

MINUTES of the meeting of the **COMMUNITIES, ENVIRONMENT AND HIGHWAYS SELECT COMMITTEE** held at 10.00 am on 15 December 2021.

These minutes are subject to confirmation by the Select Committee at its next public meeting.

Elected Members:

- * Jordan Beech
- * Jonathan Hulley
- Cameron McIntosh
- * Colin Cross
- Stephen Cooksey
- * Lance Spencer
- * Catherine Baart
- * John O'Reilly (Chairman)
- * Andy MacLeod (Vice-Chairman)
- * Keith Witham
- * Jan Mason
- * John Furey
- * Paul Deach (Vice-Chairman)

(* = present)

11/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies for absence were received from Cameron McIntosh. Will Forster attended as a substitute for Stephen Cooksey.

12/21 MINUTES OF THE PREVIOUS MEETINGS: 16 SEPTEMBER 2021 [Item 2]

The minutes of the Communities, Environment and Highways Select Committee held on 16 September 2021 were reviewed. The minutes will be formally agreed at the next public meeting of the Select Committee.

13/21 DECLARATIONS OF INTEREST [Item 3]

None received.

14/21 QUESTIONS AND PETITIONS [Item 4]

None received.

15/21 2022/23 DRAFT BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY TO 2026/27 [Item 5]

Witnesses:

Matthew Furniss, Cabinet Member for Transport and Infrastructure

Anna D'Alessandro, Director, Corporate Finance and Commercial
Katie Stewart, Executive Director Environment, Transport and Infrastructure
Marie Snelling, Executive Director Customers and Communities
Tony Orzieri, Strategic Finance Business Partner

Nicola O'Connor, Strategic Finance Business Partner
Mark Hak-Sanders, Strategic Finance Business Partner
Rachel Wigley, Director Finance, Insights & Performance

Officers introduced a summary of the item and outlined the key aspects of the report, particularly focussing on the budgets for the Environment, Transport and Infrastructure Directorate (ETI), the Community Protection Group (CPG), the Prosperity Partnerships and Growth (PPG) Directorate and elements of the Customer and Communities Directorate (C&C) relating to this Select Committee.

Key points raised during the discussion:

1. In response to a query about the impact of furlough, inflation and income pressures, an officer agreed that uncertainty brought risk to delivering the budget, especially the ongoing uncertainty around COVID-19. There was a £20 million contingency built into the budget centrally that could meet any unforeseen pressures and there was a £58 million total contingency. The officer added that the Council held reserves slightly over the 5-10% of its Net Revenue Budget reserve recommended by auditors and so were in a resilient position overall. The officer added that it was vital for directorates to keep within their budget envelopes in terms of inflation and National Insurance and the draft budget included provision to cover the National Insurance increases for employers. He added that the inclusion in the draft budget of 4% inflation was a reasonable starting point and that officers believed that this inflationary provision in the budget was sound.
2. The Chairman asked if any details of the impact, positive or negative, regarding the financial settlement status to be announced by the Government on Surrey could be sent to members please. This was agreed.
3. A Member asked if taken together (Revenue and Capital), could residents be assured that this budget would not entail any deterioration of services across the board, for example, proposed changes to Community Recycling Policies etc. Will they see improvements and if so, in what areas. An officer confirmed that the Council would not be delivering any kind of service reduction because of the changes in the budget that had been presented because of the efficiencies. They added that this was one of the guiding principles used to identify the efficiencies.
4. A Member pressed further if the Cabinet Member for Transport and Infrastructure could provide a commitment that all savings and efficiencies identified under the Committee's relevant remit would not lead to any deterioration in its relevant services. The Cabinet Member for Transport and Infrastructure confirmed that there were no plans to reduce services. A Select Committee Member enquired if improvements would be visible to residents. The Cabinet Member for Transport and Infrastructure confirmed that residents would be able to see improvements. He said that the Highways restructure had been completed resulting in Highways no longer being at the top of reasons for complaint.

5. A Member asked if the budget would be on track at the end of the next financial year to deliver the reduction of 1.2 million tonnes of carbon dioxide as set out in the Greener Futures Delivery Plan. An Officer said that although it was too early to confirm, the projections had now been completed so it would be possible to track progress. Further, the model allows for a shift in direction so there were options to add or move actions around as needed to dynamically respond to the need to accelerate progress towards carbon reduction targets if needed. They added that if changes were required, it was critical to make them in the early stages of delivering the Plan, and much focus and effort concentrated on getting the carbon modelling that would be used to track progress against the Council's and county's targets up and running. They added that due to the data being received year to year, it was sometimes difficult to see progress which provided some complexity.
6. A Member asked if it was realistic to expect that the 32,000 homes that had been identified as requiring emissions improvement for fuel poor and vulnerable homes would be addressed by the 2025 target as only 500 homes had been addressed to date. An officer confirmed that 547 homes had been delivered so far and work was being done to accelerate this. Focus was currently centred around how this was financed and the model going forward and this was being considered by the Greener Futures Reference Group.
7. A Member asked if there was a realistic chance of reaching the reduction of emissions from transport by 16% to 30% by 2025. The Cabinet Member for Transport and Infrastructure said that options were being providing to allow residents to make their own choices to switch to lower carbon. All the county's contractors were meeting our commitments to be net zero by 2030. He said that investment was being put into prioritising buses, cycling and walking. It was not in the Council's total control but the aim was to encourage residents to switch to lower carbon.
8. A Member asked if the budget was adequate both in terms of next year's budget and looking to the medium-term financial plan to deliver the Greener Futures initiative and climate change delivery plan. An officer said that the budget would be able to leverage the investment and that capacity had been created within the Council to bid for money as our own budget would not be sufficient for the Greener Futures initiatives and the Climate Change Delivery Plan. Relationships had been built with energy savings scheme providers and the Council had become successful in terms of leveraging some funding. They said that at this stage, based on current knowledge and our understanding of the policy environment and where government would look to invest, there was confidence that the Council had the capacity to secure the required investment into the County.
9. A Member asked if more could be done to prioritise the increase in Planning Enforcement Team's capacity and if it was achievable in this year's budget. An Officer said that the budget pressure identified was the result of employing additional enforcement officers. The increase of enforcement officers from two to three would allow us to be more proactive and so it was currently under review.

The Cabinet Member for Transport and Infrastructure agreed that it was a priority to be proactive with a scope to recover cost.

10. A Member asked how many Electric Vehicle (EV) charging points were planned and would they be located on public highways. An officer said that numbers were still being finalised although the current estimate was that 10,000 charging points would be required. A report was due in the new year regarding this subject but to date, trial activity around EV infrastructure was focused on street parking to address the gap of residents that had off street charging facilities and those that didn't which was particularly important in the run up to the 2030 ban on petrol and diesel vehicles.
11. A Member asked if the reduction of on street parking spaces for the installation of EV charging points was being considered. An officer said that residents were being consulted although it was inevitable that there would be some push back, however the hope was that as more residents make the switch to Electric Vehicles the more accepting the community would be.
12. A Member asked how much money the Council had been awarded from the national £5 billion pothole fund and if there was a guarantee that investment through the Horizon Programme would continue. An Officer said that it was currently unknown what proportion would be awarded and that the budget had been based on the previous amount. Officers would keep the Committee informed regarding this
13. A Member asked why the budget for the School Road Safety Scheme and the LED streetlight conversions ended after year 3. and year 1 respectively. An Officer explained that the LED conversion programme had run for a number of years and would be completed in 2022/23. Commitment to the School Road Safety Scheme would continue and be reviewed every year.
14. A Member asked if the same applied to additional local transport schemes. An Officer said that there was a commitment to addressing the backlog and it would continue to be under review.
15. A Member asked why there was no line in the budget for communication and engagement. Where in the budget was the additional resource for this. An Officer explained that additional resources to support delivery of Greener Futures had been included in the budget, including staff resource in addition to a significant transformation budget of £1.3 million which was currently being bid for. Officers said that they were also linking districts to better combined resources in addition to existing programs which were delivering Greener Futures messages. Officers thanked the Committee for their direction and input on the communications and engagement front and that the Director of Communications would be working with the service to achieve some dedicated capacity around the effort.
16. A Member enquired the recycling facility that had been budgeted at £21million. An Officer said the facility was included in the capital pipeline because it was subject to a further business case. They

added that it was currently being developed and further approval would be required to move the scheme into the budget and proceed.

17. A Member asked what positive step changes the Council could be involved with to support the Climate Change Delivery Plan, especially considering the significant issues of no new petrol or diesel cars being manufactured and the ceasing of gas boiler installations after 2030. They also asked if the budget allowed to support these changes. An Officer said that the work around EV infrastructure was ongoing and that a gap had been identified in terms of residents that do not have off street parking. They said that a model was being created to effectively channel our own funding in addition to leveraging some further investment as discussed earlier. This model would allow us to scale up and it would be a priority on the domestic and commercial front. An Officer added that the domestic sector was in the top ten priorities and that work was being undertaken and funding was in place to support residents in the move away from gas boilers and make homes more efficient.
18. A Member asked what was the likelihood of something moving from the pipeline into the programme. An Officer advised that these items were subject to a business case and in the 'pipeline' as there was confidence that they would move on to the 'programme', it was pointed out that the figures for these were subject to change.
19. The Chairman asked if having a carbon budget running parallel with the financial budget was possible in the future. An Officer explained that any decisions taken were made across the board and with the carbon impact in mind. They said that there was already a section for carbon impact on the cabinet report template and the aim was to become more sophisticated in how the information was captured and reported. A Member said that although the summary of the figures was important it would be beneficial to include the specific carbon impact on the budget too for the future.
20. The Chairman thanked all officers for their presentations and responses.

Resolved:

The Community, Environment and Highways (CEH) Select Committee:

- i. Broadly supports the budget proposals for those areas that fall within its jurisdiction, noting the commitment that all the savings/efficiencies identified will not lead to any deterioration – indeed these efficiencies aspire to improve – in the services provided to residents.
- ii. Will continue to closely monitor performance throughout the year to be assured that assumptions made in and expectations derived from the budget will be met in practice.

Request for information:

- a) A briefing note specific to this Select Committee's remit following the finance settlement, to be circulated to the Select Committee as soon as possible.
- b) A service response note about a review of budget efficiency in highways (i.e. resurfacing machine).

Recommendations:

1. Community, Environment and Highways Select Committee seeks assurances from the Cabinet that the final 2022/23 budget has adequate resources allocated to support the high priority action plans and intended outcomes in relation to:
 - a) Climate Change and Greener Futures Delivery Plans;
 - b) A shift to Local Transport Plan 4 and active travel; and
 - c) Recommendations of the Greener Futures Reference Group previously presented to Cabinet.
2. Cabinet Member to provide evidence in the final budget to assure the committee that the additional capacity planned for the Planning Enforcement Team is adequate and realises additional revenue in terms of recovered costs.
3. Asks Cabinet to seriously consider a parallel carbon budget (carbon impact of the total budget) in 2023/24 to be set alongside the financial budget so the carbon emission implications of decisions as well as the financial implications can be scrutinised

16/21 ECONOMY AND GROWTH: PROGRAMME FOR GROWTH (INCLUDING LEVELLING UP WHITE PAPER AND COUNTY DEALS) [Item 6]**Witnesses:**

Tim Oliver, Leader of the Council

Michael Coughlin, Executive Director Partnerships, Prosperity and Growth
Rhiannon Mort, Head of Economic Infrastructure

The Leader of the Council summarised the Economic Growth report for Members.

Key points raised during the discussion:

1. A Member asked where were the Key Performance Indicators (KPI's) and without them how could success be measured. An Officer said that they were clear about the metrics used to demonstrate the progress. They were aware from historic performance data that the Surrey economy was slowing compared to other parts of the UK. Indicators had been chosen to measure a targeted position by the end of the strategy period. They added that measures would be reported

annually for the Surrey economy and that they would be captured within an appropriate timeframe to track progress towards the targeted position by 2030.

2. A Member asked if it could be explained why the only KPI without a figure against it was carbon reduction. The Leader of the Council explained that the carbon reduction KPI would be reported through the Greener Futures Board and confirmed that all considerations under Economic Growth would reflect a resulting carbon impact.
3. A Member asked if the figure from The Greener Futures Board could be taken and reflected in Economic Growth. This was agreed.
4. A Member asked if officers could identify specific KPIs and funding streams could be used to monitor delivery and ensure that relevant themes and opportunities were successful. An Officer said that the table of KPIs set out target positions for 2030 and the delivery programme had been established. When a new project was launched, the delivery focus would then identify specific KPI around delivery points.
5. A Member said that it would be productive to be able to point local businesses in the right direction about relevant activities in their area. Leader of the Council said KPIs presented to the Growth Board could be shared with the Select Committee.
6. A Member asked when the next round of County Deals could be expected. The Leader of the Council confirmed that discussions had taken place with Department for Levelling Up, Housing & Communities (DLUHC) officials in relation to pilot County Deals following the government's announcement on 15 July 2021. The publication of the Levelling Up White Paper and announcement of pilot areas had been delayed and was now expected in January 2022. It was anticipated that Surrey would not be selected as a pilot area, despite the county's draft County Deal being well received.
7. A Member asked if more information about the proposed co-operation with Hampshire County Council could be provided to Members. Leader of the Council said that Surrey had a good relationship with Hampshire and expected to continue these efforts. Discussions with the leadership at Hampshire were ongoing and looked to create an Economic Prosperity Board. The Board would provide a co-ordinating and alignment function without holding responsibility for local decision-making which would remain with the constituent authorities.
8. A Member asked, with County Deals in mind, what the likelihood of a Mayor being elected. The Leader of the Council responded by saying that he thought this was for the Council to decide but he did not see any value in electing a Mayor and this had been reflected in his conversations with the government.
9. A Member asked how much money did Surrey receive from Local Enterprise Partnership (LEP) funding in terms of infrastructure development and would this funding be provided to Surrey going forward. It was noted that Surrey had received £62 million from the

LEP's since 2000 but the Council would need to access funding from the government and continue to access the current funds available to deliver larger infrastructure investment.

10. A Member said that they were concerned that the East of the County would be left behind, how could we ensure that it benefits from the changes. Leader of the Council said that the need to support and invest in the east of the county was recognised, not just in terms of infrastructure but in terms of developing and supporting business growth. This subject had a strong advocate in Claire Coutinho, Member of Parliament for East Surrey who was a very strong advocate and sat on the Growth Board.
11. A Member asked what specific measures was the Council taking to ensure the effective and smart use of its existing assets like council streetlights to increase 5G coverage in Surrey. An Officer said the rollout of broadband across Surrey had been successful, but it compared less favourably in terms of 4G and other technologies. There was a current bid which would enable Surrey to capture all the assets, the street furniture, and the infrastructure that we have that could accommodate 5G masts. This would benefit Surrey to proceed in a coordinated way when we approach commercial providers. In terms of funding, a bid had been submitted to the government in November and the outcome was expected in January.
12. A Member asked for the Committee to be updated with the progress so that they in turn, inform residents and small local independent businesses.
13. A Member asked if details of the Innovation Loan Fund could be shared when they were made available. Leader of the Council agreed to share the details when they were available.
14. The Chairman asked at what point should we be concerned that a pilot scheme under County Deals funding was not going to happen. An officer explained that there were currently six or seven projects that could be delivered regardless of any changes to County Deals through partnership money. It was hoped that the levelling up white paper would be permissive in that it recognised the place and better understands its requirements. The Council was working well with partners to deliver its agenda.
15. A Member asked if there was any progress on the scheme to reimagine town centres through the Surrey inward delivery program. An officer confirmed that these were in fact two separate pieces of work. The inward investment programme will promote Surrey nationally and internationally as an excellent place to work, live and in which to invest. With regard to High Streets/town centres, work was going on in partnership with the relevant District and Borough Councils in five key locations to support their evolution and development as centres of a wider range of activities, which included residential re-imagining libraries and incorporating business and learning hubs.

Recommendations:

In welcoming this report, the Select Committee recommended:

1. Enhancement and alignment of the publicly available Key Performance Indicators (KPIs) by the service to better support the Surrey County Council's strategic priority outcome of 'Growing a sustainable economy from which everyone can benefit' – some of the KPIs should have a shorter timescale to assess and monitor progress with a definition of what is meant by 'sustainable growth';
2. A timely assessment of the implication for the economic growth and greener futures agendas should Surrey not be chosen for a pilot County Deal;
3. A more explicit focus on how the County's ambitious Economic Growth Strategy is an integral component of its equally ambitious Climate Change ambitions (the economic growth is consistent with climate change, greener futures and net zero ambitions of the Council);
4. Identification, awareness and reporting of who is responsible for delivery and monitoring (Paragraph 29 of the report) the impact of the performance;
5. A further report to the Communities, Environment and Highways Select Committee to include updates on:
 - a. Detailed information following the publication of the Levelling Up White Paper;
 - b. LEP review and future course of action;
 - c. Specific information and clarity about the delivery and monitoring aspects, including publicly available key performance indicators to assess and monitor progress;
 - d. How the Council holds economic ambitions and priority objectives and climate change ambitions and priority objectives in balance, to ensure a sustainable economy for Surrey;
 - e. Feedback and lessons about the highways/regeneration pilots (e.g. Horley, Staines, Farnham etc.);
 - f. 5G roll-out and communication with local stakeholders including Members and small businesses;
 - g. Progress on discussion with Hampshire County Council and on Economic Prosperity Board;
 - h. Any other relevant update relating to County Deal, LEP review, economy and growth, including response to aforementioned points 1-4.

Request for information/action:

- i. Request for the Cabinet to share reports presented to The Growth Board to the Select Committee.
- ii. Officers to share details of the Innovation Loan Fund when they are ready.

17/21 SURREY PUBLIC MORTUARY [Item 7]

Witnesses:

Steve Owen Hughes, Director, Community Protection and Emergencies
Sarah Kershaw, Chief of Staff and Deputy Director of Community Protection Group

The Director for Community Protection and Emergencies summarised the report noting the lack of facilities for body storage across the County and the national shortage of Pathologists.

Key points raised during the discussion:

1. The Chairman thanked Officers for the detailed report. Members and Officers agreed that options three and four were the main options for consideration. An officer noted that that option three would achieve statutory requirements which would be an improvement but would not involve the transportation of bodies and meant that the Council would still be reliant on the current goodwill of hospitals, resulting in continued delays. They said that option four addressed the national shortage and would deliver our aspirations, including better innovation and addressing the national shortage of pathologists by building partnerships with medial based faculties in Surrey which would be cutting edge and world leading.
2. The Chairman said that the added value of option four over option three was overwhelming officers and Members were in agreement.
3. A Member asked what was being done to encourage the role of schools and colleges in the area to address the skills deficit. An officer said that discussions were taking place with education providers including the University of Surrey and Royal Holloway and that there was a plan to attend community and education fairs.
4. A Member asked if security aspect had been a consideration with the suggested options given a recent high-profile court case concerning mortuaries. Officers explained that option four would provide modern facilities with good security measures and that the vetting of staff was a high priority following reforms in the Coroners Service.

Recommendations:

The Select Committee:

1. Appreciates the progress that has been made in developing the business case, especially the partnership with the Surrey NHS hospital trusts and the University of Surrey;
2. Work in partnership with appropriate local educational institutes to encourage participation, involvement and take up in this discipline;
3. Supports the adoption of Option 4.

18/21 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 8]

The Select Committee noted the Recommendation Tracker and the Forward Work Programme.

19/21 DATE OF THE NEXT MEETING: 21 JANUARY 2022 [Item 9]

The Committee noted its next meeting would be held on 21 January 2022.

Meeting ended at: 1:01pm

Chairman

This page is intentionally left blank