



CABINET REPORT

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| Report Title | CityFibre Rollout |
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AGENDA STATUS: **Public**

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| Cabinet Meeting Date: | 22 January 2020 |
| Key Decision: | YES |
| Within Policy: | NO |
| Policy Document: | NO |
| Directorate: | Economy, Assets and Culture |
| Accountable Cabinet Member: | Cllr Tim Hadland, Regeneration and Enterprise |
| Ward(s) | All |

1. Purpose

- 1.1. To approve and agree the delivery of a new fibre network within Northampton with CityFibre as set out below in the report and to approve and agree the arrangements that the Council are putting in place to facilitate this scheme of investment in Northampton
- 1.2. To agree that the authority to negotiate and agree terms to enter into the following; - a lease with CityFibre for land at Stone Circle Road for a Data Centre Unit supported by a wayleave with CityFibre Metro Networks Limited and a substation lease with Western Power Distribution Limited to supply electricity to the Data Centre Unit all of which forms part of the scheme of investment in Northampton be delegated to the Economic Growth and Regeneration Manager in consultation with the Lead Member for Regeneration and Planning the Chief Finance Officer and Borough Secretary
- 1.3. To agree that the authority to negotiate and approve the terms of a Master Wayleave Agreement and associated resourcing Service Agreement with CityFibre be delegated to the Economic Growth and Regeneration Manager in consultation with the Lead Member for Regeneration and Planning the Chief Finance Officer and Borough Secretary

2. Recommendations

It is recommended that:

- 2.1. Cabinet approves and agrees the delivery of a new fibre network by CityFibre as set out below in the report within the Borough and approves and agrees the arrangements that the Council are putting in place to facilitate this scheme of investment in Northampton
- 2.2. Cabinet delegates to the Economic Growth and Regeneration Manager in consultation with the Lead Member for Regeneration and Planning the Chief Finance Officer and Borough Secretary the authority to enter into the following; - a lease with CityFibre for land at Stone Circle Road for a Data Centre Unit supported by a wayleave with CityFibre Metro Networks Limited and a substation lease with Western Power Distribution Limited to supply electricity to the Data Centre Unit, all of which form part of the scheme of investment in Northampton as set within this report
- 2.3. Cabinet delegates to the Economic Growth and Regeneration Manager the authority to negotiate and enter a Master Wayleave Agreement and associated resourcing Service Agreement with CityFibre on appropriate terms to support the scheme of investment in Northampton.
- 2.4. Cabinet delegates the Economic Growth and Regeneration Manager the authority to agree a process for approving wayleave applications which will form part of the Master Wayleave Agreement and as noted above forms part of this Scheme of investment. The applications will be submitted in stages and the routes considered pursuant to this process.

3. Issues and Choices

3.1. Report Background

- 3.1.1. As part of a £40m private sector investment from CityFibre, Northampton will be among the first locations in the UK to receive full fibre rollout. Full fibre broadband connectivity, is the next generation digital connectivity, providing homes and business with gigabit (1000 megabits per second) broadband speeds. Full fibre is key policy driver for Government- aiming for national coverage by 2025, and will be essential in supporting future economic development, smart city aspirations and citizen access to services. Currently Northampton has 3% Full fibre, below the 10% national availability.
- 3.1.2. Work has begun to extend full fibre network to reach almost every home and business in Northampton, with the first homes and businesses to connect from early 2020 and works projected to be largely complete by the end of 2022. This investment in providing full fibre is expected to boost the wider Northampton economy by approximately £160 million through

productivity improvements, new business start ups and increased house prices.

- 3.1.3. Construction work has commenced in Brackmills, Hardingstone and Wootton, with Grange Park, Collingtree and East Hunsbury to follow soon.
- 3.1.4. CityFibre are working closely with the Council and Northamptonshire County Council as well as local communities to minimise and manage disruption and ensure a fast and successful roll-out. Residents will be kept informed by door-to-door teams and mailings ahead of works in their streets.
- 3.1.5. CityFibre are a wholesale network provider, with Vodafone initially utilising CityFibre's network to give users download speeds 16 times faster and upload speeds 125 times faster than the average fixed broadband service in the UK. Other providers will be able to access the network to offer services in the future.
- 3.1.6. To facilitate this investment and to reach the maximum number of homes within the borough CityFibre required two Data Centre unit sites within the borough to serve each side.
- 3.1.7. The Council worked with Cityfibre to identify suitable locations for their Data Centre unit locations, helping to identify land owners and potential issues with statutory processes.

Lease for Data Centre unit site

- 3.1.8. One of the two Data Centre unit locations that was selected by CityFibre is on land owned by the Council, which is off Stone Circle Road. This location would serve approximately 40,000 premises in the North and East of the Borough. CityFibre requested the opportunity to discuss taking a 20-year lease on this site. The Stone Circle Data Centre will be supported a Western Power Distribution substation on the same site and the Council is presently agreeing the provisions of this substation lease.
- 3.1.9. The other Data Centre unit (which is not within the Council's ownership) is operational and is located in an industrial unit within Brackmills Industrial Estate. As it is within an existing industrial unit no planning permission was required. This is feeding the South and West as well as much of the town centre.
- 3.1.10. The Data Centre unit site at Stone Circle Road referred to at paragraph 3.1.8. and shown on the attached plan is approximately 1,000 square metres of land and is currently designated and used as public open space.
- 3.1.11. The neighbouring land surrounding the site has been used by Thorplands 81 for the last 5 years for football pitches with the location identified by City Fibre being adjacent to this site.
- 3.1.12. Planning permission (N/2019/0469) for the Stone Circle Road Data Centre Unit referred to in paragraph 3.1.10 was granted on 31/07/19.

- 3.1.13. As noted at paragraph 3.1.8 the land selected by CityFibre is designated as public open space. As a result the Council was required to comply with the provisions of section 123 (2A) of the Local Government Act 1972.
- 3.1.14. The Cabinet Member for Regeneration and Enterprise approved “in principle” the disposal by way of the long lease the land at Stone Circle Road subject to (1) the intended disposal being advertised in accordance with statutory requirements and (2) any objections arising from this process being considered by Cabinet prior to any disposal taking place.
- 3.1.15. The Consultation as noted in 3.1.14 took place between 21st November 2019 and 12th December 2019. No representations were received by the Council
- 3.1.16. A lease is being finalised between the Council and CityFibre for this site

Wayleave

- 3.1.17. As the network moves through the design stage and into delivery a variety of statutory approvals will need to be sought. CityFibre have wide ranging powers statutory powers (Code Powers) under to the Telecommunications Act (2003) to gain the access required and to undertake works if necessary.
- 3.1.18. It is the preference of CityFibre to make these arrangements in a collaborative way with the Council through the agreement of wayleaves under a Master Wayleave Agreement.
- 3.1.19. CityFibre will need to cross land in the ownership of the Council on many occasions in order to deliver the full network across the borough including the Council’s housing stock. This is particularly relevant to the Council’s tenants and residents of Northampton providing them with connectivity and ensuring that residents here are not digitally disadvantaged.
- 3.1.20. As CityFibre will need a large number of wayleaves (approximately 600-800) which will need to follow the same process it was agreed that a Master Wayleave agreement be developed, to include a set process for how each wayleave route is processed and assessed.
- 3.1.21. A standard process is being developed under which each wayleave route application will be submitted, and agreement will only be given once the route map and other associated information, is checked to ensure that this does adversely affect any Council land.
- 3.1.22. It has been agreed that as part of the above process Northampton Partnership Homes (NPH) will in its capacity as the provider of housing management services to the Council’s housing stock also consider any application received from CityFibre that affects any land NPH manages
- 3.1.23. As part of this Master Wayleave Agreement reinstatement has been considered with standards included to ensure that where digging is required that these areas are reinstated to an appropriate standard.

- 3.1.24. Even with this streamlined process there will still be a significant call on the resources of both the Council and NPH to process these applications
- 3.1.25. A process for how the routing of the wayleave application will work through the Council's housing stock land is being agreed with NPH, as part of the process referred to in paragraph 3.1.22 with NPH having the control over the routing to/through their managed properties.
- 3.1.26. An individual wayleave can be approved under an existing officer delegation but given the number of wayleaves anticipated and that it is likely these will affect most wards it was considered appropriate that the approval of Cabinet is required.

3.2. Issues

- 3.2.1. There is a restrictive covenant on the land off Stone Circle Road to only use the land as recreation amenity or public open space. Northamptonshire County Council (NCC) are the beneficiary of this. CityFibre have engaged with NCC directly over this to obtain a release during the term of the lease.
- 3.2.2. Disruption, as noted above, is a risk with this project. Northampton benefits from having existing ducting in many areas as well as aerial deployment reducing the need for digging to take place in some areas. This along with the use of narrow trenching will minimise disruption and concerns for residents.
- 3.2.3. In Northampton, CityFibre have been working for around 3 months, very low levels of complaints from residents have been received by the Council. CityFibre also funding an independent highways inspector in the council as part of the County Council undertaking a robust inspection regime of our works.
- 3.2.4. CityFibre have made an offer towards the costs of processing the Wayleave applications which is under review. Once the agreement for of the terms of the Service Agreement has been reached the Council will then be in better position to assess its obligation in relation to its duty to obtain best consideration so as to ensure that the Council fully complies with its statutory duties thereunder.
- 3.2.5. In terms of procurement of providers, no preferred treatment is being offered and other providers are already present in the market, already submitting Wayleaves to the Council where required, then it was considered that these arrangements fall in line with these.
- 3.2.6. Further paragraph 3.2.4 and as already noted above, CityFibre, as an infrastructure provider, have Code Powers through the Telecommunications Act (2003) which would mean that the Council would need to grant wayleave consent where these were required.

3.3. Choices (Options)

- 3.3.1. There is likely to be a significant call on resources related to processing the Wayleave applications even when taking into account the offer towards costs being offered as set out in paragraph 3.2.4 by CityFibre. Cabinet could choose to no longer support CityFibre with its investment in the borough. This would lead to either increased costs for CityFibre and a slower rollout or them choosing to take the investment to an alternative city/town.
- 3.3.2. Given the level of investment that CityFibre is making and the benefits this will have to the local community it is recommended that Cabinet resolves to approve the authorities sought in paragraph 2 of this report and confirms its support for this scheme.

4. Implications (including financial implications)

4.1. Policy

- 4.1.1. This project supports the growth of the borough enhancing the digital infrastructure for both residents and businesses. This supports both the aspirations set out in the Local Plan and the emerging Economic Growth Strategy for the Borough.

4.2. Resources and Risk

- 4.2.1. Ongoing costs of processing the wayleave applications. Cityfibre have made an initial offer to make a £30,000 grant payment annually for 2 years to the Council to contribute towards the costs of processing these, however this is under negotiation. It is proposed that this funding will be split between NBC and NPH as is appropriate.
- 4.2.2. A rent at market value has been agreed as part of the 20-year lease of the Data Centre Unit site.

4.3. Legal

- 4.3.1. Legal Services were consulted, and advised in relation to the proposed disposal of public open space for the Data Centre Unit at Stone Circle Road, the process of public advertisement and consideration of any objections as required pursuant to the provisions of Section 123 (2A) of the Local Government Act 1972
- 4.3.2. The Council is under a duty to achieve best consideration on the disposal of an interest in land pursuant to S123 of The Local Government Act 1972. It is noted at paragraph 3.2.4 that the Council will complete the assessment of best value as negotiations are finalised to ensure that it fully complies with its statutory obligations. Legal Services recommend that this point is referred back for further advice.

4.4. Equality and Health

4.4.1. This project will give more communities access to higher quality digital services. Full fibre is key policy driver for Government- aiming for national coverage by 2025, and will be essential in supporting future economic development, smart city aspirations and citizen access to services. This is particularly relevant to providing social housing sites with connectivity and ensuring that residents here are not digitally disadvantaged. This rollout is targeting all homes in the borough which will give parity for all residents.

4.5. Consultees (Internal and External)

4.5.1. Thorplands 81 and Local Councillors were consulted on the plans both prior to planning and during the planning process for the use of the site off Stone Circle Road.

4.6. How the Proposals deliver Priority Outcomes

4.6.1. This project delivers against the corporate objective of shaping place and driving growth through improving the digital infrastructure to make Northampton a more attractive destination for investment and a better place to live.

4.7. Environmental Implications (including climate change issues)

4.7.1. This project will support technological advancements that reduce the need to travel for work and meetings.

4.8. Other Implications

4.8.1. None identified.

5. Background Papers

Publically Available

5.1. Planning Application (N/2019/0469) for Data Centre unit on land off Stone Circle Road

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