

**Report for:** Cabinet – 12<sup>th</sup> November 2019

**Title:** Improving High-Speed Broadband Infrastructure and Connectivity in Haringey

**Report Authorised by:** Dan Hawthorn, Director of Housing, Regeneration & Planning

**Lead Officer:** Peter O'Brien, AD Regeneration & Economic Development

**Ward(s) affected:** All

**Report for Key/ Non-Key Decision:** Key

## **1. Describe the issue under consideration**

- 1.1 This report seeks approval to invite Expressions of Interest from broadband suppliers to install the latest full fibre high-speed broadband infrastructure and connections to council-owned housing stock, commercial properties, libraries, and other community buildings and facilities - in exchange for the council entering into a Non-Exclusive Wayleave (Access permission) Agreement ("Wayleave / Broadband Agreement") with the selected broadband supplier(s).
- 1.2 The broadband supplier(s) broadband upgrade will be at no cost to the council, social housing tenants/leaseholders or businesses/organisations occupying LBH-owned commercial premises. The tenants will pay broadband subscription fees only if they sign-up to the service of the broadband supplier(s) that provides the fibre broadband installations.
- 1.3 The proposed Wayleave/Broadband arrangement is designed to incentivise major broadband suppliers to improve the poor internet connectivity in many parts of the borough, by upgrading the borough's digital infrastructure.
- 1.4 In addition, the report updates Cabinet on the delivery plans for the £800,000 Haringey Council has secured from, the Strategic Investment Pot (SIP), a scheme funded through the London Business Rates Pool, to deliver full-fibre broadband infrastructure and connectivity in Northumberland Park/North Tottenham – the most economically deprived part of the borough and the area with the worst internet connectivity. As noted in the Finance comments, a capital budget allocation has been made for the SIP funded broadband project.

## **2. Cabinet Member introduction**

- 2.1 High-speed internet connections are essential for Haringey's residents and businesses. They act as the fuel for our modern economy and without it residents and businesses face real risks of being digitally excluded from modern life.

- 2.2 However, our evidence suggests that Haringey lacks the modern high-speed broadband infrastructure and connectivity to be able to take advantage of many of the benefits and opportunities highlighted above.
- 2.3 The proposals and projects represent tangible initiatives to help improve high-speed broadband infrastructure and connectivity in the borough – and thereby maximise the advantages and potential associated with high-speed connectivity for the benefits of its residents, businesses and community.

### **3. Recommendations**

Cabinet agrees:

- 3.1 the seeking of Expressions of Interest from broadband suppliers to install full fibre high-speed broadband infrastructure and connections to council-owned social housing stock, commercial properties and community buildings and facilities (at no cost to the council, residents or businesses), in exchange for the council entering into a Non-Exclusive Wayleave (Access permission) Agreement with the selected broadband supplier(s).
- 3.2 to give delegated authority to the Director of Housing, Regeneration and Planning, after consultation with the Cabinet Members for Local Investment, Economic Growth, Finance and Strategic Regeneration and Housing and Estate Renewal, to enter into the Wayleave Agreement(s) with the appointed broadband supplier(s) and approve the final terms.
- 3.3 In addition, Cabinet is asked to note the delivery plans for the £800,000 SIP funding to improve broadband infrastructure and connectivity in North Tottenham (Northumberland Park).

### **4. Reasons for decision**

- 4.1 Investment in upgrading Haringey's digital infrastructure is of critical importance to allow the borough's residents and businesses benefit fully from the economic and social advantages provided by high-speed internet connectivity.
- 4.2 The proposed Wayleave/Broadband approach is one way the council can actively incentivise broadband suppliers to provide the much-needed capital investment into broadband connectivity within its estate.
- 4.3 It is hoped the Wayleave/Broadband scheme could result in the following benefits for the council, residents, businesses and the wider economy:
  - 21,000 council social housing properties being connected with full fibre high-speed internet connections
  - Council-owned commercial property being connected with full fibre business-grade high-speed broadband connections. This could lead to increased rental income for the council
  - Free high-speed internet connections to community buildings and spaces including libraries, community halls, youth clubs etc

- Low internet subscription charges for people on low incomes and the socially excluded
- Employment, digital training and apprenticeship opportunities for local people
- Regeneration, business and wider benefits for the local economy
- Efficiency and savings for the council, particularly on “Access to online services” and “Housing blocks and other building management services”.

Additional information on the benefits of the Wayleave/Broadband scheme for the council, residents, businesses and the wider economy, is outlined in Appendix 1

## 5. Alternative options considered

### **Option 1: ‘Do Nothing’**

- 5.1 An option would be for the Council not to seek Expressions of Interest for broadband suppliers to upgrade the borough’s digital infrastructure through the Wayleave/broadband investment arrangement.
- 5.2 This would result in the council not being able to secure external investment to improve its digital infrastructure and connectivity. There is very little public funding currently available to target upgrades to digital infrastructure.

### **Option 2:**

- 5.3 The recommended option is to invite Expressions of Interests from broadband suppliers and for the council to enter into a Non-Exclusive Wayleave Agreement with the appointed broadband supplier(s) – for them to install full fibre high-speed infrastructure and connectivity to council-owned social housing stock, commercial properties and community buildings and facilities at no cost the council. Enabling private sector capital investment, through the Wayleave/Broadband arrangement, is the most viable and cost-effective option – to modernise the borough’s digital infrastructure and connectivity.

## 6 Background Information

- 6.1 It is well documented<sup>1</sup> that high-speed broadband (internet) has become a fundamental digital infrastructure for businesses and residents alike. The Council is acutely aware that access to quality digital infrastructure is necessary to support a modern economy and that connectivity must therefore be at the heart of the Council’s Community Wealth Building agenda.
- 6.2 It is also clear that a lack of digital connectivity can result in individuals, household and businesses being digitally excluded, and so the council views the provision of such infrastructure as an important part of creating an inclusive economy.

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<sup>1</sup> Oxera (Sept 2019): Impact at a local level of full-fibre and 5 G investments; Tech City UK 2018: Tech Nation report 2018; GLA/LEP 2014, ESIF Strategy for London; DCMS: UK Digital Strategies (2017, 2016 and 2015); Regeneris (2012): Superfast broadband; impact on business and the UK economy; GLA (2012): London Super Connected Cities;

- 6.3 The UK Government has set a target that half of UK Homes should have a full fibre-optic broadband connection by 2025 and all properties should be connected by 2033<sup>2</sup>. To facilitate the installation of full fibre infrastructure and connection across the UK, the Government introduced new obligations on land/property owners to grant permission to broadband suppliers to install their cables onto properties. These have been summarised by the industry regulator OFCOM<sup>3</sup>.
- 6.4 Research commissioned by the council found that many areas of the borough have poor high-speed broadband infrastructure and internet connectivity problems. These problems are particularly acute in Tottenham and Wood Green industrial estates and housing blocks and estates.
- 6.5 Despite the current and future importance of full fibre broadband infrastructure and connectivity, currently only 2.7% of the borough has full fibre broadband connections. (Haringey is ranked 23<sup>rd</sup> for full fibre connection out of the 33 London boroughs). The only areas of the borough with full fibre broadband infrastructure are parts of Tottenham Hale (near the Station); parts of White Hart Lane (near the Tottenham Hotspur stadium); St Ann's Hospital and a few areas in Highgate and Hornsey.
- 6.6 Evidence suggests that the poor connectivity is mainly due to lack of upgrade in the borough's digital infrastructure (especially full fibre broadband) by the major broadband suppliers – because of the high cost and return on investment concerns in investing in areas like Tottenham and Wood Green.
- 6.7 Moreover, it was found that the borough as a whole, is lacking in full fibre-optic broadband infrastructure. Full fibre broadband is the latest, fastest and future-proof (has a life span of over 20 years) broadband technology. Fibre broadband replaces the 100-year-old telecom technology of copper wiring which has been an essential part of most of the current broadband/internet infrastructure and connections. Full fibre offers the fastest internet speeds and the most reliable internet connection (i.e. does not crash or buffer). It provides download and upload speeds of more than 20 times (1000 Mbps/ 1 Gbps) the current copper-based broadband technology.
- 6.8 Full fibre is also the essential backbone for all the new and emerging technologies – including 5G, the next generation of high-speed mobile technology network. 5G will be the backbone of all new and emerging technologies and industries such as: Artificial Intelligence, Augmented Reality, Mobile Virtual Reality, Internet of Things (IOT), Smarter Cities, Driverless cars etc
- 6.9 Full fibre broadband infrastructure and connections will also be essential for the effective management of the council and other social housing properties, (including sheltered housing, residential blocks and community facilities). This is because it provides the digital platform upon which “Smart Building” technologies and services can be delivered. These smart systems can significantly increase the efficiency and reduce the costs associated with managing the property stock

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<sup>2</sup> <https://www.computerweekly.com/news/252441741/Government-pledges-full-fibre-broadband-for-all-by-2033>

<sup>3</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0025/108790/ECC-Code-of-Practice.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0025/108790/ECC-Code-of-Practice.pdf)

and improve services to residents. Full fibre broadband also provides the backbone for the current (and future) technologies that powers new services for independent living for people with disabilities, older people or people with special needs.

6.10 There are two planks to the council's current work to improve high-speed broadband connectivity in the borough, namely:

- (i) Development work to secure private sector investment from major broadband suppliers for broadband upgrade in the borough - through Non-Exclusive Access Wayleaves
- (ii) delivering full-fibre broadband infrastructure and connectivity in Northumberland Park/North Tottenham – the most economically deprived part of the borough and the area with the worst internet connectivity

#### **(i) Wayleave/broadband Agreements**

6.11 Wayleave/Broadband Agreements involve the council giving a few broadband infrastructure providers (normally up to a maximum of three) access rights to Council owned (and long-term leasehold) property assets, to install and maintain a full fibre network in the common areas of the buildings.

6.12 The installation comes at no cost to the council or residents or businesses, with residents/businesses only paying if they decide to sign up/subscribe to the broadband supplier(s) chosen by the council to provide the broadband connection to the block/estate/commercial building. This is because the chosen broadband suppliers' connections would allow tenants or businesses to subscribe to any broadband supplier/network of their choice (including major suppliers such as BT, Virgin, Vodaphone etc).

6.13 To ensure that the subscription charges are affordable, the broadband suppliers chosen to partner with the Council, would provide different service packages based on internet speed. Therefore, residents and businesses would be able choose cheaper packages at a cost of £20 per month. Some suppliers can provide even cheaper subscription charges to customers who the Council identifies as being in particular need. In such cases, internet subscription charges could be as low as £10 per month.

6.14 A number of London Local Authorities have taken advantage of Wayleave/Broadband arrangements. Southwark, Wandsworth, Richmond, Brent, Bexley, City of London, Westminster, Tower Hamlets, Hammersmith & Fulham have entered into such Wayleave Agreements with broadband suppliers, which has led to significant economic and social benefits for the boroughs and their residents. For example:

- Wandsworth Council has a Wayleave Agreement with an established broadband supplier for the company to provide very fast high-speed infrastructure and connectivity to 30,000 Council managed properties. The Agreement includes free broadband to community halls and sheltered housing club rooms

- Croydon has a Wayleave Agreement with a broadband supplier to provide full-fibre broadband to 11,000 council properties across the borough
- City of London has a Wayleave Agreement with 3 broadband suppliers to connect 12 housing estates and a number of community facilities

6.15 Haringey Council has received initial informal proposals from a number of broadband suppliers to invest in full fibre high-speed broadband infrastructure in the borough's social housing, business locations and community buildings.

6.16 The proposals to upgrade broadband connectivity in council social stock through the Wayleave arrangements complements Homes for Haringey's Transformation Programme where priority will be given to installations within each of the Council's sheltered housing and purpose-built residential blocks of flats. It will also assist where there is a particular need to control building management systems remotely, for example, lighting, fire systems, security systems, CCTV, lifts, water storage tanks, boosted water pumps and communal gas boilers, as well as a number of other building management services which may require monitoring from a compliance perspective.

### **(ii) Improving broadband infrastructure and connectivity in North Tottenham/ Northumberland Park – Delivery proposals**

6.17 As reported to March 2019 Cabinet, the council won £800,000 Government funding as part of the Local London Partnership<sup>4</sup> to improve the poor internet connectivity in the Northumberland Park area.

6.18 The funding will be used to improve high-speed broadband connectivity in the area – by upgrading/installing full fibre/gigabit broadband infrastructure and connectivity to council and community buildings that are close to business locations. In addition, the project will explore more mobile solutions (Wi-Fi and 5G), which will be enabled by the improved fibre broadband infrastructure to the council and community buildings and public areas.

6.19 To date, officers have been developing the project and preparing a delivery plan for submission to the Accountable Body (L.B. Bexley) for approval. The work to date has included: assessment and mapping of council and community buildings to be connected at the different stages of the project, identifying the existing infrastructure (ducts, cabinets etc) among other activities. Buildings identified for fibre broadband connections includes the Northumberland Park Resource Centre.

6.20 The council has sought to identify CCTV sites which might benefit from fibre broadband upgrade and connectivity – to allow for the use of High Definition Cameras. This broadband project will therefore provide the additional benefit of helping address the crime and perception of crime in the North Tottenham area.

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<sup>4</sup> The Local London Partnership - is made of eight boroughs: Barking & Dagenham, Bexley, Greenwich, Havering, Newham, Redbridge, Waltham Forest and Enfield. L B Haringey made a case to join the partnership specifically for this broadband bid - because of Tottenham's Upper Lea Valley location

- 6.21 Where possible, LBH will co-ordinate its broadband installation with adjacent boroughs, (Enfield and Waltham Forest) to allow for both sides of the Upper Lea Valley (Productive Valley) to benefit from fibre broadband network and combined spending opportunities.
- 6.22 Selection of broadband suppliers for the upgrade and connection work will be via Procurement Framework/Panel which is organised and managed by the Accountable Body for the SIP Broadband Partnership. In terms of receipt of the funding, LBH will claim from the Accountable Body at the different stages of the broadband installation works. The spend profile for the funding is: £400,000 in 2020/21 and £400,000 in 2021/22.

**Next steps:**

- 6.23 Subject to Cabinet approval, the council will invite Expressions of Interest (EOI) from broadband infrastructure providers. This will be followed by an evaluation and selection process. The broadband supplier(s) selected to partner with the council would then enter into a Non-Exclusive Access Wayleave Agreement with the Council and/or Homes for Haringey.
- 6.24 The Council will ensure that the residents and businesses benefit from the Wayleave/Broadband arrangement by setting contractual output targets in the Council's Wayleave Agreement with the chosen broadband supplier(s). In addition, robust contract management systems and procedures will put in place to manage the installation works and monitor the contractual outputs

## **7 Contribution to strategic outcomes**

- 7.1 The broadband projects set out in the report will support the Council in delivering the Borough Plan's Place, Economy and Housing Priorities:

### **Priority 3 (Place)**

- 7.2 Outcome 12, Objective D (Improve connectivity, both digital and physical): The broadband project will significantly improve the borough's digital connectivity by providing modern high-speed broadband infrastructure and connections to council-owned social housing stock, commercial properties, libraries and other community buildings and facilities. The fibre connections will also contribute to the "Safer Borough" objective through their contribution to the fibre upgrades to the CCTV in the Northumberland Park area

### **Priority 4 (Economy)**

- 7.3 Outcome 14, Objective A (Maximise the benefits of Council, other public sector funding and private investment for the local area): The £800,000 Government funding and the anticipated private sector investment in the borough's digital infrastructure, will contribute to this objective
- 7.4 Outcome 16, Objective A (Ensure investment in the borough increases the number of quality jobs): The broadband upgrades and connectivity to social housing stock, libraries and other community facilities – will improve employment and digital training opportunities to disadvantaged residents. It could also lead to more residents starting digital related businesses.

### **Priority 1 (Housing)**

- 7.5 Outcome 1, Objective D (Secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough): The Wayleave/Broadband scheme will enable LBH/Homes for Haringey (HfH) to provide the full fibre broadband infrastructure and associated "Smart Building" technologies - that delivers new and innovative services for independent living for people with disabilities, older people and people with special needs. HfH have stated that the broadband upgrades will be essential to delivering its "Supported Housing and Well-Being Hubs".
- 7.6 Outcome 3, Objective B (Improve residents' satisfaction with the service they receive from Homes for Haringey to be in the top quartile for London (78%) by 2022): The broadband upgrades will improve internet connectivity in the housing block/estates and thereby enable tenants to benefit from the opportunities associated with digital connectivity such as easy on-line access to council and other public services, jobs and training opportunities etc.

## **8 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance and Procurement**

#### **Finance**

- 8.1 Council at its meeting of the 25th February 2019, agreed the Council's capital budget for 2019/20, which included the Strategic Investment Pot (SIP) grant funding as detailed below:



2019/20:	£1.75m
2020/21:	£1.4m
2021/22:	£2.65m
Total:	£5.80m

- 8.2 The 2019/20 allocation includes £0.8m funding for the broadband project. To the extent that there is any underspend this financial year the resources will need to be carried forward to meet commitments. To date there has been no expenditure incurred.

### **Procurement**

- 8.3 Strategic Procurement note the contents of the report and that the report is seeking authority commence an activity that will provide greater access to high speed broadband within the borough. It is noted that the report does not request approval to award contracts at this moment. Strategic Procurement have provided advice relating to the process for the selection of the providers to ensure suitability of the provider and the sustainability of the provision. Further Procurement advice will be provided on a compliant process once the activity has been approved

### **Legal**

- 8.4 The Assistant Director of Corporate Governance notes the content of the report.
- 8.5 Pursuant to the Council's Contract Standing Order (CSO) 8.01, the Council may procure a contract through the advertisement of the opportunity via the Council's Corporate Sourcing Solution and tenderers may be selected to submit tenders in accordance with one of the procedures outlined in CSO 9.01.2. The use of Expression of Interest to invite potential tenderers is therefore in line with the provisions of CSO 9.01.2.
- 8.6 The Council is proposing to enter into Wayleave Agreements with various broadband suppliers. The details of these agreements are not yet known but it will be for the purposes of Section 123 of the Local Government Act 1972 a disposal of land (includes any interest in land and any easement or right in, to or over land). The Council has a statutory obligation under section 123 to obtain the best consideration that can reasonably be obtained where it is disposing of land otherwise it must seek the consent of the Secretary of State. The Council can rely on the General Disposal Consent 2003 which allows the Council to dispose at less than best consideration subject to the condition that the undervalue does not exceed £2,000,000.00 and the disposal is to help it secure the promotion or improvement of the economic, social or environmental well-being of its area.
- 8.7 Some of the land may be held for housing purposes and the Council cannot dispose of the land without obtaining the consent of the Secretary of State under section 32 of the Housing Act 1985. The Council may be able rely on the General Housing Consents 2013 where the land is vacant.

8.8 In granting the wayleaves, Council must comply with state aid rules so further advice will be required once the terms and conditions are known

## **Equality**

8.9 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.10 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.11 This report seeks approval for officers to invite Expressions of Interest from broadband suppliers to install full fibre high-speed broadband infrastructure and connections to council-owned social housing stock, commercial properties, libraries, and other community building and facilities - in exchange for the council entering into a Non-Exclusive Wayleave (Access permission) Agreement ("Wayleave/Broadband Agreement") with the selected broadband supplier(s).

8.12 The upgrading of the borough's digital infrastructure as result of granting Wayleaves to broadband suppliers, would have potential benefits for the local communities this proposal affects.

8.13 This includes social housing tenants, as a potential of up to 20,000 of the council's social housing stock (including housing estates & blocks, sheltered housing, community facilities etc) would be connected with full fibre infrastructure – at no cost to the council or residents, as well as free Wi-Fi to communal areas of sheltered housing and council-owned community buildings.

8.14 Moreover, there is anticipated benefit to community groups and their users, through the provision of free full fibre Internet connection to Community Space (libraries, community halls, schools, youth clubs etc...).

8.15 Initiatives that will have a positive impact on low-income groups include:

- Low internet charges for low income and social excluded subscribers who the council identifies as being in particular need.
- Digital inclusion and training: This will involve recruiting and training local people as Digital Champions in each of the areas and housing estates/blocks the fibre broadband infrastructure and connections take place. These Digital champions will then support, train and develop the digital skills of other

members of their community, in particular the Digitally Excluded (incl. the elderly, those in financial need and those in social need).

- Local employment and apprentice opportunities: This would involve the selected LBH wayleave broadband partner(s) working with the Council's Skill & Employment Team to recruit local people into jobs and apprentice opportunities that may become available in the partner broadband company(ies).

8.16 Many of the above actions would contribute to delivering the council's employment & skills, community wealth/social value agenda - particularly in deprived areas of the borough.

8.17 In conclusion, the proposal will have a positive impact on key groups in the borough, including social housing tenants, community groups, and low-income residents.

## **9. Local Government (Access to Information) Act 1985**

Cabinet report, March 2019:

<http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CommitteeId=118>

**Appendix 1:** Wayleaves for broadband investment; *The potential benefits to the Council, economy and community*