Report No. DRR20/017	**London Borough of Bromley**
	PART ONE - PUBLIC

Decision Maker:	**EXECUTIVE**		
	FOR PRE-DECISION SCRUTINY AT THE RENEWAL, RECREATION AND HOUSING POLICY DEVELOPMENT AND SCRUTINY COMMITTEE		
Date:	**Wednesday 1 April 2020** **Wednesday 25ᵗʰ March 2020**		
Decision Type:	Non-Urgent	Executive	Non-Key
Title:	**APPROACH TO DIGITAL INFRASTRUCTURE**		
Contact Officer:	Hannah Jackson, Head of Town Centre Renewal Tel: 0208 313 4456 E-mail: Hannah.Jackson@bromley.gov.uk		
Chief Officer:	Sara Bowrey, Director of Housing, Planning and Regeneration		
Ward:	(All Wards);		

---

1. Reason for report

1.1 Digital connectivity is linked to improving quality of life and supporting economic growth. If the borough is to continue to be a place that people choose to live, work, study and invest, the right digital infrastructure is essential.

1.2 This report sets out the current level of digital provision in the borough and suggests priority areas for investment. Whilst recognising that private sector investment will play a significant role in improving the borough's connectivity, this paper also sets out a range of interventions that the Council can explore to support the role out of gigabit capable broadband through full-fibre connections and 5G networks.

1.3 This report advises that the Council agrees to a Digital Infrastructure Work Plan as the mechanism to deliver the most effective interventions that the Council can take to improve digital infrastructure, and identifies a programme for its delivery. In order to progress this work, it is recommended that the Council allocates up to £30k from the Growth Fund for the appointment of a consultant to provide specialist technical and legal advice.

_____

2. **RECOMMENDATION(S)**

Members of the Renewal, Recreation and Housing Policy Development & Scrutiny Committee is asked to note the content of the report, prior to the Executive being asked to:

2.1 Agree to allocate up to £30k from the Growth Fund for the appointment of a consultant to provide technical advice on the Digital Infrastructure Work Plan.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Improved digital infrastructure will promote digital inclusion.

Corporate Policy

1. Policy Status: Existing Policy:

2. BBB Priority: Supporting Independence Vibrant, Thriving Town Centres Regeneration

Financial

1. Cost of proposal: Estimated Cost: £30k

2. Ongoing costs: Non-Recurring Cost:

3. Budget head/performance centre: Regeneration Team

4. Total current budget for this head: £128k

5. Source of funding: Growth Fund

Personnel

1. Number of staff (current and additional): N/A

2. If from existing staff resources, number of staff hours: N/A

Legal

1. Legal Requirement: None:

2. Call-in: Applicable:

Procurement

1. Summary of Procurement Implications: Procurement activities will be carried out in compliance with the Council's Contract Procedure Rules.

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable

Summary of Ward Councillors comments:

Cllr Gray, Executive Assistant to the Portfolio Holder for Renewal, Recreation and Housing provided the following comment:

In my role as Executive Assistant to the Portfolio Holder, I have been advocating for a digital infrastructure upgrade in the borough. Securing infrastructure to enable full fibre broadband

connections and 5G networks is essential to support our businesses and residents. I agree with the recommendations in this report and welcome the Council formalising an approach to securing investment. I also welcome BT Openreach's announcement that they will be investing in some of our priority areas.

3. COMMENTARY

3.1 Digital connectivity is now considered a necessity for residents, local businesses and public services. Access to reliable, high speed broadband and mobile networks is directly linked to economic growth and prosperity, in addition to individual wellbeing and access to online services. In order to secure inward investment and to remain a place where people choose to live, work and study, the Council must engage with the need to work strategically with a range of partners to deliver gigabit capable digital infrastructure in the borough.

3.2 According to the House of Commons Briefing Paper on Full-Fibre Broadband in the UK (CBP 8392, 10 January 2020), gigabit capable broadband means 'any technology that can deliver 1 gigabit per second … [this] usually means full-fibre technology but could also include capable broadband and future 5G networks.' Central government have a target to deliver gigabit capable broadband nationwide by 2025; this will be delivered primarily through private investment with some funding being made available to support areas which are not commercially viable.

3.3 However, the expectation is that local authorities will work proactively to secure investment in digital infrastructure within their area. In order to ensure that the borough remains competitive and attractive to business, this report recommends that the Council fully engages with the issues affecting the borough's digital connectivity, and produces a work plan to support the roll out of gigabit capable broadband.

Existing digital connectivity

3.4 Digital connectivity in London has been a priority for the Mayor of London since 2017 when it was reported that the capital's connectivity lagged behind other UK cities such as York, Coventry and Edinburgh, and that it also performed poorly when compared to other European capital cities.

3.5 The table below sets out digital connectivity rates in the borough. This data is provided by the Mayor of London; source data is collected by Ofcom.

Digital connectivity has been measured in relation to access to three different types of broadband:

- Superfast: with download speeds of at least 24 megabits per second

- Ultrafast: with download speeds of over 100 megabits per second

- Full-fibre: with download speeds of over 1 gigabit per second

Area	Availability of Broadband		
	Superfast	Ultrafast	Full Fibre
London Average	94.8%	72.1%	13.4%
Borough - Bromley	97.3%	81.2%	0.8%
Bickey	98.3%	78.3%	0.0%
Biggin Hill	94.1%	74.0%	0.4%
Bromley Common and Keston	97.6%	78.7%	0.0%
Bromley Town	90.9%	71.4%	1.0%
Chelsfield and Pratts Bottom	92.8%	68.7%	0.0%
Chislehurst	93.2%	68.4%	0.2%
Clock House	99.2%	88.3%	0.0%
Copers Cope	99.1%	75.5%	0.7%
Cray Valley East	92.0%	50.6%	0.0%
Cray Valley West	97.6%	63.2%	0.0%
Crystal Palace	94.1%	79.7%	2.2%
Darwin	54.0%	19.4%	0.5%
Farnborough and Crofton	96.2%	84.9%	1.7%
Hayes and Coney Hall	96.9%	71.4%	1.0%
Kelsey and Eden Park	96.5%	75.8%	0.0%
Mottingham and Chislehurst North	99.5%	94.1%	0.0%
Orpington	96.7%	85.3%	1.2%
Penge and Cator	96.1%	78.9%	0.7%
Petts Wood and Knoll	99.4%	96.1%	0.0%
Plaistow and Sundridge	99.1%	87.9%	0.0%
Shortlands	99.8%	65.4%	0.0%
West Wickham	98.3%	71.6%	0.0%

3.6 Generally, the borough has good coverage of superfast and ultrafast broadband, with a couple of exceptions, largely in more rural areas.

3.7 However, access to full-fibre is limited; most wards do not have any full-fibre connections.

3.8 Bromley's full-fibre connectivity is not dissimilar to other south outer-London boroughs; the connectivity rate for full-fibre in Kingston Upon Thames is 2.0% and for Sutton is 1.9%. However, some of our neighbouring boroughs who have actively pursued digital infrastructure are making greater progress; the full-fibre connectivity rate in Bexley is 11.8%, in Lewisham is 13.7% and in Croydon is 15.0%.

3.9 It is suggested that the following wards are prioritised for investment in digital infrastructure:

- It is suggested that gigabit capable connectivity is prioritised in Bromley Town, Biggin Hill, Cray Valley West and Cray Valley East wards. This would support Policy 80 of the Local Plan that identifies these areas as strategic priority areas for economic growth.

- It is suggested that improved broadband connectivity is sought for Chislehurst, Cray Valley West, Chelsfield and Pratts Bottom, and Darwin.

The case for gigabit capable broadband

3.10 There are a number of reasons why the Council should pursue gigabit capable broadband connections:

- To ensure that the borough is ready for future demand:

  While super-fast broadband is currently fast enough for most current individual or household needs, the availability of and demand for data-intensive services is increasing and is set to continue to increase. Ofcom estimates that the number of connected devices will increase 12-fold by 2026, with mobile data usage growing by over 30% a year. Superfast and ultrafast broadband will be unlikely to deliver on this demand. The National Infrastructure Commission concluded in July 2018 that investment in full-fibre networks was important to ensure that infrastructure supports future needs.

- To support a healthy local economy:

  Ofcom research has shown that broadband investment has contributed significantly to the UK economy over the past 15 years. Moreover, research has shown that access to affordable gigabit capable connections could see SME productivity increase by 7-10%. With house prices already affected by connections to higher broadband speeds, it is expected that demand for faster connections will affect where people choose to live. Equally, good quality digital infrastructure will become more important for businesses. For Bromley to continue to attract and enable successful business, the borough needs to ensure that the improvement of digital infrastructure is addressed.

- To ensure digital inclusion:

  With services (including the Council's) increasingly moving online, access to reliable and fast connections is becoming a social issue as well as an economic one.

Approach to Investment

Private Sector Investment

3.11 Private sector investment in digital infrastructure is the main way in which access to gigabit capable broadband is being secured both in London and across the UK.

3.12 Some initial market research has been undertaken with the market leaders for broadband, and some investment in full-fibre planned in the borough. Openreach have announced investment in full-fibre in Orpington, Farnborough and Biggin Hill.

3.13 It is worth noting that:

- The biggest commercial returns are from high density, new residential development where the cost per premises for deployment of full-fibre is low. Retro-fitting and low density development is considerably less attractive. Therefore, it is likely to take time before the private sector considers providing gigabit capable connectivity to areas where there is little scope for new development or to existing premises where this is in areas of low density.

- The closer to existing digital infrastructure, the more interest there is from the private sector to invest. This is why it is less likely that the private sector will plan to invest in rural areas where the distances for running new ducting are greater. It is therefore unlikely that the private sector will independently choose to upgrade connectivity to the underserviced wards in the borough.

- There are some Council controlled barriers to private sector investment including issues around permits and charges. A lack of flexibility in this area adds cost and makes the borough a less attractive place for the private sector to invest.

- There is market interest in making use of the capability and capacity of Council owned fibre and ducting.

3.14 The market research has shown that the Council has an enabling role to play in securing private sector investment. This could include:

- <u>Review of Council assets and existing digital infrastructure to identify opportunities for commercialisation that supports gigabit capable broadband.</u> This might include identifying street furniture that could host small cell transmitters, looking at options to deliver backhaul capacity through existing digital infrastructure to support 5G networks, or providing access to Council owned ducting for regeneration initiatives or the deployment of additional dark fibre. Commercial returns could be financial, or could be used to secure digital benefits such as free public wifi in selected town centres.

- <u>Reviewing planning policy.</u> The Local Plan includes a number of objectives to ensure Bromley is a prosperous, thriving and skilled borough where businesses choose to locate, including a specific objective to 'support the digital economy and infrastructure required for it and the modern business, such as high speed fibre connections.' Policy 125 includes a statement that requires 'development to provide for the infrastructure…that [is] necessary to support and serve it.' This will be achieved through planning obligations and, once adopted, the borough Community Infrastructure Levy (CIL). However the new draft London Plan goes further: Policy SI6 puts an explicit requirement on developers to consider requirements for digital connectivity infrastructure when delivering schemes, including requirements for sufficient ducting space as a minimum to ensure proposals are 'futureproofed'; this requirement would apply to all development proposals once the London Plan is adopted. The London Plan also encourages Development Plans (such as borough Local Plans) to support the delivery of full-fibre or equivalent digital infrastructure, with particular focus on areas with gaps in connectivity and barriers to digital access. As noted above, the Bromley Local Plan does support delivery of infrastructure to develop the digital economy, but the Council could use the opportunity, in any future Local Plan review, to respond to the London Plan and consider a more robust policy requirement for gigabit capable broadband infrastructure, subject to compliance with relevant legislation, viability tests and avoiding overlap with any future CIL requirements.

- <u>Agreeing a wayleave policy that promotes private sector investment:</u> Industry operators have argued that, nationally, one of the key barriers affecting the deployment of digital infrastructure is difficulty negotiating wayleaves for access to land. As a consequence, DCMS have made available a model form wayleave that can be used by local authorities to grant non-exclusive access over Council owned land for installation of digital infrastructure. The Council could consider a policy approach that would make the application process more transparent and efficient and which would include adopting a standard wayleave agreement. A pricing structure could also be considered which promotes investment in priority areas. The Council could also make resources available for land owners in the borough in order to make it easier for them to get the support they need to enter into wayleave agreements for digital infrastructure.

- <u>Offering market incentives to create a hospitable environment for investment:</u> As outlined in paragraph 3.12, and acknowledged by central government, councils' approaches to street works can also be a barrier for the deployment of digital infrastructure. DCMS has stated that road and street works account for 70% of the cost of fibre deployment. The Council could consider measures to make permissions in relation to digital infrastructure rollout more

efficient such as a flexible permitting arrangement, and could consider reviewing charges particularly in priority areas. Any lost income could potentially be off-set by income made through commercialisation of the Council's digital assets.

- **Working with Registered Housing Providers including Clarion:** Community Fibre have been awarded monies from the DCMS Digital Investment Fund to roll out full-fibre to social housing in London to support digital inclusion. Providing resource to proactively support discussions between Registered Providers and Community Fibre could ensure that the borough benefits from the government's investment. Roll out has already occurred in a number of London boroughs including Wandsworth, Hammersmith & Fulham, Southwark and Brent.

- **Proactive market engagement:** The Council could agree to work to raise Bromley's profile with the major telecom infrastructure providers and alternative network providers to ensure that the Council is considered and included in future investment programmes, and that investment is directed at priority areas. This could include a publishing a portfolio of development and regeneration projects in the borough, or setting up a notification system that highlights developments in the borough at the early planning stages.

Funding opportunities

3.15 In addition to private sector investment, there are a limited number of opportunities to secure government funding to support gigabit capable broadband in the borough.

3.16 The Mayor of London is currently coordinating investment of monies from the Strategic Investment Pot into London's digital infrastructure. For south London boroughs, including Bromley, this is being made available through the Connected London Fund. This fund will be allocated for spend with an industry partner, currently being procured by TfL, and will make use of existing TfL infrastructure to bring full-fibre connections to public services with the expectation that this leads to broadband providers creating additional connections to homes and businesses. The industry partner will be expected to liaise with the Council to determine how best to apply the fund in the borough. It is recommended that the Council direct this investment towards the priority areas suggested in paragraph 3.9.

3.17 There are additionally a number of initiatives being funded by Central Government that can be further explored to see if benefit can be secured for the borough including:

- **Local Full Fibre Networks Programme:** a fund designed to stimulate demand for full-fibre connections in order to secure private sector investment in full-fibre. This included a Gigabit Voucher Scheme which was available nationally to directly support SMEs and resident community groups by making a contribution towards gigabit broadband connections. The scheme was advertised by the Council to businesses in the borough, and £104k of the fund was awarded in the borough.

- **Digital Infrastructure Fund:** a fund to support ultrafast and full-fibre connections and which is granted to the private sector to invest on a commercial basis (and therefore to generate a commercial return for the government).

3.18 The Council could consider securing investment in local digital infrastructure through developer contributions via either Section 106 agreements (on a case-by-case basis, subject to viability testing and addressing relevant legislative tests) or upon the implementation of a borough CIL. This is an approach supported by paragraph 34 of the National Planning Policy Framework which specifically identifies digital infrastructure as an appropriate use of developer contributions.

Next steps

3.19 Whilst initial research has generated a number of ideas about how the Council could approach securing investment in digital infrastructure, it is recommended that this is formalised in a Digital Infrastructure Work Plan.

3.20 The Work Plan would set out the most effective interventions that the Council can take to deliver improved digital infrastructure through a detailed options appraisal. The Work Plan would include a programme for its delivery.

3.21 This will be beneficial because:

- It will ensure a whole Council approach toward digital infrastructure and prevent silo working

- It will enable a holistic approach towards meeting of the digital infrastructure requirements across the borough

- It will indicate to the private sector that the Council is taking a proactive approach towards digital infrastructure and that it is a hospitable place for investment

- It will make officers accountable for the delivery of digital infrastructure in the borough

3.22 In order to produce the Work Plan, officers are requesting that members allocate up to £30k from the Growth Fund to be spent on consultancy services to provide specialist technical and legal advice which is not available from existing Council resources. The advice will directly lead to determining actions for delivery. Any monies not required would be returned to the Fund.

3.23 The Work Plan will also identify opportunities to support digital inclusion through training for residents who benefit from improved connections delivered at the Council's libraries and resource shops.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 Improving digital infrastructure will support improved digital inclusion. Improving the reliability and speed of broadband connections, particularly in wards where there are indices of deprivation and to public services, will support better access to online services. This will be supported by ICT training for residents at the Council's libraries and resource shops.

5. POLICY IMPLICATIONS

5.1 A Digital Infrastructure Work Plan would support Building a Better Bromley's aims for the regeneration of the borough, specifically in relation to promoting economic development and investment in the borough and supporting local infrastructure development.

5.2 A Digital Infrastructure Work Plan also supports the Transforming Bromley priorities around promoting economic growth, and flexibility independence and choice in service delivery which sees investment in digital technology to improve service delivery and engagement.

5.3 It is envisaged that the Digital Infrastructure Work Plan will become part of the Council's future Digital Strategy which will is planned for drafting later this year. It is also part of the Council's draft Regeneration Strategy and is supported by policies in the adopted Local Plan.

6. FINANCIAL IMPLICATIONS

6.1 This report recommends that up to £30k is allocated from the Growth Fund to pay for consultancy for specialist technical and legal advice required for the production of a Digital Infrastructure Work Plan. Any monies not required would be returned to the Growth Fund.

6.2 Members should note that the Work Plan is likely to require some further funding to fully enable its delivery. It is envisaged that the cost of the actions identified within the work plan will be met from a combination of funding sources which may include income from the commercialisation of assets, grant funding (directly or indirectly received) and monies secured from section 106 agreements or CIL. A cost-benefit analysis of actions identified in the Future Work Plan will be undertaken. Exactly how the costs of delivery for the Work Plan are met will be subject to a future report upon completion of the Work Plan.

7. LEGAL IMPLICATIONS

7.1 The Council has wide ranging powers under the general power of competence pursuant to section 1 of the Localism Act 2011 to do anything an individual can do subject to existing prohibitions. The Council may, inter alia, rely on this power to develop the Digital Infrastructure Work Plan and take steps to implement an improved digital infrastructure for the benefit of residents and businesses in the borough.

8. PROCUREMENT IMPLICATIONS

8.1 Officers will consult with procurement before appointing consultants to support the production of a Digital Infrastructure Work Plan. The procurement will be conducted in accordance with the Contract Procedure Rules.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	