

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF CABINET ON 9 DECEMBER 2019

**SUBJECT: Extending Ultrafast Public Connectivity**

**REPORT AUTHOR:** Nigel Quinlan, ICT & Digital Manager  
**DATE:** 25 November 2019  
**EXTN:** 37809  
**PORTFOLIO AREA:** Corporate Support

### EXECUTIVE SUMMARY:

With the increased use of digital technology in our society there is a requirement to establish the network infrastructure is fit for purpose ensuring that, as a District, we are not digitally disadvantaged. Initially this work began with the Gigabit project in conjunction with West Sussex County Council (WSCC); this proposal is to further extend this full fibre network to a further 100 public sector assets within the Bognor Regis and Littlehampton areas.

Increasing the amount of gigabit capable fibre within the District will enable it to be future-ready, ensuring that it is not left behind. Signalling our commitment to full fibre is an ambition for Arun and the wider county also increasing the possibility of accelerating the investment from commercial organisations to lead to a roll-out of fibre to the premise. This would enable homes and businesses to realise the benefits of ultra-fast connectivity.

It is intended to fully fund this offer from the West Sussex Business Rate Pilot for 2019/20, approval for this is via the West Sussex Leaders' Board meeting and the decision has now been postponed until their meeting in January 2020. However, this offer is only available until the end of December 2019, therefore requiring the costs to be initially underwritten by the Council whilst we gain approval for the external funding after the contracts have been signed.

### RECOMMENDATIONS:

Cabinet is asked to approve:

1. Entering into an agreement with CityFibre for an extension of the Council's full fibre connectivity using the West Sussex County Council's framework based on the seven-year revenue model offer;
2. Giving delegated authority to the Group Head of Corporate Support in consultation with the Cabinet Member for Technical Services for final approval of sites and contract detail; and

3. Underwriting the cost of the contract whilst funding approval is sought to meet these costs from the Business Rates Pilot for 2019/20, these costs will be up to a maximum of £1,486,000 over a seven-year period starting no earlier than September 2021.

## **1. BACKGROUND:**

In order for us to take advantage of new technologies, get future-ready, and not be left behind, the Council needs infrastructure that can compete with other economies at home and internationally. We need reliability, speed, high capacity, high density and resilient networks that unlock new ways of living and working for residents, businesses, visitors and public services.

In October 2017, Cabinet agreed to join a countywide project, led by the County Council to roll out ultrafast broadband to some of the Council's buildings. In May 2018, West Sussex County Council (WSCC) awarded a contract for gigabit capable full fibre infrastructure. Network construction is close to completion in Arun and other designated areas of West Sussex with an expected 'go live' date in the first quarter of 2020.

We have continued to work with WSCC and the other West Sussex Districts and Boroughs to maximise the benefits of gigabit-capable full fibre across our areas and our operations.

In addition to this proposal to increase connectivity to the Council's assets within Bognor Regis and Littlehampton areas, the Everything Connects Group is also working on a rural project to deliver a new main route between Chichester and Horsham, which will intersect the two existing main routes that travel along the coast and from Brighton to London. This project will then provide the ability to roll out better connectivity in the rural areas of the county.

Outcomes to be achieved:

1. Extending the number of public sector assets connected to a full fibre network will enable ultra-fast connectivity to support the transformation of services delivered within the district, whether they be through the delivery of traditional council services or innovative new services to the public such as public Wi-Fi in the town centres and seafronts; and
2. Independently of this public sector network build, it is hoped that suppliers would invest commercially in Fibre to the premise in Arun as the market develops further. It is our expectation that suppliers will view Arun as a forward-thinking district with a digital agenda and one that would welcome accelerated commercial roll out of full fibre. If this is the case, the project would seek to minimise disruption and align civil engineering works if there is an opportunity to do so. This would enable homes and businesses to realise the benefits of ultra-fast connectivity.

## **2. PROPOSAL(S):**

1. The original Gigabit contract with CityFibre allowed for call-offs under the existing procurement arrangement. The Everything Connects Working Group, which consists of all District and Borough Councils within West Sussex, along with WSCC, has developed a joint approach to the further provision of full fibre. Worthing and Adur have already agreed to roll out connectivity to additional assets and Horsham, Crawley and

Chichester Councils are all currently in the process of seeking approval to do so. Due to the viability of the proposal we have received from CityFibre covers Bognor Regis, Littlehampton and Chichester and so Arun District Council will be working closely with Chichester District Council to ensure the benefits of the offer are fully realised.

2. 100 public sector assets within the Bognor Regis and Littlehampton areas would be connected to the full fibre network. The final site list is to be agreed from a long list and it is proposed that the Group Head of Corporate Support in consultation with the Cabinet Member for Technical Services is delegated the authority to agree the final list of assets to be connected.
3. The potential benefits of this project will be realised by those who use public services within Arun, as well as residents, businesses and visitors to both the Bognor Regis and Littlehampton areas. This project covers the extended areas of both Bognor Regis and Littlehampton as indicated in the supporting plan, with surrounding areas likely to benefit over time.
4. The proposed timescales are that the design and build work would start in 2020, with the first sites being completed in September 2021 with completion of all agreed sites expected by December 2022. The project will be managed by CityFibre and the preferred financial model would mean the seven-year payment period will not commence until 90% of the sites have been connected and handed over.
5. After seven years, the council will review its requirement for those connected assets and either use the option in the contract to extend the term up to a maximum of seven years, including a minimum of a 10% reduction in ongoing costs, or renegotiate a new contract.
6. An alternative commercial model option has been offered by CityFibre which set a term of 30 years and required an upfront investment of £2.7m with on-going monthly payments of £10k per annum giving a total cost of £3m. This model would only attract 50% funding from the Business Rate Pool and would leave the remainder to be funded by the Council.
7. The seven-year model is preferred as it enables us to review the requirement of connected assets in light of the inevitable developments in digital infrastructure in around ten years' time.

### **3. OPTIONS:**

1. To enter into an agreement with CityFibre for an extension of the Council's full fibre connectivity based on the seven-year revenue model, using the existing West Sussex County Council's procurement framework and 100% funding from the Business Rate Pilot for 2019/20. This is the recommended option.
2. To enter into an agreement with CityFibre for an extension of the Council's full fibre connectivity based on the thirty-year revenue model, using the existing West Sussex County Council's procurement framework and 50% funding from the Business Rate Pilot for 2019/20. This is not the recommended option.
3. Do not enter into any agreement with CityFibre and rely on market forces and the Government's current commitment to a national rollout of fibre by 2033. However, if we were to wait for this in Arun there is no guarantee on timescales and there is a risk that the district and the Council would miss out on opportunities to improve and transform services in the medium term.

4. Agree delegated authority for the Group Head of Corporate Support in consultation with the Cabinet Member for Technical Services for final approval of sites and contract detail.		
<b>4. CONSULTATION:</b>		
Has consultation been undertaken with:	<b>YES</b>	<b>NO</b>
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify): <ul style="list-style-type: none"> <li>Finance</li> <li>Arun Improvement Programme Board (AIP)</li> </ul>	✓	
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
<b>6. IMPLICATIONS:</b>		
None		

<b>7. REASON FOR THE DECISION:</b>
To extend the ultrafast fibre infrastructure across Arun, supporting the Council's vision of a digitally connected district.
<b>8. EFFECTIVE DATE OF THE DECISION: 18 December 2019</b>

<b>9. BACKGROUND PAPERS:</b>
Plan of the Bognor Regis and Littlehampton areas included along with indicative sites.