

Notice of Non-key Executive Decision

Subject Heading:	Access to the Small Cells Framework for the deployment of Small Cell Equipment.
Cabinet Member:	Councillor Roger Ramsey
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report Author and contact details:	Lindsay Hondebrink, Interim Business Development Manager, Development, Lindsay.hondebrink@havering.gov.uk 01708 431 324
Policy context:	London Borough of Havering Corporate Plan 2017-18 Connections: A digitally-enabled borough
Financial summary:	There is no joining fee or on-going membership fee for becoming users of the Small Cells Concession Framework and no on-going financial liability for the Council is created.
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	No

Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

- | | |
|-------------------------------|-------------------------------------|
| Communities making Havering | <input type="checkbox"/> |
| Places making Havering | <input type="checkbox"/> |
| Opportunities making Havering | <input type="checkbox"/> |
| Connections making Havering | <input checked="" type="checkbox"/> |

Non-key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1. To access the Small Cells Framework, which is managed by the London Borough of Harrow.
2. To carry out a mini-competition under this Framework to select a supplier to provide Wi-Fi connectivity in the Havering town centres of Romford, Hornchurch and Upminster.

AUTHORITY UNDER WHICH DECISION IS MADE

3.4 Powers of Assistant Directors and Heads of Services

Assistant Director and Heads of Service all have delegated authority to act as follows within the assigned service, subject to the general provisions and limitations set out in section 3.1 above.

General Powers

- (a) To take any steps necessary for proper management and administration for their allocated portfolios.

STATEMENT OF THE REASONS FOR THE DECISION

This project aims to provide public space Wi-Fi provision in Romford, Hornchurch and Upminster Town Centres to support businesses to thrive; enable contactless payments and improve the experience of visitors to the borough.

Soft market testing carried out in 2015 noted that public Wi-Fi is already available within a number of shopping centres in Romford. However, there is no such provision within Romford market, Upminster, Hornchurch and other Havering town centres.

This project has significant capacity and potential to:

- Provide revenue generation potential for the Council from permitted rental of street furniture by the Concessionaire.
- Enable borough wide opportunities to enhance future mobile coverage requirements through the deployment of Small Cell technology on street furniture
- Facilitate delivery of the smart-city agenda, by enabling a connected borough for residents, visitors and staff of the council.
- Provide a catalyst for improving public service efficiency, customer experience and social inclusion within Havering.

As outlined in the Council's 2017/18 Corporate Plan, the aim is to engage with the market to identify a suitable provider to create a Wi-Fi network, initially in Romford, Hornchurch and Upminster town centres.

The successful bidder will be authorised to use Council owned assets to create a network, initially in high footfall areas but will also have a clear focus on exploring innovative ways to

Non-key Executive Decision

extend the coverage and wider benefits across the borough.

In April 2016, London Borough of Harrow put in place a procurement framework to facilitate small cell deployment. This framework allows Havering council to expedite delivery of a wireless network.

The framework is available for use by local government as per the OJEU.

The Small Cells Concession Framework makes provision for a selection of suppliers who have a proven track record of delivering the service requirements.

Assuming the mini-competition is successful in identifying a suitable provider, a contract award will be recommended and authorisation sought via an Executive Decision.

OTHER OPTIONS CONSIDERED AND REJECTED

The option to tender the services required via an advertised procurement process has been considered and rejected.

This route would have a prejudicial impact to the residents of the borough as outlined below. The Council would have to undertake a full EU compliant process. This process would be time consuming and delay the procurement process.

The benefit of using the Small Cells Concession Framework includes accessing companies on the framework who have a proven track record of delivering this service requirement. The framework is OJEU compliant, with no need to carry out a full procurement process.

Having considered the terms of the Small Cells Concession Framework and the organisations affiliated to the Framework, officers are of the opinion that it is unlikely they would be able to procure a better alternative by not using the framework.

PRE-DECISION CONSULTATION

There is no obligation to carry out a consultation exercise in relation to joining the Small Cells Concession Framework or launching the mini competition to providers registered on the framework.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: LINDSAY J. HOWDESRINK

Designation: INTERIM BUSINESS DEVELOPMENT MANAGER

Signature: *Lindsay J. HowdeSRink*

Date: 11/9/17

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Council wish to utilise the London Borough of Harrow Framework Agreement for the Provision of Small Cells Services. The Framework is EU compliant with OJEU number 47167-2016 and adheres to the Public Contracts Regulations 2015.
2. The access agreement requires strict adherence to the terms of the framework. There cannot be variations to it. This is in return for the benefits of accessing the selected firms on the framework.
3. To ensure that this concession is commercially viable, it is necessary that the Concessionaire is awarded exclusivity of the asset (normally applied in such concessions for the first five years). However, the exclusivity clause within the terms of the Framework Licence will be amended whereby the Concessionaire will be granted exclusivity for an initial two year period. In the event of the Concessionaire successfully deploying and commissioning Phase 1 of their proposed Wi Fi deployment (Romford, Hornchurch and Upminster) the period of exclusivity will be extended by a further three years to a maximum period of 5 years. After which the Council could re-market the assets not utilised by the Concessionaire to other third parties. The concession term is 10 years.
4. The purpose of entering the access agreement is to secure a firm to provide the specialist services required. To achieve best value and to establish a workable short list of potential suppliers, a mini competition will be run. That will be carried out in accordance with the framework plus the relevant Havering rules and its constitution.
5. If the mini competition is successful, then this decision allows the entering into the call off contract as set out in the framework agreement, the specific terms of which will be those set out in the mini competition tender documents including the specification and the evaluation methodology. Accordingly, the legal requirements under EU law and English public law will be complied with.

FINANCIAL IMPLICATIONS AND RISKS

1. The use of this framework will allow the Council to engage with the market and secure a concession which will enable the Council to progress with delivering the Havering vision of a digitally enabled borough. The contract form proposed is that agreed within the framework.
2. Through the Small Cells Concession Framework financial checks were undertaken on approved suppliers as part of the pre – qualification stage. The London Borough of Havering may consider further company rating to ensure financial due diligence.
3. There is no joining fee or on-going membership fee for becoming users of the Small Cells Concession Framework and no on-going financial liability for the Council is created.
4. The mini competition documentation will replicate a template already successfully utilised by other local authorities who have used the framework. In this respect impact on internal resources should be significantly reduced with resources being

Non-key Executive Decision

required to undertake the evaluation process.

5. Conversely, the aim of this activity is to maximise revenue from the implementation of a concession. The implementation of concessions can generate both direct revenue in the form of annual rental for assets used, as well as non-guaranteed revenue through a share generated by the Concessionaire. Typically:
- Rental of assets on a long-term basis - levels of between £100 - £150 per year per asset should be achievable for most local authorities, potentially more in densely populated urban areas of high interest to mobile operators.
 - Revenue share of gross revenue generated from the network infrastructure and associated services – percentages vary but tend to be between 10 to 20 per cent.
 - The below table assumes the use of 100 sites; though comparable boroughs have utilised between 300-400 sites. For Havering Council, the potential income could be expected to be in the region of £0.100m and £0.150m over a 10 year concession period with additional revenue being realised through a revenue share model which could be between £0.200m to £0.300m. Though a number of factors can affect the revenue raised from the project including how many assets the provider uses, the concession period, take up of small cell technology and revenue generated from the Wi-Fi (sponsorship, advertising etc), which will not be known until the contract is finalised.
 - The cost of the lamp column structural testing and the costs of any additional electricity (inclusive of VAT) will be borne by the winning tenderer.

Year	100 columns @ £100/annum £m	100 columns @ £150/annum £m
1	0.010	0.015
2	0.010	0.015
3	0.010	0.015
4	0.010	0.015
5	0.010	0.015
6	0.010	0.015
7	0.010	0.015
8	0.010	0.015
9	0.010	0.015
10	0.010	0.015
Total	0.100	0.150

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no direct HR implications or risks to the Council or its workforce that can be identified from the recommendations made in this report.

Non-key Executive Decision

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no direct equalities or social inclusion implications or risk to the Council that can be identified from the recommendations made in this report.

BACKGROUND PAPERS

N/A

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Details of decision maker

Signed 

Name: Steve Moore

Cabinet Portfolio held:

CMT Member title: Director of Neighbourhoods

Head of Service title

Other manager title:

Date: 11/09/2017

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 11th September, 2017

Signed 