



Environment & Transport Select Committee
6 March 2013

Task Group Report: Countryside Management

Purpose of the report: Policy Development and Review

The Select Committee is asked to endorse the recommendations of the Task Group, which seek to ensure that the management of Surrey's countryside can be conducted in a financially sustainable manner.

Introduction:

1. In July 2012, the Environment & Transport Select Committee convened a Task Group with the broad aim of considering how the management of Surrey's countryside could be conducted in a long term, in an effective and financially sustainable manner which promotes economic growth. A scoping document is included as **Appendix 1**.
2. The Task Group was chaired by Simon Gimson and had representation from each of the political parties. Members of the Task Group included Mark Brett Warburton, Stephen Cooksey, Tom Phelps Penry, Michael Sydney and Denise Turner Stewart.
3. This was an evidence-led review involving key partners and stakeholders. The Task Group met between July 2012 and January 2013 and formed five key recommendations based on the following themes:
 - The land owned by Surrey County Council and managed externally;
 - The management of the Small Holdings and Farm Estate;
 - Partnership working;
 - The rural economy; and
 - Tourism.
4. The evidence considered included:
 - Public Value Review of the Countryside Service 2010/11;
 - Internal Audit of Countryside Management 2011; and
 - Reports to Environment & Transport Select Committee 15 September 2011, 12 January 2012 and 19 April 2012.

These reports are all available as background papers.

5. A series of witness sessions were held as part of the review and the full list of attendees is included as **Appendix 2**. The Task Group would like to thank these witnesses for taking the time to attend the meetings and providing their views, as these were invaluable when writing the final report.

Background to the Review:

6. Countryside is a vital asset to Surrey as it defines character, promotes well-being and prosperity and is an economic asset if managed sustainably.
7. Surrey County Council owns more than 2,300 hectares (6,500 acres) of countryside available for quiet enjoyment. It has also entered into access agreements with private landowners, providing public access to a total of over 3,500 hectares (10,000 acres) of Surrey's countryside. Sites include:
 - Chobham Common National Nature Reserve;
 - Norbury Park (opposite Box Hill, between Leatherhead and Dorking);
 - Ockham, Wisley and Chatley Heath (off the M25/A3 junction), including the Semaphore Tower; and
 - Staffhurst Wood (just south of Oxted), a fine example of ancient woodland.
8. The above sites and many others are managed on behalf of Surrey County Council through a partnership with the Countryside Management department of Surrey Wildlife Trust (SWT). The Countryside Ranger Service has evolved with reduced cover to manage open spaces for the benefit of wildlife and visitors.
9. The Surrey Hills Area of Outstanding Natural Beauty (AONB) stretches across a quarter of the County to include the chalk slopes of the North Downs, which extend from Farnham in the west to Oxted in the east, and south to the deeply wooded Greensand Hills which rise in Haslemere. This landscape is rich in wildlife, woodland and attractive market towns and villages and provides some of the best walking in the whole of Southern England.
10. The Surrey Hills is a nationally important landscape and was one of the first areas in England to be designated an AONB in 1958. This designation recognises the beauty of the landscape and ensures that it is properly conserved and managed for future generations to enjoy.

The Partnership Contract with Surrey Wildlife Trust:

11. The Task Group identified the operation of the contract between the County Council and Surrey Wildlife Trust as a key area for consideration. The background and scope of the contract are set out in **Appendix 3**.

12. The Task Group were particularly interested in the management of the property portfolio, the level of on-going financial support, and the associated monitoring and governance arrangements.
13. It was agreed by the Task Group that there should be a freeze on any disposals of property until this review has concluded and reported back to the Environment & Transport Select Committee. It was also agreed that the contract review should be carried out in conjunction with a review of the Small Holdings and Farm Estate (set out in recommendation 2 of this report), and that this review be co-ordinated by the Strategic Director for Environment and Infrastructure (with suitable external support). The Task Group felt that this would encourage a more coherent approach to the County's property portfolio which would enable the County to maximise economies of scale and also promote greater financial transparency.
14. The Task Group recognised the contract with Surrey Wildlife Trust had achieved some of the anticipated benefits of outsourcing countryside management. In particular, it was recognised that SWT, due to its charitable status, had successfully obtained a number of external grants that the County was ineligible to apply for. The Task Group noted that SWT had raised £766,000 in additional charitable funding for specific projects.
15. The Task Group also noted the successes of SWT in relation to wildlife and habitat management which have resulted in demonstrable improvements to the countryside and enjoyment by residents as well as accreditation and awards.
16. Despite these successes, the Task Group noted that there was provision in the current contract for regular reviews and suggested that one should now be undertaken to ensure best practice and value for money.
17. The Task Group felt it appropriate that the review should focus on all aspects of the contract with SWT, including the Trust's expertise and effectiveness in property management and the development of its asset management plan as well as financial reporting and information. It was noted that other stakeholders, such as Mole Valley and the Ministry of Defence, did not utilise the services of SWT for property management.
18. The Task Group noted that the small number of properties within the portfolio presented management issues for SWT as it was difficult to achieve economies of scale. It was also noted that the grants for which SWT was eligible to apply could not be used to fund staff management costs associated with the properties. In addition to this, the Task Group felt that it was not appropriate to include some properties in the contract, for example the Semaphore Tower.
19. As noted above, the Task Group were of the view that this property review should be carried out in conjunction with a review of the Small Holdings and Farm Estate as it may be possible to achieve synergies in management across the County's property portfolio.
20. The Task Group recommended the Norbury Sawmill should be included in this contract review. The Sawmill was not making a profit at the time of

transfer in 2002 and SWT has underwritten its losses since that time. Following an external report commissioned by SWT, there has been some restructuring and a small profit is now being made. The Task Group understood that a business plan was in preparation for early 2013 on the Sawmill. The Task Group were of the view that it was imperative for a financially robust and long-term business plan to be produced in order to secure the future of the Sawmill.

21. The contract review would also include the development of clear measures to ensure value for money. The Task Group reviewed the Annual Performance Report (2011-12) but were unable to draw financial conclusions, in particular around the staffing costs for the contract. New measures were needed to ensure a clear relationship between financial support and performance and so result in value for money for the County Council and ultimately Surrey residents.
22. Revised governance arrangements for the contract will be required to underpin the changes to the contract. This would involve consideration of how and who the County Council nominates to the Partnership Committee as well as reporting arrangements, including an annual report to the Environment & Transport Select Committee.
23. Both SWT and the Task Group highlighted the importance of good communications between the County Council and SWT. This would be supported by the improved performance information but should also, the Task Group recommended, include a communication strategy aimed at promoting awareness of the countryside and its importance within the County. This could include, for example, an annual Member Tour of the Estate. This work could be announced on the back of the new contract being implemented.

Recommendation 1:

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.**

Timescale: Report to Environment & Transport Select Committee - October 2013.

The Small Holdings and Farm Estate:
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24. The Task Group reviewed the Small Holdings and Farm Estate to ensure a strategic approach to the properties within the Countryside Estate in its

entirety. The background to the Small Holdings Estate is contained within **Appendix 4**.

25. The Task Group were informed that the contract with the managing agent was due for renewal. The Task Group recommended that this review was carried out by the Strategic Director for Change and Efficiency (with suitable external support), in conjunction with the Strategic Director for Environment and Infrastructure. Furthermore, the Task Group recommended that the tendering process be put on hold until recommendation 2 of this report had been completed and reported to the Environment & Transport Select Committee.
26. The Task Group were of the view that a strategic approach should be applied to enable the County Council to maximise the return from its rural property portfolio. For this reason, it recommended that the review of the properties in the SWT contract be carried out in conjunction with a review of the Small Holdings and Farm Estate.
27. The Task Group felt this process should commence with a review of the purpose of the Small Holdings and Farm Estate including how it could be better managed for the benefit of tenants, Surrey residents and other stakeholders.
28. Careful review of the evidence including a confidential valuation report and budgetary information was carried out. The Task Group noted that the Small Holdings and Farm Estate was breaking even but had insufficient evidence to make a judgement about whether the full economic potential of the Estate was being realised.
29. The Task Group expressed concerns regarding the professional knowledge within the County about the agricultural estate. It was felt a dependency had developed over time on the County's managing agents which impacted upon the ability to carry out internal challenge of the management arrangements. The Task Group felt that the County must become a more 'intelligent customer' in order to realise the benefits of the Small Holdings and Farm Estate and carry out an effective challenge to the management arrangements.

Recommendation 2:

The Strategic Director for Change and Efficiency reviews the management arrangements for the Council's Small Holdings and Farm Estate to ensure that they retain value and maximise economic returns.

Timescale: Report to Environment & Transport Select Committee - October 2013.

Partnership Working:

30. Partnership was identified as a key theme in the review. It was recognised that following the creation of Nature Partnerships, there was a need for the County Council to review its relationships with all bodies. However, the

Task Group also came to the conclusion that not enough emphasis had been placed on the facilitation role of the Council.

31. The Task Group reviewed briefing notes from Officers which set out the rural networks in Surrey and a summary of countryside partnerships with County Council involvement (including budgetary information, the County Council contribution and County Council representation on the partnerships). These documents are attached as **Appendix 5**. It was apparent that there was a large range of partners and this resulted in some complexity of working. The Task Group did not have the opportunity to consult with all of these partners; however those interviewed provided a valuable insight with regards to current partnership arrangements in Surrey.
32. The Task Group found evidence of effective joint working between the County and other statutory and voluntary organisations dating back over a number of years. This was confirmed by the witness sessions where key stakeholders such as Natural England, the National Trust and Mole Valley spoke of positive partnership arrangements. Projects such as the Area of Outstanding Natural Beauty also demonstrated tangible outputs that were visible to the different agencies as well as Surrey residents.
33. Witnesses stated the County had a role in providing strategic leadership and linkages with the potential to enhance engagement and deliver tangible outcomes. It was recognised that collectively there are experts in various partnerships as well as Districts and Boroughs and the County.
34. However, there was a perception that the County's leadership role had diminished over time as countryside was not seen to be as high on the Council's agenda as other strategic issues.
35. When considering partnerships, the Task Group also took into account the Natural Environment White Paper which has led to the formation of Local Nature Partnerships. The Task Group concluded that the White Paper presented an opportunity for the County to review and refresh its approach.
36. From a leadership perspective the Task Group expressed significant concern that the County only had Officer representation at the Surrey Nature Partnership. The Task Group recognised the growing importance of the Partnership and felt that there should be Cabinet Member representation on it.
37. The Task Group spent some time considering future direction and in particular the County Council's relationship with and influence on the Local Enterprise Partnerships (LEPs). The Task Group understood the difficulties for some of its partners (such as the Surrey Rural Partnership) in engaging with two LEPs rather than a county-wide organisation as this presented a resource challenge for volunteer organisations.
38. Again the Task Group recognised the growing importance of the Surrey Nature Partnership and felt it could play an important role in successful engagement with the LEPs. It was anticipated that the Surrey Nature Partnership could create a County level approach to dealing with the different organisations.

39. The Task Group recommended that the County systematically review all partnerships on which it is represented to ensure that they offer beneficial outcomes and value for money for the County Council and residents. This review should include the financial contribution made by the County as well as the list of attendees to ensure appropriate representation at the correct level.
40. The Task Group were of the view that partnerships should be reviewed on an annual basis to ensure that they continue to deliver value for money. Any changes should be reported to the Cabinet Member for Transport and the Environment.
41. The Task Group concluded that this piece of work to define and agree the partnerships with County representation should be underpinned by a culture of facilitation and partnership rather than direction.

Recommendation 3:

The Strategic Director for Environment and Infrastructure reviews and refreshes the approach to rural and countryside partnership working. This review should include:

- **A revised register of all partnerships within the County, setting out the purpose of each organisation and financial contributions and representation from the County;**
- **That this register is reviewed on annual basis to ensure it continues to be relevant;**
- **That a culture of partnership (rather than direction) is encouraged and fostered within the County; and**
- **That Surrey County Council actively engages with the (new) Surrey Nature Partnership, with the County representative on this body being the Cabinet Member for Transport & Environment.**

Timescale: Report to Environment & Transport Select Committee - June 2013.

The Rural Economy:

42. The Task Group considered the role of the County Council in promoting the rural economy. The two main areas considered were planning and the management of woodlands.
43. A finding that emerged from the witness sessions was that the planning system was often regarded as bureaucratic. The Task Group were mindful that there needed to be a balance between new developments and preserving the character of Surrey villages. However, the Task Group were aware of the high value of Surrey properties compared to wage rates in the rural economy. There was a concern that villages did not become 'dormitories' as this would impact on the rural economy itself and the ability of those working in the local economy to live locally.

44. Therefore, the Task Group proposed that the Council works closely with partners to facilitate both affordable housing and job opportunities. This would include opportunities as part of Surrey's apprentice scheme.
45. The Task Group concluded that the Countryside policy and strategy should be revised to reflect the economic and legislative landscape. It was recognised by the Task Group that businesses may choose to relocate or expand locally in part because of the high quality of Surrey's countryside and the associated quality of life. However, as with partnerships, the County was seen to be most effective in a facilitation role.
46. The Task Group understood from a number of witnesses (including the Forestry Commission) that ownership of Surrey's woodlands is fragmented and this makes it more difficult to develop a coherent strategy. The Task Group recognised that there is significant, positive work being undertaken on the County's large estates, and was of the view that smaller estates should work closely together in order to mirror this model. However, there were some examples of small scale good practice in Surrey, evidenced by the Forestry Commission.
47. Witnesses interviewed by the Task Group also commented on how there appeared to be no single, joined-up strategic vision for the countryside estate in Surrey. It was noted that there were strategies in place but these were too fragmented.
48. This evidence was used by the Task Group to make recommendations in relation to its own woodlands and more general recommendations around the market. The Task Group were keen to promote woodland management practices that integrated economic and environmental objectives.
49. The Task Group considered its own estates and noted that there were no specific objectives within the SWT contract for wood production. They recommended that this should be part of the contract review (see recommendation 1) and that targets should be set and monitored. The Task Group were firmly of the view that all sources of funding should be maximised. For this reason, they recommended that a plan be produced to maximise grant funding and income from sales.
50. The Task Group understood from a number of witnesses, including the Forestry Commission, that Surrey's woodlands have not been well managed since World War Two. One example of this was that coppicing was not carried out regularly.
51. Examples were given, including at a site visit to Pond Farm with SWT, of land which had been returned to heath land from forest. It was explained that members of the public would not necessarily understand the technicalities of managing woodland and the need to remove some trees as part of a strategic management plan. For this reason, the Task Group felt that these issues should be considered in the development of a communications plan (recommendation 1) to increase public engagement and to increase support for more proactive management.

52. The Task Group were of the view that the County Council could become a leader in the market by increasing demand on its own estate. Targets should be set for a proportion of new boilers to be wood chip, rather than the default being wood fuel, in order to create demand in the local supply chain. It would be important to ensure an appropriate balance in financial risk and return, through heat supply contracts and shared savings arrangements with schools.
53. The Task Group did not see a direct role for the County Council in developing wood hubs and so thought that staff time spent on this activity should cease. There would certainly be a facilitation role and encouragement of different stakeholders to participate but no more than this.

Recommendation 4:

- a) **The County Council maintains policies which enable residents to live and work in the rural community. This will require working with partners to facilitate both affordable housing and job opportunities (including apprentices).**
- b) **The County Council supports the development of the wood fuel industry in Surrey and encourages cooperation between the owners of smaller woods.**
- c) **The County Council prioritises the use of wood fuel in its own buildings, subject to approval of a business case.**

Timescale: Report to Environment & Transport Select Committee - June 2013.

Tourism:

54. The Task Group viewed tourism and access as two important areas for the future and felt that the County Council had an opportunity to capitalise on the Olympic Legacy. A successful tourism strategy was seen as one means of promoting and sustaining economic growth.
55. The Task Group noted the multiplicity of bodies working in the Tourism market in Surrey, including Visit Surrey and the Surrey Hills Society. It was felt that work with these bodies should be encouraged to work in the most cost-effective manner possible.
56. The Task Group reviewed and compared the approach of the County Council to its iconic locations (including Newlands Corner, Leith Hill and Box Hill/Norbury) with other organisations. While plans are being prepared for some locations such as Newlands Corner, there is no overall strategic approach to these sites. This was in contrast to other organisations such as the Forestry Commission, who do employ such an approach. Evidence from the Forestry Commission at Alice Holt Forest provided a model that could be replicated by the County.
57. The Task Group concluded therefore that there was an opportunity for the County to create income to maintain and enhance visitor locations. The Task Group also noted the success of other organisations such as the

Surrey Hills Society, SWT and Mole Valley in using volunteers as a force multiplier in conserving the countryside.

58. The Task Group were all agreed that any management plans with income generation activities must result in improvement to the countryside and the visitor experience.
59. For example, the evidence reviewed included car park charges being introduced by organisations such as the National Trust and Forestry Commission, to fund improvements in visitor facilities. The Task Group were of the view that this should not be a 'blanket policy' as it could not be applied to sites where there were no facilities and it must take into account users of the facilities (for example there would be differential rates for local people and those using sites for businesses such as dog walking). The policy would need to be well communicated to Surrey residents so that it was not perceived as a 'tax' on the countryside but as a means for funding improvements to sites.
60. Facilities management and produce was also a consideration. It was noted that organisations such as the Forestry Commission outsourced commercial activities (such as running cafes) to organisations with expertise in running commercial operations. It was also noted that other organisations, such as the private estates, had effective marketing information about their produce and how to obtain the produce. Again it was the view of the Task Group that the County could learn from this.
61. Efforts should also be made within these management plans to consider how visitors could be dispersed across the countryside rather than converging on a few key sites. This would disperse the benefits of an increase in tourists while minimising the impact upon footways and bridleways, for example. The latter can be damaged by excessive use by motor vehicles, horses and cycles during wet weather.
62. Witnesses expressed the view that there are new and different drivers for access today compared to the past. Although there is greater pressure from the public around countryside access, knowledge and understanding of the countryside is not as great. For this reason, the Task Group wanted any management plans to include a communication strategy.
63. The Basingstoke Canal was outside of the remit of this Task Group. However, Members felt that Environment & Transport Select Committee should be kept informed of progress as it was a linked piece of work.
64. The Task Group felt there was scope to capitalise on the Olympic Legacy. It was understood that the Olympics required a huge resource but had very tangible benefits. For example the Task Group thought this Legacy could be developed by improving cycling provision / facilities. The evidence from witnesses such as Mole Valley suggested that there was a big market that was consistent with management of the countryside.
65. The AONB offered a good model for branding and marketing which was considered as part of the evidence. In October 2012, the County Council's

Cabinet approved the signing of a Trademark Licence Agreement which has potential to achieve significant commercial return.

Recommendation 5:

- a) **Specific management plans are created for iconic locations in Surrey.**
- b) **The Olympic Legacy is used as a catalyst for key decisions.**
- c) **Objectives are agreed with the AONB to reflect the strength and potential brand for Surrey.**

Timescale: Report to Environment & Transport Select Committee - June 2013.

Conclusions:

66. Following careful consideration of reports, evidence provided by witnesses at Task Group meetings and contributions from Officers, the Task Group concluded that there were a number of actions the County Council could undertake in order to ensure that the future management of Surrey's countryside estate takes place in a financially sustainable manner. These actions are set out under 'Recommendations' below.
67. It is also suggested that a level of continuity with regards to scrutiny of this subject be carried in to the future, to ensure successful monitoring and implementation of the Task Group's recommendations.

Financial and Value for Money Implications:

The recommendations put forward in this report will assist the Council in achieving value for money by improving the management of the Countryside Estate to maximise returns and ensure that it is financially sustainable on a long-term basis.

Equalities Implications:

No negative implications identified, however the adoption of a new communications strategy would need to take into account forms of contact with hard to reach and disadvantaged groups.

Risk Management Implications:

The recommendations put forward in this report would reduce the risks associated with management of the Council's countryside estate by reviewing existing contract arrangements and improving financial sustainability.

Implications for the Council's Priorities or Community Strategy:

As detailed under 'Financial and Value for Money Implications', the report's recommendations would have a positive impact upon the Council's Corporate Strategy objective to deliver value and quality to Surrey's residents. The proposals to review the Council's approach to partnership working would also

have a positive impact upon the objective to work with partners in the interests of Surrey.

Recommendations:

Recommendation 1:

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;
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Recommendation 2:

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Recommendation 4:

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Recommendation 5:

- a) Specific management plans are created for iconic locations in Surrey.
- b) The Olympic Legacy is used as a catalyst for key decisions.
- c) Objectives are agreed with the AONB to reflect the strength and potential brand for Surrey.

Next steps:

Following consideration by the Select Committee, the Task Group's report will be submitted to Cabinet on 26 March 2013.

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Sources/background papers:

- SCC Public Value Review of the Countryside Service, 2011/12.
- SCC Internal Audit of Countryside Management, 2011.
- Reports re: Surrey Wildlife Trust to Environment & Transport Select Committee, September 2011, January 2012 and April 2012.

Appendices:

Appendix 1 – Task Group scoping document

Appendix 2 – List of witnesses

Appendix 3 – Background to the Surrey Wildlife Contract

Appendix 4 – Background to the Small Holdings Estate

Appendix 5 – Summary of Countryside Partnerships with County Council involvement