James Whiteman
Managing Director

www.guildford.gov.uk

Contact Officer:

John Armstrong, Democratic Services Manager.
Tel: 01483 444102

17 August 2018

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey, GU2 4BB on **TUESDAY 28 AUGUST 2018** at 7.00 pm.

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE EXECUTIVE

Chairman:
Councillor Paul Spooner
(Leader of the Council and Lead Councillor for Partnerships, Planning and Regeneration)

Vice-Chairman:
Councillor Matt Furniss
(Deputy Leader of the Council and Lead Councillor for Infrastructure and Governance)

Councillor David Bilbé, Lead Councillor for Enterprise and Economic Development
Councillor Philip Brooker, Lead Councillor for Housing and Development Management
Councillor Geoff Davis, Lead Councillor for Social Enterprise and Voluntary Sector
Councillor Graham Ellwood, Lead Councillor for Licensing, Environmental Health and Community Safety
Councillor Gordon Jackson, Lead Councillor for Innovation and Transformation
Councillor Nigel Manning, Lead Councillor for Finance and Asset Management
Councillor Nikki Nelson-Smith, Lead Councillor for Skills, Arts and Tourism
Councillor Iseult Roche, Lead Councillor for Community Health, Wellbeing, and Project Aspire

---

WEBCASTING NOTICE

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

Three fundamental themes and nine strategic priorities that support our vision:

Place-making	Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes
	Making travel in Guildford and across the borough easier
	Regenerating and improving Guildford town centre and other urban areas
Community	Supporting older, more vulnerable and less advantaged people in our community
	Protecting our environment
	Enhancing sporting, cultural, community, and recreational facilities
Innovation	Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need
	Creating smart places infrastructure across Guildford
	Using innovation, technology and new ways of working to improve value for money and efficiency in Council services

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

A G E N D A

In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

To confirm the minutes of the meeting of the Executive held on 17 July 2018.

In accordance with Regulation 5 (2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Council published on 31 July 2018 notice of intention to hold part of this meeting in private to discuss, if necessary, the information set out in Item 7 below, B4SH Business Plan and the related Investment Proposal report (see agenda Item 5 above).

The notice included a statement setting out the reasons for this matter to be discussed in private and inviting anyone wishing to make representations in relation to holding part of the meeting in private for this purpose to do so by 12 noon on 20 August 2018. As at Friday 17 August, no representations were received.

The reason for considering this matter in private is due to the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, which is information relating to the financial or business affairs of any particular person (including the authority holding that information).

If the Executive does wish to discuss the business plan or the investment proposal report, as part of its consideration of Item 5, it is asked to consider passing the following resolution:

"That under Section 100A(4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England)

Regulations 2012, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act."

Following approval of the resolution to exclude the public, the chairman will ask members of the public to leave the chamber to enable either or both of these documents to be discussed. The webcast will also be suspended whilst any such discussion takes place. Following the discussion, the chairman will invite the public back into the chamber and the webcast will resume.

7   PROPOSAL FOR INVESTMENT IN BROADBAND FOR SURREY HILLS LTD. COMMUNITY BENEFIT SOCIETY: B4SH BUSINESS PLAN AND INVESTMENT PROPOSAL REVIEW (Pages 35 - 62)

Key Decisions:
Any item on this agenda that is marked with an asterisk is a key decision. The Council's Constitution defines a key decision as an executive decision which is likely to result in expenditure or savings of at least £200,000 or which is likely to have a significant impact on two or more wards within the Borough.

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive intends to take a key decision, a document setting out prescribed information about the key decision including:

- the date on which it is to be made,
- details of the decision makers,
- a list of the documents to be submitted to the Executive in relation to the matter,
- how copies of such documents may be obtained

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 31 July 2018.

EXECUTIVE

17 July 2018

* Councillor Paul Spooner (Chairman)
* Councillor Matt Furniss (Vice-Chairman)

* Councillor David Bilbé	* Councillor Gordon Jackson
Councillor Philip Brooker	* Councillor Nigel Manning
* Councillor Geoff Davis	* Councillor Nikki Nelson-Smith
* Councillor Graham Ellwood	Councillor Iseult Roche

*Present

Councillors Angela Gunning, Mike Hurdle, Jo Randall, David Reeve, Caroline Reeves, Tony Rooth were also in attendance.

EX18   APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Philip Brooker and Iseult Roche.

EX19   LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

No disclosable pecuniary interests were declared.

Councillor Caroline Reeves declared an interest in relation to Agenda Item 6 – The Homelessness Strategy 2018-2020, on the basis that she was a trustee of Guildford Action.

EX20   MINUTES

The Executive approved the minutes of the meeting held on 19 June 2018. The Chairman signed the minutes.

EX21   LEADER'S ANNOUNCEMENTS

There were no announcements from the Leader.

EX22   BUDGET ASSUMPTIONS AND BUSINESS PLANNING 2018-19 TO 2020-21

The Executive considered a report which set out the suggested parameters that officers would use to prepare the 2019-20 General Fund and Housing Revenue Account (HRA) outline budgets and projections for the following three years. These parameters were the level of:

(a)   general inflation to be assumed in expenditure budgets (excluding any increases of a contractual nature)
(b)   pay award to be assumed in the preparation of the salary budgets
(c)   increase in income to be achieved from fees and charges
(d)   council tax and council tax base increase
(e)   housing rent increase
(f)   business rates increase
(g)   government grant predictions
(h)   the Council's Medium Term Financial Strategy

Setting parameters for the whole of the plan period was beneficial in the calculation of projections over the medium term. Officers therefore proposed working assumptions to use in the preparation of the outline budget for 2019-20 and projections for the following three years.

The Executive acknowledged that, within the period covered by the business planning horizon, there would be significant change to the system of local government finance. By 2020, government would re-assess the baseline need to spend of each local authority through the 'fair funding review' and establish a financing system based on 75% business rates retention. As part of the fair funding review, further powers and responsibilities would be passed to local government and the cost drivers and demand for local government services would be re-assessed. The Government had launched a series of technical consultations on the design of the new local government funding system from 2020, which Officers had responded to and would continue to respond to as further consultations came forward.

The Executive noted that the assumptions would result in a deficit between projected income and expenditure of £8.5 million over the period 2019-20 to 2022-23, although sensitivity analysis had shown that the range of the deficit could vary between £7.7 million and £11.5 million. To address this shortfall, the Council had recently launched a revised transformation programme, "Future Guildford". Further information regarding the programme and potential savings would be presented to the Executive in due course.

Having considered the report, the Executive

RESOLVED:

(1)   That the budget assumptions to be used in the preparation of the 2019-20 outline budget and for medium term financial planning purposes, as detailed in the report submitted to the Executive and in the table below, be approved.

	2019-20	2020-21	2021-22	2022-23	Benchmark
General Inflation	2.0%	2.0%	2.0%	2.0%	CPI
Payroll	2.0%	2.0%	2.0%	2.0%	AWE (PS)
Income	3.0%	3.0%	3.0%	3.0%	RPI
Council Tax increase	£5 (approx 3.3%)	1.9%	1.9%	1.9%	CPI
Business Rates Inflation	3%	2%	2%	2%	RPI until 2020, CPI after 2020
Revenue Support Grant (RSG) decrease	'Negative RSG' of £674,000	'Negative RSG' of £1.2 million	'Negative RSG of £1.7 million	'Negative RSG' of £2.1 million	n/a
Council Tax Base Increase	0.73%	1.2%	1.18%	1.06%	Planning applications and local plan forecast
New Homes Bonus	£1.2 million	£1.9 million	£2.6 million	£3.4 million	Planning applications and local plan forecast
Housing Rents	1% reduction	2% increase	2% increase	2% increase	Government Guidance until 2020 then CPI

	2019-20	**2020-21**	**2021-22**	**2022-23**	**Benchmark**
Average Weighted Investment Returns	1.48	1.49	1.63	1.64	Target % above BoE Base rate as per TMSS

    (2)   That the revised medium term financial strategy, as set out in Appendix 1 to the report, be approved.

Reasons:
    (1)   To set the budget assumptions that officers will use to prepare the 2019-20 outline budget and medium term financial plan.
    (2)   To inform the Council's business planning and budget process for 2019-20.

EX23   THE HOMELESSNESS STRATEGY 2018-2020

The Executive considered a report on the Council's revised Homelessness Strategy for the next two years in the light of the Homelessness Reduction Act 2017 (HRA17), which extended the duties on local housing authorities with effect from 3 April 2018.

Councillors noted that the new strategy and action plans had focused on three areas:

- Prevention – Effective and creative use of resources to prevent homelessness

- Support – Provision of a range of support services to help people access and sustain accommodation

- Supply – Ensuring an adequate supply of accommodation for people who are homeless or at risk of homelessness.

The prevention of homelessness was the central objective of the Homelessness Strategy. The HRA17 presented significant challenges as it placed greater emphasis on preventing homelessness in an area where access to suitable and affordable housing was so difficult for lower income households.

The Council commissioned a range of services and partner agencies and joint working arrangements played a key role in preventing homelessness. With affordable housing in short supply, effective communication and the development of new initiatives to engage with customers at the earliest opportunity would become increasingly important.

To strengthen the Council's homelessness prevention work, the Strategy and action plans highlighted the importance of:

- developing service delivery around the requirements of the HRA17 in line with evolving good practice
- working internally and with partners to identify early intervention opportunities
- reviewing procurement and commissioning arrangements.

In October 2018, Universal Credit would be rolled out in Guildford and this would affect all those receiving benefits as well as others on low incomes, tenants in social and private rented housing and those in socially excluded groups.

Rough sleeping and single homelessness remain the Council's most challenging areas of work. Single people were not normally a priority for housing but were increasingly at risk of homelessness and had limited options. There had been an increase in the number of rough

sleepers with multiple needs, particularly mental health issues, who experienced difficulties engaging with services and accessing appropriate support and accommodation.

The Council currently commissioned a range of services to prevent homelessness and enable access to housing and support. These services needed to adapt and transform to remain effective and to reflect the changing environment. The strategy acknowledged these challenges and proposed that the Council:

- Continued to prepare for the introduction of Universal Credit and support customers and partners
- Reviewed rough sleeping services and the approach to commissioning to ensure resources were targeted to reflect the needs of customers in a changing environment
- Worked with partners to develop joint working arrangements, maximise resources and explore joint commissioning opportunities.

The future was uncertain in respect of the housing market and the availability of affordable housing. Without an adequate supply of housing affordable for people on benefits or on low incomes, the demand for social rented housing, which is limited in supply, would increase.

The Council's use of the private rented sector had been essential to its success in preventing homelessness to date. Landlords were facing a number of changes in relation to legislation, regulation and taxation which made the buy to let market less financially attractive and increased the administrative burden. This could affect the sector and reduce supply as new investors were discouraged from entering the market or existing landlords prompted to leave.

The HRA17 had extended the Council's obligations and it now had a duty to relieve homelessness where the person is likely to become homeless within 56 days. The Council leased a number of properties to housing associations and other providers to help meet local housing need. Existing arrangements had been effective but the new legislation had required the Council to review its use of resources to ensure they were targeted effectively. In particular, it needed to increase the supply of short-term accommodation for single people and families.

To ensure the supply of housing, the strategy had set out the Council's intention to:

- Maximise the use of social housing including addressing under-occupation and tackling social housing fraud
- Review the use of the Private Rented Sector, improve the offer and incentives to ensure that the number of landlords and agents willing to work with the Council is maintained and increased.
- Review the use of existing properties leased to housing associations, explore opportunities for alternative use and identify additional properties suitable to be leased
- Work with housing providers and commissioning partners to monitor and review supported housing to ensure it meets local need.

The Executive noted that the draft Strategy had also been considered by the Overview and Scrutiny Committee at its meeting on 5 June 2018. In response to comments made by the Committee, a number of minor amendments had been made to the draft Strategy. Having noted that the Committee had expressed support for the strategy and action plans, the Executive

RESOLVED:

(1) That the new draft Homelessness Strategy 2018-20, as set out in Appendix 1 to the report submitted to the Executive, be adopted.

(2) That the Director of Community Services be authorised to implement the strategy and review and update the action plans in consultation with the Lead Councillor for Housing and Development Management.

Reason:
To meet the Council's duty under the Homelessness Act 2002 to review homelessness in the borough at least every five years and produce a strategy setting out the Council's approach to the prevention of homelessness, provision of accommodation and support for those facing homelessness.

EX24   GUILDFORD SUSTAINABLE MOVEMENT CORRIDOR 1: WEST (SMC1) - PHASE 1

The Executive considered a report which sought approval to transfer the budget required to complete the first phase of Guildford Sustainable Movement Corridor 1 – West (SMC1) from the provisional capital programme to the approved capital programme. This would enable the continuation and completion of the detailed design and implementation of the first phase of Guildford Sustainable Movement Corridor 1 – West (SMC1) from 2018-19 to 2020-21.

This package of improvements would provide a vital transport corridor between the Surrey Research Park/Royal Surrey County Hospital and Guildford mainline train station.

The report also outlined the current spend and the works completed to date as well as the remaining scope of works to be delivered from 2018-19 to 2020-21.

Having considered the report, the Executive

RESOLVED: That £3.85 million required for the first phase of Guildford Sustainable Movement Corridor, that is currently part of the overall budget of £9.895 million on the Provisional Capital Programme, be moved to the Approved Capital Programme.

Reason:
To complete the detailed design and delivery of the first phase of Guildford Sustainable Movement Corridor 1 – West (Phase 1 SMC1). £2.725m of the funds have been awarded to the project by the Enterprise M3 Local Enterprise Partnership (EM3 LEP). These funds must be spent by end of March 2021 and so work on detailed design is already underway.

EX25   PUBLIC BIKE SHARE SCHEME FOR GUILDFORD

The Executive considered a report which identified the potential for a public bike share scheme in Guildford, specifically in areas close to the town centre. This would be a highly visible project stating the borough's commitment to sustainable transport, encouraging modal shift away from the private motor car and providing a new service to many who did not currently cycle.

The total scheme costs of £1.13 million included the infrastructure improvements which will be completed alongside the implementation of the docking stations. Funding of £600,000 had recently been made available by the Enterprise M3 Local Enterprise Partnership (EM3 LEP) which would enable a new bike share scheme in the town to be completed in this financial year and it would also make it possible to make the fleet of bikes electric. The remaining £530,000 was on the provisional capital programme.

A supplementary estimate of £600,000 would be required to be fully funded by the EM3 LEP grant.

An interim feasibility report proposing a phased approach to the project had been completed, a copy of which was appended to the report to the Executive. Using this information an expression of interest was submitted to the EM3 LEP after the LEP called for bids for work which could be

implemented in 2018-19. The outcome of the bid to the EM3 LEP would not be known until July 2018 and there was a need to continue to progress the project in advance of the decision in order to be able to deliver within the LEP timescales. Once the full feasibility report was made available and the EM3 LEP grant confirmed, the Executive was asked to authorise Officers, in consultation with the Lead Councillor, to transfer the sum of £530,000 that was currently on the provisional capital programme to the approved capital programme.

The Executive

RESOLVED:

(1) That the bike share scheme for the town, as outlined in the report submitted to the Executive, be approved.

(2) That, once the full feasibility report is made available and the EM3 LEP grant is confirmed, the Managing Director and S151 Officer be authorised, in consultation with the Lead Councillor for Infrastructure and Governance, to transfer the sum of £530,000 that is currently on the provisional capital programme, as agreed by the Executive in January 2018, to the approved capital programme.

(3) That the supplementary estimate of £600,000 be fully funded by the EM3 LEP grant.

Reason:
The scheme would improve the sustainable transport options available for residents and visitors to Guildford helping to maintain air quality and improve public health and well-being whilst assisting with, amongst others, the following strategic priorities as set out in the Council's Corporate Plan 2018-2023:

- Making travel in Guildford and across the borough easier: Introduce a public bike share scheme (including electric bikes) in Guildford.

EX26   WANBOROUGH ARTICLE 4 DIRECTION

The Executive was reminded that, in February 2018, the Leader of the Council agreed to the making of an Article 4 Direction, with immediate effect, on land at Wanborough Hill, Wanborough.

The Direction applied to the following development:

- The erection, construction, maintenance, improvement or alteration of a gate, fence, wall or other means of enclosure being development comprised within Class A of Part 2 of Schedule 2 of the Town and Country Planning (General Permitted Development) (England) Order 2015 and not being development comprised within any other class; and

- The use of the land for any purpose for not more than 28 days in total, in any one calendar year, of which not more than 14 days in total may be used for holding of a market or motor car and motorcycle racing, including trials of speed, and practising for these activities, and the provision on the land of any moveable structure for the purpose of the permitted use, within Class B of Part 4 of Schedule 2 of the Town and Country Planning (General Permitted Development) (England) Order 2015 and not being development/use comprised within any other class.

The Executive now considered a report on the proposed confirmation of the Direction and gave consideration to the representations received from local residents (twenty of whom had supported the confirmation of the Direction) and the land owner (who had objected).

In considering the matter, the Executive took into account the representations received, together with national and local planning policy, full details of which were set out in the report.

The Executive noted that this parcel of land was located within the Green Belt, AGLV and partly within the Surrey Hills AONB. It was bordered by the A31 trunk road, to the south, with Wanborough Hill and the village of Wanborough to the east, of which seven properties were Listed Buildings. To the north and west, the land was bordered by woodland and open agricultural fields. The land was highly visible, sensitive in landscape terms and relatively free from all forms of development. Potential development in the form of fencing and other permitted uses would result in irrevocable harm to the openness and visual amenity of the Green Belt, AGLV and AONB and lead to the subdivision of agricultural land other than for purposes reasonably necessary for agriculture.

The Town and Country Planning (General Permitted Development) Order 2015 granted planning permission for certain types of development. Part 2 of Schedule 2, Class A, of the Order, allowed fences up to 2 metres high to be erected on the land and this was a serious cause for concern in respect of this open and visual landscape. Part 4 of Schedule 2, Class B would allow the plots to be used on a temporary basis for any purpose for not more than 28 days in any one calendar year, restricted to 14 days in the case of a market, fair or motor sport. This was also cause for strong concern as it was considered that such use would be a threat to the amenity of the area. Article 4 of the 2015 Order permitted the Local Planning Authority to remove by direction some of the development rights otherwise granted by the Order.

Following careful consideration of the representations, the Executive considered that there was strong justification and merit for the Direction to remain in place and to proceed with confirmation of the Direction as it was necessary to protect local amenity.

The Executive therefore

RESOLVED: That the Director of Planning and Regeneration be authorised to take all necessary steps to confirm the Article 4 Direction on land to the west of Manor Farm Cottages, Wanborough Hill, Wanborough, currently in effect to remove permission granted by the General Permitted Development Order 2015, relating to Schedule 2 Part 2, Minor Operations, Class A, relating to fences, gates, walls and any other means of enclosure and Schedule 2, Part 4, Temporary Buildings and Uses, Class B, relating to temporary uses of the land.

Reason:
Due to an objection having been received and following the serving of the Article 4 Direction, the matter no longer remains delegated to officers and it is considered necessary to confirm the Direction in order to protect local amenity.

EX27   MIDLETON INDUSTRIAL ESTATE REDEVELOPMENT

The Executive was reminded that the Council owned the freehold of Midleton Industrial Estate, which had significant potential for redevelopment over the medium term. The Council had decided to develop the site in phases as and when leases expired or were determined.

The Executive had approved a business case for the redevelopment of the Midleton Industrial Estate on 24 January 2017, as part of the consideration of the 2017-18 capital programme.

The Executive, having considered a report which outlined progress with the delivery of the project, including the current spend and the works completed to date as well as the remaining scope of works to be delivered during 2018-19 and 2019-20,

RESOLVED:

Agenda item number: 3

(1) That the sum of £3.65 million be transferred from the provisional capital programme to the approved capital programme to enable the continuation and completion of the design and construction of phase one of the Midleton Industrial Estate redevelopment, as detailed in the report submitted to the Executive.

(2) That the Director of Community Services, in consultation with the Lead Councillor for Finance and Asset Management, be authorised to progress the design and construction of phase one.

Reason:
To progress the redevelopment of Midleton Industrial Estate site in phases to enhance both the capital value and rental income of the Council's property assets.

The meeting finished at 8.07 pm

Signed .... Date ....
Chairman

Executive Report

Ward(s) affected: Friary & St Nicolas

Report of Director of Environment

Author: Jennifer Hyland

Tel: 01483 444 136

Email: jennifer.hyland@guildford.gov.uk

Lead Councillor responsible: Matt Furniss

Tel: 07891 022206

Email: matt.furniss@guildford.gov.uk

Date: 28 August 2018

Walnut Bridge Design

Executive Summary

In July 2016, the Executive was presented with two specific design options for the Walnut Bridge replacement project: a "Cable Stay" with two mast location options (town side or station side) and a "Living Bridge". The Executive decided that the Cable Stay design should be progressed.

This report recommends that approval be given to the principle of progressing with an alternative to the 'Cable Stay bridge with mast on town side' design, essentially removing the Cable Stay element. This report does not ask the Executive to give its specific approval to the detail of the bridge design submitted in the planning application ref. 18/P/01213.

There are two main reasons for the proposed change. First, there is an evolving situation affecting the land surrounding the bridge including a proposal to redevelop the station. These matters provide greater opportunity to introduce an enhanced urban realm over a wider area including better wayfinding between the station and town centre.

Second, following the Executive decision of 2016, an OJEU compliant procurement exercise was progressed incorporating the Cable Stay design. The market response was that the Cable Stay aspect of the design was technically challenging. As a result, the majority of tenderers withdrew from the process leaving an insufficient number to continue with the procurement. The exercise was halted whilst alternative approaches were explored.

Recommendation to Executive:

(1) That the Executive approves the progression of a new design for the Walnut Bridge, which does not include the Cable Stay element.

(2) That the Director of Environment, in consultation with the Lead Councillor for Infrastructure and Governance, be authorised to make any further changes that may be required.

Agenda item number: 4

Reasons for Recommendation:

- In recognition of changes to the local area and the planned redevelopment of the station

- To respond to the technical challenges of a Cable Stay design highlighted during the procurement exercise

- To ensure the successful delivery of the Project

---

1.   Purpose of Report

1.1   The purpose of this report is to highlight the recent changes to the planned development of the area, explain the challenges of the Cable Stay design option and discuss an alternative of progressing with a different design solution.

2.   Strategic Priorities

2.1   Within the Corporate Plan 2018-2023 the 'replacement of Walnut Tree Bridge' is mentioned as a key project as part of the Strategic Priority 'Making Travel in Guildford Easier'.

3.   Background

3.1   In July 2016, following a review of bridge design options by consultants WSP, the Executive was presented with two design options and were invited to select the one which should be progressed. The options presented to the Executive were of a Cable Stay or a Living Bridge design.

3.2   On the basis of the two options proposed and the recommendations at the time, the Executive resolved to proceed with the Cable Stay design (with mast on the town side).

3.3   Following the decision, the Cable Stay design was progressed through to the initial stages of an OJEU procurement in late 2017 and early 2018.

3.4   Feedback from the tendering parties highlighted that the Cable Stay design was technically challenging. As a result, only two companies were willing to engage with the procurement process and they required assurances and additional funding before they would proceed i.e. they wanted the Council to pay for all the design costs incurred by both companies prior to final tender submission.

3.5   As a result, the procurement process was temporarily halted to review the alternatives available to the Council.

3.6   At the same time, other matters affecting the immediate area had arisen.

3.7 One of these relates to land ownership in the area where the bridge will land on the Bedford Wharf side. This resulted in a decision by the Executive in May 2018 to prepare to apply for a Compulsory Purchase Order (CPO) of the land at the front of the Odeon and the plaza area.

3.8 In addition, the Solum regeneration development (Ref 14/P/02168) comprising "A mixed use redevelopment comprising 438 residential dwellings" was approved at appeal on 27 February 2018. This development will provide a new focus for the area and will generate increased footfall and cycle use across the Walnut Bridge. An alignment of the station entrance and the bridge will further assist in directing pedestrians and cyclists to the town centre.

3.9 These recent developments provide the Council with an opportunity to enhance the wider area through landscaping in association with the bridge replacement. This will aid wayfinding and enhance the user experience of those travelling to and from the Bedford Wharf plaza.

3.10 Our consultants were subsequently asked to develop designs that responded to the feedback from the procurement exercise and which took account of the re-development of the station and land issues on Bedford Wharf. The design options produced were for a design which removed the Cable Stay aspect.

3.11 The consultants were further asked to prepare and submit a planning application. This was to provide confidence that the design would be considered acceptable in planning terms.

3.12 The options being put forward for consideration by the Executive are therefore as follows:

Option 1 – Proceed with the principle of a design that excludes the Cable Stay aspect

3.13 A revised design has been developed and discussed with the Lead Councillor and at the Major Projects Programme Board. A planning application, Ref, 18/P/01213, has been submitted. Designs in relation to the application may be viewed online and a link to the Design and Access Statement is included in the Background Documents section below.

3.14 The Executive is not being asked to approve the detail of the scheme contained within in the application, but to approve the principle of progressing with an alternative design, removing the Cable Stay aspect. The planning application provides an indication of what a design without a Cable Stay looks like.

3.15 The bridge forms part of the Guildford Town Centre Transport Infrastructure Package' (GTCTP) with the aim being to encourage and increase cycling and pedestrian travel within Guildford. This proposed change does not detract from this aim.

3.16 There would remain an important element of landscaping and provision of public art around the bridge structure to ensure that the bridge facilitates wayfinding

between the station and the town. This will be developed to ensure the bridge achieves a distinctiveness from other bridges/areas and would be progressed separately from the bridge construction project.

Option 2 – Revert to A Cable Stay Design

3.17   There would be a significant risk to the successful delivery of the project if this option was chosen. As already explained, the technical engineering challenges raised in the procurement process could result in no parties being willing or capable of delivering the project due to the Cable Stay aspect. If a company was willing to take on this project there will be an additional cost which could not, at this stage, be quantified.

3.18   Choosing this option would require the submitted planning application to be withdrawn.

4.   Consultation

4.1   The Lead Councillor for Infrastructure and Governance has been consulted on the principle of an alternative design.

4.2   Organisations that were consulted when proposals for a new bridge were originally developed have been contacted again regarding the potential change of design. These organisations will also be approached as part of the planning application process.

5.   Equality and Diversity Implications

5.1   The existing bridge is not compliant with current DDA requirements and does not facilitate movement between the station and the town centre for those with mobility issues or other disabilities.

5.2   An Equalities Impact Assessment has been undertaken as part of the Planning Submission. The report provides recommendations regarding impaired users, which have been/will be incorporated in the design. The new bridge is to replace the existing substandard bridge: the gradient of the existing ramp at Bedford Wharf is steeper than 1:20 gradient (approx. 1:10 gradient) and existing access staircases are narrower than the minimum required.

5.3   The new bridge and associated access structures (ramp and stairs) are/will be designed in accordance with BD 29/04 "Design Criteria for Footbridges" DMRB, which is compliant with the Equality Act 2010. Other technical standards and guidance in relation to addressing equality have been used for the design of the bridge and associated structures throughout the various stages of the design i.e. Equality Act 2010 and Inclusive Mobility.

6.   Financial Implications

6.1   The current financial projections indicate that the project is progressing on budget.

6.2   Spend to Date vs Budget

Budget   £3,341,000

Spend to date   £1,024,737

7.   Legal Implications

7.1   No legal implications apply.

8   Human Resource Implications

8.1   There are no HR implications as a result of this report.

9   Summary of Options

9.1   Option 1: Proceed with an alternative design
        Option 2: Revert to the Cable Stay design

10   Conclusion

10.1   The decision of the Executive in 2016 was one based on the options considered
        at that time and with limited knowledge of the markets' capability to deliver a
        project of this nature. The response of tenderers and recent developments
        affecting the surrounding area has meant that officers recommend that the 2016
        decision of the Executive in relation to the Cable Stay design be revisited.

10.2   Officers further recommend progressing with the principle of an alternative
        design, which will deliver a modern, DDA compliant, route between the station
        and town centre, increase opportunities for cycling and walking around Guildford,
        responds to recent developments in the local area and which is more attractive to
        tenderers.

11   Background Papers

        Design And Access Statement
        http://www2.guildford.gov.uk/publicaccess/files/D3D0D18AD17A56D13E5137B6
        3CDB3E1B/pdf/18_P_01213-DESIGN___ACCESS_STATEMENT-1174476.pdf

12   Appendices

        None

This page is intentionally left blank

Executive Report

Ward(s) affected: Clandon and Horsley, Effingham, Holy Trinity, Merrow, and Tillingbourne

Report of Director of Environment

Author: Chris Stanton, Rural Economy Officer

Tel: 01483 444331

Email: chris.stanton@guildford.gov.uk

Lead Councillor responsible: David Bilbé

Tel: 01483 811155

Email: david.bilbe@guildford.gov.uk

Date: 28 August 2018

Proposal for investment in Broadband for Surrey Hills Ltd. Community Benefit Society

Executive Summary

On 23 July 2018 the Department for Digital, Culture, Media & Sport (DCMS) published *The Future Telecoms Infrastructure Review* as part of its response for delivery of the Industrial Strategy. The *Review* details the changes that are needed to give the majority of the population access to 5G *(the fifth generation of mobile networks)* and to connect 15 million premises to full fibre broadband by 2025. Full fibre infrastructure is vital to underpin 5G coverage and the National Infrastructure Commission's 2018 *National Infrastructure Assessment* anticipates that the UK telecoms network should have replaced copper wire with full fibre by 2033.

This full-fibre ambition was anticipated in the Council's *Rural Economic Strategy 2017-2022*, which predicted that rapid changes in technology – in particular around 5G mobile communications pioneered in Guildford at the University of Surrey – will transform daily life and the way we work, learn, travel or spend time online for recreation, shopping or healthcare. Reflecting also the Council's Corporate Plan, delivery of the *Rural Economic Strategy's* Action Plan Priority **Infrastructure for Enterprise** has seen full-fibre broadband emerge as the enabling technology on which the other rural strategic priorities will depend.

The key feature of full-fibre broadband is the level of connectivity that it provides – that is, the capacity of the fibre itself and the data transmission speeds in both download and upload. The ideal capability is full symmetric fibre – where the down and up speeds match and provide at least 1Gigabit per second (1Gbps) in each direction.

The following proposal focuses on providing the Borough's rural communities with full symmetric fibre. This exceeds the DCMS ambition to provide *"next generation Fibre to the Premises (FTTP)" as* defined in *The Future Telecoms Infrastructure Review.*

The proposal is that the Council should invest an initial sum of £10,000 in Broadband for Surrey Hills Ltd. (B4SH), which is an important first step in an evolving local digital strategy with full fibre as the enabling technology for a range of applications, including

Guildford town centre WiFi and LoRa (Long-Range) networks and, of course, 5G. All will support the 'Internet of Things' (IoT). The Executive may wish to consider a higher investment of up to £50,000 in due course after the initial roll out in the Albury/Chilworth area and the first phase has been fully evaluated.

As well as working closely with the University of Surrey's 5G Innovation Centre, neighbouring Boroughs and Districts and Surrey County Council, we have contacted Network Rail as a potential delivery partner/provider to facilitate broadband access through its lineside ducts and crossing points along six different rail routes into Guildford.

Known locally as "BASH", Broadband for Surrey Hills Ltd. (www.gigupanddown.net) is modelled on Broadband for the Rural North (www.b4rn.org.uk) which was founded in Cumbria in 2011 and has since spawned off-shoots in other parts of England, including the Yorkshire Dales National Park Authority. The Park Authority has provided B4RN with loan funding for a number of specific fibre projects over many years. Repayment of the loans with interest has enabled investment in new community-led broadband projects. Key to B4RN's success has been the negotiation of free wayleaves with landowners.

Incorporation as a Community Benefit Society has already helped B4SH with its own wayleave negotiations, receiving active support from the Duke of Northumberland's Albury Estate. As joint managers of the public open access parts of the Albury Estate, Surrey County Council and Surrey Wildlife Trust have also been, together with Natural England, helpful parties in the wayleave discussions to date with local landowners.

The Future Telecoms Infrastructure Review states: *"investment is key to improving consumer outcomes in terms of choice, service quality, innovation and price over the longer term."* The deployment of full symmetric fibre to the premises by B4SH will realise all of these outcomes, offering the Council a leading role in facilitating broadband delivery and inspiring other Councils to add their support.

Attached as Appendix 1 is the Executive Summary from *The Future Telecoms Infrastructure Review* published by DCMS on 23 July 2018.

Recommendation to the Executive:

(1)   That the Council invests the initial sum of £10,000 in Broadband for Surrey Hills Ltd., as described in this report.

(2)   That the Council agrees, as a landowner, to provide free wayleaves where B4SH fibre crosses its land, as other landowners have done in support of their communities.

Reason for Recommendation:
This is an opportunity to support a community-led initiative having a mainly social benefit for those parts of the Borough that are currently poorly served by broadband connectivity. Full symmetric fibre broadband will hasten delivery of the Government's Industrial Strategy as set out in *The Future Telecoms Infrastructure Review,* create the conditions for the economic transformation of our local rural communities, and facilitate many of the Strategic Priority Objectives set out in the Action and Delivery Plans of the *Rural Economic Strategy 2017-2022*.

1.   Purpose of Report

1.1   With its origins in the Council's first Rural Economic Strategy, the purpose of this report is to propose support for the development and delivery of a strategic approach to the roll-out of full fibre broadband, in line with the stated aspirations of the Enterprise M3 Local Enterprise Partnership, the Surrey Leaders' Board and the recently published DCMS *Future Telecoms Infrastructure Review*. At the same time, it will deliver a valuable new community service to Guildford's rural areas.

2.   Strategic Priorities

2.1   To address delivery of the Government's Industrial Strategy, the National Infrastructure Commission published its *National Infrastructure Assessment* on 10 July 2018, which recommended the rollout of a national full fibre programme to cover all parts of the country by 2033. On 23 July, the DCMS published its 90-page *Future Telecoms Infrastructure Review*, the Executive Summary of which is attached as **Appendix 1**.

2.2   The *Rural Economic Strategy 2017-2022* addressed all strands of the Council's Corporate Plan, with Infrastructure for Enterprise having emerged as the priority that underpins the others. In terms of what type of infrastructure should be the priority, full fibre broadband will provide the level of connectivity required – meaning the capacity of the fibre itself and the data transmission speeds in both download and upload. The ideal capability is full symmetric fibre – where the down - and up - speeds match and provide at least 1Gigabit per second (1Gbps) in each direction. This hyper-fast speed of delivery is promised by Broadband for Surrey Hills Ltd. (www.gigupanddown.net), a new Community Benefit Society established for the specific purpose of reaching those rural communities that currently have next to nothing in terms of broadband connectivity. With some parts of our Borough still barely able to achieve 1 Megabit per second (1Mbps), this investment opportunity will have the potential to deliver a service 1,000 times faster and, in so doing, provide a valuable, future-proofed community resource that regenerates villages and rural businesses through enterprise and innovation.

2.3   The existing broadband provision through Superfast Surrey is a mixture of old and new technologies, typically using fibre from the telephone exchange to the street cabinets but with copper wire completing the lines to individual premises. The significantly slower speeds that are possible through copper wires means that commercial and residential users alike will, increasingly, be unable to cope with large file uploads as demand for Cloud access and "big data" flows increases. The *Future Telecoms Infrastructure Review* wants the majority of the population to have 5G coverage by 2025 and anticipates that the UK telecoms network should have replaced copper wire with full fibre by 2033.

2.4   To support delivery of the Government's Industrial Strategy the Department for Digital, Culture, Media and Sport has announced a number of funding initiatives over the past year, including:

- Local Full Fibre Networks (LFFN) programme
- 5G Testbeds and Trials programme
- Urban Connected Communities programme

A Rural Connected Communities programme is anticipated in the coming weeks. Since these announcements – and the original discussion of this outline proposal at CMT (24 April) – the Government (DCMS) has published its visionary *Future Telecoms Infrastructure Review* that will shape delivery of all the above*.*

2.5 At the *Surrey Future* Workshop (21 June 2018) and the subsequent Surrey Leaders' Group, Surrey County Council's Deputy Leader, Cllr John Furey, highlighted the strategic importance of full fibre connectivity across Surrey and proposed its possible inclusion within a Business Rates Retention Year 2 bid.

2.6 Following Enterprise M3's (EM3) unsuccessful bid for 5G Testbeds and Trials/Urban Connected Communities funding, the Council is now discussing a potential partnership bid for LFFN funding. This will build on the CMT's recommendation (10 July 2018) that any partnership funding bid(s) should capitalise on Guildford's central geographical location in relation to both EM3 and SCC. Guildford's existing strong relationship with the University of Surrey's 5G Innovation Centre (5GIC) and our more recent approach to Network Rail adds further strategic value to help this specific proposal to invest in Broadband for Surrey Hills Ltd.

3.   Background

3.1 The Council's first contact with Broadband for Surrey Hills (B4SH) was at an exploratory "Broadband Leaders' Workshop" arranged and hosted by the Economic Development team at the Council Offices in November 2017. The workshop achieved its intended purpose of identifying potential partners in a LFFN partnership bid. It also helped understanding of the relationship between full-fibre broadband and the 5G technologies now being developed at the University, with the 5GIC's Chief Operating Officer Keith Robson stating how vital it is. Prior to the meeting Mr Robson had not been aware of the progress made in Cumbria by Broadband for the Rural North. With investment support by the Council as proposed here, B4SH will be able to replicate the B4RN model locally.

3.2 Shortly after the Broadband Leaders' Workshop, the DCMS ran a workshop to explain the process for its Wave 2 round of funding. Because we felt it was important to undertake detailed research first into the technological options and explore which private and public partner organisations might be interested in a collaborative bid, we elected not to submit a Wave 2 application and to wait instead for the Wave 3/4 announcement.

3.3 A meeting with the Technical Director of B4SH in January 2018 was very helpful in defining the importance of full symmetric fibre in providing at least 1Gigabit per second (1Gbps) speed of transmission up as well as down. This actually goes beyond the Government's stated commitment to "full fibre" which omits any reference to symmetry. The B4SH proposal will thus deliver considerably faster broadband to rural parts of the Borough than is possible now through the current Superfast Surrey joint venture by BT Openreach and Surrey County Council. Not

only that, but as a community-led venture involving farmers, investors, landowners and volunteers much of the fibre would be laid more easily, more quickly and more cheaply using "soft-dig" mole plough techniques. B4SH has already identified a fibre infrastructure provider – Zayo Group – whose trunk route between London, Woking and Gatwick could feed the embryonic B4SH network from a connection node at Staple Lane in the North Downs above Albury:
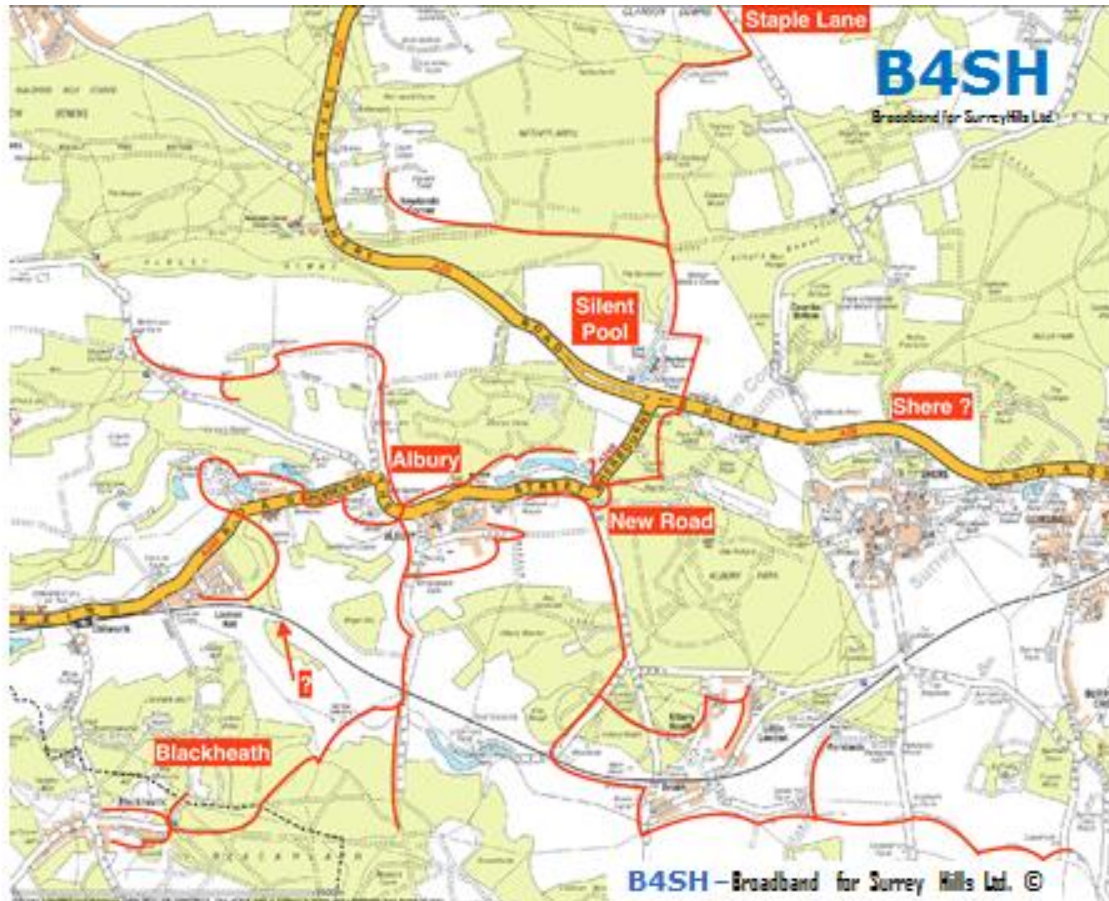
3.4   Initially, it was assumed that the limit of potential GBC engagement with B4SH would be in facilitating free wayleaves where these crossed GBC land – or brokering contacts and relationships between other partner organisations like Surrey County Council and Network Rail. In the latter case, B4SH had some operational contacts but, as a result of our own approach to Network Rail, it was possible to engage at a more strategic level. This will potentially enable the use of lineside ducts as well as the more conventional request to cross the railway by overbridge, foot/level crossing, culvert, etc. *The Future Telecoms Infrastructure Review* now recommends access to passive infrastructure owned by other utilities, where appropriate. The *Review* states that assets from utilities such as power, gas, water, and local authorities should be easier to access, and available for both fixed and mobile use. This not only includes multi-utility ducts and poles, but also potentially pipes in the case of water, sewers and gas. *(NB: In rural wooded areas, overhead fibre conveyance using poles introduces risks that are clearly avoided using mole-plough or pipework installation.)*

3.5   Further dialogue with B4SH's Technical Director led to discussion of the B4RN business model in Cumbria which has, since its foundation in 2011, proved highly successful in other parts of rural northern England. This included the Yorkshire Dales National Park Authority, which provided investment in the form of loan funding to deliver a series of community broadband projects across the Park. These have included:

- Installation of superfast broadband (B4RN) for Ireby which connects to Masongill (£5,000)

- Installation of superfast broadband (B4RN) for Barbon and Middleton (£9,990)

- A B4RN communications node at Dent Primary School to connect Barbon to Dent (£11,300)

- Air based community broadband system using wi-fi and antennae in Upper Raydale (£5,000)

- Installation of superfast broadband (B4RN) for Chapel le Dale (£9,950)

- Installation of superfast broadband B4RN) for Casterton (£9,950)

- Installation of superfast broadband (B4RN) for Thornton in Lonsdale (£10,000)

- Installation of superfast broadband (B4RN) for Clapham (£10,000)

- B4RN cabinet, superfast broadband, Sedbergh Town, Cautley & Dowbiggin (£20,000)

- B4RN cabinet, superfast broadband, Sedbergh - Firbank, Howgill, Marthwaite & Killington (£10,000)

3.6   The precedent of public sector investment demonstrated here by the Park Authority enables the original investment to be repaid with interest (about 4%) and then re-invested into new projects. While GBC could adopt a similar approach, it could simply invest in B4SH directly, albeit without the advantages that are available to personal investors, such as HMRC's new Social Investment Tax Relief scheme (SITR).

4.   Consultations

4.1   Because the Guildford Business Forum Rural Group has oversight of the delivery of the *Rural Economic Strategy 2017-2022*, including the Action and Delivery Plans which cover broadband infrastructure, it was possible early in 2018 to highlight the benefits of full fibre and to introduce B4SH as a potential local partner to take broadband into the Surrey Hills. The then Lead Councillors for Rural Economy, Countryside, Parks & Leisure and Economic Development, together with some local ward councillors with particular local knowledge, interest

and/or expertise have provided valuable input throughout the evolution of this proposal to work more closely and pro-actively with B4SH.

4.2   The Rural Economy Officer has also had close and regular contact with County officers (esp. Countryside Team) as well as informal contacts with some Parish Council representatives, Surrey Community Action, University of Surrey and the owners of Send Business Centre. Such contacts led to other, more formal, opportunities to emphasise the importance of full-fibre broadband, including at GBC's Innovation Strategy Board, the Guildford-Surrey Board and the *Surrey Future* Workshop.

4.3   Within the past month, publication of *The Future Telecoms Infrastructure Review* has re-defined the Government's vision for full fibre broadband connectivity and its ambition to deliver that to all premises by 2033. In addition to direct technical discussions with B4SH, the Economic Development team has consulted with a range of private and public sector partners through Enterprise M3 and DCMS contacts. Together these contacts are helping to inform our wider digital strategy and it is important that this proposal to support B4SH dovetails with that.

4.4   A related development following discussion with Planning Policy colleagues is the revised draft text at Section 4.5 of the Local Plan Policy D1: Place shaping. This now specifies infrastructure requirements for all new developments, including sufficient ducting space for future digital connectivity infrastructure, Fibre to the Premises (FTTP) where practical and the encouragement of further innovation and provision for 5G, Wi-Fi and other technologies.

5.   Equality and Diversity Implications

5.1   No specific implications apply and no Equalities Impact Assessment screening has been undertaken although the proposal to work with and invest in B4SH will support the aims of the Public Sector Equality Duty (Equality Act 2010) with regard to the nine protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It will also have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status.

6.   Financial Implications

6.1   Beyond the Council's current commitment to extend the original two-year employment contract of the Rural Economy Officer, the financial commitment will be dependent on the Council's assessment of the B4SH Business Plan and the related due diligence report, both of which can be viewed in the "Not for Publication" Item 9 elsewhere on this agenda.

7.   Legal Implications

7.1   These will follow from the Council's decision on how to proceed with the proposed investment in B4SH i.e. whether as a company shareholder or as a project commissioner along similar lines to the Yorkshire Dales National Park Authority's relationship to Broadband for the Rural North.

7.2   The sum of investment in the scheme falls within the de minimis exemption under the rules on state aid, and further analysis will be conducted following a decision to proceed to ensure that the manner of investment or support is state aid compliant.

7.3   The provision of wayleaves for nil consideration is open to the Council where it is found that to do so would promote the environmental, social, or economic wellbeing of the area.

8.   Human Resource Implications

8.1   No specific HR implications apply.

9.   Summary of Options

9.1   Subject to the acceptability of the Broadband for Surrey Hills Ltd (B4SH) Business Plan and any specific recommendation(s) arising from the due diligence report (see "Not for Publication" Item 9 elsewhere on this agenda), the sole recommended option is to support the proposal that Guildford Borough Council should invest in B4SH on the following basis:

- £10,000 should be the initial level of investment, subject to the proviso that councillors may propose a higher sum to enable flexibility of approach, if considered appropriate and recommended by the Director of Finance.
- Investment may be direct i.e. as a corporate shareholder, on the basis that the Business Plan will enable return on the investment at the rate forecast and within the timescale envisaged
- Instead – or as well – investment may follow the Yorkshire Dales National Park Authority model that enabled Broadband for the Rural North (B4RN) to grow so successfully through its incremental project approach. This approach will also complement other Surrey Hills projects e.g. local community housing developments or potential farm/estate diversification proposals.
- It is also recommended that the Council should, as a landowner, provide free wayleaves where B4SH fibre crosses its land, as other landowners have done in support of their local communities.

10.   Conclusion

10.1   Government policy announcements promoting the accelerated roll-out of full-fibre broadband make this a timely opportunity for the Council to invest in a vital technology that will enable the regeneration of rural communities in and around our Borough. Other local Boroughs and Districts bordering the Surrey Hills AONB have expressed interest in working with B4SH.

11.   Background Papers

The following weblinks will help understanding of the proposal:

- www.gigupanddown.net
- www.b4arn.org.uk

- www.gov.uk/government/news/forging-a-full-fibre-broadband-and-5g-future-for-all

12.   Appendices

Appendix 1: Executive Summary – DCMS Future Telecoms Infrastructure Review *(Key points highlighted by Chris Stanton, Rural Economy Officer)*

This page is intentionally left blank

Department for Digital, Culture, Media & Sport

Executive Summary: Future Telecoms Infrastructure Review *(23 July 2018)*
(www.gov.uk/government/news/forging-a-full-fibre-broadband-and-5g-future-for-all)

(NB: Key points highlighted by Chris Stanton, Rural Economy Officer):

In the coming decades, fixed and mobile networks will be the enabling infrastructure that drives economic growth. The UK is a world leader in superfast connectivity with more than 95% of premises covered. However, next generation Fibre to the Premises (FTTP) – or 'full fibre' – coverage is only 4%, where we lag behind current world leaders like South Korea (c.99%), and Japan (c.97%). Mobile coverage is also improving – 87% of UK landmass has a 4G signal from at least one operator (compared to 78% in 2017).

For the UK to be the best place to start and grow digital businesses, we need greater investment to build fixed and wireless networks that are fit for the future, and take advantage of the benefits of fixed and mobile convergence. The wide-scale deployment of these next generation technologies will underpin the UK's modern Industrial Strategy and the Grand Challenges in areas where the UK can lead the global technological revolution. We want every part of the UK to be able to benefit from the significant economic developments that digital connectivity brings.

When looking at the speed, resilience and reliability that consumers want and businesses need in order to grow, it is clear that full fibre and 5G are the long-term answer. These technologies have the potential to transform productivity, and to open up new business models. Full fibre networks are faster, more reliable, and more affordable to operate than their copper predecessors. 5G will deliver faster and better mobile broadband, and enable revolutionary uses in industry sectors like manufacturing, health and transport.

The Government has set clear, ambitious targets for the availability of full fibre and 5G networks. We want to see 15 million premises connected to full fibre by 2025, with coverage across all parts of the country by 2033. We want the majority of the population to have 5G coverage by 2027. The security and resilience of the UK's telecoms networks is also of paramount importance.

The Future Telecoms Infrastructure Review (FTIR), announced in the Government's Industrial Strategy, has considered the changes that need to be made to the UK telecoms market and policy framework to give us the best chance of meeting these goals.

The Government and Parliament are responsible for setting the overall policy and regulatory framework for telecoms, consistent with relevant EU law. Ofcom, as the UK's independent regulatory authority, is responsible for implementing the framework, and for making regulatory decisions under its statutory duties.

The Digital Economy Act 2017 sets out the Government's role in defining the strategic priorities and outcomes in relation to telecoms through a Statement of Strategic Priorities (SSP), which Ofcom must have regard to when carrying out its regulatory functions. It is our intention to follow this Review with the Statement, based on the conclusions of the Review.

Nationwide Full Fibre Connectivity

The total level of investment required for the national roll out of full fibre is estimated to be in the region of £30 billion. We would expect to see incremental revenue from the delivery of more valuable services to help pay for this investment. At the same time, earning a return on this large-scale investment will require the mass take-up of full fibre services. A range of fibre products and pricing will be important to encourage the migration of the existing customer base from copper networks and recover the costs of the new networks.

Commercial investment in full fibre networks is gaining momentum with major investments by established and alternative network operators. Over a million premises now have a fibre connection – more than 450,000 of those within the last year alone; and not just in towns and cities, but also in rural areas as well.

To meet our ambitions, there must be a sharp increase in the pace of full fibre roll out. The availability of capital is not the key constraint – but we do need the right conditions to attract investment. The current regulatory and policy environment has worked well to date in stimulating retail competition based on existing networks. However, changes will be necessary in the regulatory and policy environment, to incentivise the large-scale deployment of new networks in rural and urban areas across the UK.

The National Infrastructure Commission (NIC) published its National Infrastructure Assessment on 10 July. We welcome their assessment which includes a strong focus on digital connectivity and recommends that a national full fibre rollout programme should be put in place to achieve nationwide coverage.

The analysis we have commissioned in support of this Review indicates that, absent change, full fibre networks will at best only ever reach three quarters of the country, and take more than 20 years to do so. This is not good enough to meet our ambition of world class digital connectivity for the UK, with no part of the country being left behind.

The most effective way to deliver nationwide full fibre connectivity at pace is to promote competition and commercial investment where possible, and to intervene where necessary. We estimate that:

- At least a third (with the potential to be substantially higher) of UK premises are likely to be able to support three or more competing gigabit-capable networks;

- Up to half (or lower if there are more three network areas) of premises are likely to be in areas that can support competition between two gigabit-capable networks;

- There are likely to be parts of the country (c.10% of premises) that, while commercially viable for at least one operator, may not benefit from investment. The Government will use 'competition for the market' mechanisms to secure investment in areas. The proposed new Electronic Communications Code (EECC), for example, provides powers to designate areas where no operator has indicated plans to deploy; and

- In the final c.10% of premises, the market alone is unlikely to support network deployment and additional funding of some description will be required to ensure national coverage.

This strategy relies on getting five things right:

1. Making the cost of deploying fibre networks as low as possible by addressing barriers to deployment, which both increase costs and cause delays;

2. Supporting market entry and expansion by alternative network operators through easy access to Openreach's ducts and poles, complemented by access to other utilities' infrastructure (for example, sewers);

3. Stable and long-term regulation that incentivises competitive network investment;

4. An 'outside in' approach to deployment that means gigabit-capable connectivity across all areas of the UK is achieved at the same time, and no areas are systematically left behind; and

5. A switchover process to increase demand for full fibre services.

Addressing deployment barriers and reducing costs

Reducing the cost and making it quicker and easier to roll out new telecoms infrastructure is essential. There are currently too many barriers which make building networks expensive and too slow. The Government has already launched a Barrier Busting Task Force, with the single objective of reducing the cost of building fibre networks by identifying and removing barriers to their deployment. The Task Force has worked closely with industry to identify the biggest barriers that exist, and we are proposing new legislation and non-legislative approaches, to tackle them in the following areas:

- Simplifying wayleave agreements to facilitate easier access to multi-dwelling units. Operators face particular difficulties in identifying owners of multi-dwelling buildings and business parks, meaning tenants are often left without their choice of service. Enabling easier access will mean more full fibre can be deployed, faster;

- Reducing the costs and time caused by street works by standardising the approach across the country. We plan to work with operators and local authorities to establish a set of common operational standards and best practice which work within the current legislative and regulatory framework. Different interpretations of street works rules by local authorities mean that operators face differing costs and procedures across the country, hampering investment and creating uncertainty; and

- Ensuring fibre connectivity in new builds, so residents of new homes have full fibre technology. We welcome the efforts by operators and house builders to extend full fibre but further action is required as too many homes are still being built without fibre connections.

In addition, the Government has already supported fibre investment by introducing a five year relief from non-domestic rates (otherwise known as business rates) in April 2017.

Building infrastructure that will support world-class connectivity across the country is a significant project. The pace of roll out will depend on various factors, including availability of labour, sensible management of road closures and supply chain factors. The publication of a long-term strategy for infrastructure roll out will galvanise the sector behind a national plan and give the supply chain time to adjust. The Government will work with industry to identify and mitigate the practical challenges.

Easy access to passive infrastructure in telecoms and other utilities, to support market entry

The largest expense incurred when deploying a network is typically the costs of civil works in laying passive infrastructure like ducts and poles. There are limited benefits from the duplication of passive infrastructure and sharing such assets will reduce both costs and disruption, while preserving the ability of networks to compete. Ofcom's enhanced access regulations requiring Openreach to share its vast network of ducts and poles with rival operators has the potential to significantly reduce deployment costs.

Duct and Pole Access (DPA) could transform the business case for investing in competing full fibre networks. If the evidence shows that this remedy is not being implemented properly by Openreach, all options should be considered to ensure compliance.

Where ducts and poles are not available or effective, there should be other options to enable market entry by alternative networks, for example, access to dark fibre. We encourage Ofcom to consider the regulatory options, in ways that do not undermine the case for operators to invest in their own networks using duct and pole access.

DPA can also be complemented by access to passive infrastructure owned by other utilities, where appropriate. Assets from utilities such as power, gas, water, and local authorities should be easier to access, and available for both fixed and mobile use. This not only includes multi-utility ducts and poles, but also potentially pipes in the case of water, sewers and gas. There are existing provisions for this, such as the Communications (Access to Infrastructure) Regulations 2016, but they have had limited success in the UK to date. The Government will carry out a review of these Regulations in 2019 to assess if there are improvements that could be made to further boost investment in infrastructure. Ofcom should also work collaboratively with other regulators to ensure that these opportunities are explored, and barriers addressed.

Stable and long-term regulation that encourages competitive network investment

A telecoms market that promotes competition between rival networks where possible is best placed to deliver the Government's objectives of extending full fibre coverage across the country as rapidly as possible.

Countries that have relied on infrastructure competition have generally seen higher levels of fibre coverage, particularly in Spain (c.71%), Portugal (c.89%), and France (c.28% and increasing quickly). This has been supported by access to passive infrastructure, deregulation of wholesale access and pricing flexibility, co-investment and risk-sharing, as well as convergence of fixed and mobile markets.

The Government's overarching strategic priority is to promote efficient competition and investment in world-class digital networks. Investment is key to improving consumer outcomes, in terms of

choice, service quality, innovation and price over the longer-term. It is the Government's view that promoting investment should be prioritised over interventions to further reduce retail prices in the near term, recognising these longer-term benefits.

The Government has identified a set of outcomes with a view to achieving this strategic priority:

- **Greater regulatory stability and clarity**, through the availability of longer five year market review periods and a framework whereby firms making large, risky investments can have the confidence that any regulation reflects a fair return on investment commensurate to level of risk.

- **Recognising the convergence of business and consumer uses of networks**, through unified access market reviews, where appropriate. See section 4.

- **Regulation only where and to the extent necessary** to address competition concerns and ensure the interests of consumers are safeguarded as fibre markets become more competitive.

- **Recognition of the differences in local market conditions across the UK**, through, where appropriate, a geographically differentiated approach to wholesale regulation. For areas where there is actual or prospective competition between networks, we would expect there to be less need for regulation.

- **Flexibility for firms to develop new approaches** to reduce deployment costs and manage risks through commercial arrangements.

Ofcom must have regard to the Government's strategic priorities and outcomes in the exercise of its regulatory functions. Putting these into practice will require a large number of decisions which will be a matter of regulatory judgement for Ofcom.

This approach, alongside the Review's other proposals, should incentivise established players to invest more in fibre networks and also make it more attractive for competing providers to build their own networks rather than buying wholesale services from the incumbent.

Full fibre connectivity for all through an 'outside in' approach to deployment

Those areas that are likely to be unviable commercially for full fibre deployment will require additional funding of some kind. We estimate this will include around 10% of premises across the UK. These, often rural, areas must not be forced to wait until the rest of the country has connectivity before they can access full fibre networks. Widespread connectivity creates opportunities for small businesses to tap into a global customer base and for people to work more efficiently. We will pursue an 'outside in' strategy, meaning that while network competition serves the commercially feasible areas, the Government will support investment in the most difficult to reach areas at the same time. The additional funding from whatever source is likely to be region of c.£3 billion to c.£5 billion.

To make sure that fibre delivery in these areas starts early, we will prioritise delivery of full fibre networks through the existing BDUK Superfast Programme, which has already made FTTP available to over 200,000 premises in predominantly rural areas by March 2018. Phase 3 of the Superfast

Programme is seeking to address superfast coverage in as much of the remaining 5% of the country as possible, and Government will now maximise the number of premises to be covered with full fibre. We have already identified around £200 million within the existing Superfast Programme that can be used for this purpose.

We will use competitive tenders to award contracts for these areas to commercial operators, in order to minimise any public subsidy requirements and ensure fairly priced services. Whilst full fibre is the long-term ambition, we recognise that there are alternative solutions that may also deliver ultrafast connectivity in harder to reach areas. In areas where it may not be cost effective to get fibre all the way to the home, even with additional funding, other technologies like hybrid fibre-wireless solutions can also deliver gigabit connectivity. Bidders will be encouraged to explore innovative solutions, including using a mix of mobile and fixed technologies where appropriate.

Switching to a full fibre future

As full fibre networks are rolled out, maximising the number of people using them will secure the full benefits of the technology. This will involve customers moving onto new fibre networks and retiring the legacy copper networks. Running copper and fibre networks in parallel is both costly and inefficient. A fibre switchover strategy is necessary to stimulate demand for fibre, to enable new networks to achieve scale quicker, and to ensure a smooth transition process for customers. This should be led by industry, working closely with Ofcom and Government.

The Government will set up a mechanism with Ofcom and industry for planning the switchover process. Switchover should meet a number of policy conditions:

- Plans support a **timely switchover**;

- **Efficient**, so that switchover is smooth with minimal consumer disruption;

- **Transparent**, so that customers have the information they need to make informed choices and clearly signalled via notice periods so operators have certainty;

- **Consistent**, with existing regulatory and consumer obligations;

- **Pro-competitive**, so processes are in place to support easy **switching between networks**; and

- A **fair deal** for consumers, including **adequate safeguards** for vulnerable customers.

It is realistic to assume that switchover could be underway in the majority of the country by 2030, but the timing will ultimately be dependent on the pace of fibre roll out and on the subsequent take-up of fibre products. We would only expect switchover to start when a significant proportion of the population has taken-up new fibre services. To aid mass migration from copper-based networks, we would expect fibre networks to have suitable 'entry level' products at prices similar to those provided on copper networks, including voice only services for those who want them. We also expect the Internet Service Providers (ISPs) to market and promote newly available fibre products to drive take-up.

Ofcom will have an important oversight role in ensuring industry readiness for switchover. It will need to protect the interests of consumers and guard against any anti-competitive behaviour.

Legal separation of BT and Openreach

The legal separation of Openreach from BT Group has the Government's backing, and is critical to deliver better connectivity for consumers throughout the UK. We recognise the important steps that have been taken by BT Group and Openreach to implement legal separation, including: setting up the Openreach Board, responsible for setting Openreach's strategy and overseeing its performance; and proper industry engagement on technology investment choices. The Government wants legal separation to be completed as soon as possible and for Openreach to address all the outstanding actions identified in Ofcom's first progress report, particularly the transfer of staff from BT to Openreach.

It is too early to determine whether legal separation will be sufficient to deliver positive changes on investment in full fibre infrastructure. The Government will closely monitor legal separation, including Ofcom's reports on the effectiveness of the new arrangements. The Government will consider all additional measures if BT Group fails to deliver its commitments and regulatory obligations, and if Openreach does not deliver on its purpose of investing in ways that respond to the needs of its downstream customers.

A World Leader in 5G

We want the UK to have high quality mobile connectivity where people live, work and travel. Mobile coverage has significantly improved over recent years, with 87% of UK landmass having 4G coverage by at least one operator, up from 78% in 2017.

Despite this progress, there remain areas where mobile connectivity must be improved. The Government has committed to extend geographic coverage to 95% of the UK by 2022 and so address these 'not spots'. We have introduced changes to the Electronic Communications Code and to planning laws, to make it easier and cheaper to deploy mobile infrastructure. We are working with Ofcom on options to extend coverage.

Alongside finishing the roll out of 4G networks to meet existing mobile demand, we want the UK to be a world leader in 5G to take early advantage of this new technology. We have set a target that the majority of the population will have 5G coverage by 2027.

5G is expected to enable both an evolution of existing mobile services and potentially revolutionary new services

5G is the next generation of mobile technology. It is likely to be deployed as an intricate patchwork of technologies, including advanced LTE, Wi-fi and New Radio, and will utilise a range of spectrum frequencies including re-farmed existing bands, new bands (below 6 GHz) and mmWave spectrum.

The technical capabilities and performance characteristics of 5G are clear. 5G is expected to deliver faster and better mobile broadband services to consumers and businesses, and to enable innovative new services for industry sectors, including manufacturing, transport, immersive technologies and healthcare.

Unlike previous mobile generations, 5G networks will not be homogenous. Deployment will be in phases rather than a 'big bang', and will likely vary by geography. The Review assesses that a realistic scenario is for a low capacity layer providing wide-area 5G coverage (using 700 MHz band), with high capacity in areas of high demand such as towns and cities (using 3.4 – 3.6 GHz band) and, over the longer-term, smaller hotspots of very high capacity (using mmWave bands).

5G deployment will be driven by competition and efficiency benefits

The roll out of 5G will require significant investment by mobile network operators and other players in all network domains, including spectrum, radio access network infrastructure, fibre backhaul and core networks. The wireless sector will need to develop strategies to cope with this expected growth in network costs to meet future demand, including infrastructure sharing and new infrastructure models.

The competitive dynamics in the mobile market, alongside the efficiency and capacity benefits of 5G, are likely to underpin the early business case for 5G investment. Mobile operators may seek to gain a competitive advantage by marketing 5G to existing and potential customers, and thereby spur a response from other operators to protect market shares.

Mobile Network Operators (MNOs) are likely to deploy 5G first on existing sites to alleviate network congestion and efficiently meet the growing demand for data. Over time, MNOs are likely to use 5G-enabled innovations such as 'network slicing' to offer new services to industry sectors. 5G is likely to see a greater deployment of small cells to provide extra capacity in specific locations such as city centres, local high streets, factories, and sports and entertainment venues.

While there is some uncertainty over the business models for 5G, we expect it to create new revenue opportunities for existing operators and also open up opportunities for new players to enter the UK market.

Market expansion – 5G will create opportunities for existing and new wireless players

The Government's strategic priority is to promote investment and innovation in 5G to ensure services and applications are widely available to the benefit of consumers and the UK economy. The Review concludes that there would be strategic advantages in a model that maintains the benefits of competition between multiple mobile network operators, while encouraging new solutions to connectivity challenges, such as small cell networks, indoor and rural coverage.

The mobile network operators will be central to 5G's successful delivery. 5G also creates the potential for market expansion with new infrastructure and service players. National mobile networks could be supplemented by 'neutral host' infrastructure to address the cost and practical challenges of, for example, small cell deployment in high demand areas, or to expand rural coverage. New private wireless networks could also serve new use cases, in particular locations such as factories, business parks, or rural communities. Enhanced mobile broadband services could be provided by existing mobile operators, alongside new 5G services for industry 'verticals' enabled by existing and new players.

There is a clear role for policy and spectrum management in creating conditions that grow a competitive mobile market and support investment and innovation in 5G. The Review has identified four priority areas:

- Make it easier and cheaper to deploy mobile infrastructure and support market expansion, including the implementation of the wide-ranging Electronic Communications Code (ECC) on site access and consideration of further planning reforms;

- Support the growth of infrastructure models that promote competition and investment in network densification and extension;

- Fund beneficial use cases through the Government's £200 million 5G Testbeds and Trials Programme that helps de-risk business models for 5G; and

- Promote new, innovative 5G services from existing and new players, through the release of additional spectrum. We should consider whether more flexible, shared spectrum models can maintain network competition between MNOs while also increasing access to spectrum to support new investment models, spurring innovation in industrial internet of things, wireless automation and robotics, and improving rural coverage.

5G is at an earlier stage of development than full fibre fixed services and so we will keep this strategy under review and return to areas as and when necessary.

Convergence between Full Fibre and 5G

In the longer-term, the Government expects to see a more converged telecoms sector.

Fixed fibre networks and 5G are complementary technologies, and 5G will require dense fibre networks. In some places, 5G may provide a more cost-effective way of providing ultra-fast connectivity to homes and businesses.

The technology synergies between 5G and fixed networks are likely to create strategic advantages for those operators that have interests in both. Those international markets with the best fibre infrastructure tend to be characterised by significant convergence and operators that have leveraged their assets for fixed and mobile services. Consumers will also benefit from an expansion of converged offers, allowing more seamless delivery of content and services across networks and enabling simpler billing and more flexible tariffs.

The policy and regulatory framework should be sufficiently flexible and forward-looking to reflect the growing convergence between fixed and mobile networks and services. This could be achieved through:

- Removing practical obstacles or barriers to converged networks given the benefits;

- Considering access network requirements holistically, where appropriate, through unified market reviews; and

- Allowing operators to benefit from unrestricted usage of Openreach's passive infrastructure for the provision of mobile backhaul services.

Next Steps

This document sets out a national, long-term strategy for digital connectivity. Building infrastructure across the country to support world-class connectivity is a significant undertaking. The Government, Ofcom and industry must work together to make it happen. We will create the supportive policy conditions and will look to industry to attract the necessary capital, roll out the infrastructure and promote take-up.

The strategy sets out a package of policy measures that the Government will take forward in the short-term. These are summarised in Section 5. We will shortly publish consultations on legislative changes to streamline wayleaves and mandate fibre in new builds. The EU's new directive for electronic communications – the EECC – is currently under negotiation. It is likely to be adopted by the EU shortly. If adopted, we are minded to implement, where appropriate, the substantive provisions in UK law, on the basis that it would support the UK's domestic policy objectives. This will enable the extension of market review periods to five years and provide mechanisms to aid fibre network roll out in certain areas.

The conclusions of the Review will also form the basis of the Government's Statement of Strategic Priorities to Ofcom, setting out the strategic objectives and outcomes that the regulator should have regard to in the exercise of its regulatory functions. In particular, the Statement will emphasise the importance of promoting investment as the key to achieving the UK's connectivity ambitions.

The delivery of this national strategy is a core part of the UK's Industrial Strategy and is of fundamental importance to the country's future global competitiveness. We will, therefore, monitor progress on an annual basis and undertake a full review of the strategy's impact after three years. At this point, we will consider all additional measures if not satisfied that the strategy is on track, including actions, if necessary, in those parts of the country that have not benefited from competitive deployment, but where operators could reasonably have been expected to have deployed fibre networks over this period. The Government will consider the more widespread use of 'competition for the market' mechanisms to ensure the roll out of fibre networks in those parts of the country.

Document is Restricted

This page is intentionally left blank