

**Cabinet Member of the Month**  
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Cabinet Member for Property and Waste

## CAPITAL PROJECTS

Key Projects update:

- **New Fire & Rescue Stations at Lingfield and Chobham:** Design underway.
- **Wray Park Reigate:** Feasibility has commenced for a major development at Wray Park to provide a new Fire and Rescue Station, Training Centre and a Fire House facility for specialised training.
- **Permanent Mortuary:** the analysis of options is complete and will be presented to Cabinet in December for discussion.
- **Children's Homes:** Homes at Epsom, Walton and the Shaw Family Contact Centre in Woking are under construction. At Dorking, the Children's Home and Care Leavers Accommodation has been submitted for planning.
- **Hubs** (providing a range of services): The detailed designs for Sunbury are in progress and public engagement events are scheduled for late October. Weybridge is now progressing as a standalone project with the design process underway for a major refurbishment. At Staines, the design of the library is progressing with requirements being gathered for additional services.
- **Pendell GRT site:** Development is targeted for November Planning Committee.
- **SEND:** 273 new pupil places have been delivered in September 2022 from a range of projects, work continues on the next phase which will deliver an additional 190 pupil places by September 2023.
- **Reigate Priory Junior School:** Planning application has been submitted to Reg 3. RBBC have initiated a separate planning review, objections from RBBC have been raised. The decision is coming to planning committee in November.
- **Caterham Downs:** The Land and Property project which transformed a GRT site back to Countryside will be awarded an International Green Apple Award. The ceremony on 21 November at the Houses of Parliament will confirm if the award is bronze, silver or gold.
- **Libraries Transformation Programme:** Design development is underway for Epsom, Guildford, Redhill and Woking.
- **Supported Independent Living:** Planning applications have been submitted for Coveham Hostel, former Horley Library and former Manor School.
- **Extra Care Housing (DBFO):** Pond Meadow Ltd have submitted their full planning application. The competitive tender process is underway for Bentley Day Centre, Brockhurst, Lakeside, Pinehurst and Salisbury Road.

## FACILITIES MANAGEMENT

The Transformation Programme reached a significant milestone on 26 September, with the publication of the Supplier Questionnaire (SQ) for the new Hard and Soft services contract. The ITT will be issued in November, with a shortlist of six suppliers for each of the Hard and Soft services contracts invited to tender.

The campaign for the permanent Assistant Director of Facilities Management, commenced in July and following a competitive selection process and concluded late August. Glen Woodhead has been appointed as the new AD and will start in post on 5 December.

The Forward Maintenance Replacement (FMR) programme is progressing well. Additional temporary resource has been secured to ensure that the team has the capacity to deliver the projected forecast (£16.5m).

The increase in energy prices over the last six months is putting additional pressure on forecast revenue expenditure for 2022/23 budget year. Whilst SCC's forward purchasing strategy has helped to mitigate the scale of the cost increases for both the current and next financial year, there is a significant risk that energy costs for the Council will increase steeply in FY2024/25. To reduce impact of the energy price increase, an Energy Management Task Force has been created within FM team to identify and implement Operational, Technological and Behavioural opportunities to reduce the energy consumption within our buildings. These initiatives are being worked in conjunction with the wider Greener Futures and L&P operational workstream and project delivery.

There has been a significant increase in reactive works requests up >40% on last year. This increase is largely attributed to the increase management and admin staff, returning to working from SCC properties post changes to COVID guidance. This combined with inflationary pressure on materials and labour, has resulted in pressure on revenue budgets. To address these budgetary challenges there has been renewed focus to prioritise essential reactive works for H&S and business continuity, whilst identifying those minor remedial works that should be incorporated into the wider Capital Forward Maintenance Programme, to enhance the condition of the council's properties and reduce reliance on reactive maintenance.

Resource management continues to remain challenging with a significant increase in number of vacancies since the announcement of the FM transformation and subsequent consultation with staff. A number of interim agency staff and fixed term contracts appointments have been made to address the operational requirements; however, some specialist roles have been difficult to recruit for.

## **AGILE OFFICE**

The Agile Office Estate programme continues to deliver efficiencies and improvements to our retained office estate and remains on track to deliver the financial benefit of £2.2m in efficiencies by 2025/26. Progress against benefits include revenue savings of over £400k towards our £2.2m end efficiency target, a reduced footprint 50,000sqm to under 21,000sqm by end of 2022, (58% reduction, includes Kingston) and the relocation of over a further 650 staff to new Agile workspace environments.

Of specific note since initiation in January this year, the programme has completed the exit and relocation of SCC staff from Reigate local office to WHP, accelerated Consort House relocation to Woodhatch (Dec 2022) enabling disposal and the exit of Woking BC into Quadrant Court, subject to approval (interim move). We have also progressed plans for a new contact facility at WHP as well as a mobile vaccination centre – continuing to drive optimised utilisation of our corporate office estate and developed the further detail to enable presentation of Northwest demand and best value options to meet.

Extensive engagement with all SCC services has been ongoing as we emerge from unprecedented times into new ways of working. Key findings from the engagement are that SCC services require between 50% to 70% less office workspace space than required pre-covid and agile programme implementation and that at a local level, there is increased demand for contact and meeting space over traditional work desk space, driving the opportunity for consolidated resident facing facilities into single, optimised assets.

The team are driving efficiencies wherever possible. Most recently we released Reigate and Banstead local office lease, negotiating dilapidations at just £19k (a saving of £76k against the budgeted revenue cost in the programme £95k) and leased Broadcast House to Connect2Surrey.

Over the next few months, services will be moving from Consort house to Woodhatch Place starting in December 2022 and a new family contact centre will be opening in Woodhatch Place targeted for March 2023.

## **ASSETS & DISPOSALS**

The team is focusing on revenue savings and generation, and to progress disposals to deliver capital receipts. The capital receipts programme 2022/23 continues to forecast approx. £54m of sales this financial year with over £40m already either completed (£9.5m) or exchanged (£31.5m).

Marketing has commenced on the planned disposal of Coxbridge Farm in Farnham, which has secured planning consent for 320 housing units, with exchange of contracts and phased capital receipts anticipated from Quarter 4. Marketing has also commenced on Consort House, Redhill on both a freehold or leasehold basis as we relocate staff to Woodhatch Place.

We anticipate bringing forward a programme of marketing on approximately 40 assets during the next quarter, based on formally declaring those assets fully surplus to operational requirements, in a bid to continue our targeted consolidation of vacant and surplus assets. These range in scale and size from an office (Consort House Redhill) and vacant former care home sites, down to multiple smaller parcels of land in local neighbourhoods. This portfolio is seen as a first phase of assets to be declared surplus, with Services challenged to submit business cases where an asset may be sought for retention.

We continue to work with service commissioners, alongside our Strategy and Planning teams, on their transformation plans to ensure assets match their demand, supply and locality needs, all set against a tight property market with high values attached to land. Key programmes such as Agile, Greener Futures, River Thames scheme, and specialist Education are being supported through provision of market intel on land and building opportunities that support their business case, options appraisal and delivery work.

Over the next period we will be re assessing our supply chain resources to enable us to enhance delivery, particularly to assist a wider programme of disposals, our audit valuation work and our acquisition and market monitoring role in support our Services' requirements.

St Faiths contact centre, a very underused leased building, will be relocated at the end of its lease in March saving £200k pa in rent. We are looking at options to renegotiate leases, for example our most expensive library (Walton) to reduce rental costs and we are looking to lease vacant space for rental income, for example a recent letting to a nursery in Addlestone realises £97k pa.

## **WASTE**

### **Suez Update**

Suez Recycling and Recovery Surrey LTD (Suez), on behalf of the Council, manage approximately 500,000 tonnes of waste each year (500 KT/A). The current waste disposal delivery model is a 25-year integrated Private Finance Initiative (PFI) contract which covers the transfer, treatment and disposal of all household waste collected within Surrey.

Suez have also developed the Eco Park at Shepperton which comprises an anaerobic digestion (AD) plant for 40 KT/A of food waste and a gasification plant for 56 KT/A of residual waste, together with a recyclable bulking facility and CRC.

The AD plant has been commissioned and is now processing all of Surrey's food waste. The gasification facility was awarded an Acceptance Certificate by the Independent Certifier in March 2022 and is now processing residual waste. The Independent Certifier is a third party employed by both Suez and the Council whose role it is to determine when the infrastructure commissioned as part of the contract is delivered to the standard set out in the contract, and on the back of whose decision, the Council becomes obliged to increase payments to Suez for such infrastructure.

The Council and Suez are in dispute on a number of items relating to payments and including whether the gasification plant Acceptance Certificate is valid.

Previous reports to Cabinet have updated on the ongoing process to find a commercial settlement to the various disputes with Suez relating to the construction and operation of the Eco Park. In November 2019, Cabinet received a report indicating that a deed of variation was being sought that could have provided a resolution of the dispute for both parties, but which subsequently was not completed. In November 2020, Cabinet received a further report confirming that negotiations were ongoing to try to avoid a formal legal dispute but that a legal arbitration process would be commenced, alongside a series of other measures to try to bring the best possible conclusion to the dispute.

In addition, the Council is working with Suez to identify ways in which the Eco Park and the extended contract can deliver wider social and environmental value to residents both around the Eco Park itself and more broadly. More fundamentally, the Council is working to ensure better community engagement on the facility, particularly with those residents that live near the Eco Park. Work is being done to reinvigorate the Community Liaison Group, and to ensure appropriate two-way dialogue with the residents around the site.

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