

BY SUBMITTING THIS REPORT TO THE CABINET OFFICE, I, ISABELLE BIGNALL, CHIEF DIGITAL OFFICER, AM CONFIRMING THAT THE RELEVANT CABINET MEMBER(S) ARE BRIEFED ON THIS REPORT

**CARDIFF COUNCIL
CYNGOR CAERDYDD**

CABINET MEETING: 15th DECEMBER 2022

LOCAL BROADBAND FUND – IMPROVING CONNECTIVITY TO POORLY SERVED PREMISES

FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR CHRISTOPHER WEAVER)

AGENDA ITEM:x****

Reason for this Report

1. To obtain Cabinet approval to accept the grant funding award from Welsh Government for the delivery of gigabit capable fibre broadband to areas which are currently poorly served by the commercial marketplace and gain approval to progress with the procurement for its delivery.

Background

2. Cardiff is many things to many people. It is a place of work, a place of entertainment, events and social interaction, a place of learning and a place of home. All of equal importance, they have a common underlying need. That is one of future proof digital connectivity.
3. High speed connectivity will support the growth of new technologies such as telehealth solutions, mobile entertainment, virtual reality, augmented reality, virtual learning environments and, in a post-pandemic world, new ways of working. It is important that Cardiff is ready for a future that ensures our businesses and citizens reap the benefits of fast connectivity.
4. The Council is currently developing its Replacement Local Development Plan, the new (2021-2036) Draft Vision, Issues and Objectives, as the precursor to the preferred Strategy outlines the scale of growth forecast and challenges ahead to 2036. It highlights the many issues which we face and identifies the timely provision of new infrastructure as being key to support future growth,

specifically supporting measures to improve digital connectivity across the City.

Connectivity across the City

5. In 2020 UK Government set a target of achieving nationwide gigabit broadband to be available by 2030, with 85% of premises to be reached by 2025. The remaining 15% of premises being the hardest to reach, to be reached between 2025 and 2030. Whilst they committed to investing £5billion to subsidise the roll-out across the whole Country, telecommunications is a reserved matter and as such, a formal role was assigned to the devolved administrations to organise and manage broadband roll-out in their regions.
6. There are 190,305 premises within the Cardiff boundary. This figure is increasing with the Capital forecast to grow by up to 30,000 residential properties alone over the next 15 years.
7. At present, over 98%¹ of premises across the city have access to broadband speeds of over 30M/bits per second predominantly via a traditional copper network fed from cabinets installed on-street (known as Fibre-to-the-Cabinet (FTTC)). The newer gigabit capable services are delivered by a direct Fibre-to-the-Premise (FTTP) line with links directly to the premise, bypassing the cabinet and comprises fibre-optic lines as opposed to copper.
8. Currently, 55%² of premises in Cardiff have access to Full Fibre (FTTP) services, in comparison to 37%³ across the whole of the UK. Cardiff is committed to ensuring that full fibre connectivity is available across the city, without exception. First and foremost, it is working with the marketplace to aid with smooth and swift roll-out of commercial plans by suppliers as this is the preferred route for delivery and lessens the burden on the public purse.
9. Where areas have been identified as not being included within the existing commercial plans, Council officers have been proactive in identifying alternative ways and committing resource to address this, This includes processing and granting of Wayleaves which will permit access to Council estate to act as a conduit to reaching premises, or co-ordinating with works on the Highway to allow for excavations whilst minimising the impact and disruption to the public and the operation of the City. This is in order to encourage providers into areas which were not originally identified for coverage. However, there still remains a gap between the premises included in commercial roll-out plans and those outside of those plans.

How We Will Address the Disparity

10. In December 2021, the Council submitted a bid into the Welsh Government Local Broadband Fund for funding to address areas of the City identified as receiving poor broadband services. The areas put forward were identified as

¹ Ofcom Connected Nations Autumn 2022 update

² Ofcom Connected Nations Autumn 2022 update

³ Ofcom Connected Nations Autumn 2022 update

not planned or programmed to be addressed by the commercial marketplace in the next 3 years. As such, those premises would fall behind other parts of the city in being able to access the various services available online, many of which enable our citizens and businesses to grow.

11. In March 2022, the Council was notified that it was successful in its bid for £7.7 million across 3 financial years, 2022-23, 2023-24 and 2024-25. As such, this project will provide Gigabit capable, Full Fibre to the Premise connections to those sites identified as being at risk of being left behind.
12. Of the 190,000 premises within the city, approximately 20,000 are identified as lying outside plans of the commercial providers for gigabit service roll-out by 2025 and so are at risk of being excluded.
13. The approach taken is that first and foremost, we will seek to address premises identified as high on the Welsh Index of Multiple Deprivation (WIMD). This Index is the Welsh Government's official measure of relative deprivation and uses various markers such as income, employment, health, education, community safety, housing, access to services and physical environment to rank areas in order from most to least deprived. A secondary consideration is the existing roll-out plans of the marketplace and maximising benefits and cost savings of a co-ordinated approach in aligning the delivery of premises identified in this project with those plans.
14. At this stage, it is not known exactly how many of the 20,000 premises the financial allocation of £7.7million will address. It is proposed that a procurement will be carried out via an existing Crown Commercial Service Framework, specifically for the delivery of gigabit capable fibre broadband infrastructure. The procurement process will seek to achieve best value and maximum coverage of the premises identified.

Wider Context

15. The project is closely aligned with the outcomes from published Council plans and strategies such as the Stronger, Fairer, Greener Agenda, City Recovery Strategy, Digital Strategy and Smart City Roadmap. It has been designed to add value and 'bridge gaps' to existing service provision.
16. It is also aligned with UK and Welsh Government strategies in the drive for Full Fibre provision to reach at least 85% of UK premises by the end of 2025, and nationwide coverage (c. 99%) by 2030. In its Digital Strategy, the Dept for Digital, Culture, Media and Sport reinforces the importance of a robust digital infrastructure, whilst the Welsh Government acknowledges the essential role of a good quality digital infrastructure upon which we can grow.
17. Cities around the world continue to face the challenges in the aftermath of the COVID-19 pandemic. A significant number of people continue to work from home and so access to a good quality, reliable broadband service is now considered to be a minimum requirement. Indeed, there have long been calls for designating broadband as the 4th essential utility.

18. This project will deliver fibre connectivity to residents, businesses, community facilities and service providers. It is widely acknowledged that high quality, future-proof fibre-based connectivity can help tackle the challenges that our city faces. Using fibre broadband to help deliver technological advances in environmental, financial and social aspects of urban life, our citizens can leverage technology to create more efficient and effective services, collaborate and engage widely, all of which will improve outcomes for our citizens.
19. Such investment in our digital infrastructure will enable the city to attract leading tech and media companies, to sustain economic growth and to remain competitive in the future.
20. The 'Cardiff of the future' will look very different and bring new challenges and opportunities – increased population, new employment opportunities, increased demand on energy, improved connectivity, better transport links and new innovative technologies will change the way people work, visit and live in the Capital. A core fibre-based network will be the bedrock upon which technological growth can flourish.

Sharing Best Practice

21. Cardiff Council has engaged with fellow Local Authorities to discuss best practise and to share lessons learned in our approach.
22. Carmarthenshire, with 98,000 premises is seeking to address 23,000 sites at risk of being left behind.
23. Powys Council, with 76,000 premises is seeking to address 26,000 sites.
24. Both are seeking to undertake a similar project and are following closely behind Cardiff and so we provide guidance, support and shared knowledge gained on our methodology and delivery mechanism.

The Way Forward

25. The Council's Chief Digital Officer leads on digital connectivity and ensuring that the city benefits from access to future-proof, fibre-based services. However, it is acknowledged that in order to achieve this, it will involve cross-departmental working within the Council. Collaborative working both within, and with external organisations is essential for the roll-out of fibre broadband to be successfully delivered.
26. In doing so, we will build on the foundations of Cardiff's aspirations to become a digital city where our citizens and businesses can grow and thrive. It will enable our learners to achieve the Welsh Government's new digital literacy competencies objectives by providing better access to online content. It will give greater access to Council services to the public via the growing number of online platforms we now offer, from online payments and school

admissions, to waste enquiries and web chat with our virtual Chatbot Bobi, which can assist 24/7, 365 days of the year.

27. The next step is to gain approval from Cabinet to commence the delivery of the project which will enable officers to undertake a formal procurement process for the provision of fibre broadband. Funding is allocated in the current financial year to commence the project and could see premises begin to access a gigabit capable service relatively swiftly.

Reason for Recommendations

28. Approval to accept the grant funding award of £7.7million from the Welsh Government Local Broadband Fund will enable the Council to address those premises identified which will remain unserved by the commercial providers and which are therefore at risk of falling behind on the roll-out of full fibre provision and the services it enables. Access to gigabit-capable full fibre broadband can help drive economic development and improve environmental, financial and social aspects of urban life.

Financial Implications

29. There are no direct financial implications of this report to the Council as the intention is that all expenditure incurred would be claimed back from the approved Welsh Government allocation. However, the stated aim is to address broadband issues affecting 20,000 properties across the city. The report acknowledges that, until such time as the tender process has been undertaken, it is not known what proportion of that figure can actually be addressed with the £7.7 million that has been allocated. As such, any contract should be limited to the allotted amount, and should not expose the Council to a financial commitment over and above that figure.
30. The stated allocation is £7.7m over three financial years, and, whilst the service appears to have received assurance from Welsh Government that the profile of spend is flexible over the three years, it is unlikely that work would start prior to the beginning of year 2 (2023/24) given the procurement process is yet to be undertaken. Assurance should therefore be sought that any unclaimed allocation as at the end of the third year may be “slipped” into a fourth year to allow completion of the project. It is understood that this project represents one phase of the Welsh Government initiative and that any additional phases would be subject to further bids.

Legal Implications (including Equality Impact Assessment where appropriate)

31. Legal Services advise that terms of and conditions of the grant award are read, understood and can be adhered to by the Council. A failure to comply with the grant terms and conditions may sometimes result in funding being withdrawn with some or all of the funding becoming repayable.

32. Legal Services believe that when this grant results in procurements regard must be had to the terms of the grant agreement as these may contain stipulations of what the grant sums may be used for it may contain details of match funding requirements. During the procurement process Procurement Legislation, (Public Contracts Regulations 2015) and other relevant legislation must be adhered to as well as following the Council's Constitution, the CPR (Contract Procedure Rules) and all other relevant internal council processes.
33. Legal Services would advise that the Council procure services in an open and transparent process and comply with the rules on subsidies, (formerly State Aid). Accordingly, the Directorate should have regard to the Council's procurement rules and satisfy themselves as to compliance the current Subsidy rules.
34. The decision maker should have regard to the following points in making their decision regarding this matter:
1. Detailed legal advice should be obtained throughout the procurement process with regard to the procurement process generally, (including the draft terms and conditions of contract). The decision maker should be satisfied that the procurement is in accordance within the financial and budgetary policy and represents value for money for the council.
 2. Equalities Impact Assessment/public duties:

The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are: • Age • Gender reassignment • Sex • Race – including ethnic or national origin, colour or nationality • Disability • Pregnancy and maternity • Marriage and civil partnership • Sexual orientation • Religion or belief – including lack of belief.

Consideration should be given to the requirements to carry out Equality Impact Assessments ('EIA') so that the decision maker may understand the potential impacts of the proposals in terms of equality. This will assist the decision maker to ensure that it is making proportionate and rational decisions having due regard to the public sector equality duty.

Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the recommended approach. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.
 3. Well-Being of Future Generations (Wales) Act 2015:

The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2019-22. When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

The well-being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

HR Implications

35. The funding awarded includes for a temporary Project Manager role to be appointed to assist with the delivery of the project. The post will be in place for the duration of the project. The evaluation, creation and recruitment to this post will be compliant with corporately agreed processes and procedures.

Property Implications

- 36. Any property matters relevant to land and property assets that result from the implementation of the scheme should be managed through the agreed Council asset management and legal processes.

RECOMMENDATIONS

To accept the funding awarded to Cardiff Council by Welsh Government for the roll-out of gigabit capable fibre broadband to premises identified as outside commercial roll-out plans for the next 3 years.

To delegate to the Chief Digital Officer in consultation with the Cabinet Member for Finance, Modernisation and Performance to deal with all aspects of the procurement process and ancillary matters up to and including award of contract.

SENIOR RESPONSIBLE OFFICER	Director Name
	Date submitted to Cabinet office

The following appendices are attached:

Appendix A – Single Impact Assessment which includes Equality Impact Assessment