

Report subject	<b>Smart Place Strategy (2022)</b>
Meeting date	27 July 2022
Status	Public Report
Executive summary	<p>The Smart Place Strategy aims to generate significant local value by helping to address some of the key challenges across Bournemouth, Christchurch and Poole. Whether making it easier for people to go about their daily lives, improving the prospects of our local businesses or enabling communities to function more effectively Smart Place interventions are set to deliver major social and economic benefits to our area.</p> <p>The strategy is a key foundation of the Council's Big Plan ambitions and supports government's recently published UK Digital Strategy. In addition, the strategy also helps to deliver a number of priorities within the Council's Corporate Strategy and is strongly aligned to government's Levelling Up agenda.</p> <p>Whilst Smart Place applications and services are set to transform how areas operate, a major challenge is that at present there is no statutory responsibility nor associated regular funding to support the full development of Smart Places within the UK. The strategy therefore sets out a unique, financially self-sustaining business model which seeks to secure major private investment to deliver the Smart Place Programme across the whole of the BCP area.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Cabinet approves the Smart Place Strategy</b></p>
Reason for recommendations	<ul style="list-style-type: none"> <li>(i) Delivers significant economic and social benefit for residents, businesses and communities.</li> <li>(ii) Supports the Council's Big Plan and regeneration ambitions, and Corporate Strategy priorities.</li> <li>(iii) Endorses the raising of private investment of £90m to fund the delivery and roll out of the Smart Place programme across the whole of the BCP area.</li> <li>(iv) Delivers cost savings and potential future income generation for the Council.</li> <li>(v) Supports government's Levelling Up agenda and UK Digital Strategy.</li> </ul>

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Wards	Council-wide
Classification	For Decision

## Background

### Challenges

1. The Bournemouth, Christchurch and Poole (BCP) area is facing major challenges. These include economic pressures with an annual productivity deficit estimated at £1bn compared to the national average, and considerable loss of local economic value. It also includes social challenges, particularly around a rapidly growing and ageing population. These problems are exacerbated by relatively poor existing digital connectivity.
2. Value is escaping from our local economy. Major global companies are harnessing and monetising local people's data in a way that local businesses currently cannot. This is clearly evidenced in the retail sector where the rise of e-commerce is contributing to the decline in shopping locally and our high streets are suffering.
3. In terms of digital connectivity, whilst understandably the current market delivers services to locations where the business viability stacks up, where it does not many residents and businesses can be left without access to affordable, high-speed broadband. Poor or expensive connectivity can also impact the modern delivery of vital services, as well as inhibiting innovation.

### Aim and Ambition

4. The aim of the Smart Place Strategy and underlying programme is to:  
*Generate significant local value, creating digital solutions to improve the lives of our residents, the vibrancy of our communities and the prospects of our local businesses.*
5. By helping to support an ageing population, tackling homelessness, improving security, revitalising our high streets and encouraging more environmentally sustainable behaviour, the Smart Place Strategy supports many of the priorities set out within the Council's Corporate Strategy as well as government's Levelling Up agenda.

#### *BCP Council Big Plan*

6. BCP Council has a clear ambition to improve digital infrastructure across the BCP area. The Council's 'Big Plan' states:  
*"We will invest in the physical and digital infrastructure of our coastal city region, to ensure that BCP has the best connectivity in the country – whether through superfast broadband and digital connectivity or through land, air and sea transport."*

*We will exploit the full potential of digital to make BCP a genuinely smart city region, where we use digital data to plan, manage and deliver better services for our residents and businesses and where digital natives thrive.”*

7. By aiming to deliver the best possible digital connectivity, supporting local businesses to be at the forefront of developing new ‘Smart’ technologies and helping people to develop advanced digital and technological skills, the Smart Place programme underpins the Council’s Big Plan ambitions and government’s recently published UK Digital Strategy.

#### *BCP Council Smart Place Strategy Delivery Programmes*

8. BCP Council’s Smart Place Strategy (2022) (see Appendix 1) sets out how the Smart Place Programme will support the ‘Big Plan’, delivering major social and economic benefits for local people, businesses and communities over the next 5 years.
9. The Smart Place Programme is delivered in three key stages:
  - (i) Lansdowne Smart Place Pilot (£1.9m now complete, funded by Dorset LEP)
  - (ii) Boscombe Smart Place Demonstrator (£2.7m ongoing, funded from the Towns Fund)
  - (iii) Full Roll-Out across BCP (subject to private investment – approx. £90m)
10. An outline delivery plan for the Smart Place Programme is provided in Appendix 2.
11. The strategy describes four key Smart Place interventions that comprise the programme. Individually and collectively these interventions will help to deliver significant social and economic benefits, underpinned by a financially self-sustaining business model enabling full roll out across the whole of the BCP area. The four Smart Place interventions are:
  - (i) Gigabit-speed fibre networks
  - (ii) Private 5G and wireless networks
  - (iii) Place-based data insight platform
  - (iv) Smart Place applications & services

#### *Smart Place Sustainable Business Model*

12. Whilst Smart Place applications and services have the potential to transform how areas operate a major challenge is that at present there is no statutory responsibility nor associated regular funding to support the full development of Smart Places within the UK. Against a background of considerable public sector budgetary constraints, the Strategy therefore also sets out a unique, financially self-sustaining Smart Place business model. This model is specifically aimed at minimising any financial burden on the Council by seeking to secure major private investment to help deliver the substantial Smart Place Programme across the whole of the BCP area. In addition, the model also looks at how new incomes streams can be generated for the Council through the programme.

#### Links to other strategies

13. The Smart Place programme goes beyond the scope of traditional delivery of statutory Council services, with a particular focus on place-based solutions that directly benefit people, businesses and communities. The aim is to help tackle issues at source thereby reducing consequential demand upon Council services through greater and earlier engagement and much richer local insight.

Accordingly, the programme will particularly support and enhance the delivery of outcomes from the Transformation Programme. The strategy supports other Council strategies as well including the draft 2050 Climate Action Plan; the Economic Development Strategy; the Community and Voluntary Sector and Volunteering Strategy and the High Streets and District Centres Strategy.

14. Critically, by adopting the approach of minimising Council spend whilst also seeking to generate income the Smart Place Strategy supports the Council's Medium Term Financial Plan.
15. The Smart Place strategy also aligns very well with a series of government strategies particularly its Levelling Up agenda and its UK Digital Strategy (published June 2022) strengthening the prospect of future government grant funding, over and above that already secured.

### Consultation

16. Extensive consultation on the Smart Place Strategy has taken place with key stakeholders and there is considerable local support from local people and businesses. Over 78% of respondents to a recent public survey indicated their support for the aim of the strategy (see Appendix 3).

### **Options Appraisal**

#### *Do Nothing Option*

17. With the 'Do Nothing' option the Smart Place Strategy is not adopted. With this option the programme will continue to be delivered in a piecemeal manner over a much longer time period. This will not deliver the Council's Big Plan ambition of being the best-connected area nationally and major potential social and economic benefits will not be realised. On this basis the 'Do Nothing' option is considered to be not a viable option.

#### *Do Something Option*

18. With the 'Do Something' option the Smart Place Strategy is adopted. This creates the opportunity to secure the major private and public funding necessary to deliver the Smart Place Programme across the whole of the BCP area. This option delivers on the Councils' Big Plan ambitions and will result in major social and economic benefits being realised. This is a viable option and is the preferred option.

### **Summary of financial implications**

19. The Tables below indicate the sources of funding for the Smart Place Programme. No additional funding is required at this time beyond what has already been budgeted.

### Revenue

Funding Sources	Pre 20/21	2021/22	2022/23	2023/24	2024/25	Total
Council revenue		188,647	185,200	188,904	192,682	755,433
From Reserves		117,000	52,000			169,000
One off revenue addition 2022/23			209,000			209,000
One off revenue addition 2022/23			68,000			68,000
Boscombe Phase 2 (DLUHC)		4,188	82,906	72,906		160,000
	-	309,835	597,106	261,810	192,682	1,361,433

### Capital

Funding Sources	Pre 20/21	2021/22	2022/23	2023/24	2024/25	Total
Lansdowne Digital (LEP)	900,000					900,000
Lansdowne 5G (LEP)	1,000,000					1,000,000
Council WAN (Futures Fund)		4,900	2,195,100	3,000,000	670,000	5,870,000
Boscombe Phase 1 (DLUHC)	490,000	220,000				710,000
Boscombe Phase 1 - Police Grant		60,000				60,000
Boscombe Phase 2 (DLUHC)		50,513	1,000,000	738,000		1,788,513
DCMS			46,000			46,000
Innovate UK	13,000	37,000				50,000
SP Investment Plan (DLEP)	369,000	11,000				380,000
	2,772,000	383,413	3,241,100	3,738,000	670,000	10,804,513

### Potential Private Investment (to be sought)

Funding Sources	Pre 20/21	2021/22	2022/23	2023/24	2024/25 +	Total
Gigabit Fibre - Private Inv.				4,000,000	4,000,000	8,000,000
5G/Wireless - Private Inv.				2,000,000	25,000,000	27,000,000
Data Platform - Private Inv.				2,000,000	22,000,000	24,000,000
Apps & Services - Private Inv.				2,000,000	29,000,000	31,000,000
			-	10,000,000	80,000,000	90,000,000

20. The Smart Place Team will continue to pursue government grant funding and other third-party sources of funding when it is prudent to do so.

### Summary of legal and governance implications

21. The Council has general power allowing it to act for the good of its area in ways that are not specified by statute. The Council will consider the following general powers as part of the delivery of the strategy:

- Section 111 of the LGA 1972. This section enables a local authority to do anything that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. It provides local authorities with a general power to enter into contracts for the discharge of any of their functions.
- Section 3(1) of the Local Government Act 1999 (LGA 1999). This section contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of:
  - economy;
  - efficiency; and
  - effectiveness.

22. Further Section 1(1) of the Localism Act 2011 introduced the “general power of competence” for local authorities, defined as “the power to do anything that

individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area. The generality of the power conferred by subsection (1) is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power.

23. The Council will consider all available legal routes as part of the delivery of the strategy, for example use of a company. For this purpose, the Council may apply Section 4(2) of the Localism Act 2011 which, provides that where, in exercise of the general power, a local authority does things for a commercial purpose the authority must do them through a company. Section 95 of the Local Government Act 2003 also authorises the Council to do for a commercial purpose anything which it is authorised to do for carrying on any of its ordinary functions (other than where it is under a statutory duty to provide that function) however, this power is only exercisable through a company.
24. Particular elements of the strategy and programme will require specific legal advice as and when they come forward for consideration. Typically, advice from Law and Governance and Strategic Procurement will be required on Subsidy (formerly State Aid); competition legislation, procurement options, contract law, intellectual property, the setting up of joint venture companies, as well as other general legal matters.
25. As part of the Smart Place Investment Plan work, options are being considered on potential preferred Smart Place ‘Special Purpose Vehicle’ (delivery vehicle) options. These will be explored in more detail as and when different Smart Place components come forward for consideration.
26. Consideration will also need to be given to statutory requirements, typically around equality and diversity, health & safety and employment law.
27. Allowance has been made within the Smart Place budget for additional legal and procurement advice, including external advice where necessary.

### **Summary of human resources implications**

28. It is likely that specialist technical and other additional resources will be required in future to help deliver elements on this strategy. No resources will be recruited without first ensuring relevant budgets are in place. Any recruitment of new posts will go through the required steps for CMB approval.

### **Summary of implications upon the Levelling Up agenda**

29. The Smart Place Strategy strongly supports government’s Levelling Up agenda. ([Levelling Up the United Kingdom: Executive Summary](#)). In particular the strategy supports the following Levelling Up ‘Medium Term Missions’:
  - a. Productivity: By 2030, pay, employment and productivity will have risen in every area of the UK,
  - b. Digital Connectivity: By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
  - c. Skills: By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK.
  - d. Health: By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed.
  - e. Well-being: By 2030, well-being will have improved in every area of the UK.
  - f. Pride in Place: By 2030, pride in place will have risen in every area of the UK.

g. Crime: By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.

30. At a local level the Council's 'Levelling Up' priorities are:

- Address cost of living issues including affordable housing
- Address skill shortages and low skill attainment
- Reducing health inequalities and the wider determinants and disparities between wards
- Increase support/development/opportunities for children and young people
- Improve transport links including cycling infrastructure

31. In addition, the Council has adopted the following 'Levelling Up' Goals with its three priority goals being 8 - Good health and well-being, 12 – Building homes and sustainable communities & 14 - Achieve equality through diversity & inclusion.



32. The Smart Place Strategy will particularly support:

- Goal 8: Good Health and well-being
- Goal 9: Extending enterprise
- Goal 10: Closing the digital divide
- Goal 11: Infrastructure for opportunity
- Goal 12: Building homes & sustainable communities (sustainable communities' aspect)
- Goal 14 Achieve equality through diversity and inclusion

33. The public consultation exercise conducted for Smart Place Strategy highlighted many community priorities which are reflected in the objectives of the strategy. A key priority from the survey was the need to provide digital skills training for 'everyday' purposes for those people at risk of digital exclusion. Enabling the improvement of personal digital skills is now a key objective of the strategy helping to close the digital divide.

### **Summary of sustainability impact**

34. A Decision Impact Assessment has been created at Programme level, with recognition that if the recommendations in this report are approved, further DIAs will be created on a project level. The current DIA has a 'low risk' outcome overall and the Interim Report is included at Appendix 4.
35. Positive impacts only have been identified in the following areas: Climate Change and Energy; Communities and Culture; Economy; Health and Wellbeing; Learning and Skills; Natural Environment; Transport and Accessibility.
36. Waste and Resource Use is rated amber because we have not yet assessed whether the proposals will reduce water use and Sustainable Procurement is rated amber as there is further work to do to consider sustainable resource use within the whole life cycle of the individual projects.
37. The Sustainable Development Goals supported by the proposal are 1. No Poverty 2. Zero Hunger 3. Good Health and Well Being 4. Quality Education 7. Affordable and Clean Energy 8. Decent Work and Economic Growth 9. Industry, Innovation and Infrastructure 10. Reduced Inequalities 11. Sustainable Cities and Communities 13. Climate Action 16. Peace, Justice and Strong Institutions 17. Partnerships for the Goals.

### **Summary of public health implications**

38. The Smart Place Strategy will have a major positive impact upon public health. Examples include enabling remote surgery appointments and earlier interventions. Better connectivity to individuals' homes will enable people to access greater support, including more contact with friends and family. Improved and affordable gigabit connectivity will accelerate the deployment of healthcare technology, such as assistive living devices, helping to keep people living independently in their own homes for longer, thereby reducing the demand upon healthcare and Council services. Public services will be able to move and share health data around more quickly and cost-effectively.

### **Summary of equality implications**

39. Equality implications are positive. The Smart Place programme will benefit low-income households in the area with numerous positive outcomes anticipated, including increased access to skills, jobs and services, better access to information, targeting of services, and better access to digital connectivity.
40. There are many positive implications for people with protected characteristics, particularly those who experience a greater level of digital exclusion such as people with disabilities or who are in older age groups. The COVID pandemic has highlighted the digital divide for children in low-income families with access to sufficient bandwidth, digital devices and skills impacting on their learning. The programme seeks to address these inequalities and to enable people with other protected characteristics and organisations supporting them to benefit from better access to information and to online services.
41. An Equality Impact Assessment: conversation screening tool (Form 1) has been produced at a programme level. The Equality Impact Assessment (EIA) form was



completed predominantly based upon evidence collected from the two consultation exercises that have taken place.

42. The EIA conversation screening tool form was reviewed by the Equality Impact Assessment (EIA) Panel on 5th August 2021. The Panel did not find any issues that would contravene the Council's statutory equalities responsibilities. The Panel further concluded that as this was a Programme Level EIA there was no requirement for a full EIA at this stage but that a full EIA would be required for any significant underlying projects.
43. The key finding from the panel was that as the EIA form had been based solely upon auditable evidence it had not captured the full potential and ambition of the Smart Place programme to have a significant beneficial impact upon all people including those with "protected characteristics". For this reason, the panel awarded the EIA 'Amber' status. The Screening Tool has since been enhanced to reflect these comments and is included at Appendix 5.

### **Summary of risk assessment**

44. A programme level Risk Register covering the key risks of stakeholder support; finance and funding; programme delivery and legal considerations has been produced and updated. The latest Programme Risk Register can be found in Appendix 6.
45. Individual risk registers will be produced for any key Smart Place projects, typically a risk register has already been completed for the digital connectivity project as part of the Boscombe Towns Deal Fund and a risk register has also been prepared for the Accelerating Gigabit fibre Smart Place (NHO) initiative.

### **Background papers**

None

### **Appendices**

- 1 Smart Place Strategy [2022]
- 2 Smart Place Programme - Outline Delivery Plan
- 3 Smart Place Strategy Public Consultation Results
- 4 Smart Place Programme Decision Impact Assessment Interim Report
- 5 Smart Place Programme EIA Screening Tool
- 6 Smart Place Programme Key Risks Register