

WIRRAL COUNCIL

CABINET – 18 MARCH 2010

REPORT OF THE DIRECTOR OF REGENERATION

UPDATE: NEXT GENERATION ACCESS NETWORK FOR WIRRAL

1.0 EXECUTIVE SUMMARY

1.1 This report was requested by Members as part of the 2010/11 Budget. It sets out the work undertaken to date in progressing the design, procurement and implementation of a Next Generation Access Network (NGA) for Wirral and outlines the next stages of development and seeks endorsement of the way forward.

2.0 BACKGROUND

2.1 On the 29th January 2009 Central Government issued a statement concerning Digital Britain, it was an interim report highlighting the strategic importance of the digital, communications and creative sectors from both an economic (these sectors are currently worth over £52 billion per year to the UK economy and directly employ approximately 3 million people) and a social perspective with universal digital inclusion fast becoming a crucial policy goal.

2.2 The digital investment plans set out by Government will take many years to implement and they will work from the major centres of urban population out to the more rural communities. Given the timescales, many areas of the country are looking to accelerate the implementation of NGA because they understand the economic, investment and social benefits that it can bring. In Wirral, the Council and its partners have already agreed an ambitious Investment Strategy for the Borough and it is within this context that the NGA project is being taken forward.

2.3 To progress the work in Wirral, the Council appointed Adit North, a HM Government and National Audit Office approved consultant, to advise on the delivery of a next generation access network for Wirral. As Adit North are licensed by the DTI/DBERR to operate a procurement framework within any English RDA region they are uniquely placed to offer consultancy services that cover the specification of new build technology solutions, ICT investment planning, business case development and crucially fast track procurement.

2.4 The first task undertaken by Adit North was to benchmark Wirral's network against industry standards and to advise on what interventions would be required to ensure that Wirral has a world class network for its residential and business communities. The results of this intervention can be far reaching across all sectors of society. In terms of economic development alone next-generation broadband is crucial for competitiveness in a global economy. Businesses can greatly improve their services by reaching new customers, increasing sales; reduce time to market and lowering operating costs. They will be able to adopt new operational processes, by improving services to customers, supplier coordination, staff skills and increase tele-working.

2.5 The study, which was completed in September 2009, confirmed that Wirral's current provision was poor by international, national and regional standards but that there was an opportunity to address this situation by direct intervention. NGA is also important for the police, fire, and emergency medical services as a means to respond to crises. It would enable first responders to share text, images, and video across jurisdictional

barriers. Also the technology may be far reaching in everyday lives of Wirral's residents enabling for example people to reserve and pay for parking online and applied to intelligent transportation systems including traffic lights and the dynamic message signs that provide drivers alerts on roads. NGA could also allow for the development of distance learning through the creation of virtual classrooms, multi-campus collaboration, data visualisation, virtual laboratories, etc. In health care remote patient monitoring, remote diagnosis, remote medial imaging would all be possible.

- 2.6 These findings were presented to the Wirral's Investment Board on 9th October 2009 and the Council's Economic and Regeneration Overview and Scrutiny Committee on 23rd November 2009. Both groups agreed that NGA was a priority project which would bring considerable economic, investment and social benefits to Wirral and they unanimously endorsed the development of the next stage of the project. They also identified the potential for the Council's public, private and Third Sector Partners to become involved in this project and this will bring significant additional benefits (as detailed above) to these sectors.
- 2.7 At the same time Officers had discussions with the North West Development Agency and the Agency encouraged the Council to move forward with the detailed development of the NGA proposals as they would align with the framework for next generation access that the Agency has developed for the North West Region.

3.0 NGA PROPOSAL – STAGE 2

- 3.1 The Stage 1 baseline report allowed Adit North to formulate a clear, workable, solution for Wirral which was based upon directly procuring a fibre network for the Borough. The overall cost of the project for Wirral is estimated at £35M and the Consultants propose that the investment can be made in two stand alone phases over time. The first phase will connect all of the key investment and employment areas in Wirral, at an estimated cost of £12M. The second phase would link to all of the residential areas, at an estimated cost of £23M.
- 3.2 To allow the essential design and procurement works to progress Members, at the Cabinet Meeting of 9th December 2009, agreed to retain the services of Adit North to work up Stage 2 of the project.
- 3.3 Adit North are undertaking three key tasks in Stage 2 of the project. The first of these is to facilitate a workshop with a range of stakeholders including the Council, landowners, developers, and existing businesses to ensure that the proposed solution appropriately responds to need and maximises opportunities.
- 3.4 The second is to ensure that Wirral's proposals meet State Aid requirements. in terms of who installs, owns and operates the completed network. Adit North has extensive experience of addressing these issues in other Regions and will develop the State Aid notification documentation for Wirral.
- 3.5 The final task is to develop and produce a Statement of Requirement (SOR) which will define the detail of the proposed network for Wirral and make recommendations based on previously tried and tested business models on how the new network should be managed in the future. It is proposed on the basis of projects in other parts of the country, that the Council will own the new network but that a management partner will be required to operate and manage it. This approach along with other options will need to be tested as part of the procurement process. It is also proposed that monies generated from the operation of the network will be reinvested in the network so that it is future

proofed. This SOR document will be used for procuring the chosen solution at Stage 3, the final phase of the project.

4.0 Timescale

4.1 Adit North have given the following indicative timetable. Stage 2 will be completed by the end of May 2010, with contract documentation returned by the end of July 2010. The nature of the contract means that the final detailed design will be completed during August and September 2010 with site works commencing around October/November 2010. This is subject to the State Aid issues being satisfactorily addressed in Stage 2 of the study.

4.2 A future report to Cabinet will set out the detailed timescale, a project plan and risk assessment.

5.0 FINANCIAL IMPLICATIONS

5.1 The estimated cost of the NGA project for Wirral is £35m. The first phase, costing approximately £12m for the businesses areas, will be funded from the Working Neighbourhoods Fund (£7.7m) and the additional monies identified in the Council's 2010/11 Budget.

6.0 STAFFING IMPLICATIONS

6.1 There are no staffing implications arising out of this report.

7.0 EQUAL OPPORTUNITY IMPLICATIONS

7.1 The successful implementation of this project has the potential to benefit all members of the community and thereby promote equality of opportunity.

8.0 COMMUNITY SAFETY IMPLICATIONS

8.1 The NGA network can allow community safety to be improved through the more efficient use of upgraded CCTV systems.

9.0 PLANNING IMPLICATIONS

9.1 Planning Permission will be needed for the civil engineering works which will be required to implement this project. Existing ducts and network facilities will be used, as far as is possible to avoid disruption.

10.0 ANTI-POVERTY IMPLICATIONS

10.1 The NGA project will help to reduce poverty by making a range of opportunities available through access to fast broadband facilities leading to improved access to services and employment opportunities.

11.0 SOCIAL INCLUSION IMPLICATIONS

11.1 The NGA project will allow greater social inclusion through improved access to IT facilities, communications and employment opportunities.

12.0 LOCAL MEMBER SUPPORT IMPLICATIONS

12.1 This report will be of interest to all Members.

13.0 BACKGROUND PAPERS

13.1 None were used in the preparation of this report.

14.0 RECOMMENDATIONS

- 14.1 (i) That Members endorse the actions taken to progress the design, procurement and implementation of a Next Generation Access Network for Wirral;
- (ii) Agree that Phase 1, providing improved access to Wirral's business areas receives priority now that sufficient funding arising from an allocation from the Working Neighbourhoods Fund (£7.7M) and revenue support of £1.075M from the Council's Revenue Budget has been identified for the period 2010/11 to 2013/14
- (iii) Receive regular reports on the progress on this important Investment Strategy priority.

Alan Stennard
Director of Regeneration

This report was prepared by Ray Squire who can be contacted on 0151 691 8096