SURREY COUNTY COUNCIL

CABINET

DATE:	**31 MAY 2022**
REPORT OF CABINET MEMBER:	**BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES**
LEAD OFFICER:	**LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF RESOURCES FOR SURREY COUNTY COUNCIL**
SUBJECT:	**WAN & WI-FI SERVICE: DIGITAL INFRASTRUCTURE STEP-CHANGE**
ORGANISATION STRATEGY PRIORITY AREA:	**GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / EMPOWERING COMMUNITIES**

Purpose of the Report:

The SCC BT Unicorn services contract, which provides critical Wide Area Network (WAN) and Wi-Fi services to Council sites, expires in August 2024. The purpose of this report is to request Cabinet to approve the use of the South East Grid (SEG) Network Services Framework as a route to market to procure new WAN and Wi-Fi services, and to approve the capital investment of £8.23m to provide gigabit capable connectivity to all Council sites. The investment will extend the full fibre infrastructure in Surrey which will benefit Council staff, Surrey businesses and residents, and improve Wi-Fi coverage and performance for staff and visitors to Council sites.

Recommendations:

It is recommended that Cabinet:

1. Approve the route to market for the procurement of new WAN and Wi-Fi services for SCC sites.

2. Approve capital funding of £8.23m, moved from the capital pipeline, to enable the replacement of the existing WAN and Wi-Fi services for SCC sites.

3. Approve the delegation of the contract award decision to the Executive Director of Resources.

Reason for Recommendations:

The procurement of new WAN and Wi-Fi services will meet the operational needs of the Council for the next 10-15 years and provides the opportunity to support collaboration and service delivery with health and local government partners.

The implementation of new WAN and Wi-Fi services supports the community vision for Surrey in 2030 in several areas including "well-connected communities with effective

infrastructure that grow sustainably", by accelerating the availability of digital networks to residents and businesses in Surrey.

Executive Summary:

Background

1. The BT Unicorn framework offers contracts for critical WAN and Wi-Fi services for Council sites, schools, and its public sector partners like Districts & Boroughs. WAN services are provided to 213 Council sites including libraries, depots, adult and children's residential homes, and fire stations. Wi-Fi services are provided to 162 Council sites. The SCC BT Unicorn contract, started on 31 August 2012, expires on 30 August 2024, and cannot be extended. To comply with UK procurement legislation, the services need to be reprocured and migrated to a replacement corporate network before 30 August 2024.

2. The UK government has made the availability of gigabit capable digital infrastructure a national imperative. A range of UK Government based initiatives, including the UK Levelling Up initiative (to provide Gigabit capable broadband for the majority of the population by 2030) and the DCMS (Department for Digital, Culture, Media & Sport) Project Gigabit initiative (investing £5bn to provide ultra-fast, reliable broadband for everyone in the UK), aim to provide high performance digital connectivity in all UK regions.

3. The Council now has the opportunity to leverage the project deliverables to complement the government's gigabit capable aims across Surrey.

Objectives

4. The replacement of BT Unicorn WAN and Wi-Fi services provides the opportunity to implement a WAN and Wi-Fi infrastructure that meets the requirements of the Council effectively and flexibly over the next 10-15 years and supports the ambitions of the Digital Infrastructure programme and the Agile Office Estate Strategy.

5. The key objectives of the new WAN and Wi-Fi Service are:

   - Gigabit capable, ultra-fast connectivity to all SCC sites by August 2024
   - Annual efficiencies through reduced operating costs and an investment that pays back over the life of the asset
   - Improved accessibility and quality of digital services to residents, communities and businesses.

6. Additionally, SCC is seeking a solution that:

   - Is highly secure, resilient and available
   - Supports the latest technical standards
   - Delivers improved user experience
   - Delivers improved management reporting
   - Is flexible, scalable, adaptable and agile to support SCC's changing requirements.

Procurement Route Options

7. The following procurement route options were evaluated for suitability for procuring WAN and Wi-Fi services:

   A. The South East Grid (SEG) Network Services Framework – a public sector network services framework covering the South East region, created by the IT and Digital service. It is open to all public sector bodies in the region including education, health, blue light and voluntary, charity organisations as well as local authorities. This framework commenced in September 2021, following an extensive Official Journal of the European Union (OJEU) procurement process.

   B. The CCS RM3808, Network Services 2 Framework – this is an existing Crown Commercial Service framework for Telecommunications services including networks for the entire public sector, their associated bodies and agencies, the voluntary sector and charities.

   C. A Full Two-Stage Procurement, carried out by SCC, using the government Find a Tender service which is used to search and apply for high value contracts in the UK's public and utilities sectors.

Procurement Route Recommendations

8. It is recommended that new WAN and Wi-Fi services are procured via the SEG Network Services Framework. This procurement route will provide a value for money solution with significant added social value which can be delivered within the timescales required.

9. The SEG Network Services framework procurement route:

   - Provides best value for money pricing (tested in last 12 months via a full restricted (two-stage) procurement)
   - Minimises the technical, procurement and legal expertise / workload required
   - Is based on latest technology and enables future innovation
   - Delivers improved supportability and manageability
   - Provides a catalogue of services for SCC and partners' current and future needs
   - Provides the flexibility to adapt to the needs of the Agile Office Estate Strategy
   - De-risks reliance on a single network provider as services may be procured from multiple providers.

10. The SEG Network Services framework commits to providing a minimum of 10% of the contract value in Social Value. Elements of the Social Value package include:

    - Each SCC site enabled through Full Fibre investment will enable a further 6 residential or business sites (on average). It is estimated around 1020 additional connections will be achieved
    - Free fibre connection and free broadband connectivity for up to 21 SCC managed care homes for a 3-year term
    - The employment of two apprentices recruited from within Surrey

- The estimated CO2 tonnage associated with implementation will be offset by planting 1650 trees.

11. The catalogue of services provided by the SEG Network Framework will also be available for SCC partners such as district and borough councils, health and care organisations, and schools to take out their own individual contracts for the provision of data connectivity.

12. The CCS RM3808 – Network Services 2 Framework and Full Two-Stage Procurement routes are not recommended as they would add 6-18 months to the procurement timescales (putting at risk the requirement to finish the implementation before the expiry of the BT Unicorn contract in August 2024) and would significantly increase the legal and procurement resources and costs. In addition, the required minimum of 10% of the contract value in Social Value may not be achieved.

Implementation Schedule

13. The implementation of new WAN and Wi-Fi services is expected to have completed the installation of all elements by the time the Unicorn contract expires in August 2024. Key dates are as following:

- Services Specification – June 2022 – August 2022
- Services Orders placed via the SEG Framework – from August 2022
- Implementation of new WAN and Wi-Fi services – September 2022 – August 2024.

Conclusion

14. In conclusion, it is recommended Cabinet approve the SEG Network Services Framework as the route to market for the procurement of new WAN and Wi-Fi services for SCC sites and approve capital funding of £8.23m to enable the replacement of the existing WAN and Wi-Fi services at SCC sites.

Consultation:

15. Internal: Stakeholders from Land & property, Economy & Growth and representatives of The Agile Organisation programme and the Digital Infrastructure programme were consulted for WAN and Wi-Fi requirements.

16. External: Feedback from Surrey District and Borough council users of the existing WAN services via the BT Unicorn framework was reviewed. Additionally, Health partners were consulted for their requirements.

Risk Management and Implications:

17. The following table provides a summary of the implementation and service provision risks associated with the recommendations made in this report.

Implementation

Risk description	Mitigation action/strategy
Implementation Delay: The Supplier does not complete the WAN and Wi-Fi implementation	There will be no break in service provision as existing services will continue to operate until the new service is ready. Any SCC site that has not been migrated to a new

before the expiry of the BT Unicorn contract in August 2024.	service by August 2024 will continue its service under the existing terms of the BT Unicorn contract. Implementation is forecast to require 18-21 months. A schedule variance contingency of 3 months has been allowed in the planned delivery duration of 24 months.
Unexpected Costs: The Council incurs unexpected costs during the implementation.	The Programme will work closely with the Supplier to track project finances to ensure any unexpected costs are, a) immediately identified and, b) fully justified. A Cost variance contingency of 10% has been allowed for unforeseen but justified changes.
Requirements: The WAN and Wi-Fi service is not capable of supporting the requirements due to technology issues.	The Supplier will be required to submit to a full Statement of Compliance prior to the signing of the Call Off Order form. The Supplier has been fully evaluated as part of the SEG framework award and subsequently by the Council's team. The Supplier has extensive experience of delivering similar services.

Service Provision

Risk description	Mitigation action/strategy
The WAN and Wi-Fi service is not capable of supporting future requirements.	The Council's known future requirements have been built into the Statement of Compliance. Additional future requirements are determined through the contract. The Supplier does not have an exclusive contract, so if the Supplier's service is not capable of supporting a future requirement, the new requirements could be tendered for.
The WAN and Wi-Fi service technology / connectivity proves to be unreliable.	The contractual arrangement includes a Service Level Agreement (SLA). If the Supplier's service connectivity proves to be unreliable, the Council would seek redress and improvements in line with the terms of the contract and SLA.
The WAN or Wi-Fi service technology manufacturer / connectivity provider goes out of business.	If one of the Supplier's technology manufacturers / connectivity providers goes out of business, this does not mean the WAN or Wi-Fi service would be automatically affected or stop working. Overcoming the issue would be a responsibility for the Supplier. The Council would be protected by the SLA and the contract.
The overall managed service supplier goes out of business.	The SEG Finance team will continue to monitor the financial standing of the Supplier during the course of the contract and any changes to its financial position flagged – so that any potential issues are identified before the Supplier reaches the point of going out of business.
The Council experiences contractual issues during the contract period.	IT&D and Procurement will work closely with the Supplier to proactively identify potential issues and find solutions before they become a major problem. If needed, the SEG Framework Call Off Contract Dispute Resolution Procedure may be activated.

The Council does not realise the contracted social value.	The Supplier will be instructed to report on social value progress on a regular basis. If the reports identify that progress is not as anticipated, the matter will be raised with the Supplier's Client Director.

Financial and Value for Money Implications:

18. The capital investment requirement of reprocuring WAN and Wi-Fi services amounts to £8.23m.

19. The re-procurement is anticipated to realise reductions in the annual revenue contract costs, to operate both WAN and Wi-Fi, which exceeds the borrowing costs associated with the required capital investment, leaving an annual net efficiency.

20. Refer to Part 2 for detailed financial implications.

Section 151 Officer Commentary

21. Although significant progress has been made to improve the Council's financial position, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding 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.

22. The Section 151 Officer supports the recommendation to utilise the SEG framework to reprocure the Council's WAN and Wi-Fi services and the transfer of £8.23m from the capital pipeline to enable the capital investment required. Resultant revenue efficiencies will be factored into the Medium Term Financial Plan from 2024/25 (full year effect from 2025/26).

Legal Implications – Monitoring Officer: Paul Evans

23. This report seeks approval of Cabinet to procure Wide Area Network (WAN) services and Wi-Fi services for Council sites using the South East Grid framework.

24. Under Procurement and Contract Standing Order 2.7.a, Cabinet approval is required because the estimated value of the service is over £5 million.

25. Under the Public Contracts Regulations 2015 and the Procurement and Contract Standing Orders this contract must be competitively procured. The Council may use the ESCC NB South-East Grid Network Services Framework (the proposed route to market). Use of the framework would enable the Council to comply with the procurement requirements.

Equalities and Diversity:

26. Equality implications of this project have been considered. An equality impact assessment (EIA) screening tool has been completed and it was found that there are no clear and obvious equality implications for people with protected characteristics. As there is no impact on protected groups in our communities and staff, an EIA has not been completed.

Other Implications:

27. 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 direct implications identified
Safeguarding responsibilities for vulnerable children and adults	No direct implications identified
Environmental sustainability	No direct implications identified
Compliance against net-zero emissions target and future climate compatibility/resilience	No direct implications identified
Public Health	No direct implications identified

What Happens Next:

Following cabinet approval, the next steps will be:

- Complete the detailed specification of new WAN and W-Fi services
- Finalise Call Off Order Form
- Obtain delegated approval for the final WAN and Wi-Fi services pricing
- Place order for the WAN and Wi-Fi services
- Mobilise the WAN and Wi-Fi project teams

This project will deliver back-office network infrastructure which will mainly affect Council staff. As such, a stakeholder communication plan will be put in place to ensure that stakeholders are aware of planned improvements to services and any potential break in service during the switch from the old to the new network infrastructure.

Report Author: Matt Scott, Chief Digital Information Officer, 07552286752

Consulted:

The Unicorn Replacement Programme Board

The IT Investment Board

The Capital Programme Panel

The Major Projects Board

The Corporate Leadership Team

Annexes:

Part 2 report

Sources/background papers:

None