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Report of: Laraine Manley, Executive Director of Place Portfolio

Report to: Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety

Date of Decision: 19th March 2020

Subject: Administration of an Internet Voucher Scheme

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety		
Which Scrutiny and Policy Development Committee does this relate to? Safer and Stronger Communities Scrutiny and Policy Development Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 678		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Purpose of Report:
To seek approval to administer the allocation of vouchers for a scheme that will provide 12 month's free internet access for the residents of up to 10% of dwellings in council housing blocks across 25 sites.

Recommendations:
To administer the allocation of vouchers for a scheme that will provide 12 month's free internet access for the residents of up to 10% of dwellings in council housing blocks across 25 sites.

Background Papers: None

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: Alison Charlesworth, Assistant Finance Manager
		Legal: Nadine Sime, Interim Manager (Commercial) and Andrea Simpson, Corporate Governance Lawyer
		Equalities: Annemarie Johnston, Business Improvement Manager
<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	EMT member who approved submission:	Laraine Manley, Executive Director of Place Portfolio
3	Cabinet Member consulted:	Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: David Oliver	Job Title: City Connectivity Strategy Lead
	Date: 17 th March 2020	

1. PROPOSAL

1.1 Background

- 1.1.1 Sheffield City Council recognises the socio-economic benefits that full fibre networks can unlock for residents and businesses. It has set a strategic objective that by 2021 Sheffield will be recognised as one of the best connected cities in the country: where coverage, choice and speed of communication stays ahead of demand; and where connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.
- 1.1.2 Sheffield's City Council is also committed to tackling inequalities by supporting those with the greatest needs and helping and enabling people to achieve their full potential. Through Sheffield's 'Tackling Poverty Strategy', we have identified that 'affordable safe access to the internet and the ability to use it can save people money and increase their ability to search for and apply for work, develop skills and access the services they need.'
- 1.1.3 In September 2019, Cabinet approved the Sheffield City Council Digital Connectivity Strategy. This included a Strategic Objective: "To provide free of charge internet access wherever we can – in our public buildings, in our open spaces and in our social housing, so that those who wish to access the internet are able to do so (we recognise, and respect, that some people choose not to be digitally connected)."
- 1.1.4 The Sheffield City Council Digital Connectivity Strategy stated that: "Sheffield City Council will attempt to find a way of providing social housing tenants with basic internet access that is free of charge to the tenant and free of charge to the Council". It also stated that "If it is not possible to find a way of providing basic internet access that is free of charge, then we will try to find a way of providing internet access at a reduced cost." This particular scheme will provide the residents of up to 540 dwellings with a free of charge 50Mbps internet connection for 12 months.

1.2 Hyperoptic Ltd

- 1.2.1 Hyperoptic Ltd is a fibre-to-the-building Internet Service Provider (ISP) offering services across the UK. It specialises in providing ultrafast and gigabit internet services in multiple dwelling units such as residential and business premises. Hyperoptic is one of the largest independent ISPs. It was founded in 2011 and now operates in 43 UK towns and cities. Hyperoptic has won many industry awards and enjoys one of the highest customer satisfaction ratings of all UK ISPs.
- 1.2.2 Hyperoptic Ltd recently approached Sheffield City Council with a request to install its telecommunications infrastructure in blocks of Council housing.

- 1.2.3 The Council has granted Hyperoptic Ltd approval to install and maintain telecommunications infrastructure to blocks across 25 sites covering up to 5,400 dwellings. The locations have been selected by Hyperoptic on the basis that they are close to its existing fibre network infrastructure.
- 1.2.4 Hyperoptic will offer residents a range of competitively priced broadband packages which at time of writing range from 50Mbps at £22/month to 1Gbps at £45/month for the first 12 months then £60/month. In addition, Hyperoptic Ltd is prepared to provide a Free Internet Access Scheme.
- 1.2.5 Hyperoptic Ltd is a telecommunications operator with statutory powers under Schedule 3A to the Communications Act 2003 conferred to it by Ofcom. These 'code rights' enable Hyperoptic to install and maintain telecommunications infrastructure on, under or over any land, secured by agreement with the landowner. The Council has entered into a wayleave with Hyperoptic which extends this permission to blocks of council flats/maisonettes (but not individual dwellings).
- 1.2.6 Hyperoptic Ltd will survey the 25 sites in January 2020, it will start to install the infrastructure from May 2020, with residents able to order services from June 2020. The full roll-out will be completed around May 2021. The Voucher Scheme will be organised around this time table.

1.3 Hyperoptic's Free Internet Access Scheme

- 1.3.1 Hyperoptic Ltd will install its telecommunications infrastructure in blocks across 25 sites covering up to 5,400 properties. The locations have been selected by Hyperoptic on the basis that they are close to its existing network infrastructure.
- 1.3.2 Hyperoptic will provide the residents of 10% of dwellings in scope of its deployment with free of charge 50Mbps internet access for 12 months. That equates to up to 540 dwellings.
- 1.3.3 The free of charge service will be provided through 'vouchers' that the Council has been asked to administer. Sheffield City Council will find a way of allocating the vouchers that: is fair and transparent; that does not create a significant administrative overhead; and, that does not create a risk of reputational damage arising from how the vouchers are allocated.

1.3.4 The approach to be used is a simple ballot, the principles are that:

- The voucher scheme will be open to all residents living in the 5,400 properties in scope of the Hyperoptic deployment - whether or not they are in receipt of benefits, whether or not they are council tenants.
- Vouchers will become available on a building by building basis – so if in phase 1 a building of 100 properties went live, then 10 vouchers would become available.
- Those residents interested in obtaining a voucher will need to register their interest. They will be given around a month to register interest.
- If there are more applicants than vouchers, then there will be a random draw from the ballot. Otherwise all applicants will receive a voucher and any spare vouchers rolled forward.
- A communications strategy and plan will be developed to ensure the scheme is publicised appropriately.

1.3.5 No resident will be obliged to use the free of charge service or a commercial service. No resident who has received the free service will be obliged to buy a paid for service at the end of the 12 month period. All residents are able to take Hyperoptic's paid for services if they wish to do so. This Scheme is a first in the UK and is unique to Sheffield.

1.3.6 Sheffield City Council will have no role or responsibility other than administering the allocation of the vouchers, The Council will not endorse Hyperoptic (or any supplier), it will not get involved in agreements/contracts with residents, it will not deal with complaints, and it will not concern itself with technical performance. Sheffield City Council will be as 'hands-off' as possible for both the paid for and free of charge services provided by Hyperoptic.

1.3.7 In addition, Hyperoptic has offered to upgrade up to 6 community halls/centres/rooms within the deployed housing estates/sites providing a 1Gbps service and indoor Wi-Fi with free deployment and free service for 5 years. This will provide a further way for residents to access the internet free of charge.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 Digital connectivity improves our quality of life. If the people of Sheffield understand the benefits of the internet for them personally and if they have the skills and the means to get online; then they will be happier, healthier and better off financially.

2.2 This initiative is consistent with the initial findings of 'The Big City Conversation', which suggests that the people of Sheffield want to engage more with online communities and want to access council services online.

2.3 The socio-economic benefits of being online include:

- The ability to access public services which are increasingly available online;
- Improved education outcomes through the use of web-based learning materials;
- Better employability through more effective job hunting and the ability to work remotely;
- Improved health and well-being through remote health monitoring, better communications and access to health services;
- Reduced isolation as access to the internet can help improve communication and social engagement;
- Access to streaming services which are increasingly replacing physical methods of distributing recreational content such as TV, movies and music;
- Access to savings and discounts offered through online shopping; and,
- More opportunities to interact with new digital services and experiences in the environment, both urban and rural.

2.4 The results of the scheme will help inform future activity in relation to digital connectivity and digital inclusion. Therefore, in accepting a voucher, the applicant will be asked to help the Council to evaluate the success of the scheme. This will include completing a questionnaire at the start and end of the 12 month period. The questionnaire responses will be evaluated to determine if the scheme has been successful, to learn lessons, and to inform future activity.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There is no duty to carry out public consultation on this proposal. The details of the ballot will be worked up in consultation with key stakeholders.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Risk Assessment

4.1 The following table describes the main risks and mitigations of the scheme.

Risk	Mitigation	Probability	Impact	Score
Damage to Council buildings	Hyperoptic will follow a 'permission to work' process that will ensure that installations do not compromise fire safety precautions or cause other damage. Hyperoptic will not be permitted to damage cladding in any way.	L	H	M
Withdrawal of the free service	Hyperoptic reserves the right to introduce activation charges and to withdraw the voucher offer completely. However, the scheme has the backing of the Hyperoptic CEO and its withdrawal will cause reputational damage to a company that values its brand image very highly.	L	H	M
Ill feeling from blocks/estates not included in the scheme	The scheme represents the start of a strategic programme aimed at improving Housing and Neighbourhood Service's on line digital offer and providing free or low cost internet access for all residents.	M	M	H
Ill feeling from residents that apply for but are not allocated a voucher for the free service	An open and transparent ballot process will be implemented. The scheme represents the start of a strategic programme aimed at improving Housing and Neighbourhood Service's on line digital offer and providing free or low cost internet access for all residents.	M	M	H
Residents believe the ballot process is unfair	An open and transparent ballot process will be implemented.	M	M	H
Residents buy services they cannot afford	Hyperoptic will follow an ethical approach to sales and marketing and will not attempt to take advantage or exploit vulnerable residents.	L	H	M
Low take up of the free service	SCC will need to help Hyperoptic make residents aware of the availability of its services, by for example allowing it to pin up notices in communal areas, but it will not need to endorse Hyperoptic services and will remain vendor neutral.	L	M	L
Interference with the Council's programme of works	Hyperoptic will provide a Programme Plan covering site surveys and deployments. This will be provided at least 28 days in advance and will take into consideration factors such as the Council's programme of works.	L	H	M
Cost of repairing damage caused	Hyperoptic will be liable for making good any damage caused to buildings. Approval to deploy further could be withheld if installations are of a poor quality.	L	L	L
Residents cannot afford continued internet access after 12 months	Residents could realise financial benefits of being online (such as getting a job, making savings through online shopping, or applying for all of the benefits that they are entitled to) and use some of their additional income to remain online. Free of charge internet access will continue to be provided in the outdoor spaces and public buildings of Sheffield City Centre. Libraries also provide free internet access.	M	M	M

4.2 Equality of Opportunity Implications

4.2.1 An Equalities Impact Assessment has been completed for this project. This describes the positive impact that the provision of free of charge internet access will have on Health, Age, Disability, Poverty and Financial Inclusion. These consist of:

- Improved health and well-being through remote health monitoring, better communications and access to health services;
- Reduced isolation as access to the Internet can help improve communication and social engagement;
- Improved education outcomes through the use of web-based learning materials;
- Better employability through more effective job hunting and the ability to work remotely;
- The ability to access public services which are increasingly available online (such as applying for Universal Credit);
- Access to savings and discounts offered through online shopping (estimated at over £500 per year).

4.3 Financial and Commercial Implications

4.3.1 In order to ensure that the installation of new fixed line broadband infrastructure does not compromise fire safety precautions on the council housing owned stock, a permit to work process will be followed. The Housing and Neighbourhood Service will need to appoint a clerk of works to manage that permit to work process. The estimated cost of this is £22.5k and this would need to be funded by the HRA.

4.3.2 There are no additional costs arising as a direct consequence of this report. All other tasks including providing a ballot 'system' will be implemented using existing Council resources and commitments.

4.4 Legal Implications

4.4.1 The rights of Hyperoptic under Schedule 3A to the Communications Act 2003 and the duty of the Council to enter into an agreement to enable those rights to be exercised are set out in paragraph 1.2.5 of this report.

4.4.2 The Council does not have specific powers or duties concerning digital Connectivity in general or administration of the voucher allocation in connection with the proposal in this report in particular. However, it does have the general power of competence within the Localism Act that permits the Council to do anything that an individual may do, subject to certain limitations such as specific restrictions on its powers in other legislation. There are no such restrictions affecting this proposal.

4.5 Property Implications

- 4.5.1 Sheffield City Council has entered into a wayleave agreement with Hyperoptic Ltd for the installation of telecommunications infrastructure to council housing blocks across 25 sites. The wayleave enables Hyperoptic Ltd to provide broadband services to the residents of those blocks, covering up to 5,400 properties. The locations have been selected by Hyperoptic on the basis that they are close to its existing fibre network infrastructure.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Option 1: Hyperoptic Ltd provides a basic free of charge internet service to any resident that requests one. Hyperoptic declined to provide this service because it believed that a basic 2Mbps would not be fit for purpose, providing a poor quality service that would lead to negative feedback from residents and reputational damage to its brand.
- 5.2 Option 2: Hyperoptic Ltd provides a lower cost, rather than free of charge, higher quality free of charge service to any resident that requested one. Hyperoptic declined to provide this service because in August 2019 it took a strategic decision to cease promotion of its 'Fibre Lite Service'. This service costs £9/month and provides a 5Mbps download speed. Hyperoptic believes that basic levels of service such as this are no longer fit for purpose, providing a poor quality service that would lead to negative feedback from residents and reputational damage to its brand.
- 5.3 Option 3: Hyperoptic Ltd provide only paid for services. Hyperoptic Ltd is under no obligation to provide a free of charge internet access scheme in Sheffield. The Council could choose to decline the scheme proposed. However, this option was rejected as it would deny up to 540 families the chance to have high quality, free of charge internet access for 12 months, valued at almost £300 per voucher.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 It is recommended that Sheffield City Council administers the allocation of vouchers for a scheme to be operated by a fibre-to-the-building Internet Service Provider (ISP) that will provide 12 month's free internet access for the residents of up to 10% of dwellings in council housing blocks across 25 sites.
- 6.2 The value of the free service is almost £300. The scheme could enable up to 540 households to improve the quality of their lives and to take advantage of the socio-economic benefits of being online.

Annex A: Blocks/Estates In Scope

Site Name	Street(s)	Post Code(s)	Overall Site Size	Max No Of Vouchers
Washington Road	Washington Road	S11 8DS, S11 8DR, S11 8DP, S11 8DQ	266	27
Mount Street	Mount Street	S11 8DH, S11 8DJ, S11 8DF	128	13
Exeter Drive	Exeter Drive	S3 7TX, S3 7TW, S3 7TU, S3 7UB, S3 7UD, S3 7UE, S3 7TY, S3 7TT	493	49
	Exeter Way	S3 7TQ		
	Exeter Place	S3 7TR, S3 7TS		
Leverton Gardens	Leverton Gardens	S11 8FB, S11 8FD	180	18
	Leverton Drive	S11 8FE		
Martin Street	Martin Street	S6 3DP, S6 3DQ, S6 3DR, S6 3DS, S6 3DT, S6 3DU, S6 3DW	300	30
Callow Road	Callow Mount	S14 1PG, S14 1PH, S14 1PJ	294	29
	Callow Place	S14 1PL		
	Callow Drive	S14 1PN, S14 1PP		
Deer Park Road	Deer Park Close	S6 5NA, S6 5NB	261	26
	Deer Park Road	S6 5NE, S6 5NF		
	Deer Park View	S6 5NL, S6 5NN		
Batemoor Road	Batemoor Road	S8 8FG, S8 8FL, S8 8FN, S8 8FX	201	20
Blackstock Road	Blackstock Road	S14 1FW, S14 1FX, S14 1FZ, S14 1GA, S14 1LA	118	12
Errington Avenue	Errington Avenue	S2 2EA, S2 2EB	81	8
Greenland Court	Greenland Court	S9 5GD	288	29
	Greenland Close	S9 5GB		
	Greenland Drive	S9 5GE, S9 5GJ		
	Greenland View	S9 5GF		
	Greenland Way	S9 5GG, S9 5GH		
Hall Park Hill	Hall Park Hill	S6 5QU, S6 5RA	115	12
	Hall Park Mount	S6 5QR		
Hazelbarrow Crescent	Hazlebarrow Crescent	S8 8AN, S8 8AP, S8 8AQ, S8 8AR	170	17
	Hazlebarrow Grove	S8 8AT		
	Hazlebarrow Road	S8 8AU		
Ironside Road	Ironside Road	S14 1FF, S14 1FJ, S14 1FN, S14 1FP, S14 1FQ	182	18
	Ironside Close	S14 1FB		
	Ironside Walk	S14 1FA		
Jaunty Lane	Jaunty Lane	S12 3DL, S12 3DN	142	14
	Jaunty Crescent	S12 3DG		
	Jaunty Way	S12 3DZ		
	Jaunty Avenue	S12 3DB		
Leighton Road	Leighton Road	S14 1SP, S14 1SS	106	10
	Leighton Drive	S14 1SU, S14 1SW		
Lingfoot Avenue	Lingfoot Avenue	S8 8DE	171	17
	Lingfoot Crescent	S8 8DB		
	Lingfoot Place	S8 8DG		

	Lingfoot Walk	S8 8DH		
Little Norton Avenue	Little Norton Avenue	S8 8HG	143	14
	Little Norton Drive	S8 8HH		
	Little Norton Way	S8 8HJ		
Longley Hall Road	Longley Hall Road	S5 7EA, S5 7EB, S5 7ED, S5 7EE, S5 7EF, S5 7EG, S5 7EH	542	54
	Longley Hall Rise	S5 7EP, S5 7EQ		
	Longley Hall Way	S5 7EL, S5 7EN		
Margate Drive	Margate Drive	S4 8FG, S4 8FH, S4 8FQ	154	15
Oxford Street	Oxford Street	S6 3FA, S6 3GA, S6 3GB, S6 3FE	106	11
Skelton Lane	Skelton Lane	S13 7JT, S13 7JY	381	38
	Skelton Walk	S13 7QT		
	Skelton Way	S13 7QW		
	Skelton Grove	S13 7QU		
	Skelton Drive	S13 7QS		
	Skelton Close	S13 7QR		
Spa Lane	Spa Lane	S13 7PG, S13 7PH, S13 7QD	165	17
	Spa Lane Croft	S13 7QQ		
Westminster Crescent	Westminster Crescent	S10 4EU, S10 4EW, S10 4EX, S10 4EY, S10 4EZ	292	29
	Westminster Avenue	S10 4ER, S10 4ES		

All sites are subject to survey and may change as a result.