

PORTFOLIO HOLDER DECISION RECORD



Report subject	Ducting for Gigabit Speed Fibre – Urgent Futures Fund support
Decision maker	Councillor Philip Broadhead
Decision date	Not before 15 October 2021
Decision taken	To invest £200k of Futures Fund monies to take the opportunity of installing up to 3.75km of ducting for gigabit fibre during the course of the Transforming Travel (TCF) programme works over the next 3-6 months.
Reasons for the decision	<p>One of the key elements of the Smart Place Strategy and Programme is the provision of gigabit fibre ('full fibre').</p> <p>Installing ducting for gigabit fibre during the course of any excavation works for the ongoing Transforming Travel (TCF) programme works can be done at approximately 60% of the normal cost. The likelihood of future traffic disruption resulting from duct laying is also reduced. The provision of ducting and fibre has a number of direct benefits for the TCF programme.</p> <p>Over the next 3-6 months approximately 5km of TCF programme routes will be constructed. It is estimated that 75% of the routes will involve excavation. It is therefore estimated that 3.75km of ducting can be installed within 'open' trenches during the course of the TCF works at an estimated cost of £200k.</p> <p>A Cabinet Report setting out the 'Invest to Save' business case for Council investment in ducting and gigabit fibre is due to go to Cabinet on 27th October 2021. However, in order not to miss out on the immediate opportunity of laying ducting during the course of the TCF works over the next 3-6 months an urgent Portfolio Decision is needed now to provide immediate funding of £200k. The Decision will enable planning and sourcing of materials to take place immediately.</p>
Call-in and urgency:	Subject to any urgency provisions which shall be identified, this decision will not come into force, and may not be implemented, until the expiry of 5 clear working days after the decision was made, recorded and published.
Corporate Director	Chief Finance Officer and Director of Finance

Responsible officer	Adrian Hale
Wards	Council-wide
Status	Open
Background	<p>In the future, the deployment of 'Smart' technologies is set to transform the way in which the Council manages its services, from providing assistive living devices to people in their homes to remote monitoring of legionella within council buildings. These technologies will deliver major savings for the Council, typically through its Transformation and Smart Place Programmes, but will be heavily dependent upon digital connectivity which needs to be available and affordable. Therefore, any ducting that can be installed cost-effectively will help to contribute to the realisation of these savings.</p> <p>A Cabinet Report setting out the 'Invest to Save' business case for Council investment of £5.87m in ducting and gigabit fibre is due to go to Cabinet on 27th October 2021. However, in order not to miss out on the immediate opportunity of laying ducting during the course of the TCF works over the next 3-6 months an urgent Portfolio Decision is needed now to provide immediate funding of £200k. The Decision will enable planning and sourcing of materials to take place immediately. (This £200k is part of the £5.87m that is being sought at October Cabinet).</p> <p>To support the Cabinet paper to be considered in October, two economic assessments have been undertaken to evaluate the potential current and future savings to the Council. Both indicate that an upfront capital investment in ducting will be fully recovered through savings.</p>
Options appraisal	<p>Over the next 3-6 months it is estimated that 5km of Transforming Travel programme routes will be completed. During this work it is estimated that 3.75km of trenching will be opened up.</p> <p><i>Do Nothing Option</i></p> <p>With the 'Do Nothing' option the Transforming Travel programme progresses but the opportunity is missed to install telecommunications ducting within 'open' excavations at the same time. Ducting, which will be required for a range of existing and future Council services, that could have been installed during the course of the works may need to be installed at a higher cost at a later date which would also lead to future avoidable traffic disruption. <u>This is not a desirable option.</u></p> <p><i>Do Something Option</i></p> <p>With the 'Do Something' option the Transforming Travel programme progresses, and telecommunications ducting is laid within 'open' excavations at the same time. This ducting (and</p>

	<p>associated fibre) can be used to deliver a range of digital solutions. Typically, assistive living technologies, innovative highways network management, advanced CCTV monitoring, car park management, public asset management including management of waste bins. In the future it can be used for additional digital services helping to support both the Smart Place Programme and the Council's Transformation Programme. Ducting can be installed at approximately 50% of the normal cost when laid within open trenching. The cost to the Council is estimated at £200,000 for the 3–6-month period. Subject to approval of funding this is a <u>viable option and is the preferred option</u>.</p>
<p>Consultation undertaken</p>	<p>Members of the public have been consulted on the Smart Place Strategy.</p> <p>In regard to creating innovative digital solutions to tackle social issues, 76% of 332 respondents agreed that this should be a priority, with 54% saying it should be a high priority.</p> <p>70% of respondents considered improving digital access to services should be a priority.</p> <p>The Council's Finance and Legal teams have been consulted and provided input into this Decision Notice.</p> <p>Internally, the Council's Procurement Team has been consulted and strongly support taking the opportunity to install ducting as part of the TCF works, as this will help to reduce future costs and underpin the acceleration of digital Council services being promoted through the Transformation Programme.</p> <p>The Council's IT & IS team has also been consulted and have provided cost information where this is available.</p> <p>The TCF programme team has been consulted.</p> <p>Potential suppliers have been contacted.</p>
<p>Financial/Resource implications</p>	<p>A total capital investment of £5.87m is proposed in the October 2021 Cabinet report. £200k is proposed to be invested in the current 2021/22 financial year. A further £1.89m in each of the following 3 years until 2024/25 is subject to a separate approval in the Cabinet Report to be considered in October. The proposed £200k expenditure, which includes 15% for project management and a contingency of 10%, will be spent on laying 3.75 kilometres of ducting for a core gigabit fibre network. It is proposed that this investment is funded from prudential borrowing via the £50m Futures Fund approved by Council as part of the 2021/22 Budget and associated Medium Term Financial Plan (MTFP) of the Council.</p> <p>Prudential borrowing for these items is permitted under revised HM Treasury PWLB guidance as the capital investment is for service delivery and infrastructure improvements. The current prevailing PWLB annual borrowing repayment rate is 1.95%. It should always</p>

	<p>be borne in mind that the council is required to repay principal and interest on any loans before it can determine the resources available annually to support service delivery. Bearing that in mind members will need to reflect on their responsibility to both current and future taxpayers and its fiduciary duty to be prudent in the administration of its funds. This is a specific reference to the fact that the Futures Fund capital and interest costs is a cost pressure within the Councils MTFP.</p> <p>BCP Council is undertaking a level of due diligence to see if the financial models could be improved by finding further savings or income streams associated with the works. Neither of these are assumed in either of the financial models but they are still being explored by officers.</p> <p>Should the £5.87m not be approved at Cabinet and Council or should the investment not be approved as being funded via the Futures Fund then it will become an additional borrowing requirement for the Council to fund. The Minimum Revenue Provision (MRP) would be £4k per annum and interest charges would be £4k per annum over the 50 year asset life.</p>
<p>Summary of legal implications</p>	<p>“Local Authorities have the power to borrow under s1 Local Government Act 2003. The discretion afforded to Local Authorities to borrow under s1 of the Act is wide reaching – “for any purpose relevant to its functions under any enactment or for prudent management of [the Local Authorities] financial affairs”. The content of this report indicates that the Service Unit relies upon borrowing “for any purpose relevant to its functions under any enactment” given that the aim of this project is to improve service delivery and infrastructure via installing ducting which could be utilised for traffic management, CCTV, WAN and Smart Place.</p> <p>The Council’s 2021/22 budget and MTFP includes provision to service £50m of PWLB borrowing drawn down in £10m tranches over the next 5 years. Legal Services has not had sight of the terms and conditions associated with the PWLB borrowing, however given the nature and prevalence of PWLB borrowing, it is likely that the Council’s Finance team will be comfortable with the borrowing terms and interest repayments when agreements are entered into.</p> <p>The Service Unit has been advised that in order to comply with the Subsidy Control Regime, it must ensure that any contractor used to install the ducting has been selected following the relevant procurement process in accordance with the Council’s Financial Regulations and Public Contracts Regulations 2015. Advice from the Council’s procurement team must be obtained when considering appointing a contractor.</p> <p>Whilst the primary reason for installing the ducting as part of the TCF programme is to assist with traffic management, there is</p>

	<p>potential for the ducting to be utilised for additional purposes (CCTV, WAN etc) at a later stage when connected to the wider network. Once the ducting subject to this report has been installed and connected to the wider network, the Service Unit should seek advice from external legal specialists as to the Council's position under the Electronic Communications Code 2003, any relevant Ofcom authorisation / accreditation, associated membership fees and any other aspects relating to the Telecoms legal position.</p> <p>Given that the Service Unit intends to rely upon the s50 New Roads and Street Works Act 1991 licence ("s50 Licence") already obtained by the Transforming Cities Fund ("TCF") in respect of works to the highway, it is advisable that the Service Unit obtains a copy of that s50 Licence and satisfies itself that the ducting work subject to this report is covered by the licence.</p> <p>Legal Services understands that the limited works covered by this decision record are intended to be undertaken by contractors appointed under the Transforming Cities Fund ("TCF"). Some of the TCF contractors are being appointed under the GEN 4.2 Hampshire Framework using various lots. Whilst Legal Services has not been instructed to review or consider the framework agreement, the TCF has a dedicated legal advisor who is currently reviewing the suitability of the framework for the TCF works. Before being in a position to consider reviewing the framework to assess suitability of the ducting works, the Service Unit must produce a scope of works, specification and drawings to enable TCF to identify what works are required and whether the contractors on the framework are able to undertake the ducting work.</p> <p>The Service Unit must also agree with the TCF project team how the ducting works will be managed e.g. who will undertake project management, who will sign off the ducting work, how payment will work (i.e. will TCF hold the monies, if so, will that have any bearing on the TCF), ensure that there are no delays to the TCF works.</p> <p>For contractors which are not being appointed under the GEN 4.2 Framework, the Service Unit should continue to liaise with the Procurement Team to identify any suitable frameworks available. The Service Unit must ensure that it has its specification, scope of works and drawings ready in order to utilise any framework agreement.</p>
<p>Summary of sustainability impact</p>	<p>A Decision Impact Assessment has been created at Programme level, with recognition that if the recommendations in this decision notice are approved, further DIAs will be created on a project level. The current DIA has a 'low risk' outcome and is supported by Theme Advisors for Environment, Communities, Procurement, Transport, Consumption and Learning.</p>

<p>Summary of public health implications</p>	<p>There will be a positive public health impact. Individuals will have better digital access to public services. This will help to tackle health inequalities, typically by enabling people to access more services, including remote GP appointments.</p> <p>The availability of cheaper connectivity will enable the Council and private health providers to deliver more cost-effective services for clients, such as deployment of assistive living technologies and remote monitoring of housing conditions e.g. for moisture or legionella.</p> <p>The widescale deployment of gigabit capability with very high upload and download speeds will have a considerable positive impact upon NHS communications between GP surgeries and hospitals.</p>
<p>Summary of equality implications</p>	<p>An Equality Impact Assessment: conversation screening tool (Form 1) has been produced at a programme level and is reproduced below. The deployment of ducting for gigabit fibre has no other direct impact upon protected characteristics beyond those benefits outlined in the programme level EIA.</p>
<p>Summary of risk assessment</p>	<p>Three immediate risks have been identified.</p> <ul style="list-style-type: none"> i. Delays in ducting manufacturing supply chain: Ducting is in limited supply with lead times of 10 to 16 weeks being quoted by several suppliers. Mitigation: A source of existing ducting has been identified with near immediate availability, although this will need to be confirmed once funding approval has been given. ii. Delays to the Transforming Travel programme: There is a risk that the addition of the ducting could delay the Transforming Travel programme, which could avoid the ducting being included. Mitigation: Meetings have taken place and will continue to take place with the client manager, programme manager, project manager and procurement. It has been agreed that early engagement will take place with contractors and the provision of ducting will be included in those discussions. iii. Increase in costs for ducting: There is a risk that the rates for the installation for ducting could increase or that additional new excavation is required. Mitigation: Rates for current work along with initial quotes for laying ducting in open trenching have been used in estimating costs. A contingency of 10% has been applied to the estimated costs.
<p>Conflicts of interest declared by Cabinet</p>	<p>None (Cllr Broadhead sits on the TCF Board)</p>

member consulted on this decision	
Background papers	'Futures Fund' Allocation for the Installation of a Core Gigabit Fibre Network (Cabinet Report for MeetingDate)

Equality Impact Assessment: conversation screening tool

[Use this form to prompt an EIA conversation and capture the output between officers, stakeholders and interested groups. This completed form or a full EIA report will be published as part of the decision-making process]

Policy/Service under development/review:	Smart Place Strategy
What changes are being made to the policy/service?	This is a new strategy (This is BCP Council's first Smart Place Strategy)
Service Unit:	Smart Place/Development
Persons present in the conversation and their role/experience in the service:	[Adrian Hale – Smart Place Strategy & Programming Lead Ruth Spencer – Head of Smart Place Ian Woodgate – Smart Place Commercial Lead Sarah Powell Pisareva – Smart Place Analyst Jack Matthews – Smart Place Digital Apprentice
Conversation dates:	27/07/21
Do you know your current or potential client base? Who are the key stakeholders?	<ul style="list-style-type: none"> • Residents • Local businesses e.g. digital companies, manufacturers, retailers, hospitality etc.; • Local voluntary/community groups e.g. YMCA; Shelter; Community Action Network; Business Improvement Districts; Poole Housing Partnership etc. • Smart Place R&D Consortium technology partners; • Smart Place Investors; • Local skills providers; • Bournemouth University; • Dorset Clinical Commissioning Group; • Local health providers • Dorset Police; • BCP Council internal departments including Community Services; Adult Social Care; Children's Services; Transport; Environment; Waste Management; Seafront Services; CCTV team; • Dorset LEP; • AFCB Bournemouth; • Government departments including Cabinet Office, Ministry of Housing, Communities and Local Government; Department of Digital, Culture, Media and Sport; Department for Business, Energy & Industrial Strategy; National Cyber Security Centre; Centre for Protection of National Infrastructure;

<p>Do different groups have different needs or experiences in relation to the policy/service?</p>	<p>Yes. An online public consultation on the Smart Place Strategy Objectives relating to People, Communities and Businesses took place between June and July 2021. This produced the following high-level findings in relation to protected characteristics:</p> <p><u>People</u></p> <ul style="list-style-type: none"> • Affordable broadband is significantly more of an issue for older people; • Using technology to promote healthier lifestyles is significantly more important for older people; • Using information to help local businesses to provide a better service was significantly more important for older people; • Creating innovative digital solutions that help tackle key social issues is significantly more important for people with disabilities; • Providing digital skills training for local residents is a significantly higher priority for females and Christians. <p><u>Communities</u></p> <ul style="list-style-type: none"> • Reducing carbon emissions through digital monitoring and behaviour change is significantly less important for heterosexual respondents than for other sexual orientations; • Enhancing community safety through digital technology was significantly more important for older people and a much higher priority for older people, females and Christians; • Providing live information to help manage use of roads, car parks, etc. is a much higher priority for people with disabilities; • Utilising digital capabilities to support major incident response is a much higher priority for Christians. <p><u>Businesses</u></p> <ul style="list-style-type: none"> • Creating major online marketplaces to promote buying local is significantly more important for older people and a much higher priority for older people, females and Christians; • Promoting innovation utilising highly advanced digital networks is more important for older people; • Providing data insights to help local businesses improve their systems is much more important for older people; • Providing digital skills training for the local workforce is a much higher priority for older people, females and Christians. • Utilising, promoting and supporting local companies within the Smart Place programme is a much higher priority for females. <p>A further public engagement postal survey relating to 'Use of Technology' was conducted for the Smart Place programme in October/November 2020. The key findings in terms of protected characteristics were as follows.</p>
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	<ul style="list-style-type: none"> • Age is the biggest factor in determining whether people use the internet. Those aged 65 and over are less likely to use the internet (18% do not use the internet) than other age groups. All of those aged under 45 use the internet, with 2% of those aged 45-54 and 3% of those aged 55-64 not using it. • Those with a disability that limits their activities a lot are less likely to use the internet (17% do not use the internet) than those with no limiting illness (3%). • In terms of economic activity, 18% of those permanently sick or disabled and 15% of those retired from work do not use the internet. • Black minority ethnic (BME) respondents are more likely to use the internet when out and about using mobile internet (82%) than White Other or White groups. • Of those who do not use the internet skills/confidence is a barrier for 40% of those aged 45-54, 31% of those 55-64 and 44% of those aged 65 or over. No respondents under the age of 35 said this was an issue. Skills/confidence is a bigger factor for those who are permanently sick/disabled (57%), <p>This is a programme level EIA covering the entire Smart Place programme. Therefore, in addition to the above public engagement, details of how different protected groups would be affected by specific future Smart Place projects or initiatives would be assessed as part of that particular project. Typically, the next project within the Smart Place Programme is the Digital Connectivity project for the Boscombe Towns Fund and a full EIA has already been prepared and approved for this project.</p>
<p>Will the policy or service change affect any of these service users?</p>	<p>Yes, the Smart Place programme should deliver benefits for the various protected groups. (see below).</p>
<p>[If the answer to the three questions above is ‘don’t know’ then you need to gather more evidence and do a full EIA. The best way to do this is to use the Capturing Evidence form]</p>	
<p>What are the benefits or positive impacts of the policy/service change on current or potential service users?</p>	<ul style="list-style-type: none"> • Access to better information on services and applications available. • Increased access to skills, jobs and services as a result of opportunities created through enhanced digital connectivity. • More welcoming and safer local environment particularly for older people and people with disabilities.

	<ul style="list-style-type: none"> • Use of technology to help people to live independently for longer <p>Typically, an objective of the programme is to help encourage more affordable connectivity, e.g. through the wider roll-out of public Wi-Fi, to help improve access to the internet for people from all protected groups.</p> <p>Another objective is to help support digital skills training in the community, helping older people in particular to gain more confidence in using the internet.</p> <p>A further objective is to make more ‘assistive living’ technology available to vulnerable people, helping older people and those with disabilities to live more independent lives.</p> <p>Yet another objective is to use digital technologies to help improve local safety, typically by improving CCTV coverage and by the provision of a safe walking app. Both of these initiatives will particularly help vulnerable people including older people and people with disabilities.</p>
<p>What are the negative impacts of the policy/service change on current or potential service users?</p>	<p>None currently known.</p> <p>Potential minor impact on accessibility and noise whilst construction works are taking place.</p> <p>Further consideration will be given to establishing whether planned improvements will have any adverse impact on any protected group for specific projects undertaken as part of the Smart Place programme.</p>
<p>Will the policy or service change affect employees?</p>	<p>Yes – it should help to secure existing jobs and lead to the creation of new job opportunities.</p>
<p>Will the policy or service change affect the wider community?</p>	<p>Yes – ultimately the Smart Place Programme should have a significant beneficial impact upon communities. Typically, information about local events, volunteering opportunities and local support can be made available.</p>
<p>What mitigating actions are planned or already in place for those negatively affected by the policy/service change?</p>	<p>At this programme level there are no significant negative impacts and therefore no mitigation actions are required at this stage. Mitigation measures will be considered where applicable for any specific future Smart Place project.</p>
<p>Summary of Equality Implications:</p>	<p>Equality implications are positive. The Smart place programme will specifically benefit older people and people with disabilities as well as those on lower incomes. It will provide a general benefit to all people with protected characteristics.</p>