

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: West London Alliance Fibre Fund Allocation to Hammersmith & Fulham - increasing the high-speed communication links for H&F's residents

Report of: Cabinet Member for the Economy, Councillor Andrew Jones;
Cabinet Member for Finance and Reform, Councillor Rowan Ree

Report author: Joanne Woodward, Chief Planning Officer

Responsible Director: Jonathan Pickstone, Strategic Director for the Economy

Summary

This report seeks approval for the Council to receive £1.13m of funding from the West London Alliance (WLA) Digital Fibre Programme to improve digital connectivity for residents and businesses in the borough. The funds are comprised of contributions from the London Strategic Investment Pot of pooled business rates along with contributions from the government's Getting Britain Building Fund.

The programme will extend the existing ducting and fibre optic cable network across the borough to enable faster and more reliable broadband, focusing on areas which currently have poorer connectivity to the internet. Upgrading and connecting fibre into key public buildings and businesses in these 'not spots' will enable greater services for residents such as new digital hubs and will support existing and new enterprises.

Whilst the WLA administers the programme on behalf of the 7 west London boroughs, officers have successfully argued that H&F's share of these funds be transferred directly to the council instead. This will enable the funds to be closely integrated with the council's CCTV investment programme, renewing and extending the council ducting network to meet the dual priority of renewing the CCTV network whilst at the same time also utilising ducting to install more fibre to buildings to speed up digital connections.

This report:

- summarises the community, economic, social and telecoms benefits which could be realised through the use of WLA Fibre Fund in H&F.
 - sets out the Council's proposed approach to realising the opportunities and benefits of the WLA Fibre Fund in the borough.
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Recommendations

That Cabinet:

1. Approves the transfer of £1.13m from the WLA Fibre West Digital Programme to H&F in compliance with the terms of the Grant Funding Agreement between LB Ealing as the Accountable Body for SIP 1 Funding and H&F dated 4 March 2019.
2. Delegates authority to the Strategic Director for the Economy to negotiate and enter into such agreements as required between WLA and H&F following consultation with Assistant Director of Legal Services and Director of Finance.

Wards Affected: All

H&F Values

This table sets out the Council's values and how the WLA Fibre Fund contribution aligns with those values.

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	By investing in digital connectivity, businesses are able to digitise their operations, supporting them to grow more quickly and create new jobs.
Creating a compassionate council	Improving digital connectivity for residents, and making streets safer for families and young people.
Being ruthlessly financially efficient	Investing in digital connectivity can address 'not spots' and areas of poor connectivity within the Borough which negatively impact residents in affected areas and wards.
Taking pride in H&F	Providing an upgraded and fully maintained CCTV service covering town centres and neighbourhoods provides confidence and security benefits for residents and businesses in the borough.
Rising to the challenge of the climate and ecological emergency	Fibre connectivity supports working & studying from home which reduces trip generation.

Financial Implications

In October 2020, MHCLG (now DLUHC) awarded £22.1m to London through the Getting Britain Building Fund (GBBF). In this package of funding, £2m (£1.85m net) has been allocated to West London Alliance (WLA) by the GLA to fund new fibre connections in the 7 West London boroughs. This £1.85m of GBBF funding will be combined with the remaining £6.1m of the Strategic Investment Pot 1 (SIP 1) fibre funding to create a budget of £7.95m for new connections to public buildings, amounting to £1.13m per borough within the WLA.

Officers have secured grant funding of £1.13m from the West London Alliance that can be used to part fund the CCTV capital investment programme approved by Cabinet in March 2022. The secured grant represents 21% of the total estimated project cost. By accepting the grant, the Council agreed to fund and complete a detailed condition survey of the H&F CCTV network. This survey has been completed at a total cost of £0.1m (funded from the corporate contingency budget as agreed by Cabinet).

There are no other match funding requirements or new financial burdens associated with the WLA SIP 1 funding. Officers need to ensure that any other conditions of the grant are met in full. Once authorised, the WLA will draw down the funding from the Corporation of London and transfer the funds to H&F.

Finance implications completed by Kellie Gooch, Head of Finance (Environment), Tel: 07917 813604 Kellie.Gooch@lbhf.gov.uk 10 November 2022.

Verified by Sukvinder Kalsi, Director of Finance 24 November 2022.

Legal Implications

This report seeks approval for the Council to receive £1.13m of the remaining SIP 1 budget from the WLA Fibre West Digital Programme. Hammersmith will use the £1.13m to upgrade the CCTV network and infrastructure in the borough. The Director of Finance has confirmed that the Council can receive this grant.

The conditions under which the grant is to be paid to the Council are to be set out in a Grant Funding Agreement between LB Ealing as the Accountable Body for SIP 1 Funding and H&F.

Any new contracts, if required, to implement the CCTV network upgrade must be procured in accordance with the Council's Standing Orders and the Public Contracts Regulations 2015.

Legal implications completed by Angela Hogan, Chief Solicitor (Contracts & Procurement) Angela.Hogan@lbhf.gov.uk 11 November 2022

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Background**WLA Fibre Programme – priority sites in H&F**

1. The Council has undertaken detailed analysis to inform the priority areas and sites for investment through the WLA fibre programme. Over 50 sites have already been submitted to the WLA which will bring the greatest benefits in terms of connections and enabling infrastructure in the borough. As part of this due diligence, a mapping exercise was undertaken to determine the extent to which the Council owned ducting and fibre network aligns with these priority sites identified for the fibre investment. See Appendix 1 for LBHF SIP Sites and Areas of Economic & Social Deprivation Maps.
2. This exercise has highlighted that there exists a close correlation between the sites identified for fibre investment and the existing fibre network owned by the Council.
3. On this basis and in the knowledge that funding is required to upgrade the Council's fibre network, H&F believe that a different approach is needed in order to deliver best value from this public funding. Rather than invest in a new private sector owned fibre network, greater and more significant value could be derived from the investment being directed towards upgrading and replacing the existing CCTV fibre network. This would enable the extension of the ducting and fibre network into identified public sector sites adjacent to the existing network infrastructure and the use of the spare fibre pairs on an open access basis to enable improvement in connectivity to the sites identified. This would also be a catalyst for accelerating and empowering further private sector investment into areas currently poorly served by fibre connectivity.
4. The West London Alliance is a public sector partnership between seven West London local authorities, including H&F.
5. Funding to support the upgrading of the CCTV ducting network has been secured by H&F officers through the West London Alliance "Fibre West" digital programme.

6. The Fibre West programme will see the deployment of £7.9m of grant funding across seven west London boroughs to install new gigabit fibre and ducting connections to public buildings in areas with poor connectivity. The new fibre connections will have a transformative effect for digital inclusion, addressing 'not spots' (where fibre connections are slow) across growth and regeneration areas and providing businesses, public buildings and residents with cutting edge fibre connectivity to their premises.
7. This will require the installation of ducting and fibre to priority sites and areas across west London. Over 50 potential sites which could bring the greatest benefits in terms of connections and enabling infrastructure in the borough have already been identified for further analysis. In terms of delivery, H&F is in a unique position compared to other boroughs. This is because the existing CCTV ducting network across the borough already provides much of the infrastructure needed to support the extension of the fibre network, albeit the condition of the ducting needs improvement or renewal. Many of the potential 'Fibre West' H&F sites identified sit close to the existing ducting network.
8. It has therefore been proposed to the WLA that rather than invest in a new separate private sector owned fibre network to connect new sites, more significant value could be derived from the investment being directed towards upgrading and replacing the existing council owned CCTV fibre network. Using the existing network has the potential to deliver the digital inclusion objectives whilst also part funding the ducting upgrade. Upgrading the existing network rather than create a separate one would also accelerate the delivery of the programme to enable the extension of the ducting and fibre network into identified public sector sites adjacent to the existing network infrastructure.
9. H&F was in contract for the management of the borough's CCTV ducting network. This contract was due to expire and neither Ealing Council nor the WLA could find the supplier H&F needed to upgrade the ducting network.
10. The WLA's commercial advisor, 4C Strategies, therefore suggested that funding should be transferred to H&F so that the Council can run its own procurement process. This would allow the borough to secure the appropriate supplier and deliver the project and its outcomes.
11. A report detailing the CCTV Capital Investment Strategy was presented at H&F Cabinet on 7 March 2022; the approved recommendations were that Cabinet:
 - a. *Approves £5.365m of one-off capital funding (across five years) for investment in the Council's CCTV infrastructure, to be funded*

from an expected West London Alliance (WLA) grant (£0.9m), and general fund borrowing (£4.465m).

- b. Approves one-off revenue funding of up to £0.1m to fund a detailed condition survey of the Council's CCTV network, required to secure an estimated inward investment of £0.9m from the West London Alliance, to be funded from the annual corporate contingency budget for 2021/22*

12. This detailed condition survey has been undertaken and completed, so the inward investment from the WLA (now agreed to be £1.13m) can now be transferred subject to Cabinet approval.

West London Alliance Cabinet Resolution

13. WLA Cabinet agreed to the proposed approach on 14 September 2022 when it :

- (i) *authorised the transfer of £1.13m of the remaining SIP 1 budget from the WLA Fibre West Digital Programme to LB Hammersmith and Fulham in compliance with the terms of grant funding agreement dated 4 March 2019 made between the Council and City of London Corporation from the Strategic Investment Pot Round 1 (SIP-1) (the CLC Agreement);*
- (ii) *delegated authority to the Director of WLA to negotiate and enter into such agreements as required between WLA/LB Ealing and LB Hammersmith and Fulham following consultation with the Chief Solicitor, Legal & Democratic Services and the Chief Finance Officer.*

Optimisation of use of WLA Fibre Fund

14. Benefit realisation of investment in the existing network:

(a) Community benefits:

The existing fibre and ducting network extends into those parts of the borough identified as areas of economic and social deprivation, including some of the the council's housing estates. Through upgrading and extending the fibre ducting where appropriate, the enhancement of this existing infrastructure will:

- attract and accelerate investment from the private sector to deliver fibre connectivity to residents who are currently poorly served with connectivity. Whilst it is anticipated that these areas will benefit from investment in the longer term (2-3 years), this funded initiative will mean residents will benefit from improvements in connectivity much quicker.

- provide the opportunity for H&F to work with private sector partners to develop and deliver a service model which addresses the challenge of community affordability. This will significantly contribute to and enable a Council-wide strategic approach to address digital inclusion and digital skills.
- enable community facilities with fibre connectivity providing a community digital hub facility to support local business start-ups, digital skill training, local digital workshops and in addition support the delivery of public services within the community housing/financial/benefit advice, special educational needs, digital workshops (IT support, training/CV writing) and English language support.

(b) Economic benefits:

The existing fibre and ducting network impacts and extends into a number of key economic/business orientated areas of the borough. Through upgrading and extending the fibre and ducting where appropriate, the presence of this existing infrastructure will:

- Stimulate further investment from the private sector to provide access to a fibre to the business premise solution, with a consequent tangible impact in lifting local GVA (Gross Value Added)
- Enable public buildings to make business hubs to support local SME's and micro businesses (Community Centres)
- Support the growth of SME's and start-ups which currently struggle with access to affordable workspace by enabling business focused service providers to deliver connectivity to such premises in a more affordable and accelerated fashion
- Help retain existing businesses and attract new business sectors to the borough which will result in an increase in Business Rates and a return on Business Rate retention
- Attract to the borough new growth sectors to generate higher skilled job opportunities for local residents and consequently higher wages
- Enable and promote major regeneration projects already planned for the borough, e.g., upgrading the existing ducting will support access to planned affordable workspace at an accelerated pace.

(c) Social benefits

investing in the fibre network will bring the following social benefits:

- Improved access to connectivity and, through greater competition deliver more innovative approaches to ensuring services are affordable
- The creation of digital hubs within communities which will realise a wider outcome of supporting digital inclusion initiatives and establish each individual centre as a focus for digital training

- Enabling and supporting independent living. This funding will help H&F to contribute to our aim of providing access to digital connectivity across the borough and in doing so deliver a platform which can positively contribute to addressing independent living and isolation

(d) Future Telecom benefits

- Through the fibre network and associated ducting which is linked to over 300 Public Space CCTV Columns across the borough, there is an opportunity to accelerate the 4G and future 5G network by providing a ready-made solution for a borough-wide Small Cell Network and in so doing attract investment and reduce the cost of deployment for mobile operators
- Improvements in mobile coverage and capacity will have a direct benefit on both residents and businesses
- Provide the opportunity for H&F to play an innovative and influential role in developing a 5G Strategy for the WLA.

Governance

15. Funding from the SIP 1 Programme for the Fibre West Fund project is governed by a Grant Funding Agreement signed between LB Ealing and the City of London Corporation in 2019.
16. An updated draft Grant Funding Agreement has been prepared by the WLA to be used between H&F and the WLA/Ealing (see Appendix 2 for the draft which is derived from the 2019 agreement) and sets out the conditions under which the grant is to be paid to H&F.

Next Steps and Key Implications

17. The LB of Ealing is the Accountable Body for the SIP1 funding, acting on behalf of the West London Alliance boroughs. In order for the funding to be transferred, H&F and LB of Ealing are to enter into a Grant Funding Agreement to facilitate the transfer of funds of £1.13m (See Appendix 2). It is recommended that the Strategic Director of Economy is delegated authority to negotiate and enter into such agreements as are required between H&F and WLA following consultation with Assistant Director of Legal Services and Director of Finance.

Reasons for Decision

18. The WLA Fibre Fund provides an opportunity to realise long term social and economic benefits for H&F. Funding the upgrade of the existing fibre network would ensure that the wider digital, social and economic aspirations of both the Council and the WLA can be optimised and realised.

19. H&F are planning a borough-wide project to spend the £1.13m to improve and upgrade ducting and fibre connectivity across a number of sites using H&F contractors. H&F have committed to deliver the same outcomes as the other authorities within the WLA in terms of new and upgraded connections to public buildings and into the areas of the borough with poor connectivity to realise the social and economic benefits.

Equality Implications

20. It is anticipated that there will be direct positive equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the recommendations.

Risk Management Implications

21. It is not anticipated that there will be any risk management implications by the approval of the recommendations.

Implications completed by Ray Chitty, Head of Insurance Service, Tel: 07739315565, Ray.Chitty@rbkc.gov.uk 14 November 2022.

Climate and Ecological Emergency Implications

22. It is not anticipated that there will be any climate and ecological emergency implications by the approval of the recommendations.

Implications completed by Hinesh Mehta, Strategic Lead – Climate Emergency, Tel: 07960 470125, Hinesh.Mehta@lbhf.gov.uk 11 November 2022.

Procurement implications

23. This report concerns the transfer of £1.13m of the SIP 1 budget from the WLA Fibre West Digital Programme to H&F in compliance with the terms of grant funding agreement dated 4 March 2019. Future procurement / contracts related to the £1.13m fund to implement the CCTV network upgrade must be procured in accordance with the Council's Standing Orders and the Public Contracts Regulations 2015.

Implications completed by: David von Ackerman – Head of Procurement, Tel: 07759044313, david.vonackerman@lbhf.gov.uk 21.11.2022

Consultation

24. This WLA Fibre Fund Project has been developed in consultation with WLA and other WLA boroughs, Ealing, Hillingdon, Harrow, Barnet, Brent, and Hounslow.

List of Appendices

Appendix 1 – LBHF SIP Sites and Areas of Economic & Social Deprivation Maps

Appendix 2 – WLA Draft Funding Agreement for H&F and WLA Fibre Fund Project