SURREY COUNTY COUNCIL

CABINET

DATE:	**27 APRIL 2021**
REPORT OF CABINET MEMBER:	**MR TIM OLIVER, LEADER OF THE COUNCIL**
LEAD OFFICER:	**MICHAEL COUGHLIN, DEPUTY CHIEF EXECUTIVE**
SUBJECT:	**DIGITAL INFRASTRUCTURE STRATEGY AND DELIVERY UPDATE**
ORGANISATION STRATEGY PRIORITY AREA:	**GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

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Purpose of the Report:

This report provides an update on the Surrey County Council's (The Council) Digital Infrastructure strategy and plans for delivery. It sets out the objectives of the next phase of the strategy (covering gigabit-capable broadband and 5G connectivity) and highlights the multiple investors and influences involved in digital deployment across the region. The paper introduces an initial set of projects to be included in an emerging programme plan and identifies associated resourcing options. In light of the timing of national developments and opportunities, it proposes that Cabinet receive a further update in the Autumn.

Delivering the Council's objectives around digital deployment and gigabit connectivity is a critical enabler across all the Council's four priority objectives: Growing a sustainable economy so everyone can benefit; Tackling health inequality; Enabling a greener future; and Empowering communities. Delivering the health and community benefits of SCC service outcomes requires a step change in digital capability and connectivity. Surrey's economic growth also requires a hyper-connected environment to facilitate its innovation eco-system.

Recommendations:

It is recommended that:

1. Cabinet note the update on Surrey's Digital Infrastructure strategy, the external drivers and different investments and influences;

2. Cabinet note the steps being taken to accelerate delivery of certain key and relevant 'enabling' projects and to identify associated resourcing options;

3. An update be brought to Cabinet in the Autumn to include:

   - Assessment of Building Digital UK (BDUK) plans, aligned to commercial rollout

   - Update on delivery against the Digital Infrastructure strategy programme plan 'immediate actions'

   - Identification of gaps (geographical and funding) and possible measures to address them
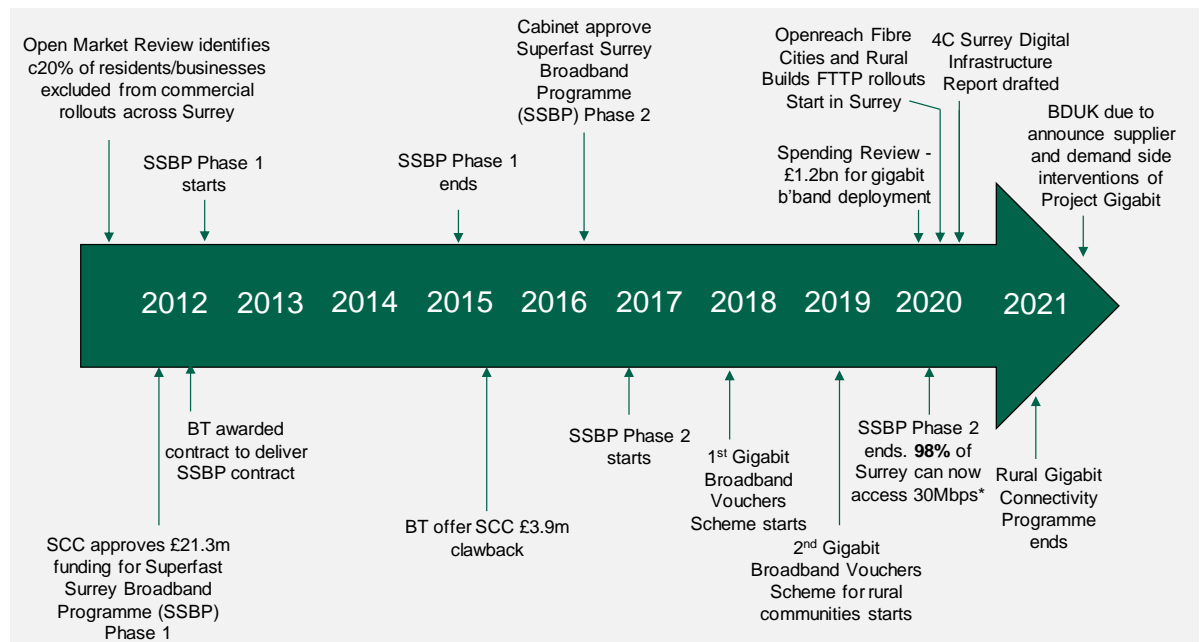
Reason for Recommendations:

Achieving the Council's objectives around digital deployment and connectivity is critical to the well-being and prosperity of Surrey's residents and businesses. A digitally connected Surrey will ensure that our residents and businesses can benefit from new and emerging technology enablers, i.e. virtual and augmented reality (VR & AR) which will drive the next generation of innovation at home and in the workplace; for example, autonomous electric vehicles and transport, hyper-automation, drone delivery services and digital healthcare provision. Delivering these benefits for Council service outcomes requires a step change in digital capability and connectivity. Surrey's economic growth also requires a hyper-connected environment to facilitate its innovation eco-system.

Executive Summary:

Background

1. The timeline, below, summarises Surrey's digital 'delivery journey' from the launch of the Superfast Surrey Broadband Programme (Phase 1) in 2012 to the present day. It demonstrates the Council's consistent commitment to delivering digital connectivity for the well-being and prosperity of its residents and businesses.

Note: *However, regarding Gigabit capable (DOCSIS 3.1 or FTTP) coverage, Surrey is behind the UK average (17.2% to 39.0%)
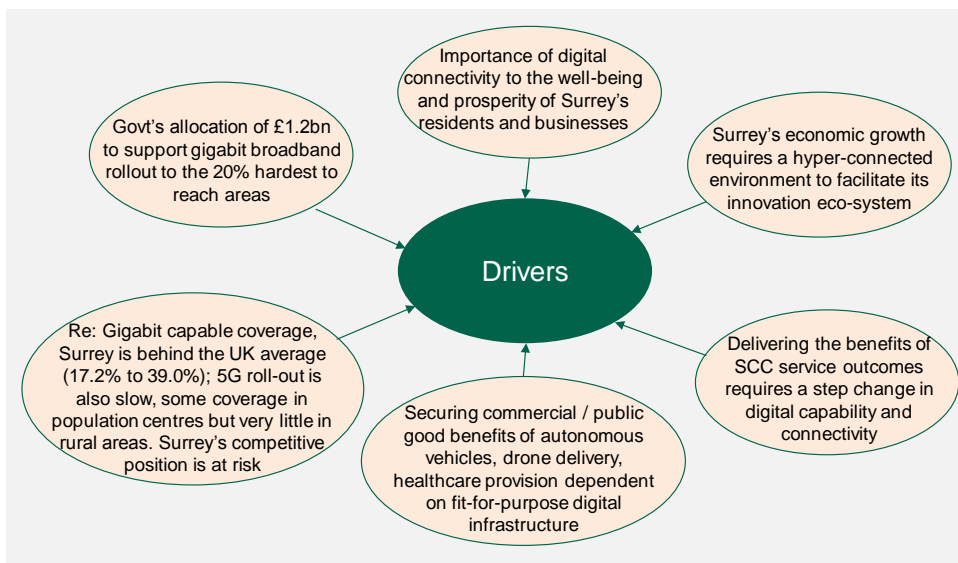
2. The next phase of digital infrastructure deployment involves gigabit connectivity and pervasive 5G which will enable a new range of services and applications, for example, autonomous electric vehicles and transport, drone delivery services, healthcare provision via virtual and augmented reality etc. Gigabit broadband is an internet connection that offers a speed of 1 gigabit per second (1Gb) or more. A connection speed of 1Gb means a user can potentially download a 5GB file (the equivalent of five non-HD films) in just 40 seconds.

Strategic Context

3. Whilst Surrey has been a leader in digital infrastructure over last decade, for example, the region achieved its Superfast Surrey Broadband Programme targets

ahead of the rest of the UK, however, this position is at risk if Surrey does not proactively deliver applicable projects to drive digital enablement and connectivity in the coming years. For example, three areas of the county, Mole Valley, Tandridge and Waverley, fall below the UK average for superfast broadband coverage. Gigabit-capable coverage is also currently only around 17% in Surrey in comparison to 39% across the rest of the UK. This coverage drops even lower in Mole Valley (13%), Tandridge (16%) and Waverley (10%).

4. It is critically important that digital connectivity is deployed at pace across Surrey to enable the region to compete nationally and internationally. The key drivers behind the need for accelerated digital deployment and connectivity are summarised below:
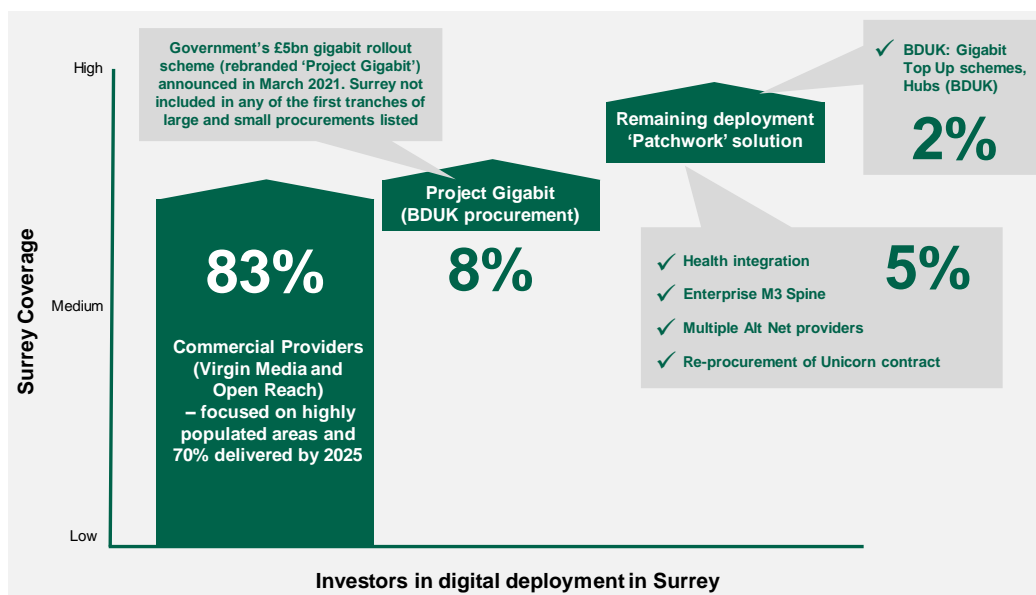
5. The Council's commitment to rapid deployment of digital connectivity is also central to a range of national, regional, and local policies and internal Council service objectives. These include, health integration policies (particularly the Joint Health and Digital Board), regional plans (for example those being undertaken through the EM3 Fibre Spine from Basingstoke to Guildford) and, of course the range of Surrey strategies that include economic growth, climate action, placemaking, health and wellbeing and our own corporate ambitions.

Current Situation

6. The Council's objectives around digital infrastructure are as follows:

A. To work with commercial providers and other partners to deliver a strategic programme of investment to maximise connectivity at 1GB+ and access to 5G mobile services to residents, businesses and communities in Surrey
B. To deliver a hyper-connected environment which will:
   - Deliver a range of SCC strategies, outcomes and benefits which depend on a step change in digital capability and connectivity
   - Support access to all digital service, economic and employment opportunities for all Surrey's residents, businesses and communities
   - Facilitate a new range of emerging technologies, capabilities and applications to enable Surrey's entrepreneurs, businesses and universities to compete nationally and internationally and drive economic growth

C. To leverage external Government funding and revenue streams from digital related assets and activities

7. Achieving maximum levels of Gigabit coverage in Surrey will involve a range of commercial providers and partners due to the fragmented nature of digital delivery across Surrey. The diagram below summarises current assumptions on how investment in digital deployment will be delivered.

Notes: All %s are projected estimates. Government has warned that premises in the final 1% may be "prohibitively expensive to reach".

8. Commercial providers (Virgin Media and Open Reach) will focus deployment in populated areas and expect to deliver c70% coverage by 2025, therefore, targeted intervention is required to minimise delays in other areas receiving provision.

9. In March 2021, the Government announced how their £5bn gigabit broadband roll-out scheme will work and rebranded it as 'Project Gigabit'. Project Gigabit aims to deliver Gigabit connectivity to at least 85% of UK premises by the end of 2025, and "as close to 100% as possible". Unfortunately, Surrey was not included in the first tranches of large and small procurements as part of Project Gigabit. However, the Council has written to Government to lobby for Surrey to be included in the next tranche of Project Gigabit delivery due to begin in Autumn 2021.

10. The remaining coverage will be achieved by a 'patchwork' solution via Building Digital UK (BDUK) Gigabit top-up schemes and various other delivery routes; for example, opportunities from health integration, the propose Enterprise M3 spine, Alt net providers and the re-procurement of the Council's Unicorn contract.

Priority Projects

11. The emerging Digital Infrastructure projects have been sub-divided into the following categories:

A. 'Enabling' activity (Planning for delivery to ensure enablers are in place)
B. Immediate delivery (Lower cost / risk opportunities to demonstrate progress)

C. Longer term / partner dependent (Higher cost / risk opportunities requiring Business Case support)

12. The table, below, summarises the proposed activities against these project headings.

	Group A. 'Enabling' activity	Group B. Immediate delivery	Group C. Longer term / partner dependent
Proposed activities	• Communicate Digital Infrastructure Strategy	• Electric vehicle charging points	• Community Fibre Partnerships
	• Wayleaves / highway permits process (Social housing)	• Information Kiosks	• Expansion of Hub Sites scheme
	• Ducting replicable approach	• Re-procurement of UNICORN network contract	• Use of housing and planning policy
	• Single point of contact	• Partnership with D&Bs and other public sector partners	• Smarter Highways (A22)
	• Register of local assets		• Direct build feasibility study
	• Access to SCC assets		• Business Case Development
	• Commercial revenue review		
	• Gigabit Top-Up vouchers		

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13. Detailed descriptions of each project, alongside indicative resourcing and timescale estimates can be found in the slide deck attached in **Annex 1.**

Next Steps

14. The Digital Infrastructure Programme Plan will continue to be developed in conjunction with the Digital Infrastructure Steering Group. In addition, immediate delivery opportunities will be developed into a delivery plan and progressed as a matter of priority.

Consultation:

15. The contents of this Cabinet paper have been developed in conjunction with officers from of the Council's Digital Infrastructure Steering Group who comprise highways, health, corporate infrastructure, IT&D and the economy.

16. Wide range of research was undertaken by consultants (4C) including with districts and boroughs, commercial providers and LEPs as well as a wider international consideration of best practice.

Risk Management and Implications:

17. There is an ongoing economic risk to Surrey's competitive position if the region's comparative underperformance in digital deployment is not reversed as soon as possible.

18. There is a political risk that the Government's focus on the levelling up agenda could divert digital infrastructure deployment funding away from regions like Surrey – as demonstrated by Phase 1 of the Project Gigabit delivery. This risk will be mitigated by reinforcing the importance of investing economic geographies like Surrey which are key drivers of UK growth.

19. There is a delivery risk regarding the fragmented nature of the digital deployment across Surrey and the limited control the Council may have in supporting this.

However, this risk will be mitigated by the Council working proactively with commercial providers to support delivery; for example through the provision of public assets and highways etc.

Financial and Value for Money Implications:

20. The projected cost of implementing the proposed Digital Infrastructure Programme Plan will be considered in more detail as part of the formalisation of the emerging plan and will be included in the proposed Surrey gigabit capable rollout update report due in autumn (2021) with an update.

Section 151 Officer Commentary:

21. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the development of Surrey's Digital Infrastructure Strategy. Financial implications will become clearer as the strategy is developed and will be included in future updates to Cabinet.

Legal Implications – Monitoring Officer

22. There are no significant legal implications at this stage. Further detailed legal input will be provided as projects included within the plan are developed.

Equalities and Diversity:

23. Equal access to Gigabit broadband connectivity and 5G is a critical enabler of the Council's service objectives around supporting residents and staff with different protected characteristics.

24. Where required, Equality Impact Assessments will be completed for specific elements of the Digital Infrastructure Programme Plan and any potential negative impact addressed or mitigated.

Other Implications:

25. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report at this stage.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report at this stage.
Environmental sustainability	No significant implications arising from this report at this stage.

| Public Health | No significant implications arising from this report at this stage. |

What Happens Next:

26. An update on the Surrey Gigabit and 5G rollout will be brought back to Cabinet in 6 months. This will include:
    - progress against a fully developed Digital Infrastructure Programme Plan (including owners, timescale, performance indicators and resourcing/cost implications).
    - An assessment of BDUK plans aligned to the commercial rollout
    - Identification of projected gaps in provision (including spatial and funding analysis)

27. Cabinet Members are invited to continue to engage with the development of Surrey's Digital Infrastructure Strategy through direct discussions with the Director for Economy and Growth.

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Consulted:

Tim Oliver: Leader of SCC and Portfolio Holder for the Economy & Growth

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Cabinet Members

SCC Officers from Digital Infrastructure Steering Group

Annexes:

Annex 1: Surrey's Digital Infrastructure Strategic Framework presentation

Sources/background papers:

Consultant's report on Digital Infrastructure Plan for Surrey

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