

Agenda Item 9



Lead Officer: Edward Highfield, Director of Creative Sheffield
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Report of: *Simon Green, Executive Director of Place*

Report to: Cabinet

Date of Decision: *Wednesday 18th January 2017*

Subject: *Sheffield City Centre Wi-Fi*

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? 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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given?	EIA1017	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Purpose of Report:

The purpose of this report is to seek approval to undertake a competitive procurement for a concession contract, for up to 10 years, for the provision of a Sheffield city centre public access Wi-Fi service and to enter into contract with the bidder that provides the most economically advantageous tender.

Recommendations:

It is recommended to delegate authority 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, and,
- 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 this report.

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: Marianne Betts, Director of Finance & Commercial Services
	Legal: Janusz Siodmiak / Deepak Parmar
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	EMT member who approved submission: <i>Simon Green, Executive Director of Place</i>
3	Cabinet Member consulted: Leigh Bramall, Cabinet Member for Business and Economy
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: <i>Edward Highfield</i>
	Job Title: <i>Director of Creative Sheffield</i>
Date: 09 December2016	

1. PROPOSAL

1.1 Background

1.1.1 The aim to provide a public access Wi-Fi service is being facilitated by Sheffield City Council (the Council) on behalf of wider City partners such as the Sheffield Business Improvement District (BID) because the BID believes that this will help make Sheffield City Centre a more vibrant and attractive place for citizens, visitors, businesses and shoppers; and that it will increase footfall and help local businesses thrive and grow.

1.1.2 SCC is in a unique position to support in this way through exploiting City wide street assets. This provides a platform for others to exploit. For example, a public access Wi-Fi service could enable citizens, visitors and shoppers to access information, services and products provided by a wide range of potential providers.

1.1.3 If successful, the public access Wi-Fi service will be procured using a concession contract. This requires bidders to provide a Wi-Fi service and to pay the Council a rental fee for the use of its street assets, in exchange for exclusive use of those street assets for providing wireless communication services.

1.1.4 If successful, the intention is for the Wi-Fi service to be completely free of charge for the user. Therefore, bids not offering a 100% free of charge service to the user will be rejected.

1.1.5 It is intended that there will be no upfront or ongoing investment made by the Council for the provision of the public access Wi-Fi service. Therefore, there is a risk that the market is not interested in bidding for the concession contract because without such funding, it cannot identify a way of recouping its own investment and making sufficient profit. There is also a risk that bids are received, but that they do not meet requirements. In these situations, it will not be possible to proceed to full implementation.

1.2 The Fundamental Principles that bids must comply with are:

- There should be no net cost to Sheffield City Council in deployment, operation or exit;
- There should be no or minimal legal, financial or reputational risk to the Council throughout the contract life;
- The bid should contribute a revenue stream to the Council; and,
- The bid should 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.

1.3 The Outcomes Sought from the Wi-Fi service are:

- Free of charge to the user;
- 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 that keeps pace with technology; and,
- A reliable communications platform that can be used by the Sheffield Business Improvement District (BID) and others to increase footfall and to help local business thrive and grow.

1.4 Current Position

1.4.1 Currently there is no ubiquitous free of charge public access Wi-Fi service across Sheffield City Centre. However, there is some provision:

- Free of charge public access Wi-Fi is available in many shops, bars and restaurants in Sheffield City Centre, provided by either a national telecommunications company such as O2 in McDonalds or Costa Coffee or independently by the individual shop, bar or restaurant.
- Stage Coach provide free of charge public access Wi-Fi on some of their bus fleet.
- Free of charge public access Wi-Fi is available in some public buildings including the Sheffield Central Library. This was funded by the Arts Council for England and the service provider is O2.
- Free of charge Wi-Fi is available for the University of Sheffield, Sheffield Hallam University and the Sheffield College students, staff and visitors at these institutions.
- Sky provides Wi-Fi hotspots which are for use by their broadband or mobile customers. In most cases their The Cloud Wi-Fi hotspots also provide free of charge access for the public.
- BT provides Wi-Fi hotspots which are for use by their broadband or mobile customers via BT FON and BT WiFi.
- Free of charge public access Wi-Fi is being provided in NHS locations.
- The European Commission has recently proposed funding community Wi-Fi schemes, which if approved by the EU Parliament, would enable the Council to apply for funding of up to 20,000 Euros in Spring/Summer 2017. Officers have evaluated this proposed scheme and have identified that this will not meet the Fundamental Principles for Sheffield City Centre Wi-Fi and that

it is highly unlikely to meet the Outcomes Sought for Sheffield City Centre Wi-Fi.

1.5 The Need For Change

1.5.1 The reason for the project is:

- To provide a public access Wi-Fi service in public spaces and public buildings within the Sheffield BID area. The Sheffield 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. Many UK cities have public access Wi-Fi services including Leeds, Manchester and York.

1.5.2 There are many other potential applications for a city centre Wi-Fi service and Officers recognise these and the benefits that they would bring.

1.5.3 Therefore, proposals will be evaluated based on their ability to meet the Fundamental Principles and Outcomes Sought which are described above, and also a range of additional desirable requirements identified through consultations with stakeholders.

1.5.4 For the purpose of clarity, this project is something that the Council is choosing to do in order to support the Sheffield BID and the City Centre in general. The Council is in a unique position to help in that it owns thousands of street assets that could be used to provide public access Wi-Fi through a concession contract, in exchange for providing the bidder with exclusive use of those streets assets for wireless communications.

1.5.5 This project is not something that the Council is legally obliged to do. The Council could decide not to progress this project and may do so if the bids received do not meet the requirements described in this report.

2. HOW THIS DECISION CONTRIBUTES

2.1 Economic Benefits

2.1.1 The primary purpose of this project is to provide free of charge public access Wi-Fi connectivity to the Internet in the outdoor area covered by the Sheffield BID, and where possible in public buildings such as the Winter Gardens, in order to provide economic benefit to the businesses located in Sheffield City Centre.

2.1.2 In so doing, this project will support the Sheffield BID and others who believe that this 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.

2.2 Social Benefits

2.2.1 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.

2.2.2 It is generally accepted that access to the internet provides the following benefits, though some of these will be limited by the nature of an outdoor Wi-Fi service.

- Improved access to public services which are increasingly available online;
- Improved contact between public services and the homeless;
- Improved education outcomes through the use of web-based learning materials;
- Better employability through more effective job-hunting;
- 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;
- Reduced isolation as access to the Internet can help improve communication and social engagement; and,
- Access to savings and discounts offered through on-line shopping.

2.3 Corporate Plan

2.3.1 This project complements the Council's broader ambition to become 'a superfast, digitally connected city' by being 'amongst the most connected cities in the UK where businesses can access the technology to grow, making the City region an attractive location to run a business and work in.' ('Sheffield City Council Corporate Plan 2015-18').

2.3.2 The Corporate Plan recognises that 'improved connectivity provides a platform for the City to run better, enabling business, and individuals to create and co-create high quality, targeted, real time products' and that 'making the most of technology means having digitally literate local people; people with the ability and confidence to teach themselves and adapt to continually changing digital tools and services' in order to:

- Support existing businesses looking to adopt technology, enabling them to grow;
- Increase the attractiveness of the City to businesses looking to start-up;
- Enable local people to secure employment within new or growing businesses who will increasingly use this technology;
- Raise aspirations of young people as they prepare for education, training and work; and,

- Ensure people and businesses can access and use a range of services and resources that are increasingly digitally enabled, in their everyday lives.

3. CONSULTATIONS

3.1 Officers have consulted widely in the production of this report. In addition, officers have consulted with a number of national, regional and local telecommunications companies to determine if there is interest from the market.

3.2 There is no requirement for the Council to consult the public regarding this project.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Key Risks

Risk	Description	Mitigation	Impact	Probability
No bids are received	There is a risk that the market is not interested in bidding for the concession contract because for example the market cannot identify a way of recouping its investment and making sufficient profit.	Soft market testing has identified that there is interest and that the Council can expect to receive bids.	High	Low
Bids do not meet expectations or requirements	There is no upfront or ongoing investment being made by SCC in this project. Therefore, there is no guarantee that the bids received will meet requirements. There is a risk that expectations exceed what the market is prepared to offer in exchange for the concession.	Expectations of stakeholders will need to be managed. SCC will share with the market what it's essential and desirable requirements are. SCC will evaluate bids against these criteria. Soft market testing has indicated that SCC can expect to receive bids that meet the essential criteria.	High	Medium
Risk of incurring financial cost	Concession contracts do not require the Council to make an up-front or ongoing investment. However, there will be an ongoing cost to SCC for liaison with the supplier and others regarding technical, contractual and practical matters.	The rental income received by SCC for the use of its street assets will be used to offset internal administrative costs for managing the contract.	Medium	Low
Reputational risk from under performance of the supplier for example a poor quality service	Examples of poor quality service include: a poor quality customer experience for access, registration and use; inadequate content	A service specification and set of terms and conditions have been developed and will be shared with suppliers during the procurement	High	Low

	filtering; poor coverage; poor upload and download speeds; periods of unavailability, providing exclusivity terms that limit the Council from being able to implement wireless communications services for its own administrative or service delivery purposes. There is also a risk that SCC could become liable for legislative obligations under DPA and RIPA.	process.		
Risk that the concession contract stops the city from benefitting from future wireless communications initiatives and services	Bidders are expected to require exclusive use of SCC street assets for providing wireless telecommunication services. If exclusivity is given without condition, it could limit the Councils ability to implement wireless communications services for its own administrative or service delivery purposes or future city centre vibrancy initiatives. It could also limit the provision of future wireless communications technologies or services.	A service specification and set of terms and conditions have been developed and will be shared with suppliers during the procurement process. The terms will ensure that 'exclusivity' does prevent the City from benefitting from future wireless communications initiatives and services. SCC will not accept bids that seek unreasonable terms of exclusivity.	High	Low

4.2 Equality of Opportunity Implications

- 4.2.1 An Equalities Impact Assessment has been completed for this project, Reference: EIA1017 (Sheffield City Centre Wi-Fi).
- 4.2.2 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.

4.3 Financial and Commercial Implications

4.3.1 Concession Contract

Officers have identified that a competitive procurement for a concession contract is the most appropriate method of procuring a public access Wi-Fi service for Sheffield City Centre. The concession contract will enable the preferred bidder to install its wireless communications equipment on Council owned street light columns, city centre CCTV columns, and

potentially on 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 and a rental payment for the use of the assets. The concession contract does not require the Council to make an up-front or ongoing investment. However, this approach means that there is no guarantee that the market to respond with a proposal that meets all of its requirements.

4.3.2 Commercial Arrangement

The project will require the Council to enter into a contractual arrangement with the preferred bidder for up to 10 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. These terms will be issued as part of the procurement process and will form part of the SCC evaluation process.

4.3.3 Procurement Costs

Internal costs will be covered by project budgets.

4.3.4 Running Costs

There will be no cost to the Council for the deployment, operation or exit of the city centre Wi-Fi service. However, there will be a requirement for SCC to manage the contract. The revenue income received from the concessionaire will be used to cover the internal administration of the contract including for example liaison/communications with the concessionaire and other stakeholders.

4.3.5 Revenue

SCC will receive a revenue stream from the rental income paid by the concessionaire for exclusive use of the Council's assets. It may also be possible to negotiate a gain share of profits generated by the concessionaire after the concessionaire has covered its costs. However, soft market testing has indicated that this is far from certain and cannot be assumed.

4.3.6 Exclusivity

Bidders will require exclusive use of SCC assets for the provision of wireless communications services which could potentially include: public access Wi-Fi, small cell technology for 4G backhaul, and/or commercial wireless broadband services. Officers will ensure that the exclusivity terms do not 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.

4.3.7 Indicative Time Table

An indicative timetable of events is provided below. Please note that this is subject to change.

Stage	Date
Issue of Invitation To Tender to Long List	Jan 2017
Submission of Pre-Qualification Questionnaire and Stage One Tenders	Feb 2017
Evaluation of Pre-Qualification Questionnaire and Stage One Tenders	Mar 2017
Consultation with Cabinet Member for Business & Economy, the Executive Management Team, the Director of Finance and Commercial Services and the Director of Legal and Governance	Mar 2017
Notification of Results of Evaluation	Mar 2017
Dialogue Sessions between SCC and the Short Listed Bidders	Apr 2017
Submission of Best And Final Offer (BAFO)	May 2017
Evaluation of BAFO	May 2017
Notification of Award	May 2017
Standstill Period	Jun 2017
Contract Award	Jun 2017
Wi-Fi Service Go Live	Dec 2017

4.4 Legal Implications

4.4.1 Applicable Legislative

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; and, the Digital Economy Act 2010 (if applicable) and other relevant legislation that may be implemented during the life of the contract. The successful bidder will be responsible for legislative compliance.

4.4.2 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.

4.4.3 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.

4.5 Property, Planning and Development Implications

4.5.1 The concession contract will enable the successful bidder to install wireless telecommunications equipment on Council owned property and street assets such as street light columns and CCTV columns.

4.5.2 The concessionaire will be required to follow all appropriate SCC policies and procedures including those relating to Health and Safety, Planning and Development.

4.5.3 The concessionaire will undertake a network design and survey work and will ensure that the building facades, rooftops, street light columns

and CCTV columns to be used are in a good state of repair and that installation will not cause damage.

- 4.5.4 The concessionaire will be responsible for obtaining and maintaining all necessary planning permissions, third party permissions and/or rights to provide services. SCC will assist the concessionaire to obtain these efficiently and effectively. However, the concessionaire must satisfy the requirements of the various planning and development processes in the same way as any other developer.
- 4.5.5 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.
- 4.5.6 All works will be undertaken or supervised by a SCC approved and appropriately qualified and experienced third party. This is expected to be Amey for the Street Light Columns.
- 4.5.7 The wireless telecommunications equipment and its mounting brackets will be fit for purpose, robust and designed for outdoor deployment.
- 4.5.8 The wireless telecommunications equipment will be regularly maintained.

4.6 Public Health Implications

- 4.6.1 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.
- 4.6.2 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 A Sheffield BID and/or SCC funded public access Wi-Fi service has been considered as an option. However, the opportunity to provide a Wi-Fi service through a concession contract which requires no investment from SCC is preferable to a model requiring investment. This approach enables Sheffield BID and SCC to provide a public access Wi-Fi service and to use their limited budgets elsewhere.
- 5.2 An externally funded public access Wi-Fi service has been considered

as an option. However, the funding source used to provide such services in Leeds, York and Edinburgh (the BDUK Super Connected Cities Scheme) is no longer available.

- 5.3 The European Commission has recently proposed funding community Wi-Fi schemes, which if approved by the EU Parliament, would enable the Council to apply for funding of up to 20,000 Euros in Spring/Summer 2017. Officers have evaluated this proposed scheme and have identified that this will not meet the Fundamental Principles for Sheffield City Centre Wi-Fi and that it is highly unlikely to meet the Outcomes Sought for Sheffield City Centre Wi-Fi.

6. REASONS FOR RECOMMENDATIONS

- 6.1 It is recommended that SCC undertakes a competitive procurement for a concession contract for the provision of a city centre Wi-Fi service and, subject to the required objectives described in this report being met to the satisfaction of the Director of Legal & Governance and Monitoring Officer and the Director of Finance & Commercial Services, to enter into a concession contract for the provision of those services.

- 6.2 This is the preferred option because it enables the Sheffield BID and SCC to achieve its fundamental principles and outcomes sought without having to make a significant investment.

- 6.3 The Fundamental Principles that bids must comply with are:

- There should be no net cost to the Council, in deployment, operation or exit;
- There should be no or minimal legal, financial or reputational risk to the Council throughout the contract life;
- The bid should contribute a revenue stream to the Council; and,
- The bid should 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.

- 6.4 The Outcomes Sought from the Wi-Fi service are:

- Free of charge to the user;
- 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 that keeps pace with technology; and,
- A reliable communications platform that can be used by the BID and others to increase footfall and to help local business thrive and grow.

Report Ends

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