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**Decision Maker:** EXECUTIVE

**Date:** For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on Thursday 15 June 2023

**Decision Type:** Non-Urgent Executive Key

**Title:** DIGITAL INFRASTRUCTURE: STRATEGIC INVESTMENT FUND

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**Chief Officer:** Sara Bowrey, Director of Housing, Planning, Property and Regeneration

**Ward:** All Wards

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1. Reason for decision/report and options

- 1.1 This report provides a summary of the proposal submitted to the Strategic Investment Fund and seeks authority for progressing with the project. It also seeks funding to maximise the economic benefits of the proposal.

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2. **RECOMMENDATION(S)**

- 2.1 **The Renewal, Recreation and Housing PDS Committee is asked to note the report and provide comments for consideration by the Executive.**

The Executive is asked to:

- 2.2 **Subject to a successful bid outcome progress the use of up to £1m funding from SIF to deploy dark fibre using the communications provider procured by GLA via the TfL framework.**
- 2.3 **Approve a new one-off capital budget of £48,600 funded from the Council's Growth Fund earmarked reserve for connecting three new CCTV camera sites and one existing dark fibre network extension.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Greater digital capacity in libraries across the borough enables greater support, provision and activities benefitting vulnerable adults and children.
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### Transformation Policy

1. Policy Status: Existing Policy
2. Making Bromley Even Better Priority:

(3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.

(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

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### Financial

1. Cost of proposal: Up to £1M grant funding plus up to £48,600 Council funding
  2. Ongoing costs: £600 for annual maintenance cost, subsumable within existing service budgets
  3. Budget head/performance centre: New
  4. Total current budget for this head: N/A
  5. Source of funding: Strategic Investment Fund from Greater London Authority and £48,600 from Council's Growth Fund Earmarked Reserve.
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### Personnel

1. Number of staff (*current and additional*): 1 FTE current
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Non-Statutory - Government Guidance
  2. Call-in: Applicable: Executive decision.
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### Impact on the Local Economy

1. Summary of Local Economy Implications: The proposal would increase the productivity of businesses and organisations as well as increasing access to high quality services for local residents. 55.33% of the borough is currently without full fibre connectivity.
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### Customer Impact

1. Estimated number of users or customers (*current and projected*): 330,000
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A

### 3. COMMENTARY

#### Background

- 3.1 At Executive in February 2023, the decision was made for the London Borough of Bromley to join Local London Sub-Regional Partnership (SRP) with authority delegated to the Portfolio Holder for Renewal and Recreation to determine continuing membership annually, on review of value added. Joining the SRP has now unlocked LB Bromley's eligibility to apply to London's Strategic Investment Fund (SIF), for the procurement of dark fibre infrastructure. Bromley was previously ineligible to access the Strategic Investment Pot funding as it was not part of an SRP.
- 3.2 SIF projects have the objective of developing a roadmap to achieving ubiquitous full fibre Gigabit capable infrastructure that serves public sector requirements. Doing this helps to stimulate provision to residential and business premises in the borough by leveraging inward investment from the telecoms industry. Dark fibre deployment through SIF must be anchored in a public site or risk breaching state aid/subsidy control rules.
- 3.3 The Council previously explored the feasibility of using its dark fibre to enable full fibre in 2019, delivered by Regional Network Solutions. At the time though benefits were substantial, the costs were insurmountable for Bromley and local authorities without further funding. SIF funding provides boroughs with an opportunity to maximise levers in the public sector to increase full fibre reach.

#### Proposal

- 3.4 We propose to use the SIF funding to connect sites in the borough that currently do not have access to full fibre, by deploying new dark fibre infrastructure. Currently the Council has a number of its own assets on its own dark fibre network, accessing full fibre through this. This is for the sole use of the Council. Using SIF funding, we will deploy new (separate to Council's) dark fibre across the borough, anchored at key sites, managed by a supplier. The supplier will then offer this dark fibre to the public sector. Our proposal will:
- 3.5 **A** - Connect all 14 of our public libraries to the new dark fibre deployment. This will directly maximise the availability and benefit of full fibre capable broadband services to the users of the library, both residents and businesses. GLL will cover all of its internal costs for migrating services which it notes are substantially outweighed by the benefits of futureproofed connectivity.
- 3.6 **B** - Connect the webcam at Churchfields Depot to the new dark fibre extension. This upgrade will increase the reliability and speed of the connection to gigabit capacity from the existing Standard/Superfast broadband, by providing the dark/full-fibre connection. It will help to futureproof the site and enable a wider range of services and use cases (e.g smarter monitoring technology/IOT services leading to potential future cost-savings).
- 3.7 This will mitigate any negative impact caused by the Digital Switchover and the plans to remove all ISDN/copper connectivity nationwide by 2025. This upgrade will also resolve current issues with lack of reliability and 'downtime' where Webcam images are displayed in real-time on the Council's website to assist residents of the Borough with planning their visit to the Depot/Household Reuse and Recycling Centre.
- 3.8 In addition to the direct benefits of maximising connectivity to the above sites for the public sector, the indirect benefit (of significant economic value) is that it will stimulate more commercial investment in the areas around those sites to deliver more gigabit capable connectivity. With the spread of the libraries geographically across the borough, this increases the reach for that investment, to address the breadth of the partial not-spots across the borough.

- 3.9 Through the Churchfields Depot connection, we also mitigate the challenge of Openreach not including the local telephone exchange in Beckenham in their upgrade plans to date. The additional dark-fibre capacity made available for commercial use by ISPs in the vicinity, enabled through connecting Churchfields Depot, will make a significant impact to residents and businesses.
- 3.10 **C** – In addition the recommended proposal is to connect three new camera sites and one existing camera site to extend the dark fibre to key economic growth areas in the borough not served yet by planned private sector rollout. The details of this are set out in the 'Maximising benefits of SIF availability' section below.

### **Futureproofing libraries – detailed benefits**

- 3.11 There are direct benefits for enhanced public service delivery through increased connections at all 14 libraries for which there are plans for redesigning the online offer, modernising and futureproofing. The libraries are fast transforming from places for providing books, to multifunctional spaces serving community social and economic needs.
- 3.12 With improved connectivity, the libraries will be able to go beyond providing access to beginner/ starter information, using technology to enhance the lives of the community in Bromley by offering the following:
- Coding - beginner, intermediate and advanced sessions
  - Coding with Lego
  - Photoshop and design workshops e.g. using Photoshop and Canva packages
  - Providing CAD programmes/ software to allow people to design spaces digitally
  - Providing video/ music/ podcast editing software –pop up studios in libraries
  - Providing physical gaming units to encourage people to be active through play
- 3.13 Connectivity increasing will maximise the benefits of existing investment in the libraries. Bromley has used UKSPF funding to continue the Startup Bromley initiative, providing entrepreneurship and start up business advice from the libraries' new business lounges, and progressing with plans for West Wickham library and housing development. This development includes study space, IT access and workspace. A library that includes maker space, business space and community space cannot operate in the near future without full fibre.
- 3.14 Improving digital broadband connectivity at the libraries would greatly improve access to online services for communities in Bromley, who are increasingly visiting libraries for the sole purpose of using the technology and Wi-Fi. Across the library estate, connectivity can be problematic, particularly at peak times. Introducing dark fibre into the Bromley libraries would allow the borough to further develop the online services provided and enable more people to get online reliably and with confidence.
- 3.15 Bromley libraries are supporting digital inclusion, launching a recent free SIM card scheme in Beckenham, Biggin Hill and Orpington libraries, expecting to distribute over 400 SIM cards to residents in the first year. The libraries are visited by approximately 100,000 people each month and there is Wi-Fi at all 14 libraries in Bromley. There are over 153 public computers, which were used for over 38,000 hours in 2021. A key part of the role of public libraries is to provide training and access to digital information. Libraries regularly support members of the public to access Council and other public services online including: Benefit & Housing applications; paying bills; social well-being; searching/applying for jobs; homework & coding classes; social

media and other support surgeries. The outreach services will increase imminently with decisions temporarily or otherwise to bring resource centres into the libraries.

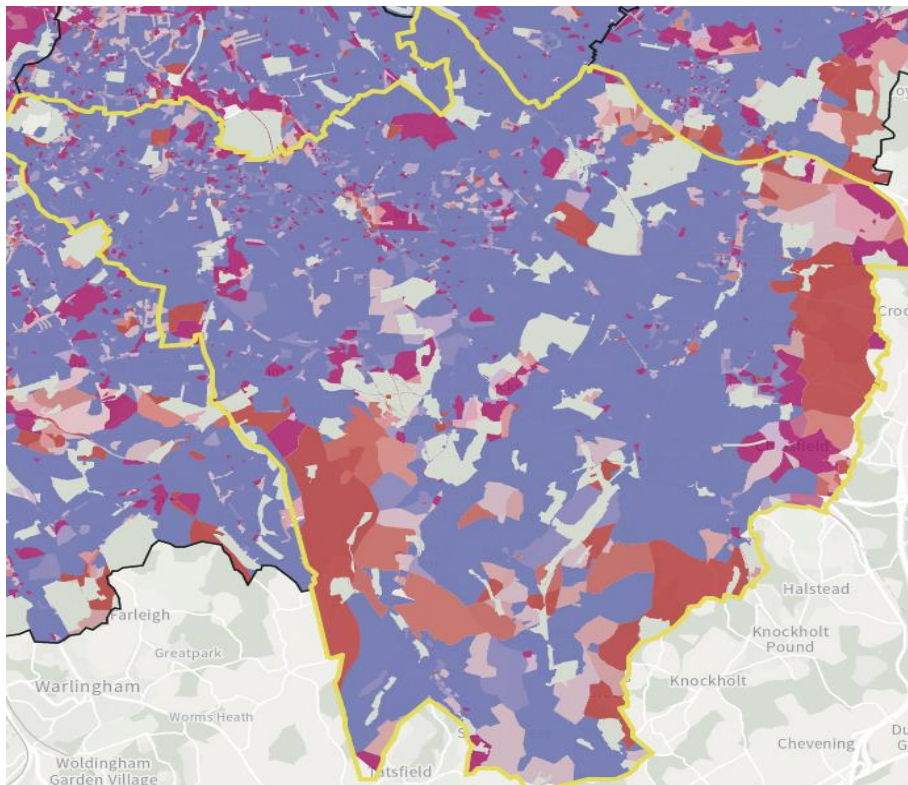
### Maximising benefits of SIF availability

3.16 The coverage of the borough we can stimulate through connecting our Libraries and Churchfield Depot (cost neutral to Council) will still leave substantial areas of the borough unreached, as we do not currently have public assets in those areas that can be upgraded to full fibre.

3.17 The partial not-spots will likely be supported through the breadth of the library assets, but of concern is that the borough's total not-spots, where businesses are completely without high levels of connectivity, include the areas identified as key to the existing and future economic growth of the Bromley – Crayfield Business Park, Klinger Industrial Estate and Biggin Hill.

3.18 Based on ThinkBroadband statistics in May 2023, Bromley has:

- 98.96% superfast availability
- 93.58% gigabit availability (blue in map)
- 44.67% full fibre availability (red in map)



3.19 If we had public assets in not-spot areas, we could use SIF to connect to full fibre and maximise direct benefits for the service, as well as stimulating private sector investment into the reach in the above areas.

3.20 The CCTV team has identified a handful of sites where there is a justifiable security need, where new CCTV infrastructure or upgrading existing cameras would support direct benefits for the public. The table below shows the selected locations, and costs - £48,600 requested from the Council as one-off new funding. The annual recurring £600 costs are covered by existing CCTV service budgets.

Site	Year	New Camera & Column Cost	Annual Maintenance Cost	Total Cost
New CCTV camera site at Biggin Hill Airport site, Churchill Way, Biggin Hill, Westerham TN16 3BN	Year 1	£15,000	£200	£15,200
	Annual Recurring		£200	£200
New CCTV camera site at Crayfield Business Park, BR5 3QJ	Year 1	£15,000	£200	£15,200
	Annual Recurring		£200	£200
New CCTV camera site at Klinger Industrial Estate, DA14 5AH/5AF	Year 1	£15,000	£200	£15,200
	Annual Recurring		£200	£200
Upgrade to existing CCTV camera site at Station Square/ outside the Railway Stn, Petts Wood, BR5 1LZ	Year 1		£3,000	£3,000
	Annual Recurring	£0	£0	£0
<b>Total Cost for Year 1</b>				<b>£48,600</b>
<b>Total Cost Annual Recurring – covered by existing CCTV revenue budget</b>				<b>£600</b>

3.21 These upgrades would:

- improve the connectivity between node sites and expansion to areas where there is currently no infrastructure to support additional CCTV.
- increase the resilience of the CCTV network and provide options to relocate core services to strategic locations
- allow for high spec cameras i.e. 4K, multi-sensor, to be installed at key locations and support future deployments of Artificial intelligent systems for operational use
- allow for the upgrade of some sites in the CCTV fibre and gigabit connectivity for both Community Safety/Town Centre and Parking Enforcement CCTV cameras

3.22 Research shows that CCTV has been associated with a reduction in offending in car parks and town centres particularly when actively-monitored by trained operators but it needs to be supported by complementary community safety initiatives to be properly effective and, in town centres, policing strategies to respond to incidents.

3.23 LB Bromley owns and operates Closed Circuit Television (CCTV) systems in public spaces, car parks and at Council premises. The Council manages and operates its community safety and traffic enforcement (parking) CCTV systems from its secure control rooms at Bromley Civic Centre, Stockwell Close, Bromley, BR1 3UH. The community safety CCTV control room is staffed and its CCTV systems are operated 24 hours per day. The system is used for the reduction of crime and disorder and the reduction of fear of crime in the Borough. The purpose of CCTV is to improve the quality of life for local residents, businesses and visitors to the Borough through the proactive use of CCTV. The cameras are used, as required, for community safety and quality of life purposes and in partnership with key stakeholders, especially the police. The CCTV system can help protect property, provide evidence which may assist in the detection of crime and the apprehension of offenders, provide assistance with civil claims and provide assistance and reassurance to the public in the case of emergency situations. CCTV can also promote economic well being, providing reassurance to businesses.

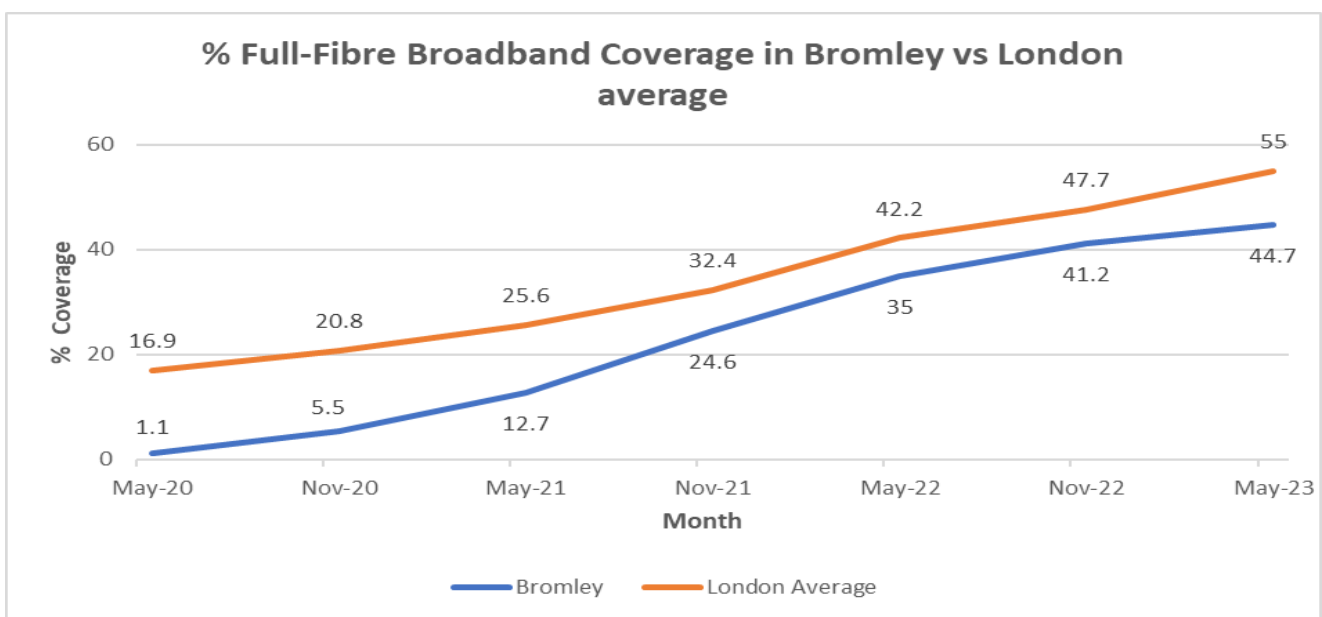
3.24 The installation of a new CCTV camera or scheme must be considered in the light of the risk that it poses to the privacy of individuals and the authority is required to complete a Data Protection Impact Assessment (DPIA) which is a process which will help identify and minimise the data protection risks of a CCTV installation. Although, there is evidence that industrial

estates such as these could be particularly at risk to crime where there is no deterrent, especially with regards to illegal fly-tipping. Hence, the CCTV, in conjunction with other good security measures, such as adequate lighting and secure by design features within the footprint of the premises, will help to reduce the risk.

3.25 Based on the above direct benefits and the secondary opportunity to support full fibre reach in economically significant areas, the new CCTV Camera sites have been included provisionally in the submission for connection to SIF, subject to securing the one-off funding required from the Council for purchasing hardware. These CCTV sites can act as the public sector anchors that drive investment into key economic growth sites – Crayfield Business Park, Klinger Industrial Estate and Biggin Hill Airport. However if the decision is taken not to fund these the rest of the grant application is not at risk at the borough will still benefit from the other sites being connected if the application is successful.

**The need for the Council to take an enabling role**

3.26 Despite significant progress made in Bromley over the last couple of years to narrow the gap in coverage with other boroughs (increasing coverage from 1% in May 2020 to over 45% in May 2023), the rate of full fibre increase in Bromley is now slowing down. Of concern, it is slowing down at a rate faster than the corresponding London average.



3.27 An implication of this trend may be that existing private sector rollout plans have completed most of the 'low hanging fruit' in the borough facilitated by the Council's MOU with providers and are now unlikely to reach the remaining not-spots and partial not-spots of the borough, which the market considers less viable. Indications are that this will not prove the case for neighbouring Bexley, primarily because it has opened up all of its assets through its use of SIF, making the borough more viable for telecoms operators to invest in.

3.28 No resident or business should be without full fibre access in Bromley in 2023. It is an essential utility when public services are increasingly moving online, and particularly when the UK stands at the advent of AI proliferation. In addition, the Digital Switchover planned to take place by 2025 means that fixed-line operators (such as Openreach, BT and Virgin Media/O2) will replace analogue telephone services with Voice over Internet Protocol (VoIP) technology, which carries voice calls as data using full-fibre broadband internet technology.

## Process

- 3.29 If successful, funding of up to £1M will be made available directly from SIF to the communications infrastructure provider procured to deliver the dark fibre deployment outlined in the proposal. The new fibre extension will be commercially owned and reside in commercially owned ducting. The supplier will be responsible for maintenance and for providing a portfolio of infrastructure services to other digital service providers.
- 3.30 SIF rules mandate that procurement is undertaken through TfL's framework. TfL shall act as a central purchasing body for GLA Group entities or London Boroughs (including Bromley) that wish to include assets within the concession. LBB will be required to enter into an agreement with TfL in order for TfL to procure and support the dark fibre deployment. LBB will also be required to enter into an end user licence agreement with BAI. Due to the specific nature of the specification drafted, it is expected that this contract will be subcontracted to a provider who has already delivered dark fibre deployment in the Local London region.
- 3.31 TfL and BAI have a TCP (telecoms commercialisation project) contract for BAI to use TfL assets to build infrastructure. Our SIF proposal submitted to GLA has progressed to the second stage and is being reviewed by BAI (on behalf of TfL) to evaluate it and plan the feasibility of the project.
- 3.32 BAI will then present a proposal with the specific plans (which should fall within our £1m budget and form a basis for any negotiations), along with a maintenance agreement. BAI may use other subcontractors such as ITS or Virgin Media/O2.
- 3.33 The BAI proposal will be vetted by TfL and submitted to the Council for approval. LBB would need to sign i) a grant 'in-kind' agreement with TfL and ii) an 'end-user' agreement with BAI .
- 3.34 The whole process is due to be completed by September 2023.

## Options

- 3.35 Option 1 – Approve progressing with the proposal as recommended in this report, with approval for the capital one-off cost, subject to a successful bid.
- 3.36 Option 2 – Approve progressing but without funding the capital one-off cost, subject to a successful bid. This option would substantially risk the strength and viability of the business case for SIF funding, as it would not reach the identified areas of economic growth and need. However it does not invalidate the grant application.
- 3.37 Option 3 – Do not progress with a SIF proposal, foregoing benefits derivable.

## 4. FINANCIAL IMPLICATIONS

- 4.1 There is a one-off capital cost of £48,600 linked to this proposal that LB Bromley will need to fund. There will also be a recurring revenue cost of £600 per annum which can be met from the existing CCTV revenue budget.
- 4.2 Option 1 recommends approval to proceed on the basis that a successful bid is made and funding received, this funding will cover the digital infrastructure works laid out in the paper but not the additional one-off capital cost for CCTV mentioned above.
- 4.3 There are currently significant pressures on the capital programme and significant high priority projects on the horizon that threaten to deplete reserves or require further borrowing at times of high interest rates. Therefore alternative funding or mitigations should be considered if possible,



otherwise the CCTV works will be an additional cost to the capital programme that will need to be funded from reserves.

## **5. LEGAL IMPLICATIONS**

- 5.1 At Executive in February 2023, the decision was made for LBB to join Local London Sub-Regional Partnership (SRP) with authority delegated to the Portfolio Holder for Renewal and Recreation to determine continuing membership annually. Joining Local London immediately opens-up the potential to access £1M of Strategic Investment Pot funding for digital infrastructure, subject to business case approval from the Greater London Authority. LBB as a member of SRP, is eligible to apply to SIF for up to £1M in funding to install dark fibre. The funding has been applied for and LBB's bid is being evaluated. Subject to a successful bid outcome, this report seeks approval to use the funds from SIF to deliver the dark fibre deployment detailed in this report. This report also seeks approval for a new one-off capital budget of £48,600 for connecting 3 new CCTV camera sites and an existing CCTV site as detailed in this report.
- 5.2 Section 1 of the Localism Act 2011 provides local authorities with a general power of competence to do anything that individuals may generally do provided that action falls within the law (the general power of competence). This includes any action calculated to be in the best interests of the Council's residents.
- 5.3 GLA and TfL awarded a concession contract to BAI to deliver the dark fibre works. SIF rules mandate that procurement is undertaken through TfL's framework. This contract exceeds the relevant threshold defined by the Public Contracts Regulations 2015 and therefore must be procured in full compliance with the Regulations. The Regulations establish compliance where a local authority call-off from a legally compliant framework.
- 5.4 LBB will be required to enter into a funding agreement with TfL who will procure the works and provide strategic support. LBB will also be required to enter into an end user licence agreement with BAI. In accordance with the Council's standing orders the Head of Procurement must be consulted prior to commencing any procurement process using any framework or joint contract with another authority. The terms and conditions of contract applicable to any such arrangement must be fully complied with and agreed by the Assistant Director Governance and Contracts.
- 5.5 This report also seeks the Renewal, Recreation and Housing PDS Committee to note the report and provide comments for consideration by the Executive.
- 5.6 The role of the Renewal, Recreation and Housing Committee includes:
- i. Reviewing working with partner organisations and groups including local businesses, business support agencies, sub-regional and regional organisations
  - ii. Receiving reports and making recommendations on performance monitoring of services falling within the remit of this portfolio which would include:

## **6. IMPACT ON THE LOCAL ECONOMY**

### **Economic benefits**

- 6.1 The benefit cost ratio is 20:1 for the investment. For every £1 spent in this area, there is £20 worth of value delivered to the local economy. This ratio is used and validated by neighbouring south-east London boroughs who completed very similar projects using the original Strategic Investment Pot funding (which LBB was not eligible for as not part of an SRP at the time).

- 6.2 Making up this BCR there are 10 accepted areas where full fibre generates benefits – these areas are considered accepted because there is sufficient robust research and data already in existence to analyse these benefits across 100 towns and cities in the UK. The areas are: business productivity; innovation benefits; flexible working benefits; new business start ups; benefits to individual households; economic value from wider technological development; from future healthcare application; smart city infrastructure, 5g and manufacturing.
- 6.3 Cray Valley is the heart of Bromley’s industrial area and has a clear opportunity for expansion, intensification, and evolution. It includes St Mary Cray SIL, Crayfields Business Park (office cluster), Crayfields Industrial Park (St Mary Cray SIL), Springvale Retail (St Mary Cray SIL), Nugent Shopping Park and Halo Orpington. High value manufacturing presents a major opportunity for the Cray Valley, along with other sectors of Wholesale, Logistics and Transport. There is an opportunity for the Cray Valley to capture re-locating businesses from the intense pressure London’s industrial space is under, and to act as the gateway industrial location between Kent and London, promoting growth along the A20 to Sevenoaks.
- 6.4 Biggin Hill is home to LoCATE – London Centre for Aviation, Technology and Enterprise, with over 70 high value companies employing more than 1,000 people, generating a turnover of nearly 230M and more than 70M in GVA. Headquartering Formula 1, Bombardier’s expansion and due to open the on-site aviation skills and training facility delivered by Marshall, growth is set to continue but high value sectors need high quality connections.
- 6.5 There is also significant benefit to place competitiveness from being perceived as a digital borough, enabling greater commercial leverage. For example, Aberdeen with City Fibre’s second gigabit city. By anchoring investment with its WAN and CCTV contracts, it generated over £40M of inward investment.

<b>Non-Applicable Headings:</b>	Procurement; Ward Councillor Views
Background Documents: (Access via Contact Officer)	