

SURREY INFRASTRUCTURE PLAN

Purpose of report:

To seek the Select Committee's input into the development of the Surrey Infrastructure Plan (SIP) including a review of the proposed Prioritisation Framework that will be used to assess schemes.

Introduction:

1. Investment in infrastructure is essential for sustainable economic growth and to cater for the changing needs of Surrey's businesses and communities. It supports the delivery of housing and can improve and enhance the environment. Infrastructure projects that improve and maintain our energy, transport, telecommunications, water and sewage systems and protect us from natural and human made events are essential for our safety, our development and our prosperity.
2. Infrastructure improvements also support all four of Surrey County Council's priority objectives as contained in its Organisational Strategy 2021-2026:
 - Growing a sustainable economy so everyone can benefit
 - Tackling health inequality
 - Enabling a greener future
 - Empowering communities
3. The Surrey Infrastructure Plan is being developed alongside the Economic Strategy for Surrey (Surrey's Future Economy: Our 2030 Strategy Statement). This was considered by Cabinet on 15 December 2020, and the Cabinet report notes the links between the two documents including:
 - Recognising the role of The One Surrey Growth Board which will act as the voice of Surrey to ensure Surrey's infrastructure needs are heard and recognised in future Government investment priorities and funding which support the growth of Surrey.
 - Priority 1 of the Economic Strategy to grow the leading edge through supporting Surrey's innovative economy. This will include ensuring capacity for expansion of established and emerging innovative and high value businesses. High value referring to companies which benefit from highly skilled, knowledge-intensive operations often contributing significantly to productivity growth as measured through GVA per capita.

The Economic Strategy will seek to develop a better understanding of the supply and demand for additional employment space as well as considering the strategic digital infrastructure needed to drive this innovation. This work will directly feed into the Surrey Infrastructure Plan and be added to the Council's Capital Programme pipeline as appropriate.

- Priority 2 of the Strategy to take a 'whole place' approach to growing and sustaining quality places. This includes a strategic approach to providing the infrastructure needed to support a balanced economy, taking a future-focused and coordinated approach that aligns localities with digital and transport connectivity to accelerate housing delivery and enable economic resilience. The emerging Digital Infrastructure Plan for Surrey will also set out prioritised programmes of work which recognise economic and wider outcomes and the role that digital infrastructure can have in supporting all corporate priorities.
4. The Plan also contributes to the Surrey Place Ambition which has been developed to provide us with the maximum opportunities to proactively manage growth while at the same time investing in the right infrastructure and assets, and enhancing the character of the natural environment that makes Surrey the unique and attractive place it is for residents, businesses and visitors alike. The Place Ambition has been developed in partnership with the Districts and Boroughs through the Surrey Futures Board (a board which brings together the Enterprise M3 and Coast to Capital Local Enterprise Partnerships, the Gatwick Diamond Initiative, the Surrey Nature Partnership, the Surrey Employment and Skills Board, Surrey County Council and some of the Surrey District and Boroughs). The principles and values of the Place Ambition include an aim to focus growth and infrastructure investment in areas that, with the right interventions, offer the greatest potential to support long term sustainable growth and increased productivity, including through enhanced connectivity. The Place Ambition sets out that the main focus for investment will be the existing urban areas, the connecting transport corridors and eight Strategic Opportunity Areas but will need to be flexible to consider the changing economic patterns, partly caused by the Covid-19 pandemic. The prioritisation of projects will be linked to our priorities for growth as agreed through the Place Ambition.
 5. The development of the Surrey Infrastructure Plan has been inspired in part by the original Surrey Infrastructure Study of 2017 which demonstrated the sheer scale of the challenge of providing and critically, funding, infrastructure to support growth which is sustainable. Sustainable growth needs to be supported by infrastructure. Roads, schools, community and leisure facilities, healthcare and green space are essential for well-functioning, well-connected places and healthy communities and vital if we are to retain existing businesses and attract new ones.

6. The Surrey Infrastructure Study, 2017 indicated that delivering the necessary infrastructure to support growth planned in Surrey to 2031 was estimated to cost at least £5.51 billion with only £3.04 billion of potential funding identified. The study was prepared on behalf of the county council and the eleven borough and district councils in Surrey. Each of the boroughs and districts has an existing or emerging local plan that sets out the planned development across its area and the infrastructure needed to support it in the short to medium term. The study presented an overview of growth and infrastructure at the strategic level across Surrey and to highlight to government, infrastructure providers, developers, local communities and businesses the scale of investment required.
7. Reflecting changes in policies, strategies and circumstances since 2017, this Infrastructure Plan is taking a slightly different approach. Rather than providing a straight refresh of project requirements, this plan will establish a framework for the prioritisation of infrastructure and propose innovative approaches to funding and financing. The Infrastructure Plan will prioritise projects in the county over the short, medium and long term to support “good growth,” as defined in Surrey’s 2050 Place Ambition, with a commitment to environmental, place and health and wellbeing outcomes. Discussions were held with Districts and Boroughs in early 2020 to identify infrastructure schemes.

Surrey Infrastructure Plan – Vision & Objectives

8. The first stage of developing the Surrey Infrastructure Plan was to produce a comprehensive baseline report, a summary document containing the key findings and ‘so what’ analysis from the baseline and a Vision and Objectives for the Plan. These were completed by the summer of 2020 and approved by the Surrey Futures Board in September 2020.
9. The 15 Objectives in the Surrey Infrastructure Plan are:
 - Objective 1 - Contribute to high value, productive and sustainable economic growth
 - Objective 2 - Achieve net zero carbon emissions by 2050, or earlier
 - Objective 3 - Improve infrastructure resilience
 - Objective 4 - Facilitate sustainable development of critical infrastructure
 - Objective 5 - Promote productive and multifunctional places
 - Objective 6 - Create resilient landscapes
 - Objective 7 - Improve community access to open space
 - Objective 8 - Improve connectivity between town centres and their surrounding neighbourhoods
 - Objective 9 - Improve social infrastructure to meet the needs of a growing population

- Objective 10 - Deliver infrastructure that promotes sustainable transport choices
- Objective 11 - Deliver infrastructure that improves accessibility to the network for all
- Objective 12 - Deliver transport infrastructure that maximises the potential of Surrey's strategic location within the South East of England
- Objective 13 - Develop Surrey as a world-class digitally connected peri-urban area
- Objective 14 - Grow Surrey as a county that thrives on smart infrastructure and the smart choices of its citizens
- Objective 15 - Promote Surrey as a test-bed for next generation infrastructure and associated digital products and services

Surrey Infrastructure Plan – Draft Prioritisation Framework

10. In October 2020, the work on the next stage of the Surrey Infrastructure Plan commenced with the development of the Prioritisation Framework being a key element of this. Currently, schemes are identified through a variety of sources including from the Local Plans of the Districts and Boroughs. Depending on available funding and community support, they are progressed through the development stage and then to implementation. However, there is no method for comparing any scheme against another or reviewing the whole list against objectives and outcomes. With the introduction of the new Prioritisation Framework, this new planned approach will enable all schemes to be reviewed in a consistent fashion, providing a strong focus on outcomes and a recognition of a schemes deliverability.
11. The 15 objectives set out in paragraph 8 will have a range of outcomes which are noted below in Tables 1 and 2. The proposed approach is to establish a five-point scoring system of -2 through to +2 for which each scheme that is proposed is scored against these Outcomes. A score of -2 would indicate the scheme detracts from the outcome whilst +2 shows it would contribute. This will mean that schemes that relate positively to more outcomes will most likely score higher than those that do not. Scoring can be carried out by Officers but a system for checking and validating the scoring by representatives from a sub-group of the Surrey Futures Board is proposed, which will ensure that the perspective of partners critical to delivering these outcomes is considered in the final scoring.

Table 1: Prioritisation Framework showing outcomes related to Objectives 1-8

Objective	Project Outcome	Objective	Project Outcome
1 Contribute to high value, productive and sustainable economic growth	<ul style="list-style-type: none"> 1a Increase GVA per capita by 2030 1b Achieve productivity growth in key sectors 1c Accelerate the delivery of new housing (including affordable housing) 	5 Promote productive and multifunctional places	<ul style="list-style-type: none"> 5a Promotes urban-rural interconnectivity across Surrey 5b Reduces waste and promotes the circular economy 5c Encourages innovation and the expansion of industry 5d Expands green infrastructure networks
2 Achieving net zero carbon emissions by 2050 or earlier	<ul style="list-style-type: none"> 2a Carbon emissions reductions 2b Carbon sequestration and storage impact 	6 Create resilient landscapes	<ul style="list-style-type: none"> 6a Enhances flood protection and mitigation 6b Improves air quality 6c Promotes bio-diversity net gain 6d Contributes towards the delivery of a Nature Recovery Network 6e Promotes a natural capital approach
3 Improve Infrastructure Resilience	<ul style="list-style-type: none"> 3a Mitigates impacts of future environmental or systemic shocks or stresses on homes in Surrey 3b Mitigates impacts of future environmental or systemic shocks or stresses on businesses in Surrey 3c Reduced need for future investment to mitigate the effects and maintain infrastructure performance in the face of external shocks and long-term stresses. 3d Reduced costs for emergency response measures 	7 Improve community access to open space	<ul style="list-style-type: none"> 7a Increases recreational and leisure opportunities 7b Improves residents access to healthy and green spaces 7c Enhances the quality and opens up green spaces
4 Facilitate sustainable development of critical infrastructure	<ul style="list-style-type: none"> 4a Future growth can be delivered without exploiting further natural resources or increase pollution levels 4b Promotes renewable energy generation 	8 Improve connectivity between town centres and their surrounding neighbourhoods	<ul style="list-style-type: none"> 8a Reduces journey times to work 8b Improves journey time reliability within Surrey 8c Positive impact on Surrey's high streets

Table 2: Prioritisation Framework showing outcomes related to Objectives 9-15

Objective	Project Outcome	Objective	Project Outcome
9 Meet the needs of a growing population	<ul style="list-style-type: none"> 9a Increases local provision of services to meet the needs of the future population 9b Improves social equity 9c Reduces health inequality 9d Channels improvements to the neediest and fastest growing parts of the county 	12 Maximises the potential of Surrey's strategic location within the SE	<ul style="list-style-type: none"> 12a Reduces journey times on key freight and HGV routes 12b Reduces road congestion across Surrey
10 Promotes sustainable transport choices	<ul style="list-style-type: none"> 10a Improves journey times by public transport 10b Improves safety for walking and cycling 10c Reduces the number of people travelling by car 10d Increases the number of public transport journeys 	13 Develop Surrey as a world-class digitally connected peri-urban area	<ul style="list-style-type: none"> 13a Improves digital connectivity across Surrey for residents and businesses 13b Reduces the digital divide between the best and least-well connected communities or population segments
11 Deliver infrastructure that improves accessibility to the network for all	<ul style="list-style-type: none"> 11a Improves access to online transport information 11b Impact on Surrey's ageing populations travel choices 11c Reduces social isolation amongst rural communities 	14 Growth that thrives on smart infrastructure and the smart choices of its citizens	<ul style="list-style-type: none"> 14a Enables a stronger data environment to enable data-driven decision making 14b Promotes data sharing across and between the public and private sector
		15 Promote Surrey as a test-bed for next generation infrastructure	<ul style="list-style-type: none"> 15a Incorporates new technologies and a test-bed environment

12. In addition, a further assessment of each scheme's affordability, deliverability and level of community support will be undertaken and additional scoring of

these factors made. They will then be combined with the scoring against the objectives and outcomes to provide an overall score.

13. Finally, an assessment will be made of the quality of information that is available to be able to undertake the scoring for any given scheme. In some cases, a high level of data and information will be available whereas in other cases the scheme may only be at an early concept stage and very little information exists and therefore estimating or assumptions will need to be made.
14. The prioritisation framework has been designed to enable users to consider the choices in relation to projects, or groups of projects, in terms of their performance against Surrey’s strategic priorities and the Infrastructure Plan Vision and Objectives, as well as deliverability and quality of information available about projects. It will not result in a list of ranked projects based on the scores attributed to the various outcome measures (although that information will be available for review); rather, it will allow the user to make quality judgements regarding potential projects / groups of projects.

Surrey Infrastructure Plan – Draft Project Strategy
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15. The final stage of this piece of work is the development of the Infrastructure Plan itself – effectively a Strategy setting out projects that can be delivered and an indication of potential funding sources and financing options. These would be grouped into themes, themselves being flexible to allow to be aligned with emerging government funding priorities.

16. Proposed categories or themes are set out in **Table 3**.

Table 3: Proposed infrastructure categories

Main Category	Utilities	Social & Economic	Environment	Place	Transport
Sub Categories	Digital	Education	Blue Infrastructure	Open Space	Highways
	Waste	Health & Social Care	Green Infrastructure	Countryside	Rail
	Energy	Community			Buses
		Economic			Sustainable Transport
		Fire & Rescue			

17. The Strategy will include projects set out by the categories shown in table 3 and by geography (both the locations and the impact of the infrastructure broken

down by District or Borough, county-wide or cross-border). Details regarding their score against the outcomes and delivery as well as the quality of the information used to make the assessment will be provided. Further information covering estimated costs, funding sources, possible duration and a proposed way forward will be included where possible.

18. Schemes can then be selected from each category and, subject to further feasibility work and community engagement, can then be added to the Council's capital programme pipeline. Depending if funding for delivery is available, projects will then be reported to Cabinet for approval to implement and be placed in the Council's formal capital programme.
19. A whole range of funding options are being considered and will include a range of sources such as Government funding such as the Single Housing Infrastructure Fund, Levelling-Up fund, Community Infrastructure Levy, S106 Planning obligations, private sector funding, and the Council's own capital funding via borrowing.
20. The initial programme will likely focus more on schemes from the Transport category given the obvious link to District and Boroughs' Local Plans. However, the Surrey Infrastructure Plan will highlight gaps where further scheme development is required to ensure a broader range of infrastructure schemes from other categories.
21. To provide an indication of the projects to be considered, **Appendix 1** contains a list of 100 schemes from the Transport category. These schemes typically cost over £1million and have been put forward for consideration from a variety of sources including Districts & Boroughs, the Local Economic Partnerships and Transport for South East. The list has not been assessed at the time of drafting this report. The list excludes schemes that are already in the Capital Programme and being delivered.

Conclusions:

22. In conclusion, the development of the Surrey Infrastructure Plan includes a Prioritisation Framework that provides an evidence-based, transparent approach to tackling the challenge we have in delivering the infrastructure that we need to support sustainable economic growth. In doing so, it will ultimately enhance our ability to attract funding and deliver effectively that infrastructure.

Recommendations:

23. It is recommended that the Communities, Environment and Highways Select Committee:

- a) note the progress on the development of the Surrey Infrastructure Plan and,
- b) review and provide views on the proposed Prioritisation Framework and,
- c) note the funding and financing options with suggestions for other funding routes where appropriate.

Next steps:

The Surrey Infrastructure Plan will be reported to Cabinet on 23rd February 2021 and include a Strategy for the delivery of projects grouped into categories that have been assessed against outcomes and deliverability.

The Strategy will then be kept updated with regular reviews built in and be flexible to be aligned with funding opportunities as they emerge. Work will continue with key partners such as the Districts and Boroughs to review the Strategy, identify funding sources and deliver the schemes.

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Sources/background papers:

Surrey Infrastructure Study, 2017

Surrey Infrastructure Plan – Baseline Summary, June 2020

Surrey Infrastructure Plan – Vision and Objectives, June 2020 (updated December 2020)

Surrey’s Economic Future – Forward to 2030: Our Economic Strategy Statement, November 2020

Surrey Future briefing note – January 2021