

## Notice of Meeting

# Communities, Environment and Highways Select Committee



**Date & time**  
Monday, 7 February  
2022 at 9.00 am

**Place**  
REMOTE &  
INFORMAL MEETING

**Contact**  
Kunwar Khan, Scrutiny  
Officer

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**Chief Executive**  
Joanna Killian

We're on Twitter:  
@SCCdemocracy



**Please note that due to the COVID-19 situation, the Chairman has decided that this meeting will take place remotely and will therefore be an informal meeting of the Select Committee.**

**Please be aware that a link to view a live recording of the meeting will be available on the Committee's webcasting library page on the Surrey County Council website. This page can be accessed by following the link: <https://surreycc.public-i.tv/core/portal/webcasts>**

**If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call 020 8541 9122 or email [Kunwar.khan@surreycc.gov.uk](mailto:Kunwar.khan@surreycc.gov.uk)**

### **Elected Members**

Catherine Baart, Jordan Beech, Stephen Cooksey, Colin Cross (Horsleys), Paul Deach (Frimley Green and Mytchett) (Vice-Chairman), John Furey, Jonathan Hulley (Foxhills, Thorpe & Virginia Water), Andy MacLeod (Farnham Central) (Vice-Chairman), Jan Mason, Cameron McIntosh, John O'Reilly (Chairman), Lance Spencer and Keith Witham (Surrey CC)

### **TERMS OF REFERENCE**

The Select Committee is responsible for the following areas:

- Waste and recycling
- Highways
- Major infrastructure
- Investment/Commercial Strategy (including Assets)
- Economic Growth
- Housing
- Local Enterprise Partnerships
- Countryside
- Planning
- Aviation and Sustainable Transport

- Flood Prevention
- Emergency Management
- Community Engagement and Safety
- Fire and Rescue
- Trading Standards

## AGENDA

### 1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To report any apologies for absence and substitutions.

### 2 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

- i. any disclosable pecuniary interests and / or;
- ii. other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting.

#### Notes:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest;
- as well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner); and
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### 3 QUESTIONS AND PETITIONS

To receive any questions or petitions.

The public retain their right to submit questions for written response, with such answers recorded in the minutes of the meeting; questioners may participate in meetings to ask a supplementary question. Petitioners may address the Committee on their petition for up to three minutes. Guidance will be made available to any member of the public wishing to speak at a meeting.

#### Notes:

1. The deadline for Members questions is 12.00pm four working days before the meeting (*1 February 2022*).
2. The deadline for public questions is seven days before the meeting (*31 January 2022*)
3. The deadline for petitions is 14 days before the meeting and no petitions have been received.

### 4 LOCAL AND JOINT COMMITTEE HIGHWAY FUNCTION

#### Purpose of the report:

A draft version of the Cabinet report 'Local and Joint Committee Highway

(Pages 5  
- 20)

Functions' has been produced ahead of consideration at the Cabinet meeting of 22 February 2022.

The proposed recommendations contained within the report are presented for pre-decision scrutiny.

**5 SURREY ELECTRIC VEHICLE PUBLIC CHARGEPOINTS FURTHER INFORMATION** (Pages 21 - 50)

**Purpose of the report:**

The Select Committee requested on 21 January further background information and reasoning behind the Select Committee report 'Surrey Electric Vehicle Public chargepoints Progress and preferred procurement Option'. This report responds to that request and proposes the formation of a reference group to provide scrutiny support to the development of the arrangements for delivery of the required chargepoint infrastructure.

**6 DATE OF THE NEXT MEETING: 8 MARCH 2022**

The next public meeting of the committee will be held on 8 March 2022 at 10am.

**Joanna Killian  
Chief Executive**

Published: Friday, 28 January 2022

**MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

*Thank you for your co-operation*

COMMUNITIES, ENVIRONMENT AND HIGHWAYS SELECT  
COMMITTEE

MONDAY, 7 FEBRUARY 2022



## LOCAL AND JOINT COMMITTEE HIGHWAY FUNCTIONS

### Purpose of report:

A draft version of the Cabinet report 'Local and Joint Committee Highway Functions' has been produced ahead of consideration at the Cabinet meeting of 22 February 2022.

The proposed recommendations contained within the report are presented for pre-decision scrutiny.

### Summary:

1. A Cabinet report titled 'Local and Joint Committee Highway Functions' (draft version enclosed to this covering report as Annex A) is scheduled to be considered at the Cabinet meeting of 22 February 2022.
2. To note, the enclosed draft version of the Cabinet report:
  - 2.1 Relates only to the current highway functions of Local and Joint Committees (LC/JCs) and outlines how these functions will be addressed in a different way. The LC/JCs will continue to operate beyond April 2022, but without these highway functions.
  - 2.2 Seeks Cabinet approval to change the way in which the executive highway functions currently considered by LC/JCs are undertaken. This includes the transfer of highway decision functions from LC/JCs to enable officers in closer consultation with the relevant members to take such decisions. The proposed changes will sit alongside the development of new engagement methods and tools to enable members and officers to reach out more effectively to residents than is possible through the current model.
  - 2.3 Sets out the process and timescale for the transfer of these highway functions and the alternative decision-making processes which are to be put in place and are scheduled to come into effect from April 2022.
  - 2.4 Proposes to present the Communities, Environment and Highways Select Committee with a report of all the highway decisions covered specifically by these proposals that have been made by officers in consultation with the Divisional Members, as well as those made by the

Cabinet Member, on at least an annual basis. This will provide an opportunity for Select Committee to provide regular oversight to the decision making set out in these proposals.

- 2.5 Provides a summary of key changes (paragraphs 9 to 29); benefits (paragraphs 30 to 36); consultation (paragraphs 37 to 41); a summary table of risks and key mitigations (paragraph 42); and financial and value for money implications (paragraph 43).
3. This draft version of the Cabinet report, prior to its publication for Cabinet, is presented to the Communities, Environment and Highways Select Committee for pre-decision scrutiny of the proposed recommendations.

#### **Recommendations:**

4. The Select Committee is invited to:
  - 4.1 Review the proposed recommendations to Cabinet
  - 4.2 Make recommendations of its own on the proposal, as appropriate.

#### **Next steps:**

5. Cabinet will consider the proposal at its meeting of 22 February 2022.
6. The Select Committee submits its recommendations to the 22 February 2022 meeting of Cabinet.

#### **Report contact**

Lucy Monie, Director Highways and Transport

#### **Contact details**

lucy.monie@surreycc.gov.uk

**SURREY COUNTY COUNCIL****CABINET****DATE:** 22 FEBRUARY 2022**REPORT OF CABINET MEMBER:** MATT FURNISS, CABINET MEMBER FOR TRANSPORT AND INFRASTRUCTURE**LEAD OFFICER:** KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE**SUBJECT:** LOCAL AND JOINT COMMITTEE HIGHWAY FUNCTIONS**ORGANISATION STRATEGY PRIORITY AREA:** Growing A Sustainable Economy So Everyone Can Benefit/ Tackling Health Inequality/Enabling A Greener Future/Empowering Communities**Purpose of the Report:**

This report seeks Cabinet approval to a change in the way that executive highway functions are taken, transferring them from Local and Joint Committees (LC/JCs) to enable officers to take such decisions in more direct consultation with the relevant members. These changes will take effect from April 2022. This change will sit alongside the development of new engagement methods and tools to enable members and officers to reach out more effectively to residents than is possible through the current model.

This proposal directly supports the commitment the Council made in 2020 to Empowering Communities as one of its core priorities and will contribute toward wider organisation priorities of Enabling a Greener Future, Tackling Health Inequalities, and Growing a Sustainable Economy.

The report sets out the process and timescale for the transfer of these functions and the alternative decision-making processes which are to be put in place.

**Recommendations:**

It is recommended that Cabinet:

1. Agree to the transfer of all executive highway functions from Local and Joint Committees with effect from 1 April 2022.
2. Agree that all executive functions previously delegated to Local and Joint Committees relating to highways are delegated to Officers in consultation with the relevant Divisional Member with effect from 1 April 2022.
3. Agree the Director of Legal and Governance in consultation with the Leader of the Council makes the relevant changes to the Council's Executive and Officer Scheme of delegation as set out within this report.
4. Agree the proposed changes to the Integrated Transport Scheme (ITS) within the Local Highway Schemes budget and the Individual Member Highways Allocations (Capital and Revenue budgets) from April 2022 as set out in the body of this report.
5. Note the involvement of the Communities, Environment & Highways Select Committee in the development of the ITS criteria.
6. Agree to delegate authority to the Executive Director of Environment, Transport and Infrastructure and the Director for Highways and Transport in consultation with the Cabinet Member for Transport and Infrastructure to make all necessary changes to

existing highway budgets, criteria, and relevant policies to support the effective transition to these new arrangements.

7. Agree that the Director of Legal and Governance works in conjunction with democratic service officers from Guildford, Runnymede, Woking, and Spelthorne Borough Councils to update their respective Joint Committee constitutions which are in place with the County Council.

#### **Reason for Recommendations:**

The recommendations within this report will support more efficient local decision making, whilst ensuring that there is transparency and proper scrutiny. These proposals will enable more people to be heard and participate in decision making, leading to better outcomes for our residents.

This is a joint initiative coming from Communities and ETI (Environment, Transport & Infrastructure) Directorates consistent with residents' expressed desires to be more involved in what the Council is doing but through events and conversations and not through boards and meetings. This proposal directly supports the commitment the Council made in 2020 to Empowering Communities:

*'Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, whilst making it easier for everyone to play an active role in the decisions that will shape Surrey's future.'*<sup>i</sup>

Research in the past year has shown that far more residents have been able to communicate with the Council through a wider range of mechanisms than has been the case historically using traditional local and joint committee processes. For instance, in 2021/22, 11 online engagement sessions reached over 50,000 members of the public, whilst in comparison only 650 residents attended LC/JCs between 2019 and 2021 which included councillors from Parish, Districts and Boroughs if they attended to hear proceedings.

#### **Executive Summary:**

1. This report recommends and outlines proposals to empower divisional councillors by changing the delegation of executive highway functions currently under the remit of LC/JCs. It sets out the process and timescale for the transfer of these functions, which will come into effect from April 2022.
2. The proposal is designed to respond to the expectation of communities and members of greater engagement and more efficient decision making on several highway activities, which has evolved since the LC/JCs were initially setup. It also aligns with the ambition of the Council to engage in a more constructive way with residents and members to deliver improved outcomes and provide a better customer experience of highways activities.
3. This report relates only to the current highway functions of the LC/JCs, outlining how these functions will be addressed in a different way. The LC/JCs will continue to operate beyond April 2022 and will continue to address libraries decisions, non-executive functions in relation to Public Rights of Way (PROW) and non-decision functions as set out in their terms of reference.



## Details

4. The majority of highways functions are delegated to officers to deliver works based on the priorities of Surrey County Council (SCC). However, since 2002, Local Committees (and more recently Joint Committees) have held certain delegated highways functions in order to promote and fund some highway works in their respective areas. LC/JCs also hold responsibility for a number of delegated highway decisions including Traffic Regulation Orders, agreeing local speed limit changes and Stopping Up orders. The full list of current highway functions delegated to LC/JCs is set out in **Annex 1**.
5. The proposals in this report refer to both the executive highway decision functions for LC/JCs, and related highway advisory functions as listed and detailed in **Annex 1**.
6. Under these proposals, executive highway functions will be delegated to officers in consultation with the relevant Divisional Member. As part of this process, it is anticipated that Members will be able to reach out to more of their residents to better understand their priorities, by drawing on a range of engagement methods and tools developed as part of our Community Network Approach (CNA)<sup>ii</sup>, before requesting an officer to make a decision.
7. Divisional Members can also use this process to widen engagement to District and Borough Councillors and neighbouring County Councillors, particularly for consideration of local integrated transport and wider infrastructure schemes.
8. Critically, the changes will provide Divisional Members with greater individual discretion over a higher value of highway funds to address local issues than is currently the case under LC/JCs. The recent creation of the Highways Engagement Team has created officer capacity which can more constructively support members on their highway priorities and be a dedicated resource to maintain a focus on delivery for residents and other customers in relation to this proposal.

### Summary of Key Changes

9. Outlined by key area, the main changes to highway functions proposed are summarised below. All changes detailed in this proposal are contained within the Annex.

#### Delegated Highway capital budget and revenue budgets

10. It is proposed that a budget allocation will be made directly to all Members. For 2022/23 subject to the draft budget for 2022/23 being approved by Council, this will be:

Revenue £7,500 (County total £0.6075 million)  
Capital £50,000 (County total £4.05 million)

11. The Member will be able to use this funding to support maintenance on the highway and will also have some flexibility to use it for “minor” Integrated Transport Scheme (ITS) works (such as pedestrian islands, speed limit reviews, new footway links etc) up to a maximum value of £15,000.
12. The actual decisions on how the funding would be spent would be delegated to officers (in the scheme of delegation) but would be taken in consultation with the Divisional Member. Records will be kept for all of these decisions.

13. As part of the allocation process, Highway Officers will arrange an informal meeting of all County Councillors within a district on at least an annual basis, providing the opportunity for Members to consider pooling part of their allocations, toward enabling a more efficient procurement of works gangs and programmes.

#### Integrated Transport Schemes (ITS)

14. In addition to the provision of a proportion of revenue and capital funding for individual Member highway decisions, it is also proposed to create a countywide ITS budget. For 2022/23 this will be £2.95 million, subject to the draft budget for 2022/23 being approved by Council.
15. Under these new proposals, Members would have the ability to prioritise and promote one scheme per year for consideration in their division. Each Divisional Member would be expected to engage with the community in developing their proposal, utilising the CNA, to determine which schemes they should put forward for consideration.
16. All proposed schemes will then be assessed and prioritised by officers for funding from the proposed countywide ITS budget under criteria to be agreed by the Cabinet Member. The criteria will likely include assessing how any proposal contributes to road safety or accessibility and wider county priorities such as greener futures and the Surrey Transport Plan.
17. It is proposed that the Communities, Environment and Highways Select Committee are involved in developing the updated criteria. The Cabinet Member will approve the annual programme. Where developer contributions are available, these will supplement the ITS programme for the area in which they are received, in line with any planning conditions.

#### Review of On-street parking management

18. It is proposed that on-street parking reviews would be taken by officers in consultation with the Divisional Member in line with the County parking strategy. For any changes to on-street parking arising from such reviews, the established community consultation process set out in the parking review process will continue.
19. A new budget will be created to support feasibility studies and technical appraisals for Member ideas and schemes as described above, including Community Infrastructure Levy (CIL) bids. This will come from the on-street parking surplus. The three existing commitments for this funding (Guildford Park & Ride, Woking Town Centre Agreement, and supplementary support for Elmbridge parking reviews) will be reviewed to ensure they offer good value and are aligned to current County Council priorities. The current agency agreements with the District & Boroughs for on-street enforcement expire at the end of March 2023.

#### Transitional arrangements

20. Committees are determining their programmes for 2022/23, but the revised funding arrangements will start from 2022/23 with each Member having a capital allocation of £50,000. As a result, not all the existing Committee programmes agreed by LC/JCs for 2022/23 will be affordable. Therefore, the proposed Countywide ITS allocation of £2.95 million will be split between the 11 committee areas (approx. £268,000 each) and the top prioritised Committee schemes in those areas will be progressed for construction. Those schemes not funded will not be progressed, and it will be for the

relevant Member to prioritise them for consideration in future years if they remain a priority.

#### Petitions

21. As a result of these changes, the public will still be able to submit petitions on highway matters, via the Council's existing petition scheme<sup>iii</sup>, but from April 2022 one of the routes for consideration will be removed as petitions on this subject will be dealt with outside of Local and Joint Committees.
22. However, this proposed change reflects the fact that a majority of petitions received through LC/JCs could have been handled in a faster and more efficient way had they not gone through this route. Since 2018, 87 per cent of those received were considered service requests, which from April 2022 would receive a response within 28 days rather than waiting several months for the next committee cycle. Further, in total, there has been a reduction in the number of petitions taken at LC/JCs (a 37 per cent decrease over the last 3 years).
23. SCC Highways has invested to enhance online highway reporting mechanisms to best serve residents and members. It is expected that between these mechanisms and trends in petitions more generally, that the proposed approach will enable residents to more efficiently resolve their concerns, whilst preserving the ability for residents who genuinely do need to pursue a petition through the other established channels.

#### Public questions

24. For LC/JC public questions, 81 per cent currently relate to highway matters including parking. It is proposed that highway questions will be addressed via the County Council's digital reporting functions, although the option will remain for questions to be submitted to the Divisional Member, Cabinet Member for Transport and Infrastructure, or to Cabinet.
25. In addition, as set out above, the service has improved the online reporting functions which make it clearer to residents of our service standards. There is an ongoing programme of making more information accessible online; for example, our capital maintenance work (known as Project Horizon) is available in a map-based format and all planned road works can be viewed via our website. These tools will enable improved self-service for those residents that can resolve their questions in this way, whilst the option will remain for those that cannot to address their questions through the channels set out above.

#### Scrutiny and overview

26. All decisions must comply with existing County Council policies (i.e. financial, speed limit, parking). If a situation arose where there are conflicting views between an officer and Divisional Member in relation to the taking of a decision which falls within the scope of these proposals, then this would be formally escalated to the Cabinet Member for decision.
27. Where decisions impact the entire county, the Cabinet Member and/or Cabinet will continue to make these decisions formally at public meetings, such as minimum cost of parking permits etc.
28. On at least an annual basis, the Communities, Environment and Highways Select Committee would be presented with a report of all the highway decisions covered

specifically by these proposals that have been made by officers in consultation with the Divisional Members as well as those made by the Cabinet Member. This will give an opportunity for Select Committee to provide regular oversight to the decision making set out in these proposals.

29. The Select Committee would be able make recommendations to Cabinet in respect of its findings through this scrutiny process, as well as in respect of any improvements it might recommend to improve the process. It is also suggested that consultation with Borough & District Councillors would continue as part of the CNA.

## **Benefits**

30. The transfer of Highway decision making from LC/JCs will contribute directly to the Council's Empowering Communities priority, yielding a number of benefits for the organisation and key stakeholders.

### Benefits for Residents

31. These proposals will contribute to residents feeling better able to connect with members on their own terms. Local and Joint Committees have to date provided a relatively formalised and rigid form of engagement for residents on highway matters. The Council can now call upon a far wider range of engagement tools. This offers greater flexibility to adapt an approach to best fit the topic or issue under consideration.
32. Throughout 2022, the use of new engagement methods and tools under the CNA will help encourage and empower more residents to participate in and influence the area in which they live, particularly those from whom the Council does not usually hear. For example, localised issues can be worked through in discussion with Councillors and residents (e.g. a Councillor hosting a Facebook Live "surgery" or poll to hear directly from their residents). Wider topics could be outlined in a public stakeholder engagement event or presented digitally using Commonplace, either through a survey or interactive map, to reach a greater number of people and gauge public opinion, as successfully illustrated for the recent tranche of active travel schemes.

### Benefits for Members

33. This approach will give elected Members more direct influence over local highway matters, whilst delivering for their residents in a shorter timeframe by being able to make decisions outside of the committee process and timetable.
34. Members will have greater individual discretion over a higher value of highway funds to be able to seek resolution to local issues raised by residents than is currently the case under LC/JCs.
35. Members will be able to reach out to more of their residents to better understand their priorities, by drawing on a range of informal engagement methods and tools developed as part of our CNA.

### Benefits for Partners

36. This is a collaborative and open approach, and there is a commitment from the County Council to work closely with partners and to enter into collaborative discussions for the benefit of residents to continue to deliver shared highway infrastructure proposals. District and Boroughs (D&Bs) have been engaged in the preparation of this Cabinet report.

## Consultation

37. The Leader and Cabinet Member for Communities have been consulted in relation to the proposed changes.
38. This report has been prepared in collaboration with the Executive Director for Communities, in conjunction with the Director for Highways and Transport, and the Head of Community Partnerships and Engagement. The Director of Law and Governance has also been directly consulted throughout the development of these proposals.
39. Specific briefing sessions were held with opposition group leaders on the contents of the proposals in this report. In addition, a wider briefing document has been prepared and circulated to all County Councillors ahead of Cabinet consideration of the report.
40. Arrangements have also been made for a special public session of the Communities, Environment and Highways Select Committee (CEHSC) with the Chairman of the Committee. The Committee will make recommendations to Cabinet on these proposals which will be reported to Cabinet in its consideration of this report.
41. In view of wider District and Borough (D&Bs) engagement within LC/JCs, briefings ahead of this Cabinet report have been provided via Surrey Leaders and Chief Executives (CEX) meetings. A briefing has also been provided to the Chairman and Vice-Chairman of the Surrey Association of Local Councils (SALC).

<b>Risk Management and Implications:</b>
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42. A summary of risks arising from these proposals along with mitigations is set out in the table below.

### Summary Table of Risks and Key Mitigations

Risk description	Mitigation action/strategy
Implementation of the new changes to highway funding streams and decision processes causes delays to schemes	Proposed changes to highway decisions and budgets are being taken forward in parallel with the SCC budget setting process through Cabinet.
Lack of overview of funding streams expenditure	Decisions will be recorded and available in an accessible audit log. Information on decisions is to be provided in a format that could be shared with the community.
Ensuring highway funds allocated under these proposals align with SCC Policies and Standards	The funding of projects would need to be consistent with SCC countywide policies and standards. ITS schemes will be assessed by officers against updated assessment criteria. Changes to on-street parking and speed limits will follow established community consultation processes.
Ensuring that there is no reduction in opportunities for resident engagement in highway priorities.	Utilising the CNA and greater variety of engagement tools will make it easier for residents to play an active role in decisions and priority setting.

#### **Financial and Value for Money Implications:**

43. The 2022/23 draft budget for Highways & Transport includes a revenue local scheme allocation of £0.6 million, and capital of £7 million. The recommended approach will lead to changes in the way that budget is managed; however, it is not proposed that the overall amount changes. Money will continue to be allocated and spent in line with the Council's agreed policies and processes, thus securing value for money.

#### **Section 151 Officer Commentary:**

44. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. The recommendations in this report concern how decisions are made, including decisions to spend. Those decisions will continue to be made in accordance with appropriate Council policies and regulations, and within the Council's Medium-Term Financial Strategy. As such, the Section 151 Officer supports the proposals.

#### **Legal Implications – Monitoring Officer:**

45. The Leader has responsibility to determine the Scheme of Delegation for executive decisions further to the Local Government Act 2000 and may delegate these to the Cabinet, a Cabinet member, an officer, or a local committee. The Executive Scheme of Delegation is reported to the Council for information and incorporated into the Council's constitution.
46. A number of the highway functions referred to must be subject of notice and statutory consultation prior to any final decision being taken as currently.
47. The terms of reference of Local and Joint Committees incorporate the discharge of executive functions as allocated in the Scheme of Delegation from time to time. These are set out in the terms of reference of the Committees and will require amendment.
48. Any decisions made by the Cabinet Member under the proposed arrangements are subject to scrutiny and call-in in the usual way.

#### **Equalities and Diversity:**

49. It was determined, in consultation with the Director for Law and Governance, that an Equalities Impact Assessment was not required for changes to the governance processes of the County Council as set out in the constitution.
50. By widening engagement access to the Council's decision-making processes, the proposals as set out in this Cabinet report are considered to have a positive impact for Surrey residents.

**Other Implications:**

51. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No direct implications
Safeguarding responsibilities for vulnerable children and adults	No direct implications
Environmental sustainability	Updated assessment criteria will be consistent with and where possible contribute toward SCC sustainability and climate change commitments
Public Health	The CNA referenced within the report is co-produced with the input of health agencies and has a positive impact on wider health determinants

**What Happens Next:**

52. The changes to the Council's constitution will be reported to Council on 22 March 2022. The Director of Legal and Governance will work alongside the four joint committee democratic service officers to update the respective Joint Committee constitutions to keep these aligned with the County Council's constitution. The County Council currently has Joint Committee arrangements with four D&Bs (Woking, Guildford, Runnymede, and Spelthorne). Under recommendation six Cabinet agreement is sought for the Director of Legal and Governance to work in conjunction with democratic service officers to update the respective Joint Committee constitutions to keep these aligned.
53. The finance team will work with highway officers to make required changes to highway budgets and operating procedures.
54. Highway officers will work with the Communities, Environment and Highways Select Committee to develop an updated ITS assessment criteria, which will be recommended to the Cabinet Member for approval.

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**Report Author:**

Lucy Monie, Director - Highways & Transport

**Consulted:**

The Leader, Portfolio Holders for Transport, and Infrastructure and for Communities  
Communities, Environment and Highway Select Committee  
Chairman of Surrey Association of Local Councils  
Group Leaders  
D&B Leaders and Chief Executives  
Executive Directors for Environment Transport & Infrastructure and for Communities  
Corporate Leadership Team

**Annexes:**

**Annex 1:** Proposed revisions to the local and joint committee delegations

**Sources/background papers:**

25/01/2022 Cabinet Report Item 9: 2022/23 Final Budget and Medium-Term Financial Strategy to 2026/27 [Final Budget Cabinet Template Cover Report.pdf \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/__data/assets/pdf_file/0007/253195/SCC-Petition-Scheme-amended-Feb-21.pdf)

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<sup>i</sup> Surrey County Council Community Vision for 2030

<sup>ii</sup> Community Network Approach - Our Community Network Approach (CNA) is how we plan to work with the existing and emerging networks across Surrey's towns and villages. It involves getting alongside our residents, and their networks of community groups, projects, organisations, partners, and businesses, and using our influence, relationships, and resources to help them join up with others to support and achieve their goals.

<sup>iii</sup> Petition Scheme - [https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0007/253195/SCC-Petition-Scheme-amended-Feb-21.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0007/253195/SCC-Petition-Scheme-amended-Feb-21.pdf)



## Proposed revisions to the Local and Joint Committee highway delegations

Local and Joint Committee highway executive functions	Proposed decision-making route	Officer delegation
<p>The allocation of the <b>highway capital budget and highway revenue budget</b> which are devolved to the Local / Joint Committee for minor highway improvements, and highway maintenance, within the committee's area including the scope to use a proportion of either budget to facilitate local initiatives.</p>	<p><b>Local Budget:</b></p> <p>i) For Capital and Revenue Maintenance - Retained by service and:</p> <p>a. Individual budget allocated to Members in same way as currently and decision delegated to officers in consultation with local Member.</p> <p>ii) For Integrated Transport Scheme, Members propose one scheme for assessment and consideration before Officer and/ or Cabinet Member decision.</p>	<p><b>Highways Engagement &amp; Commissioning Manager</b></p> <p><b>Group Manager Highway Operations &amp; Infrastructure</b></p> <p><b>Director Highways &amp; Transport</b></p>
<p>b. To allocate funds to review <b>on-street parking management</b>, including local parking charges where appropriate and to approve the statutory advertisement of Traffic Regulation Orders relating to on-street parking controls.</p>	<p><b>On-street restrictions:</b></p> <p>i) Officers consult local Members on requests received – no change. Then officer takes final decision in consultation with local Member. On the few issues that require senior political agreement, Cabinet Member decision.</p> <p><b>Local charges:</b></p> <p>ii) Decision taken by Cabinet Member in consultation with local Members. Supplemented by engagement with residents and future parking strategies</p>	<p><b>Parking &amp; Traffic Enforcement Manager</b></p> <p><b>Highways Engagement &amp; Commissioning Manager</b></p> <p><b>Group Manager Highway Operations &amp; Infrastructure</b></p> <p><b>Director Highways &amp; Transport</b></p>
<p>To agree <b>local speed limits on County Council roads</b> within their area and to approve the statutory advertisement of speed limit orders, taking into</p>	<p><b>Speed Limits</b></p> <p>Officer assesses and consults Divisional Member. Officer takes decision. However, if Divisional</p>	<p><b>Highways Engagement &amp; Commissioning Manager</b></p> <p><b>Group Manager Highways Operations &amp; Infrastructure</b></p>

account the advice of the Surrey Police road safety and traffic management team and with regard to the County Council Speed Limit Policy.	Member disagrees, would refer to Cabinet Member.	<b>Director Highways &amp; Transport</b>
To approve the <b>statutory advertisement of all legal orders</b> or appropriate notifications relating to highway schemes within the delegated powers of the Local / Joint Committee.	<b>Statutory advertisement of all legal Orders</b> Officer assesses need to introduce a scheme and consults Divisional Member. Officer takes decision. However, if Divisional Member disagrees, would refer to Cabinet Member.	<b>Highways Engagement &amp; Commissioning Manager</b>  <b>Group Manager Highways Operations &amp; Infrastructure</b>  <b>Director Highways &amp; Transport</b>
Where, under delegated powers, the Parking Strategy and Implementation Team Manager or Area Team Manager has chosen to refer the decision on whether a <b>Traffic Regulation Order</b> should be made to the Local / Joint Committee, the committee will make that decision.	Not needed	N/A
To consider <b>applications for stopping up a highway</b> under section 116 of the Highways Act 1980 when, following consent of any relevant borough/district/parish council, unresolved objections have been received during the period of statutory public advertisement, and to decide whether the application should proceed to the Magistrates' Court.	<b>Stopping Up Orders</b> Amendment and addition to <a href="#">Removal of Public Rights over Roads and Highways Land</a> policy agreed 2010 for Cabinet Member decision.	<b>Highways Engagement &amp; Commissioning Manager</b>  <b>Highways Technical Support &amp; Communication Manager</b>  <b>Group Manager Highway Operations &amp; Infrastructure</b>  <b>Director Highways &amp; Transport</b>
The County Council members of Local / Joint Committees may take decisions in response to local needs, within the County Council's general power of competence and in accordance with the financial framework and policies of the County Council.	Not required	

Local and Joint Committee Highway Executive Functions - Service Monitoring, Scrutiny & Issues of Local Concern	Proposed route for consideration
ii) In relation to Community Highway Enhancement allocations, receive a report on all projects approved by Individual Members of the authority under delegated authority, or by the Area Team Manager where Members have requested that their allocations be combined to be spent in one or more divisions.	Now defunct
ix) Be informed of and receive appropriate reports on highway initiatives and/or improvements either wholly or partly in their area.	Divisional Members will be kept abreast of updates in their local areas.
x) Monitor local initiatives agreed and funded by Local / Joint Committees.	Now defunct
xi) Oversee and monitor on-street parking enforcement including financials in its area subject to terms of reference, agreed by the committee, which best suit its particular local circumstances.	This will be reviewed as part of the new agency agreements post-2023.

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MONDAY, 7 FEBRUARY 2022

## **SURREY ELECTRIC VEHICLE PUBLIC CHARGEPOINTS FURTHER INFORMATION**

**Purpose of report:** The Select Committee requested on 21 January further background information and reasoning behind the Select Committee report 'Surrey Electric Vehicle Public Chargepoints Progress and preferred procurement Option'. This report responds to that request and proposes the formation of a reference group to provide scrutiny support to the development of the arrangements for delivery of the required chargepoint infrastructure.

<b>Introduction:</b>
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1. The Select Committee questions covered the proposed long-term nature of the proposed contract, the reliance on a single supplier and details of when and where chargepoints would be installed. There was a request to form a group of Select Committee members to review the proposals and to help support the service in taking this initiative forward. Subsequently at the Surrey Cabinet meeting on 25 January 2022 the following recommendations were approved:
  - 1.1 Agree that Surrey County Council (SCC) undertake a procurement exercise with the aim of appointing a supplier(s) to work in partnership with the Council and its Key Delivery Partners to deliver public Electric Vehicle (EV) chargepoints at a large scale across Surrey
  - 1.2 Agree to the establishment of a reference group through the Communities, Environment and Highways (CEH) Select Committee which will be engaged to provide scrutiny support to the procurement exercise, including in helping to define the outcomes to be specified in the procurement and the network plan.
  - 1.3 Agree to delegate authority to the Executive Director for Environment Transport and Infrastructure in consultation with the Cabinet Member for Transport and Infrastructure following further engagement to determine the procurement model of a single supplier or suppliers.
  - 1.4 Agree to receive a further report to Cabinet (in Q3 of 2022) to ask for a decision to proceed once the outcome of the procurement exercise is known.

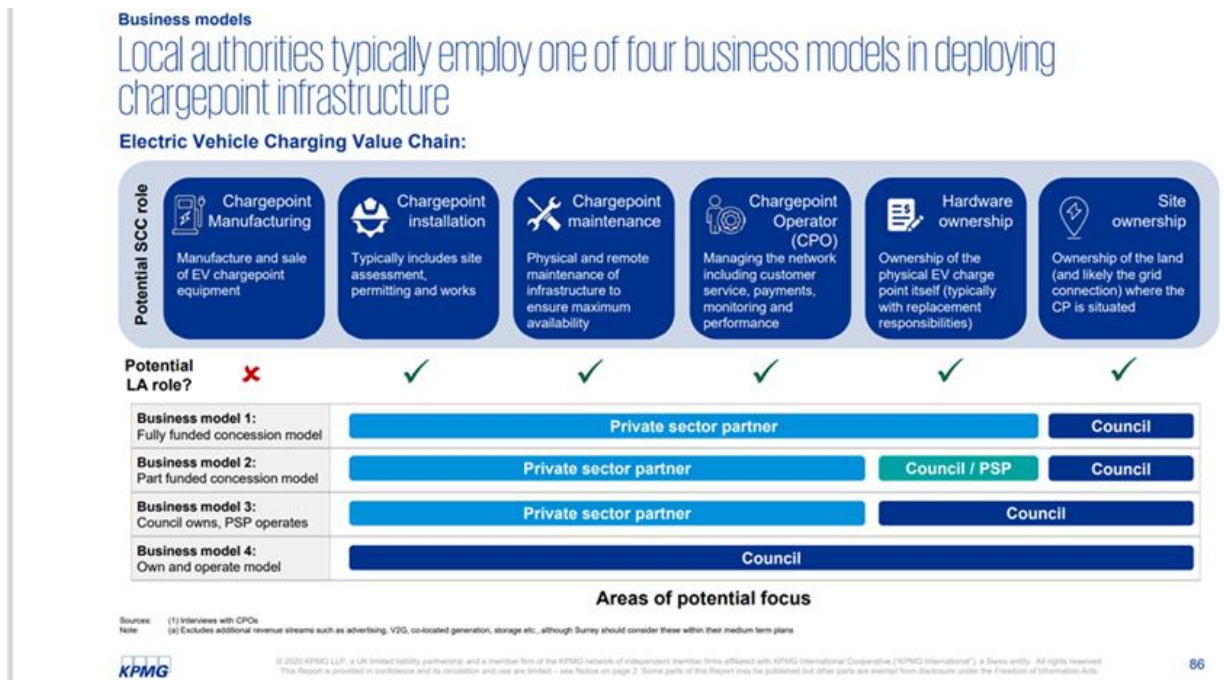
2. Following the Cabinet decision, this report provides further evidence and recommends that, subject to the further input of the Select Committee and the formation of the proposed reference group, the service will provide the reference group with an updated strategic options assessment and further background information from which the reference group can provide scrutiny support.

## **Background to Procurement Process Development**

3. Prompted in part by the adoption of the Climate Change Strategy in 2020, the Council commissioned a KPMG research report that same year, circulated separately to the Select Committee, that explored the market for EV technology and infrastructure, likely future trends in EV adoption, available EV technology and options for how SCC could meet its commitment to support the transition to electric vehicles.
4. The forecast rate of EV adoption was translated into a quantified need for EV public chargepoints in Surrey. From that analysis, the forecast demand for EV charging for residents without access to their own off-street chargepoints by 2030 was circa 10.3k (KPMG report, p64). This is a total figure of all public chargepoints likely to be needed by that point in time, including on-highway for which SCC would be responsible; those in Borough and District public car parks; and private sector owned car parks such as retail parks and supermarkets which will also contribute to serving demand.
5. To date, the numbers supplied have, overall, aligned closely to the trajectory of supply provided by this forecast. As of this January 2022, there are 640 public chargepoints in Surrey, a significant increase compared from 310 chargepoints in March 2021. 22 per cent of these are operated by local authorities with the private sector currently installing the largest proportion. This leaves open the prospect of a greater role for private sector provision in the future.
6. However, significant SCC intervention is still required, not only to properly cover geography and social need equitably, but fundamentally because of SCC control of highway locations. There is uncertainty to the extent which chargepoints installed in private car parks will be available to non customers, provide fair tariffs and provide confidence for EV drivers without off-street parking that they can charge their vehicles when needed.
7. The registration of new EV vehicles is growing strongly. Across 2021 plug-in EV sales averaged 18.6 per cent of all cars sold nationally against the KPMG forecast figure of around 13 per cent. Despite the total number of all cars sold falling 25 per cent since 2019 the actual numbers of plug-in EVs sold is just higher than the KPMG forecast. December 2021 sales figures shows plug-in

EVs were 33 per cent of the total market which shows a sharply accelerating growth rate through 2021.

8. The report also explored future technology changes and chargepoint usage trends which continue to leave a degree of uncertainty about the type of infrastructure that might be needed and therefore, a need for flexibility in the supply of EV chargepoints. This suggests that any solution involving a concession would require contractually binding technology reviews and refreshes in any future contract.
9. Based on the trends and forecast demand, the report advised on business model options available and provided analysis of each of those options shown below in *Figure 1*. This analysis is explored through the remainder of this report.



*Figure 1 Local authority business models to deploy chargepoint infrastructure*

**Further Research and Collaboration with Boroughs and Districts**

10. Following the KPMG report, the service held discussions with more than 27 local authorities, locally, but also from across England and including representation from Wales and Scotland. The service has also engaged with more than 14 chargepoint operating companies, from a range of company sizes and types, from longer established to new entrants, to understand what the market can and would be attracted to deliver.
11. The service also formed and held regular forums inviting all of Surrey’s Boroughs and Districts to explore progress in chargepoint delivery to date and

to work towards future partnership. A number have expressed interest in principle in participating in a Surrey wide EV chargepoint solution and discussions will be formalised once a procurement plan is agreed. Importantly, any solution that is developed should ultimately provide the opportunity for public sector partners to join even if not part of the original procurement.

## **Review of EV Delivery Business Model Options**

12. On the basis of the KPMG report, the market research and the district and borough engagement above, a strategic option assessment was undertaken in mid-2021 (see Annex 1). This assessment rated the different business models identified by KPMG according to strategic fit, attractiveness and achievability. From that assessment, the top scoring models were Part Funded then Fully Funded Concession. There was a small margin of difference in the scoring between the cases of using single or multiple suppliers. The Council-owned and Council-owned and operated models scored lowest.
13. Since the advice in the research report and the outcomes of the strategic options assessment were received, the market dynamics in the EV equipment supply market have developed rapidly. A number of factors now give greater support to a longer-term private sector funded solution. In the light of the formation of the reference group it is timely to revisit and update the strategic options assessment to incorporate known changes in the dynamics of the market. This will provide an up to date analysis for the scrutiny of the reference group.
14. Specifically, only a few months ago, many chargepoint operating companies would only enter into large scale contracts with part or all funding from government or authorities. It is apparent that private investors now view the full concession model as now being viable with an increasing number of companies now willing to fully fund installations. We have also seen commitment from companies to undertake long term network plan development at their own expense in order to secure a concession, subject to a term of contract that would allow a commercial return on investment.
15. Where Government funding continues to be available, or where the Council can justify its own limited investment, one element of a Part Funded model would be to extend the geographic and social reach of a concession through improving the level of control held by the Council, via a governance body that would contractually oversee such a concession.
16. There are options to procure a sole supplier or a number of suppliers. Multiple operators might offer a broader EV equipment range and spread the risk of poor company performance or indeed bankruptcy. In the multiple supplier option, it is likely that SCC would have to separately fund a third party to undertake network



planning. A single supplier would, on the other hand, allow the main burden of network planning to be carried out in the private sector - by the company with the financial interest to make it a commercial success.

17. With the diminishing prospect of Government grants for EV infrastructure in the medium term and the case that in foreseeable scenarios SCC would apply for any grant funding available, the bulk of long-term funding would therefore come from either the private sector or from SCC borrowing. In the SCC borrowing scenario, the risks of low income in the first years of operation, technology change and the requirement to meet costs of servicing the debt would have to be taken into account. Where private sector investment provides for the greatest proportion of the capital required, SCC would transfer the risk and would now expect to see an immediate revenue return and not, as previously common in the market, a profit share, which would likely be zero in the early years of a concession.

#### **Process for Initiating the Required Large Scale Chargepoint Roll Out**

18. This is not a typical procurement where we would expect detailed knowledge of our requirements including precise quantity and/or cost of each location. There is the potential to undertake a procurement to achieve a contractual relationship with the private sector that will put in place a quality supplier of market leading equipment contractually committed to the scale of chargepoints required.
19. If a Fully and Part Funded concession model were selected, post-contract award, the supervision and support for the development of the network plan for installations would be delivered by the supplier, but closely managed by the governance structure in the contract which would be led by SCC and include all borough and district partners. The plan would take into account data relating to future demand such as the degree of off-street parking available in an area, but also the contribution made directly by the private sector such as chargepoints in supermarket car parks – data which would help to ensure a properly coordinated approach.
20. SCC would always have to give explicit permission for each installation on its highways, as would districts and boroughs in respect of their own car parks. This would hold true for all contractual routes.
21. The conduct of the trial chargepoint installations by SCC has demonstrated the complexities of site selection and emphasised the need to wide-reaching consultation and engagement with members and residents. These lessons serve to support the value of a member-based reference group to assist in tackling future network planning for charging infrastructure installations.

**Conclusions:**

22. The report provides further information and explanation of changing market dynamics supporting a procurement to achieve the EV public chargepoint installation required.

**Recommendations:**

23. Agree to the establishment of a Member Reference Group through the CEH Select Committee which will be engaged to provide scrutiny support to the procurement exercise.

**Next steps:**

24. Once agreed, the Member Reference group will agree a terms of reference with the service and Cabinet Member, and review the updated strategic options assessment in order to provide input to the decision to be made by the Executive Director for Environment, Transport and Infrastructure (ETI) in consultation with the Cabinet Member for Transport and Infrastructure as to the business model. In addition, the group will be asked for input into defining the outcomes to be specified in the procurement and the network plan to be selected.

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Consulted:

Major Project Board – 9 November 2021

Districts & Borough Councils Surrey EV Forum – July to Nov 2021

Surrey CEH Select Committee – 21 January 2021

Annex 1: Strategic Options Appraisal - Future Options Appraisal Workshop: Summary of Findings: SCC Electric Vehicle Charging Programme July 2021

Sources/background papers:

Electric Vehicle Strategy – Surrey Transport Plan – 2018

**Annex 1 Strategic Options Appraisal - Future Options Appraisal Workshop:  
Summary of Findings: SCC Electric Vehicle Charging Programme July 2021**

<b>Title</b>	<b>Future Options Appraisal Workshop: Summary of Findings</b>
<b>Service Area</b>	<b>SCC Electric Vehicle Charging Programme</b>
<b>Date</b>	July 2021
<b>Author</b>	Lee Redmond – Head of Contract & Commercial Advisory - Orbis Procurement
<b>Document Version</b>	1.6
<b>Distribution</b>	Workshop Participants Only

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## 1 Executive Summary

The Electric Vehicle (EV) sector is evolving rapidly and the switch to and adoption of EVs for both private and public use is set to grow significantly over the next decade. This is being fuelled by ever increasing environmental pressures, the introduction of new regulations and the pace at which industries are innovating.

The KPMG report of July 2020 helped to highlight the challenges faced in Surrey and began to explore the business models that could underpin the future models of delivery. This report seeks to assess each of those business models against Surrey County Council's (SCC) strategic objectives and measure how well each model scores against both attractiveness and achievability factors such as affordability and capability.

Experience of existing service arrangements and political and cultural preferences can often influence perceptions of future service delivery models. To mitigate against undue bias, the EV Project Management Team along with other experienced stakeholders were asked to evaluate the potential future service models for the establishment of an EV charging network. At these workshops, participants were able to view potential arrangements more objectively.

### Why we use the Proving Strategy Formulation Framework

Orbis Procurement and Proving Services (based at Cranfield University) are engaged in a collaborative relationship underpinned by a commercial agreement. Proving has researched, designed and developed a rigorous and comprehensive framework for the formulation of effective strategies which Orbis Procurement are now able to adapt and deliver for the benefit of the authority.

This report sets out some of the observations, conclusions and begins to rank the preferred future delivery models identified through the Strategic Options Appraisal workshops.

### Initial Results

The top ranked models overall, **Part Funded Model (Business Model 2, BM2)** using either **single** or **multiple providers** achieved its position primarily through the ability to meet Strategic Drivers and Attractiveness measures. There was a consensus that this option would improve provide the flexibility of approach to best meet the changing needs and behaviours of residents whilst retaining the appropriate level of control and potential for income generation.

Achievability factors also scored well, indicating that this option is within the capability and capacity of the authority to deliver well. However, within BM2, it was felt that having

a single provider could potentially reduce the ability to offer a wider portfolio of charging options. In reality though, the difference between the scores for both these options is negligible and any weaknesses in either model could probably be addressed by designing mitigating measures into the contract specification.

With both options available under Business Model 2, the assumption was made that 'Part Funded' could mean obtaining a significant contribution through the On-Street Residential Chargepoint Scheme (ORCS) and so the authority may not be entirely committed to providing the capital funds itself. It is recognised though that the ongoing availability of this funding is in doubt and this could pose a future risk to delivery via this model.

The next most favoured model, **Fully Funded Model (Business Model 1)** using **multiple providers**, scored less well for Attractiveness (Value for Money) and Strategic Fit. The belief is that this approach, will reduce the level of control afforded to the authority due to all the funding being provided by the Private Sector Provider (PSP). This could also lead to a less equitable spread of charging points in areas that appear to be less financially viable to a private provider.

Generally, Business Models 3 and 4 did not score well against Achievability and Strategic factors as the consensus of opinion was that the authority does not have the capability or capacity to own and manage a network of this nature, at least not yet. They did however score well against Attractiveness measures that centred around control over location and tariffs and the ability to decide its own strategy for the layout of the infrastructure. It was recognised though that whilst this looks attractive, this level of control comes at a significant cost, both to the level of capital funding required and the internal resources required to successfully deliver the programme.

Business Model 0, named Laissez-Faire for this exercise is an interesting concept. This is an option that has been preferred by other authorities and did indeed score well against Achievability factors. This is not entirely surprising given that the authority would largely relinquish most of its control and would not be required to contribute towards funding. The issue with this model however is that it would not provide the level of control required or help the authority to meet its strategic objectives.

Regardless of how each option scored and where it was ultimately ranked, these positions are based on where we believe the authority stands today on its strategic objectives on its ability or willingness to contribute towards the capital costs involved.

The recommendation of this report is that before a final decision is made, the authority should formally recognise and address these constraints and agree a final position. Once the position has been determined, we recommend that we re-assess the scoring in line with any changes to understand whether or not the position of each business model has changed.

It should also be noted that a model's ranking does not necessarily signpost towards a preferred option. In this exercise we are merely seeking to highlight the strengths, weaknesses, benefits and disbenefits of each option against a backdrop of our current position. With time, our position may change, or it may be possible for us to introduce mitigating measures into the specification design and therefore some shortcomings of a particular model could be addressed and bring that model into play.

**Table 2** in section 5 of this document shows the relative position of the scores of all other options assessed.

Definitions of each Service Option can be found in **Appendix A** and the complete scores from the workshops can be found in **Appendix C**.

## 2 Background & Approach

The report commissioned by SCC and delivered by KPMG in July 2020 provides a detailed backdrop to this work and some of the specific challenges and risks associated with EV charging in Surrey from that report are highlighted below for reference and context;

- Cost**
- Deployment of EV charging can come at significant cost
  - Long term programmes are required to deliver a return on investment

- 
- Risk of obsolescence**
- The long-term nature of the project could mean technology is superseded before paying for itself
  - Changing needs of users can make replacement of equipment costly

- 
- Uncertainty of charging behaviours**
- The market is currently immature and future behaviours will evolve over time
  - The portfolio of chargers (slow to rapid) may need to change over time to meet demand
  - The influence of other commercial activities such as chargers in supermarkets will affect future strategies
  - SCC will need to take a view now on future needs and design the network it thinks it will need
-

Orbis Procurement have been commissioned to support the EV Project Team to assess the benefits or otherwise of potential future delivery models. The findings will be used to inform, shape and accelerate plans for the new arrangements in readiness for the next step.

A clear understanding of the desired strategic outcomes and strategic constraints (prevailing policies and the overarching political programme) are essential in planning a future services' delivery model. This document describes the process undertaken and shares the outcomes, which can then be used to explore and develop a future strategy.

### 3 Scope and Methodology

The scope of each future service delivery options review is captured in boxes 1 to 3 in Figure 1 below:

**Figure 1: Future Service Delivery Options – Scope of Review**



The review was undertaken through a series of two workshops which considered the following:

- What are the strategic objectives the Service is seeking to deliver through its future service delivery model? (Before we can consider which service delivery option will best serve us in the future, we needed to have a clear understanding of what we will be trying to achieve).

- How might each potential delivery option contribute to the delivery of these strategic objectives?
- How attractive and achievable is each potential delivery option. See Appendix C for full definitions of Attractiveness and Achievability. (Using an options analysis toolkit to weight each factor under consideration and facilitate scoring and ranking.

The outcome of the above process was a provisional, ranked shortlist of potential future service delivery options which:

- Can be evolved as the procurement process develops and the scope and breadth of services to be encompassed becomes clearer.
- Helps to formulate a short list of options for full business case development.

The future service delivery options initially proposed for consideration are set out in **Table 1** below.

**Table 1: Future Services Delivery Options Identified and Assessed**

Option Family	#	In-Scope	Option Name
Unfunded	BM0	Proposed	Laissez-faire
PSP Fully Funded	BM1	Proposed	Single Provider
	BM1	Proposed	Multiple Providers
PSP Part Funded	BM2	Proposed	Single Provider
	BM2	Proposed	Multiple Providers
Council Owned / PSP Operated	BM3	Proposed	Outsourced Contract
Council Owned & Operated	BM4	Proposed	Insourced Service

On completion of the scoring exercise, the EV Project Team, via this report, are provided with a provisional ranking of potential service delivery options which will help form a short list of options for further investigation. These rankings can be found in **Table 3** and the detailed methodology, toolset, option definitions and scoring guidance underpinning each review are set out in **Appendices B to C**.

## 4 EV Programme – Strategic Drivers



A common problem when formulating a new strategy, is trying to address too many issues simultaneously or setting unrealistic targets in context of the strategic constraints (including finances, capacity and competence and technology constraints). Strategies that are undeliverable quickly lose credibility.

To avoid strategic hallucination, it is important to focus on drivers and goals where a pragmatic and affordable solution can be implemented.

Strategic drivers for the EV Project Team proposed for this review are designed to address range of challenges including meeting the future needs of residents, protection from financial risk or technological obsolescence, striking the right balance of control and alignment with existing organisational strategies. The need for collaboration between public and private sector partners and the imperative of capitalising on new technologies and the interest of potential new market entrants is also a key consideration.

The agreed strategic objectives and drivers for the purposes of this review are below.

### **Strategic Objectives**

- Meet the council's target of 10,000 charge points county wide
- Flexibility to meet wider charging location objectives by attracting other contracting authorities to participate
- Meet the need for full range of charging options to meet demand (e.g. Slow to rapid chargers)
- Alignment with Climate Change Strategy
- Does this model present the authority with a higher or lower investment risk?
- Does this model help to protect against technology and infrastructure obsolescence?
- Does this model ensure consistency of equipment and software operating systems?
- Does this model meet the current ambitions for the authority to retain control relative to the investment?

## **5 Future Service Delivery Options – Ranking and Preferences**

The EV Project Team along with a variety of key stakeholders completed a comprehensive evaluation of the relative benefits of each service delivery model with a fully documented rationale, using the tools and approach described in Section 3 of this report.

The aggregated, summary outcomes, are illustrated in **Table 2** and **Table 3** below.

**Table 2: Ranking: Overall, Strategic Fit, Attractiveness, Achievability**

Service Delivery Option	Overall	Strategic Fit	Attractiveness	Achievability
Unfunded - Laissez-faire	6	5	6	1
PSP Fully Funded - Single Provider	4	2	5	2
PSP Fully Funded - Multiple Providers	3	1	6	4
PSP Part Funded - Single Provider	2	2	3	3
PSP Part Funded - Multiple Providers	1	1	4	5
Council Owned / PSP Operated - Outsourced Contra	5	3	1	6
Council Owned & Operated - Insourced Service	7	4	2	7

**Table 3: Overall Ranking**

Option Family	#	Option Name	Strategic Performance	Weight-Adjusted Score	Weight-Adjusted Score	Position Analysis	
						Attractiveness & Achievability	Rank
Unfunded	BM0	Laissez-faire	37.3	56	81	58.2	6
PSP Fully Funded	BM1	Single Provider	49.8	57	77	61.1	4
	BM1	Multiple Providers	62.0	53	70	61.8	3
PSP Part Funded	BM2	Single Provider	49.8	70	71	63.7	2
	BM2	Multiple Providers	62.0	66	63	63.8	1
Council Owned / PSP Operated	BM3	Outsourced Contract	45.5	89	42	58.8	5
Council Owned & Operated	BM4	Insourced Service	41.5	77	25	47.9	7

More detailed observations gathered on each of the models is set out in Table 4 below.

**Table 4: General Observations by Dimension**

Strategic Objectives
----------------------

Factor	Observation
<b>Meet the council's target of 10,000 charge points county wide</b>	<p>There was low confidence expressed in the market fulfilling the objective of the council. Depending on the degree of capital investment and therefore control over locations, the contractor would place the chargers in the most advantageous areas where the profit margin is greatest. Therefore the EV charging points in the more rural areas would not necessarily be as attractive. There could be a plethora of suppliers with differing charge point designs and differing software interfaces if uncontrolled.</p>
<b>Flexibility to meet wider charging location objectives by attracting other contracting authorities to participate</b>	<p>This could work, depending on the way the contract or framework was designed and market maturity. The less funding from the council will reduce the degree of influence over locations and numbers, but the lack of upfront investment would be attractive to other contracting authorities.</p>
<b>Meet the need for full range of charging options to meet demand (e.g. Slow to rapid chargers)</b>	<p>There is little confidence in this model delivering the mix of charging sites and equipment offerings.</p>
<b>Alignment with Climate Change Strategy</b>	<p>This is directly linked to ability to meet the target for the number of charging points and the right spread of coverage to encourage the take up of electric vehicles. As with many of the other factors, the level of investment from the authority will have a direct impact on this element.</p> <p>Therefore, as the investment by the council increases, the greater the ability of the project to meet the strategy.</p>
<b>Does this model present the authority with a higher or lower investment risk</b>	<p>This is really a simple assessment that measures the level of investment required by the council which would in turn increase the financial.</p>
<b>Does this model help to protect against technology and infrastructure obsolescence?</b>	<p>This option is entirely regulated by the market and the incentive to upgrade and maintain the infrastructure up to date is wholly a commercial one. Therefore, models that put the onus on the provider to upgrade their infrastructure over time in order to return a greater return would appear to offer greater protection against obsolescence.</p>

<p><b>Does this model ensure consistency of equipment and software operating systems</b></p>	<p>A single provider would look to minimise costs and therefore would tend to standardise their equipment, the more providers there are, then there is less assurance that the equipment would be standard which could affect resident's behaviours.</p>
<p><b>Does this model meet the current ambitions for the authority to retain control relative to the investment.</b></p>	<p>The balance of control appears to be directly related to the level of investment. Laissez-faire and fully funded models will favour the provider and reduce our control. Part funded should provide a balanced position and the council owned models will provide total control but at more expense.</p>

<b>Attractiveness</b>	
<b>Factor</b>	<b>Observation</b>
<b>Financial Benefit to SCC</b>	<p>The less we contribute towards the costs, the lower the opportunity to generate revenue for SCC</p> <p>Some models retain the ability to charge for Licence fees, site rental etc whereas other models provide a greater share of the income but come at the expense of capital costs.</p> <p>It is anticipated that revenues would increase as we progress through the list of Business Models, from BM 2 to BM4</p>
<b>Future Proofing</b>	<p>A significant variation of uncertainty over this factor.</p> <p>It is felt that the Laissez-faire would be market driven, so may well be upgraded as necessary. However, we have little or no control over if or when this happens.</p> <p>The more ownership we have over the asset, the more control we would have over future proofing but this is coupled with the cost of doing so.</p>
<b>Capacity for Portfolio Approach</b>	<p>Not too much of a variation between BMs but single provider options appear to be less effective at delivering a portfolio of charging options.</p>
<b>Location Selection</b>	<p>With the Laissez-Faire option, we could have the right of identifying the locations through the planning process.</p> <p>The degree of control over site selections appears to be directly linked to the contribution towards capital funding. As we go through the options, with a reduced involvement of the Council comes a greater degree of compromise on all site selection.</p>
<b>Control Over Tariffs</b>	<p>Under Laissez-faire operation and fully funded models, the tariffs would be largely controlled by the market. The more involvement of the Council, the more influence there would be over Tariffs</p>
<b>Market</b>	<p>The feeling is that there would be suppliers that would be attracted to one or more of the models and so agreement was that all should be scored the same.</p>
<b>Relationship with CPOs</b>	<p>Effort is involved in all of them, but the more involvement that the Council has, the more resource would be required by the council and therefore more "cost" involved.</p>
<b>Relationship with DNOs</b>	<p>As above, effort is involved in all of them, but the more involvement that the Council has, the more resource would be required by the council and therefore more "cost" involved.</p>

<b>Achievability</b>	
<b>Factor</b>	<b>Observation</b>
<b>Complexity (Inherent Risk)</b>	The risk to the council increases the more involvement we have with the project.
<b>Capability &amp; Capacity</b>	Generally, it was felt that we do not have the capacity within the council at the moment to support the Council owned and operated model (BM3 & 4).  The funded models are more easily executable at the moment.
<b>Affordability</b>	Laissez-faire has minimal draw on council funds, council investment increases as we progress through the business models.  There will be nuances within each model depending on the level of funding from ORCS. The authority needs to determine its ability and willingness to contribute towards the capital costs before a final assessment can be made.
<b>Authority Readiness</b>	This is a new venture for the authority and so all business models represent some risk. The unknown nature of the future complexity though suggested that the council owned models were less favourable.
<b>Provider Readiness</b>	Laissez faire, we would be offering up sites/locations. This is a buoyant market with a number of operators, but we are not confident in how ready the market is for some of the options. More work would be needed to fully understand the provider readiness to adopt each approach.
<b>Sector Success Stories</b>	Laissez faire - there is no awareness of this being used as a way of providing EVCP.  The examples that we have are from Manchester CC and feedback from the previous unsuccessful procurement activity at WSCC helps to inform this area
<b>Competitiveness of EVCP offer</b>	Less appetite for fully funded. More experience in the market for part-funded, so more attractive to the market.  Concerns about the breadth of the offer under the various business models
<b>Supports SCC's Optimum Contract Term</b>	Only long-term contract would be under fully funded. There is a nervousness politically about long contract terms and ability to change may be restricted.  Optimal contract term for the authority would be in the region of 3-5yrs but this is unlikely to meet the needs of the providers of many business models.
<b>Ongoing Cost of Review (inc Chargepoint management,CM)</b>	In all cases, we need to decide how we manage the installation points but we envisage some involvement regardless of the model adopted.  We would be looking for a partnership when working with providers.

<b>Preparing ORCS bids</b>	<p>If we are not applying for funding, then there is no bid preparation costs involved.</p> <p>Working in partnership with suppliers, the bid process could be managed by the provider(s) and so could reduce the burden on the authority.</p>
<b>Costs of Contract Management</b>	<p>Again, the level of involvement and control adopted by the council will directly determine the resource and therefore cost implications.</p>
<b>Ongoing Maintenance Costs</b>	<p>As predictable as it sounds, this will be determined by who owns the asset.</p>
<b>Ongoing Operational Costs</b>	<p>As above. The more direct control the council has, the greater the cost implications.</p>
<b>Cost of Back Office Systems</b>	<p>Where we have suppliers operating the systems, they will carry the back office costs. Vice versa, if the council owns the system, it carries the cost of implementing the appropriate systems.</p>
<b>Ongoing Cost of Back Office Systems</b>	<p>Determined by who owns the back office systems.</p>
<b>Transparency of Data/Access to Systems</b>	<p>This can be incorporated within the requirements of the contract. The Laissez faire option would be more problematic as we may not be entitled to the full suite of data produced which would make it harder to make intelligent decisions over future strategies.</p>
<b>Influence over upgrade decisions</b>	<p>Where we have more control, we would expect to have more influence over upgrade decisions.</p>
<b>SCC's Exposer to Financial Risk</b>	<p>The more involvement we have, the greater the financial risk we would be exposed to.</p>
<b>SCC's Exposer to Operational Risk</b>	<p>Greater exposure to operational risk the more involvement we have. The risk also increases based on our level of expertise and confidence to manage the network.</p>
<b>SCC's Exposer to Reputational Risk</b>	<p>If we have a supplier operating the charging points, they carry much of the risk to reputational damage. If we own and operate, then we are more exposed.</p>

## 6 Next Steps

The proposed next steps are:

- Refine the authority's strategic objectives for this programme, following consultation with key stakeholders.
- As the final scope of services to be procured crystallises and both the strategic objectives have been agreed and all operational and financial constraints have been confirmed:
  - Fully define and document the options under consideration.
  - Test and refine the options under consideration in the context of the final scope of the service to be procured and the benefits of each option for individual functions.
- More fully understand if barriers to success exist and if these barriers are within the authority's ability to address and overcome.



## Appendix A: Future Delivery Model Definitions

Service delivery model	Definition
<b>PSP Part Funded - Multiple Providers</b>	Part-funded concession model – 2 or more PSPs sharing ownership of CP with SCC, some grant funding or subsidy will be necessary. Above-ground hardware ownership may belong to council at the end of tender or it may still belong to PSP, depending on agreement.
<b>PSP Part Funded - Single Provider</b>	Part-funded concession model – single PSP sharing ownership of CP with SCC, some grant funding or subsidy will be necessary. Above-ground hardware ownership may belong to council at the end of tender or it may still belong to PSP, depending on agreement.
<b>Council Owned / PSP Operated - Outsourced Contract</b>	Council wholly owns (either outright or by end of tender through periodic payback/operational fees/rental fees to PSP), PSP operates.
<b>Unfunded - Laissez-faire</b>	No direct involvement from council. EV network left to market forces, authority may offer up desired locations for private sector bids or be involved via planning system
<b>Council Owned &amp; Operated - Insourced Service</b>	Own and operate model. From year one, the council funds all aspects of ChargePoint installation and operation and would act as Chargepoint Operator (CPO). Would require significant grant and internal funding

## **Appendix B – Factor Definitions**

**Table 5: Factor Definition**

<b>Attractiveness</b>		
<b>Factor</b>	<b>Weighting</b>	<b>Definition</b>
<b>Financial Benefit to SCC</b>	<b>50</b>	What is the scale of potential financial benefit to the authority?
<b>Future Proofing</b>	<b>100</b>	Capacity to allow for future variations to allow for changes in contract scope and scale.
<b>Capacity for Portfolio Approach</b>	<b>75</b>	Capacity for 'portfolio approach' (mixing charging speeds and kit)
<b>Location Selection</b>	<b>100</b>	From the perspective of county wide locations such as districts, boroughs, towns and parishes etc. Not individual location.
<b>Control Over Tariffs</b>	<b>75</b>	How far will this delivery model allow SCC to retain control over tariffs?
<b>Market</b>	<b>75</b>	How would stakeholders (primarily service users, members and the client team) view this option relative to the current delivery model?
<b>Relationship with CPOs</b>	<b>75</b>	How much effort and resource will be required to manage the appropriate level of relationship of this model?

<b>Relationship with DNOs</b>	<b>75</b>	How much effort and resource will be required to manage the appropriate level of relationship of this model?
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<b>Achievability</b>		
<b>Factor</b>	<b>Weighting</b>	<b>Definition</b>
<b>Complexity (Inherent Risk)</b>	<b>75</b>	What is the scale of inherent risk posed by the complexity of this delivery model?
<b>Capability &amp; Capacity</b>	<b>100</b>	Does the authority possess the skills and capacity to successfully undertake and manage a programme of this nature?
<b>Affordability</b>	<b>100</b>	This relates to the capital cost of the below ground infrastructure
<b>Authority Readiness</b>	<b>100</b>	Is the authority in a position of readiness that would enable the successful adoptions of this model of delivery?
<b>Provider Readiness</b>	<b>100</b>	Is the provider market in a position of readiness that would enable the successful adoptions of this model of delivery?
<b>Sector Success Stories</b>	<b>75</b>	What have we learnt from the experience of others?
<b>Competitiveness of EVCP offer</b>	<b>25</b>	Degree to which this model creates competition to the benefit of SCC i.e. could a more competitive environment such as multiple suppliers drive lower costs, better customer service or greater Social Value etc.
<b>Supports SCC's Optimum Contract Term</b>	<b>50</b>	How well does this delivery model support the authority's preferred contract length?

<b>Ongoing Cost of Review (inc CM)</b>	<b>75</b>	<p>Is the ongoing financial or resource cost for reviewing the model High, Medium or Low</p> <p>To include costs for; site &amp; service review, demand mapping etc</p>
<b>Preparing ORCS bids</b>	<b>50</b>	<p>Expectation on SCC to prepare and submit bids for funds.</p>
<b>Costs of Contract Management</b>	<b>75</b>	<p>Is the ongoing cost of contract management related to this model High, Medium or Low?</p>
<b>Ongoing Maintenance Costs</b>	<b>50</b>	<p>In each model, who assumes responsibility for the maintenance costs?</p>
<b>Ongoing Operational Costs</b>	<b>50</b>	<p>In each model, who assumes responsibility for the operational costs?</p>
<b>Cost of Back Office Systems</b>	<b>50</b>	<p>Is the cost of acquiring and training in new back office systems High, Medium or Low?</p>
<b>Ongoing Cost of Back Office Systems</b>	<b>50</b>	<p>Is the cost of maintaining and upgrading back office systems High, Medium or Low?</p>
<b>Transparency of Data/Access to Systems</b>	<b>100</b>	<p>Does this model allow for access and transparency of data such as usage?</p>

<b>Influence over upgrade decisions</b>	<b>25</b>	How much influence/power will SCC have over hardware and software upgrades?
<b>SCC's Exposer to Financial Risk</b>	<b>100</b>	What is the exposure of financial risk for SCC?
<b>SCC's Exposer to Operational Risk</b>	<b>75</b>	What is the exposure of operational risk for SCC?
<b>SCC's Exposer to Reputational Risk</b>	<b>75</b>	What is the exposure of reputational risk for SCC?



# Appendix C – SCC EV Programme Scoring

			Strategic Outcomes									
Option Family	#	Option Name	Meet the council's target of 10,000 charge points county wide	Flexibility to meet wider charging location objectives by attracting other contracting authorities to participate	Meet the need for full range of charging options to meet demand (e.g. Slow to rapid chargers)	Alignment With Climate Change Strategy	Does this model present the authority with a higher or lower investment risk.	Does this model help to protect against technology and infrastructure obsolescence?	Does this model ensure consistency of equipment and software operating systems.	Does this model meet the current ambitions for the authority to retain control relative to the investment.	Average	Overall Average
Unfunded	BM0	Laissez-faire	33	66	33	0	100	66	0	0	37	37
PSP Fully Funded	BM1	Single Provider	33	33	33	33	100	33	100	33	50	50
	BM1	Multiple Providers	66	66	66	66	100	66	33	33	62	62
PSP Part Funded	BM2	Single Provider	66	66	66	66	66	33	100	100	70	70
	BM2	Multiple Providers	66	66	100	100	66	33	33	100	71	71
Council Owned / PSP Operated	BM3	Outsourced Contract	33	33	33	100	33	33	66	33	46	46
Council Owned & Operated	BM4	Insourced Service	33	33	33	100	0	33	100	0	42	42

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			Attractiveness Analysis (VfM)														Achievability Analysis														Position Analysis								
Option Family	#	Option Name	Financial Benefit to SCC	Future Proofing	Capacity for Portfolio Approach	Location Selection	Control Over Tariffs	Market	Relationship with CPOs	Relationship with DNOs	Total	Weight-Adjusted Score	Complexity (Inherent Risk)	Capability & Capacity	Affordability	Authority Readiness	Provider Readiness	Sector Success Stories	Competitiveness of EVCP offer	Supports SCC's Optimum Contract	Ongoing Cost of Review (inc CM)	Preparing ORCS bids	Costs of Contract Management	Ongoing Maintenance Costs	Ongoing Operational Costs	Cost of Back Office Systems	Ongoing Cost of Back Office System	Transparency of Data/Access to S	Influence over upgrade decisions	SCC's Exposer to Financial Risk	SCC's Exposer to Operational Risk	SCC's Exposer to Reputational Risk	Total	Weight-Adjusted Score	Attractiveness & Achievability	Rank			
Unfunded	BM0	Laissez-faire	37.3	33	100	0	33	0	100	66	100	54	56	100	100	100	66	66	0	100	100	100	100	100	100	100	100	100	100	100	33	0	100	66	100	82	81	58.2	6
PSP Fully Funded	BM1	Single Provider	49.8	33	33	33	33	33	100	100	100	58	57	100	100	100	66	66	33	33	33	66	66	33	100	100	100	100	100	100	33	100	66	66	73	77	61.1	4	
	BM1	Multiple Providers	62.0	33	33	66	33	33	100	66	66	54	53	66	66	100	33	100	33	66	33	66	66	33	100	100	100	100	66	33	100	66	66	70	70	61.8	3		
PSP Part Funded	BM2	Single Provider	49.8	66	66	33	66	66	66	100	100	70	70	66	66	100	33	66	100	66	66	33	33	100	100	100	100	100	66	66	66	66	33	73	71	63.7	2		
	BM2	Multiple Providers	62.0	66	66	66	66	66	66	66	66	66	66	33	33	100	33	100	33	100	66	66	33	33	100	100	100	100	66	66	66	66	33	66	63	63.8	1		
Council Owned / PSP Operated	BM3	Outsourced Contract	45.5	66	100	100	100	100	100	33	100	87	89	0	33	0	33	100	100	100	100	33	0	0	0	0	100	100	66	100	0	33	33	47	42	58.8	5		
Council Owned & Operated	BM4	Insourced Service	41.5	66	100	100	100	100	100	0	33	75	77	0	0	0	100	66	100	100	0	0	0	0	0	0	0	100	100	0	0	0	28	25	47.9	7			
			50	100	75	100	75	75	75	75	75			75	100	100	100	100	75	25	50	75	50	75	50	50	50	50	100	25	100	75	75						
			52	71	57	62	57	90	62	81	66	67		52	57	71	38	85	52	86	71	57	43	33	71	71	86	86	76	57	62	52	47	63	61				



## Appendix D – Workshop Participants

**Table 8: Workshop Participants and Roles**

Workshop Attendees	Role
<b>Jonathan James</b>	Participant
<b>Justine Seager</b>	Participant
<b>Amanda Richards</b>	Participant
<b>Iwan Wrigley</b>	Participant
<b>Matthew Jezzard</b>	Participant
<b>Steve Howard</b>	Participant
<b>Katie Brennan</b>	Participant
<b>Cherrie Mendoza</b>	Participant
<b>Patrick Tuite</b>	Participant
<b>Robert Gilmour</b>	Participant
<b>Jasweer Bhamra</b>	Facilitator
<b>Ian Gaitley</b>	Facilitator
<b>Lee Redmond</b>	Facilitator

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