund (GIF), and what "exceptional and strategically important projects" were, along with how they were identified. The Cabinet Member for Highways, Transport and Economic Growth said that the GIF would provide an annual report to the Select Committee on fund performance and updates on funded projects. Strategically important projects would be identified through a strategy refresh, with business leaders providing input on how funding could best support small and medium-sized businesses in Surrey. Legacy funding from the LEPs would be used exclusively for economic growth in Surrey and would support private industry.
11. A Member asked how much the strategic funding framework would cost and whether there was an external source of funding to cover some of the costs. The Cabinet Member for Highways, Transport and Economic Growth said that that the government had allocated a one-off amount for the transition of the operation and that external funding would likely only come from government funding going forward. The Assistant Director for Economy and Growth clarified that £240,000 had been allocated as the transition one-off funding from Government and that it has been used to ensure the transition of services from the LEPs and the refresh of the strategy and future Surrey Growth and Innovation Fund.

RECOMMENDATIONS

RESOLVED, That the Communities, Environment and Highways Select Committee:

- I. Notes the progress that has been made to conclude the LEP transition process.
- II. Endorses the reframed strategic priorities in the refreshed local economic growth strategy.
- III. Endorses the approach to create a Strategic Funding Framework as the mechanism through which investment decisions are made using the LEP legacy local growth funds.
- IV. Approves the role of the Committee to receive an annual report about the performance of the Surrey Growth and Innovation Fund and updates on funded projects.

**58/24 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME
[Item 9]**

The Chair invited the committee to review the progress and updates related to the actions and recommendations tracker and forward work programme.

The Committee **NOTED** the action and recommendation tracker and the forward work programme.

59/24 DATE OF THE NEXT MEETING [Item 10]

The Committee **NOTED** its next meeting is scheduled to be held on 12 February 2025.

Meeting ended at: 1.07 pm

Chairman