

Report to the Cabinet

Report reference: C-003-2017/18

Date of meeting: 15 June 2017



**Epping Forest
District Council**

Portfolio: Technology and Support Services

Subject: Digital Enterprise Programme

Responsible Officers: John Houston / Mike Warr (01992 564472).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That Cabinet agrees the content of the Digital Enterprise Programme brief and endorses the cross-border, cross-sector collaborative approach;**
- (2) That Cabinet agrees the use of the External Partnership Fund up to maximum of £25,000 to make an additional EFDC contribution as determined by the level of funding secured from partners to commission a co-funded digital strategy for the wider West Essex / Eastern Herts area or Digital Innovation Zone;**
- (3) That Cabinet agrees the proposal to allocate up to £45,000 from the Epping Forest Economic Opportunities Fund towards the examination of options for the provision of free town centre wi-fi in one, some or all of the district's town centres, and, subject to consultation recommendations, the procurement of the most appropriate model and service provider;**
- (4) That Cabinet agrees, subject to (3) above, that any additional investment required be subject to a further report to Cabinet;**
- (5) That Cabinet endorses the expression of interest in further investment in the superfast broadband network sent by letter from the Portfolio Holder for Technology and Support Services to BDUK / Essex CC; and**
- (6) That, subject to the success of the grant application to BDUK, a further report to Cabinet be considered seeking agreement to invest further in the local superfast broadband programme and if agreed to submit a bid for funding as part of the 2018/19 budget process.**

Executive Summary:

Epping Forest District Council has seen considerable investment in the enhancement of its superfast broadband infrastructure and network capability in recent years. With coverage scheduled to reach approximately 97% of the district by June 2019, focus has now shifted to how the council can maximise the strategic return from this investment for its residents, businesses, visitors and partners. The Digital Enterprise Programme seeks to pull together a number of key inter-related digital projects that are planned for the district and, in some cases, its local authority neighbours, as well as public and private sector partners in order to achieve a coordinated set of benefits in the most efficient and effective way.

Three key project elements of the overall programme are detailed within this report so as to ensure visibility of the projects and formalise the approach that is being taken to develop these workstreams. First of all, a cross-sector, cross boundary digital strategy will be commissioned to develop a coordinated picture of the digital place that exists in the district and across the wider partnership area, and to establish a coordinated set of infrastructure needs and aspirations of the partners which might assist private sector providers in building their business cases to address these needs. Secondly, the programme will explore the potential to establish free town centre wi-fi throughout the district's town centres to support economic development and increased levels of digital engagement or connectivity. Finally, the report considers the proposed additional investment in superfast broadband to take the level of coverage across the district closer to 100% of homes and business premises.

Reasons for Proposed Decision:

The Digital Enterprise Programme has the potential to contribute, directly and indirectly, towards the following Council 2015-2020 Corporate Plan strategic aims and objectives:

Objective 1 (c) To explore appropriate opportunities to make savings and increase income through the shared delivery of services with other organisations, where such arrangements would provide improved and / or more cost effective outcomes.

Objective 2 (b) To increase opportunities for sustainable economic development and new local employment in the district and make Council services easier to access.

Aim 3 - To ensure that the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose.

Objective 3 (b) To utilise modern technology to enable Council officers and members to work more effectively in order to provide enhanced services to customers

Objective 3 (c) To ensure that the Council understands the effects of an ageing population and works with other agencies to make appropriate plans and arrangements to respond to this need

Other Options for Action:

It could be decided not to manage projects under the proposed Digital Enterprise Programme in accordance with adopted programme management best practice however this would run the risk of failing to identify and manage the programme's aims and intended benefits in the most effective way possible. It would also miss the opportunity to share programme management skills and methodology that are being utilised and developed elsewhere within the council.

The District could seek to pursue all of these projects in its own right and without the involvement of neighbouring authorities or the input of private sector providers. This would impact on the district's ability to go 'further, faster' and, in addition, this would artificially limit the scope of any digital projects or initiatives and potentially miss out on the opportunity to develop coordinated solutions for joint areas of need. Discussion held with private sector providers have indicated that their willingness to invest in test-bed concepts and projects is influenced by the scale of the solution they are being asked to deliver and delivering a solution to an individual organisation does not have the same level of investment attraction that a multi-partner project might have.

The District could also choose to not pursue this programme of digital projects, leaving all

future developments to be determined by market forces, upper tier council authorities or national government initiatives. This would risk the district falling behind if its location, assets or digital opportunities were not appealing in their own right and would put its residents and businesses at risk of not experiencing the best digital outcomes that are possible as well as denying the district council the opportunity to explore new and innovative ways of delivering its services. This is particularly the case as regards public free wi-fi where continuing to not provide this service could put our town centres at a comparative disadvantage to other nearby town centres and would limit the local authority's scope to deliver innovative smart technologies and initiatives as an add-on to the wi-fi capability.

Report:

1. Epping Forest District Council has seen considerable investment in the enhancement of its superfast broadband infrastructure and network capability in recent years. Both through private sector service provision and the ongoing Broadband Delivery UK (BDUK) and Superfast Essex rollout programme, levels of superfast broadband coverage have risen to one of the highest levels in the county.

2. The initial Phase 1 Superfast Essex broadband programme, representing an investment of £24.6million in broadband infrastructure in areas where commercial suppliers were not providing service aimed to make superfast broadband available to 87.4% of home and business premises in Essex by summer 2016. A further £10.62m was to be made available to Essex through the BDUK programme provided it was matched locally to enable coverage of 93%. Essex CC asked districts to consider contributing additional match funding in order to enable coverage of 95% to be achieved and Epping Forest District Council agreed funding in the sum of £84,000 to initially enable 95% coverage in the district.

3. EFDC's high level of early engagement with the Superfast Essex programme, at Member and officer level, and the commitment to provide this funding contribution towards the overall Essex funding for Phase 2 of the programme, lead to Epping Forest becoming the best choice for what became known as the Rural Challenge Project or Phase 2(b). This project aimed to deliver superfast broadband to thousands of rural homes and business premises within the north-east part of the district where service provider business models made it difficult to justify the required investment.

4. As a result of the subsequent OJEU procurement exercise, fibre broadband provider Gigaclear were awarded the contract and work began to deliver ultrafast broadband speeds (up to 1000Gbps) to these rural premises. This represented a total external investment of £7.5m into the district, Due to the high number of properties that the Gigaclear proposal will reach, the level of superfast broadband coverage across the whole of Epping Forest District will now reach 97% by the conclusion of Phase 2 of the rollout. Phase 2(b), the Rural Challenge Project is due for completion by Dec 2017, with the remainder of the programme (Phase 2(a)) which is being rolled out across Essex by BT due for completion by June 2019.

5. The focus of progress and investment is now shifting towards how best to maximise the value of these improved networks for both local business and public service delivery which are, similarly, being built in neighbouring authorities. Again, working closely with Essex County Council, EFDC has begun to explore the potential to develop Smart Place initiatives, applications and projects which will improve our residents and businesses ability to access, utilise and exploit these network improvements and achieve improved life outcomes and value for money. This will enable the district to maintain and improve its position as a 'great place to do business.'

6. EFDC does not however see its own administrative boundaries or range of service delivery as the natural or most effective delimiter for such a project and has actively sought

through One Epping Forest the involvement of not only neighbouring local authorities in Essex and Hertfordshire but also key public sector service delivery partners such as the West Essex CCG, Princess Alexandra Hospital in Harlow and Public Health England as well as local private sector digital enterprises such as the KAO PARK Data Centre in Harlow. A Smart Places Seminar hosted by EFDC and attended or supported by the above organisations, was recently held at which partners agreed to work together to develop an approach to digital issues and infrastructure. A copy of the Executive Report of the Seminar is attached as Appendix 1.

Digital Enterprise Programme (DEP)

7. This emerging programme of work, looking to explore and exploit the potential of the district's digital infrastructure and those of its neighbours covers a range of projects that demonstrate some common themes and synergies that collectively offer an opportunity to work creatively and innovatively across borders, across sectors and across common administrative boundaries such as funding and governance.

8. The task of managing, coordinating and delivering these many projects is not however underestimated and it is therefore intended that the collective of projects be formally managed as a programme according to a formal programme management methodology. This aims to build on the council's transformation programme which is promoting an improved corporate approach to project and programme management and the adoption of an appropriate formal methodology.

9. Through formal programme management it is planned that not only will the organisation, monitoring and delivery of the projects be more effectively achieved but also the management of the benefits accruing from the programme and the changes resulting from the programme be better managed and realised.

10. The delivery of a more integrated, coordinated digital infrastructure and a planned set of digital needs and requirements that covers not only the council but also its local public sector partners, could have a positive impact on the degree to which the transformation programme and its constituent projects are able to achieve their goals and deliver the planned benefits to residents.

11. It is therefore intended that the transformation programme team be kept fully up to date on progress with the Digital Enterprise Programme (DEP) and be invited to participate in or advise the programme on relevant projects and workstreams as appropriate.

12. The Programme Brief for the DEP has been attached to this report as an Appendix and this sets out in more detail the outline business case of the DEP as well as the vision for the programme and benefits it hopes to realise. Cost, resource and risk implications are also considered before arriving at a recommended way forward. This programme brief will shortly be considered by the One Epping Forest Economic Board and their approval to proceed sought. The programme brief also sets out the proposed candidate projects for the programme. In brief, these are:

- establish a coalition of partners to act as a reference group for the programme;
- commission a cross-border, cross-sector digital strategy;
- achieve designation of a Digital Innovation Zone in relevant plans and strategies;
- explore options for provision of free town centre wi-fi;
- work with Essex CC to explore the potential for Smart Place initiatives throughout the district; and
- work with private sector service providers to explore how they might work within the Digital Innovation Zone to test out new ways of working and delivering services.

13. It is hoped that through the delivery of the DEP and its projects, artificial limitations can be avoided and the potential to deliver coordinated infrastructure needs through combined funding and integrated governance can be maximised, thereby increasing the potential market for external service providers and enhancing the chances of improved and more competitive infrastructure developments in the area.

14. Cabinet is asked to agree the content of the Digital Enterprise Programme Brief and endorse this cross-border, cross-sector collaborative approach, working through the One Epping Forest Smart Places Task Force chaired by the Portfolio Holder for Technology and Support Services.

Digital Strategy and Digital Innovation Zone

15. As already mentioned, a key element of the DEP is the plan to work across administrative borders and with a range of organisations. In so doing, it is hoped that a coordinated set of digital infrastructure needs can be arrived at which addresses the immediate and strategic requirements of all partners but which also offers the opportunity to potentially aggregate these with other partners and thereby enhance their appeal to service providers. A key element of this is to also better understand the planned infrastructure investment intentions of private sector and other public providers to look to coordinate and share costs and benefits where possible.

16. Informal discussions that have already taken place with private sector providers have indicated that whilst the needs of a single organisation such as the district council may not offer the commercial returns they are looking for to justify major infrastructure expansion programmes, the combination of multiple projects and requirements in a defined geographical area might enable them to build sustainable business cases.

17. This however, has not been done before and is not the established way in which public sector commissioning takes place in silos ie. it is more common for public sector organisations to commission solutions for their own organisational needs rather than looking more widely.

18. It will therefore be necessary to commission expert advice and assistance to look at what needs to be delivered and how it might be achieved. There is currently little sharing between public sector organisations of infrastructure asset information, strategic investment plans or proposed enhancements, and available budgets for such projects. Likewise the nature of existing infrastructure capabilities, often located in close proximity to each other is not understood. This project also touches on the public sector reform agenda.

19. Equally, there is little coordinated awareness of the strategic infrastructure needs of the private sector. What do they already provide or use? How might their future growth be restricted by the limitations of existing infrastructure and a lack of plans to invest significantly, in the future?

20. It is therefore proposed that an innovative, forward-thinking ICT / infrastructure / network specialist consultancy be commissioned to produce a strategic document that establishes the combined digital identity, nature, and potential of Epping Forest District and its immediate geographical neighbours thereby establishing the Digital Innovation Zone as a place that attracts innovative service providers to test out new ways of working and delivering services.

21. Such a Digital Strategy should represent a snapshot of the assets, infrastructure, skills and resources of the area (both public and private sector owned) as well as the appetite

and ambition for development and innovation of the partner organisations and their immediate and longer term strategic needs that will determine their ability to develop and innovate.

22. Such a Digital Strategy should also identify areas of similarity, synergy and conflict and potential opportunities to combine and cooperate to maximise the collective benefit to the area and minimise dis-benefits.

23. Identifying, positioning and marketing the district and its geographical neighbours and partners at the forefront of digital connectivity, application and innovation will be key to enabling infrastructure providers to build suitable business cases for development, ensuring that the best digital outcomes are achieved for our residents, businesses and visitors.

24. Successful procurement of the right consultants will be key. An outline figure of £40-£50,000 is anticipated to be required to achieve this. To date, £20,000 of funding for the strategy has already been secured from the London-Stansted-Harlow Programme of Development and further discussions are ongoing to secure an additional £35,000 from partners. It is proposed that an additional direct contribution by EFDC be made to the total funding pot from the £100,000 “External Partnership Funding – Delivering Better Taxpayer Value For Money” agreed by Cabinet in December 2016, the final amount to be determined by level of co-funding agreed with partners.

25. Cabinet is asked to agree the use of the External Partnership Fund to make an additional EFDC contribution as determined by the level of funding secured from partners to commission a co-funded digital strategy for the wider West Essex / Eastern Herts area or Digital Innovation Zone.

Provision of Free Town Centre Wi-Fi

26. A number of reports and studies have identified and reinforced the importance of town centre wi-fi connectivity infrastructure to both consumers i.e. residents, visitors and businesses and the wider local economy. The Super Connected Cities Programme identified wireless connectivity as a key ambition and this has led to numerous projects of different format and scope being introduced across the country.

27. Despite this, and perhaps because not all of these schemes have been a success, freely available public wi-fi schemes remain relatively uncommon outside major metropolitan centres and especially in smaller towns or those with lower footfall. Currently, none of the key town centres in Epping Forest District has a public wi-fi scheme although examples can be found relatively close by in places such as Hertford, Chelmsford, Colchester and Watford.

28. The 2015 “Digital High Street 2020” report noted a positive relationship between cities and towns with multiple wi-fi ‘hotspots’ and the presence of digitally engaged consumers on the high street, even in smaller centres and therefore free wi-fi that is publicly and easily available can act to pull people into the town centre, keep them in the centre for longer and encourage them to explore the retail and service offer of the town centre while they are there.

29. It is possible that a number of factors contribute towards local reticence to develop such wi-fi schemes. It is difficult to build a viable financial business case for a public wi-fi scheme without considering a variety of investment sources and at the same time it is difficult to identify which model of free wi-fi delivery is most suited to a particular town centre, its demographics and the aspirations of the investors.

30. There are numerous models of financing free wi-fi delivery including:

- metropolitan wireless concessions;
- smart city / town extended concessions;
- local authority investment;
- commercial advertising led models;
- sponsored and crowd-funded schemes;
- joint ventures between local authorities and private sector providers; and
- Business Improvement District (bid) lead schemes.

31. This variety of models means that the potential costs of any wi-fi scheme can vary greatly. From fully sponsored schemes that form part of larger regeneration programmes to small scale schemes funded by local business lead groups such as BIDs to more ambitious area-wide schemes that cover beyond the usual town centre boundaries the costs to the local authority can range from zero to hundreds of thousands of pounds.

32. It should however be noted that, increasingly, local authorities are taking into account more than just the straight financial calculations of revenue or return on investment and are including motivations such as digital inclusion, social value, meeting modern-day resident and business expectations in an increasingly digital world, stimulating the local economy and equipping or future-proofing the local town centres to ensure they are well placed to exploit smart technology and future advances in digital capability. A number of local authority schemes aspire to be cost-neutral but this is likely to involve more than just a 'cost of delivering the wi-fi versus income' formula.

33. There are also numerous methods of installing the networks within town centres from mobile phone small cell technology to wireless transmitters hosted on public sector assets such as street lighting or CCTV columns, to rooftop transmitters, to pavement level technology that sits beneath manhole covers.

34. Discussions held with private sector service providers suggest there is interest in exploring the possibilities for delivering free wi-fi in one, some or all of the district's town centres and also some appetite for sponsorship of the programme linked to wider investment. Furthermore, in conversations with local business representatives it has been apparent that some form of public wi-fi would be welcomed. In addition, discussions the council has had with Essex CC has confirmed that they would be interested in exploring possibilities to deliver such a scheme and whether assets such as the street lighting infrastructure can contribute towards making this possible. With this level of enthusiasm and ambition it is hoped that a viable model for delivery and maintenance could be established in the district.

35. Identifying the ideal model for the district's town centres and its partners is key but the complexities surrounding that identification should not be underestimated. It may even be the case that the differences between the district's centres would lead to different models in different towns. A number of local authorities have commissioned consultants to look in depth at their local areas, identify the local opportunities for wi-fi including use of authority assets, soft-market test the appetite for service providers to engage with the local authorities to develop schemes and recommend the preferred way forward for the particular area.

36. Exploration of the possibility for free public wi-fi in the district is a key project for the Digital Enterprise Programme and it is recommended that this be one of the first projects taken forward, potentially in parallel with the development of the Digital Strategy.

37. It is recommended, in order to take this project forward that, that funding be allocated to the project from the Epping Forest Economic Opportunities Fund previously known as the Town & Village Centres Opportunities Fund. Members will recall that this scheme has remained underspent over a number of years despite efforts to encourage wider participation. At the most recent review of the scheme it was recommended that no further funds be

allocated to in until it had demonstrated that value for money schemes could be supported. It was also agreed that suggestions for schemes to be funded could come forward from One Epping Forest and Epping Forest DC Economic Development Officers. On this basis it is proposed that £45,000 from the fund be allocated towards the exploration of a potential public wi-fi scheme to including an element to procure a suitable consultant to review the options that exist for such schemes in the district. This allocation should be made notwithstanding that it may be possible, through partnership working across both public and private sectors, to develop cost-free or low-cost solutions for one, some or all of the town centres.

38. Acknowledging that the cost of a scheme to reach all the district's town centres could demand a phased approach to delivery and funding it is also recommended that if the initial phase of the project proves successful the reintroduction of the annual funding of the Economic Opportunities Fund be considered in order to facilitate the rollout of a wider scheme.

39. Cabinet is asked to agree the proposal to allocate up to £45,000 from the Epping Forest Economic Opportunities Fund towards the examination of options for the provision of free town centre wi-fi in one, some or all of the district's town centres, and, subject to consultation recommendations, the procurement of the most appropriate model and service provider;

40. Cabinet is also asked to agree that should an initial investigation of the options for the provision of free wi-fi in all of the district's town centres indicate further investment might be required, a further report to Cabinet can be brought exploring the options for further funding.

Supplementary Phase of Superfast Broadband Rollout Programme

41. As previously mentioned, much work is ongoing to deliver an enhanced level of superfast and ultrafast broadband connectivity throughout the district. Upon completion of Phase 2 of the Superfast Essex / BDUK programme it is anticipated that coverage across Epping Forest district will be approximately 97%, making us one of the best connected districts in the county.

42. The council's ambitions for the district however go further than this and recognise the importance of expanding superfast broadband connectivity to reach our remaining most rural homes and businesses as soon as possible. The council is therefore considering a further local investment in broadband infrastructure, under the Superfast Essex programme.

43. As mentioned by the Portfolio Holder for Technology and Support Services at the Cabinet meeting of 9th March, 2017 a letter has been sent to BDUK / Superfast Essex as an expression of the council's interest in further investment in the superfast broadband network. The letter confirms that the Council will provisionally allocate an amount of up to £350,000 as a potential local contribution to a further rollout programme, with the exact amount to be confirmed once bids for the current procurement have been received and the size and scope of the local investment can be more clearly defined. It is assumed that BDUK grant will be available to match this additional local contribution.

44. Should this investment proposal come to fruition, this would be part of a three year project, and the council's contribution could be phased in towards the end of that i.e. 2018/19 or even 2019/20.

45. Cabinet is asked to endorse the expression of interest in further investment in the superfast broadband network sent by letter from the Portfolio Holder for Technology and Support Services to BDUK / Essex CC confirming the council will provisionally allocate an

amount of up to £350,000 as a potential local contribution to a further superfast broadband rollout programme to be fully match funded by BDUK grant, noting that the letter does not constitute a firm commitment to invest and the exact amount to be confirmed and approved by Cabinet once bids for the procurement have been received and the size and scope of the local investment can be more clearly defined.

Resource Implications:

The Digital Enterprise Programme and related projects will initially fall within the remit of the economic development team, with one economic development officer leading all workstreams. It does however need to be borne in mind that additional resource and capacity may be required to allow the programme to go 'further, faster'. Skills such as project and programme management may need to be accessed or supplemented from elsewhere in the council eg, through the transformation team and further utilisation of additional economic development resources may be required to help run the programme. Support from Essex CC has been offered in terms of facilitating contacts or providing workspace but there may also be scope for more direct involvement of the county council through secondment or co-location of personnel.

Funding may be required directly from EFDC to secure the procurement of the digital strategy. An allocation of between £5 - £25,000 from the "External Partnership Funding – Delivering Better Taxpayer Value For Money" fund could be required subject to willingness of partners to contribute.

The cost of a town centre public wi-fi scheme is not known. However, a £45,000 allocation from the Epping Forest Economic Opportunities Fund is sought to facilitate the procurement of a suitable consultant and to fund a potential initial scheme. As at the beginning of the 2017/18 year approximately £52,000 remained uncommitted in the fund with a bid in progress of approximately £4300 to be considered.

The successful procurement of a supplementary phase of the Superfast Essex programme could require up to £350,000 to be allocated from District Development Fund across up to three years.

Legal and Governance Implications:

The innovative cross-border, cross-sector working could involve governance complexities that cannot be anticipated at this point and which will need to be worked through as the programme develops.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Discussions with public sector partners and private sector service providers.

Background Papers:

Available from Economic Development team

Risk Management:

There is a reputational risk to be managed arising from leading such an innovative programme of work

Risks associated with individual projects will be assessed and mitigated against as and when those projects come forward for initiation.