

CABINET- 28 January 2025

Cabinet Response to the Recommendations from Select Committees Following Scrutiny of the Draft Budget Proposals in December 2024.

Communities, Environment & Highways Select Committee

- I. The Committee is very concerned about the deprioritisation of Greener Future's spend in the budget.

Cabinet Response:

Much of the work undertaken by the Greener Futures team is funded through grants, capital schemes or recharging. Efficiencies will result in a small reduction in staffing and in non-staffing budgets in relation to the 2050 net zero targets only. The impact of the efficiencies will be kept to a minimum as some of this work can be continued in partnership with other organisations, such as the South East Net Zero Hub.

Officers are starting to develop the next five-year Climate Change delivery plan, which will be brought to Select Committee in the summer and Cabinet thereafter. This will set out the priorities which the service can deliver with the resources that are available as well as highlight where there may be gaps where more funding will be needed. Further opportunities to bid for or leverage central government funding will be considered, especially as part of any devolution deal, to mitigate any funding gaps to support our net zero ambitions. In addition, a strong lobbying strategy will be developed to highlight shortfalls in funding and finance.

- II. Supports the investment in additional verge maintenance and area clear up gangs.

Cabinet Response:

Cabinet notes the views of the Select Committee. The budget includes significant investment in highways services including enhanced verge maintenance and area clear up gangs.

- 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.

Cabinet Response:

Consideration has been given to pausing the introduction of Surrey Connect Phase 3 from September 2025. However, after due consideration, Cabinet has concluded that it remains committed to improving and enhancing a range of public transport options and that includes expanding the Surrey Connect network. This expansion, alongside other linked areas of work, will support

residents to access employment, our town and village centres, primary medical care and a wide range of other services and commerce that are vital to residents and communities. This approach will help us to ensure that no one is left behind. Alongside this, we are maximising the use of County Council and Bus Service Improvement Plan (BSIP) funding. The Council already invests in many local bus services to help residents travel sustainably, and we are using BSIP funding to improve frequency and operational coverage too. This investment is being undertaken in partnership with our bus operators who are committed to taking a proportion of the financial risk, the aim being to maximise commerciality of provision once BSIP funding is exhausted. This work is being channelled through our 'Enhanced Partnership' that covers the whole of Surrey.

- IV. Supports the re-set of capital expenditure plans 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.

Cabinet Response:

Cabinet notes the views of the Select Committee. Cabinet, the Corporate Leadership Team and the Capital Programme Panel have reviewed the Council's Capital Financing Requirement trajectory and undertaken a full and thorough review of the capital programme and pipeline allocations. As a result, the borrowing requirement has reduced significantly from the previously approved capital programme resulting in a significant reduction in the capital financing requirement forecast over the medium term.

- V. In light of the large contracts that account for a large proportion of Environment Infrastructure & Growth's (EIG)'s spend, the Committee recommends a greater focus on driving value out of large Council contracts.

Cabinet Response:

Many large EIG contracts have been competitively tendered in recent years which allows the Council to evaluate the cost of providing the service(s) against the market as part of the selection process. In addition to tender stage, there is a regular focus on value for money throughout a contract's lifecycle, and a greater emphasis on contract management and other value based elements including Social Value, reducing carbon emissions and delivering continuous and ongoing improvements including bringing forward innovations from the respective sector of the contract.

- VI. Recommends that Members be advised of any changes to the capital programme that affect their divisions.

Cabinet Response:

Not all capital programmes are split by division, however where possible local members should always be advised of changes to the capital programme that affects their division. This includes updating local members on capital scheme progress, rescoping or any other significant change as is already current practice.