

19/58  
DECISION  
NOW MADE



**Havering**  
LONDON BOROUGH

## Notice of KEY Executive Decision

|   |   |
|---|---|
| <b>Subject Heading:</b>                   | Submission of two applications for the second round of funding through the Strategic Investment Pot (SIP)<br>Funding: Local London Partnership Investment in Fibre and E-Business Support.  |
| <b>Cabinet Member:</b>                    | Councillor Damian White   |
| <b>SLT Lead:</b>                          | Neil Stubbings, Regeneration Programme Director.  |
| <b>Report Author and contact details:</b> | <b>Daniel Moore</b><br>Interim Business Development Officer<br><a href="mailto:daniel.moore@havering.gov.uk">daniel.moore@havering.gov.uk</a><br><br><b>01708 432 761</b>   |
| <b>Policy context:</b>                    | 2019/2020 Corporate Plan (Opportunities Theme) – Helping our businesses grow, Growing Rainham Employment SIL.   |
| <b>Financial summary:</b>                 | <p>The decision relates to the submission of two bids through the Local London Partnership for the second round of the City of London administered Strategic Investment Pot. The bid for funding for investment in fibre will be approximately £7.5m which will be divided amongst the partners who comprise the partnership and Haringey.</p> <p>The second bid will be for an E business support package which will be tailored towards supporting small and medium sized businesses to</p> |

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|  | enable them to better use digital technology. The bid for funding will be approximately £6m which will be divided amongst partner members - £0.750m per borough. |
| <b>Reason decision is Key</b>                        | Expenditure or saving (including anticipated income) of £500,000 or more.  |
| <b>Date notice given of intended decision:</b>       | 29 <sup>th</sup> August  |
| <b>Relevant OSC:</b>                                 | OSC  |
| <b>Is it an urgent decision?</b>                     | Yes  |
| <b>Is this decision exempt from being called-in?</b> | Yes  |

### **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 checked="" type="checkbox"/> |
| Connections making Havering   | <input checked="" type="checkbox"/> |

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Leader is requested to agree to:

- 1) The submission of a bid through the Local London Partnership (LLP) for the second round of the Strategic Investment Pot (SIP) investment in fibre.
- 2) The submission of a bid through the LLP to the SIP for an E-Business support programme to enable Small Medium Enterprise's (SMEs) to engage with and understand how to use digital technology in their businesses.

The LLP was established in February 2016 and is made up of eight London Boroughs; Barking & Dagenham, Bexley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest. Members of Local London work in partnership with the aim of delivering growth and to identify opportunities for devolution to this London sub-region. In addition, the London Borough of Haringey is also a partner in the investment in fibre bid.

#### Investment in Fibre

Those in the partnership (plus Haringey) were originally consulted on their respective priorities for digital infrastructure investment. Based on this consultation a clear set of investment priorities emerged and this project aims to enable the underpinning of full fibre infrastructure that will act as the backbone for these priorities.

This bid will build on the successful bid for the first round of SIP funding where the LLP secured £7.7m which will be divided amongst all 8 partners who comprise the partnership and Haringey, with a percentage c6.5% being retained by the Lead authority LB Bexley. The initial bid for the first round of funding through the SIP was for £15m and the partnership secured a reduced amount of £7.7m. It is maintained that future funds through the SIP will also be used to continue the rollout of full fibre to improve digital connectivity and contribute towards the initial outline business case which informed the first bid.

The outline business case identified a total minimum of 90km of fibre which can be extended through match funding of approximately a third taking the total to around a 120km investment in critical digital infrastructure areas where there are currently none. The LLP's initial SIP bid (first round) was submitted in order to maximise the delivery of this network.

The funding pot for the second round of the SIP is £38.5m and the bid through the LLP will be approximately £7.5m. As with the first bid, the aim is to undertake full fibre upgrades to key public sector sites which will anchor fibre investment by the commercial sector.

The chosen sites will be those where there will be significant improvement in public sector service delivery and where the commercial sector will be motivated to invest in key development zones and address areas of digital exclusion. The aim of which is to

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ultimately lead to a more widespread availability of fibre services across the Boroughs and enable a greater choice of high-speed broadband connections.

This project will draw new, Gigabit capable infrastructure into key development areas across the region, improving the likelihood and financial case for suppliers to expand networks into new areas.

It will:

- Stimulate new/additional investment of £20-£35m into Gigabit capable infrastructure across the region by private sector investors.
- Make Gigabit services potentially available to many more SMEs than would be the case without investment made possible through the creation of c45km of new ducting infrastructure
- Provide cost effective backhaul to support the delivery of public W-Fi and Internet of things (IoT) schemes alongside, enhanced 4G coverage and providing a platform for 5G to be rapidly deployed.
- It also has the potential to improve health provision across the region through the wider availability and adoption of Telehealth applications as well as being an aid to social inclusion and an enabler for economic growth.
- The upgrade and use of public sector assets (notably ducts, roof tops and street assets) to act as a catalyst for next generation wireless deployment. The deployment of wireless infrastructure ranging from IoT platforms through to the provision of public access Wi-Fi.

It is important to note that this private investment will not happen without public sector intervention.

### E-Business Support

The proposed programme is based upon one running in Greenwich since 2014 to address the needs of local SMEs in a rapidly changing market space, close the digital skills gap and prepare them for a more sustainable future.

The programme will provide support to SMEs on a wide range of skills including monetising social media, remote working, Content management System (CMS) web sites, Customer Relationship Management (CRM) systems, video making, Search Engine Optimisation (SEO), on-line payment systems, digital marketing strategy and cyber security. The programme focuses on the individuals by providing one-to-one support where it's needed and individual sessions are supplemented by a programme of training courses.

### **Outcomes:**

- Enable SME's to engage with and understand how to use digital technology in their business in order to continue to trade and develop in the current market

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space.

- Businesses will be in a stronger position to survive in the current market space and more effectively engage with their customer group.
- SME's will enter new markets by way of e-commerce where they may develop an on-line presence to broaden their reach.
- Help to create employment as a result of this growth and safeguard jobs.
- Increases in turnover across the sample of SME's

**Partners/Delivery Vehicle:** Lead by LB Greenwich contracted to specialist enterprise agencies - South East Enterprise and Enterprise Enfield. Havering will have the option of using a local enterprise agency with similar expertise.

Any proposals for spend will be subject to the council's decision making process and Havering will only commit to spending up to the value of funding allocated through the partnership. The non key decision signed on 12<sup>th</sup> September 2018 stipulated that the Section 151 Officer through a key executive decision will approve all expenditure funded through the SIP allocation.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Under the Key Executive Decision signed 15<sup>th</sup> Jan 2018, the Leader is authorised to represent the Council in relation to consultations regarding the London Business Rates Pilot Pool and decisions relating to the Strategic Investment Pot as may be undertaken by the Lead Authority pursuant to the Memorandum of Understanding.

### **STATEMENT OF THE REASONS FOR THE DECISION**

Havering, as part of the Local London Partnership, to submit two bids to secure funding through the second round of the City of London administered Strategic Investment Pot.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

No alternative options were considered.

### **PRE-DECISION CONSULTATION**

There is no pre-decision consultation.

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

Name: DANIEL MOORE

Designation:

Signature:



Date:

22/8/2019

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The report seeks authority from the Leader to agree to:

- 1) The submission of a bid through the Local London Partnership (LLP) for the second round of the Strategic Investment Pot (SIP) investment in fibre.
- 2) The submission of a bid through the LLP to the SIP for an E-Business support programme to enable Small Medium Enterprise's (SMEs) to engage with and understand how to use digital technology in their businesses.

Partnership funding is part of the consideration in determining applications.

The Council's Contract Procedure Rules ("CPRs") 25, allows for the application and receipt of Grant Funding, as long as the procurement of any resultant Works, Services, and/or Supply contracts are in compliance with the CPRs.

Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. This general power of competence provides sufficient power for the Council to apply for the funding described in this report and to procure a contractor(s) to undertake the Works and/or Supply or Service contract(s) described.

The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to; (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of the project(s) should be revisited as part of changing nature of the said scheme.

### **FINANCIAL IMPLICATIONS AND RISKS**

There are no financial commitments at this stage of the process for the Council. The key executive decision is requesting permission to submit two bids through the Local London Partnership for the second round of the Strategic Investment Pot (SIP) funding. The partnership will submit a bid for approximately £7.5m for the investment in fibre programme and £6m for the E-Business support programme from a pot of £38.5m.

#### Investment in Fibre

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This bid will complement the first successful bid through the SIP where the partnership secured £7.7m, of which; Havering has been allocated £0.800m. This funding will be used to improve digital connectivity in the Rainham area of the borough. The first bid submitted through the SIP was for £15m, the partnership maintains further funding through the SIP will be used to cover the shortfall between the submitted £15m and the £7.7m secured through the first bid. This level of funding will allow the partnership to fulfil the objectives identified in the outline business case used to inform the first bid.

The proposal to ensure the smooth introduction of fibre throughout the region will be led by the London Borough of Bexley who will be the lead authority in an Official Journal of the European Union (OJEU) procurement process to procure a partnership wide multi supplier framework agreement. A multi supplier framework model will be established consisting of framework suppliers with the flexible specification to cover the blended approach to deliver full fibre across the region. Each partnership borough will be able to procure their particular requirements from the specification by way of a call – off contract. It is envisaged that the boroughs will call off in a phased manner.

A Programme Board comprising borough representatives will be set up to oversee the programme, take strategic decisions, monitor progress and manage programme risks and finances. Progress on the direction and delivery of the Programme will be reported regularly to the Local London Mayor, Leaders and Chief Executive Strategy Group and the Local London Joint Committee.

The partnership met on June 11<sup>th</sup> 2019 and confirmed that the agreement with the Corporation of London had been signed and Bexley, as the lead authority, will be able draw down funding from the SIP. Further meetings of the partnership will decide how the allocation of any funding through the second round of the SIP will be divided between the respective boroughs. It is currently maintained that, as with the first bid, the funding will be allocated evenly amongst the boroughs though a proportion will be ring fenced for managerial costs for Bexley.

### E-Business Support

The bid through the SIP will be for £6m and will fund a variety of activities through a business support package delivered by an enterprise agency which will target a specific number of businesses and include a number of participant training days and one to one interventions.

The cost per borough will be based on a unit price per client of £1,250.

| Package size | No. businesses supported | No. consultancy days | No. person days training | £ cost for 3 years per borough |
|--------------|--------------------------|----------------------|--------------------------|--------------------------------|
| 100%         | 600                      | 2,276                | 1,125                    | 750,000                        |



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

There are no human resources implications and risks at this stage.

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

It is both Council policy and recently renewed SLT direction/expectation that EqHIAs (Equality and Health Impact Assessments) are carried out when appropriate and in sufficient time to enable informed decision-making. As a basic rule, one should be undertaken whenever staff, service users, or the wider public are impacted by decisions or the intended or planned activity. The purpose is to ensure a systematic approach to the task and to evidence that due regard is paid to any adverse impact on affected parties with protected characteristics. Additionally, the assessment will look at matters pertaining to health and socio-economics, respectively. The completed EqHIA regarding this matter is attached.

**BACKGROUND PAPERS**

Key Executive Decision

**Part C – Record of decision**

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

**Decision**

Proposal agreed

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 29/8/2019

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 29/8/2019

Signed 