



Executive Director/Director Non-Key Executive Decision Report

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Report to: *Edward Highfield, Director of Creative Sheffield*

Date of Decision: *20th November 2017*

Subject: *Sheffield City Centre Wireless
Telecommunications Concession Contract*

Which Cabinet Member Portfolio does this relate to? **Business and Economy**

Which Scrutiny and Policy Development Committee does this relate to? **Economic & Environmental Wellbeing**

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? **EIA1017**

Does the report contain confidential or exempt information? Yes No

Purpose of Report:

To seek approval to enter into a concession contract of up to 10 years with Idaq Networks Ltd for the provision of wireless telecommunications services including a free of charge public access Wi-Fi service.

Recommendations:

It is recommended that the Director of Creative Sheffield in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance give approval for Sheffield City Council to enter into a concession contract for a 7 year term followed by an option to extend up to a maximum of 10 years in total with Idaq Networks Ltd for the provision of wireless telecommunications services including a free of charge public access Wi-Fi service.

Background Papers:

“Sheffield City Centre Wi-Fi”, Cabinet Report, 18th January 2017

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Filip Leonard, Head of Procurement & Supply Chain, Commercial Services
	Legal: Deepak Parmar, Commercial Lawyer, Legal and Governance
	Equalities: Michael Bowles, Head of Elections, Equalities and Involvement
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	Lead Officer Name: <i>Edward Highfield</i>
	Job Title: <i>Director – Creative Sheffield</i>
Date: <i>20th November 2017</i>	

1. PROPOSAL

1.1 The purpose of this report is to seek approval to enter into a concession contract with Idaq Networks Ltd for the exclusive use of Council owned city centre street assets and buildings in exchange for a rental income, a share of profits generated and a free of charge public access Wi-Fi service.

1.2 Entering into this contract will allow the Council to realise the following aspirations:

- To provide a public access Wi-Fi service in public spaces and public buildings within the Sheffield Business Improvement District ('SCC BID') area. The SCC BID and others believe that a city centre public Wi-Fi service will make Sheffield City Centre a more vibrant and attractive place for citizens, visitors, businesses and shoppers in order to increase footfall and to help local businesses thrive and grow; and,
- To complement Sheffield City Council's broader strategic objectives of being one of the best connected cities in the country.

1.3 On 18th January 2017, Cabinet made the following decision:

*"8.2 **RESOLVED:** That authority be delegated to the Director of Creative Sheffield:*

- a. In consultation with the Cabinet Member for Business & Economy, the Executive Management Team, the Director of Finance and Commercial Services and the Director of Legal and Governance to approve the final procurement strategy;*
- b. In consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to agree contract terms and enter into contracts at the conclusion of the procurement; and*
- c. In consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to take such steps as deemed necessary to meet the Fundamental Principles and achieve the Outcomes outlined in the report."*

1.4 On 6th February 2017, Sheffield City Council issued an Invitation To Tender for a Wireless Concession Contract to 27 organisations potentially capable of delivering an innovative wireless network in the City Centre. This report describes the outcome of the procurement exercise and the evaluation process.

2. HOW THIS DECISION CONTRIBUTES

- 2.1 Approval of this report will enable the Council to enter into a concession contract with the preferred bidder, Idaq Networks Ltd (Idaq), for the exclusive use of Council owned City Centre street lighting columns (and potentially Council owned City Centre CCTV columns and buildings) for the purpose of providing wireless telecommunications services, in exchange for a rental income, the provision of a free of charge public access Wi-Fi service, and a profit share from revenue generated by the preferred bidder from the equipment installed.

3. CONSULTATIONS

- 3.1 The following stakeholder groups were consulted during this project.

- Sheffield City Council Elected Members;
- Sheffield City Council: Creative Sheffield (Economic Development);
- Sheffield City Council: City Centre Management and Business Improvement District ('SCC BID');
- Sheffield City Council: Business Change and Information Systems;
- Sheffield City Council: Commercial Services; and,
- Sheffield Digital (The Association for the People and Businesses of Sheffield's Digital Industries).

- 3.2 The following stakeholders/stakeholder groups were consulted during the drafting of this report and have confirmed that they support the recommendations made:

- The Cabinet Member for Business & Economy
- The Executive Management Team
- The Director of Finance and Commercial Services
- The Director of Legal and Governance

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 An Equalities Impact Assessment has been completed for this project, Reference: EIA1017 (Sheffield City Centre Wi-Fi).

- 4.1.2 Overall there are no significant differential, positive or negative, equality impacts. The City Centre Wi-Fi Service provides access to the internet to those in society that may have an internet enabled device but that cannot afford a home broadband connection and it provides access to the internet to those in society that may have an internet enabled device but that find themselves homeless.

4.1.3 The City Centre Wi-Fi Service provides free of charge access to the Internet. This will help those unable to afford a home broadband service to access public services and to benefit from other opportunities that access to the Internet provides.

4.2 Financial and Commercial Implications

4.2.1 *Concession Contract*

Officers identified that a competitive procurement for a concession contract was the most appropriate method of procuring a public access Wi-Fi service for Sheffield City Centre. The concession contract will enable Idaq to install its wireless communications equipment on Council owned street light columns, and potentially city centre CCTV columns and Council owned buildings, on an exclusive basis (for the provision of this type of service), in exchange for the provision of a free of charge public access Wi-Fi service, payment for the use of the assets and a share of the profits. The concession contract does not require the Council to make any up-front or ongoing investment.

4.2.2 *Commercial Arrangement*

4.2.2.1 The Council will enter into a contractual arrangement with Idaq for an initial term of 7 years, with options to extend for up to 3 further years. Officers have developed a service specification and set of terms and conditions on which to contract which minimises risk to the Council whilst maintaining a sufficiently high standard to avoid any future reputational risk.

4.2.2.2 Idaq has agreed to enter into a contractual arrangement with Amey for the installation, maintenance, replacement and ultimate removal of any equipment required (to be installed on Council assets) to operate the Wi-Fi service.

4.2.2.3 For the avoidance of doubt, other than that described in 4.2.3 there is no performance requirement on the Council. Essentially, the Council is facilitating a city centre need and gaining income from the use of its assets as an enabler.

4.2.3 *Running Costs*

There will be no 'direct costs' to the Council for the deployment, operation or exit of the city centre Wi-Fi service. However, there will be a requirement for the Council to manage the contract and maintain a relationship with both Idaq and Amey. The rental income received from Idaq is expected to meet or exceed these internal administration costs.

4.2.4 *Revenue*

The Council will receive a revenue stream from Idaq for exclusive use of the Council's assets.

4.2.5 *Exclusivity*

4.2.5.1 The terms and conditions of the contract will provide Idaq with exclusive use of Council owned street lighting columns (and potentially CCTV Columns and Council owned buildings) for the following purposes:

- Free of charge public access Wi-Fi services and commercial Wi-Fi services, which the end users access from a connection to the Access Points installed on Council owned assets;
- Fixed Wireless Access connectivity services from telecommunications equipment installed on the Council owned assets;
- Sale of network access provided from telecommunications equipment installed on the Council owned assets (network access may be required for CCTV networks; backhaul for Smart City technologies; temporary private wireless networks for temporary event communications; secure private wireless networks for mobile devices; and, live video and audio streaming of city events);
- Customer Wi-Fi access for local businesses from telecommunications equipment installed on the Council owned assets (e.g. extending the public access Wi-Fi network indoors into bars and restaurants);
- Advertising sales from the registration portal and splash page and City 'App'; and,
- Sale of data collected from the registration portal, splash page and Wi-Fi infrastructure (e.g. footfall).

4.2.5.2 The terms and conditions of the contract ensure that the Council is not prevented or limited from being able to implement wireless communications services for its own administrative or service delivery purposes or future city centre vibrancy initiatives.

4.2.5.3 Idaq have committed to work with the Council, Universities and the local digital industry in a spirit of partnership to help shape, develop and enhance all things digital in Sheffield. This could be by attending meetings, providing information and/or helping to write funding bids. They may also be a part of a project team to implement a solution. Idaq have committed to two specific initiatives:

- Idaq have agreed to provide free of charge Wi-Fi network access (in addition to the free Wi-Fi access to the public) for the universities for research and development projects. The use of such free of charge network backhaul would cease when a product or service was productised and became a commercial offering.
- Once the Wi-Fi Service is fully operational, and upon request by the Council, Idaq will develop a City App with an open-source approach. The open source approach will enable the platform to be co-developed with the local tech community to encourage innovation and the development of new products and services.

4.2.6 *Indicative Time Table*

The network will provide blanket coverage within the majority of the SCC BID area, it will be rolled out in four stages, the first stage being live approximately 6 months after contract signature, with each further stage each requiring a further 2 months to implement.

4.3 Legal Implications

4.3.1 The City Wi-Fi Service will be compliant with all applicable legislation including the Data Protection Act 1998; the Data Retention Regulations 2009; The Regulation of Investigatory Powers Act 2000; the Digital Economy Act 2017 and other relevant legislation that may be implemented during the life of the contract including the new General Data Protection Regulations which will be incorporated into UK legislation on 25th May 2018.

4.3.2 The concession contract will also mitigate potential risks to Sheffield City Council that could arise from the Electronic Communications Code and the Landlord and Tenant Act 1954.

4.3.3 The procurement of City Wi-Fi Service is exempt by EU Concession Directive (2014/23) and the Concession Contracts Regulations 2016. The procurement exercise will be consistent with the requirements of Contract Standing Orders.

4.4 Property, Planning and Development Implications

- 4.4.1 The concession contract will enable Idaq to install wireless telecommunications equipment on Council owned street light columns and potentially CCTV Columns and Council owned buildings.
- 4.4.2 Idaq will be required to follow all appropriate Sheffield City Council policies and procedures including those relating to Health and Safety, Planning and Development.
- 4.4.3 Idaq will undertake a network design and survey work and will ensure that all of the locations to be used to site equipment are in a good state of repair and that installation will not cause damage.
- 4.4.4 Idaq will be responsible for obtaining and maintaining all necessary planning permissions, third party permissions and/or rights to provide services. Council officers will assist Idaq to obtain these efficiently and effectively. However, Idaq must satisfy the requirements of the various planning and development processes in the same way as any other developer.
- 4.4.5 The implementation, operation and maintenance of wireless telecommunications equipment installed on assets managed by Amey or other third parties will be conducted or supervised appropriately and in a manner that is acceptable to the SCC Highway Network Manager and Sheffield Traffic Manager and the Director of Legal & Governance and Monitoring Officer.
- 4.4.6 All works will be undertaken or supervised by a SCC approved Contractor which is appropriately qualified and experienced.
- 4.4.7 The wireless telecommunications equipment and its mounting brackets will be fit for purpose, robust and designed for outdoor deployment.
- 4.4.8 Idaq will have full responsibility for the maintenance of all wireless telecommunications equipment.

4.5 Public Health Implications

- 4.5.1 Wi-Fi poses no risk to public health. The World Health Organisation report that: "To date no adverse health effects have been established from mobile phone, base stations or wireless technology". Most Wi-Fi devices use the 2.4Ghz radio frequency band, as do baby alarms, radio controlled cars, cordless (DECT) phones and Bluetooth headsets.
- 4.5.2 It is generally accepted that access to the internet enables improved health and well-being through remote monitoring (health sensors are now built into smart phones); better communications; and, access to health and well-being services. It can also reduce isolation as access to the Internet can help improve communication and social engagement.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Proposals were received from different vendors. Bids were evaluated against the same criteria, which are listed below. Following the evaluation, the Idaq proposal was identified as the preferred bid.

5.2 Minimum Requirements:

- There is no net cost to Sheffield City Council in deployment, operation or exit;
- There is no or minimal legal, financial or reputational risk to the Council throughout the contract life;
- The bid will contribute a revenue stream to the Council;
- The bid will not prevent or limit the Council from being able to implement wireless communications services for its own administrative or service delivery purposes or future city centre vibrancy initiatives; and,
- The Wi-Fi Services is free of charge to the user;

5.3 Evaluation Criteria:

- A high quality customer experience for access, registration and use;
- A family friendly experience;
- Good city centre coverage ideally including Council owned public buildings such as the winter gardens;
- Good performance on initial deployment;
- Performance keeps pace with technology;
- A reliable communications platform;
- Potential to exploit the platform by the Sheffield Business Improvement District (SCC BID) and others to increase footfall and to help local business thrive and grow; and,
- Commercial Model (describing the revenue to be paid to the Council)

6. REASONS FOR RECOMMENDATIONS

6.1 The reason for the recommendation is that the IDAQ Networks Ltd bid scored higher than any other bid when scored against the evaluation criteria described above in section 5.